



Centralized National Risk Assessment for Papua New Guinea

FSC-CNRA-PG V1-0 EN

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Risk assessments that have been finalized for Papua New Guinea

Controlled Wood categories		Risk assessment completed?
1	Illegally harvested wood	YES
2	Wood harvested in violation of traditional and human rights	YES
3	Wood from forests where high conservation values are threatened by management activities	NO
4	Wood from forests being converted to plantations or non-forest use	YES
5	Wood from forests in which genetically modified trees are planted	YES

Risk designations in finalized risk assessments for Papua New Guinea

Indicator	Risk designation (including functional scale when relevant)
Controlled wood category 1: Illegally harvested wood	
1.1	Specified risk
1.2	Specified risk
1.3	Specified risk for Timber Permits issued under Forest Management Agreements (or the now superseded TRPs or LFAs). Not applicable for all other source types
1.4	Specified risk
1.5	Specified risk
1.6	Specified risk
1.7	Specified risk for natural forests and privately-owned plantations. Low risk for State owned plantation forests.
1.8	Specified risk
1.9	Specified risk
1.10	Specified risk
1.11	Specified risk
1.12	Specified risk
1.13	Specified risk
1.14	Specified risk
1.15	Specified risk
1.16	Specified risk
1.17	N/A
1.18	Specified risk
1.19	Specified risk
1.20	Specified risk
1.21	N/A
Controlled wood category 2: Wood harvested in violation of traditional and human rights	
2.1	Low risk
2.2	Specified risk
2.3	Specified risk
Controlled wood category 3: Wood from forests where high conservation values are threatened by management activities	
3.0	Specified risk
3.1	Specified risk
3.2	Specified risk
3.3	Specified risk
3.4	Specified risk
3.5	Specified risk
3.6	Specified risk
Controlled wood category 4: Wood from forests being converted to plantations or non-forest use	

4.1	Specified risk
Controlled wood category 5: Wood from forests in which genetically modified trees are planted	
5.1	Low risk

Risk assessments

Controlled wood category 1: Illegally harvested wood

Overview

Papua New Guinea's (PNG) total land area is 46.284 million hectares. Approximately 72 per cent (33.5 million ha) of the total land mass is forest. The remaining land is made up of approx. 4 million ha of other wooded land, 8.6 million ha of other land and 0.57 million ha of inland water bodies (FAO 2015).¹ In 2010, the plantation forests area was approximately 63 000 ha (FAO 2015). According to the most recent FAO Forest Resource Assessment (2015), PNG has a growing stock volume of 5.1 billion m³ all of which is broadleaved species. Approximately 50 per cent of this is designated for wood production and other commercial use (PNGFA 2009).

The recent report PNG National Forest Monitoring system (Hitofumi Abe, 2016) includes the following classifications of PNGs forests:

- 2% mangrove, 0.589 million ha,
- 10% swamp forest 2.944 million ha,
- 2% monsoon or dry evergreen forest 0.589 million ha,
- 57% lowland rainforest 16.779 million ha,
- 27% lower to mid montane forest 7.948 million ha,
- 2% upper-montane & sub-Alpine forest 0.589 million ha.

Approximately 8.7 million ha has been classified as production forest. Production forests are defined as “areas that have legally been acquired by the State for timber production. Includes all the Timber Rights Purchase (TRP), Local Forest Areas (LFA) and Forest Management Agreement (FMA) areas (FAO 2015, p 33). The FAO report states that this area is increasing as more areas being brought into production through the allocation of new timber permits (FAO 2016, p 22). In 2012, approximately 38 million cubic meters was removed from production forests (FAO 2015, p 40).

¹ FAO defines *forest* as “Forest Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or urban land use. *Other wooded land* is “Land not classified as “Forest” spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of 5-10 percent or trees able to reach these thresholds; or with a combined cover of shrubs bushes and trees above 10 percent. It does not include land that is predominantly under agricultural or urban land use.” *Other land* “All land that is not classified as “Forest” or “Other wooded land”.” And *Inland water bodies* as “inland water bodies generally include major rivers, lakes and water reservoirs”.

Papua New Guinea's forest industry is focused on the harvesting of natural forest areas for round log exports. Most of the timber extracted from PNG comes from natural forests, however, there is a small, conventional plantation sector in PNG. In 2010, the PNG Forest Authority currently manages around 35,000 hectares (ha) of plantation forest and there are three commercial plantations covering around 33,000 ha in total (ACAIR 2011). Gaining access to customary-owned land is a major constraint on the expansion of the plantation forestry industry (ACAIR 2011).

In 2009, FAO reported that PNG has been a net exporter of wood products for many years while its domestic consumption is low. Round wood log exports have been the main export commodity, with about 90 percent of its harvested timber volume exported as logs. In terms of exports, round logs account for 92 per cent of the volume exported, and 80 per cent of the value. The remaining 7.6 per cent of the volume is made up of sawn timber, veneer, plywood and balsa wood. Sawn timber accounts for approximately 8.3 per cent of the export value and veneer 7.9 per cent. These figures are from 2004, but are the most up to date available at the time of writing (FAO and PNGFA 2009).

Chatham House, reported that illegal practices are widespread in PNG, and the weight of available information (including independent reviews commissioned by the government, and the views of private sector experts surveyed by Chatham House) suggests that "the majority of timber production in PNG is illegal in some way" (Chatham House 2014). That report states:

Evidence from wood balance analysis suggests that (at least until 2009) industrial logging in PNG does not exceed officially recorded harvests, that completely unlicensed logging represents only around a 10th of production, and that this illegal wood is mostly consumed domestically. Trade data discrepancy analysis suggests that there is also little or no smuggling of wood abroad. However, logging in excess of licensed volumes or without a logging licence and smuggling of timber are only two forms of illegal logging.

The independent reviews of industrial logging in PNG carried out a decade ago, which examined logging practices in far more detail than is possible for this study, found that the vast majority of logging, while nominally licensed, was occurring in breach of regulations. More recently, serious doubts have been raised regarding the legality of production from forest clearance for large-scale agro-projects, which by 2012 represented almost a third of licensed harvesting in the country.

Chatham House's expert perceptions survey supports the contention that illegal logging remains more prevalent than the wood balance analysis suggests. If all the production from SABLs is assumed to be illegal (because of breaches of laws regarding issuance of permits) and a further 10% of production is illegal small-scale harvesting that supplies the domestic market, then just these factors, when combined, would suggest that 40% of harvesting in 2012 was illegal. Of the remaining 60% of harvesting (from licensed selective logging concessions), around half was sourced from concessions found to be breaching numerous regulations in 2004 and that have not obtained independent legality verification since. Adding this to the total results in an overall figure of 70% (pp 25-26).

In 2015, PNG was ranked 158 out of 185 countries in UNDP's Human Development Index (a drop of 10 places in three years) (UNHDR 2015). Poverty is widespread, with 40% of the population living on less than \$1 a day (UNDP 2012). There is a general risk of corruption in Papua New Guinea. The 2016 Transparency International's Corruption Perceptions Index ranked Papua New Guinea 138th out of 180 countries assessed and scored it 28 out of 100, meaning

it has a high perception of corruption (Transparency International 2018). The 2015 World Bank Worldwide Governance Indicators (WGI) gave Papua New Guinea the following scores out of 100: Voice and Accountability: 49.26; Political Stability and Absence of Violence: 24.29; Government Effectiveness: 29.81; Regulatory Quality: 31.25; Rule of Law: 18.75 and Control of Corruption: 14.42 (World Bank 2015).

A 2015 report prepared by Transparency International PNG found five key areas with high corruption risk in the forestry sector (Transparency International 2015):

- Regulatory chain: Passing or amending of forestry legislation
- Licensing chain: Incorporation of Land Groups
- Timber supply chain: Awarding timber permits and authority
- Timber supply chain: Monitoring logging operations and the environment
- Timber supply/ Revenue chain: Sale and export of logs

According to the Forest Legality Alliance (2013), “there is general agreement that the forestry legislation in PNG consists of policies, laws, regulations and guidelines that are sufficient to ensure sustainable forest management. However, there are serious implementation and enforcement issues, which allow illegal and unsustainable logging to go unchecked.”

1. Key Legislation and regulatory instruments

The key national laws and policies relevant to forestry in PNG are as follows:

- *The Constitution of the Independent State of Papua New Guinea* (1975) requires Papua New Guinea's “natural resources and environment to be conserved and used for the collective benefit of us all, and be replenished for the benefit of future generations.”
- *The National Forest Policy* (1991) covers forest management, the forest industry, forest research, forest training and education, and forest organization and administration.
- *The Forestry Act* 1991 (gazetted in June 1992 and amended in 1993, 1996, 2000 and 2005) provides for the establishment of the Forest Authority as an autonomous body to replace the former Department of Forests.
- *The Forestry Regulation* 1998 (Consolidated to No 1 of 2001) provides details and procedures that give effect to provisions of the Forestry Act.
- *The National Forest Plan (NFP)* (1996) provides a detailed statement of how the national and provincial governments intend to manage and utilize the country's forest resources. According to section 47 of the National Forest Law, the NFP must consist of:
 - *National Forest Development Guidelines* provide an implementation guide for aspects covered in the Forestry Act, especially in terms of sustainable production, domestic processing, forest revenue, training and localization, review of existing projects, forest resource acquisition and allocation and

sustainable development. They are prepared by the Minister in consultation with the Board and endorsed by the National Executive Council as provided for in section 47 (2,5) of the National Forest Act 1991.

- *National Forest Development Programme.*
- A statement prepared annually by the Board of annual cut volumes, being the amount of allowable cut for each province for the next succeeding year which will ensure that the areas of forest resource set out in the Provincial Forest Plan, for present or future production, are harvested on a sustainable yield basis.
- *Provincial Forest Plans.*
- *The Logging Code of Practice* was prepared in 1996 and came into force in July, 1997. It is given legal effect through the Forestry Act 1991 and the Forestry Regulation 1998 (Reg. 95(1), Reg. 241 and Schedule 2). There is a revision of the CoP in draft form. Compliance with the code became mandatory in 1997.
- *Environment Act 2000* provides a requirement for developers to obtain permits for the extraction of natural resources, including forests, to ensure the sustainable development of the environment and the prevention of environmental harm.
- *PNG Vision 2050.*
- *Small to Medium Enterprise (SME) Policy.*

2. Forest Governance

The Papua New Guinea Forestry Authority (PNGFA) is a statutory body responsible for the administration of the Forestry Act. The PNGFA comprises the:

- National Forest Board (NFB),
- National Forest Service (NFS); and
- Provincial Forest Management Committees.

The Conservation and Environment Protection Authority (CEPA), formerly known as the Department of Environment and Conservation (DEC), is responsible for the administration of the Environment Act 2000. CEPA is required to approve all major development projects, including forestry projects (see indicator 1.10). The approval is granted by way of an environment permit issued by the Director of CEPA upon his/her acceptance of an environmental impact assessment (Part 5 of the Environment Act). The former Environmental Planning Act 1978 required applicants for timber permits to have an approved environmental plan. These plans are still in force for any timber permits issued prior to the new Environment Act coming into force in 2000.

The forestry sector in PNG has been the subject of ongoing allegations of malpractice, corruption, political interference, inadequate monitoring and poor enforcement (Greenpeace 2002; Laurence et al. 2011, Hoare 2013, Ken 2015, Oxfam 2014, Chatham House 2014, Oakland Institute 2017, Greenpeace 2010). The Barnett Forest Industry Inquiry (1987) was initiated by government following strong representations from the Papua New Guinea Forest Industries

Association (PNGFIA), which was concerned about the chronic maladministration of the forestry sector (R. Tate, PNGFIA, pers. comm. in Wilkinson 2013 p17). The Inquiry's report provided compelling evidence of illegal and corrupt activities that led to the reforms under the Forestry Act 1991. Subsequent reviews have continued to express concern in relation to corruption and disregard for legal process (ODI 2007c; Transparency International 2011 in Wilkinson 2013 p17) although many strongly contest the claims (e.g. Asumadu 2010; PNGFIA 2013 in Wilkinson 2013 p17).

3. Ownership and use of the forest resources

The Constitution of PNG recognizes customary land owners as having rights that are acquired by custom and “not necessarily reflected in laws, including rights to all natural resources with exception of minerals, petroleum, water and genetic resources” (Birds et al, 2007a, p.1). The customary institutions, through this recognition, own 97% of the total land area and 99% of forest land. The 2009 Forest land in PNG can fall under the following forms of ownership (FAO 2015):

- Public ownership (state owned plantations): Accounts for 2.9 per cent of forest ownership²
- Private ownership
 - Owned by local, tribal and indigenous communities, known as customary ownership: Accounts for 96.8 per cent of forest ownership
 - Owned by private business entities and institutions: Accounts for 0.10 per cent of forest ownership

The vast majority of the timber exploited in PNG comes from customary land. The right to exploit this timber which is held by the customary owners by virtue of their ownership may be given to private companies through a government administered system known as the *alienation of timber rights* under the Forest Policy.

Theoretically, customary owners could themselves exploit the timber resources, but the Forest Act does not provide any rights for commercial utilization of the forests by customary land owners: to do so, they must become registered Forest Industry Participants (FIPs) and develop a project under one of the commercial harvest mechanisms described in the section 4 below). According to ACAIR, while very limited, community forestry is developing in two main ways: ‘Eco forestry’ involving timber from clan forests being processed by the community; and ‘community-based reforestation’ of clan-owned grasslands (2017).

The government, through the Forest Act and associated regulations, secures timber rights from the customary landowners to develop and manage projects on behalf of the landowners via one of the mechanisms described in Section 4 below. An important aspect of these mechanisms is an ownership structure known as *Incorporated Land Groups*. Incorporated Land Groups (ILGs) were introduced in 1974 as a mechanism for the registration of group titles to allow individual clans to enter into business transactions on the basis of collective decision-making (ODI 2007b).

Essentially, members of a clan, or multiple clans in an area where natural resources (including timber) are present, will group together in order to sell their use rights to private companies. To do this legally, the clan or groups of clans must form a legally recognized entity known as an *Incorporated Land Group* (ILG). The Land Groups Incorporated Act has two main aims:

² These figures are from 2010 but are the most up to date available

- a) To enable customary landowning groups to be recognized as legal customary landowning groups and as legal corporate entities (similar to the recognition of companies as legal persons);
- b) To provide for the manner in which they deal with their customary land and resources, so that the dealings will be recognized by law.

The Act provides a legal structure for a landowning group to:

- a) Manage its own internal affair and make binding decisions (using its customary laws); and
- b) Enter into legally-binding agreements with the outside world.

ILGs are recognized in s.57(1)(a) of the Forestry Act as one of the mechanisms by which the government can negotiate with customary landowners to acquire and allocate the rights to timber resources under Forest Management Agreement. In such instances, the customary owners still have the user rights to access other forest, minor forest, and non-timber forest products for local use and consumption, but not for commercial purposes.

4. Forest Management Permit or License Types

Prior to the Forestry Act 1991 the main devices for allocating timber rights in PNG were Timber Rights Purchases (TRPs) and Local Forest Areas (LFAs) (Wilkinson 2013).

- a. **Timber Rights Purchase (TRPs)** were introduced in 1951 under the Forestry Ordinance as a mechanism by which the State could purchase the timber rights from customary landowners and then control the harvesting of timber through the issue of timber permits and licences to forest companies.
- b. **Local Forest Areas (LFAs)** were introduced in 1971 under the Forestry (Private Dealings) Act 1971 to give customary landowners the right to sell their timber direct to the forest industry, subject to the approval of the Forestry Minister. LFAs cover almost one million hectares, do not have expiry dates (PNGFA 2009).

The Forestry Act of 1991 replaced TRPs and LFAs with new devices by which landowners could allocate their timber rights. The Act allowed TRPs and LFAs that were in existence in 1991 to continue in force. The following timber rights are provided for in the Act:

- i. a **Timber Permit** granted for a Forest Management Agreement (s.73 of the Act); or
- ii. a **timber authority** (s.87); or
- iii. a **forest clearing authority** for the conversion of forest (of >50 hectares) to agricultural or other land use (s.90B); or for the conversion of forest to road (of >12.5 kilometres in length) (s.90D); or
- iv. a **license** issued to a forest industry participant registered by the National Forest Board (s.91).

Where there are no timber permits, authorities or licences in place landowners retain their right to clear their forest for subsistence agriculture and to harvest trees for personal use (Wilkinson 2013). However, landowners may not trade in forest products unless they are a registered forest industry participant in

possession of a permit, authority or licence under the Forestry Act (Wilkinson 2013). Where the timber rights have been assigned to a forest industry participant, landowners are supposed to comply with any timber permits and logging plans that exist, but retain access rights for customary forest use (Wilkinson 2013).

Section 55 of the Forestry Act provides that only a *'forest industry participant'* may exercise timber rights (as defined in s.2 of the Act). A "forest industry participant" is also defined in s 2 of the Act, and a 'forest industry participant' may only carry out the harvesting and clearing of forest in accordance with the license/authority/permit types listed in the Act.

The number of permits of all types in PNG as of 2011 are set out in the table below (Wilkinson 2013).

There are currently 108 permits for forestry operations in PNG (PNGFA 2011a), as follows (see section 7 for an explanation of the permit system).

Type of permit	Number
Timber Permits (Forest Management Agreements, Timber Rights Projects and Local Forest Authorities)	60
Forest Clearance Agreements	14
Timber Authorities	34
Total	108

The forest harvesting and processing sectors in PNG are dominated by two large companies:

- **Rimbunan Hijau (PNG) Group** (commonly abbreviated to 'RH'), operates 17 forestry concessions, which have a total area of 1,755,408 hectares and an annual allowable cut of 2,084,000 m³ (ITS Global 2007). According to their website, RH has also recently expanded its operations in oil palm development in East New Britain Province with an approved area for agriculture development of 42,000 hectares, with 31,000 ha allocated for oil palm development (<http://www.rhpng.com.pg/>). According to a 2015 report, the area of land covered by SABLs held by RH and its subsidiaries was actually 235,000 ha (Gabriel and Wood 2015). In his final report tabled in parliament, John Numapo, chief commissioner of the COI into SABLs, stated (without indicating the relevant SABLs): 'Our investigations reveal that over 50% - 111 of the so-called developers' [sic] currently holding subleases on SABLs are connected in one way or another to Rimbunan Hijau (RH) Limited, which by far is the biggest logging operator in PNG'; and
- **The WTK Group** of companies, has a concession area of 400,000ha (WTK 2012). WTK Group has 5 sawmills with an annual sawn timber production of 120,000 m³ and 3 mills with an annual veneer and plywood production of 240,000 m³.

Together, these companies collectively account for 60-70% of total production. The remaining harvesting under permits is mostly undertaken by medium size companies that have annual cuts of between 50,000 and 100,000 m³ (R. Tate, PNGFIA, pers. comm. in Wilkinson 2013).

i. **Timber Permit under a Forest Management Agreements**

Forest Management Agreements (FMA) are intended to be the primary mechanism for forest exploitation under the Forestry Act. Forest Management Agreements are entered into between customary landowners and the government, and through these agreement landholders sell cutting rights to the PNG Forest Authority in exchange for timber royalties. The Forest Authority may then grant the cutting rights to third parties within the private sector via a Timber Permit. The process for agreeing a FMA is very complex, comprising a 34-step process that includes a broad consultation, open and competitive bidding process, and approval that is dependent on the past reputation of the company seeking the timber permit.

The length and complexity of the process has stalled the completion of Forest Management Agreements being completed, leading to Forestry Companies using the other arrangement which do far less in terms of consultation, environmental planning and rehabilitation.

The nature of the '34 step process' is such that responsibilities for activities, and decision making authority is divided between the customary owners, the PNGFA, the company seeking to exploit the timber resource and various government officials. In particular, divulging the decision making power between levels of government and officers was designed to ensure that 'no government official – not even the forests minister – has the power to decide unilaterally on the issuance of a logging license' (FLA 2013).

Once a FMA has been approved, the PNGFA transfers the right to harvest to the developer via a timber permit. The permit holder is then authorized to implement forest management on the land. The term of the agreement is 50 years. The harvesting company pays a volume based royalty to the landowners via the PNGFA who act as the intermediary with the responsibility to check that the payment is correct. The royalty payable is fixed by the Forest Minister in the Timber Permit, on the volume of merchantable timber or forest produce calculated at stump. The land group leaders are then responsible for distributing payments to group members.

Key Elements of the 34-step Licensing Process:

- Resource investigation (Forest Inventory) – conducted by the PNGFA, usually at the behest of, and with resource support from, the company seeking the timber permit.
- Explanations to landowners (Landowner awareness raising) - conducted by the PNGFA, often with resource support from the company seeking the timber permit.
- Establishment of Incorporated Land Group (ILG), a legal body representing land owners - – often carried out with resource support from the company seeking the timber permit.
- Conclusion of the FMA between the PNGFA and the ILG – conducted by the PNGFA usually with resource support from the company seeking the timber permit.

- Project guidelines development with the participation of landowners – conducted by the PNGFA usually with resource support from the company seeking the timber permit.
- Opening for bidding (Call for Project Proposal to the candidate developers).
- Project Agreement signed.
- Obtaining the approval for the Environmental Plan by the DEC.
- Issuance of Timber Permits.

ii. Timber Authority

Small operators work under a Timber Authority system, not a license. Here, the Timber Authority allows operations to begin before all pre-requisites are completed or the license is issued. TAs are issued for selective logging operations focused on the domestic market. There are five TAs under s.87 of the Act:

- TA-01: harvesting of less than 5,000 cubic meters, with a 12-month validity period
- TA-02: harvesting of timber for road line clearance (roads that will be greater than 12.5 kilometers in length require a Forest Clearance Authority)
- TA-03: harvesting of timber for clearing in preparation for agriculture or other land use (if the amount of proposed clearance is greater than 50 hectares total a Forest Clearance Authority is required)
- TA-04: harvesting of forest produce other than timber
- TA-05: harvesting of timber from a plantation area

iii. Forest Clearance Authority

A Forest Clearance Authority (FCA) is the mechanism used to clear forests to make way for any agricultural or other land use development, including roads that will be greater than 12.5 kilometres in length and/or where the amount of proposed clearance of natural forest for the project is greater than 50 hectares in total.

The FCA is subject to the approval of the National Executive Council on the recommendation of the Minister following review by the National Forest Board and relevant Provincial Forestry Management Committee.

Special Agricultural Business Leases under Forest Clearance Authorities

Special Agricultural Business Leases (SABLs), introduced in the 1996 Land Act, allows the government to lease land owned by communities, with their consent, to individuals or companies interested in carrying out agricultural projects (Global Witness 2014). SABLs often require land clearing, and as such, permission to clear forests is also needed, via a Forest Clearance Authorities.

Between 2003 and 2011 there was huge increase in the number and land area of SABLs issued by the government. Amendments to PNG's forestry law made it much easier for companies to obtain permits to clear huge areas of rainforest, ostensibly to make way for large-scale agriculture projects such as oil palm plantations (Global Witness 2014 and Greenpeace 2011). In that period, the PNG Department of Lands and Physical Planning has approved 74 Special Purpose Agricultural and Business Leases (SABLs) covering about 5.2 million ha of forested customary land; 11% of PNG's total land area or about 18% of its remaining forest. Most leases run for 99 years and alienate customary owners who can only remain on their land at the discretion of the leaseholder (Greenpeace 2011).

Evidence suggests that many of the agriculture projects being proposed under SABLs had low viability and were likely to be fronts for logging - a 2014 study analyzed 36 proposed oil palm projects involving 51 SABLs (Global Witness 2014). It concluded that only four of these projects had the potential to produce viable oil palm plantations due to unsuitable soil, developer inexperience, and lack of support from local landowners. According to Greenpeace (2011), in many SABLs, the area subjected to logging far exceeds that being cleared for agricultural purposes, and in some cases logging has occurred without corresponding agricultural activities. Even in the potentially viable agriculture projects, many landowners claim they never agreed to lease their land and allege that fraud and forgery was involved in the SABL allocation process (Greenpeace 2011).

A major legality problem is the failure of government agencies to ensure that the landowners gave free prior informed consent for the leases (IGES 2015).

Complaints from landowners, concerns raised by many international NGOs and a warning letter from the UN High Commission for Human Rights (UNHCHR) in 2011 to PNG's UN Ambassador led the then acting Prime Minister, Sam Abal to announce a Commission of Inquiry (CoI) into SABLs (UNGA 2011). He also announced an immediate moratorium on the issuing of any new SABLs and a suspension of all FCAs until the conclusion of the Inquiry. The aim of the Inquiry (amongst other things) was to determine the legality of forest clearance authorities (FCAs) that have been issued with the leases.

The CoI was only partially completed. One Commissioner failed to submit his findings, meaning that the government lacked recommendations for over a third of SABLs, including several of the largest log exporting projects. Of those reviewed, the COI found that only 4 of the 46 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).

In June 2014, nine months after the COI's findings were published, the National Executive Council (NEC) issued a decision to follow its recommendations, review the SABLs for which the COI failed to provide recommendations, and repeal the SABL provisions in the Land Act.

According to Global Witness, in the years since the CoI report, the government:

- has failed to revoke or suspend SABLs in line with the recommendations of the COI
- has not halted logging in the one operational SABL listed for cancellation
- Continues to issue new permits to clear rainforest under SABLs
- has failed to expedite the review of the remaining SABLs; and

- has recently renewed a clearance permit for a controversial SABL

The Prime Minister, Hon. Peter O’Neil announced the cancellation of all SABLs in PNG. This was reported on page 5 of The National newspaper on 7th November 2016.

The recent report prepared by Institute for Global Environmental Strategies (IGES) recommends that companies purchasing timber from PNG ‘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’ (IGES 2016).

iv. **Timber Licence**

The Board may issue to a registered forest industry participant, a licence to engage in forest industry activities other than those carried out, or proposed to be carried out, under a Timber Permit or timber authority held by the forest industry participant.

Export Permit Process

There are three types of export permissions:

- **Export Permit Type 1** – issued by the Minister for Forests following endorsement by the PNGFA for logs and wood products harvested from Timber Permit and Timber License areas. The permit will include: the project name (where the timber was harvested); export permit code and Timber Permit (TP)/ Timber Authority (TA)/ Local Forest Area (LFA)/ Forest Clearing Authority (FCA) number.
- **Export Permit Type 2** – issued by the Minister for Forests for non-timber forest products (e.g. balsawood, sandalwood, eaglewood, rattan etc.). These products will have been harvested from areas outside the main areas classified as TP/TA/LFA/FCA under a PNGFA license, and therefore will *not have* an associated project name listed on the export permit.
- **Export License** – issued by the Minister for Trade, Commerce and Industry for round log export.

Sources

The list of sources provided in FSC-PRO-60-002a, section 3.3.3 has been reviewed for relevance in regard to the national legality risk assessment of Papua New Guinea. The following sources have been used:

- a) Chatham House: <http://www.illegal-logging.info/>;
- b) ELDIS regional and country profiles: <http://www.eldis.org/>;
- c) Environmental Investigation Agency: <http://www.eia-international.org/>;

- d) EU FLEGT process: http://ec.europa.eu/comm/development/body/theme/forest/initiative/index_en.htm;
- e) Forest Legality Alliance: <http://www.forestlegality.org/>;
- f) Government reports and assessments of compliance with related laws and regulations;
- g) Independent reports and assessments of compliance with related laws and regulations, e.g., the Royal Institute of International Affairs: <http://www.illegallogging.org/>;
- h) Interpol: <https://www.interpol.int/Crimes/Corruption>;
- i) Justice tribunal records;
- j) Public summaries of FSC forest management certification reports published at info.fsc.org (information on legal areas where non-compliances have been identified during the certification process that are likely to be common for non-certified operations);
- k) Public summaries of other 3rd party forest legality certification/verification systems;
- l) Stakeholder and expert consultation outcomes from NRA development processes;
- m) Transparency International Corruption Perceptions Index: http://www.transparency.org/policy_research/surveys_indices/cpi;
- n) World Bank Worldwide Governance Indicators: <http://data.worldbank.org/datacatalog/worldwide-governance-indicators>;
- o) In cases where other sources of information are not available, consultations with experts within the area shall be conducted.

Where relevant, they have been specifically referenced under “sources of Information” for each applicable sub-category. The remaining sources were found not to be relevant for the legality risk assessment for Papua New Guinea.

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- f) Forest Legality Alliance, 2013. Risk Tool – Papua New Guinea. Accessed 11 January 2017 at <http://www.forestlegality.org/risk-tool/country/papua-new-guinea>.
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- j) Graham Wilkinson, 2013. Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice - Report 1 - Project GCP/PNG/003/AUL. Available online at [http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20\(by%20Wilkinson\).pdf](http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf) > accessed 13 January 2017.
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- z) United Nations General Assembly, 2011. United Nations General Assembly. Report of the Committee on the Elimination of Racial Discrimination Seventy-eighth session (14 February–11 March 2011) Seventy-ninth session (8 August – 2 September 2011), General Assembly Official Records Sixty-sixth session Supplement No. 18 (A/66/18) United Nations, New York, 2011 para 27. <http://www2.ohchr.org/english/bodies/cerd/docs/A.66.18.pdf>. Accessed 17.6.12
- aa) United Nations Human Development Report, 2015. Papua New Guinea. Available online at < <http://hdr.undp.org/en/countries/profiles/PNG>>, accessed 30 January 2017.
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Consultation with in-country experts was carried out throughout the drafting of this assessment in 2016-2017, including face to face consultation meetings held in Papua New Guinea in late 2016. A broad range of experts were consulted, including representatives from Non-government organizations, a number of relevant Government Ministries and enterprises. Due to confidentiality issues, the experts consulted have not been named specifically in this report, but a full list of experts was provided to FSC PSU.

Sources of legal timber in Papua New Guinea

Forest classification type	Permit/license type	Main license requirements (forest management plan, harvest plan or similar?)	Clarification
Natural forest	Forest Management Agreement (FMA)	Timber from a production forest, accompanied by a Timber Permit – issued by the Minister for Forests to the timber operator with conditions outlined for a specific Forest Management Agreement Area or a Local Forest Area to carryout forest management activities including harvesting by the timber operator.	<ul style="list-style-type: none"> • Western Province – 3 FMA areas, 2 current and 1 court battle. • Gulf - 5 FMA areas, all are current. • Central Province - 3 acquired under FMA current. • Milnebay - 1 FMA is current. • Oro - 1 FMA is current. • Southern Highlands - 1 FMA is current. • West Sepik - 7 FMAs, all are current. • East Sepik - 1 FMA (REDD+pilot) is current. • Madang – 2 FMAs, 1 is current while the other is under dispute. • Morobe - 3 FMAs, all are current. • West New Britain - 7 FMAs, all are current.
Natural forest	Timber Authority (TA)	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).	<ul style="list-style-type: none"> • TA-01: harvesting of less than 5,000 cubic metres with a permit span of 12 months • TA-02: harvesting of timber for road line clearance • TA-03: harvesting of timber for clearing in preparation for agriculture or other land use • TA-04: harvesting of forest produce other than timber • TA-05: harvesting of timber in plantation area
Natural forest	Forest Clearing	Timber harvested under a FCA in a natural forest area.	<p>Western Province:</p> <ul style="list-style-type: none"> • Gre-Dringas Road Project, FCA 01-01 29/11/10 Not operational

<p>Authority (FCA).</p>	<p>Note: risks associated with Special Agricultural Business Leases</p>	<p>Central Province:</p> <ul style="list-style-type: none"> • Mekeo Hinterland Integrated Agriculture Project FCA 03-01 29/06/2009 Not operational, under dispute • Abeda Integrated Agriculture Project 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 <p>West Sepik:</p> <ul style="list-style-type: none"> • Aitape East Integrated Agriculture Project FCA 10-01 07/03/2008 Operational • Aitape West Integrated Agriculture Project FCA 10-02 21/04/2008 Operational • Bewani Oil Palm Development Project FCA 10-03 26/03/2009 Operational • Scotchiao Cocoa Estate Development Project FCA 10-04 26/03/2009 Operational <p>East Sepik</p> <ul style="list-style-type: none"> • West Turubu Integrated Agriculture Project FCA 11-01 26/03/2009 Operational • Angoram (Marienberg) Integrated Ag Project FCA 11-02 29/06/2009 Operational <p>East New Britain:</p> <ul style="list-style-type: none"> • Illi Waswas Roadline FCA 15-01 05/03/2007 No progressive report to date • Illi Waswas Integrated Agriculture Project FCA 15-02 05/03/2007 Operations suspended • Illi Standalone Agriculture Project FCA 15-03 05/03/2007 Expired. New application lodged • Inland Lassul Baining Integrated Agriculture Project FCA 15-04 15/01/2008 Operational • Suikol Makokol Integrated Agriculture Project FCA 15-05 15/12/2009 Operational • Mukus Mekoi Integrated Agriculture Project FCA 15-06 07/10/2010 Non-operational, pending inquiry • Sigta Mukus Integrated Rural Development Project FCA 15-07 07/10/2007 Operational <p>New Ireland</p>
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			<ul style="list-style-type: none"> • Danfu Integrated Agriculture Project FCA 16-01 11/09/2009 Operational
Natural forest	Timber Rights Purchase (TRP) – Timber Permit	Timber from production forests, accompanied by a Timber Permit.	<ul style="list-style-type: none"> • Western Province – 5 TRP acquired areas of which 4 are current and 1 expired. • Gulf – 11 TRP acquired areas of which 7 have expired and 4 are current. • Central Province - 12 TRP acquired areas of which 4 are current and 8 have expired. • Milnebay - 7 TRP acquired areas, all have expired. • Oro - 7 TRP acquired areas, all have expired. • Southern Highlands - 10 TRP acquired areas, all have expired. • Eastern Highlands – 10 TRP acquired areas, all have expired. • Western Highlands - 17 TRP acquired areas, all have expired. • Enga - 7 TRP acquired areas, all have expired. • West Sepik - 5 TRP acquired areas, all have expired. • East Sepik - 3 TRP acquired areas, all have expired. • Madang - 10 TRP acquired areas of which 2 are current and 8 expired. • Morobe - 29 TRP acquired areas of which 3 are current and 26 expired. • West New Britain - 42 TRP acquired areas of which 1 is current and 41 expired. • East New Britain - 35 TRP acquired areas of which 3 are current and 32 expired. • New Ireland – 23 TRP acquired areas of which 3 are current and 20 expired. • Autonomous Region Bougainville - 12 TRP acquired areas of which 2 are current (but not operational) and 10 are expired. • Manus - 3 TRP acquired areas of which 1 is current and 2 expired.
Natural forest	Local Forest Area (LFA).	Timber harvested in a natural forest within a Local Forest Area	<ul style="list-style-type: none"> • Central Province - 1 LFA is current • Oro - 1 LFA is current • West Sepik - 2 LFAs, both are current

			<ul style="list-style-type: none"> • East Sepik - 2 LFAs, both are current • West New Britain – 14 LFAs, all are current • New Ireland - 14 LFAs, all have expired. • Manus - 3 LFAs, all are current.
Plantation forest	Timber Authority (TA) – TA-05 or timber licenses	Allocation of management rights assigned to a Forest Industry Participant via a process designated in law.	<ul style="list-style-type: none"> • Milne - 1 project under TA-05 current. • Licences at E. deglupta: Open Bay & and Stettin Bay • Balsa: 3A Composites under a licence • Hoop & Klinki pine: At Bulolo a licence • Madang - The plantation was sold by JANT Limited to another foreign owned company who could not make it profitable and left. To date the plantation is rundown with no management company investing.

Risk assessment

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
Legal rights to harvest			
<p>1.1 Land tenure and management rights</p>	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> The Constitution of the Independent State of Papua New Guinea (1975) - Section 53, subsection 5(d) and (e) Protection from Unjust Deprivation of Property section and Section 54 (a) (i) (ii) (b) (c) Special provision in relation to certain lands - http://www.parliament.gov.pg/constitution-of-the-independent-state-of-papua-new-guinea National Lands Registration Act 1981, chapter# 357, Division 4, Effect of ownership of National Lands Act, chapter # 357, subsection 14 (a) and (b) ownership of National Land, including customary land - http://www.paclii.org/pg/legis/consol_act/nlra1977269.rtf Forestry Act 1991 and amendment 2005, 2010 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). Papua New Guinea Country Specific Guidelines. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. Mirou, N. (2013). Final report. [online] coi.gov.pg. Available at: http://www.coi.gov.pg/documents/COI%20SABL/Mirou%20SABL%20Final%20Report.pdf Numapo, J. (2013). Final report. [online] coi.gov.pg. Available at: http://www.coi.gov.pg/documents/COI%20SABL/Numapo 	<p>Overview of Legal Requirements</p> <p>The Constitution of PNG recognizes customary land owners and through this recognition, customary peoples own 97% of the total land area of PNG and 99% of forest land.</p> <p><i>Acquisition of landowner consent under the FMAs</i></p> <p>Under the Forest Management Agreements (see also Overview), the government, through the Forest Act, acquires timber rights from the customary landowners via Incorporated Land Groups and allocates these to timber industry participants (forestry companies) via various mechanisms.</p> <p>ILGs are recognized in s.57(1)(a) of the Forestry Act as one of the mechanisms by which the government can negotiate with customary landowners to acquire and allocate the rights to timber resources under Forest Management Agreement (see Overview for a further description of the ILGs).</p> <p>The Land Groups Incorporation Act 1974 prescribes the process for incorporating customary groups, as described by Fingleton (2007, pp. 27–8):</p> <ol style="list-style-type: none"> a. Preparation of the group’s Constitution;

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Land (Ownership of Freeholds) Act 1976. - http://www.pacii.org/pg/legis/consol_act/lofa1976268/ Forestry (2007 Budget Amendment) Bill 2006 - http://www.fiapng.com/PDF_files/forestry_2007_page3.pdf National Forest Plan 1996 - https://pngexposed.files.wordpress.com/2013/01/draft-nfp.pdf Guidelines for Issuing Timber Authorities 1995 - http://trove.nla.gov.au/work/21822896?selectedversion=NBD12092202 Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under Timber Permit (1995) (referred to as the PMC Procedures), given legal effect through the Forestry Act 1991 and the Forestry Regulation 1998 (Reg. 95(1), Reg. 241 and Schedule 2). Land Group Incorporation Act, 1974, amended 2007 and 2009 - 	<p>%20SABL%20Final%20Report.pdf</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Armitage, L. (2001). Customary land tenure in Papua New Guinea: Status and prospects. In Proceedings of the International Association for the Study of Common Property Rights 2001 Pacific Regional Conference, Queensland University of Technology, Brisbane (pp. 12-23). Available at: http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/589/armitage.pdf?sequence=1 Canopy Watch, (N.Y). Forestry in Papua New Guinea. [online] Available at: http://www.canopywatch.org/png-forestry.html [accessed 13 January 2017] Canopy Watch, (N.Y). The Issue of Consent. [online] 	<ul style="list-style-type: none"> b. Submission of the Constitution to the Registrar of Incorporated Land, who is supposed to publicise the application and check the group's suitability for incorporation. c. After any comments or objections received have been considered, the registrar can issue a certificate of recognition. <p>Recent amendments to the Land Groups Incorporation Act 1974 in the form of the Land Groups Incorporation (Amendment) Act 2007, set to come into effect in 2017, impose much stricter requirements on membership (Tararia and Ogle 2010). These include:</p> <ul style="list-style-type: none"> A person may no longer be a member of more than one ILG – members must provide a declaration stating that they are not members of another ILG. An application for incorporation must now contain a list of all proposed members of the ILG (which was previously optional), and must include the original birth certificate (or a certified copy) of each person who claims membership of the group. <p>The Forestry Act 1991 requires landowning groups to be incorporated under the Land Groups Incorporation Act prior to allocating logging companies the right to come in and exploit the forest resource under Forest Management Agreements.</p> <p>A <i>Forest Management Agreement</i> gives ownership of the trees, but not the land, to the PNGFA, which is responsible for negotiating with the logging companies (Kalinoe 2003). The harvesting company pays a volume based royalty to the landowners via the PNGFA who act as the intermediary with the responsibility to check that the payment is correct. The royalty payable is fixed by the Forest</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>http://www.pacii.org/pg/legis/num_act/lgia2009372.rtf</p> <ul style="list-style-type: none"> Land Dispute Settlement Act 1975 - http://www.pacii.org/pg/legis/consol_act/lds1975276.rtf The Land Act 1996 - http://faolex.fao.org/docs/texts/png20843.doc. (relevant for SABLs) - Sections 10, 11 and 102 <p>Legal Authority</p> <ul style="list-style-type: none"> Papua New Guinea Forest Authority (PNGFA) Provincial Forest Management Committees National Forestry Board Department of Agriculture & Livestock Department of Trade & Industry Department of Lands and Physical Planning 	<p>Available at: http://www.canopywatch.org/p/issue-of-consent.html [accessed 13 January 2017]</p> <ul style="list-style-type: none"> Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at: http://pub.iges.or.jp/module_s/envirolib/upload/6455/attach/Book_1.pdf. Expert consultation carried out in Port Moresby by NEPCo, 21-25 November 2016 FAO (2015). Global Forest Resources Assessment 2015 - Country Report Papua New Guinea. Available at: http://www.fao.org/document/card/en/c/f02bc430-6fc1-43e7-8f2c-23e5e3643f5c/ 	<p>Minister in the Timber Permit, on the volume of merchantable timber or forest produce calculated at stump. The land group leaders are then responsible for distributing payments to group members.</p> <p>Section 57 of the Forestry Act sets out the requirements for obtaining consent of customary owners to Forest Management Agreement.</p> <p>Regarding land title, and therefore authority to enter into an FMA, the Act requires:</p> <ul style="list-style-type: none"> the title of the land is vested in a land group or land groups incorporated under the Land Groups Incorporation Act 1974; or registered under a law providing for the registration of title to customary land. <p>OR</p> <ul style="list-style-type: none"> where the title of the land is not incorporated under an ILG, an FMA may be executed on behalf of customary groups who are customary owners, by <i>agents</i> of such groups. Agents must be authorized to act on behalf of the groups, and 75% of the adult members resident on the land of each such group must give written consent to their group entering into the Agreement. <p>The acquisition of consent of landowners forms part of the 34 stepwise approach associated with the development of FMAs under the Forestry Act (Described in Overview, also see PNG Country Specific Guidelines 2015 p 6 for the full process).</p> <p>The first ten steps of this process are intended to ensure landowner consent is obtained prior to the allocation of the permits to forestry companies.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <ul style="list-style-type: none"> Land group incorporation certificates, with proper genealogy and property listing completed in compliance to Land Group Incorporation Act 1974, amended 2009. Business Registration, issued by the Investment Promotion Authority, held by the timber business Registration as a Forest Industry Participant, a list of Forest Industry Participants kept by PNGFA Head Office Certificate Permitting Foreign Enterprise to carry out business activity, issued by the Investment Promotion Authority for Timber business Forest Industry Participant Certificate held by the company <p>As well as one of the following:</p>	<ul style="list-style-type: none"> FAO and PNGFA (2009). Asia-Pacific Forestry Sector Outlook Study II - Papua New Guinea Forestry Outlook Study. Available at: http://www.fao.org/docrep/014/am614e/am614e00.pdf [accessed 26 July 2017] FAO, undated. Forest Harvesting Case-Study - Forest harvesting operations in Papua New Guinea The PNG Logging Code of Practice, chapter 2, Forest Resource Development Through Timber Permits. Available online at http://www.fao.org/docrep/04/Y2711E/y2711e05.htm. Fao.org, (N.Y). Forest Resource Development Through Timber Permits. [online] Available at: http://www.fao.org/docrep/004/Y2711E/y2711e05.htm Forestlegalityalliance.org, (2013). Risk Tool – Papua New Guinea. [online] 	<ol style="list-style-type: none"> Identification of Potential Forest Forest area included in Provincial and National Forest Plans Forest Inventory Survey Landowner awareness Documentation of the Incorporated Land Group Step Process Preparation of Forest Management Agreement (FMA) Certification of FMA by the Provincial Forest Management Committee (PFMC) Signing of FMA by Landowners National Forest Board's (NFB) endorsement of FMA Signing of FMA by Forests Minister on behalf of PNGFA <p>The PNGFA is legally responsible for these 10 steps, and other parties (i.e. the harvesting companies) cannot legally approach the landowners during this period. Note that the landowner consent required in the Forestry Act is for "majority" consent only, which is currently set at 75 per cent. This can be complicated as some individuals with customary rights may not be residing on the land (i.e. they have moved to the city), which complicates the consent process.</p> <p><i>Acquisition of consent under a Timber Authority (TA)</i></p> <p>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</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p><i>For timber harvested under a Forest Management Agreement:</i></p> <ul style="list-style-type: none"> • Forest Management Agreement, certified by Provincial Management Committee, signed by landowners through Incorporated Land Groups, endorsed by National Forest Board, signed by the Minister for Forests on behalf of PNG Forest Authority. A copy is held by the PNGFA Head Office and the timber business • Project Agreement, approved by Finance Minister • Environment Management Plan, approved by Conservation Environment Protection Authority. Timber Permit (for FMA or TRP), issued by the Minister of Forests, copies held by the PNGFA Head Office <p><i>For timber harvested under a Timber Authority</i></p> <ul style="list-style-type: none"> • Sales and Purchase Agreement between the company and the customary owners 	<p>Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017]</p> <ul style="list-style-type: none"> • Forest Trends (2006) Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging Industry Volume I. Available online at: http://www.forest-trends.org/documents/files/doc_105.pdf • Kelola, T. (2010). Madang Timbers goes back to court. [Blog] Hector-madangonline. Available at: http://hector-madangonline.blogspot.com/2010/07/madang-timbers-goes-back-to-court.html • Oaklandinstitute.org, (2016). The Great Timber Heist: The Logging Industry in Papua New Guinea. [online] Available at: 	<p>that are outside an existing FMA, and for the following five purposes:</p> <ul style="list-style-type: none"> • TA-01: harvesting of less than 5,000 cubic meters, with a permit validity period of 12 months; • 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. <p>Unlike FMAs, the Forestry Act does not contain explicit requirements relating to the process for acquiring the use rights from land owners for Timber Authorities. Forest Industry Participants (FIPs) may have 1 TA at a time and/or develop a series of TAs. However, the TAs must not be > 10km apart or they are treated as 1 TA see s.87(5).</p> <p><i>Acquisition of consent under a Timber License</i></p> <p>Under the Forestry Act 1991 the National Forest Board may issue a license to a Forest Industry Participant (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 license is 12 months. Where the FIP holds a Timber Permit, the acquisition of landowner consent would have been carried out in accordance with the 34 step process for FMAs.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Timber Authority, issued by the Chairman of the PFMC after approval from the National Forest Board. <p><i>For timber harvested under a timber license</i></p> <ul style="list-style-type: none"> Timber License, issued by the National Forest Board <p><i>For timber harvested under a Forest Clearance Authority (FCA)</i></p> <ul style="list-style-type: none"> Forest Clearance Authority Development plan; Evaluation report and certificate of approval from the relevant Government department; Certificate from a financial institution to show the developer has the finances needed for the proposed development; Evidence of past experience with similar developments; Verification of land ownership and evidence of landowner consent; and 	<ul style="list-style-type: none"> https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] Odi.org, (2007). What can be learnt from the past? A history of the forestry sector in Papua New Guinea - Papua New Guinea Forest Studies. [online] Available at: https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/90.pdf, [accessed 30 March 2019] Sam Lawson for Chatham House (2014). Illegal Logging in Papua New Guinea. Available online at: http://www.illegal-logging.info/sites/default/files/Lawson Papua New Guinea PP 2014.pdf [accessed 13 January 2017] Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). Legal framework, 	<p><i>Acquisition of consent under a Forest Clearing Authority (FCA) – including Special Agricultural Business Leases (SABLs).</i></p> <p>Unlike timber permits, which are given for selective logging, Forest Clearance Authorities (FCAs) are for the clear felling of natural forest. FCAs can be issued for agricultural or other land use development and road construction.</p> <p>The application for a FCA for land development requires:</p> <ul style="list-style-type: none"> 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; evidence of past experience with similar developments; a verification of land ownership and evidence of landowner consent; and an approval of the environment impact statement by the DEC. <p>The following activities are provided for via FCAs in the Forestry Act:</p> <ul style="list-style-type: none"> 90A: enables large scale conversion of forest to agricultural or other land use over an area over 50 hectares, but in less than 500 ha blocks with a maximum of 4 blocks, as set out in 90B;

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Environment impact statement approved by the DEC <p><i>For timber harvested under a Timber Rights Purchase (TRP) Agreement</i></p> <ul style="list-style-type: none"> Timber Rights Purchase (TRP) agreement, held by the PNGFA Head Office and the timber business Timber Permit (for FMA or TRP), issued by the Minister of Forests, copied held by the PNGFA Head Office <p><i>For timber harvested under a Local Forest Area (LFA) agreement:</i></p> <ul style="list-style-type: none"> Local Forest Area (LFA) agreement, approved by the Minister of Forests, copy held by the PNGFA Head Office 	<p>legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> Tararia, A. and Ogle, L. (2010). Incorporated land groups and the registration of customary land: Recent developments in PNG. Customary Land, 21. Available at: http://milda.aidwatch.org.au/sites/default/files/Incorporated%20land%20groups%20and%20the%20registration%20of%20customary%20lands.pdf Todaya Kelola for the Post Courier, 16 July 2010. Madang Timbers goes back to court - http://hector-madanginfo.blogspot.com 	<ul style="list-style-type: none"> 90C: enables large scale conversion of forest to roads that will be greater than 12.5 km in length. S 90D stipulates that the maximum of 20 km sections can be approved at a time to ensure the road actually gets built. Clearance is allowed max 20 m either side of the road centre (40 m X 20,000 m = 800,000 m² or 80ha); 90E: prescribes the process of cancellation of a forest clearing authority. <p>The most common (and controversial) FCA issued in PNG in recent years have been those issued in association with Special Agricultural Business Leases (SABLs).</p> <p>SABLs are provided for in Sections 11 and 102 of the Land Act 1996 (the Land Act). Under that Act, the State acquires customary land through an “instrument of lease in an approved form”. The Land Investigation process and associated Acquisition by Agreement, is intended to obtain free, prior and informed consent of the affected landowners before their customary land is acquired and converted to SABL. Land acquired under this process is then leased on to an “agreed” person or entity (COI Report Numapo, 2013).</p> <p>Where a SABL has been granted for the purpose of a proposed agricultural development in a forested area that will forest clearance, and where the removed forest products are to be used commercially including sale, a Forest Clearance Authority is required (COI Report Mirou, 2013)</p> <p><i>Acquisition of consent under a Timber Rights Purchase (TRP) and Local Forest Area (LFA).</i></p>

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		<p>/2010/07/madang-timbers-goes-back-to-court.html</p> <ul style="list-style-type: none"> • Transparency.org, (2018). Corruption Perceptions Index 2018 – Papua New Guinea. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 January 2019] • Vegter, A. 2005 Forsaking The Forests for the Trees: Forestry in Papua New Guinea inhibits Indigenous Customary Ownership, Pacific Rim Law and Policy Journal Association. https://digital.lib.washington.edu/dspace-law/bitstream/handle/1773.1/675/14PacRimLPolyJ545.pdf?sequence=1 • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 	<p>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.</p> <p>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. For LFAs the consent is a private agreement between the landowner and company.</p> <p>Both TRP and LFA processes were repealed by the Forestry Act 1991; however, the Act recognized 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.</p> <p>Description of risk</p> <p><i>Risks relating to the incorporation of land groups</i></p> <ul style="list-style-type: none"> • There are anecdotal reports from experts consulted that the process for incorporating land groups is often coopted by the timber companies seeking the extraction rights for the land. The incorporation process is sometimes funded by the timber companies, making the ILGs indebted to those companies (Expert consultation 2016). According to experts consulted, the ILG process is being fast-tracked where forestry companies identify desirable land for development, this leads to clans are

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> World Bank, 2015. Worldwide Governance Indicators – Papua New Guinea 1996–2015. Available online at <http://info.worldbank.org/governance/wgi/index.aspx#reports>, Accessed 11 January 2017 	<p>being improperly grouped together (i.e. where there are conflicts over land ownership between clans, or traditionally warring clans become grouped under a single ILG) or insufficient landowner consultation to ensure all individuals with a claim to the land have been included. There are reports that frequently individuals from clans who have been in discussions with timber companies, will improperly enter into ILGs on their clans behalf without properly consulting other clan members. This has led to numerous disputes over royalties, and conflicts within communities.</p> <ul style="list-style-type: none"> The new requirements for the provision of birth certificates of members of the ILGs has been criticized by some non-government organizations in PNG. They argue that the requirement may be unrealistic and may encourage the fabrication of birth certificates given that hardly any births in remote areas are registered and many elderly citizens do not have one (Tararia and Ogle 2010). <p><i>Risks relating to the acquisition of land and consent</i></p> <ul style="list-style-type: none"> According to the Institute for Global Environmental Strategies (IGES) (2016) the 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.”

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<ul style="list-style-type: none"> • In almost all cases, proper consent has not been secured or due process has not been followed (ODI 2007a; ITTO 2007; Forest Trends 2006). • Chatham House, (Lawson 2014) states that the types of illegality recorded in PNG include licenses to harvest timber being issued or extended in breach of regulations (especially those relating to consultation with indigenous landowners). • According to Vegter (2005), the Forestry Act restrains customary landowners' abilities to directly negotiate and consult with commercial timber industries by mandating that all such transactions must go through the forest administration, thereby severely weakening customary ownership. Unclear definitions of customary ownership within the common law further weaken indigenous groups' abilities to control their forests (Vegter 2005). • Vegter (2005) also contends that the lack of formal definitions of customary ownership means a court may not recognize indigenous groups' claims of ownership (see for example <i>State v Giddings</i> [1981]). • Landowner consent has been raised as one of the most significant issues with the SABL process. The COI inquiry concluded that "the SABL scheme, both at the policy level and in the manner it was implemented, has failed....developers and people with vested interests have hijacked the SABL process to suit their own ends. Greed and corruption at all levels... have tainted a noble landowner empowerment initiative". The Col found that of the 42 SABLs reviewed by the COI, only 4 SABL

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>had qualified landowners consent and have produced successful agriculture projects, while the rest was obtained through corrupted means.</p> <ul style="list-style-type: none"> • According to many sources, the dramatic increase in the number of SABLs applied for and issued from 2009-2011 was because the logging companies realised the process for obtaining a new FMA was quite difficult, particularly in relation to the landowner consent requirements (Expert consultation Port Moresby November 2016). • Experts also noted, in relation to the consent requirements under the FMAs that, although the requirements are very clear, they are sometimes not complied with. In some instances, approval from only <i>some</i> of the landowners is obtained. Experts cited corruption and undue influence of large companies at the highest level as key drivers for the non-compliance (Expert consultation Port Moresby November 2016). According to the PNGFA, the records of the stakeholder consultation and consent should be available upon request. • Regarding the now-superseded TRPs, as there were no requirements for ILGs with these permit types, it is very difficult to determine the correct landowners have provided prior consent. • For LFAs, as the consent is a private agreement between the landowner and company it is difficult to determine the validity of the process retrospectively. • Regarding the SABLs, Commissioner Mirou (2014) found that “in some instances [...], inferences from very strong evidence

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>suggests that not only the Dept. of Lands and Physical Planning officials but landowner companies and ILG executives have been compromised. These will be noted in instances where grants of title were made directly to foreign entities (developers) as well as where transfer of shares of the SABL title holding company to other or foreign entities resulted with control of title to be in foreign hands.” Mirou goes on to states that:</p> <p>“In respect of Forestry (PNGFA), many FCAs were issued in questionable circumstances. Many of these FCAs issued, were not supported by authentic, verified and approved agriculture development plans. Even if these FCAs were supported by properly approved agriculture development plans, during the operations in many instances it had been noted that the operators or developers departed or digressed from the approved agriculture plans.</p> <ul style="list-style-type: none"> • In other instances, the proportionate agriculture development phased out per every 500 hectares maximum area over which clear felling of forests can take place, it has been noted that FCAs were nonetheless given and logging generally continued into areas not immediately within the 500 hectares phases but over the whole areas of SABLs.” <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk. Risk have been identified associated with the incorporation of land groups and the acquisition of landowner consent.</p>

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			Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.
1.2 Concession licenses	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Forestry Act 1991 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf <ul style="list-style-type: none"> ○ Section 73 - timber permit; ○ Section 87 - timber authority; or ○ Section 92 - a license <p>Regarding Forest Clearance Authorities, including SABLs:</p> <ul style="list-style-type: none"> ○ 90A: enables large scale conversion of forest to agricultural or other land use over an area over 50 hectares, but in less than 500 ha blocks with a maximum of 4 blocks, as set out in 90B; ○ 90C: enables large scale conversion of forest to roads that will be greater than 12.5 km in length. S 90D stipulates that the maximum of 20 km sections can be approved at a time to ensure 	<p>Government sources</p> <ul style="list-style-type: none"> • Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf <p>Non-Government sources</p> <ul style="list-style-type: none"> • Colin Filer, Rodney J. Keenan, Bryant J. Allen, John R. Mcalpine (2009). <i>Deforestation and forest degradation in Papua New Guinea</i>. Available at: https://crawford.anu.edu.au/pdf/staff/rmap/cfiler/Filer_et_al_2009.pdf [accessed 30 March 2019] 	<p>Overview of Legal Requirements</p> <p>Once land use rights have lawfully been acquired (according to the requirements set out in section 1.1), the use rights are then allocated to a Forest Industry Participant via a process prescribed by law which is specific to the type of permit or license.</p> <p><i>Timber Permit allocation for Forest Management Agreements (FMAs)</i></p> <p>Under an FMA, the Minister for Forests is responsible for granting of a Timber Permit upon recommendation of the National Forest Board. This decision of the National Forest Board is based on the adequate completion of the prerequisites to issuing a Timber Permit which is part of requirements of the Forestry Act 1991. These requirements are generally known as the Thirty-Four (34) steps for processing timber permit, the allocation process (the selection of the company to receive the permit) is set out in steps 11-27 of the 34 steps process for FMAs. They are:</p> <ol style="list-style-type: none"> 11. Development Option Study (DOS) 12. Project Guidelines 13. Tendering 14. Issuing of DOS report and Project Development Guidelines 15. Project Proposal Evaluation - PFMC

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	<p>the road actually gets built. Clearance is allowed max 20 m either side of the road centre (40 m X 20,000 m = 800,000 m² or 80ha);</p> <ul style="list-style-type: none"> ○ 90E: prescribes the process of cancellation of a forest clearing authority. <p>Legal Authority</p> <ul style="list-style-type: none"> • PNG Forestry Authority <p>Legally required documents or records</p> <ul style="list-style-type: none"> • Land group incorporation certificates, with proper genealogy and property listing completed in compliance to Land Group Incorporation Act 1974, amended 2009. • Business Registration, issued by the Investment Promotion Authority, held by the timber business • Registration as a Forest Industry Participant, a list of Forest Industry Participants kept by PNGFA Head Office 	<ul style="list-style-type: none"> • Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016 • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Global Witness (2014). The people and forests of Papua New Guinea under threat: the government's failed response to the largest land grab in modern history. Available at: https://www.globalwitness.org/documents/10526/png_brief.pdf [accessed 30 March 2019] • Greenpeace (2010). <i>Papua New Guinea: Not ready for REDD</i>. Available: http://www.greenpeace.org/australia/Global/australia/repor 	<ol style="list-style-type: none"> 16. Proposal Evaluation Report - PFMC 17. NFB's endorsement of the preferred Developer 18. NFB consult Forest Minister on the selection of Developer 19. Appointment of State Negotiation Team 20. Parameter of Project Negotiation set 21. Project Negotiation to formulate a project Agreement 22. NFB's endorsement of Project Agreement 23. NFB's consultation with relevant stakeholders 24. Approval of Project Agreement by Finance Minister 25. NFB Executes the Project Agreement 26. Environmental Plan Approval (under another government agency – Conservation and Environment Protection Authority) 27. Proponent applies for a Timber Permit 28. Forest Minister issues Timber Permit <p><i>Allocation of permits under Timber Authorities</i></p> <p>The Timber Authority (TA) arrangements allow timber rights to be acquired without the requirement for the Development Option Study used for FMA allocations, therefore requiring less processing time by comparison. The TA arrangement are designed for small scale operations and can only be issued for areas that are not covered by a current FMA and for one of five specific forestry activities.</p> <p>The process for allocating a timber authority can be summarized as:</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Certificate Permitting Foreign Enterprise to carry out business activity, issued by the Investment Promotion Authority Timber business • Forest Industry Participant Certificate held by the company <p><i>As well as one of the following:</i></p> <p>For timber harvested under a Forest Management Agreement:</p> <ul style="list-style-type: none"> • Forest Management Agreement, certified by Provincial Management Committee, signed by landowners through Incorporated Land Groups, endorsed by National Forest Board, signed by the Minister for Forests on behalf of PNG Forest Authority. A copy is held by the PNGFA Head Office and the timber business • Project Agreement, approved by Finance Minister • Environment Management Plan, approved by Conservation Environment Protection Authority. Timber Permit (for FMA or TRP), issued by the Minister of Forests, 	<ul style="list-style-type: none"> • t/2010/10/papua-new-guinea-not-ready-fo.pdf [accessed 26 July 2017] • Greenpeace Australia Pacific (2011). <i>BRIEFING: Special-purpose agricultural and business leases in Papua New Guinea</i> Available at: http://www.greenpeace.org/australia/Global/australia/11-076%20PNG%20Press%20Briefing_smaller_F-1.pdf [accessed 30 March 2019] • Hoare, A. for Chatham House (2013). <i>Illegal Logging: Are We Making Progress?</i> Available at: https://www.illegal-logging.info/content/illegal-logging-are-we-making-progress-0 [accessed 26 July 2017] • Institute for Global Environmental Strategies (IGES), (2016). Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New 	<ul style="list-style-type: none"> • Landowner or Forest Industry Participant submits application for a Timber Authority depending on the nature of the project (TA01-TA05) • The project allocations directorate assesses the application and deems it satisfactory or incomplete. • Satisfactory applications are referred to the Provincial Forest Management Committee (PFMC) for review. • If PFMC is satisfied, it recommends to the Provincial Chairman for Forestry Matters to grant a Timber Authority. • The Provincial Chairman for Forestry Matters gives notification to the National Forest Board of his intention to grant a Timber Authority. • If the National Forest Board does not give its consent within 4 weeks, the Timber Authority is deemed to have been granted. • The Provincial Chairman for Forestry Matters issues the timber authority <p><i>Allocation of permits under Forest Clearance Authorities (including Special Agricultural Business Leases)</i></p> <p>The Forest Clearing Authority (FCA) are set out in section 90 of the Forestry Act 1991, specifically subsections 90A, 90B, 90C, 90D and 90E. The approvals process for the allocation of an FCA can be summarized as:</p> <ul style="list-style-type: none"> • The Forest Industry Participant submits an application for a FCA.

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	<p>copied held by the PNGFA Head Office.</p> <ul style="list-style-type: none"> Timber Permit, issued by the Minister for Forestry <p>For timber harvested under a Timber Authority</p> <ul style="list-style-type: none"> Sales and Purchase Agreement between the company and the customary owners Timber Authority, issued by the Chairman of the PFMC after approval from the National Forest Board. <p>For timber harvested under a Timber License</p> <ul style="list-style-type: none"> Timber License, issued by the National Forest Board <p>For timber harvested under a Forest Clearance Authority</p> <ul style="list-style-type: none"> Forest Clearance Authority Development plan; Evaluation report and certificate of approval from the relevant Government department; 	<p>Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf</p> <ul style="list-style-type: none"> Jennifer Gabriel & Michael Wood (2015) <i>The Rimbunan Hijau Group in the Forests of Papua New Guinea</i>, The Journal of Pacific History, 50:3, 322-343, DOI: 10.1080/00223344.2015.1060925. Available at: https://pngexposed.files.wordpress.com/2016/01/rh-in-the-forests-of-png-icu-2015.pdf [accessed 26 July 2017] Ken, B. (2015). <i>Papua New Guinea - Mapping REDD+ Finance Flows 2009-2014</i>. Available at: https://www.illegal-logging.info/file/2851 [accessed 26 July 2017] Lawson, S. for Chatham House (2014). <i>Illegal logging in Papua New Guinea</i> 	<ul style="list-style-type: none"> The application is assessed by the Project Allocations Directorate of the PGFA who may deem it satisfactory or incomplete. Provincial Forest Management Committee (PFMC) for review. The PFMC then makes a recommendation to the National Forest Board to either issue or not issue the FCA. The National Forest Board then either issues, or does not issue the FCA. Issued FCA's are printed by the PNFA Project Allocations Directorate. <p><i>Allocation of Timber Rights Purchase Agreements (TRPs)</i></p> <p>Some harvesting activities are continuing to operate under older arrangements and are currently provided for in the Forestry Act 1991. These arrangements will no longer be valid once the existing project arrangements expire. Approximately 32 Timber Rights Purchase (TRP) Agreements are still current, with expiry dates ranging up until 2 December 2031. Under this arrangement, once land use rights have been lawfully obtained by the state, the state then issues a Timber Permit (TP) to a timber operator in accordance with established procedures to remove the timber on agreed terms and conditions, including the payment of royalties.</p> <p><i>Allocation of Local Forest Areas (LFAs)</i></p> <ul style="list-style-type: none"> Landowners are required to form and incorporate their landowner companies.

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	<ul style="list-style-type: none"> • Certificate from a financial institution to show the developer has the finances needed for the proposed development; • Evidence of past experience with similar developments; • Verification of land ownership and evidence of landowner consent; and • Environment impact statement approved by the DEC <p>For timber harvested under a Timber Rights Purchase (TRP) Agreement</p> <ul style="list-style-type: none"> • Timber Rights Purchase (TRP) agreement, held by the PNGFA Head Office and the timber business • Timber Permit (for FMA or TRP), issued by the Minister of Forests, copied held by the PNGFA Head Office <p>For timber harvested under a Local Forest Area (LFA) agreement:</p> <ul style="list-style-type: none"> • Local Forest Area (LFA) agreement, approved by the Minister of Forests, copy held by the PNGFA Head Office 	<p>Available at: https://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 26 July 2017]</p> <ul style="list-style-type: none"> • Oakland Institute (2017). <i>Taking On the Logging Pirates, Land Defenders in Papua New Guinea Speak Out!</i> Available at: https://www.oaklandinstitute.org/illegal-logging-papua-new-guinea-speak-out-palm-oil-corruption [accessed 26 July 2017] • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea.</i> [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] • Oxfam (2014). <i>Banking on Shaky Ground.</i> Available: 	<ul style="list-style-type: none"> • Individual landowners then enter into a ‘private dealings’ agreement with the landowner company as a business entity. • After signing the private dealings (agreements), the landowner’s company then enters into a Logging and Marketing Agreement (LMA) with a contractor of their choice to conduct logging operations in the LFA project area. • Logging will only commence once the Minister for Forests gives their consent. <p>Description of risk</p> <ul style="list-style-type: none"> • According to some experts consulted, there is essentially 100 per cent occurrence of bribery and/or corruption with all permits and licenses allocated in PNG, i.e. bribes are involved in all permits and licenses issued in some way. Experts also report that it is very difficult to obtain evidence of this taking place. • Detecting bribery and corruption are very difficult to trace in a supply chain, and the complexity, and multitude of layers of authority and decision making in PNG makes this even harder. • The Forestry Act 1991 amended and regulations allows for Provincial Forest Management Committee to have a say on who develops the project, based on technical and economic guidance of PNG Forestry Authority, but as the process goes to the National Forest Board and Minister, the Minister on several occasions has made decisions in contrary to PFMC recommendations to the Board. For example, before the Supreme Court ruling in 2009, the National Forest Board had granted Timbers PNG the license to log the area despite the

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>https://www.illegal-logging.info/file/2448 [accessed 26 July 2017]</p> <ul style="list-style-type: none"> • Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January] • Transparency International Papua New Guinea (TIPNG) (2015). <i>Forest Governance Integrity Baseline Report - Papua New Guinea</i>. Available at: https://pngforests.files.wordpress.com/2013/05/forest-governance-integrity-report-ti.pdf [accessed 17 January 2017] 	<p>PMFC's choice which was Madang Timbers Ltd (Expert consultation 2016).</p> <ul style="list-style-type: none"> • The official line of the PNG government is that a government issued timber export permit is evidence of legal compliance in a supply chain (PNG Country Specific Guidelines 2015), but the government also refuses to acknowledge the risk of bribery and corruption in the forest sector – which is widely reported by varied actors (Filer et al 2009, Expert consultation 2016, Forest Legality Alliance 2015, Global Witness 2014, Greenpeace Australia Pacific 2011, Greenpeace 2010, Chatham House 2013, Institute for Global Environmental Strategies 2016, Gabriel & Wood 2015, Ken 2015, Chatham House 2014, Oakland Institute 2017, Oxfam 2014, Transparency International Papua New Guinea 2015). • Chatham House, (Lawson 2014) states that the types of illegality recorded in PNG include licenses to harvest timber being issued or extended in breach of regulations (especially those relating to consultation with indigenous landowners). • According to many sources, the dramatic increase in the number of SABLs applied for and issued from 2009-2011 was because the logging companies realised the process for obtaining a new FMA was quite difficult, particularly in relation to the landowner consent requirements (Expert consultation Port Moresby November 2016). • Experts also noted, in relation to the consent requirements under the FMAs that, although the requirements are very clear, they are sometimes not complied with. In some instances,

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 January 2019] • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20i%20mplementation%20of%20the 	<p>approval from only <i>some</i> of the landowners is obtained. Experts cited corruption and undue influence of large companies at the highest level as key drivers for the non-compliance (Expert consultation Port Moresby November 2016). According to the PNGFA, the records of the stakeholder consultation and consent should be available upon request.</p> <ul style="list-style-type: none"> • Regarding the SABLs, Commissioner Mirou (2014) found that “in some instances [...], inferences from very strong evidence suggests that not only the Dept. of Lands and Physical Planning officials but landowner companies and ILG executives have been compromised. These will be noted in instances where grants of title were made directly to foreign entities (developers) as well as where transfer of shares of the SABL title holding company to other or foreign entities resulted with control of title to be in foreign hands.” Mirou goes on to states that: “In respect of Forestry (PNGFA), many FCAs were issued in questionable circumstances. Many of these FCAs issued, were not supported by authentic, verified and approved agriculture development plans. Even if these FCAs were supported by properly approved agriculture development plans, during the operations in many instances it had been noted that the operators or developers departed or digressed from the approved agriculture plans. • In other instances, the proportionate agriculture development phased out per every 500 hectares maximum area over which clear felling of forests can take place, it has been noted that FCAs were nonetheless given and logging generally continued

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] 	<p>into areas not immediately within the 500 hectares phases but over the whole areas of SABLs.”</p> <ul style="list-style-type: none"> There is a general risk of corruption in Papua New Guinea. The 2016 Transparency International’s Corruption Perceptions Index ranked Papua New Guinea 138th out of 180 countries assessed and scored it 28 out of 100, meaning it has a high perception of corruption. The 2015 World Bank Worldwide Governance Indicators (WGI) gave Papua New Guinea the following scores out of 100: Voice and Accountability: 49.26; Political Stability and Absence of Violence: 24.29; Government Effectiveness: 29.81; Regulatory Quality: 31.25; Rule of Law: 18.75 and Control of Corruption: 14.42. The issuance of Timber License to a company outside scope of Timber Permit and Timber Authority creates room for corruption and illegal processes, which could lead to non-payments of taxes, royalties and fees. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk. Risk have been identified associated with the incorporation of land groups and the acquisition of landowner consent.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.3 Management	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 - http://theredddesk.org/sites/default/fil 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). <i>Papua New Guinea Country</i> 	<p>Overview of Legal Requirements</p> <p>In PNG, individual loggings areas (a.k.a. harvesting blocks or coupes) are referred to as set-ups. Holders of Timber Permits</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
and harvesting planning	<p>es/forestry_act_1991_png_0.pdf - Section 58-60, 99, and 101-102</p> <ul style="list-style-type: none"> Forestry Regulations 1998 - http://faolex.fao.org/cgi-bin/faolex.exe?rec_id=034471&dabase=faolex&search_type=link&table=result&lang=enq&format_name=@ERALL Logging Code of Practice - http://www.fiapng.com/PDF_files/PNG%20LOG%20CODE%20OF%20PRACTICE.pdf Environment Act 2000 - http://faolex.fao.org/docs/texts/png70607.doc <p>Legal Authority</p> <ul style="list-style-type: none"> PNG Forest Authority Department of Labour and employment Department of Commerce, Trade and Industry Conservation Environment Protection Authority <p>Legally required documents or records</p>	<p><i>Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Colin Filer, Rodney J. Keenan, Bryant J. Allen, John R. Mcalpine (2009). <i>Deforestation and forest degradation in Papua New Guinea</i>. Available at: https://crawford.anu.edu.au/pdf/staff/rmap/cfiler/Filer_et_al_2009.pdf [accessed 30 March 2019] Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016 ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: 	<p>issued under Forest Management Agreements (or the now superseded TRPs or LFAs) are required to produce the following plans (extracted from Wilkinson, 2013):</p> <ul style="list-style-type: none"> Five Year Plan Annual Plan Set-up Plan <p>The five year plan is a strategic plan that is required under s 101 of the Forestry Act to be produced every three years to show where logging is intended to occur over a rolling five year period. It contains a project statement, inventory data and the location of permanent roads, log ponds and logging base camps. It is submitted to the PNGFA for the approval of the Managing Director.</p> <p>The annual plan is required to be produced under s 102 of the Forestry Act. The plan shows the location of the “set-ups” that are to be harvested over the next 12 months, together with inventory data, the location of log ponds, logging base camps and the proposed construction and de-commissioning of roads. It is submitted to the PNGFA Regional Office for evaluation and forwarding to the PNGFA Managing Director for approval.</p> <p>The set-ups are the individual harvesting areas, sometimes called coupes in other jurisdictions. A plan is required for each set-up under the Planning Monitoring and Control (procedures) under the Logging Code of Practice (LCoP). The set-up plan is a detailed, operational plan with pre-logging inventory and a map at a scale of 1:5000 or 1:10000 that shows harvest boundaries, proposed roads, skid trails, landings, stream crossings and buffers, cultural sites and other areas that are excluded from harvesting. The set-up plans are</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> For timber harvested under Forest Management Agreements, Timber Rights Purchase Agreements or Local Forest Area agreements: 5 year logging plan, approved by the PNGFA Managing Director, copies held by the Timber business and the Provincial Forest Office; and Annual logging plan, approved by the PNGFA Managing Director, copies held by the Timber business and the Provincial Forest Office. Set-up plans 	<ul style="list-style-type: none"> http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] Forest-trends.org, (2006). Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging - Industry Volume I. [online] Available at: http://www.forest-trends.org/documents/files/doc_105.pdf Global Witness (2014). The people and forests of Papua New Guinea under threat: the government's failed response to the largest land grab in modern history. Available at: https://www.globalwitness.org/documents/10526/png_brief.pdf [accessed 30 March 2019] Greenpeace (2010). <i>Papua New Guinea: Not ready for REDD</i>. Available: 	<p>prepared by the permit holder and forwarded to the responsible PNGFA project supervisor for evaluation and approval. The plans are evaluated in accordance with two standard forms contained within the PMC Procedures:</p> <ul style="list-style-type: none"> Set-up Plan Approval Evaluation Procedure Part 1: Data Review comprises 30 factors, covering landowner consent, cultural sites, map details, watercourse crossings, road decommissioning schedule, inventory data and tree tagging. Set-up Approval Evaluation Procedure Part 2: Pre-approval Field Inspection comprises 25 factors and five key standards of the Logging Code of Practice, including the set-up map, boundaries, roads, watercourses, crossings, buffers, skid trails, landings and tree selection. <p>Description of risk</p> <p><i>Risk associated with the preparation of the plans</i></p> <ul style="list-style-type: none"> According to Wilkinson (2013), many of the larger forestry companies in PNG have adequate resources to carry out their planning and implementation functions, including: trained professional foresters with skills in inventory, survey, GPS and GIS/mapping; advanced technical tools including GPS and GIS systems, which enable the production of accurate contour maps and accommodation, transport and communication systems. These views were broadly echoed during expert consultation meetings, the planning process was described as good, largely due to the resources available to the large foreign owned companies acting in the PNG forestry sector. Experts stated that most companies have sophisticated in house capacity for

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>http://www.greenpeace.org/australia/Global/australia/report/2010/10/papua-new-guinea-not-ready-fo.pdf [accessed 26 July 2017]</p> <ul style="list-style-type: none"> Greenpeace Australia Pacific (2011). <i>BRIEFING: Special-purpose agricultural and business leases in Papua New Guinea</i> Available at: http://www.greenpeace.org/australia/Global/australia/11-076%20PNG%20Press%20Briefing_smaller_F-1.pdf [accessed 30 March 2019] Hoare, A. for Chatham House (2013). <i>Illegal Logging: Are We Making Progress?</i> Available at: https://www.illegal-logging.info/content/illegal-logging-are-we-making-progress-0 [accessed 26 July 2017] Institute for Global Environmental Strategies (IGES), (2016). Legal framework, legality risks and 	<p>forest management planning, and did not perceive this to be an area of particular risk.</p> <ul style="list-style-type: none"> However, Bob Tate of the PNGFIA noted in the Wilkinson report that ‘the resources and capacity within forest companies in PNG is variable.’ (Wilkinson, 2013). Experts consulted also noted that there is no independent review carried out of the management plans, reducing the likelihood that poor planning is identified. Wilkinson also states that the lack of resources within PNGFA, particularly at the forest level (project officers), has raised concerns about the adequacy of the PNFGA process for the evaluation, approval and monitoring of set-up plans (Wilkinson 2013). There are numerous reports (both formal and anecdotal) of widespread corruption in PNG, and particularly in the forest sector. As there is no independent oversight of the planning process, there is a risk that companies may pay bribes to officials to approved inadequate or poor forest management plans (Filer et al 2009, Expert consultation 2016, Forest Legality Alliance 2015, Global Witness 2014, Greenpeace Australia Pacific 2011, Greenpeace 2010, Chatham House 2013, Institute for Global Environmental Strategies 2016, Gabriel & Wood 2015, Ken 2015, Chatham House 2014, Oakland Institute 2017, Oxfam 2014, Transparency International Papua New Guinea 2015). <p><i>Risk associated with compliance monitoring and enforcement</i></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/module/s/envirolib/upload/6455/attach/Book_1.pdf</p> <ul style="list-style-type: none"> Jennifer Gabriel & Michael Wood (2015) <i>The Rimbunan Hijau Group in the Forests of Papua New Guinea</i>, The Journal of Pacific History, 50:3, 322-343, DOI: 10.1080/00223344.2015.1060925. Available at: https://pngexposed.files.wordpress.com/2016/01/rh-in-the-forests-of-png-jcu-2015.pdf [accessed 26 July 2017] Ken, B. (2015). <i>Papua New Guinea - Mapping REDD+ Finance Flows 2009-2014</i>. Available at: https://www.illegal-logging.info/file/2851 [accessed 26 July 2017] 	<ul style="list-style-type: none"> 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 organizations (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 (Chatham House 2014). Corruption was felt, on average, to be the most important type of illegality in the forest sector in PNG, including corruption within the forest service and among the police and judiciary. Illegal issuance of logging licences was also judged to be especially important, as was illegal activity by licensed loggers. Illegal artisanal logging was scored the lowest, on average, on a scale of importance of different types of illegality, together with other unlicensed illegal logging and log smuggling (Chatham House 2014). All of the different possible types of illegal activity by licensed logging companies were considered to be present to some extent, but the most prevalent were judged, on average, by respondents to be logging under-size trees and breaches of obligations to local communities. Logging in protected areas or of prohibited species were felt to be less prevalent. The former may be partly because there are relatively few protected areas,78 while those that do exist are very inaccessible (Chatham House 2014).

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> • Lawson, S. for Chatham House (2014). <i>Illegal logging in Papua New Guinea</i> Available at: https://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 26 July 2017] • Oakland Institute (2017). <i>Taking On the Logging Pirates, Land Defenders in Papua New Guinea Speak Out!</i> Available at: https://www.oaklandinstitute.org/illegal-logging-papua-new-guinea-speak-out-palm-oil-corruption [accessed 26 July 2017] • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea.</i> [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea 	<ul style="list-style-type: none"> • Expert consultation reinforced the key risks associated with this indicator are in the monitoring and enforcement of the legal requirements, and of capacity. Issues cited by experts related to: the vast and often inaccessible areas of the forestry projects (the largest of which is 400,000 hectares, and is monitored by a single PNGFA Project Officer, who does not have their own vehicle); and the dependence of the Project Officers on the logging companies. Often the under resourced project officers live onsite with the companies, sharing meals and accommodation for extended periods. Officers are often dependent on the companies for transport, either via the vehicles of the companies or for repairs on government vehicles. This dependent relationship makes independence and impartiality from the project officers very difficult. • There is a general risk of corruption in Papua New Guinea. The 2018 Transparency International's Corruption Perceptions Index ranked Papua New Guinea 138th out of 180 countries assessed and scored it 28 out of 100, meaning it has a high perception of corruption. The 2015 World Bank Worldwide Governance Indicators (WGI) gave Papua New Guinea the following scores out of 100: Voice and Accountability: 49.26; Political Stability and Absence of Violence: 24.29; Government Effectiveness: 29.81; Regulatory Quality: 31.25; Rule of Law: 18.75 and Control of Corruption: 14.42. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk for Timber Permits issued under Forest Management Agreements (or the now superseded TRPs or LFAs).</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>guinea [Accessed 11. January 2017]</p> <ul style="list-style-type: none"> Oxfam (2014). <i>Banking on Shaky Ground</i>. Available: https://www.illegal-logging.info/file/2448 [accessed 26 July 2017] Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January] Transparency International Papua New Guinea (TIPNG) (2015). <i>Forest Governance Integrity Baseline Report - Papua New Guinea</i>. Available at: https://pngforests.files.wordpress.com/2015/08/Forest-Governance-Integrity-Baseline-Report-Papua-New-Guinea.pdf 	<p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p> <p>This indicator is not applicable for all other source types.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>ess.com/2013/05/forest-governance-integrity-report-ti.pdf [accessed 17 January 2017]</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%2 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>0-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] 	
1.4 Harvesting permits	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 - http://thereddesk.org/sites/default/files/forestry_act_1991_png_0.pdf - Section 102(2)-(4) Forestry Regulations 1998 - http://faolex.fao.org/cgi-bin/faolex.exe?rec_id=034471&datab 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest- 	<p>Overview of Legal Requirements</p> <p>Harvesting permits in PNG’s forest are grouped in three categories: A Timber Permit to registered third parties within the private sector followed by FMA; Various forms of Timber Authorities, which can only be issued for small-scale operations of up to 5,000 m³; and the Forest Clearance Authorities (FCA's) are issued for the clear-felling</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>ase=faolex&search_type=link&table=result&lang=eng&format_name=@ERALL</p> <ul style="list-style-type: none"> Logging Code of Practice - http://www.fiapng.com/PDF_files/PNG%20LOG%20CODE%20OF%20PRACTICE.pdf Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under Timber Permit (1995) (referred to as the PMC Procedures), given legal effect through the Forestry Act 1991 and the Forestry Regulation 1998 (Reg. 95(1), Reg. 241 and Schedule 2). Environment Act 2000 - http://faolex.fao.org/docs/texts/png70607.doc <p>Legal Authority</p> <ul style="list-style-type: none"> PNG Forest Authority PNG Forestry Authority Project monitoring officers Conservation Environment Protection Authority 	<p>policies/illegal-logging/png-csg.pdf</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] Forest-trends.org, (2006). Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging - Industry Volume I. [online] Available at: http://www.forest-trends.org/documents/files/doc_105.pdf 	<p>of natural forest with the purpose of agriculture or other land use development for an area greater than 50 hectares.</p> <p>In PNG, individual loggings areas (a.k.a. harvesting blocks or coupes) are referred to as set-ups. Once the 5-year forest working plan and annual logging plan are approved by the PNGFA, the logging operator (applicable to holders of Timber Permits issued under FMAs, or under TRPs or LFAs), must prepare and submit a set-up plan to the PNGFA Project Supervisor responsible for the FMA, for evaluation and approval. The PNGFA places project supervisors (often called project officers) 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.</p> <p>The project supervisors (employees of the PNGFA) evaluate the plans in accordance with two standard forms contained within the PMC Procedures:</p> <ol style="list-style-type: none"> The Set-up Plan Evaluation Procedure Part 1: Data Review comprises 30 factors, covering landowner consent, cultural sites, map details, watercourse crossings, road decommissioning schedule, inventory data and tree tagging; and Set-up Approval Evaluation Procedure Part 2: Pre approval Field Inspection comprises 25 factors and five key standards of the LCOP, including the set-up map, boundaries, roads, watercourses, crossings, buffers, skid trails, landings and tree selection.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Department of Labour and Employment Chairman of Incorporated Land Groups <p>Legally required documents or records</p> <ul style="list-style-type: none"> Set-up plans Project officer log book Set-up approval Log tally sheets -showing how many logs being scaled as royalty will based on volume scaled as well as taxes and other fees. 	<ul style="list-style-type: none"> Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/module/s/envirolib/upload/6455/attach/Book_1.pdf Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New</i> 	<p>The project supervisors must approve the set-up plans prior to the opening of a coup for logging, and must also review the harvesting operation after logging has taken place, to ensure the requirements of the set-up plan was complied with.</p> <p>Description of risk</p> <p><i>Lack of evaluation, approval and monitoring of set-up plans, and failure to carry out field inspections as required</i></p> <ul style="list-style-type: none"> Expert consultation and available reports indicate that the lack of resources within PNGFA, particularly at FMA level, has raised concerns about the adequacy of the PNFGA process for the evaluation, approval and monitoring of set-up plans (Wilkinson 2013, ODI 2007). Wilkinson states that ‘forest companies complain about delays in the approval of plans, alleging that the checks are often limited to an office-based process, which is bureaucratic and superficial in nature with few field checks’ (Wilkinson 2013). It is worth noting that field inspections are requirements of the PMC Procedures. Forest concessions can be very large, the largest is 400,000 hectares, where a single project officer has been assigned for monitoring and enforcement. The vastness of the concessions, the nature of the terrain and the lack of resources of the PNGFA (i.e. project officers often do not have their own vehicles) make it very difficult to comply with the inspection requirements (Expert opinion of co-author F. Hurahura, supported by the opinion of experts consulted).

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> Tomimura, C. (2013) Rainforest Alliance Standard for Verification of Legal Compliance (VLC) for Forest Management Enterprises (FME) in Papua New Guinea. [pdf] Rainforest Alliance, principal 5 (page 9). Available at: http://www.rainforest-alliance.org/business/sites/default/files/site-documents/forestry/documents/VER-26_RA_VLC_Standard_for_FMEs_PNG_24Oct13.pdf Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: 	<ul style="list-style-type: none"> According to Wilkinson, 'PNGFA officers readily concede that financial resources are not sufficient to support field inspections of every set-up.' The FAO, in 2009 noted that 'One of the continuing problems for the PNG Forest Authority [...] is that often it does not have adequate resources (in terms of finances and logistical support) to properly monitor and regulate compliance by the timber companies' (PNG Forestry Outlook Study, FAO, 2009, page 13). Wilkinson pays close attention to the issues of under-resourcing of project officers (and the findings are supported by the opinions of experts consulted in the preparation of this report), the issues may be summarized as: Inadequate access to vehicles or fuel to travel to operational areas; Many logging operations are located in remote areas that are only accessible by boat or by air and Operational budgets are not adequate to cover travel and accommodation costs. This under resourcing means that many officers are required to work closely with forest companies and rely upon them for basics such as housing, transport and communications. This presents a conflict of interest for officers and places them in a situation of regulatory capture (Wilkinson 2013) where the PNGFA as the regulator is not able to operate in an independent manner. Wilkinson also contests (and was confirmed by expert discussions in Port Moresby), that there is inadequate training and education programs for supervisory staff, operators and

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>http://www.transparency.org/country/PNG [accessed 30 March 2019]</p> <ul style="list-style-type: none"> Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017] 	<p>landowners. This significantly reduces compliance with many/all legal requirements in the field.</p> <ul style="list-style-type: none"> Actions have been taken to try to improve the situation in the field, including increasing the pay of the project officers to make them less susceptible to accepting bribes, but anecdotal reports note that this is still a systematic issue. Increasing the pay of the project officers was reportedly a strategy to reduce the likelihood of officers accepting bribes (expert discussions in Port Moresby). The risk of a lack of field verification is present in almost all FMAs, and is very difficult to detect retrospectively. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] 	
Taxes and fees			
1.5 Payment of royalties and harvesting fees	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf - , section 118, 119, 120 and section 121. Procedures of the identification, scaling and reporting (including royalty self-assessment) on logs harvested from natural forest logging operations PNGFA 1996. <p>Legal Authority</p> <ul style="list-style-type: none"> PNG Forest Authority Internal Revenue Commission 	<p>Non-Government sources</p> <ul style="list-style-type: none"> Sam Lawson for Chatham House, 2014. <i>Illegal Logging in Papua New Guinea</i>. Available online at < http://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf, accessed 13 January 2017. Institute for Global Environmental Strategies (IGES), 2016. <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. 	<p>Overview of Legal Requirements</p> <p>The National Forest Policy prescribes that Forestry Industry Participants must pay royalties on the logs harvested to landowners, via the PNGFA. Royalty payable is fixed by the Forest Minister in the Timber Permit on the volume of merchantable timber or forest produce calculated at stump. A price is set per cubic metre of log recovered. The volume is then based on the log volumes as per the tally sheets (in accordance with ss 118-121 of the Forestry Act and the Procedures of the identification, scaling and reporting (including royalty self-assessment) on logs harvested from natural forest logging operations PNGFA 1996).</p> <p>Once a log is harvested in PNG, it is moved to the snicking point (log landing site) where it is measured and labelled by a log scaler. The Log scaler works for the concession company, but are licensed and monitored by the PNGFA. There is a strong incentive for landowners ensure the scaling is being done properly because their royalties are determined by the scaling. Declarations are made by</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legally required documents or records</p> <ul style="list-style-type: none"> Royalty payable is fixed by the Forest Minister in the Timber Permit on the volume of merchantable timber or forest produce calculated at stump. A price is set per cubic metre of log recovered. The volume is then based on the log volumes as per the tally sheets.... See the Procedures of the identification, scaling and reporting (including royalty self-assessment) on logs harvested from natural forest logging operations (PNGFA, 1996) . This is a key requirement. Timber Permit / license / approval Project Agreement 	<p>Accessed 13 January 2017 at http://pub.iges.or.jp/modules/en/virolib/upload/6455/attach/Book_1.pdf</p> <ul style="list-style-type: none"> Oakland Institute, 2016. The Great Timber Heist: The Logging Industry in Papua New Guinea. Accessed 11 January 2017 at https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. PricewaterhouseCoopers (PwC) for the Papua New Guinea Forest Industries Association (PNG FIA), 2006. Economic Analysis and Potential of PNG Forestry Industry - Final Report. Available online at < http://www.fiapng.com/PDF_files/PWC_ECONOMIC_REPO_RT_07.pdf>, accessed 13 January 2017. 	<p>companies to the government about what has been harvested the preceding month. The Government issues an invoice to the company for a preceding period, they receive a receipt upon payment. The royalties are then distributed to clan leaders by the government.</p> <p>Overall, the PNG forestry industry is regarded as one of the more heavily taxed industries in the economy and the high taxation regime, according to PWC, 'the royalty and tax burdens on the forestry industry in PNG appear high', PWC states that this is seen as a disincentive for companies to invest in the sector (PWC 2006).</p> <p>Description of risk</p> <p><i>Risk of non-payment of royalties</i></p> <ul style="list-style-type: none"> According to Chatham House (2014), "there are no systems in place within the PNGFA for checking actual harvest volumes against revenues and investigating discrepancies. The office of the auditor-general sought to carry out such checks during its last audit in 2009, but found that to do so properly would have required it to examine direct log scaling sheets kept by each individual provincial forest office, which was beyond its capabilities. Using available collated data stored at headquarters, it was nevertheless able to demonstrate significant discrepancies that had apparently gone unnoticed. It compared harvesting records against amounts of royalties collected for January 2001–August 2008, finding that almost \$4 million was missing." According to the experts interviewed, the landowners themselves are a credible control to ensure compliance with

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> • Roberts, G. for the Age, 2002. Landowners rebel as loggers cut a path of destruction. Available: http://www.theage.com.au/articles/2002/04/12/1018333417644.html, accessed July 2017. • Roberts, G. for the SMH, 2002. Sold down the river. Available: http://www.smh.com.au/articles/2002/04/12/1018333418610.html, accessed 27 July 2017. • Greenpeace 2002, Partners in crime: Malaysian timber markets and the politics of self-interest in Papua New Guinea, Greenpeace International, The Netherlands. http://www.greenpeace.org/australia/PageFiles/320427/partners-in-crime-malaysian-l.pdf 	<p>requirements for the payment of royalties. Landowners are usually present at the log landing site to ensure the scaling and grading is done correctly as it impacts the royalties they receive.</p> <ul style="list-style-type: none"> • A number of experts interviewed mentioned reported issues with the distribution of royalties both to the clan leaders from government, and within clans by the clan leaders (Expert consultation 2016, Roberts 2002, FAO 2009,). The Chairman of the Incorporated Land Group (i.e. and usually the Clan leader) is supposed to receive the payment from the government and then distribute within the clan, but this is not happening. According to some sources, the ILG chairmen are getting paid by the companies to mount legal claims, or defend against them, from their own clans people for improper distribution of royalties. • According to Roberts (2002), "Logging royalties are often not paid to landholders as required, a point demonstrated by a World Bank audit of Balokoma, a New Britain landowners' company which received royalties. The audit found funds were misused by management and no tangible benefits were passed to landowners. Money used to support a hire care service was written off after vehicles were crashed, and the wives of managers cashed account cheques "on a daily basis". <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk related to the proper distribution of royalties.</p> <p>Threshold (2) is met. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
<p>1.6 Value added taxes and other sales taxes</p>	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf - section 117. Quality control. The methods of grading logs and other forest produce for export and of seasoning and preservation of forest produce shall be as prescribed. Income Tax Act 1959 - http://www.paclii.org/pg/legis/consol_act/ita1959116.rtf - section 118. Control, etc., of transfer pricing. Valued Added Tax Regulation 1999 - http://policy.mofcom.gov.cn/GlobalLaw/english/flaw!fetch.action?libcode=flaw&id=1540ead6-42d1-4e84-811b-7437c3e0cdbb&classcode=560 Goods and Services Tax (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Goods%20&%20Services%20Tax%20(2008%20Budget%20Amendment)%20Act%202007.pdf <p>Legal Authority</p> <ul style="list-style-type: none"> PNG Forest Authority 	<p>Non-Government sources</p> <ul style="list-style-type: none"> Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017]. Lawson, S. (2014). <i>Illegal Logging in Papua New Guinea</i>. [online] Illegal-logging.info Available at: http://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 13 January 2017]. Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: 	<p>Overview of Legal Requirements</p> <p>In addition to the royalties described in 1.5., Forest Industry Participants in PNG are also liable to pay the following levies if stipulated in the project agreement, otherwise not:</p> <ul style="list-style-type: none"> Log export levy (a.k.a log export tax) Follow-up development levy Agriculture development levy Forest management levy Resource replacement levy PNGFA levy <p>The levies and forest related charge (i.e. the reforestation, agriculture, landowner levy) are calculated at the point of export and are based on the sale price of the timber. The Log export levy is calculated on a progressive scale on the price of exported logs. It is currently approximately 8 kina/m3. SGS, the private inspection and verification company contracted by the PNG government, monitors log exports and reports on volumes and prices on a monthly basis.</p> <p>The PNGFA has a log price barometer where they collate a sample of log prices claimed for the key species as a bench mark of price.</p> <p>Description of risk</p> <ul style="list-style-type: none"> Payment of export levies for log exports has been independently monitored since 1994 by SGS and this has effectively ensured that all export taxes charged have been paid – although questions have been repeatedly raised about whether the full

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Internal Revenue Commission <p>Legally required documents or records</p> <ul style="list-style-type: none"> For logs: Commercial invoice/inspection record from SGS Receipts for payment of all applicable levies (stated in the Project Document). Export permit signed by the Minister. 	<ul style="list-style-type: none"> https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017]. Oxfordbusinessgroup. com, (2012). <i>The Report: Papua New Guinea 2012: Tax.</i> [pdf] Oxford Business Group. [online] Available at: http://www.oxfordbusinessgroup.com/node/779733/reader [Accessed 13 January 2017]. Oxfordbusinessgroup. com, (2015). <i>Papua New Guinea 2015: Agriculture & Fisheries - PNG's export of raw logs support growth.</i> [online] Available at: http://www.oxfordbusinessgroup.com/country/papua-new-guinea/agriculture?page=2 [Accessed 13 January 2017]. PricewaterhouseCoopers (PwC) for the Papua New Guinea Forest Industries Association (PNG FIA) 	<p>amounts due are in fact being charged, since there is evidence that log values may be being deliberately under declared (Chatham House 2014).</p> <ul style="list-style-type: none"> Regarding SGS's role, Chatham House 2014 states "The independent monitoring of log exports by SGS does involve a computerized system that includes volumes exported and taxes paid by individual logging concessionaires, but the database only captures a part of the timber administration system. The problems with data collection and management are demonstrated by apparent confusion over one of the most fundamental factors – the amount of timber officially harvested. Research by Chatham House for the wood balance analysis in this report exposed large differences in data for licensed harvests reported by the PNGFA's Field Services Division (as cited in the country's REDD+ R-PP) and that reported in PNGFA annual reports." Undervaluing the price of logs that are sold and exported has been reported as means for forestry companies in PNG to reduce their export tax liabilities (according to the Oakland Institute report and expert consultation conducted in Port Moresby in November 2016). According to the Oakland Institute (2015), there is no mechanism in place to verify the prices or what happens to the logs once they are exported from the country. There are strong reasons to believe that underpricing is practiced by the logging companies in PNG. That report further states "The declared export prices for PNG timber are significantly lower than those of other major exporters of tropical logs. For the past 15 years, the average price per cubic meter is

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>(2006). <i>Economic Analysis and Potential of PNG Forestry Industry - Final Report</i>. [pdf] PricewaterhouseCoopers. Available at: http://www.fiapng.com/PDF_files/PWC_ECONOMIC_REPORT_07.pdf [Accessed 13 January 2017].</p> <ul style="list-style-type: none"> • Sam Lawson for Chatham House, 2014. <i>Illegal Logging in Papua New Guinea</i>. Available online at < http://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf, accessed 13 January 2017. • Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. 	<p>20% lower for PNG than the average of the other five major exporters of tropical timber. In 2014, the PNG export price per cubic meter was \$210 vs. \$388 for the average of the five other major exporters of tropical wood (making PNG timber 46% cheaper). Applied to the 2014 volume of log exports (3.8 million cubic meters), this variation makes a \$679 million difference in annual revenue for the industry.” Export prices declared for PNG timber are significantly lower than those declared by other major exporters of tropical logs—except Malaysia, which has similarly low prices. At an average of \$184 between 2000 and 2014, the price per cubic meter for PNG exporters is 20% lower than the average of the other five major exporters of tropical timber and 26% lower than the average for the rest of the world. (Oakland Institute 2015). The above elements concur to indicate the strong likelihood that transfer pricing is happening in PNG through underpricing.</p> <ul style="list-style-type: none"> • Chatham House 2014 states “there is evidence that log values may be deliberately under-declared”. “Official independent reviews into log export taxes in 2000, 2002, and 2004 all found evidence suggesting that declared log export values may be being fraudulently understated in order to avoid taxes, and recommended further investigation. No such investigation was ever carried out, however. The 2002 review examined prices declared at export from PNG and at import in China, Japan and Korea, and found that the differences were too large to be explained by the costs of insurance and freight. • The IGES Report (2016) also states that ‘the export log monitoring system does not guarantee that export timber is fully

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January].</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019]. • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/sit 	<p>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.'</p> <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk, particularly related to tax minimization and tax avoidance.</p> <p>Threshold (2) is met. Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>e/files/1.%20Report%201%200-%20Background%20on%200forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20i mplementation%20of%20the %20Logging%20Code%20of %20Practice%20(by%20Wilk inson).pdf [accessed 13. January 2017].</p> <ul style="list-style-type: none"> Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017]. 	
1.7 Income and profit taxes	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Income Tax, Dividend (Withholding) Tax and Interest (Withholding) Tax Rates (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legisl 	<p>Non-Government sources</p> <ul style="list-style-type: none"> Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. 	<p>Overview of Legal Requirements</p> <p>Businesses operating in PNG are generally required to adhere to the following main tax legislation:</p> <p>(a) the Income Tax Act,</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>ation/files/acts/Income_Tax_Div(With)%20Tax_Interest%20(With)%20Tax_Rates%20(2008%20Budget%20Amendment)%20Act%202007.pdf</p> <ul style="list-style-type: none"> Value Added Tax Act 1998 - http://www.paclii.org/pg/legis/consol_act/vata1998132/ Value Added Tax Regulation 1999 - http://www.paclii.org/pg/legis/consol_act/vatr1999223/ Companies Act 1997 consolidated to No 66 of 2000 - http://www.treasury.gov.pg/html/legislation/files/acts/2012.companies-amendment.act.pdf <p>Legal Authority</p> <ul style="list-style-type: none"> Internal Revenue Commission (IRC) Investment Promotion Authority <p>Legally required documents or records</p> <ul style="list-style-type: none"> Audited Financial Statements Balance sheet Profit and Loss statements 	<ul style="list-style-type: none"> Forest Trends (2006). <i>Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging Industry</i> [online]. Volume I. Available at: http://www.forest-trends.org/documents/files/doc_105.pdf ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at <http://pub.iges.or.jp/modules/ 	<p>(b) the Goods and Services Tax Act,</p> <p>(c) the Customs Act, and</p> <p>(d) the Income Tax (International Agreements) Act.</p> <p>The Income Tax Act specifies two types of rules: specific and general. The specific rules apply to taxpayers involved in mining, petroleum and designated gas projects. The general rules of taxation apply to all other taxpayers. The act also provides for various incentives to promote certain type of industries. These include citizen training and employment, and rural and export development.</p> <p>Logging companies in PNG are liable for income tax which is currently set at a level of approximately 30 per cent. Resident corporations are required to pay a 30% corporate income tax on their profits less any deductible credit or rebate.</p> <p>Description of risk</p> <ul style="list-style-type: none"> Overvaluing operational expenses through the use of multiple companies and subsidiaries in logging operations have been reported as a means for forestry companies in PNG to reduce their income tax liabilities (according to the Oakland Institute report and expert consultation conducted in Port Moresby in November 2016). The Oakland Institute conducted an analysis of the largest logging company in PNG, Rimbunan Hijau. According to their report, 16 subsidiaries of the RH Group who cumulatively account for at least a quarter of PNG's total log exports by volume and value, have been working at a loss for over a

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>envirolib/upload/6455/attach/Book_1.pdf>.</p> <ul style="list-style-type: none"> • Lawson, S. (2014). <i>Illegal Logging in Papua New Guinea</i>. [online] Illegal-logging.info Available at: http://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 13 January 2017]. • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] • Oxfordbusinessgroup.com, (2012). <i>The Report: Papua New Guinea 2012: Tax</i>. [pdf] Oxford Business Group. [online] Available at: http://www.oxfordbusinessgroup.com/node/779733/reader [Accessed 13 January 2017]. 	<p>decade. During the period analyzed (2000-2011), RH PNG, the local parent company, declared nine years of losses and only two years of profits. Their two years of profits made a total of \$2.8 million while their nine years of losses amounted to \$42.2 million. This trend is consistent with most of the other 15 subsidiary companies analyzed. According to tax filings for the period 2000 to 2011, most of the 16 RH companies analyzed have been working at a loss and never paid any income tax.</p> <ul style="list-style-type: none"> • The Oakland Institute report further contends that the RH findings 'reflect a more general pattern with the rest of the logging industry in PNG. The financial records of the industry show low profit margins resulting in low corporate taxes Whereas the annual revenues of the PNG forest industry have been oscillating between \$200 and \$300 million in recent years, profits in the sector appear to be surprisingly very low—generally around \$8 to \$9 million per year' (Oakland Institute, 2015) • Significantly, the Oakland Institute report does state that the risk related to under reporting of profits does not apply to the state owned plantations operating in PNG: "PNG Forest Product Ltd's records show an average profit margin of about 15% between 2008 and 2011. During the same period, the average profit margin of the rest of the industry was only 2%, including two years when the margin was close to zero." PNG Forest Product Ltd is a supplier of timber and wood products that exclusively uses wood harvested in plantations run by the National Forest Services and is 20% state-owned.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> Oxfordbusinessgroup. com, (2015). <i>Papua New Guinea 2015: Agriculture & Fisheries - PNG's export of raw logs support growth.</i> [online] Available at: http://www.oxfordbusinessgroup.com/country/papua-new-guinea/agriculture?page=2 [Accessed 13 January 2017]. PricewaterhouseCoopers (PwC) for the Papua New Guinea Forest Industries Association (PNG FIA) (2006). <i>Economic Analysis and Potential of PNG Forestry Industry - Final Report.</i> [pdf] PricewaterhouseCoopers. Available at: http://www.fiapng.com/PDF_files/PWC_ECONOMIC_REPORT_07.pdf [Accessed 13 January 2017]. Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for</i> 	<ul style="list-style-type: none"> Chatham House (2014) states “all exports from PNG must be considered ‘high-risk’, with the possible exception of the small volumes of plantation species and the even smaller volumes of natural forest timber that are independently verified legal or independently certified legal and sustainable by FSC.” <p>Risk conclusion</p> <p>Natural forests and privately-owned plantations: This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p> <p>State owned Plantation forests: This indicator has been evaluated as low risk.</p> <p>Threshold 1 has been met: Identified laws are upheld. Cases where law/regulations are violated are efficiently followed up via preventive actions taken by the authorities and/or by the relevant entities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/en/virolib/upload/6455/attach/Blook_1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> • Tackling Forestry Corruption Risks in the Asia Pacific. Available online at <https://issuu.com/transparencyinternational/docs/2012_tacklingforestrycorruption_asiapacific_en>, accessed 13 January 2016. • Transparency International (2012). <i>Tackling Forestry Corruption Risks in the Asia Pacific</i> Available at: https://issuu.com/transparencyinternational/docs/2012_tacklingforestrycorruption_asiapacific_en [accessed 13 January 2016] • Transparency.org, (2018). <i>Corruption Perceptions Index</i> 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>2018 – Papua New Guinea. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 January 2019]</p> <ul style="list-style-type: none"> • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).p 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>df [accessed 13. January 2017]</p> <ul style="list-style-type: none"> Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] 	
Timber harvesting activities			
1.8 Timber harvesting regulations	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf Forestry Regulations 1998 http://faolex.fao.org/cgi-bin/faolex.exe?rec_id=034471&database=faolex&search_type=link&table=result&lang=eng&format_name=@ERALL Planning, Monitoring and Control Procedures for Natural Forest 	<p>Government sources</p> <ul style="list-style-type: none"> Government of Australia, Department of Agriculture and Water Resources and PNG Forest Authority, 2015. Papua New Guinea Country Specific Guidelines. Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf <p>Non-Government sources</p>	<p>Overview of Legal Requirements</p> <p>The Logging Code of Practice (LCOP) and the Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under Timber Permit (1995) (referred to as the PMC Procedures) are given legal effect through the Forestry Act 1991 and the Forestry Regulation 1998 (Reg. 95(1), Reg. 241 and Schedule 2).</p> <p>Forest industry participants must only operate in accordance with a timber permit, timber authority or license (s.122 of the Act) and in compliance with the LCOP and PMC Procedures (Reg. 241).</p> <p>The PMC Procedures are specifically written in relation to operations under a Timber Permit (FMAs, TRPs and LFAs) and not all of the provisions are fully relevant to timber authorities and licenses. Forest Clearance Authorities (including those associated</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Logging Operations under Timber Permit (1995) (referred to as the PMC Procedures), given legal effect through the Forestry Act 1991 and the Forestry Regulation 1998 (Reg. 95(1), Reg. 241 and Schedule 2).</p> <ul style="list-style-type: none"> Logging Code of Practice - http://www.fiapng.com/PDF_files/PNG%20LOG%20CODE%20OF%20PRACTICE.pdf <p>Legal Authority</p> <ul style="list-style-type: none"> PNG Forest Authority Department of Works and Transport Department of labour & Employment Conservation Environment Protection Authority <p>Legally required documents or records</p> <ul style="list-style-type: none"> Five Year Forest Working Plan Annual Forest Working Plan Set-up plans which shows main access road, skids tracks, log landings, etc. 	<ul style="list-style-type: none"> Tomimura, C. (2013) Rainforest Alliance Standard for Verification of Legal Compliance (VLC) for Forest Management Enterprises (FME) in Papua New Guinea. [pdf] Rainforest Alliance, principal 5 (page 9). Available at: http://www.rainforest-alliance.org/business/sites/default/files/site-documents/forestry/documents/VER-26_RA_VLC_Standard_for_FMEs_PNG_24Oct13.pdf Forest-trends.org, (2006). Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging - Industry Volume I. [online] Available at: http://www.forest-trends.org/documents/files/doc_105.pdf. Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T 	<p>with SABLs) do not required compliance with either the LCOP or the PMC procedures.</p> <p>Description of risk</p> <p><i>Risk of non-compliance with the LCOP by forestry companies</i></p> <ul style="list-style-type: none"> According to IGES (2016), Legality risks associated with PNG export timber are wide ranging, but are mostly associated with [...] the failure of logging companies to comply with the regulations governing timber harvesting. Chatham House (2014) includes “extensive breaches of harvesting regulations by concessionaires.” Many of the larger companies have adequate resources to carry out their planning and implementation functions (Expert consultation 2016 and Wilkinson 2013), including: <ul style="list-style-type: none"> Trained professional foresters with skills in inventory, survey, GPS and GIS/mapping Advanced technical tools including GPS and GIS systems, which enable the production of accurate contour maps Accommodation, transport and communication systems. The skill levels of the fellers and machine operators are variable between companies. Some, particularly those that are pursuing FSC forest management certification, employ long term employees and have training systems in place for staff and contractors. However, in other operations, companies employ contractors who have markedly lower skills and a poor capacity to achieve reasonable environmental standards under the

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>(2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A 	<p>LCOP. Across the industry, the turnover of logging operators can be as high as 30% per year, creating significant challenges for maintaining adequate skills and capacity within the forests (R. Tate, PNGFIA, pers. comm. Cited in Wilkinson 2013).</p> <ul style="list-style-type: none"> • Many operators lack the training necessary to comply with LCOP procedures (Wilkinson 2013). • There is a need for training to improve operator skills (Wilkinson 2013). • The overriding conclusion from the Government of Papua New Guinea's own forestry review process, however, is that although all timber harvesting operations may be officially licensed, there are serious issues of legal non-compliance at almost every stage in the development and management of these projects. For these reasons the majority of forestry operations cannot credibly be characterized as complying with national laws and regulations and are therefore 'unlawful.' (Forest Trends 2006) <p><i>Risk of inadequate monitoring and enforcement</i></p> <ul style="list-style-type: none"> • The implementation of the LCOP is seriously hampered by inadequate training and education programs for supervisory staff, operators and landowners. A major effort in training was conducted by the PNGFA immediately after the release of the LCOP in 1996 but the training program was not completed for all staff and no further training programs have been conducted (K. Pouru, PNGFA, pers. comm.). <p>Those responsible for ensuring that the standards are met (the Government regulatory institutions) need to improve their performance in meeting their statutory responsibilities in this</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] 	<p>area, and to ensure that their field officers are well trained and supported by management. (Wilkinson 2013))</p> <ul style="list-style-type: none"> • Low levels of monitoring, inadequate research on the application of the LCOP, inadequate silvicultural prescriptions and lack of resources for PNGFA, and lack of capacity for 'independent' monitoring and enforcement contribute to the risk in this indicator (Enters 2006 in Wilkinson 2013). • The PNGFA has limited capacity to undertake monitoring and reporting. (Tropical Forest Foundation 2010 in Wilkinson 2013). • An ongoing problem for the PNGFA is that often it does not have adequate resources (in terms of finances and logistical support) to properly monitor and regulate compliance by the timber companies. There are laws in place but enforcement and regulatory role lacks commitment by the Government to ensure mandated agencies perform their policy and regulatory role to ensure objectives of the sector and country is achieved (PNG Forestry Outlook Study, FAO, 2009, p 13). • The resources of the PNGFA appear to be uniformly inadequate for it to undertake all of its regulatory functions (Wilkinson 2013). The key databases used for inventory, growth modeling and planning have not been maintained within the PNGFA due to an ongoing lack of resources (Turia 2010). Similarly, staff resources within the Field Services Directorate fall well short of those needed to monitor operations within 108 projects, some of which contain up to 30 individual set-ups (ODI 2007b). The Directorate aims to have at least 2-3 officers in each of the larger projects and at least 1-2 officers in each of the smaller

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] • Expert consultation carried out in Port Moresby by NEPCo, 21-25 November 2016. • ODI, (2007). <i>What can be learnt from the past? A history of the forestry sector in Papua New Guinea - Papua New Guinea Forest Studies</i>. [online] Overseas Development Institute, 	<p>ones (B. Taupu, Director of Field Services, pers. comm. Cited in Wilkinson 2013). The Directorate has a nominal staffing of 173 officers but its current strength is 147 due to financial constraints and a shortage of field-based accommodation (Wilkinson 2013).</p> <ul style="list-style-type: none"> • Field Services officers lack many of the resources required to carry out their duties. This is exacerbated by the fact that many assets such as vehicles and radios are not operational (PNGFA 2011 in Wilkinson 2013). Many officers do not have adequate access to vehicles or fuel to travel to operational areas. In addition, many logging operations are located in remote areas that are only accessible by boat or by air. Operational budgets are not adequate to cover travel and accommodation costs. For example, the annual operating budget (excluding salaries) for the West New Britain Province is 130,000 kina (PGK1). Of this amount, 120,000 kina are consumed on the generation of electricity for the office and houses in the main forestry complex, leaving only 10,000 kina for the non-salary operational costs of 31 staff across 25 harvesting projects (J. Kowin, PNGFA, pers. comm. In Wilkinson 2013). As a result, many officers are required to work closely with forest companies and rely upon them for basics such as housing, transport and communications. This presents a conflict of interest for officers and places them in a situation of regulatory capture (sensu Gunningham 1987 in Wilkinson 2013), where the PNGFA as the regulator is not able to operate in an independent manner. • The limited resources of the Field Services Directorate, together with the involvement of officers in matters concerning the local

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>London. Available at: https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/90.pdf. [accessed 30 March 2019].</p> <ul style="list-style-type: none"> Greenpeace, (2002). <i>Partners in crime: Malaysian timber markets and the politics of self-interest in Papua New Guinea</i>. [pdf] Greenpeace International, The Netherlands. Available at: http://www.greenpeace.org/international/Global/international/planet-2/report/2002/4/partners-in-crime-malaysian-1.pdf Forest Trends (2006). <i>Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging Industry</i> [online]. Volume I. Available at: http://www.forest- 	<p>community means by default that great reliance is placed on self-regulation by the forest companies (ODI 2007b in Wilkinson 2013) and the capacity of the PNGFA to act as an independent regulator is very constrained.</p> <ul style="list-style-type: none"> The lack of training in the LCOP for new staff is widely recognized as a major problem within the PNGFA (see Annual Report Area West New Britain 2011 in Wilkinson 2013). PNG has a Harvest Training Advisory Board, which is funded by a levy paid by the forest industry. However, the work of this board is not well known and it does not appear to be active in areas relevant to the LCOP. Some companies advise that they conduct internal training courses but most commentators within industry and PNGFA report that deficiencies in knowledge and skills are the major obstacles to the achievement of satisfactory standards in the field (Wilkinson 2013). There is a lack of consistency in the manner in which the LCOP is interpreted and applied. In some cases officers routinely accept outcomes under the LCOP that technically should be reported as non-compliant. This can be described as a form of ‘institutionalized non-compliance’ (Wilkinson 2013). There are no formal requirements for the training and accreditation of forest operators other than for log scalers and timber treatment supervisors who must be accredited and licensed by the PNGFA. Throughout PNG the tyranny of distance makes formal training programs expensive other than through local, in-house programs. There are also challenges presented by poor levels of literacy, which are as low as 30% (R. Tate, PNGFIA, pers. comm. In Wilkinson 2013), and a large number of overseas field

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>trends.org/documents/files/doc_105.pdf</p> <ul style="list-style-type: none"> FAO and PNGFA (2009). <i>Asia-Pacific Forestry Sector Outlook Study II - Papua New Guinea Forestry Outlook Study</i>. Available at: http://www.fao.org/docrep/014/am614e/am614e00.pdf [accessed 26 July 2017] Tararia, A. and Ogle, L. (2010). Incorporated land groups and the registration of customary land: Recent developments in PNG. <i>Customary Land</i>, 21. Available at: http://milda.aidwatch.org.au/sites/default/files/Incorporated%20land%20groups%20and%20the%20registration%20of%20customary%20lands.pdf 	<p>operators who do not speak or read English or Pidgin (forest manager, PNGFA, pers. comm. In Wilkinson 2013).</p> <ul style="list-style-type: none"> Legal enforcement of rules relating to the conduct of forestry operations in PNG in general has been criticized as ineffective for a number of reasons: According to Wilkinson 2013, the PNGFA exercises its discretion to waive action or to set fines that do not constitute sufficient deterrence: <ul style="list-style-type: none"> Box-cutting followed by severe erosion of pumice soils on a skid track, West New Britain. Local PNGFA officers had judged this to be compliant with the LCOP, highlighting problems with the interpretation of the LCOP and with the monitoring and assessment procedures. Thee system of performance bonds has not been actively used as an enforcement tool. Under-resourcing and regulatory capture of PNGFA officers. Allegations of corruption of PNGFA officers. When interviewed in the preparation of this report, the PNGFA have stated that they do not perceive this indicator to be an issue in the field. They did concede that ideally project officers would be rotated more regulatory. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.
1.9 Protected sites and species	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005 - http://thereddesk.org/sites/default/files/forestry_act_1991_png_0.pdf Environment Act 2000 - http://faolex.fao.org/docs/texts/png70607.doc Forestry Regulation 1998 http://faolex.fao.org/cgi-bin/faolex.exe?rec_id=034471&database=faolex&search_type=link&table=result&lang=eng&format_name=@ERALL Trade Measurement Act 1978, (Chapter 286) - http://www.paclii.org/pg/legis/consol_act/tma1973187/ Customs (Prohibited Exports) (2008 Budget Amendment) Regulation 2007 - http://www.treasury.gov.pg/html/legisl 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. National Strategic Plan Taskforce, (2009). <i>Papua New Guinea Vision 2050</i>. [online] Government of PNG. Available at: http://actnowpng.org/sites/default/files/png%20version%202050.pdf Finin, G. A. (2008). Strategic Directions for Human Development in Papua New Guinea-Asian Development Bank, AusAID and World 	<p>Overview of Legal Requirements</p> <p>In PNG, Under the new CEPA Protected Areas Policy, all National Parks and Wildlife Sanctuaries provided for under the National Parks Act (1982), all Wildlife Management Areas under the Flora and Fauna Act (1966) and Community/Provincial Conservation Areas under the Conservation Act (1978) have been reclassified into National and Regional Protected Areas. Some existing conservation areas that don't meet the IUCN category will be abolished. The policy aims to create an effective network of Protected Areas in PNG given that previous conservation efforts have been fragmented and ineffective.</p> <p>The new Protected Areas Policy also provides for communities to declare communal land as Protected Areas as provided for in the Conservation Act (1978) and the Flora and Fauna Act (1966) and in accordance with prescribed regulations and guidelines. There are currently five National Protected Areas: Kokoda Initiative, Varirata National Park, YUS Conservation Area (Proposed National Park), Tenkile Conservation Area and Tuna Bay Marine Park (Proposed Marine National Park)</p> <p>Within logging areas, the identification of protected and sacred sited and species is part of the planning processes associated with Timber Permits issued under Forest Management Agreements (or the now superseded TRPs or LFAs). The Five Year Plan, Annual</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>ation/files/acts/Customs%20(Prohibited%20Exports)%20(2008%20Budget%20Amendment)%20Regulation%202007.pdf</p> <ul style="list-style-type: none"> • Conservation areas Act 1980, 1992, • International Trade (Fauna and Flora) (Fauna) Regulation 1982 • Conservation Area Act 1978 - https://www.sprep.org/attachments/VirLib/PNG/conservation-areas-act-1978.pdf • Papua New Guinea Policy on Protected Areas 2014 - http://www.pg.undp.org/content/dam/papua_new_guinea/docs/environment%20and%20energy/DEC%20signed%20PNG%20Protected%20Areas%20Policy-lowrespgs.pdf <p>Legal Authority</p> <ul style="list-style-type: none"> • PNG Forest Authority • Conservation Environment Protection Authority (CEPA) • Department of Commerce, Trade and Industry 	<p>Bank. <i>Asian-Pacific Economic Literature</i>, 22(2), 62-63. Available at: https://openknowledge.worldbank.org/bitstream/handle/10986/13543/40924.pdf?sequence=1&isAllowed=y</p> <ul style="list-style-type: none"> • Department of National Planning and Monitoring, (2010). <i>Papua New Guinea Development Strategic Plan</i>. [online] Department of National Planning and Monitoring, Port Moresby. Available at: http://www.health.gov.pg/publications/PNGDSP_Final%20Version%20for%20Print.pdf • Department of National Planning and Monitoring, (2010). <i>Medium Term Development Plan, 2011-2015</i>. [online] Department of National Planning and Monitoring, Port Moresby. Available at: http://www.treasury.gov.pg/html/publications/files/pub_files 	<p>Plan and Set-up Plans must identify these factors, and include provision for their protection (Logging Code of Practice). For example, the Logging Code of Practice requires that all cultural sites, reserves, conservation and garden areas have a buffer zone with a minimum width of 100 meters. During the planning process, landowners go into the field with surveyors to ensure all protected sites are properly marked.</p> <p>The Project Monitoring and Control Procedures require that project officers (from the PNGFA) evaluate set-up plans, ensuring, among other things, landowner consent and cultural sites have been properly identified and respected.</p> <p>The PNG Government, in the Customs Tariff Act 1990, has banned a number of timber species from export in round log form due to their scarcity in the natural forest. These species may still be exported as processed products, and are therefore still being harvested and exported in relatively small quantities (see Overview):</p> <ul style="list-style-type: none"> • Kauri Pine AGA <i>Agathis</i> sp. • Hoop Pine ARH <i>Auracaria cunninghamii</i> • Klinkii Pine ARK <i>Auracaria hunsteinii</i> • Celery-Top Pine CLP <i>Phyllocladus hypophyllum</i> • Cordia COR <i>Cordia dichotoma</i> • Dacrydium DAC <i>Dacrydium nidulum</i> • Ebony EBO <i>Diospyros ferrea</i>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Department of Customs and Immigration <p>Legally required documents or records</p> <ul style="list-style-type: none"> Five Year Working Plans Annual Working Plans Set-up operational plans 	<p>/2011/2011-2015.png.mtdp.pdf</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Tomimura, C. (2013) Rainforest Alliance Standard for Verification of Legal Compliance (VLC) for Forest Management Enterprises (FME) in Papua New Guinea. [pdf] Rainforest Alliance, principal 5 (page 9). Available at: http://www.rainforest-alliance.org/business/sites/default/files/site-documents/forestry/documents/VER-26_RA_VLC_Standard_for_FMEs_PNG_24Oct13.pdf Forest-trends.org, (2006). Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging - Industry Volume I. [online] Available at: http://www.forest- 	<ul style="list-style-type: none"> Kerosene wood KEW Cordia subcordata Libocedrus LIB Libocedrus pauanus Podocarp POD Podocarpus sp. Brown Podocarp POB Decussocarpu swalichianus Highland Podocarp POH Dacrycarpus imbricatus Rosewood ROS Pterocarpus indicus Balsa BAL Ochroma lagopus Blackbean BLB Castanospermum australe <p>Description of risk</p> <p><i>Risk of improper mapping of sites</i></p> <ul style="list-style-type: none"> According to expert consultation, there is a risk associated with the protected site mapping. Experts contend that there is strong incentive for landowners to allow logging of the largest number of trees to obtain the royalties. This leads in some cases to moving buffer zones and logging in riparian strips in the mapping process and/or of not declaring protected sites and species to increase harvest volumes (Expert consultation, Port Moresby 2016). While experts noted that landowners are generally onsite, and have a role in monitoring the forestry activities, they do not have monitoring and control authority over the planning process. Landowner approval of plans is not required, but the landowners have the best knowledge of the land, and potential protected sites and species (including sacred sites). As their

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>trends.org/documents/files/doc_105.pdf.</p> <ul style="list-style-type: none"> • Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January] • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] • Wilkinson, G. (2013). Background report on 	<p>input is not formally required, a potentially significant input into the mapping accuracy is missed.</p> <ul style="list-style-type: none"> • As stated in previous sections, serious concerns have been raised with the capacity of the PNGFA to properly monitor the forest management and planning process. <p><i>Risk of logging protected sites within FMAs</i></p> <ul style="list-style-type: none"> • Experts also noted risks of logging within protected sites in FMAs. • As landowners gain royalties based on the size of each log harvested experts contend that there is strong incentive for landowners to allow logging of the largest number of trees, sometimes from the protected sites (Expert consultation, Port Moresby 2016). • Experts also stated that there have been instances of landowners being paid off by companies to allow them to log protected areas/sacred sites. • Repeated non-compliance with plans by logging companies have been reported. Such illegal activities should be controlled by the project officers employed by the PNGFA, but, as stated in previous sections, there are serious issues with the capacity and competencies of these officers (IGES 2016, Wilkinson 2013, Greenpeace 2002 and Expert consultation, Port Moresby 2016). <p><i>Risk of logging in Protected Areas (National Parks etc.)</i></p> <ul style="list-style-type: none"> • Some experts also stated that there has been some instance of logging in National Parks in PNG and of species prohibited from

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/ 	<p>round wood export being logged and exported as logs through misclassification, but this was based on anecdotal evidence (Expert consultation, Port Moresby 2016).</p> <ul style="list-style-type: none"> • Chatham House (2014) states “logging in protected areas or of prohibited species were felt (by experts consulted) to be less prevalent. The former may be partly because there are relatively few protected areas,78 while those that do exist are very inaccessible. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>country/PNG [accessed 30 January 2019]</p> <ul style="list-style-type: none"> • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wqi/index.aspx#reports [Accessed 11 January 2017] • Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. • ODI, (2007). <i>What can be learnt from the past? A history of the forestry sector in Papua New Guinea</i> - 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>Papua New Guinea Forest Studies</i>. [online] Overseas Development Institute, London. Available at: https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/90.pdf. [accessed 30 March 2019].</p> <ul style="list-style-type: none"> Greenpeace, (2002). <i>Partners in crime: Malaysian timber markets and the politics of self-interest in Papua New Guinea</i>. [pdf] Greenpeace International, The Netherlands. Available at: http://www.greenpeace.org/international/Global/international/planet-2/report/2002/4/partners-in-crime-malaysian-l.pdf 	
1.10 Environmental requirements	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/fore 	<p>Overview of Legal Requirements</p> <p>Prior to the issuance of a timber permit in an FMA, the developer must submit an environmental plan, an environmental monitoring plan and a list of personnel responsible for the monitoring to the Conservation and Environment Protection Authority (CEPA). CEPA, formerly known as the Department of Environment and Conservation (DEC), is required to approve all major development</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> The Land Act 1996 – http://faolex.fao.org/docs/texts/png20843.doc Environment Act 2000 - http://faolex.fao.org/docs/texts/png70607.doc Prevention of Pollution of the Sea Act 1979 - http://faolex.fao.org/docs/texts/png53714.doc Forestry Regulation 1998 http://faolex.fao.org/cgi-bin/faolex.exe?rec_id=034471&database=faolex&search_type=link&table=result&lang=eng&format_name=@ERALL Dumping of Wastes at Sea Act 1979 http://faolex.fao.org/docs/texts/png51667.doc Environment (Amendment) Act 2002 Environment (Water Quality Criteria) Regulation 2002 Environment (Prescribed Activities) Regulation 2002 	<p>stry/australias-forest-policies/illegal-logging/png-csg.pdf.</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/look_1.pdf Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/ 	<p>projects, including forestry projects. The approval is granted by way of an environment permit issued by the Director of CEPA upon his/her acceptance of an environmental impact assessment (Part 5 of the Environment Act). The Director may also require an applicant to lodge an environmental improvement plan as a condition of the environment permit (Part 6 of the Environment Act).</p> <p>Note that the former Environmental Planning Act 1978 required applicants for timber permits to have an approved environmental plan. These plans are still in force for any timber permits issued prior to the new Environment Act coming into force in 2004.</p> <p>The National Forest Policy 1991 requires CEPA to undertake policing of obligations in environmental plans.</p> <p>In timber production areas it is now mandatory that 10% be set aside for biodiversity conservation, and a further 15% being set aside to cater for buffer zones along creeks and watershed management and to act as village reserves and other social services. Again, this is an arbitrary percentage. The total of 25% only came into effect in Year 2000 and prior to that only 15% was being reserved for buffer zones etc.</p> <p>Forest Clearance Authorities require an Environmental Permit prior to the clearance of forests commencing.</p> <p>Description of risk</p> <p><i>Poor or non-existent monitoring and enforcement</i></p> <ul style="list-style-type: none"> CEPA set up a forestry monitoring unit in 1992 but this was disbanded in 1996 due to a lack of recurrent funding (The 2003/2004 Review Team 2004 in Wilkinson 2013) and its

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Environment (Fees and Charges) Regulation 2002 Environment (Procedures) 2002 Environment (Permits and Transitional) Regulation 2002 Conservation Areas Act 1978 Water Resources Act 1982 Environmental Contaminants Act 1978 <p>Legal Authority</p> <ul style="list-style-type: none"> Conservation Environment Protection Authority (CEPA) PNG Forest Authority Department of Lands & Physical Planning <p>Legally required documents or records</p> <ul style="list-style-type: none"> Environmental Plan, approved by the Minister for Environment and Conservation, held at the head office of the Conservation and Environment Protection Authority (CEPA), formerly known as the Department of 	<p>Book 1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/sit 	<p>capacity to implement the Environment Act continues to be constrained by a lack of funding and resources (PNGFA 2009 in Wilkinson 2013).</p> <ul style="list-style-type: none"> According to experts, CEPA has always been poorly resourced, therefore, compliance monitoring has never been conducted to expected standard. It is only the forestry officers usually on site performing multiple functions. Experts state that CEPA is even more underfunded than PNGFA, and they have no regional or provincial setups (Expert consultation 2016). Chatham Hosue 2014 states that 8 of the 14 concessions analysed in that report had Environmental Plans that had expired. It is also states that It also appears that some active SABLs began clear-felling without obtaining the required Environmental Permit. Citing a 2007 IITO mission, Chatham House (2014) reports “the Department for Environment and Conservation (responsible for monitoring compliance with environmental controls on logging) [now CEPA] has no enforcement capacity at all. The ITTO mission concluded that ‘satisfactory monitoring of logging operations and development projects is next to impossible’; and, based on field visits, declared that it was ‘obvious that monitoring and enforcement was seriously inadequate, especially with respect to the adverse impacts of logging on the forest ecosystem and the communities living in them”. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Environment. A copy is also held by the timber business.</p> <ul style="list-style-type: none"> • Environmental Management and Monitoring Program, with endorsement, approved by the Conservation and Environment Protection Authority (CEPA), formerly known as the Department of Environment and Conservation (DEC), held by the Timber business. • Environmental Impact Statement (only required for Level 1 FMAs where annual production exceeds 70,000m3), approved by the the Conservation and Environment Protection Authority (CEPA), formerly known as the Department of Environment and Conservation (DEC), held by the Timber business. • Waste Management Plan, with endorsement, approved by the Conservation and Environment Protection Authority (CEPA), formerly known as the Department of Environment and Conservation (DEC), held by the Timber business. 	<ul style="list-style-type: none"> • e/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017] • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 January 2019] • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New</i> 	<p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>Guinea 1996–2015. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017]</p> <ul style="list-style-type: none"> • Lawson, S. for Chatham House (2014). <i>Illegal logging in Papua New Guinea</i> Available at: https://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 26 July 2017] • Expert consultation carried out in Port Moresby by NEPCo, 21-25 November 2016.. 	
1.11 Health and safety	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Forestry Act 1991 and amendment 2005 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf 	<p>Government sources</p> <ul style="list-style-type: none"> • Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/for 	<p>Overview of Legal Requirements</p> <p>As well as the general workplace health and safety requirements contained in the Labour and Employment Act and Regulations and the Industrial Safety, Health and Welfare Act and Regulations, the The Logging Code of Practice includes health and safety requirements for logging in PNG, and covers areas such as camp hygiene, protective clothing and safety equipment and equipment</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> The Land Act 1996 – http://faolex.fao.org/docs/texts/png20843.doc Environment Act 2000 - http://faolex.fao.org/docs/texts/png70607.doc Labour and Employment Act 1978, and Regulations Logging Code of Practice 2006 - http://www.fiapng.com/PDF_files/PNG%20LOG%20CODE%20OF%20PRACTICE.pdf Industrial Safety, Health and Welfare Act 1961, and Regulations Public Health Act 1973 Worker's Compensation Act 1978, and Regulations <p>Legal Authority</p> <ul style="list-style-type: none"> PNG Forest Authority Conservation Environment Protection Authority Department of Labour and Industrial Relations 	<p>estry/australias-forest-policies/illegal-logging/png-csg.pdf.</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf Forest-trends.org, (2006). Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging - Industry Volume I. [online] Available at: http://www.forest-trends.org/documents/files/doc_105.pdf. 	<p>safety. The LCOP, amongst other things, requires that all personnel on logging sites must be provided with, and wear:</p> <ul style="list-style-type: none"> Steel capped footwear; High visibility jackets; and A first aid kit. <p>Chainsaw operators must be provided with, and wear:</p> <ul style="list-style-type: none"> A safety helmet which meets the relevant ISO standard; Ear muffs; and Leg protection. <p>The LCOP also requires that all staff are trained to follow safe work practices.</p> <p>Monitoring and enforcement responsibility for workplace health and safety rests with the Department of Labour and Industrial Relations.</p> <p>Description of risk</p> <ul style="list-style-type: none"> According to experts consulted in the preparation of this report, the Department of Labour and Industrial Relations is poorly resourced and compliance monitoring has not been conducted to expected standard. The PNGFA project officers do conduct some monitoring activities, but there is a level of ambiguity about where the responsibility lies given the legislative requirements, as well as the provisions contained in the LCOP. The Department of Labour and Industrial Relations has no regional or provincial setups.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Department of Health and HIV & AIDS <p>Legally required documents or records</p> <ul style="list-style-type: none"> Health and Safety Plan Environment Plan Environment Permit HIV/AIDS awareness and training program Waste Management Plan Environment Monitoring Plan 	<ul style="list-style-type: none"> Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January] Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference 	<ul style="list-style-type: none"> Experts consulted in the preparation of this report noted that many workers in the logging industry in PNG experience very difficult and often dangerous conditions. While the LCOP includes comprehensive health and safety requirements, non-compliance with the legal requirements has been observed, even in FSC certified forest areas (Expert consultation Port Moresby 2016). Experts also noted that while there is official record keeping of workplace incidents and fatalities, there are numerous anecdotal reports of unsafe equipment, unregistered vehicles and workplace injuries. According to the International Union of Food Workers (IUF) and the Forest Network (in ITUC 2010), Malaysian timber company Rimbunan Hijau abuses workers' rights through "cheating and dishonesty, cramped and unhygienic living conditions, racial and sexual abuse and complete disregard for the [workers'] health and safety." Also referring to Rimbunan Hijau, in their 2004 report the Department of Labour of Papua New Guinea According stated that the company "has no interest in the training and development of local workers and implements no health and safety practices to protect its workers." (in ITUC 2010). <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] 	<p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] • Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. • International Trade Union Confederation (ITUC), (2010). <i>Internationally recognized core labour standards in Papua New Guinea - Report for the WTO General Council Review of</i> 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>the Trade Policies of Papua New Guinea.</i> [online] International Trade Union Confederation, Geneva. Available at http://www.ituc-csi.org/IMG/pdf/report_PNG-final.pdf [Accessed 16 January 2017].</p>	
1.12 Legal employment	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Employment Act 1978 (Consolidated up to 31 March 2001). • Labour codes • Labour and Employment Act 1978, and Employment Regulations 1980 • National Minimum Wages and Allowances as from 29 March 2006. • Industrial Relations Act 1962 and Regulations. • Industrial Organizations Act 1962 and Regulations. • Industrial Safety, Health and Welfare Act 1961 and Regulations. • Public Health Act 1973. 	<p>Government sources</p> <ul style="list-style-type: none"> • Government of Australia, Department of Agriculture and Water Resources and PNG Forest Authority, 2015. Papua New Guinea Country Specific Guidelines. Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. • Department of Labour and Industrial Relations (DLIR) Independent State of Papua New Guinea, Commissioned by the International Labour Organization (ILO), undated. 	<p>Overview of Legal Requirements</p> <p>In Papua New Guinea, terms and conditions of employment are generally governed by the Employment Act (Chapter 373) and, in the case of non-citizens, by both the Employment Act and the Employment of Non-citizens Act (Chapter 374) (collectively, the “Employment Acts”). These include requirements for contracts of employment, minimum wages and maximum working hours.</p> <p>There is both a national minimum wage and a national minimum youth wage which are set by the ‘Minimum Wages Board’. These minimum wages apply to all employees in PNG, other than apprentices. The determination of the board may be displaced by more generous terms and conditions offered by an employer.</p> <p>It is an offence, under the Workers Compensation Act, for an employer to employ any worker in any employment without a policy of insurance or indemnity, issued by a licensed insurer, for any injury to the worker arising out of or in the course of their employment.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Worker's Compensation Act 1978 and Regulations. Industrial Organisations Act 1962. <p>Papua New Guinea has ratified all eight core ILO labour Conventions.</p> <p>Legal Authority</p> <ul style="list-style-type: none"> Department of Labour and Employment <p>Legally required documents or records</p> <ul style="list-style-type: none"> Foreign workers need to have valid visa and work permit in order to be employed and working in any industry in Papua New Guinea. PNGeans need to have required trade certificates and relevant qualifications to be employed and working and to be above age of 18 years. Employment contract 	<p>National Action Plan to Eliminate Child Labour in Papua New Guinea. Available online at http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/publication/wcms_360536.pdf, accessed 16 January 2017.</p> <p>Non-Government sources</p> <ul style="list-style-type: none"> Gadens, 2016. Doing business in Papua New Guinea. Available: http://www.gadens.com/publications/Documents/Gadens%20Doing%20Business%20in%20Papua%20New%20Guinea%202016_Web.pdf, accessed 31 July 2017. Forest Trends, 2006. Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging Industry Volume I. Available online at http://www.forest- 	<p>Where businesses are paying salary or wages to employees, they will be required to withhold salary or wages tax at the prescribed marginal rates, and remit to the IRC on the 7th day of the month following the month of payment. Where a company has any unpaid obligations, the directors will be personally liable and may be penalised at a rate of 20% of the unpaid tax liability per annum.</p> <p>Other key labour law provision include:</p> <ul style="list-style-type: none"> Freedom of Association and the Right to Collective Bargaining - The Constitution and the Industrial Organizations Act of 1962 prescribe the right to form and join trade unions. For trade unions to be legal registration with the Department of Labour and Industrial Relations (DLIR) is necessary. The law prohibits discrimination against workers seeking to join a union or engage in its activities, but the law has not been effectively enforced. Discrimination and Equal Remuneration - The Constitution prohibits discrimination on the grounds of race, origin, color, or sex. There is no specific employment anti-discrimination law but the Employment Act of 1978 provides protection against wage discrimination for the same work. Sexual harassment at the workplace is not prohibited, except in the Public Service Orders. Child labour - The minimum age for admission to work is 16 years of age. There is no list of hazardous occupations. Children between 11 and 18 can work in family enterprises after a special permit is granted by the labour inspectorate and provided that it does not interfere with school attendance.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>trends.org/documents/files/doc_105.pdf</p> <ul style="list-style-type: none"> Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf Oakland Institute, 2016. The Great Timber Heist: The Logging Industry in Papua New Guinea. Accessed 11 January 2017 at https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea Graham Wilkinson, 2013. Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice - Report 1 - Project GCP/PNG/003/AUL. 	<ul style="list-style-type: none"> Forced labour - The Constitution prohibits forced labour and slavery. Not all forms of trafficking are prohibited and there is no specific anti-trafficking law. Employment of non-citizens – For all non-citizens employed in PNG, an employer must obtain both: a. an entry permit (visa) under the Migration Act; and b. a work permit under the Employment of Non-Citizens Act. <p>Description of risk</p> <ul style="list-style-type: none"> According to the ITUC (2010), in practice, there are grave violations of workers’ rights, especially in the logging industry. According to the ILO: The presence of other significant social problems in PNG has a significant negative spill-over into workplaces by undermining productivity and the effective participation of women and men in the labour market. Social exclusion brought about by widespread disability discrimination, gender discrimination and sexual harassment, Sexually Transmitted Infections (including HIV/AIDs) as well as Non-Communicable Diseases (NCD) requires specific strategies focused on workplaces (ILO 2013). According to experts consulted, minimum wage and maximum working hours not observed and illegal migrant workers are common. While there have been isolated enforcement activities, they have been followed through to prosecution. Although the enforcement agency, the Department of Labour and Employment, are stationed in the provinces, they are not doing the field verification. (Expert Consultation Port Moresby 2016).

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>Available online at < http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf> accessed 13 January 2017.</p> <ul style="list-style-type: none"> • Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. • Transparency International, 2018. Corruption Perceptions Index 2018 – Papua New Guinea. Available online at http://www.transparency.org/country/PNG, accessed 30 January 2017. • Forest Legality Alliance, 2013. Risk Tool – Papua New Guinea. Accessed 11 January 2017 at http://www.forestlegality.org/ri 	<p><i>Risk of the use of child labour</i></p> <ul style="list-style-type: none"> • According to the ILO (2013), a growing number of children in PNG are engaged in the worst forms of child labour, illicit activities and hazardous work. [...] It is especially common in subsistence agriculture, forestry and fishing, and in urban street vending, tourism and entertainment. <p><i>Risk of discrimination</i></p> <ul style="list-style-type: none"> • The law prohibits discrimination against workers seeking to join a union or engage in its activities, but the law has not been effectively enforced (ITUC 2010). • In the ITUC Report (2010) states that the government has indicated that there are no courts or tribunals that have issued decisions relating to the application of ILO Convention No. 100, no grievances filed in the public service relating to unequal remuneration and no statistics available on the level of earnings of men and women in the private sector. • ITUC (2010) also report that persons with disabilities faced discrimination in accessing employment and social services. • ITUC (2010) also report that there is reported to be increasing violence against Asian workers and entrepreneurs, who are blamed for “taking employment opportunities. <p><i>Risk of forced labour</i></p> <ul style="list-style-type: none"> • The ITUC (2010) state that forced labour occurs in mines and logging camps.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>sk-tool/country/papua-new-guinea.</p> <ul style="list-style-type: none"> World Bank, 2015. Worldwide Governance Indicators – Papua New Guinea 1996–2015. Accessed 11 January 2017 at http://info.worldbank.org/governance/wgi/index.aspx#reports. US Department of Labor, Bureau Of International Labor Affairs, 2015. Child Labor and Forced Labor Reports - Papua New Guinea. Available online at https://www.dol.gov/sites/default/files/images/ilab/child-labor/PapuaNewGuinea.pdf, accessed 16 January 2016. International Trade Union Confederation (ITUC), 2010. Internationally recognized core labour standards in Papua New Guinea - Report for the WTO General Council Review of the Trade Policies of Papua New Guinea 	<ul style="list-style-type: none"> Regarding Malaysian timber company Rimbunan Hijau, in their 2004 report the Department of Labour of Papua New Guinea found that “the company’s treatment of its citizen employees reflects labour exploitation and slavery and should be condemned at all levels”. Moreover, the 2004 report of the Department of Labour and another 2004 report of the Department of Community Development reveal that the company seems to have bribed the police in order to promote its interests (ITUC 2010). ITUC states that forced labour occurs as women and girls, especially from the tribal areas, are forced into prostitution or domestic servitude and men are forced into labour in logging camps and mines. In these sites many men are paid very low wages and are obliged to buy food and goods from the sites’ shops in very high prices on credit. In this way the workers are coerced into becoming debt peons. [...] Police and border control officers are reported to receive bribes to turn a blind eye on undocumented immigration, trafficking in human beings and forced labour and prostitution. ITUC further contends that the state does not protect victims of trafficking, has made no effort to recognize such persons and has repeatedly failed to refer victims to NGOs. The authorities have even incarcerated victims of trafficking. <p><i>Risk of illegal migrant workers</i></p> <ul style="list-style-type: none"> This was a significant issue raised during expert consultation. Many experts cited reports of illegal foreign workers, or foreign workers being fast tracked through the immigration system and apparently not complying with all visa requirements, in particular,

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>(Geneva, 16 and 18 November 2010). Available online at http://www.ituc-csi.org/IMG/pdf/report_PNG-final.pdf, accessed 16 January 2017.</p> <ul style="list-style-type: none"> International Labour Organisation ILO, 2013. Papua New Guinea - Decent Work Country Programme. Available online at http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/genericdocument/wcms_404478.pdf, accessed 16 January 2017. 	<p>language requirements. (Expert consultation, Port Moresby 2016).</p> <ul style="list-style-type: none"> Regarding Malaysian timber company Rimbunan Hijau, in their 2004 report the Department of Labour of Papua New Guinea found over one hundred foreign workers with no valid work permit or visa working on unskilled or semiskilled positions that could had been easily done by locals, extremely low wages (15 US cents/hour), “exorbitantly high” prices in the canteen where the employees were obliged to buy their food, no leave fares for workers from outside the province, cramped and unhygienic accommodation of workers, sexual abuses and rapes of local women, as well as trafficking of Indonesian women to work as sex workers in the camps. The Department of Labour report concluded that “the company has total disrespect for the Employment of Non-Citizens Act”. Most logging companies are Asian origin owned and there is presence of Asian nationals working without relevant Visas and work permits performing jobs Papua New Guinean nationals would be able to undertake (Expert consultation 2016). Labour Department does limited checks on legal requirements of these foreign workers to ensure workers do have legal requirements to work in Papua New Guinea (Expert consultation 2016). <p><i>Risk of violations of rights to strike, freedom of association etc.</i></p> <ul style="list-style-type: none"> The DLIR is reported to have begun an active policy of interference in industrial relations by seeking to prevent strikes, even when legal requirements have been complied with.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			<p>Moreover, it is reported that some employers have taken retaliatory measures against striking workers and that the law was not enforced (ITUC 2010).</p> <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
Third parties' rights			
1.13 Custo mary rights	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Constitution of Papua New Guinea - http://www.wipo.int/wipolex/en/text.jsp?file_id=199188 <ul style="list-style-type: none"> ○ Section 53, subsection 5(d) and (e) Protection from Unjust Deprivation of Property section; and ○ Section 54 (a) (i) (ii) (b) (c) Special provision in relation to certain lands. • Land Act 1996 - http://extwprlegs1.fao.org/docs/pdf/png20843.pdf 	<p>Government sources</p> <ul style="list-style-type: none"> • Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. <p>Non-Government sources</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/ 	<p>Overview of Legal Requirements</p> <p>The Forestry Act 1991 recognizes customary ownership of PNG's forest resources. Under the FMA arrangements provided for in the Forestry Act (also applicable to TRPs and LFAs), customary owners retain their user rights to access the forest and collect and use non-timber forest products for local use and consumption, but not for commercial purposes. Project agreements also include requirements relating to the provision of infrastructure for local communities. These usually include access roads and health and education facilities.</p> <p>The situation for Forest Clearance Authorities, including Special Agricultural Business Leases is different. A number of sections of the Land Act 1996 are relevant:</p> <ul style="list-style-type: none"> • Sections, 10, 11 and 102 provide for what is known as the “lease leaseback system”. In summary, the Act authorizes the Minister for Lands & Physical Planning to acquire customary land by

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • National Lands Registration Act 1981 - http://faolex.fao.org/docs/texts/png24837.doc <ul style="list-style-type: none"> ○ Chapter 357, Division 4, Effect of ownership of National Lands Registration Act 1977 ○ Chapter 357, subsection 14 (a) and (b) ownership of National Land, including customary land. • Forestry Act 1991 - http://www.fiapng.com/forestry_act_1991.html <ul style="list-style-type: none"> ○ section 2, subsection Xlvii “customary owners” in relation to an area of customary land, means persons having customary rights (a) ownership over the land; or (b) ownership over forest produce growing on the land or (c) over forest relating to the use of the land. ○ Section 46, Customary resource ownership, the rights of the customary owners of the forest resource shall be fully recognized and respected in all 	<ul style="list-style-type: none"> • country/PNG [accessed 30 March 2019] • Forestlegalityalliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] • Oxfordbusinessgroup.com, (2012). <i>The Report: Papua New Guinea 2012: Tax</i>. [pdf] Oxford Business Group. [online] Available at: http://www.oxfordbusinessgroup.com/node/779733/read_r [Accessed 13 January 2017]. 	<p>agreement (i.e. with the consent of the landowners) either permanently or temporarily. The Act requires that the Minister may only proceed with such acquisition on being satisfied after reasonable inquiry that the land is not required by the customary landowners or will be required after a period of time and by <i>authentic instruments</i> (i.e. in a manner prescribed by the minister) may proceed with such acquisition with the express agreement of the customary landowners. 70% of the ILG have to agree for the project to proceed. If no acceptance has been given by these groups, then the project will not commence.</p> <ul style="list-style-type: none"> • Section 11, applicable only for temporary acquisitions, allows the Minister to lease customary land for the purpose of granting a special agricultural and business lease of the land. Under section 11, all customary rights in the land except those specifically reserved for the customary owners are suspended for the period of the lease to the State. • Section 102 requires that for SABLs, the customary landowners must agree and consent to the entity to be granted title to a SABL after the land had been acquired under Section 11. <p>For FCAs, there is no reservation for the continued rights of the landowners to hunting, fishing, collecting, and access to sacred sites, cemetery and so on, meaning customary owners do not maintain the access rights.</p> <p>Description of risk</p> <ul style="list-style-type: none"> • Experts consulted stated that access to land for customary purposes is usually not an issue in FMA areas, however there are numerous reports of companies not complying with their

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>transactions affecting the resource.</p> <p>Legal Authority</p> <ul style="list-style-type: none"> • Papua New Guinea Forest Authority (PNGFA) • Conservation Environment Protection Authority (CEPA) • Provincial Forest Management Committees • National Forestry Board • Department of Agriculture & Livestock • Department of Trade & Industry • Department of Lands and Physical Planning <p>Legally required documents or records</p> <ul style="list-style-type: none"> • Copies of the land group incorporation certificates, with proper genealogy and property listing completed in compliance to Land Group Incorporation Act 1974, amended 2009. 	<ul style="list-style-type: none"> • Oxfordbusinessgroup. com, (2015). <i>Papua New Guinea 2015: Agriculture & Fisheries - PNG's export of raw logs support growth</i>. [online] Available at: http://www.oxfordbusinessgroup.com/country/papua-new-guinea/agriculture?page=2 [Accessed 13 January 2017]. • Fao.org, (N.Y). Forest Resource Development Through Timber Permits. [online] Available at: http://www.fao.org/docrep/004/Y2711E/y2711e05.htm . • Wri.org, (2014). Sourcing Legally Produced Wood: A Guide for Business. [online] Available at: http://www.wri.org/publication/sourcing-legally-produced-wood-guide-businesses [accessed 17 January 2017]. • Expert consultation carried out in Port Moresby by 	<p>obligations as per project agreement to deliver basic infrastructures, i.e. health, education facilities etc... (Expert consultation, Port Moresby 2016).</p> <ul style="list-style-type: none"> • Given the significant issues associated with the acquisition of land use rights (described in detail in section 1.1.), it is not clear that the handover of customary use rights is always lawful. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Certification of Forest Management Agreement by Provincial Management Committee • Signing of Forest Management Agreement by landowners through Incorporated Land Groups • Endorsement of Forest Management by National Forest Board. • Signing of Forest Management Agreement by Minister for Forests on behalf of PNG Forest Authority. 	NEPCon, 21-25 November 2016.	
1.14 Free prior and informed consent	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> • Constitution of PNG Section 53, subsection 5(d) and (e) Protection from Unjust Deprivation of Property section and Section 54 (a) (i) (ii) (b) (c) Special provision in relation to certain lands. Available at: http://www.wipo.int/wipolex/en/text.jsp?file_id=199188 • National Lands Registration Act 1981, chapter# 357, Division 4, Effect of ownership of National Lands Act, chapter # 357, subsection 14 (a) and (b) ownership of National Land, including customary land. Available 	<p>Government sources</p> <ul style="list-style-type: none"> • Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. • Numapo, J. (2013). Final report. [online] coi.gov.pg. Available at: http://www.coi.gov.pg/documents/COI%20SABL/Numapo 	<p>Overview of Legal Requirements</p> <p>See below the landowner consent requirements for each permit/license type.</p> <p><i>Acquisition of landowner consent under the FMAs</i></p> <p>Under the Forest Management Agreements (see also Overview and indicator 1.1), the government, through the Forest Act, acquires timber rights from the customary landowners via Incorporated Land Groups and allocates these to timber industry participants (forestry companies) via various mechanisms.</p> <p>The Forestry Act 1991 requires landowning groups to be incorporated under the Land Groups Incorporation Act prior to allocating logging companies the right to come in and exploit the forest resource under Forest Management Agreements.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>at: http://www.paclii.org/pg/legis/consol_act/nlra1977269.rtf</p> <ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005; section 2, subsection Xlvii “customary owners” in relation to an area of customary land, means persons having customary rights (a) ownership over the land; or (b) ownership over forest produce growing on the land or (c) over forest relating to the use of the land and Section 46, Customary resource ownership, the rights of the customary owners of the forest resource shall be fully recognized and respected in all transactions affecting the resource. Available at: http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf Land (Ownership of Freeholds) Act 1976. Available at: http://www.paclii.org/pg/legis/consol_act/lofa1976268/ Forestry (2007 Budget Amendment) Bill 2006. Available at: http://www.fiapng.com/PDF_files/forestry_2007_page3.pdf 	<p>%20SABL%20Final%20Report.pdf</p> <ul style="list-style-type: none"> Mirou, N. (2013). Final report. [online] coi.gov.pg. Available at: http://www.coi.gov.pg/documents/COI%20SABL/Mirou%20SABL%20Final%20Report.pdf <p>Non-Government sources</p> <ul style="list-style-type: none"> Forest Trends (2006). <i>Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging Industry</i> [online]. Volume I. Available at: http://www.forest-trends.org/documents/files/doc_105.pdf Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New</i> 	<p>The harvesting company pays a volume based royalty to the landowners via the PNGFA who act as the intermediary with the responsibility to check that the payment is correct. The royalty payable is fixed by the Forest Minister in the Timber Permit, on the volume of merchantable timber or forest produce calculated at stump. The land group leaders are then responsible for distributing payments to group members.</p> <p>Where the title of the land is not incorporated under an ILG, an FMA may be executed on behalf of customary groups who are customary owners, by <i>agents</i> of such groups. Agents must be authorized to act on behalf of the groups, and 75% of the adult members resident on the land of each such group must give written consent to their group entering into the Agreement.</p> <p>The acquisition of consent of landowners forms part of the 34 stepwise approach associated with the development of FMAs under the Forestry Act (Described in Overview, also see PNG Country Specific Guidelines 2015 p 6 for the full process).</p> <p>The first ten steps of this process are intended to ensure landowner consent is obtained prior to the allocation of the permits to forestry companies.</p> <ol style="list-style-type: none"> 1. Identification of Potential Forest 2. Forest area included in Provincial and National Forest Plans 3. Forest Inventory Survey 4. Landowner awareness

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> National Forest Plan. Available at: https://pngexposed.files.wordpress.com/2013/01/draft-nfp.pdf Guidelines for Issuing Timber Authorities. Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under Timber Permit (1995) (referred to as the PMC Procedures), given legal effect through the Forestry Act 1991 and the Forestry Regulation 1998 (Reg. 95(1), Reg. 241 and Schedule 2). Land Group Incorporation Act 1974 amended 2007 and 2009. Available at: http://www.paclii.org/pg/legis/num_act/lgia2009372.rtf Land Dispute Settlement Act 1975. Available at: http://www.paclii.org/pg/legis/consol_act/ldsa1975276.rtf The Land Act 1996, Sections 10, 11 and 102. Available at: http://extwprlegs1.fao.org/docs/pdf/png20843.pdf 	<p><i>Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture 	<ol style="list-style-type: none"> Documentation of the Incorporated Land Group Step Process Preparation of Forest Management Agreement (FMA) Certification of FMA by the Provincial Forest Management Committee (PFMC) Signing of FMA by Landowners National Forest Board's (NFB) endorsement of FMA Signing of FMA by Forests Minister on behalf of PNGFA <p>The PNGFA is legally responsible for these 10 steps, and other parties (i.e. the harvesting companies) cannot legally approach the landowners during this period. Note that the landowner consent required in the Forestry Act is for "majority" consent only, which is currently set at 75 per cent. This can be complicated as some individuals with customary rights may not be residing on the land (i.e. they have moved to the city), which complicates the consent process.</p> <p><i>Acquisition of consent under a Timber Authority (TA)</i></p> <p>The Forestry Act does not contain requirements relating to the process for acquiring the use rights from land owners for Timber Authorities.</p> <p><i>Acquisition of consent under a Timber License</i></p> <p>Under the Forestry Act 1991 the National Forest Board may issue a license to a Forest Industry Participant (FIP) that already has a Timber Permit or authority to conduct a forestry activity that is outside the scope of the permit/ authority. Where the FIP holds a</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> Papua New Guinea Forest Authority (PNGFA) Provincial Forest Management Committees National Forestry Board Department of Agriculture & Livestock Department of Trade & Industry Department of Lands and Physical Planning <p>Legally required documents or records</p> <ul style="list-style-type: none"> Land group incorporation certificates, with proper genealogy and property listing completed in compliance to Land Group Incorporation Act 1974, amended 2009. Business Registration, issued by the Investment Promotion Authority, held by the timber business Registration as a Forest Industry Participant, a list of Forest Industry 	<p>Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/r 	<p>Timber Permit, the acquisition of landowner consent would have been carried out in accordance with the 34 steps process for FMAs. <i>Acquisition of consent under a Forest Clearing Authority (FCA) – including Special Agricultural Business Leases (SABLs)</i>.</p> <p>Special Agricultural Business Leases (SABLs) are provided for in Sections 11 and 102 of the Land Act 1996 (the Land Act). Under that Act, the State acquires customary land through an “instrument of lease in an approved form”. The Land Investigation process and associated Acquisition by Agreement, is intended to obtain free, prior and informed consent of the affected landowners before their customary land is acquired and converted to SABL (COI Report Numapo, 2013).</p> <p><i>Acquisition of consent under a Timber Rights Purchase (TRP) and Local Forest Area (LFA)</i>.</p> <p>Under timber rights purchase (TRP) 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.</p> <p>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. For LFAs the consent is a private agreement between the landowner and company.</p> <p>Description of risk</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Participants kept by PNGFA Head Office</p> <ul style="list-style-type: none"> • Certificate Permitting Foreign Enterprise to carry out business activity, issued by the Investment Promotion Authority Timber business. • Forest Industry Participant Certificate held by the company. • As well as one of the following: <p>For timber harvested under a Forest Management Agreement:</p> <ul style="list-style-type: none"> • Forest Management Agreement, certified by Provincial Management Committee, signed by landowners through Incorporated Land Groups, endorsed by National Forest Board, signed by the Minister for Forests on behalf of PNG Forest Authority. A copy is held by the PNGFA Head Office and the timber business. <p>For timber harvested under a Timber Authority:</p> <ul style="list-style-type: none"> • Sales and Purchase Agreement between the company and the customary owners. 	<p>isk-tool/country/papua-new-guinea [Accessed 11 January 2017]</p> <ul style="list-style-type: none"> • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] • ODI, (2007). <i>What can be learnt from the past? A history of the forestry sector in Papua New Guinea - Papua New Guinea Forest Studies</i>. [online] Overseas Development Institute, London. Available at: https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/90.pdf. [accessed 30 March 2019] • Armitage, L. (2001). Customary land tenure in Papua New Guinea: Status 	<ul style="list-style-type: none"> • According to the Institute for Global Environmental Strategies (IGES) (2016) the 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.” • In almost all cases, proper consent has not been secured or due process has not been followed (ODI 2007a and ITTO 2007 in Wilkinson 2013; Forest Trends 2006). • The Chatham house, (Chatham House 2014) states that the types of illegality recorded in PNG include licenses being issued or extended in breach of regulations (especially those relating to consultation with indigenous landowners). • According to Vegter (2005), the Forestry Act restrains customary landowners’ abilities to directly negotiate and consult with commercial timber industries, thereby severely weakening customary ownership. Unclear definitions of customary ownership within the common law further weaken indigenous groups’ abilities to control their forests. • Vegter (2005) also contends that the lack of formal definitions of customary ownership means a court may not recognize indigenous groups’ claims of ownership. • Landowner consent has been raised as one of the most significant issues with the SABL process. The COI inquiry concluded that “the SABL scheme, both at the policy level and in the manner it was implemented, has failed.... developers and

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Timber Authority, issued by the Chairman of the PFMC after approval from the National Forest Board. <p>For timber harvested under a timber license:</p> <ul style="list-style-type: none"> Timber License, issued by the National Forest Board. For timber harvested under a Forest Clearance Authority. Forest Clearance Authority. Environment impact statement by the DEC. For timber harvested under a Timber Rights Purchase (TRP) Agreement. Timber Rights Purchase (TRP) agreement, held by the PNGFA Head Office and the timber business. Timber Permit (for FMA or TRP), issued by the Minister of Forests, copied held by the PNGFA Head Office. <p>For timber harvested under a Local Forest Area (LFA) agreement:</p>	<p>and prospects.</p> <p>In <i>Proceedings of the International Association for the Study of Common Property Rights 2001 Pacific Regional Conference, Queensland University of Technology, Brisbane</i> (pp. 12-23). Available at: http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/589/armitage.pdf?sequence=1</p> <ul style="list-style-type: none"> Vegter, A. A. (2005). Forsaking the forests for the trees: forestry law in Papua New Guinea inhibits indigenous customary ownership. <i>Pac. Rim L. & Pol'y J.</i>, 14, 545. Available at: https://digital.lib.washington.edu/dspace-law/bitstream/handle/1773.1/675/14PacRimLPolyJ545.pdf?sequence=1 Canopy Watch, (N.Y). <i>Forestry in Papua New Guinea</i>. [online] Available at: http://www.canopywatch.org/ 	<p>people with vested interests have hijacked the SABL process to suit their own ends. Greed and corruption at all levels... have tainted a noble landowner empowerment initiative". The Col found that of the 42 SABLs reviewed by the COI, only 4 SABL had qualified landowners' consent and have produced successful agriculture projects, while the rest was obtained through corrupted means.</p> <ul style="list-style-type: none"> According to many sources, the dramatic increase in the number of SABLs applied for and issued from 2009-2011 was because the logging companies realized the process for obtaining a new FMA was quite difficult, particularly in relation to the landowner consent requirements (Expert consultation Port Moresby November 2016). The onerous consent requirements associated with the FMAs led companies to seek out SABLs as a way to exploit forests, as the consultation requirements are less intensive. Experts also noted, in relation to the consent requirements under the FMAs that, although the requirements are very clear, they are sometimes not complied with. In some instances, approval from only some of the landowners is obtained. Experts cited corruption and undue influence of large companies at the highest level as key drivers for the non-compliance (Expert consultation Port Moresby November 2016). Written records of stakeholder consultation must be kept, and should be available upon request. Regarding the now-superseded TRPs, as there were no requirements for ILGs with these permit types, it is very difficult

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Local Forest Area (LFA) agreement, approved by the Minister of Forests, copy held by the PNGFA Head Office. 	<ul style="list-style-type: none"> p/png-forestry.html [accessed 13 January 2017] Canopy Watch, (N.Y). <i>The Issue of Consent</i>. [online] Available at: http://www.canopywatch.org/p/issue-of-consent.html [accessed 13 January 2017] Kelola, T. (2010). <i>Madang Timbers goes back to court</i>. [Blog] Hector-madanginonline. Available at: http://hector-madanginonline.blogspot.com/2010/07/madang-timbers-goes-back-to-court.html Tararia, A. and Ogle, L. (2010). Incorporated land groups and the registration of customary land: Recent developments in PNG. <i>Customary Land</i>, 21. Available at: http://milda.aidwatch.org.au/sites/default/files/Incorporated%20land%20groups%20and%20the%20registration%20of%20customary%20lands.pdf 	<p>to determine the correct landowners have provided prior consent.</p> <ul style="list-style-type: none"> For LFAs, as the consent is a private agreement between the landowner and company it is difficult to determine the validity of the process retrospectively. Regarding the SABLs, Commissioner Mirou (2014) found that “in some instances [...], inferences from very strong evidence suggests that not only the Dept. of Lands and Physical Planning officials but landowner companies and ILG executives have been compromised. These will be noted in instances where grants of title were made directly to foreign entities (developers) as well as where transfer of shares of the SABL title holding company to other or foreign entities resulted with control of title to be in foreign hands.” Mirou goes on to states that: “In respect of Forestry (PNGFA), many FCAs were issued in questionable circumstances. Many of these FCAs issued, were not supported by authentic, verified and approved agriculture development plans. Even if these FCAs were supported by properly approved agriculture development plans, during the operations in many instances it had been noted that the operators or developers departed or digressed from the approved agriculture plans. In other instances, the proportionate agriculture development phased out per every 500 hectares maximum area over which clear felling of forests can take place, it has been noted that FCAs were nonetheless given and logging generally continued

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> Lawson, S. for Chatham House (2014). <i>Illegal logging in Papua New Guinea</i> Available at: https://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 26 July 2017] 	<p>into areas not immediately within the 500 hectares phases but over the whole areas of SABLs.”</p> <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>
1.15 Indigenous peoples rights	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Constitution of Papua New Guinea - http://www.parliament.gov.pg/constitution-of-the-independent-state-of-papua-new-guinea Section 53, subsection 5(d) and (e) Protection from Unjust Deprivation of Property section; and Section 54 (a) (i) (ii) (b) (c) Special provision in relation to certain lands. National lands Registration Act 1981 - http://faolex.fao.org/docs/texts/png24837.doc 	<p>Government sources</p> <ul style="list-style-type: none"> 2015, PNG Country Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. Numapo, J. (2013). Final report. [online] coi.gov.pg. Available at: http://www.coi.gov.pg/documents/COI%20SABL/Numapo 	<p>Overview of Legal Requirements</p> <p>The National Constitution of Papua New Guinea (PNG) makes reference to the ‘indigenous inhabitants of the country’. In PNG legislation, the term ‘customary landowners’ is used equivalently instead of ‘indigenous peoples’. The detailed description of the customary land rights is referenced in PNG1.1. The Forestry Act 1991 recognizes customary ownership of PNG’s forest resources. Under the FMA arrangements provided for in the Forestry Act (also applicable to TRPs and LFAs), customary owners retain their user rights to access the forest and collect and use non-timber forest products for local use and consumption, but not for commercial purposes.</p> <p>Project agreements also include requirements relating to the provision of infrastructure for local communities. These usually include access roads and health and education facilities. For FCAs, there is no reservation for the continued rights of the landowners to</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Chapter 357, Division 4, Effect of ownership of National Lands Act Chapter 357, subsection 14 (a) and (b) ownership of National Land, including customary land. Forestry Act 1991 - http://www.fiapng.com/forestry_act_1991.html section 2, subsection Xlvii “customary owners” in relation to an area of customary land, means persons having customary rights (a) ownership over the land; or (b) ownership over forest produce growing on the land or (c) over forest relating to the use of the land. Section 46, Customary resource ownership, the rights of the customary owners of the forest resource shall be fully recognized and respected in all transactions affecting the resource. <p>Legal Authority</p> <ul style="list-style-type: none"> Papua New Guinea Forest Authority (PNGFA) 	<p>%20SABL%20Final%20Report.pdf</p> <ul style="list-style-type: none"> Mirou, N. (2013). Final report. [online] coi.gov.pg. Available at: http://www.coi.gov.pg/documents/COI%20SABL/Mirou%20SABL%20Final%20Report.pdf <p>Non-Government sources</p> <ul style="list-style-type: none"> Forest Trends (2006). <i>Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging Industry</i> [online]. Volume I. Available at: http://www.forest-trends.org/documents/files/doc_105.pdf Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T (2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New</i> 	<p>hunting, fishing, collecting, fishing and access to sacred sites, cemetery and so on. i.e. the rights are not retained.</p> <p>Description of risk</p> <ul style="list-style-type: none"> Experts consulted stated that access to land for customary purposes is usually not an issue in FMA areas, however there are numerous reports of companies not complying with their obligations as per project agreement to deliver basic infrastructures, i.e. health, education facilities etc... (Expert consultation, Port Moresby 2016). Given the significant issues associated with the acquisition of land use rights (described in detail in section 1.1.), it is not clear that the handover of customary use rights is always lawful. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p> <p><i>Note:</i></p> <p><i>Customary landowner: Person or persons with heritable rights to use or occupy an area of land, in accordance with the custom of the clan or tribe they belong to, having a spiritual connection to the land and looking after it in trust for both the past and future generations (PNG FSC's Standard Development Group).</i></p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Conservation Environment Protection Authority (CEPA) • Provincial Forest Management Committees • National Forestry Board • Department of Agriculture & Livestock • Department of Trade & Industry • Department of Lands and Physical Planning <p>Legally required documents or records</p> <ul style="list-style-type: none"> • Copies of the land group incorporation certificates, with proper genealogy and property listing completed in compliance to Land Group Incorporation Act 1974, amended 2009. • Certification of Forest Management Agreement by Provincial Management Committee • Signing of Forest Management Agreement by landowners through Incorporated Land Groups 	<ul style="list-style-type: none"> • <i>Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January] • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Endorsement of Forest Management by National Forest Board. • Signing of Forest Management Agreement by Minister for Forests on behalf of PNG Forest Authority. 	<p>Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/r 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>isk-tool/country/papua-new-guinea [Accessed 11 January 2017]</p> <ul style="list-style-type: none"> Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] ODI, (2007). <i>What can be learnt from the past? A history of the forestry sector in Papua New Guinea - Papua New Guinea Forest Studies</i>. [online] Overseas Development Institute, London. Available at: https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/90.pdf. [accessed 30 March 2019]. Armitage, L. (2001). Customary land tenure in Papua New Guinea: Status 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>and prospects. In <i>Proceedings of the International Association for the Study of Common Property Rights 2001 Pacific Regional Conference</i>, Queensland University of Technology, Brisbane (pp. 12-23). Available at: http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/589/armitage.pdf?sequence=1</p> <ul style="list-style-type: none"> • Vegter, A. A. (2005). Forsaking the forests for the trees: forestry law in Papua New Guinea inhibits indigenous customary ownership. <i>Pac. Rim L. & Pol'y J.</i>, 14, 545. Available at: https://digital.lib.washington.edu/dspace-law/bitstream/handle/1773.1/675/14PacRimLPolyJ545.pdf?sequence=1 • Canopy Watch, (N.Y). <i>Forestry in Papua New Guinea</i>. [online] Available at: http://www.canopywatch.org/ 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>p/png-forestry.html [accessed 13 January 2017]</p> <ul style="list-style-type: none"> • Canopy Watch, (N.Y). <i>The Issue of Consent</i>. [online] Available at: http://www.canopywatch.org/p/issue-of-consent.html [accessed 13 January 2017] • Kelola, T. (2010). <i>Madang Timbers goes back to court</i>. [Blog] Hector-madanginonline. Available at: http://hector-madanginonline.blogspot.com/2010/07/madang-timbers-goes-back-to-court.html • Tararia, A. and Ogle, L. (2010). Incorporated land groups and the registration of customary land: Recent developments in PNG. <i>Customary Land</i>, 21. Available at: http://milda.aidwatch.org.au/sites/default/files/Incorporated%20land%20groups%20and%20the%20registration%20of%20customary%20lands.pdf 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> Lawson, S. for Chatham House (2014). <i>Illegal logging in Papua New Guinea</i> Available at: https://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 26 July 2017] 	
Trade and transport			
1.16 Classification of species, quantities, qualities	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf Customs Act 1951 - http://www.customs.gov.pg/06_legislation_and_publications/1_legislation/01_customs_act_1951.pdf Procedures for the Identification, Scaling and Reporting (including Royalty Self-Assessment) on Logs Harvested from Natural Forest Logging Operations: September 1996 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. Registration of Log Scalers with PNG Forest Authority - as at 1st January -2008 - http://www.forestry.gov.pg/site/files/log%20scalers%20010108.pdf 	<p>Overview of Legal Requirements</p> <p>The '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.</p> <p>The 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.' (IGES 2016)</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> • PNG Forest Authority • Commerce, trade and Industry <p>Legally required documents or records</p> <ul style="list-style-type: none"> • Production tally sheets • Royalty price /cubic meters • Project Agreement which specifies various levies need to be paid. 	<p>Non-Government sources</p> <ul style="list-style-type: none"> • Forestlegalityalliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] • Oxfordbusinessgroup.com, (2012). <i>The Report: Papua New Guinea 2012: Tax</i>. [pdf] Oxford Business Group. [online] Available at: http://www.oxfordbusinessgroup.com/node/779733/reader [Accessed 13 January 2017]. 	<p>The classification of logs is then verified prior to export through the Timber Export Monitoring System (TEMS) by the SGS. The Government contracted Societe Generale de Surveillance (SGS) in May 1994 to provide an independent, arm's length monitoring of all log exports from PNG, to ensure that logs exported are sold at the prevailing market prices. SGS' monitoring was also to ensure that export shipments were correctly declared with respect to log volume and species.</p> <p>The log monitoring system currently in place in PNG involves the following:</p> <ol style="list-style-type: none"> 1. Log tags are affixed to the end of each log by producers at the time of scaling at the log landing as prescribed by the PNGFA; 2. Pre-shipment log inspections to check species identification and log scaling; and 3. Monitoring of ship loading to verify the species and volumes actually loaded. <p>Description of risk</p> <ul style="list-style-type: none"> • According to the experts interviewed, the landowners themselves are a credible control to ensure compliance with requirements regarding classification, as this has a strong implication for the payment of royalties. Landowners are usually present at the log landing site to ensure the scaling and grading is done correctly as it impacts the royalties they receive. (Expert consultation, Port Moresby 2016).

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> Oxfordbusinessgroup. com, (2015). <i>Papua New Guinea 2015: Agriculture & Fisheries - PNG's export of raw logs support growth</i>. [online] Available at: http://www.oxfordbusinessgroup.com/country/papua-new-guinea/agriculture?page=2 [Accessed 13 January 2017]. Fao.org, (N.Y). Forest Resource Development Through Timber Permits. [online] Available at: http://www.fao.org/docrep/004/Y2711E/y2711e05.htm . Wri.org, (2014). Sourcing Legally Produced Wood: A Guide for Business. [online] Available at: http://www.wri.org/publication/sourcing-legally-produced-wood-guide-businesses [accessed 17 January 2017]. Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: 	<ul style="list-style-type: none"> According to Lawson (2016), there are no systems in place within the PNGFA for checking actual harvest volumes against revenues and investigating discrepancies. The office of the auditor-general sought to carry out such checks during its last audit in 2009, but found that to do so properly would have required it to examine direct log scaling sheets kept by each individual provincial forest office, which was beyond its capabilities. Using available collated data stored at headquarters, it was nevertheless able to demonstrate significant discrepancies that had apparently gone unnoticed. It compared harvesting records against amounts of royalties collected for January 2001–August 2008, finding that almost \$4 million was missing. Regarding SGS's role, Chatham House 2014 states “The independent monitoring of log exports by SGS does involve a computerized system that includes volumes exported and taxes paid by individual logging concessionaires, but the database only captures a part of the timber administration system. The problems with data collection and management are demonstrated by apparent confusion over one of the most fundamental factors – the amount of timber officially harvested. Research by Chatham House for the wood balance analysis in this report exposed large differences in data for licensed harvests reported by the PNGFA's Field Services Division (as cited in the country's REDD+ R-PP) and that reported in PNGFA annual reports.” Given the serious issues raised with the payment of export levies (detailed above in section 1.6), the strength of the export

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>http://www.transparency.org/country/PNG [accessed 30 March 2019]</p> <ul style="list-style-type: none"> Expert consultation carried out in Port Moresby by NEPCo, 21-25 November 2016.. 	<p>controls is also relevant for this indicator. Payment of export levies for log exports has been independently monitored since 1994 by SGS and this has effectively ensured that all export taxes charged have been paid – although questions have been repeatedly raised about whether the full amounts due are in fact being charged, since there is evidence that log values may be being deliberately under -declared (Lawson, 2014).</p> <ul style="list-style-type: none"> The Oakland Institute conducted an analysis of the largest logging company in PNG, Rimbunan Hijau. According to their report, 16 subsidiaries of the RH Group who cumulatively account for at least a quarter of PNG’s total log exports by volume and value, have been working at a loss for over a decade. During the period analyzed (2000-2011), RH PNG, the local parent company, declared nine years of losses and only two years of profits. Their two years of profits made a total of \$2.8 million while their nine years of losses amounted to \$42.2 million. This trend is consistent with most of the other 15 subsidiary companies analyzed. According to tax filings for the period 2000 to 2011, most of the 16 RH companies analyzed have been working at a loss and never paid any income tax. The IGES Report (2016) also states 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.’ <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
			Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.
1.17 Trade and transport	<p>Applicable laws and regulations N/A</p> <p>Legal Authority N/A</p> <p>Legally required documents or records N/A</p>	N/A	<p>N/A.</p> <p>There are no laws in place governing the transportation of timber in PNG (apart from the export of timber). As PNG is generally very inaccessible, land transport is not common. Most harvesting sites are relatively close to the coast, and logs are moved swiftly from harvest site to export point.</p>
1.18 Offshore trading and transfer pricing	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Income Tax Act 1959 - http://www.paclii.org/pg/legis/consol_act/ita1959116.rtf - section 118. Division 15 of the Act, Transfer Pricing: Determination of the taxable income of certain persons from international transactions and Papua New Guinea's double tax agreements (Division 15). IRC — Taxation Circular No. 2011/2 — Commissioner General's interpretation and application of the 	<p>Non-Government sources</p> <ul style="list-style-type: none"> Forest-trends.org, (2006). Logging, Legality and Livelihoods in Papua New Guinea - Synthesis of Official Assessments of the Large-Scale Logging - Industry Volume I. [online] Available at: http://www.forest-trends.org/documents/files/doc_105.pdf. Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T 	<p>Overview of Legal Requirements</p> <p>The tax laws of PNG include requirements covering cross border transactions and anti-avoidance. The general requirements of the Income Tax Act require taxpayers to keep proper records relating to their transfer pricing. However, there is no specific statutory requirement to prepare and maintain transfer pricing documentation. Division 15 and the double tax agreements entered into by PNG do not prescribe any particular methodology for ascertaining an arm's-length consideration. Given that there is no prescribed legislative preference, the Commissioner General generally would seek to use the most appropriate method, per the OECD Guidelines.</p> <p>The IRC requires an International Dealings Schedule (IDS) to be filed with each tax return when the international related-party</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Taxation Laws on Division 15 of the ITA 1959 (the Circular).</p> <p>Legal Authority</p> <ul style="list-style-type: none"> Internal Revenue Commission Investment Promotion Authority <p>Legally required documents or records</p> <ul style="list-style-type: none"> Audited Financial Statements Balance sheet Profit and Loss statements 	<p>(2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January]</p> <ul style="list-style-type: none"> Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017] Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A 	<p>dealings exceeded Papua New Guinean kina (PGK) 100,000 in value (excluding the capital value of any related party loans) or when loans with related parties have an aggregate capital value exceeding PGK2 million at any time during the year.</p> <p>Information to be disclosed on the IDS includes:</p> <ul style="list-style-type: none"> International related-party transaction types and quantum Countries with which the taxpayer has international related-party transactions Percentage of transactions covered by contemporaneous documentation Transfer pricing methodologies selected and applied for each international related-party type Details of branch operations <p>The Act does not impose specific penalties in respect to non-arm's-length pricing practices and the general additional tax and penalty provisions will apply to default, evasion or omission relating to transfer pricing.</p> <p>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 in IGES 2016.). Transfer pricing occurs through the overvaluation of imported goods and services and undervaluation of exported goods and services. Forest operations in PNG are heavily dependent on imported capital goods and also consumables and</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017]</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] 	<p>services. In importing goods and services, transfer pricing can take place through:</p> <ul style="list-style-type: none"> • Overpricing of imported equipment, machinery, spare parts, and consumables. • Transfer of overhead costs from headquarters and the costs of unrelated business activities to local operations. • Overpricing of services and expatriate consultancy work. • Regarding the export of forest products, transfer pricing through underpricing may take place in two ways: A direct agreement between buyer and seller on an extra payment to be made in addition to the formal invoice presented by the exporter to the exporting country authorities. Selling logs to an offshore parent company that will then re-invoice or re-export for a substantially higher price. <p>Description of risk</p> <ul style="list-style-type: none"> • According to the Oakland Institute (2016), 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 in IGES 2016). 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 in IGES 2016).

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> • ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017] • Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#reports [Accessed 11 January 2017] • Lawson, S. (2014). <i>Illegal Logging in Papua New Guinea</i>. [online] Illegal-logging.info Available at: http://www.illegal-logging.info/sites/default/files/Lawson_Papua_New_Guinea_PP_2014.pdf [accessed 13 January 2017]. • PricewaterhouseCoopers (PwC) for the Papua New 	<ul style="list-style-type: none"> • There is a strong likelihood that transfer pricing is happening in PNG. In 1999, it was estimated that PNG lost \$9 to \$17 million in tax revenue due to transfer pricing.⁴⁹ Although unable to obtain formal proof, a 2002 government review found “unexplained and substantial . . . discrepancies in price and volumes . . . that could be evidence of transfer pricing.” The review called for further investigation into the matter. (Oakland Institute 2016) • A 2014 Chatham House study found that there was a \$20 price difference per cubic meter between export prices from PNG and import prices for logs to China, accounting for freight and insurance costs. • The unexplained discrepancies found in different reviews, the difference between PNG export prices and the export prices of other major exporters, and the operational losses declared year after year by many logging companies seem to indicate that transfer pricing is taking place in PNG’s forest industry—resulting in a loss of hundreds of millions of dollars to the country. (Oakland Institute 2016) • According to the Tax Justice Network, “round tripping is one of the main reasons people use tax havens.” This describes when businesses leave proceeds from export sales and share offerings in a tax haven for a period of time, then send them back to their home country disguised as foreign direct investment (FDI). This helps the business to avoid paying capital gains or income tax. The majority of Ribunan Hijau’s holding companies are located in the British Virgin Islands (BVI): for example, Super Acme Ltd., Mooningham Ltd., Wilmington Co. Ltd., Subang Inc., and Proexcel Ltd. The other holding

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		<p>Guinea Forest Industries Association (PNG FIA) (2006). <i>Economic Analysis and Potential of PNG Forestry Industry - Final Report</i>. [pdf] PricewaterhouseCoopers. Available at: http://www.fiapng.com/PDF_files/PWC_ECONOMIC_REPORT_07.pdf [Accessed 13 January 2017].</p> <ul style="list-style-type: none"> • Oxfordbusinessgroup. com, (2012). <i>The Report: Papua New Guinea 2012: Tax</i>. [pdf] Oxford Business Group. [online] Available at: http://www.oxfordbusinessgroup.com/node/779733/reader [Accessed 13 January 2017]. • Oxfordbusinessgroup. com, (2015). <i>Papua New Guinea 2015: Agriculture & Fisheries - PNG's export of raw logs support growth</i>. [online] Available at: http://www.oxfordbusinessgroup.com 	<p>companies are spread across Singapore (i.e. Monarch Logging Pte. Ltd.) and Hong Kong (i.e. Gotha Co. Ltd. and Glasfield Co. Inc.). The role of BVI, Singapore, and Hong Kong in facilitating illicit financial flows, such as tax avoidance and transfer pricing, is well documented. BVI boasts an attractive zero tax rate and corporate secrecy laws that obfuscate the true ownership structure of the 900,000 companies registered there. (Oakland Institute 2016).</p> <ul style="list-style-type: none"> • A press release from the Internal Revenue Commission (2016) in response to the Oakland Institute report stated that “the Data Collection and Risk Assessment Phase for the new transfer pricing regime confirmed the logging sector as a high-risk sector and flagged international related-party transactions as a particular high-risk issue” (Transfer Pricing New 2016). • According to EY (2015), the low level of resources available to the IRC means that the likelihood of an annual tax audit is low. If an audit is conducted, the likelihood that transfer pricing will be reviewed as part of the audit is high. The Commissioner General, as a rule, allocates resources for transfer pricing cases according to the perceived risk to revenue from taxpayer noncompliance with the arm’s-length principle. The more significant and the broader the scope of the dealings, the more likely it is that a taxpayer will be subject to a transfer pricing review. Businesses with significant levels of international dealings that are constantly returning losses are at the greatest risk of a transfer pricing review. <p>Risk conclusion</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>oup.com/country/papua-new-guinea/agriculture?page=2 [Accessed 13 January 2017].</p> <ul style="list-style-type: none"> • Expert consultation carried out in Port Moresby by NEPCo, 21-25 November 2016. • Transferpricingnews.com, (2016). <i>PNG responds to claims of transfer pricing abuse in logging industry</i>. [online] Available at: https://transferpricingnews.com/2016/04/18/papua-new-guinea-png-claims-transfer-pricing-logging-industry/ [Accessed 17 January 2017]. • Ey.com, (2015). <i>Worldwide Transfer Pricing Reference Guide Papua New Guinea</i>. [online] Available at: http://www.ey.com/gl/en/services/tax/international-tax/transfer-pricing-and-tax-effective-supply-chain-management/2015-16-worldwide-transfer-pricing-reference-guide---papua- 	<p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>new-guinea [Accessed 17 January 2017].</p> <ul style="list-style-type: none"> Transparency International (2012). <i>Tackling Forestry Corruption Risks in the Asia Pacific</i> Available at: https://issuu.com/transparencyninternational/docs/2012_tacklingforestrycorruption_asiapacific_en [accessed 13 January 2016]. 	
1.19 Custom regulations	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Customs (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Customs%20(2008%20Budget%20Amendment)%20Act%202007.pdf Customs (2008 Budget Amendment) Regulation 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Customs%20(2008%20Budget%20Amendment)%20Regulation%202007.pdf 	<p>Government sources</p> <ul style="list-style-type: none"> Australia.gov.au, (2015). <i>Papua New Guinea Country Specific Guidelines</i>. [online] Available at: http://www.agriculture.gov.au/SiteCollectionDocuments/forestry/australias-forest-policies/illegal-logging/png-csg.pdf. <p>Non-government sources</p> <ul style="list-style-type: none"> Scheyvens, H., Samejima, H., Kawai, M. and Fujisaki, T 	<p>Overview of Legal Requirements</p> <p>The approval process for the export of logs and other wood products from PNG requires exporters to apply for and obtain an Export Permit Type 1 from the Minister for Forests and then an Export License from the Minister for Trade, Commerce and Industry. Both an Export Permit Type 1 and an Export License are required for round logs export.</p> <p>If an exporter is only exporting other wood products (i.e. processed wood products such as sawn timber, plywood, etc.), they only need to apply for an Export Permit Type 1. If an exporter is only exporting non-timber forest products (such as rattan), they only need to apply for an Export Permit Type 2. The granting of export permits is a delegated function under the Customs Tariff Act 1990 to the Minister for Forests.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Customs (Prohibited Exports) (2008 Budget Amendment) Regulation 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Customs%20(Prohibited%20Exports)%20(2008%20Budget%20Amendment)%20Regulation%202007.pdf • Customs Tariff Act 1990 - http://www.customs.gov.pg/06_legislation_and_publications/1_legislation/08_Customs_Tariff_Act_1990.pdf • Excise (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Excise%20(2008%20Budget%20Amendment)%20Act%202007.pdf • Excise Tariff (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/ExciseTariff%20(2008%20Budget%20Amendment)%202007%20Act.pdf • Fiscal Responsibility Act 2006 - http://www.treasury.gov.pg/html/legisl 	<p>(2016). <i>Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber</i>. [pdf] Institute for Global Environmental Strategies. Available at: 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf [Accessed 13 January].</p> <ul style="list-style-type: none"> • Oaklandinstitute.org, (2016). <i>The Great Timber Heist: The Logging Industry in Papua New Guinea</i>. [online] Available at: https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea [Accessed 11. January 2017]. • Wilkinson, G. (2013). Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice, A 	<p><i>Application process</i></p> <p>It is a requirement under section 41 of the Forestry Act 1991 that a trained forester who is employed by the PNGFA must verify that the contents of the parcel are consistent with those items indicated in the Export Permit Type 1 application (including timber species). The inspecting officer will also confirm that the logs and wood products nominated in the application have originated from an authorized area.</p> <p>The inspection will also ensure that all statutory payments and other payments for the logs and other wood products have been made, by verifying all receipt for payment including timber royalties, levies and taxes (if any).</p> <p>The inspection report should be attached with the application and submitted to the Export Administration Branch, PNGFA. All follow-up work and enquiries relating to applications are to be undertaken by the exporter.</p> <p>Upon receiving an application for an export permit for logs and other wood products, the Export Administration Branch allocates a shipment identification or export permit number. This number is the reference used for the clearance, by PNG Customs, of the parcel of logs or other wood products for export.</p> <p>The Export Administration Branch verifies that all documentation is in order and that the Free On Board (FOB) value of the parcel of logs and wood products is consistent with the prevailing export market value. In instances where the confirmation of the prevailing export market FOB value is not possible, a decision is made on</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>ation/files/acts/PNGFRA_No%5b1%5d.9-2006.pdf</p> <ul style="list-style-type: none"> • Goods and Services Tax (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Goods%20&%20Services%20Tax%20(2008%20Budget%20Amendment)%20Act%202007.pdf • Income Tax (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Income_Tax%20(2008BudgetAmendment)%20Act%202007.pdf • Income Tax (2008 Budget Amendment) Regulation 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/IncomeTax%20(2008%20Budget%20Amendment)%20Regulation%202007.pdf • Income Tax (Salary and Wages Tax) (Rates) (08 Budget Amendment) Act 2007 - http://www.treasury.gov.pg/html/legislation/files/acts/Income_Tax%20(S&W)(Rates)(2008%20Budget%20Amendment)%20Act%202007.pdf 	<p>report under Project GCP (p. 3). PNG/003/AUL for the PNG Forest Authority, the Food and Agriculture Organisation of the United Nations and the Australian Government Department of Agriculture, Fisheries and Forestry. Available at: http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20implementation%20of%20the%20Logging%20Code%20of%20Practice%20(by%20Wilkinson).pdf [accessed 13. January 2017].</p> <ul style="list-style-type: none"> • Transparency.org, (2018). <i>Corruption Perceptions Index 2018 – Papua New Guinea</i>. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019]. 	<p>these values based on the current indicative FOB values to respective markets.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>The PNG Government has banned a number of timber species from export in round log form due to their scarcity in the natural forest. However, these species may be exported as processed products:</p> <ul style="list-style-type: none"> • Kauri Pine AGA <i>Agathis sp.</i> • Hoop Pine ARH <i>Auracaria cunninghamii</i> • Klinkii Pine ARK <i>Auracaria hunsteinii</i> • Celery-Top Pine CLP <i>Phyllocladus hypophyllum</i> • Cordia COR <i>Cordia dichotoma</i> • Dacrydium DAC <i>Dacrydium nidulum</i>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<p>Legal Authority</p> <ul style="list-style-type: none"> Department of Customs and Immigration <p>Legally required documents or records</p> <ul style="list-style-type: none"> Log Tally Sheet Price Endorsement PNGFA Export Permit issued by the issued by the Minister for Forests following endorsement by the Papua New Guinea Forest Authority (PNGFA) Export Permit Type 1 – for logs and wood products harvested from Timber Permit and Timber License areas Export Permit Type 2 – issued by the Minister for Forests for non-timber forest products (e.g. balsawood, sandalwood, eaglewood, rattan etc). Export License Department of Trade and Industry Export license, issued by the Minister for Trade Letter of Credit Consignee’s bank 	<ul style="list-style-type: none"> Avosa, M., (2015). <i>Forest Governance Integrity Baseline Report - Papua New Guinea</i>. [online] Transparency International Papua New Guinea. Available at: https://pngforests.files.wordpress.com/2013/05/forest-governance-integrity-report-ti.pdf [Accessed 17 January 2017]. ForestlegalityAlliance.org, (2013). <i>Risk Tool – Papua New Guinea</i>. [online] Available at: http://www.forestlegality.org/risk-tool/country/papua-new-guinea [Accessed 11 January 2017]. Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wgi/index.aspx#repo 	<ul style="list-style-type: none"> Ebony EBO <i>Diospyros ferrea</i> Kerosene wood KEW <i>Cordia subcordata</i> Libocedrus LIB <i>Libocedrus pauanus</i> Podocarp POD <i>Podocarpus sp.</i> Brown Podocarp POB <i>Decussocarpus swalichianus</i> Highland Podocarp POH <i>Dacrycarpus imbricatus</i> Rosewood ROS <i>Pterocarpus indicus</i> Balsa BAL <i>Ochroma lagopus</i> Blackbean BLB <i>Castanospermum australe</i> <p>Description of risk</p> <ul style="list-style-type: none"> Allegations of wrong doing and corruption have long plagued the export permit system in PNG. There were experts acknowledging issues with discrepancies between described species and actual species, or log grading and a lack of transparency in the pricing process. (Expert consultation, Port Moresby 2016). Illegal trading of banned species and illegal cross border trade were not seen to be an issue with experts consulted. A number of experts and reports have questioned the robustness of the SGS administered system. SGS have held an exclusive contract with the government for more than 20 years. Manual verification of the volumes is only being carried out for 10 per cent of logs, and some experts questioned to veracity of

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> • Customs Duty • Bill of Lading Shipmaster • Copy of Export Summary • Inspection Report (only for logs) SGS Office Port Moresby, Timber business, Provincial Forest Office • Phytosanitary Certificates National Agriculture Quarantine and Inspection Authority Customs declaration materials for export Customs 	<ul style="list-style-type: none"> • rts [Accessed 11 January 2017]. • PricewaterhouseCoopers (PwC) for the Papua New Guinea Forest Industries Association (PNG FIA) (2006). <i>Economic Analysis and Potential of PNG Forestry Industry - Final Report</i>. [pdf] PricewaterhouseCoopers. Available at: http://www.fiapng.com/PDF_files/PWC_ECONOMIC_REPORT_07.pdf [Accessed 13 January 2017]. • Oxfordbusinessgroup.com, (2012). <i>The Report: Papua New Guinea 2012: Tax</i>. [pdf] Oxford Business Group. [online] Available at: http://www.oxfordbusinessgroup.com/node/779733/reader [Accessed 13 January 2017]. • Oxfordbusinessgroup.com, (2015). <i>Papua New Guinea 2015: Agriculture & Fisheries</i> 	<p>the claims from SGS of 100 per cent species verification. As stated by TIPNG (2015), “physical inspections on export logs are only done on 10% random sampling. Thus, random sampling is seen as providing opportunity for logging companies to falsify documents relating to export volumes and species and thus export logs illegally.”</p> <ul style="list-style-type: none"> • Transparency International PNG (2015) claim that “in order to evade taxes and royalties due on their exports or to export banned volumes or species of trees, companies may seek to avoid inspections on their logs.” • During expert consultation it was noted that there are reportings of blatant wrong doing, ships leaving at night etc. and that such cases are at times reported by NGOs. No written evidence was shared related to this during the expert consultation (Expert consultation 2016). <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>- PNG's export of raw logs support growth. [online] Available at: http://www.oxfordbusinessgroup.com/country/papua-new-guinea/agriculture?page=2 [Accessed 13 January 2017].</p> <ul style="list-style-type: none"> Expert consultation carried out in Port Moresby by NEPCon, 21-25 November 2016. 	
1.20 CITES	<p>Applicable laws and regulations</p> <ul style="list-style-type: none"> Convention on International Trade in Endangered Species of Wild Fauna and Flora International Trade (Fauna & Flora) Act 1979 - http://www.paclii.org/cgi-bin/sinodisp/pg/legis/consol_act/itafa1979304/itafa1979304.html?stem=&synonyms=&query=timber#fnB121 <p>Legal Authority</p> <ul style="list-style-type: none"> Department of Environment and Conservation 	<p>Non-Government sources</p> <ul style="list-style-type: none"> Transparency.org, (2018). Corruption Perceptions Index 2018 – Papua New Guinea. [online] Available at: http://www.transparency.org/country/PNG [accessed 30 March 2019] Cottingham, D, (2009). Convention on International Trade in Endangered Species (CITES). Available at: http://www.nmfs.noaa.gov/sfa/hms/advisory_panels/hms_ap/meetings/sept_2009/docum 	<p>Overview of Legal Requirements</p> <p>PNG ratified the CITES Convention in 1975. The Department of Environmental Conservation is responsible for overseeing the CITES process in PNG. There are CITES listed species that are found and traded in Papua New Guinea. These include:</p> <ul style="list-style-type: none"> Aquilaria spp, a timber that can produce agarwood, a fragrant wood extremely valuable for incense, perfume and traditional medicine and where overharvesting has led to the listing of Aquilaria spp in CITES. Papua New Guinea forms the eastern limits of the range of genus, where harvesting for trade has only developed over the last few decades. The CITES listing for Aquilaria spp applies to all parts and derivatives, except seeds; seedling or tissue cultures obtained in vitro, in solid or liquid media, transported in sterile containers; and cut flowers of artificially propagated plants.

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
	<ul style="list-style-type: none"> Conservation Environment Protection Authority PNG Forest Authority Department of Customs and Immigration <p>Legally required documents or records</p> <ul style="list-style-type: none"> CITES Permit 	<ul style="list-style-type: none"> ents/hms_ap_meeting_cites_9-11-09_final.pdf Schwartz, J. (N.Y). Endangered Species and International Law. [online] USA: International Law and Institutions. Available at: http://www.eolss.net/Sample-Chapters/C14/E1-36-02-05.pdf Zich, F. and Compton, J. (N.Y). Agarwood (Gaharu) Harvest and Trade in Papua New Guinea. [online] CITES. Available at: https://cites.org/sites/default/files/eng/com/pc/11/X-PC11-Inf_11.pdf Cites.org, (2016). CITES Country Profiles - PNG. [online] Available at: http://www.cites.org/eng/cms/index.php/component/cp/country/PG Worldbank.org, (2015). <i>Worldwide Governance Indicators – Papua New</i> 	<ul style="list-style-type: none"> Ramin (<i>Gonystylus</i> spp) is a highly prized and popular as a decorative timber for furniture and interior decoration but also for veneer and plywood. Declines in natural forests are associated with excessive harvest by illegal logging for international trade. There is one known species in Papua New Guinea, <i>G. macrophyllus</i>, although there is little information regarding the extent of harvesting and trade. The CITES listing for <i>Gonystylus</i> spp applies to all parts and derivatives, except seeds; seedling or tissue cultures obtained in vitro, in solid or liquid media, transported in sterile containers; and cut flowers of artificially propagated plants. <p>Description of risk</p> <ul style="list-style-type: none"> According to experts consulted (Expert Consultation 2016), there is possibility of non-compliance to CITES implementing legislation due to plant species variation between regions (i.e. miss-classification of species), however literature could not be found to support this assumption. There is a risk that CITES listed species could be improperly issued export permit by Conservation Environment Protection Authority if a small number of such species were present in a logging area. This could lead to deliberate mixing by forest companies of restricted species with non restricted species. There is a general risk of corruption in Papua New Guinea. The 2018 Transparency International’s Corruption Perceptions Index ranked Papua New Guinea 138th out of 180 countries assessed and scored it 28 out of 100, meaning it has a high perception of corruption. The 2015 World Bank Worldwide Governance

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p><i>Guinea 1996–2015</i>. [online] Available at: http://info.worldbank.org/governance/wqi/index.aspx#reports [Accessed 11 January 2017]</p> <ul style="list-style-type: none"> • Cites.org, (2016). CITES Species Checklist. [online] Available at: http://checklist.cites.org/#/search/country_ids[]=66&output_layout=alphabetical&level_of_listing=0&show_synonyms=1&show_author=0&show_english=1&show_spanish=1&show_french=1&scientific_name=Plantae&page=1&per_page=20&locale=en • Speciesplus.net, (2017). Homepage. [online] Available at: http://www.speciesplus.net/ • Cites.org, (2017). Review of Significant Trade Aquilaria malaccensis. [pdf] CITES. Available at: http://www.cites.org/eng/com/ 	<p>Indicators (WGI) gave Papua New Guinea the following scores out of 100: Voice and Accountability: 49.26; Political Stability and Absence of Violence: 24.29; Government Effectiveness: 29.81; Regulatory Quality: 31.25; Rule of Law: 18.75 and Control of Corruption: 14.42.</p> <ul style="list-style-type: none"> • Given the corruption and poor governance risks, a precautionary approach has been applied to the risk evaluation for this indicator. <p>Risk conclusion</p> <p>This indicator has been evaluated as specified risk.</p> <p>Threshold 2 has been met: Identified laws are not upheld consistently by all entities and/or are often ignored, and/or are not enforced by relevant authorities.</p>

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<p>pc/14/E-PC14-09-02-02-A2.pdf</p> <ul style="list-style-type: none"> • Cites.org, (2017). Proposal for the inclusion of <i>Gonystylus</i> spp (Ramin). [pdf] CITES. Available at: http://www.cites.org/common/cop/13/raw_props/ID-Ramin.pdf • CITES, (2002). Twelfth meeting of the Plants Committee. Leiden (The Netherlands), 13-17 May 2002. [online] CITES. Available at: http://www.cites.org/common/pc/12/E-PC12-05-06.doc • Botanic Gardens Conservation International (2008). Agarwood: saving a precious and threatened resource. BGCI (Bot. Gardens Conserv. Int.), 51(1), 1-4. Available at: http://www.bgci.org/resources/article/0576/ 	

Indicator	Applicable laws and regulations, legal Authority, & legally required documents or records	Sources of Information	Risk designation and determination
		<ul style="list-style-type: none"> Traffic (2000). Heart of the matter: agarwood use and trade and CITES implementation for Aquilaria malaccensis. TRAFFIC International, Cambridge, UK. Available at: https://portals.iucn.org/library/node/8133. 	
Diligence/due care procedures			
1.21 Legislation requiring due diligence/due care procedures	Applicable laws and regulations N/A Legal Authority N/A Legally required documents or records N/A	N/A	N/A PNG does not ratify any legislation regarding due diligence care procedures.

Recommended control measures

The recommended control measures here are only indicative in nature, and are not mandatory. Recommended control measures might not have been provided for all the risks that have been identified in this risk assessment. Organizations shall evaluate and devise appropriate control measures to mitigate the risks identified in this risk assessment as applicable.

Indicator	Recommended control measures
1.1 Land tenure and management rights	<p>Ensure the required documentation described in 1.1 is in place.</p> <p>Regarding the risks associated with the ILGs:</p> <ul style="list-style-type: none"> ○ Obtain a copy of all the ILG Certificates relevant for the forest area in question. ○ Each ILG shall have a constitution. ○ Consultation with customary owners and members of the ILG to determine the validity of the process for forming and registering the ILG. <p>Regarding risks regarding disputes over land claims</p> <ul style="list-style-type: none"> ○ A dispute settlement mechanism exists within the constitution of the ILGs, consultation with landowners shall confirm that the mechanisms is used to resolve disputes. <p>Regarding consent</p> <ul style="list-style-type: none"> ○ For FMAs, obtain a record of the consultation showing a 75 per cent consensus, this may be obtained from the PNGFA. Ask for minutes of consultation from the policy and planning – FMA signing meeting minutes are taken. <p>For all other permit types (and for FMAs to be sure), field verification, including consultation with local landowners is necessary.</p>
1.2 Concession licenses	<ul style="list-style-type: none"> ○ Proper legal procedures for obtaining concession licenses shall be followed. ○ Valid concession license agreements shall exist. ○ The process of obtaining concession shall follow an open and transparent process based on clear criteria and be confined to eligible organizations. ○ Retrospective verification of the validity of a permit allocation process to reduce the risk of corruption and bribery is not possible. Independent 3rd party verification of a secure supply chain is the only way to mitigate this risk.

Indicator	Recommended control measures
1.3 Management and harvesting planning	<ul style="list-style-type: none"> ○ 5 year FMP approved by the MD and annual logging plan, approved by the PNGFA shall exist for the FMU where the harvesting is taking place. ○ Maps showing harvesting areas (in compliance with the harvesting plan) can be reviewed to confirm harvesting takes place in the legally prescribed areas. ○ Forest management plans shall contain all legally required information and procedures. ○ Annual logging plans shall contain information and procedures, according to all legal requirements. ○ The contents of the operating and harvesting plans shall be consistent with approved forest management plans. ○ Harvesting restrictions shall be identified in management plan and maps if legally required. ○ Harvesting inventories shall be conducted according to legal requirements. ○ Field verifications carried out by independent third party shall indicate that the contents of the harvesting plans are adhered to in the field. ○ Stakeholder consultation shall indicate that the forest management plan has been approved according to legally prescribed process. ○ Clear evidence (e.g., maps) shall confirm that the management plan area is located within the licensed FMU. ○ If legally required, annual operating or harvesting plans shall be in place and approved by legally qualified authorities. (Required for all concessionaires) ○ If legally required, a current, approved operating or harvesting plan shall exist. <p>Required documents for concessionaires include:</p> <ul style="list-style-type: none"> ○ Five Year Working Plan authorized by PNGFA as per the Forestry Act. ○ Annual Logging Plan authorized by PNGFA as per the Forestry Act ○ Operational Set-up Plan (harvesting plan) authorized by PNGFA as per the Forestry Act.
1.4 Harvesting permits	<ul style="list-style-type: none"> ○ Review log book to determine if monitoring and enforcement is being carried out. ○ Field verification is necessary to determine if the harvesting permit is being complied with. ○ Field visits shall verify that maps are in compliance with reality ○ Field inspection shall confirm that harvesting takes place within limits given in the harvesting permit.

Indicator	Recommended control measures
	<ul style="list-style-type: none"> ○ Field inspection shall confirm that information regarding area, species, volumes and other information given in the harvesting permit are correct and within limits prescribed in the legislation ○ Onsite verification shall confirm that harvesting permits are issued after logged out set-up is assessed and new setup is released once necessary requirements as per logging code of practice and project monitoring control procedures are adhered too.
1.5 Payment of royalties and harvesting fees	<ul style="list-style-type: none"> ○ Receipts shall exist for payments of harvesting related royalties, taxes, harvesting fees and other charges. ○ Volumes, species and qualities given in sales and transport documents shall match the paid fees. ○ Classification of species, volumes and qualities shall match the royalties and fees paid. ○ Stakeholder consultation with landowners shall verify proper distribution of royalties in accordance with the law.
1.6 Value added taxes and other sales taxes	<ul style="list-style-type: none"> ○ Sales documents shall include applicable sales taxes. ○ Receipts for payment sales taxes shall exist. ○ Volumes, species and qualities given in sales and transport documents shall match the fees paid. ○ Sales prices shall be in line with market prices. ○ Harvested species, volume and qualities shall match the sales documents. ○ Authorities shall confirm that operation is up to date in payment of applicable sales taxes. ○ Consultation with financial authority to verify that all required income and profit taxes have been paid.
1.7 Income and profit taxes	<ul style="list-style-type: none"> ○ Consultation with financial authority to verify that all required income and profit taxes have been paid. ○ Access to audited financial statements shall confirm correct taxes have been paid. ○ Third party verification of audited financial statements can further confirm that correct taxes have been paid.
1.8 Timber harvesting regulations	<ul style="list-style-type: none"> ○ Harvesting shall be conducted within the authorized boundaries of the FMU. ○ Harvesting shall not take place in areas where harvesting is legally prohibited. ○ Tree species or selected trees found within the FMU for which felling is prohibited shall be listed in operational plans. ○ Harvesting restrictions shall be observed in the field.

Indicator	Recommended control measures
	<ul style="list-style-type: none"> ○ Tree species or selected trees found within the FMU for which felling is prohibited shall be marked in the field. ○ Ensure the Five Year Forest Working Plan, Annual Forest Working Plan and Set-up plans are in place, and have been verified in accordance with the law. ○ Onsite verification shall ensure the Logging Code of Practice (LCOP) is being complied with during the harvesting process. ○ Onsite verification, review and stakeholder consultation shall verify that the Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under Timber Permit (1995) (referred to as the PMC Procedures) are being enforced properly by the project officers.
1.9 Protected sites and species	<ul style="list-style-type: none"> ○ Harvesting shall be conducted within the authorized boundaries of the FMU. ○ Harvesting shall not take place in areas where harvesting is legally prohibited. ○ Tree species or selected trees found within the FMU for which felling is prohibited shall be listed in operational plans. ○ Harvesting restrictions shall be observed in the field. ○ Tree species or selected trees found within the FMU for which felling is prohibited shall be marked in the field ○ All legally protected areas (including species habitats) shall be included in the management plan or related documentation if required by the legislation. ○ Legal established procedures for surveying, managing and protecting endangered or threatened species within the management unit shall be followed. ○ Cultural sites shall be marked clearly in the field by landowners for industry to observe and protect. ○ Species / Fibre testing.
1.10 Environmental requirements	<ul style="list-style-type: none"> ○ Ensure all required documentation is in place (please see more under 1.10). <ul style="list-style-type: none"> ○ Environmental Plan ○ Environmental Management and Monitoring Program, with endorsement, ○ Environmental Impact Statement (only required for Level 1 FMAs where annual production exceeds 70,000m3), ○ Waste Management Plan, ○ Requirements for environmental monitoring shall be observed.

Indicator	Recommended control measures
	<ul style="list-style-type: none"> ○ Environmental restrictions shall be followed in the field, such as requirements related to soil damage, buffer zones, retention trees, seasonal restrictions etc. ○ Third party verification that includes field observations is necessary to ensure the environmental requirements are adhered to.
1.11 Health and safety	<ul style="list-style-type: none"> ○ All safety and health regulations shall be followed and all required safety equipment shall be used ○ Occupational health and safety requirements shall be observed by all personnel involved in harvesting activities. ○ Interviews with staff and contractors shall confirm that legally required protection equipment is required/provided by the organization. ○ Field verification by independent third parties is necessary.
1.12 Legal employment	<ul style="list-style-type: none"> ○ All workers are employed according to the regulation and required contracts are in place ○ Persons involved in harvesting activities shall hold required certificates of competence for the function they carry out. ○ At least the legally established minimum salaries shall be paid for personnel involved in harvesting activities. ○ Salaries shall be paid officially and declared by the employer according to requirements for personnel involved in harvesting activities. ○ Minimum age shall be observed for all personnel involved in harvesting activities. ○ Minimum age shall be observed for all personnel involved in hazardous work. ○ All foreign workers must have valid visa and work permits otherwise deported/ or should not be allowed to enter the country. ○ Stakeholders shall confirm that forced or compulsory labour is not involved in harvesting activities. ○ Given the extensive risks associated with this indicator, independent third party verification that includes field verification is strongly recommended.
1.13 Customary rights	<ul style="list-style-type: none"> ○ Ensure the documentation described in 1.1.. is in place. <p>Regarding the risks associated with the ILGS:</p> <ul style="list-style-type: none"> ○ ILG Certificates shall be available for the forest area in question. ○ Each ILG shall have a constitution ○ Consultation with customary owners and members of the ILG to determine the validity of the process for forming and registering the ILG.

Indicator	Recommended control measures
	<p>Risks regarding disputes over land claims</p> <ul style="list-style-type: none"> ○ Dispute settlement mechanism shall exist within the constitution of the ILGs. <p>Regarding consent</p> <ul style="list-style-type: none"> ○ For FMAs, a record of the consultation showing a 75 per cent consensus shall be available, this may be obtained from the PNGFA. ○ Minutes of consultation from the policy and planning –signed by FMA shall be available. ○ For all other permit types (and for FMAs to be sure), field verification, including consultation with local landowners is necessary.
1.14 Free prior and informed consent	<ul style="list-style-type: none"> ○ For FMAs, obtain a record of the consultation showing a 75 per cent consensus, this may be obtained from the PNGFA. Ask for minutes of consultation from the policy and planning – FMA signing meeting minutes are taken. ○ For all other permit types (and for FMAs to be sure), field verification, including consultation with local landowners is necessary to ensure consent has been provided in accordance with the law.
1.15 Indigenous peoples rights	<p>Ensure the documentation described in 1.1. is in place.</p> <p>Regarding the risks associated with the ILGS:</p> <ul style="list-style-type: none"> ○ Obtain a copy of all the ILG Certificates relevant for the forest area in question. ○ Each ILG shall have a constitution ○ Consultation with customary owners and members of the ILG to determine the validity of the process for forming and registering the ILG. <p>Risks regarding disputes over land claims</p> <ul style="list-style-type: none"> ○ Dispute settlement mechanism exists within the constitution of the ILGs. <p>Regarding consent</p> <ul style="list-style-type: none"> ○ For FMAs, obtain a record of the consultation showing a 75 per cent consensus, this may be obtained from the PNGFA. Ask for minutes of consultation from the policy and planning – FMA signing meeting minutes are taken. ○ For all other permit types (and for FMAs to be sure), field verification, including consultation with local landowners is necessary. ○ Onsite verification to ensure all requirements of the project document, including local infrastructure developments, have been complied with.

Indicator	Recommended control measures
1.16 Classification of species, quantities, qualities	<ul style="list-style-type: none"> ○ Products shall be correctly classified (species, quantities, qualities etc.) on sales documents, custom declarations and other legally required documents ○ Evidence shall be provided upon request (photographs of labelling) ○ Physical control where it should be verified that the present material equals what has been invoices and marked ○ Volumes, species and qualities given in sales and transport documents shall match the fees paid. ○ Sales prices shall be in line with market prices.
1.17 Trade and transport	N/A
1.18 Offshore trading and transfer pricing	<ul style="list-style-type: none"> ○ If illegal in the country of the supplier or sub-supplier, the products shall not have been traded through countries known as “tax havens”. ○ There shall be no illegal manipulation in relation to the transfer pricing. ○ Volumes, species and qualities given in sales and transport documents shall match the fees paid. ○ Sales prices shall be in line with market prices. ○ Consultation with financial authority to verify that all required income and profit taxes have been paid
1.19 Custom regulations	<ul style="list-style-type: none"> ○ Obtain copies of all legally required documents. ○ Products shall be correctly classified (type, custom code, species, quantities, qualities, etc.). ○ All required import and exports permits shall be in place.
1.20 CITES	<ul style="list-style-type: none"> ○ All cross border-trade of CITES-listed species shall be documented and accompanied by required export, import and re-export certificates issued by competent authorities (CITES Management Authorities).
1.21 Legislation requiring due diligence/due care procedures	N/A

Controlled wood category 2: Wood harvested in violation of traditional and human rights

Risk assessment

Indicator	Sources of Information	Functional scale	Risk designation and determination
2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.	The sources used are the required ones as advised by the NRA framework. Additional sources are also used. See detailed analysis below.	Country	Low risk Justification: All 'low risk thresholds' (1, 2, 3, 4 and 5) are met. None of the 'specified risk thresholds' are met. (1) The area under assessment is not a source of conflict timber ; AND (2) The country is not covered by a UN security ban on exporting timber; AND (3) The country is not covered by any other international ban on timber export; AND (4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND (5) Other available evidence does not challenge 'low risk' designation.
2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work.	The sources used are the required ones as advised by the NRA framework. Additional sources are also used. See detailed analysis below.	Country	Specified risk on violation of all aspects of labour rights Justification: Specified risk thresholds 14 and 15 apply for all aspects. (14) The applicable legislation for the area under assessment contradicts indicator requirement(s); AND/OR (15) There is substantial evidence of widespread violation of the ILO Fundamental Principles and Rights at Work.
2.3. The rights of Indigenous and Traditional Peoples are upheld.	The sources used are the required ones as advised by the NRA framework. Additional sources are also used. See detailed analysis below.	Country	Specified risk Justification: Specified risk thresholds 23, 24, 25, and 26 apply. (23) The presence of indigenous and/or traditional peoples is confirmed or likely within the area. The applicable legislation for the area under assessment contradicts indicator requirement(s) (refer to 2.2.6); AND/OR (24) Substantial evidence of widespread violation of indigenous or traditional peoples' rights exists; AND/OR (25) Indigenous and/or traditional peoples are not aware of their rights; AND/OR

			(26) There is evidence of conflict(s) of substantial magnitude pertaining to the rights of indigenous and/or traditional peoples. Laws and regulations and/or other legally established processes do not exist that serve to resolve conflicts in the area concerned, or, such processes exist but are not recognized by affected stakeholders as being fair and equitable.
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Recommended control measures

The recommended control measures here are only indicative in nature, and are not mandatory. Recommended control measures might not have been provided for all the risks that have been identified in this risk assessment. Organizations shall evaluate and devise appropriate control measures to mitigate the risks identified in this risk assessment as applicable.

Indicator	Recommended control measures
2.1	Not applicable
2.2	Clear evidence that the Organization has policies in place that guarantee core labour rights. Interviews with management and workers to assess awareness of labour laws and adherence to regulations. Field verification to confirm the harvesting operation does not violate the ILO convention and workers rights. Interviews with representatives of labour union to confirm the workers' rights are respected, including women's rights. Document verification/ID card check shall confirm no child labour is involved in harvesting operation.
2.3	Clear and unchallenged evidence that a forest operation is not taking place on customary land of local communities with customary rights. Any evidence of any challenge by any such local community, their representatives or any other CSO or NGO immediately means that the forest operation included specified risk of violating (IP/TP) rights of these communities Or, Clear and unchallenged evidence that the FMU is managed by the governance structures of local communities with customary rights, Or, Clear and unchallenged evidence that the local communities with customary rights to their land have freely ceded their territorial and/or use rights in an agreement or settlement with the government, And an (FPIC) agreement with the involved local communities with customary rights, after a fair, transparent, cultural appropriate and inclusive procedure.

Detailed analysis

Sources of information	Evidence	Scale of risk assessment	Risk indication ⁵
Context (the following are indicators that help to contextualize the information from other sources)			

⁵ A risk indication is provided for each source analyzed, except in the first part that addresses the general country context as that is not a risk indicator. A cumulative risk assessment for each risk indicator is provided in the row with the conclusion on each risk indicator, based on all the sources analyzed and evidence found.

<ul style="list-style-type: none"> Searching for data on: level of corruption, governance, lawlessness, fragility of the State, freedom of journalism, freedom of speech, peace, human rights, armed or violent conflicts by or in the country, etc. 			
World Bank: Worldwide Governance Indicators - the WGI report aggregate and individual governance indicators for 215 countries (most recently for 1996–2014), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption http://info.worldbank.org/governance/wgi/index.aspx#home	http://info.worldbank.org/governance/wgi/index.aspx#reports (click on table view tab and select Country) In 2015 (latest available year) Papua New Guinea scores between 14.42 (Control of Corruption) and 49.26 (Voice and Accountability) on the percentile rank among all countries for six of the six dimensions. (The scores range from 0 (lowest rank) to 100 (highest rank) with higher values corresponding to better outcomes).	Country	
World Bank Harmonized List of Fragile Situations	http://pubdocs.worldbank.org/en/154851467143896227/FY17HLFS-Final-6272016.pdf Papua New Guinea does not feature in this list of fragile situations of the FY17. "Fragile Situations" have: either a) a harmonized average CPIA country rating of 3.2 or less, or b) the presence of a UN and/or regional peace-keeping or peace-building mission during the past three years. This list includes only IDA eligible countries and non-member or inactive territories/countries without CPIA data. IBRD countries with CPIA ratings below 3.200 do not qualify on this list due to non disclosure of CPIA ratings; IBRD countries that are included here qualify only by the presence of a peacekeeping, political or peace-building mission - and their CPIA ratings are thus not quoted here."	Country	
Committee to Protect Journalists: Global Impunity Index CPJ's Impunity Index calculates the number of unsolved journalist murders as a percentage of each country's population. For this index, CPJ examined journalist murders that occurred between September 1, 2006, and August 31, 2016, and that remain unsolved. Only those nations with five or more unsolved cases are included on this index.	https://www.cpj.org/reports/2016/10/impunity-index-getting-away-with-murder-killed-justice.php Papua New Guinea does not feature in this list.	Country	
Carleton University: Country Indicators for Foreign Policy: the Failed and Fragile States project of Carleton University examines state fragility using a combination of structural data and current event monitoring.	http://www4.carleton.ca/cifp/app/serve.php/1530.pdf Papua New Guinea ranks 78 out of 198 with rank no. 1 being the most fragile country on the Carleton Global Fragility ranking 2016.	Country	
Human Rights Watch: http://www.hrw.org	https://www.hrw.org/world-report/2016	Country	

	<p><i>World Report 2016</i></p> <p>“In 2011, Human Rights Watch documented widespread violent abuses, including brutal incidents of gang rape, carried out by employees of Canadian mining giant Barrick Gold at the Porgera gold mine in Papua New Guinea. The company has taken numerous steps to prevent further abuses and in 2015 provided remedy packages to more than 100 women who suffered abuse at the hands of company employees. The company has commissioned an independent assessment to evaluate the extent to which that program conformed to international norms and positively impacted the women involved.” (Page 161)</p> <p><i>Chapter on Papua New Guinea (pages 447-451)</i></p> <p>Women’s and Girls’ Rights</p> <p>“PNG is one of the most dangerous places in the world to be a woman or girl, with an estimated 70 percent of women experiencing rape or assault in their lifetime. While such acts have long been criminalized and domestic violence was specifically proscribed under the 2013 Family Protection Act, few perpetrators are brought to justice.”</p> <p>“Police and prosecutors are very rarely prepared to pursue investigations or criminal charges against people who commit family violence (..)”</p> <p>Government Corruption</p> <p>“In 2015, Prime Minister Peter O’Neill continued to weaken the country’s most successful anti-corruption agency, Task Force Sweep, by starving it of funding. Task Force Sweep was briefly disbanded in 2014 when its investigations targeted the prime minister. A court reinstated the agency, but it has not received any government funding since 2013. In March 2015, the Ombudsman Commission recommended that the minister for public service and the minister for public enterprise and state investments face leadership tribunals over allegations of misconduct in office. In October, the government sought to suspend Chief Magistrate Nerrie Eliakim, who had issued an arrest warrant against Prime Minister O’Neill on corruption charges in 2014. Attorney General Ano Pala was charged with conspiring and attempting to pervert the course of justice, and with abuse of office. According to police, Pala allegedly tried to frustrate their efforts to pursue official corruption charges against O’Neill.”</p> <p>Asylum Seekers and Refugees</p> <p>“More than 930 asylum seekers and refugees are currently detained indefinitely in poor conditions at a detention center on Manus Island, which holds asylum seekers transferred by Australia for refugee status determination and resettlement in PNG. Some have been held at the center for more than two years. Since January 2015, 46 men recognized as refugees have been transferred to a transit center, but are prevented from leaving Manus Island and cannot work or study.”</p> <p>Extractive Industries</p> <p>“Extractive industries remain an important engine of PNG’s economic growth, but continue to give rise to serious human rights concerns and environmental harm. In 2014, controversy raged around the environmental impacts of the Ok Tedi mine, and violent clashes erupted around the controversial Ramu Nickel project. Violence against women and girls committed in the context of PNG’s extractive industries remains a pressing human rights concern. In 2011, Human Rights Watch documented gang rape and other violent abuses by private security personnel at PNG’s Porgera gold mine, operated by Canadian company Barrick Gold. Along with other steps, Barrick responded by rolling out a compensation scheme paying out claims to more than 100 women in 2015. The company has commissioned an assessment to evaluate the impact of this remedy program.”</p>		
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		Country	
WWF http://wwf.panda.org/about_our_earth/about_t_forests/deforestation/forest_illegal_logging/	<p>http://wwf.panda.org/what_we_do/where_we_work/new_guinea_forests/problems_forests_new_guinea/deforestation_forests_new_guinea/index.cfm <i>New Guinea deforestation, a reality for the 21st century</i> “If you were to watch a film of New Guinea’s geological history, at a frame rate of 10,000 years per second, you would see the island rise from the sea, then its central mountain range progressively reach for the skies, glaciers would appear and then, with the end of the last Ice Age, a blanket of forest would progressively cover the island.</p> <p>Suddenly, fast forward into the future, the landscape of the island would be bare, apart from isolated clumps of green.</p> <p>When one looks at the fate of parts of the Amazon Basin, Madagascar and Borneo, such a scenario does not seem that unlikely. While the forests of New Guinea still cover a massive 70% of the island, exploitation could dramatically reduce that figure if it goes unchecked. Already, more than 2% of Papua New Guinea (PNG) forests have been felled, with forestry concessions covering most of the country.”</p> <p>http://wwf.panda.org/what_we_do/where_we_work/new_guinea_forests/problems_forests_new_guinea/deforestation_forests_new_guinea/logging_forests_new_guinea/ <i>Logging the forests of New Guinea</i> What is happening and why “As commercial stands of timber in Sumatra and Kalimantan (Indonesian Borneo) are increasingly exhausted, the logging industry has shifted eastwards to New Guinea.</p> <p>In PNG, the forest industry makes an important contribution to the country’s economy. The vast majority of timber is produced as raw logs for export - this account for 97% of the value of all exports of forest products, with woodchips covering almost all of the remainder.</p> <p>Logging in practice But the price being paid by the forests is high. In PNG, industrial logging has been the most significant cause of forest loss and degradation for over 2 decades. Lack of compliance with environmental standards, and inadequate monitoring and control by government regulating agencies are plaguing the sector. According to the World Bank, these practices have caused logging to become completely unsustainable in the country.”</p>	Country	
Chatham House Illegal Logging Indicators Country Report Card http://indicators.chathamhouse.org/explore-the-data	<p>http://indicators.chathamhouse.org/explore-the-data/papua-new-guinea <i>2013 Assessment Findings</i> “The government’s response to illegal logging and related trade has been very poor. Although almost all harvesting in Papua New Guinea has some form of license and exports are all verified against payment of taxes, the weight of available information suggests that the majority of the country’s timber production is nevertheless illegal in some way. Improper license issuance and failure to follow guidelines meant to minimize environmental impacts of selective logging are among the most common problems. Deep-rooted problems of corruption and poor forest governance in PNG have</p>	Country	

	<p>been documented in detail on multiple occasions over the past 25 years, yet successive administrations have failed to address them.</p> <p>While PNG has one of the best legal frameworks governing forests of any major developing country, these laws have not been effectively implemented and enforced. There is little or no evidence to suggest that logging practices have improved in the decade since the last detailed independent reviews exposed widespread illegalities. Major improvements to governance are needed, particularly with respect to enforcement and transparency."</p>		
Transparency International Corruption Perceptions Index	<p>https://www.transparency.org/news/feature/corruption_perceptions_index_2019 Papua New Guinea scores 28 points on the Corruption Perceptions Index 2018 on a scale from 0 (highly corrupt) to 100 (very clean). Papua New Guinea ranks 138 out of 180 with rank no. 1 being the cleanest country.</p>	Country	
<p>Amnesty International</p> <p>Annual Report: The state of the world's human rights - information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights</p>	<p>https://www.amnesty.org/en/latest/research/2016/02/annual-report-201516/ AMNESTY INTERNATIONAL REPORT 2015/16; THE STATE OF THE WORLD'S HUMAN RIGHTS <i>Chapter on Papua New Guinea (pages 288-289)</i> VIOLENCE AGAINST WOMEN AND GIRLS "Sexual and gender-based violence remained pervasive. Legal reforms in recent years, including the repeal of the Sorcery Act and introduction of the 2013 Family Protection Act, were not followed up by effective action, such as improving social services, access to health care, counselling and women's shelters. The police force remained understaffed and under-resourced to deal with the high volume of family violence reports, preventing many women from accessing justice. Lack of government services in remote areas disproportionately affected women in rural locations from accessing health care and other services."</p> <p>EXCESSIVE USE OF FORCE "Many incidents of excessive use of force by police were reported throughout the year. In January police in the capital, Port Moresby, fired indiscriminately into a market after a dispute between vendors and local council officials, killing two vendors. No arrests had been made by the end of the year."</p> <p>LACK OF ACCOUNTABILITY "While some attempts were made to improve accountability in individual cases, many police abuses such as torture including rape, and unlawful detention, went unpunished. Marginalized groups, including sex workers and LGBTI people, were particularly vulnerable to abuses by the police while in custody."</p> <p>REFUGEES AND ASYLUM-SEEKERS "As of 30 November, 926 adult men were detained at the Australia-run immigration detention centre on Manus Island. Despite some improvements to conditions at the centre, concerns remained about prolonged and arbitrary detention, as well as safety and security following an attack on the centre in February 2014. Plans regarding long-term resettlement were uncertain. A number of human rights restrictions applied to those who were moved to a more "open" facility in Lorengau. Concerns remained around refoulement."</p>	Country	
<p>Freedom House http://www.freedomhouse.org/</p>	<p>https://freedomhouse.org/report-types/freedom-world#_U-3q5fl_sVcThe status of Papua New Guinea on the Freedom in the World index 2017 is 'Partly free'.</p> <p>https://freedomhouse.org/report/freedom-net/freedom-net-2016 No relevant information found on Papua New Guinea on Freedom on the Net 2016.</p> <p>https://freedomhouse.org/report/freedom-press/freedom-press-2017 The status of Papua New Guinea on the Freedom of the Press 2017 is 'free'.</p>	Country	

Reporters without Borders: Press Freedom Index https://rsf.org/ranking	https://rsf.org/ranking <i>2017 World Press Freedom Index</i> In 2017, Papua New Guinea ranked 51 out of 180 countries on World Press Freedom Index Being no. 1 the most free country.	Country	
Fund for Peace - Fragile States Index - the Fund for Peace is a US-based non-profit research and educational organization that works to prevent violent conflict and promote security. The Fragile States Index is an annual ranking, first published in 2005 with the name Failed States Index, of 177 nations based on their levels of stability and capacity http://fsi.fundforpeace.org/	<i>Fragile States Index 2017</i> http://fsi.fundforpeace.org/ Papua New Guinea is ranked 48 out of 188 countries on the Fragile States Index 2016. (No. 1 being the most failed state). This ranks Papua New Guinea in the category 'High Warning'.	Country	
The Global Peace Index. Published by the Institute for Economics & Peace, This index is the world's leading measure of national peacefulness. It ranks 162 nations according to their absence of violence. It's made up of 23 indicators, ranging from a nation's level of military expenditure to its relations with neighbouring countries and the level of respect for human rights.	http://economicsandpeace.org/wp-content/uploads/2016/06/GPI-2016-Report_2.pdf <i>2016 Global Peace Index</i> The state of Peace in Papua New Guinea is labeled 'Medium' with Papua New Guinea ranking number 99 out of 162 countries (no. 1 being the most peaceful country) with a score of 2.143.	Country	
Additional sources of information (These sources were partly found by Googling the terms '[country]', 'timber', or 'conflict', 'illegal logging')	Evidence	Scale of risk assessment	Risk indication
USA Government	http://www.state.gov/documents/organization/253003.pdf PAPUA NEW GUINEA 2015 HUMAN RIGHTS REPORT EXECUTIVE SUMMARY "Papua New Guinea is a constitutional, federal, multiparty, parliamentary democracy. Parliamentary elections took place in 2012, and local government elections occurred in 2013. In some parts of the country, electoral contests involved widespread violence, fraud, bribery, voter intimidation, and undue influence. Civilian authorities at times did not maintain effective control over the security forces. The principal human rights concerns were severe police abuse of detainees and police and military abuse of citizens; violence and discrimination against women and girls; and vigilante killings and abuses, some related to alleged involvement in sorcery and witchcraft. A significant area of controversy involved the Australian run regional refugee processing center on Manus Island. A court challenge to the constitutionality of the center reinitiated in March was found null and void in August. Other human rights problems included poor prison conditions; lengthy pretrial detention; infringement of citizens' privacy rights, particularly in highland areas; government corruption; abuse and sexual exploitation of children; trafficking in persons; discrimination against persons with disabilities; intertribal violence; and ineffective enforcement of labor laws. The government frequently failed to prosecute or punish officials who committed abuses, whether in the security services or elsewhere in the government. Impunity was pervasive."	Country	

Mongabay	https://news.mongabay.com/2014/04/illegal-logging-makes-up-70-percent-of-papua-new-guineas-timber-industry/ ILLEGAL LOGGING MAKES UP 70 PERCENT OF PAPUA NEW GUINEA'S TIMBER INDUSTRY Press release / April 22, 2014 "Corruption, weak governance, and powerful timber barons are illegally stripping the forests of Papua New Guinea, according to a new report from the Chatham House. The policy institute finds that 70 percent of logging in Papua New Guinea is currently illegal, despite the fact that 99 percent of land is owned by local indigenous communities. " "The biggest challenge is dealing with collusion between corrupt officials and logging firms," author of the report Sam Lawson told mongabay.com. "The logging industry in Papua New Guinea is very powerful, while the government is extremely weak... The largest logging firm owns one of the two national newspapers, for example." In fact, the logging industry has managed to skirt some of the strongest community and forest land rights in the world—at least on paper. In practice, according to the report, Papua New Guinea's customary land laws suffer from poor transparency and few mechanisms to mitigate conflict. "	Country	
Asian Development Bank a.o.	https://www.adb.org/sites/default/files/institutional-document/33859/files/cga-png-2011-2012.pdf Asian Development Bank , World Bank c.s. <i>Papua New Guinea: 2011-2012 Country Gender Assessment</i> "4. Forestry Women and men living in forested regions of the country depend on forest resources for many livelihood needs. A little more than half of all forests (about 15 million hectares) are officially classified —production forests II for harvesting timber, while about 14 million hectares are reserved for conservation due to inaccessibility or for ecological considerations. While the majority of the forestry sector involves harvesting and export of round logs, downstream processing of forest products in PNG is increasing. Privately owned companies control all commercial timber production and five companies control over 80 percent of the market."	Country	
From national CW RA: Info on illegal logging	Not available	-	-
<p>Conclusion on country context: PNG scores medium to negative or weak on most indicators reviewed in this section on the country context, with some scores being very negative or weak. The positive aspects are that there is no evidence for large-scale internal conflicts and violence, that the country is not considered to be a fragile or failed state, and that press freedom appears not to be an area of concern. On the other hand, governance is very weak. This goes for factors such as rule of law, implementation of regulations and governmental accountability. There is evidence that the level of corruption in PNG is very high.</p> <p>PNG is covered with timber-rich forests and the forest industry is one of the major sectors in the country. Combining that with the weak governance and high corruption, it is not a surprise that there is a lot of evidence of a high level illegal logging. Land grabbing and timber grabbing are also serious issues.</p>		Country	
<p>Indicator 2.1. The forest sector is not associated with violent armed conflict, including that which threatens national or regional security and/or linked to military control.</p> <p>Guidance</p> <ul style="list-style-type: none"> • Is the country covered by a UN security ban on exporting timber? • Is the country covered by any other international ban on timber export? • Are there individuals or entities involved in the forest sector that are facing UN sanctions? 			
Compendium of United Nations Security Council Sanctions Lists: www.un.org	https://scsanctions.un.org/fop/fop?xml=htdocs/resources/xml/en/consolidated.xml&xslt=htdocs/resources/xsl/en/consolidated.xml	Country	Low risk
US AID: www.usaid.gov	There is no UN Security Council ban on timber exports from Papua New Guinea.		

Global Witness: www.globalwitness.org	Papua New Guinea is not covered by any other international ban on timber export.		
From national CW RA	There are no individuals or entities involved in the forest sector in Papua New Guinea that are facing UN sanctions. Not available	-	-
Guidance <ul style="list-style-type: none"> Is the country a source of conflict timber? If so, is it at the country level or only an issue in specific regions? If so – which regions? Is the conflict timber related to specific entities? If so, which entities or types of entities? 			
www.usaid.gov Conflict Timber is defined by US AID as: - conflict financed or sustained through the harvest and sale of timber (Type 1), - conflict emerging as a result of competition over timber or other forest resources (Type 2) Also check overlap with indicator 2.3	No information on conflict timber in Papua New Guinea found.	Country	Low risk
www.globalwitness.org/campaigns/environment/forests	No information on conflict timber in Papua New Guinea found.	Country	Low risk
Human Rights Watch: http://www.hrw.org/	No information on conflict timber in Papua New Guinea found. https://www.hrw.org/world-report/2016 No information found on conflict timber in Papua New Guinea in the World Report 2016.	Country Country	Low risk Low risk
World Resources Institute: Governance of Forests Initiative Indicator Framework (Version 1) http://pdf.wri.org/working_papers/gfi_tenure_indicators_sep09.pdf Now: PROFOR http://www.profor.info/node/1998	No information found on conflict timber in Papua New Guinea.	Country	Low risk
Amnesty International Annual Report: The state of the world's human rights - information on key human rights issues, including: freedom of expression; international justice; corporate accountability; the death penalty; and reproductive rights http://www.amnesty.org	https://www.amnesty.org/en/latest/research/2016/02/annual-report-201516/ https://www.amnesty.org/download/Documents/POL1025522016ENGLISH.PDF No information in the Amnesty International Report 2015-16 on conflict timber in Papua New Guinea found.	Country	Low risk

World Bank: Worldwide Governance Indicators - the WGI report aggregate and individual governance indicators for 213 economies (most recently for 1996–2014), for six dimensions of governance: Voice and Accountability; Political Stability and Absence of Violence; Government Effectiveness; Regulatory Quality; Rule of Law; Control of Corruption http://info.worldbank.org/governance/wgi/index.aspx#home Use indicator 'Political stability and Absence of violence' specific for indicator 2.1	http://info.worldbank.org/governance/wgi/index.aspx#reports In 2015 (latest available year) Papua New Guinea scores on the indicator <i>Political Stability and Absence of Violence/Terrorism</i> score 24.29 on the percentile rank among all countries (ranges from 0 (lowest) to 100 (highest rank) with higher values corresponding to better outcomes. No evidence found that this rank has a relationship with conflict timber.	Country	Low risk
Greenpeace: www.greenpeace.org Search for 'conflict timber [country]'	No information on conflict timber or illegal logging in Papua New Guinea found.	Country	Low risk
CIFOR: http://www.cifor.org/ http://www.cifor.org/publications/Corporate/FactSheet/forests_conflict.htm	No information on conflict timber or illegal logging in Papua New Guinea found.	Country	Low risk
Google the terms '[country]' and one of following terms or in combination 'conflict timber', 'illegal logging'	No information on conflict timber or illegal logging in Papua New Guinea found.	Country	Low risk
From national CW RA	Not available	-	-
Conclusion on indicator 2.1: No information was found on Papua New Guinea as a source of conflict timber and the forest sector is not associated with any violent armed conflict. There is no UN security ban, other ban or UN sanction. The following low risk thresholds apply: (1) The area under assessment is not a source of conflict timber ⁶ ; AND (2) The country is not covered by a UN security ban on exporting timber; AND (3) The country is not covered by any other international ban on timber export; AND (4) Operators in the area under assessment are not involved in conflict timber supply/trade; AND (5) Other available evidence does not challenge 'low risk' designation.		Country	Low risk
Indicator 2.2. Labour rights are respected including rights as specified in ILO Fundamental Principles and Rights at work. Guidance <ul style="list-style-type: none"> Are the social rights covered by the relevant legislation and enforced in the country or area concerned? (refer to category 1) 			

⁶ “Conflict timber” limited to include “timber that has been traded at some point in the chain of custody by armed groups, be they rebel factions or regular soldiers, or by a civilian administration involved in armed conflict or its representatives, either to perpetuate conflict or take advantage of conflict situations for personal gain - conflict timber is not necessarily illegal. Please refer to FSC-PRO-60-002a V1-0.

- Are rights like freedom of association and collective bargaining upheld?
- Is there evidence confirming absence of compulsory and/or forced labour?
- Is there evidence confirming absence of discrimination in respect of employment and/or occupation, and/or gender?
- Is there evidence confirming absence of child labour?
- Is the country signatory to the relevant ILO Conventions?
- Is there evidence that any groups (including women) feel adequately protected related to the rights mentioned above?
- Are any violations of labour rights limited to specific sectors?

general sources from FSC-PRO-60-002a V1-0 EN	information found and specific sources	scale of risk assessment	risk indication
<p>Status of ratification of fundamental ILO conventions: http://www.ilo.org/dyn/normlex/en/f?p=1000:11001:0::NO:: C29 Forced Labour Convention, 1930 C87 Freedom of Association and Protection of the Right to Organise Convention, 1948 C98 Right to Organise and Collective Bargaining Convention, 1949 C100 Equal Remuneration Convention, 1951 C105 Abolition of Forced Labour Convention, 1957 C111 Discrimination (Employment and Occupation) Convention, 1958 C138 Minimum Age Convention, 1973 C182 Worst Forms of Child Labour Convention, 1999</p> <p>Ratification as such should be checked under Category 1. In Cat. 2 we take that outcome into consideration. Refer to it.</p>	<p>http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103487 PNG has ratified all 8 ILO core conventions. The status of all 8 core conventions is 'in force'.</p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3143202:NO <i>Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014)</i> <i>Forced Labour Convention, 1930 (No. 29) - Papua New Guinea</i></p> <p>This report does not contain information that indicates specified risks.</p> <p>http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:13100:0::NO:P13100_COMMENT_ID:3143205 <i>Observation (CEACR) - adopted 2013, published 103rd ILC session (2014)</i> <i>Forced Labour Convention, 1930 (No. 29) - Papua New Guinea</i> "Articles 1(1), 2(1) and 25 of the Convention. Trafficking in persons. 1. Strengthening the legal framework and law enforcement. The Committee previously noted a communication from the International Trade Union Confederation (ITUC) stating that there had been no investigations, prosecutions or convictions for trafficking in persons. This communication also stated that men are forced into labour in logging camps and mines and that much of the trafficking of women for the purpose of sexual exploitation took place close to camps for these industries. This report further indicated that there were reports of police and border control officers receiving bribes to ignore trafficking in persons. The Committee notes with concern the Government's statement that there have been no investigations, prosecutions or convictions for trafficking in persons. Nonetheless, the Government acknowledges that human trafficking is a serious problem in the country, but that it lacks the proper legislation specifically criminalizing human trafficking. It states that while the legislation in some manner prohibits forced labour and trafficking in persons, the provisions do not offer the maximum protection and penalties are not stringent as required by Article 25 of the Convention. However, it is addressing this issue through the adoption of the People Smuggling and Trafficking in Persons Bill. This Bill would amend the Criminal Code to include a provision prohibiting human trafficking and has been endorsed by the National Executive Council. The Committee notes the Government's statement that a project is being conducted by the International Organization for Migration and the Department of Justice and the Attorney-General to provide a preliminary overview on the indicators of trafficking and the training needs of law enforcement officials. In this regard, it notes that a survey implemented under this project, entitled "Trafficking in persons and people smuggling in Papua New Guinea" indicated a high rate of domestic and international trafficking of both adults and children for the purpose of forced labour, sexual exploitation and domestic servitude. The survey also highlighted the vulnerability to trafficking of men and women who</p>	<p>Country</p> <p>Country</p> <p>Country</p>	<p>Low risk</p> <p>Low risk on forced labour</p> <p>Specified risk on forced labour in forest sector (men for work and</p>

	<p>work in and around the logging industry, and other industries that operate at remote sites. The Committee further notes that the Committee on the Elimination of Discrimination against Women, in its concluding observations of 30 July 2010, expressed concern about the lack of specific laws addressing trafficking-related problems and about cross-country trafficking, which involves commercial sex as well as exploitative labour (CEDAW/C/PNG/CO/3, paragraph 31). <i>The Committee urges the Government to strengthen its efforts to combat trafficking in persons. In particular, it requests the Government to take the necessary measures to ensure the adoption of the People Smuggling and Trafficking in Persons Bill as well as to ensure that perpetrators of human trafficking are prosecuted and punished with adequate penal sanctions, as required by Article 25 of the Convention. It requests the Government to provide information on measures taken in this regard, including information on the number of investigations, prosecutions, convictions and specific penalties applied with regard to trafficking in persons.</i></p> <p>2. Protection and assistance for victims of trafficking in persons. <i>The Committee notes the Government's statement that in the absence of a proper legal framework, victims of trafficking are at risk for prosecution and further trauma. Currently, persons found without proper immigration papers are arrested and detained for deportation, without an assessment of their status as a victim of trafficking. Similarly, persons found engaging in prostitution are arrested and it is not assessed whether they are possibly victims of trafficking. The Committee requests the Government to strengthen its efforts with regard to the identification of victims of trafficking in persons, and to take the necessary measures to ensure that appropriate protection and assistance is provided to such victims. It requests the Government to provide information on the measures taken in this regard in its next report."</i></p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3250988:NO <i>Direct Request (CEACR) - adopted 2015, published 105th ILC session (2016)</i> <i>Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) - Papua New Guinea</i> "The Committee notes the observations of the International Organisation of Employers (IOE) received on 1 September 2015. The Committee also notes that the Government's report has not been received. It hopes that the next report will contain full information on the matters raised in its previous comments. In its previous comments, the Committee had noted the steps taken towards the adoption of the sixth draft Industrial Relations Bill which, according to this year's government report, had gone through several deliberations, revisions and amendments, with the latest and final version being Industrial Relations Bill 2011. The Committee notes that, according to the Government, the Industrial Relations Bill 2011 had been endorsed by the national Tripartite Consultative Council in the Ministry of Labour and Industrial Relations and submitted to the Central Agency Consultative Council awaiting deliberations before going to the National Executive Council, and eventually into Parliament, where it is expected to be passed by the end of 2012. The Committee also notes that the Government indicates that it realizes the importance of compliance with the views of the Committee and hopes to amend inconsistent provisions of the Industrial Relations Bill 2011 in due course. In this respect the Committee hopes that the Industrial Relations Bill 2011 will take into account its comments with respect to several sections of the Industrial Organizations Act (sections 35(2)(b) (concerning qualifications for trade union membership); 22(1)g (concerning refusal of registration to an industrial organization); 55 (concerning cancellation of an industrial organization's registration); 39(1)(b) and (d) (concerning qualifications for serving as an officer of an industrial organization); 39(4) (concerning the removal of trade union officers); and 5(1), 40, 58 and 60(1)(b) (all granting excessive powers to the registrar to investigate union accounts and demand information)). Furthermore, the Committee expects that all the comments provided in the past concerning different draft bills prepared by the Government will be taken duly into account. Noting the Government's commitment to provide a copy of the Industrial Relations Bill 2011, as soon as it is adopted, the Committee recalls that the Government can avail itself of the ILO technical assistance so as to ensure that the final draft before Parliament will be in full conformity with the</p>	<p>Country</p> <p>Country</p>	<p>women for sexual exploitation)</p> <p>Specified risk on forced labour in forest sector</p> <p>No assessment (This is a relevant source with</p>
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	<p>Convention. <i>The Committee requests the Government to provide any information regarding the legislative development.</i>"</p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3251070:NO <i>Observation (CEACR) - adopted 2015, published 105th ILC session (2016)</i> <i>Right to Organise and Collective Bargaining Convention, 1949 (No. 98) - Papua New Guinea</i> <i>"The Committee notes that the Government's report has not been received.</i> It is therefore bound to repeat its previous comments. ----- Repetition The Committee notes the developments with regard to the adoption of the Industrial Relations Bill communicated by the Government, and in particular, the Committee takes note that, according to the Government's report, the Sixth Draft Industrial Relations Bill had gone through several deliberations, revisions and amendments resulting in a final version finalized in November 2011. The Committee notes that the Industrial Relations Bill 2011 had been already endorsed by the National Tripartite Consultative Council in the Ministry of Labour and Industrial Relations and submitted to the Central Agency Consultative Council, being currently awaiting deliberations and preparation of a Ministerial Advice to be attached before it is presented to the National Executive Council, and eventually into Parliament. The Committee notes the Government's commitment to provide the Committee with a copy of the Act once it has been adopted. <i>The Committee requests the Government to ensure the conformity of the Industrial Relations Bill 2011 with the provisions of the Convention and, in particular, with respect to the provisions in relation to Article 4 and the concerns mentioned below.</i> <i>The Committee takes note of the comments regarding the lack of enforcement of the law in practice in respect with discrimination acts against workers seeking to form or join a union, provided by the International Trade Union Confederation (ITUC) in a communication dated 31 August 2011. The Committee requests the Government to reply to the comments made by the ITUC.</i> Article 4. Promotion of collective bargaining. <i>The Committee notes that, according to the Government's report, the amendments requested by the Committee concerning the power of the Minister to assess collective agreements on grounds of public interest and compulsory arbitration when conciliation fails have not been introduced in the Industrial Relations Bill;</i> the Committee's comments were sent to the author of the Bill, however feedback has not yet been received. Therefore the Committee has to mostly reproduce its previous observation with regard to the abovementioned points. Power of the Minister to assess collective agreements on the ground of public interest. The Committee recalls that the approval of collective agreements may only be refused if the collective agreement has a procedural flaw or does not conform to the minimum standards laid down by general labour legislation (General Survey of 1994 on freedom of association and collective bargaining, paragraph 251), but may not be refused for general reasons of public interests. <i>The Committee once again requests the Government to take the necessary measures to bring section 50 of the Industrial Relations Bill 2011 in conformity with the abovementioned principle, and to provide information thereon.</i> Compulsory arbitration in cases where the conciliation between the parties has failed. The Committee recalls that compulsory arbitration is only acceptable if it is requested by both parties involved in a dispute, or in the case of disputes in the public service only when it involves public servants exercising authority in the name of the State or in essential services in the strict sense of the term, namely those services whose interruption would endanger the life, personal safety or health of the whole or part of the population. <i>The Committee once again requests the Government to take the necessary measures to bring sections 78 and 79 of the Industrial Relations Bill 2011 into conformity with the abovementioned principle, and to provide information thereon.</i> -----</p>		<p>relevant information but it does not indicate specified or low risk.)</p> <p>Country</p> <p>Specified risk for the right to organise and collective bargaining</p> <p>Country</p> <p>Specified risk for the right to organise and collective bargaining</p>
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	<p><i>The Committee hopes that the Government will make every effort to take the necessary action in the near future.</i>"</p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3187788:NO <i>Direct Request (CEACR) - adopted 2014, published 104th ILC session (2015)</i> <i>Equal Remuneration Convention, 1951 (No. 100) - Papua New Guinea</i> "The Committee notes that the Government's report has not been received. It hopes that a report will be supplied for examination by the Committee at its next session and that it will contain full information on the matters raised in its previous comments. ----- Repetition Article 1(a) and (b) of the Convention. Legislation. In its previous comments, the Committee noted that the fifth draft Industrial Relations Bill included a broader definition of remuneration in conformity with Article 1(a) of the Convention and that the Government intended to include a similar definition in the Employment Act of 1978, once it was reviewed. The Committee asked the Government to take the necessary steps to ensure that the draft Industrial Relations Bill and the Employment Act of 1978, when being revised, would not only provide for equal remuneration for equal, the same or similar work, but also prohibit discrimination in remuneration in situations where men and women perform different work that is nevertheless of equal value, in accordance with Article 1(b) of the Convention. The Committee notes from the Government's report that the review of the Industrial Relations Act is still ongoing while the review of the Employment Act has not yet been undertaken. <i>The Committee asks the Government to take the necessary measures to ensure that both the revised Industrial Relations Act and Employment Act:</i> (i) <i>contain a definition of remuneration which includes the ordinary, basic or minimum wage or salary and any additional emoluments whatsoever, payable directly or indirectly, whether in cash or in kind, by the employer to the worker and arising out of the worker's employment; and</i> (ii) <i>provide for equal remuneration for men and women for work of equal value, in accordance with the Convention.</i> <i>The Committee hopes that the Government will be a position to report progress in the near future regarding the labour law reform that the Decent Work Country Programme for 2009–12 has set as a priority."</i> (..)</p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3143255:NO <i>Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014)</i> <i>Abolition of Forced Labour Convention, 1957 (No. 105) - Papua New Guinea</i> "Article 1(c) of the Convention. Penal sanctions applicable to seafarers for various breaches of labour discipline. (..)" This report does not contain information on specified risks in the forest sector.</p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3187756:NO <i>Observation (CEACR) - adopted 2014, published 104th ILC session (2015)</i> <i>Discrimination (Employment and Occupation) Convention, 1958 (No. 111) - Papua New Guinea</i> "The Committee notes that the Government's report has not been received. It must therefore repeat its previous comments. ----- Repetition The Committee notes the observations of the International Trade Union Confederation (ITUC) dated 31 August 2011. Legislative developments. The Committee had been asking the Government to provide information on the status of the Industrial Relations Bill and the review of the Employment Act 1978, including the revision of sections 97 to 100 of</p>	Country	Specified risk on gender wage discrimination
		Country	No assessment
		Country	Low risk on discrimination
		Country	Specified risk on discrimination of women (but no link to (private)

	<p>the Act. The Committee notes the Government's indication that the sixth and final draft of the Industrial Relations Bill prohibits direct and indirect discrimination on the grounds of race, colour, sex, religion, pregnancy, political opinion, ethnic origin, national extraction or social origin, and actual or perceived HIV or AIDS status, against an employee or applicant for employment or in any employment policy or practice. The Government states that the Bill is being worked on by the State Solicitor's Office, Department of Justice and Attorney General, and it anticipates that the Bill will be enacted in 2011. The Government further indicates that developments concerning the review of the Employment Act will be communicated to the Office in due course. The Committee also notes that the Decent Work Country Programme for 2009–12 has set labour law reform as a priority. <i>The Committee hopes that the Industrial Relations Bill will be adopted in the near future, and requests the Government to provide information on progress made in this regard, and to forward a copy of the text once it is adopted. It also asks the Government to provide information on any progress made concerning the review of the Employment Act, with a view to aligning the provisions on discrimination with the Industrial Relations Bill and to bring them into conformity with the Convention.</i></p> <p>Discrimination on the ground of sex in the public service. The Committee recalls its previous comments regarding the discriminatory impact of section 36(2)(c)(iv) of the Public Services (Management) Act 1995 allowing calls for candidates to specify that "only males and females will be appointed, promoted or transferred in particular proportions", and section 20.64 of General Order No. 20 and section 137 of the Teaching Services Act 1988 concerning restrictions for female teachers with respect to certain allowances. The Committee notes with regret the Government's indication that no progress has been recorded with regard to amending the discriminatory provisions applying to the public service, and that the consultations with the relevant government agencies, to which the Government made reference in its 2009 report, have not yet started. <i>Recalling its previous comments regarding the discriminatory impact of these provisions, the Committee urges the Government to take expeditious steps, to review and amend the provisions in order to bring them in line with the requirements of the Convention.</i></p> <p>Discrimination against certain ethnic groups. The Committee notes that according to the ITUC there has been an increase in violence against Asian workers and entrepreneurs, who are blamed for "taking away employment opportunities". The ITUC also states that throughout 2009 and 2010, many Asians had been attacked and Asian enterprises looted. <i>The Committee asks the Government to investigate the allegations of discrimination against Asian workers and entrepreneurs including incidents of violence and to provide information on the results of such investigations. The Committee also requests information on the practical measures taken to ensure protection in the context of employment and occupation, against discrimination on the grounds of race, colour, or national extraction, as well as on any measures taken or envisaged to promote equality of opportunity and treatment of members of different ethnic groups in employment and occupation.</i></p> <p>(..)</p> <p>Disability. The Committee notes the observations of the ITUC that persons with disabilities face discrimination in accessing employment and social services. <i>The Committee asks the Government to reply to the issues set out in the communication of the ITUC regarding discrimination faced by persons with disabilities, and to indicate any steps taken to address these matters.</i></p> <p>Sexual orientation. The Committee notes the observations by the ITUC that lesbian, gay, bisexual, and transgender persons face discrimination in employment. <i>The Committee asks the Government to reply to the issues set out in the communication of the ITUC regarding discrimination faced by lesbian, gay, bisexual and transgender people, and to indicate any steps taken to address these matters.</i></p> <p>(..)</p> <p>-----</p> <p>The Committee recalls that it raised other matters in a request addressed directly to the Government. <i>The Committee hopes that the Government will make every effort to take the necessary action in the near future."</i></p>	Country	forest sector)
		Country	Specified risk on discrimination of Asian workers (but no link to forest sector)
		Country	Specified risk on discrimination of disabled workers
		Country	Specified risk on discrimination of LGBT

	<p>“Article 1 of the Convention and Part V of the report form. National plan of action and application of the Convention in practice. The Committee previously noted the comments made by the International Trade Union Confederation (ITUC) that child labour occurred in rural areas, usually in subsistence agriculture, and in urban areas in street vending, tourism and entertainment. It noted that Papua New Guinea was one of the 11 countries that participated in the 2008–12 ILO–IPEC Time-bound Programme entitled “Tackling child labour through education” (TACKLE project) which aimed at contributing to the fight against child labour.</p> <p>The Committee notes from the Government’s report under the Worst Forms of Child Labour Convention, 1999 (No. 182), that within the framework of the TACKLE project, a rapid assessment was carried out in Port Moresby targeting children working on the streets and those involved in commercial sexual exploitation. The Committee notes the Government’s statement that the findings of the rapid assessment conducted in Port Moresby were alarming and that it is believed that a similar child labour situation is occurring in other regions of the country. The rapid assessment findings indicate that children as young as 5 and 6 years of age are working on the streets and about 68 per cent of them worked under hazardous conditions. About 47 per cent of the street children between 12 and 14 years of age have never been to school and a further 34 per cent had dropped out of school. The Committee expresses its deep concern at the situation of children under 16 years of age who are compelled to work in Papua New Guinea. <i>The Committee, therefore, urges the Government to strengthen its efforts to improve the situation of children working under the age of 16 years and to ensure the effective elimination of child labour. Noting that there is no concrete or reliable data reflecting the real situation of children in the rest of the country, the Committee urges the Government to undertake a national child labour survey to ensure that sufficient up-to-date data on the situation of working children in Papua New Guinea is available.</i></p> <p>Article 2(1). Minimum age for admission to employment. The Committee had previously noted that, although the Government of Papua New Guinea had declared 16 years to be the minimum age for admission to employment or work, section 103(4) of the Employment Act permits a child of 14 or 15 years to be employed during school hours if the employer is satisfied that the child is no longer attending school. It also noted that, by virtue of sections 6 and 7 of the Minimum Age (Sea) Act, 1972, the minimum age to perform work on board ships is 15 years and 14 years, respectively.</p> <p>The Committee notes the Government’s information that the Australian Assistance for International Development through its Facilities and Advisory Services in close consultation with the ILO–IPEC and the Department of Labour and Industrial Relations has undertaken a review of the Employment Act and that the amendment process is ongoing. It also notes the Government’s indication that this process will also address the issue related to the minimum age stipulated under the Minimum Age (Sea) Act, 1972. <i>Noting that the Government has been referring to the review of the Employment Act and the Minimum Age (Sea) Act for a number of years, the Committee once again urges the Government to take the necessary measures to ensure that the proposed amendments are adopted in the near future. In this regard, it expresses the hope that the amended provisions will be in conformity with Article 2(1) of the Convention.</i></p> <p>Article 2(3). Age of completion of compulsory education. The Committee previously noted that education is neither universal nor compulsory in Papua New Guinea, and that the law does not specify a legal age for entering school or an age at which children are permitted to leave school. It noted that the Education Department has developed a ten-year National Education Plan for 2005–15 (NEP) to enable more children to be in school. However, the Committee observed that the NEP seemed intended to make only three years of basic education compulsory up to the age of 9. Moreover, the Committee noted that according to the ITUC, the gross primary enrolment rate was 55.2 per cent, and only 68 per cent of these children remain at school up to the age of 10, while only less than 20 per cent of the country’s children attend secondary school.</p> <p>The Committee notes from the Government’s report under Convention No. 182 that the NEP is being supported by donor agencies to implement programmes focusing on formal education and non-formal education (NFE), including</p>	Country	<p>child labour</p> <p>Specified risk on child labour</p> <p>Specified risk on child labour</p>
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	<p>assistance from the Asian Development Bank and the European Union in order to extend the NFE to the needy and the disadvantaged. The Committee notes, however, that according to the findings of the rapid assessment conducted in Port Moresby during 2010–11, although educational reforms are in place, 92.2 per cent of those children who enrolled in grade 3 would drop out along the way. The Committee expresses its deep concern at the significant number of children under the minimum age of admission to work who are not attending school. In this regard, the Committee must emphasize the desirability of linking the age of completion of compulsory schooling with the minimum age for admission to work, as provided under Paragraph 4 of the Minimum Age Recommendation, 1973 (No. 146). If compulsory schooling comes to an end before young persons are legally entitled to work, there may arise a vacuum which opens the door to the economic exploitation of children (see General Survey of 2012 on the fundamental Conventions concerning rights at work, paragraph 371). <i>Therefore, considering that compulsory education is one of the most effective means of combating child labour, the Committee urges the Government to take the necessary measures, particularly within the framework of the NEP, to provide for compulsory education for boys and girls up to the minimum age for admission to employment of 16 years. The Committee requests the Government to provide information on the progress made in this regard.</i></p> <p>Article 3(1) and (2). Minimum age for admission to, and determination of, hazardous work. In its previous comments, the Committee noted that while certain provisions of the national legislation prohibit hazardous work for children under the age of 16 years, there exist no provisions protecting children between the ages of 16–18 years from hazardous work. The Committee also noted the absence of any list of types of hazardous work prohibited to children under the age of 18 years.</p> <p>The Committee notes from the Government’s report that the ongoing legislative review of the Employment Act will ensure the compliance of the provisions of the Convention related to hazardous work. <i>The Committee expresses the firm hope that the amendments to the Employment Act, which will include a prohibition on hazardous work for children under the age of 18 years as well as a determination of types of hazardous work prohibited to such children, will be adopted in the near future. It requests the Government to provide information on any progress made in this regard.</i></p> <p>Article 3(3). Admission to types of hazardous work from the age of 16 years. The Committee previously noted that the conditions of work for young people would be examined through the ongoing Employment Act review and that the legislation relating to occupational safety and health shall also be reviewed in a way to ensure that hazardous work does not affect the health and safety of young workers. <i>The Committee once again expresses the strong hope that the review of the Employment Act and of the legislation pertaining to occupational safety and health will be completed as soon as possible. It also hopes that the amendments made to the legislation will include provisions requiring that young persons between 16 and 18 years of age who are authorized to perform hazardous types of work receive adequate specific instruction or vocational training in the relevant branch of activity. It requests the Government to provide information on the progress made in this regard in its next report.</i></p> <p>Article 9(3). Registers of employment. The Committee previously noted that the Employment Act does not contain any provision requiring the employer to keep registers and documents of people under the age of 18 working for them. It also noted that section 5 of the Minimum Age (Sea) Act provides for registers to be kept by people having command or charge of a vessel, which contains particulars such as the full name, date of birth, and the terms and conditions of service of each person under 16 years of age employed on board the vessel. The Committee requested the Government to take the necessary measures to ensure that, in conformity with Article 9(3) of the Convention, employers are obliged to keep registers that shall contain the names and ages or dates of birth, duly certified wherever possible, of persons whom they employ or who work for them and who are less than 18 years of age.</p> <p>The Committee once again notes the Government’s information that this issue will be addressed within the review of the Employment Act. <i>The Committee expresses the firm hope that the Government will take the necessary measures, without delay, to ensure that employers are obliged to keep register of all persons below the age of 18 years who work</i></p>	Country	Specified risk on child labour
		Country	Specified risk on child labour
		Country	Specified risk on

	<p>requests the Government to supply a copy of the People Smuggling and Trafficking in Persons Bill, once it has been adopted. (..)</p> <p>2. “Adopted” children. The Committee previously noted the observation of the International Trade Union Confederation (ITUC) that indebted families sometimes pay off their dues by sending children – usually girls – to their lenders for domestic servitude. The ITUC indicated that “adopted” children usually worked long hours, lacked freedom of mobility or medical treatment, and did not attend school. The Committee also noted the Government’s indication that the practice of “adoption” is a cultural tradition in Papua New Guinea. The Committee observed that these “adopted” girls often fall prey to exploitation, as it was difficult to monitor their working conditions, and it requested the Government to provide information on the measures taken to protect these children.</p> <p>In this regard, the Committee noted the Government’s reference to the Lukautim Pikinini Act of 2009 which provided for the protection of children with special needs. According to the Lukautim Pikinini Act, a person who has a child with special needs in his/her care but who is unable to provide the services required for the upbringing of a child may enter into a special needs agreement with the Family Support Service. Under these agreements, financial assistance may be provided. Pursuant to section 41 of the Lukautim Pikinini Act, the definition of a “child with special needs” includes children who have been orphaned, displaced or traumatized as a result of natural disasters, conflicts or separation, or children who are vulnerable to violence, abuse or exploitation.</p> <p>The Committee notes that the Government has not provided any additional information on this issue. The Committee expresses its concern at the situation of “adopted” children under 18 years of age who are compelled to work under conditions similar to bonded labour or under hazardous conditions. <i>It once again requests the Government to take immediate and effective measures to ensure, in law and in practice, that “adopted” children under 18 years of age may not be exploited under conditions equivalent to bonded labour or under hazardous conditions, taking account of the special situation of girls. The Committee also requests the Government to provide information on the number of “adopted” children engaged in exploitative and hazardous work who have benefited from special needs agreements.”</i></p> <p>http://www.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID:3143393:NO <i>Direct Request (CEACR) - adopted 2013, published 103rd ILC session (2014)</i> <i>Worst Forms of Child Labour Convention, 1999 (No. 182) - Papua New Guinea</i></p> <p>“(..) Articles 3(d) and 4(1). Hazardous work and determination of these types of work. In its previous comments, the Committee noted that the legislation prohibits hazardous work, night work and work in mines for persons under 16 years of age. It also noted that apart from a definition of “heavy labour”, the national legislation did not determine the types of hazardous work that were prohibited for children under 18 years of age. It further noted the Government’s information that according to section 96 of the Lukautim Pikinini Act of 2009, a person who permits a child to be engaged in employment in conditions that: (a) are likely to be hazardous to the child; or (b) are harmful to the health or physical, mental, spiritual or social development of the child, is guilty of an offence.</p> <p>The Committee once again notes the Government’s information that the ongoing legislative reviews, especially concerning the Employment Act and the occupational safety and health legislation will address the issues related to the minimum age for hazardous work as well as the determination of types of hazardous work prohibited to children under the age of 18 years. <i>The Committee expresses the firm hope that the review of the Employment Act and the occupational safety and health legislation will be completed shortly and that the amendments will prohibit hazardous work of children under 18 years as well as contain a determination of types of hazardous work prohibited to children under 18 years. It requests the Government to provide information on any progress made in this regard. Further, noting that the Government has not supplied a copy of the Lukautim Pikinini Act of 2009, the Committee once again requests the Government to provide a copy along with its next report.</i> (..)</p>	Country	Specified risk on child labour
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	<p>Article 7(2). Effective and time-bound measures. Clause (a). Prevention of the engagement of children in the worst forms of child labour. Access to free basic education. The Committee previously noted the International Trade Union Confederation's (ITUC) observations that primary school in Papua New Guinea is neither free, compulsory nor universal. The ITUC further indicated that the gross primary enrolment rate was 55.2 per cent, and only 68 per cent of these children remain in school up to the age of 10 years. Less than 20 per cent of the country's children attend secondary school. Moreover, the Committee noted the statement in the United Nations Country Programme (UNCP) 2008–12 that girls were under-represented at every level of education. The UNCP indicated that girls' lower participation in education stems from a number of factors, including school fees, poverty and safety. The Committee finally noted that the Education Department had developed a ten-year National Education Plan for 2005–15 (NEP) to enable more children to be in school.</p> <p>The Committee notes from the Government's report that the NEP is being supported by donor agencies to implement programmes focusing on formal education and non-formal education (NFE), including assistance from the Asian Development Bank and the European Union, in order to extend the NFE to the needy and the disadvantaged. The Government further indicates in its report under the Minimum Age Convention, 1973 (No. 138), that it has enacted a tuition-free policy from elementary to secondary school. The Committee notes, however, from the rapid assessment report that although educational reforms are in place, 92.2 per cent of those children who enrolled in grade 3 would drop out along the way. <i>Considering that education contributes to preventing children from engaging in the worst forms of child labour, the Committee once again urges the Government to redouble its effort to improve the functioning of the education system, in particular by increasing the school enrolment rates and decreasing the number of school drop-outs, paying special attention to girls. The Committee requests the Government to provide information on the measures taken or envisaged in this regard.</i>"</p>		
<p>ILO Declaration on Fundamental Principles and Rights at Work. Country reports. http://www.ilo.org/declaration/lang-en/index.htm Source of several reports. Search for 'racial discrimination', 'child labour', 'forced labour', 'gender equality', 'freedom of association'</p>	<p>http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-suva/documents/publication/wcms_178379.pdf</p> <p>ILO CHILD LABOUR IN PAPUA NEW GUINEA <i>Report on the rapid assessment in Port Moresby on commercial sexual exploitation of children and children working on the streets 2011</i></p> <p>Executive Summary "The study showed that child labour exists in Port Moresby, PNG. Children from different sectors of the community are engaged in the worst forms of child labour including commercial sexual exploitation, namely child prostitution, illicit activities and hazardous work. Children are also working below the minimum age. Many of these working children are out of school or have never been to school. Children working on the streets have different types of work and are likely to be school dropouts or have never been to school, Children working on the streets of Port Moresby are clearly visible and are exposed to a lot of risks and hazard."</p> <p>"2.3.4 Commercial sexual exploitation of children (CSEC) in PNG Child prostitution has also become an important means of economic survival in PNG's urban centres and in the rural areas where large resource exploitation projects are in operation (mining, logging, fishing, etc.). CSEC was also widespread during colonial times, when many girls were trafficked among the colonial administrators and the business personnel, even in the remote rural areas³⁶. CSEC has always been visible but was tolerated and there has been little systematic state intervention or sanctions. Prostitution by young women is now obvious in the urban centres and camps associated with mining and logging enclaves. In the capital, there are</p>	<p>Port Moresby</p> <p>Country</p>	<p>Specified risk on child labour</p> <p>Specified risk on child labour in</p>

	<p>In the rural economy, child labour is concentrated in subsistence agriculture but is also increasingly found in more formal establishments such as coffee, tea, copra, cocoa, rubber and other cash crop plantations. Chen (2009a) reports that locals in the island provinces are attracted to working in plantations for cash as a supplement to their own cultivation. Children may be involved on a temporary or casual basis, supporting adult family members (Luluaki, 2009; Chen, 2009b; DCD, 2010). This might include very young children, i.e. aged under 12 years (Chen, 2009a; US Embassy, 2009; Child Labor Information Bank, 2012). This is because much of the informal economy, especially in the rural sector, is characterised by ‘household labour’, even if not every household member (including children) is directly remunerated (ILO, 2012b). As one 2013 NAP Forum informant noted, “we need to see the relevant unit as the family. For example, child labour may be the product of a widow or single mother needing a child ‘to assist’.” There is less known about child labour and the worst forms of child labour in the logging and fishing industries, though it also seen as likely (ILO, 2011c). Another issue is the involvement of rural children in the illicit cultivation, transport, sale and use of marijuana (Luluaki, 2009).”</p> <p>“Commercial sex exploitation of children (CSEC) CSEC appears to have increased significantly in recent years across the Pacific, due to a range of factors such as urban poverty and unemployment; the development of tourism; displacement of demand due to action against CSEC elsewhere; and the growth of industries such as logging, mining and fishing employing large numbers of men (Help Resources Inc. and UNICEF (PNG), 2005; ECPAT International, UNESCAP and UNICEF, 2004). There are no CSEC figures available in PNG though it has been clearly documented (ILO Regional Office for Asia and the Pacific, 2007; ILO, 2011a; Joku, 2011). According to the ILO (2011a: 24), “It is safe to state the CSEC is rampant in the urban areas of PNG and is likely to increase in rural areas.”</p> <p>“Risk of CSEC is associated with working in nightclubs and other workplaces late at night, domestic labour, and around mining or logging camps.”</p> <p>“In manufacturing and the primary sectors, including mines, quarries and logging camps, working children are reported to be at risk from long hours and are often not provided with adequate training or personal protective equipment (ILO, 2011c).”</p>	Country	Specified risk on child labour in logging camps
ILO Child Labour Country Dashboard: http://www.ilo.org/ipec/Regionsandcountries/lang-en/index.htm	No additional information found.	-	-
Global March Against Child Labour: http://www.globalmarch.org/	<p>http://www.globalmarch.org/content/serious-ongoing-rights-violations-papua-new-guinea 07-10-2014</p> <p>Serious Ongoing Rights Violations In Papua New Guinea “Serious and continued violations of fundamental rights are disclosed in a new report by the International Trade Union Confederation (ITUC) on core labour standards in Papua New Guinea, published to coincide with the World Trade Organisation’s (WTO) review of this country’s trade policies.</p> <p>The rights to form and join unions, to collectively bargain and to strike are recognised by law and in Papua New Guinea’s constitution. However, many legal provisions are not in conformity with International Labour Organisation (ILO) Conventions and limit the scope of the laws on trade union rights. In practice, there are grave violations of workers’ rights, especially in the logging industry. Reportedly the Department of Labour interferes in industrial relations by seeking to prevent strikes. The law prohibits discrimination on various grounds, including origin and gender, however, discrimination in employment still occurs.</p>	Country	Specified risk for trade union rights, especially in logging industry

	<p>Papua New Guinea ratified both ILO Conventions No. 138 on Minimum Age of Employment and No. 182 on Worst Forms of Child Labour and has set the minimum age for admission to work at 16. Although it is prohibited for children younger than 16 to perform hazardous work, night work and work in mines, there is no list of hazardous occupations established. In addition, children between the ages of 11 and 18 can work in family enterprises after a special permit is granted by the labour inspectorate and provided that it does not interfere with school attendance.</p> <p>There are no legislative provisions in Papua New Guinea prohibiting the sale and trafficking of children for the purpose of labour exploitation and the production of pornography. The Criminal Code establishes 15 years' imprisonment or life imprisonment for obtaining or procuring a girl for commercial sexual exploitation, depending on the age of the girl involved. However, the Criminal Code does not specifically prohibit the use, procuring or offering of a child under the age of 18 for the production of pornography or for pornographic performances. Although, it is expected that the government will soon pass the Child Sexual Assault Bill which will deal with many issues of children involved in commercial sexual exploitation and the production of pornography.”</p> <p>“Child labour occurs in rural areas, usually in subsistence agriculture, and in urban areas in street vending, tourism and entertainment. It is reported that sometimes indebted families pay off their dues by sending children – usually girls - to their lenders for domestic servitude. “Adopted” children usually work long hours, lack freedom of mobility, are denied medical treatment and do not attend school. The CEACR reports that:</p> <p>“Young girls are particularly vulnerable and, when brought into a household as juvenile babysitters, their role is very often transformed into overworked, unpaid or underpaid, multi-purpose domestic servants.”</p> <p>Children working in entertainment were frequently vulnerable to commercial sexual exploitation. The authorities did not enforce the law efficiently partly due to lack of resources and training. Some efforts are being made to address some of these issues and the government is implementing a 4-year programme funded by the European Union (EU) for the withdrawal of children engaged in child labour and for building capacity of law enforcement officers. It is also implementing a National Action Plan against Commercial Sexual Exploitation of Children 2006-2011 and the Department of Labour and Industrial Relations (DLIR) has addressed child labour issues in partnership with the TACKLE Project of the International Programme on the Elimination of Child Labour which aims at addressing the issue through education interventions.</p> <p>As regards forced labour and trafficking, these are prohibited by law but provisions do not afford maximum protection and penalties are not stringent. Forced labour occurs in mines and logging camps, as well as in the form of forced prostitution and involuntary domestic servitude. The report finds that the country's laws need to be updated and amended in order to offer better legal protection to workers, and to provide assistance to children at work and victims of trafficking and forced labour.</p> <p>Anti-union practices are widespread in the logging industry, which is known for its extremely low wages and poor working conditions, including debt bondage and cramped and unhygienic accommodation of workers.</p>	Country	Specified risk on discrimination
		Country	Specified risk on child labour
		Country	Specified risk on child labour
		Country	Specified risk on forced labour in logging camps
		Country	Specified risk for trade-union rights, forced labour in logging camps
Office of the United Nations High Commissioner for Human Rights (OHCHR), Committee on Rights of the Child:	No Concluding Observations available since 2004. The latest State party's report is from 2008.	-	-

http://www.ohchr.org/EN/HRBodies/CRC/Pages/CRCIndex.aspx			
Committee on the Elimination of Discrimination against Women http://www.ohchr.org/en/hrbodies/cedaw/pages/cedawindex.aspx	http://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=CEDAW%2fC%2fPNG%2fCO%2f3&Lang=en <i>UN Committee on the Elimination of Discrimination against Women Concluding observations of the Committee on the Elimination of Discrimination against Women: Papua New Guinea 30 July 2010</i> This report is outdated and does not contain information on that indicates specified risk.	-	-
Human Rights Watch: http://www.hrw.org/	No information found on this website that indicates specified risks. https://www.hrw.org/world-report/2016 <i>World Report 2016 Chapter on Papua New Guinea (pages 447-451)</i> No reference to workers' rights in PNG made in this report.	Country	Low risk
Child Labour Index 2014 produced by Maplecroft. http://maplecroft.com/portfolio/new-analysis/2013/10/15/child-labour-risks-increase-china-and-russia-most-progress-shown-south-america-maplecroft-index/	PNG is categorized as 'high risk' on the Child Labour Index 2014 (latest available year). The index has four categories: low, medium, high and extreme risk.	Country	Specified risk on child labour
http://www.verite.org/Commodities/Timber (useful, specific on timber)	This specific site is not active anymore. http://knowledge.verite.org/#/map PNG is not included in the search function of this website.	-	-
The 2015 ITUC Global Rights Index ranks 141 countries against 97 internationally recognised indicators to assess where workers' rights are best protected, in law and in practice. The Survey provides information on violations of the rights to freedom of association, collective bargaining and strike as defined by ILO Conventions, in particular ILO Convention Nos. 87 and 98 as well as jurisprudence developed by the ILO supervisory mechanisms. There are 5 ratings with 1 being the best rating and 5 being the worst rating a country could get. http://www.ituc-csi.org/new-ituc-global-rights-index-the?lang=en	Papua New Guinea does not feature in this report. PNG also not included on this website: http://survey.ituc-csi.org/?lang=en http://www.ituc-csi.org/violations-of-workers-rights-in Violations of Workers' Rights in Papua New Guinea This report is already discussed above. See section on <i>Global March Against Child Labour</i> .	-	-
Gender wage gap (in OECD countries) https://data.oecd.org/earnwage/gender-wage-gap.htm	Not applicable.	-	-

<p>World Economic Forum: Global Gender Gap Index 2016 http://reports.weforum.org/global-gender-gap-report-2016/the-global-gender-gap-report-2016/</p> <p>Search for country profiles.</p>	<p>Papua New Guinea does not feature in the country profiles nor in the global rankings on this website.</p>	-	-
<p>use, if applicable: http://www.ilo.org/global/publications/books/WCMS_324678/lang--en/index.htm <i>Global Wage Report 2014/15</i> “The Global Wage Report 2014/15 analyses the evolution of real wages around the world, giving a unique picture of wage trends and relative purchasing power globally and by region.”</p>	<p>Papua New Guinea does not feature in this report.</p>	-	-
<p>Google the terms '[country]' and one of following terms 'violation of labour rights', 'child labour', 'forced labour', 'slave labour', 'discrimination', 'gender pay/wage gap, 'violation of labour union rights' 'violation of freedom of association and collective bargaining'</p>	<p>https://www.adb.org/sites/default/files/institutional-document/33859/files/cga-png-2011-2012.pdf Asian Development Bank, World Bank c.s. <i>Papua New Guinea: 2011-2012 Country Gender Assessment</i> “When a child is taken from its family as a commercial transaction, this constitutes sexual trafficking. 51 Trafficking of girls and women is particularly common in fishing, logging, mining and petroleum areas.52 Little has been done to stop this trafficking.”</p> <p>http://jezebel.com/a-reminder-america-is-1-of-2-nations-in-the-world-with-1763545605JEZEBEL <i>A Reminder: America Is 1 of 2 Nations in the World Without Paid Maternity Leave</i> Hillary Crosley Coker 03/08/16 “America’s terrible track record for maternity leave is no secret. This country and Papua New Guinea are the only ones in the world where women don’t have government-mandated paid maternity leave. PNG just won its independence in 1975, so what’s our excuse?”</p> <p>https://www.weforum.org/agenda/2015/02/how-has-the-gender-pay-gap-evolved-over-time/ World Economic Forum <i>How has the gender pay gap evolved over time?</i> 27 February 2015 “Jordan Weissmann writes that the US is one of three countries in the world, along with Papua New Guinea and Oman, that doesn’t guarantee paid leave for new mothers.”</p> <p>http://www.seedstheatre.org/child-exploitation-in-papua-new-guinea/ SEEDS Theatre Group Inc. <i>CHILD EXPLOITATION IN PAPUA NEW GUINEA</i> August 2, 2014 “Clear evidence points to the fact that children in the Pacific Islands are susceptible to the worst forms of child labour and trafficking. According to an International Labor Organisation (ILO) report, children are engaged in commercial sex work, in hazardous labour, and in illicit activities such as drug trafficking, begging, and pick pocketing.”</p>	<p>Country</p> <p>Country</p> <p>Country</p> <p>Country</p>	<p>Specified risk on child labour</p> <p>No assessment</p> <p>No assessment</p> <p>Specified risk on child labour in forest sector</p>

	<p>“Other reports highlight that children in PNG and Solomon Islands are exploited by their own parents who use the custom of bride price to trade their daughters for cash or other goods from mining and logging companies.”</p> <p>https://business-humanrights.org/en/rio-tinto-lawsuit-re-papua-new-guinea Business & Human Rights Resource Centre <i>Rio Tinto lawsuit (re Papua New Guinea)</i> “Residents of the island of Bougainville in Papua New Guinea (PNG) filed suit against Rio Tinto under the Alien Tort Claims Act in US federal court in 2000. The plaintiffs allege that:</p> <ul style="list-style-type: none"> • Rio Tinto was complicit in war crimes and crimes against humanity committed by the PNG army during a secessionist conflict on Bougainville; • environmental impacts from Rio Tinto’s Panguna mine on Bougainville harmed their health in violation of international law; and • Rio Tinto engaged in racial discrimination against its black workers at Panguna. Specifically, the plaintiffs allege that improperly dumped waste rock and tailings from the Panguna mining operations harmed the island’s environment and the health of its residents. They allege that Rio Tinto engaged in racially discriminatory labour practices at the mine by paying local black workers lower wages than white workers and by housing black workers in poor conditions.” <p>https://www.state.gov/documents/organization/186511.pdf United States Department of State Country Reports on Human Rights Practices for 2011 Papua New Guinea “Section 7. Worker Rights a. Freedom of Association and the Right to Collective Bargaining The law provides for the right of workers in the public and private sectors to form and join independent unions, conduct legal strikes, and bargain collectively; however, the government may intervene in strikes and collective bargaining processes. Workers in the informal sector are not covered by these laws. The law requires that unions register with the Department of Labor and Industrial Relations (DLIR). Although the law provides for the right to strike for workers, the government may and often did intervene in labor disputes to require arbitration before workers could legally strike. Under the law the government has discretionary power to intervene in collective bargaining by canceling arbitration awards or declaring wage agreements void when they are contrary to government policy. The law prohibits both retaliation against strikers and antiunion discrimination by employers against union leaders, members, and organizers. However, that prohibition does not extend to workers in the informal sector. The law does not provide for reinstatement of workers dismissed for union activity. The DLIR was responsible for enforcing labor laws, but did so selectively. The DLIR did not always act to prevent retaliation against strikers or protect workers from antiunion discrimination. The ineffectiveness can be attributed to lack of sufficient manpower and resources in the Labor Department. Workers exercised the right to form and join unions in practice. The government did not use registration to control unions; however, an unregistered union has no legal standing and thus cannot operate effectively. Unions were independent of both the government and political parties. (..)</p>	<p>Bougainville</p> <p>Country</p> <p>Country</p> <p>Country</p> <p>Country</p>	<p>Specified risk on discrimination of black workers</p> <p>Specified risk for freedom of association and right to collective bargaining</p> <p>...idem</p> <p>Low risk for the right to collective bargaining</p> <p>Specified risk on</p>
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	<p>The DLIR and the courts are involved in dispute settlement. There were no reports of violations of collective bargaining rights.</p> <p>During the year antiunion practices were widespread in the logging industry, which was known for extremely low wages and poor working conditions, including debt bondage and cramped and nonhygienic accommodation of workers. In July 2010 the International Transport Workers' Federation (ITF) reported that members of the ITF-affiliated Papua New Guinea Maritime and Transport Workers' Union employed by the fishing company Frabelle reportedly were told by their employer that they would lose their jobs unless they agreed to sign a petition giving up their union membership."</p> <p><i>"b. Prohibition of Forced or Compulsory Labor</i></p> <p>The constitution prohibits all forms of forced or compulsory labor, but the government did not effectively enforce such laws and there were reports that forced labor occurred in practice.</p> <p>There were no significant government efforts to prevent and eliminate forced labor during the year.</p> <p>There were instances of women and children forced into involuntary domestic servitude (see section 7.c.), often by members of their immediate family or tribe, and of men forced to work in logging and mining camps. There were also reports of a growing number of foreign workers, particularly from China and other Pacific nations, entering the country illegally and being subjected to conditions of forced labor in mines and logging camps and in commercial sexual exploitation."</p> <p><i>"c. Prohibition of Child Labor and Minimum Age for Employment</i></p> <p>The law establishes the minimum working age as 16; for hazardous work, the minimum age is 18. However, children between the ages of 11 and 18 may be employed in a family business or enterprise, provided they have parental permission, a medical clearance, and a work permit from a labor office. This type of employment was rare, except in subsistence agriculture. Work by children between the ages of 11 and 16 must not interfere with school attendance. The DLIR is responsible for enforcing child labor laws; however, enforcement was not effective due to lack of resources and weak penalties.</p> <p>There were children selling cigarettes, food, CDs, and DVDs on the street and in grocery stores near mining and logging camps. Some children (primarily girls) worked long hours as domestic servants in private homes, often to repay a family debt to the "host" family. In some cases the host family was a relative who had informally "adopted" the child. There were reports of child prostitution."</p> <p>https://www.state.gov/documents/organization/236680.pdf</p> <p>United States Department of State Country Reports on Human Rights Practices for 2014 Papua New Guinea</p> <p><i>"Section 7. Worker Rights</i></p> <p><i>a. Freedom of Association and the Right to Collective Bargaining"</i></p> <p>This section is almost not changed compared to the 2011-report.</p> <p><i>"b. Prohibition of Forced or Compulsory Labor</i></p> <p>The constitution prohibits all forms of forced or compulsory labor, but the government did not effectively enforce the law, and penalties were not sufficient to deter the use of forced labor. There were no significant government efforts to prevent and eliminate forced labor during the year, and there were reports that forced labor occurred.</p>	Country	violation of union rights in logging industry
		Country	Specified risk on forced labour, incl. in logging camps
		Country	Specified risk for freedom of association and right to collective bargaining
		Country	Specified risk on child labour, incl. in logging camps

	<p>(..) There were instances of women and children forced into involuntary domestic servitude (see section 7.c.), often by members of their immediate family or tribe, and of men forced to work in logging and mining camps. There also were reports of a growing number of foreign workers, particularly from China and other Pacific nations, entering the country illegally and working as forced labor in mines and logging camps."</p> <p><i>"c. Prohibition of Child Labor and Minimum Age for Employment</i> "Children sold cigarettes, food, CDs, and DVDs on the street and in grocery stores near mining and logging camps."</p>		
Additional general sources	Additional specific sources		
<p>US Department of Labour Bureau Of International Labor Affairs</p>	<p>https://www.dol.gov/agencies/ilab/resources/reports/child-labor/papua-new-guinea Child Labor and Forced Labor Reports Papua New Guinea <i>"2015 Findings on the Worst Forms of Child Labor: Minimal Advancement</i> In 2015, Papua New Guinea made a minimal advancement in efforts to eliminate the worst forms of child labor. The Government adopted the country's first National Action Plan to Eliminate Child Labor and commenced implementation of a new social program aimed at identifying children working on the street and ensuring that they are returned to safe living situations and to school. However, children in Papua New Guinea are engaged in the worst forms of child labor, including in forced domestic work and commercial sexual exploitation sometimes as a result of human trafficking. Papua New Guinea's labor laws do not specifically define the hazardous occupations and activities prohibited for children, and the minimum age at which children are permitted to engage in light work is not in compliance with international standards. The labor inspectorate lacks the training and resources necessary to effectively enforce laws related to child labor. Additionally, there is no compulsory age for education in Papua New Guinea, which increases the risk of children's involvement in the worst forms of child labor."</p> <p><i>"Table 2. Overview of Children's Work by Sector and Activity</i> Sector/Industry: Activity Agriculture: - Working on tea,* coffee,* cocoa,* copra,* oil palm,* and rubber plantations* (1, 7) Services: - Domestic work (1, 2, 4, 7), - Street work, including vending, chopping firewood for sale,* moving furniture,* scavenging for scrap metal and scrap food for pig feed,* and begging* (1, 3, 7-12) - Work in markets, including unloading and carrying heavy bags of food (7, 10, 12) Categorical Worst Forms of Child Labor‡: - Commercial sexual exploitation, including working in bars,* nightclubs, and brothels,* and used in the production of pornography,* each sometimes as a result of trafficking (1, 2, 4, 7, 12) - Forced domestic work (1-4, 12)"</p>	<p>Country</p>	<p>Specified risk on child labour</p>
<p>From national CW RA</p>	<p>Not available.</p>	<p>-</p>	<p>-</p>
Conclusion on Indicator 2.2:		<p>Country</p>	<p>Specified risk on all</p>

<ul style="list-style-type: none"> • While Papua New Guinea has signed all 8 Core Conventions of the ILO, not all social rights are covered by the relevant legislation. This goes for all aspects of social and labour rights covered in this indicator 2.2 and especially for child labour and all forms of discrimination. Having this said, legislative advancements have been made in several areas or have been announced in the past or recent past. However, there is strong evidence that laws and regulations are not always sufficiently enforced. • Workers' rights and trade union rights like freedom of association and collective bargaining are not fully protected in PNG. There are reports that the governments did not always act to prevent retaliation against strikers or protect workers from antiunion discrimination and lacked enforcement of the law in practice in respect with discrimination acts against workers seeking to form or join a union. Moreover, there is evidence of widespread antiunion practices in the logging industry and of extremely low wages and poor working conditions, including debt bondage and cramped and nonhygienic accommodation of workers. • There is evidence that compulsory or forced labour occurs in PNG. There are also reports that there were no significant government efforts to prevent and eliminate forced labour in PNG. There is also evidence of forced labour in the forest sector and especially in forest camps which are situated in rural areas. This specified risk on forced labour in the forest sector related to men for work and to women for sexual exploitation in logging camps. • There is strong evidence confirming the abuse of child labour including the worst forms of child labour. The legislation as well as the implementation are insufficient and there seems to be little advancement in recent years. There is also evidence of child labour in the forest sector, especially in logging camps. Children are abused for commercial sexual exploitation as well as for labour in logging camps. Children were selling material in logging camps. • Neither the law nor the practice protects workers from discrimination. There is evidence for a specified risk of all forms of discrimination. <p>The following 'Specified risk' thresholds apply: (14) The applicable legislation for the area under assessment contradicts indicator requirement(s); AND (15) There is substantial evidence of widespread violation of key provisions of the ILO Fundamental Principles and Rights at work.</p>		aspects of labour rights
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Indicator 2.3. The rights of Indigenous and Traditional Peoples are upheld.

Guidance:

- Are there Indigenous Peoples (IP), and/or Traditional Peoples (TP) present in the area under assessment?
- Are the regulations included in the ILO Convention 169 and is UNDRIP enforced in the area concerned? (refer to category 1)
- Is there evidence of violations of legal and customary rights of IP/TP?
- Are there any conflicts of substantial magnitude [footnote 6] pertaining to the rights of Indigenous and/or Traditional Peoples and/or local communities with traditional rights?
- Are there any recognized laws and/or regulations and/or processes in place to resolve conflicts of substantial magnitude pertaining to TP or IP rights and/or communities with traditional rights?
- What evidence can demonstrate the enforcement of the laws and regulations identified above? (refer to category 1)
- Is the conflict resolution broadly accepted by affected stakeholders as being fair and equitable?

general sources from FSC-PRO-60-002a V1-0 EN	information found and specific sources	scale of risk assessment	risk indication
ILO Core Conventions Database http://www.ilo.org/ilolex/english/docs/declworld.htm - ILO Convention 169	http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103487 PNG has not ratified ILO Convention 169.	Country	Specified risk

<p>Survival International: http://www.survivalinternational.org/</p>	<p>http://www.survivalinternational.org/articles/3107-uncontacted-tribes-the-outsiders-view Uncontacted tribes: the outsiders' view Fear, suspicion and racism "The outsider's usual view of uncontacted tribal people is a mixture of fear, suspicion and racism. The tribes' efforts to protect their lives and homes, often stemming from memories of violent persecution in the past, are interpreted by those living near them as wanton aggression and the savagery of the 'uncivilised'." "The natives of this Territory are mean-souled, thieving rotters, and education only gives them added cunning." <i>Australian settler, (Papua New Guinea)</i></p>	<p>Country</p>	<p>Presence of uncontacted IPs</p>
<p>Human Rights Watch: http://www.hrw.org/</p>	<p>No information on IPs/TPs found on this website. https://www.hrw.org/world-report/2016 <i>World Report 2016</i> <i>Chapter on Papua New Guinea (pages 447-451)</i> No reference to (violations of) IP/TP rights in PNG made in this report.</p>	<p>Country</p>	<p>Low risk on IP presence and/or for IP rights</p>
<p>Amnesty International http://amnesty.org</p>	<p>https://www.amnesty.org/en/latest/research/2016/02/annual-report-201516/ No information on IPs/TPs found on this website.</p>	<p>Country</p>	<p>Low risk on IP presence and/or for IP rights</p>
<p>The Indigenous World http://www.iwgia.org/regions</p>	<p>No chapter on PNG available. The only document is an 2007-report on the island of Bougainville: http://www.iwgia.org/regions/oceaniapacific/bougainville http://www.iwgia.org/images/stories/sections/regions/Oceania-Pacific/documents/IW2007/bougainville_iw_2007.pdf "BOUGAINVILLE The colonial history of Bougainville follows the histories of Papua New Guinea (PNG) and the Solomon Islands closely. Geographically and culturally, Bougainville is part of the Solomon Islands chain. Politically, it has been part of PNG, as "North Solomon Province", since the country gained independence from Australia in 1975 and claimed Bougainville. It has, since 2005, had separate status with an Autonomous Bougainville Government (ABG) although military, external and judicial powers have been reserved by PNG. The first government was established in June 2005 following elections in May 2005 that were overseen by international observers. The majority of the 175,000 inhabitants of Bougainville (approximately 85%) still survive on subsistence farming. Cocoa and copra are produced for cash cropping. The people live in numerous small, traditional societies and belong to about thirty language groups. Women play strong leadership roles and some degree of customary land rights still exists, supported by ABG policy. The year 2006 focused on continuing peace efforts and institutionalization of the new Autonomous Bougainville Government (ABG). During the first year of Joseph Kabui's term as President of the ABG, several avenues for economic development have been explored, including cruise-line tourism and mining. Mining The hopes for a reopening of the rich copper and gold mines in the</p>	<p>Country (except Bougainville)</p> <p>Bougainville</p> <p>Bougainville</p>	<p>No IP presence</p> <p>IP presence</p> <p>IP/TP presence</p>

	<p>Panguna area increased shareholder values in Bougainville Copper Ltd. by 11% in 2006 even though the mine is still closed. The mine created huge surpluses and was the source of almost half of PNG's yearly exports for several years. But the mine was closed following an armed conflict over environmental, control and economic issues that began in 1989 between Panguna landowners, the foreign-owned mining company (Bougainville Copper Ltd/Rio Tinto, 54%) and the PNG government (who had a 20% interest in the mine). A nine-year long war leading to blockades, "care centers" (refugee camps) and PNG mercenary scandals ensued, followed by a long period of unrest. An estimated 15-20,000 people died.</p> <p>Mining companies are now courting the ABG. They include an Australian company with Chinese interests, as well as the original Panguna mine operators, Bougainville Copper Limited/Rio Tinto. In May 2006, the Canadian company, Invincible Resources, promised the ABG a so-called aid package of almost seven million US dollars to show "good faith" in the re-development of Bougainville – and in the hope of convincing the ABG to let them develop the nation's rich mineral resources.</p> <p>The Moroni people, whose original homeland is now a contaminated crater, are objecting to any reopening of the mine and, in August 2006, the US 9th Circuit Court rejected the mining company, Rio Tinto's attempt to dismiss a law suit raised by Bougainville against them. The suit claims that Rio Tinto and the government of PNG committed genocide in their efforts to suppress resistance to environmental degradation, contamination and property loss, which led to thousands of people being killed in the ensuing armed conflict.</p> <p>Independence, autonomy and land reform</p> <p>The war finally ended in 2001. A peace accord outlined the goal of a future referendum on the status of Bougainville and gave Bougainville its autonomous government, which is gradually taking over powers and functions from the national government. One of the central issues for the new government is the drafting of land laws and policies including customary land rights. A land review committee has been mandated to take into consideration the interests of several stakeholders: the customary landowners, the investors and the general public.</p> <p>The PNG government's regional member for Bougainville, Leo Joseph Hannett, is a former Bougainville premier and was part of the group of independence activists in the 1970s. He has vowed to work with the ABG, which has become the recipient of the largest development fund grants from PNG.</p> <p>The ABG continues to seek ways to establish peace and reconciliation.</p> <p>The late Francis Ona and the Me'ekamui group continued a long history of fighting for independence and did not accept autonomous status. Ona lived for 16 years in the so-called no-go zone (an area outside of the control of the ABG) until his death in 2005. A smaller group of Bougainvilleans favors inclusion into the Solomon Islands. The Bougainville province declared its own independence in 1975; however, the quest for exploitation of the rich copper, gold and other resources of Bougainville led to a neo-colonial situation under PNG.</p> <p>In November 2006, South Bougainville saw the establishment of a re-armed group of Bougainville Freedom Fighters (BFF), with the goal of establishing peace and harmony. They claim that the ABG is not able to control the south. The unrest in the region is closely related to the actions of the charismatic leader of U-Vistract (a fast money scheme), Noah Musingku, operating in South Bougainville in an attempt to make a fortune from the political situation there. His group, for instance, sabotaged the ABG's efforts to create government installations. Noah Musingku even hired Fijian former military officers to train his army and provide security. Throughout 2006, efforts were made to have the four remaining Fijians expelled. The issue threatened to create a serious regional crisis."</p>	Bougainville	IP presence and specified risk for IP rights
		Bougainville	Low risk for land rights
		Bougainville	Specified risk for IP/TP rights

<p>United Nations Special Rapporteur on the rights of indigenous peoples http://www.ohchr.org/en/issues/ipeoples/sri/ndigenouspeoples/pages/sripeopleindex.aspx</p>	<p>No reference found to Papua New Guinea.</p>	<p>-</p>	<p>-No IP presence</p>
<p>UN Human Rights Council Universal Periodic Review http://www.ohchr.org/EN/HRBodies/UPR/Pages/Documentation.aspx</p>	<p>http://actnowpng.org/sites/default/files/UN%20HRC%20WG%20March%202016.pdf <i>Compilation prepared by the Office of the United Nations High Commissioner for Human Rights in accordance with paragraph 15 (b) of the annex to Human Rights Council resolution 5/1 and paragraph 5 of the annex to Council resolution 16/21 Papua New Guinea 7 March 2016</i></p> <p>“J. Minorities and indigenous peoples</p> <p>58. <i>The Committee on the Elimination of Racial Discrimination expressed concern that indigenous lands were under threat of alienation through the Government’s practice of issuing long-term leases to non-indigenous companies over indigenous lands, as allowed by Land Act (1996). It was also concerned about the special agricultural business leases, which were reportedly concluded without the consent of indigenous landowners being sought as required by the Land Act (1996). Indigenous landowners were allegedly not adequately informed of the purposes for which the land was acquired or of the environmental consequences of activities planned by non-indigenous mining companies.</i>¹¹⁸</p> <p>59. <i>In 2014, several special procedure mandate holders also raised concerns regarding the alleged negative impact on human rights of large-scale land acquisitions under the scheme of special agricultural business leases. According to the information received, it had negatively affected the ability of indigenous communities to maintain customary land use patterns, sustain their traditional way of living, access land and secure their right to food and right to water.</i>¹¹⁹</p> <p>60. <i>The special procedure mandate holders also noted that, according to the information received, a commission of inquiry had issued a final report in 2013 critical of the overall scheme. The commission recommended that: the special agricultural business leases arrangement be eliminated; steps be taken to ensure that the land that had been irregularly or illegally alienated under that scheme be returned to local landowners; and all persons and entities implicated in unlawful activities under the scheme be prosecuted.</i>¹²⁰⁶¹. <i>The Committee on the Elimination of Racial Discrimination was concerned about the alleged denial of access to judicial remedies to indigenous landowners by the Compensation (Prohibition of Foreign Legal Proceedings) Act (1996) to seek redress before foreign courts, including compensation for environmental destruction of their lands and resources. It was also concerned about the Environmental (Amendment) Act 2010, which allegedly denied indigenous peoples seeking redress before national courts for environmental permits granted that negatively impacted their lands and resources.</i>¹²¹”</p> <p>http://www.refworld.org/docid/57cd65904.html <i>Report of the Working Group on the Universal Periodic Review* Papua New Guinea 13 July 2016</i></p> <p>II. Conclusions and/or recommendations</p> <p>“104.131 Carry out impartial and independent investigations of all allegations of excessive use of force and violations carried out by representatives of the security forces, in particular in cases related to communal land rights, and bring perpetrators of such violations to justice (Switzerland);”</p> <p>“104.152 Take measures to guarantee full respect of human rights to indigenous peoples, in particular through the establishment of mechanisms for their prior and informed consent on issues that affect them (Mexico);”</p>	<p>Country</p> <p>Country</p> <p>Country</p> <p>Country</p> <p>Country</p>	<p>Specified risk for IP rights</p>

	<p>"104.153 Review the state policy that affects indigenous lands, known as the "Plan of Agricultural and Industrial Leases" regarding non-indigenous companies, reinforcing the work of the Commission of Inquiry that has found irregularities in many of the leases investigated (Chile);</p> <p>"104.154 Take appropriate measures to prevent land grabbing and illegal logging and ensure that future actions are based on a respect for fundamental human rights and environmental protection (Norway);</p>	Country	Specified risk for IP rights
<p>UN Human Rights Committee International Covenant on Civil and Political Rights (CCPR) http://www.ohchr.org/EN/HRBodies/CCPR/Pages/CCPRIndex.aspx</p> <p>UN Committee on the Elimination of All Forms of Racial Discrimination (CERD) http://www.ohchr.org/EN/HRBodies/CERD/Pages/CERDIndex.aspx</p>	<p>http://tbinternet.ohchr.org/_layouts/TreatyBodyExternal/Countries.aspx?CountryCode=PNG&Lang=EN</p> <p>CCPR: There is no report from the Human Rights Committee on the International Covenant on Civil and Political Rights</p> <p>CERD: The latest report from the Human Rights Committee on the Elimination of All Forms of Racial Discrimination is from 2003.</p>	-	-
<p>Intercontinental Cry http://intercontinentalcry.org/</p>	<p>https://intercontinentalcry.org/companys-remedies-for-rape-in-papua-new-guinea-deeply-flawed/ <i>COMPANY'S REMEDIES FOR RAPE IN PAPUA NEW GUINEA DEEPLY FLAWED</i> by IHRC and Columbia Law School Human Rights Clinic, November 20, 2015</p> <p>"A controversial process created by one of the world's largest gold mining companies to compensate women for rapes and gang rapes in Papua New Guinea was deeply flawed, said human rights investigators and legal experts at Columbia and Harvard Law Schools in a study released today.</p> <p>The three-year study of Barrick Gold's remedy mechanism at its Porgera gold mine found that the effort to provide packages to 120 rape survivors was flawed from the start and fell far short of international standards.</p> <p>"These are some of the most vicious assaults I have ever investigated," said Professor Sarah Knuckey, one of the lead authors of the report, and the Director of the Columbia Law School Human Rights Clinic and Human Rights Institute. "The women and local communities had to struggle for years just to get the company to admit what happened."</p> <p>Most women were offered less than \$6,000 USD each in compensation, and were also given some counseling and healthcare. Knuckey continued, "They had been suffering for far too long, and deserved much more."</p> <p>For several years, security guards at the Porgera mine physically assaulted and sexually abused members of the community. It was only after repeated pressure by local and international groups that the Canadian mining company finally acknowledged the sexual violence and launched an internal investigation in 2010. The company created a remedy mechanism to handle claims by survivors two years later."</p> <p>https://intercontinentalcry.org/draconian-environmental-amendments-dropped-in-papua-new-guinea/ <i>'DRACONIAN' ENVIRONMENTAL AMENDMENTS DROPPED IN PAPUA NEW GUINEA</i> by Hannibal Rhoades, January 26, 2012</p> <p>"On January the 19th the contested O'Neill-Namah government repealed amendments made to the environmental act by the Somare government and as a result have given local peoples back the rights to their own land and to pursue legal action against environmentally destructive resource based projects. It has been a long fight and it would seem that the 'right side' has won but what might the future hold for the revocalised, revitalised landowning people of Papua New Guinea?</p> <p>That the O'Neill-Namah government has taken action repealing the amendments of the represents a huge step forward for local peoples."</p>	Porgera gold mine	Specified risk for violence against women and local communities
		Country	Low risk for IP/TP rights
		Unknown (Barrick Gold mining company)	Specified risk for violence and discrimination against women

	<p>http://www.scribd.com/doc/216154458/Indigenous-Struggles-2013 <i>Indigenous Struggles 2013</i> “Barrick Gold, one of Canada’s most notorious mining companies, implemented a conditional treatment program for women in Papua New Guinea who have been gang raped by the company’s employees. In order to receive support from the program, Barrick says the women must sign away their right to seek any future legal action against the company. Overshadowing these horrendous conditions is an even more horrendous statement by the Founder and Chairman of Barrick Gold, Peter Munk, who claimed back in 2011 that gang rape was a “cultural habit” in Papua New Guinea.”</p> <p>“Over the past two years, Australian mining companies have been busy appointing Papua New Guinea politicians to their boards of directors. Many are responsible for internment camps, the mortaring of children, aerial bombardments, assassinations, rape, and the denial of humanitarian aid, among other crimes, during the decade-long civil war.”</p> <p>“The traditional chiefs of Collingwood Bay in Papua New Guinea’s Northern Province filed a complaint with the Roundtable on Sustainable Palm Oil (RSPO) accusing the Malaysian Company, Kuala Lumpur Kepong, of acting contrary to the RSPO Code of Conduct. In their detailed submission to the RSPO, the traditional chiefs note how they have actively opposed oil palm developments on their lands since 2010. Rejecting options of mediation, the chiefs insist that the company desist from developing oil palm on their lands.”</p> <p>http://intercontinentalcry.org/wp-content/uploads/2013/01/Indigenous-Struggles-2012.pdf <i>Indigenous Struggles 2012</i> “Papua New Guinea repealed a series of amendments to the country’s environmental act, finally restoring the rights of local peoples to their land and to pursue legal action against environmentally destructive resource based projects.”</p> <p>“In a major turn-around for the opponents of the Chinese-owned Ramu Nickel Mine in Papua New Guinea, the Minister of Environment and Conservation ordered the company, MCC, to halt work so he could further examine the environmental impacts of the mining project’s tailings pipeline. The widely opposed Ramu nickel cobalt mine has “alot” of environmental risks associated with it.”</p>	<p>Country</p> <p>Collingwood Bay</p> <p>Country</p> <p>Unknown (Ramu Nickel Mine)</p>	<p>Specified risk for IP/TP rights</p> <p>Specified risk for IP/TP rights, esp. land right</p> <p>Low risk for IP/TP rights</p> <p>Specified risk for IP/TP rights</p>
<p>Forest Peoples Programme: www.forestpeoples.org FPP’s focus is on Africa, Asia/Pacific and South and Central America.</p>	<p>http://www.forestpeoples.org/topics/palm-oil-rspo/news/2014/05/papua-new-guinea-communities-successfully-resist-palm-oil-land-grab Papua New Guinea Communities successfully resist palm oil land grab 22 May, 2014</p> <p>“Indigenous communities in Collingwood Bay in Papua New Guinea are celebrating a victory over Kuala Lumpur Kepong Ltd (KLK), which had acquired two controversial Special Agricultural Business Leases to 38,000 hectares of their customary lands without their consent and planned to develop the area as a palm oil plantation. KLK, a Malaysian company and member of the Roundtable on Sustainable Palm Oil (RSPO), is one the world’s largest palm oil operators, said to control about a quarter of a million hectares of lands.</p> <p>Last year, with the help of the Rainforest Action Network, the communities filed a complaint with the RSPO asserting that they rejected the palm oil plantation, that the company was operating on their lands illegally and that their representative institutions had not given their Free, Prior and Informed Consent (FPIC) for the proposed development. The communities also filed their objections to the plantation with the PNG courts. In January 2014, the RSPO Complaints Panel called on KLK not to develop the plantation unless FPIC could be demonstrated to have been given and the court had ruled on the legality of the operation.</p> <p>The National Court of Papua New Guinea has just ruled that the two leases which make up the concession are indeed null and void.</p>	<p>Collingwood Bay</p> <p>Collingwood Bay</p>	<p>Specified risk for IPTP’s land right (the fact that the land was granted to the company by the government)</p> <p>Low risk for IP/TP’s</p>

	<p>Rainforst Action Network CONFLICT PALM OIL IN PRACTICE – KLK Case Study</p> <p>http://www.forestpeoples.org/sites/fpp/files/publication/2011/11/introduction-oil-palm-expansion-south-east-asia-overview.pdf</p> <p>FPP and Sawit Watch 2011 <i>Oil Palm Expansion in South East Asia: trends and implications for local communities and indigenous peoples</i> This introduction chapter: <i>Oil Palm Expansion in South East Asia: an overview</i>¹; Marcus Colchester¹ and Sophie Chao²</p> <p>“Planting trends - PNG Country Plantation Area (hectares): 0.5 million Planned expansion (hectares): 2 million – 5 million Patterns of production: Mainly “associated” smallholders schemes (90%), though SABLs and Nucleus Estate Model”</p> <p>“Papua New Guinea’s oil palm plantations cover around 500,000 ha and are located in West New Britain, Oro, Milne Bay and New Ireland. Recently, there has been a rapid spread of areas set aside for plantations through apparently fraudulent „special agricultural and business leases” (SABLs) covering 5.6 million ha of customary lands without due negotiation with the traditional owners.”</p> <p>http://www.forestpeoples.org/topics/rights-land-natural-resources/news/2011/04/un-human-rights-bodies-take-note-massive-land-spec <i>UN human rights bodies take note of massive land speculation in Papua New Guinea</i> 14 April, 2011</p> <p>“Lands held and managed under custom in Papua New Guinea (PNG) are regularly quoted as covering the vast majority of the country’s land mass, 97% is the usually accepted figure. The remaining 3% of lands, no longer governed by tradition and custom, are referred to as ‘alienated lands’ and come under the management of the Department of Lands and Physical Planning. However these remarkable figures of land tenure security hide a grimmer truth. Over the past 13 months alone almost 10% of the land mass of Papua New Guinea has been issued out as concessions under an arrangement known as ‘Special Agricultural and Business Leases’ (SABL). Under these lease agreements, the government leases customary lands from traditional owners and re-leases the same lands, often to a third party, with customary rights to the lands suspended for the term of the lease.</p> <p>Although originally intended to enable access to capital for indigenous peoples themselves, the massive expansion of these leases (predominately for extendable 99 year leaseholds) represents an extraordinary de facto extinguishment of customary rights over lands and resources in Papua New Guinea. Access to the court system has proved difficult for indigenous communities intent on challenging these leases, but for those who have managed to reach the courts, cases of manipulated or falsely claimed consent from the traditional owners have been documented.</p> <p>The Center for Environment Law and Community Rights (CELCOR) in PNG, together with the Forest Peoples Programme, and with the Bismark Ramu Group (also in PNG) and Greenpeace Asia Pacific as signatories, raised the issue of land loss represented by these SABLs with the United Nations Committee on the Elimination of Racial Discrimination (CERD) in March 2011. In addition to SABLs, the submission also raised the issue of loss of rights by indigenous people in Papua New Guinea brought about by the enacting of the Environment (Amendment) Act 2010. This was an Act passed by the PNG government that effectively bars access to judicial remedy where environmental degradation occurs on customary lands under certain permit conditions. CERD responded with an urgent letter to</p>	Country	Specified risk for IP rights, land rights
		Country	Specified risk for IP rights, land rights
		Country	Specified risk for IP rights, land rights

	<p>PNG's Ambassador to the United Nations, detailing the Committee's concern with the issuance of SABLs and with the amendments to the Environment Act in PNG.</p> <p>The rapid rise in the number of SABLs has been raising concern throughout PNG, the region and the world. In March 2011 a group of PNG lawyers and activists together with others from around the region issued what is commonly known as the 'Cairns Declaration', condemning the huge rise of these permits in PNG. The PNG government has announced a moratorium on these permits that will begin later this year, one reason perhaps for the recent escalation in issuing the permits. CELCOR and others in Papua New Guinea are calling for a review of the existing permits, assessment of the consent procedures on which the permits are based and cancellation of permits found to be invalid."</p> <p>http://www.forestpeoples.org/sites/fpp/files/publication/2011/02/png-unsrip-2011-final2-reduced-size-annexes.pdf</p> <p>Urgent request submitted to the UN Special Rapporteur on the Rights of Indigenous Peoples regarding the situation of customary land owners in Papua New Guinea</p> <p>31 January 2011</p> <p><i>Urgent Request. Violation of indigenous peoples' property rights and the right to effective remedy: the rights of corporations privileged over the rights of customary land owners in Papua New Guinea</i></p> <p>"4. The importance accorded to customary law and tenure in the laws of PNG is reflected in the provisions of the Land Act (1996), which serves to regulate State land and to govern interactions between the State or private companies and customary land owners.5 This latter role of the Act is particularly important as customary land ownership exists over the vast majority of PNG lands. After independence in 1975 the early governments re-acquired lands that had been alienated, purchased or transferred from Papua New Guineans during colonial times and returned such lands to customary ownership.6 In doing so the fledging country defined two types of land ownership, which are still the overarching forms of land ownership in PNG today. First, 'customary land', being land that is "owned by the Indigenous People of Papua New Guinea whose ownership rights and interest is regulated by their customs" and; second, 'alienated land', those lands no longer held under customary ownership.7 Only 3% of the land mass of PNG is alienated land, the remaining 97% is formally held under customary ownership and therefore regulated by custom, not, in the first instance, by the State.8"</p> <p>“III. Special Agricultural and Business Leases: giving the land away</p> <p>10. The Land Act (1996) serves to regulate all transactions in PNG related to land and provides specific and strong protections regarding the need for customary land owners to consent to actions impacting on their ability to use their lands and resources or exercise ownership over them.19 Although the law does provide an avenue for compulsory acquisition of land (largely for cases in which customary owners cannot be ascertained 'after diligent inquiry') this is rarely used (as evidenced by the 97% figure for customary ownership). The law also provides for a process called 'lease-leaseback' wherein the State can acquire a lease from customary owners – only with their express consent – and re-issue a lease on that land for agricultural or economic development purposes, referred to as Special Agricultural and Business Leases (SABLs).20</p> <p>11. The purpose of the 'lease-leaseback' process is "to assist or encourage Papua New Guinean (Landowners) to develop & utilize their own land", allowing landowners to utilize their own land collaterally to obtain mortgage for business development purposes.21 However it is possible for the State to lease to an entity other than the land owning group themselves, if the leasee is an entity "to whom the customary landowners have</p>	Country	Presence of local communities with customary rights
		Country	Specified risk for land rights

	<p>agreed that such a lease should be granted”.²² This is intended to happen only rarely and to assist customary owners in encouraging economic development of their resources, but also provides an avenue for non-indigenous entities, including logging, agribusiness and mining companies, to gain access to customary lands and resources in PNG for periods of up to 99 years.</p> <p>12. There is real and growing concern in PNG that the protections offered by the Land Act (1996) are insufficient for customary owners with little access to the national judicial system.²³ Indeed, the logging and mining sectors as a whole in PNG have been under scrutiny for wide-spread violations of human rights for many years. As the British High Commissioner to the country noted “There is substantial evidence from independent sources that current levels of logging (in PNG) are unsustainable, the legality of many current concessions is in doubt, corruption is a growing problem in the sector... and there are human rights abuses of forest communities and local labour”.²⁴ The corruption and resource theft that characterizes the timber industry in PNG is well documented, in government-commissioned reviews as well as non-governmental sources.²⁵ Conservation organisations have noted in this regard “[t]he problem in PNG is not the lack of rights guarantees, but the capacity and the will of the state to implement, uphold and defend those rights.”²⁶</p> <p>13. When a SABL is issued it must, by law, be announced in the National Gazette. A review of the announced SABL’s issued by the Government of PNG in the past 12 months (2010) reveals that no less than 2 million hectares of customary lands have been granted in SABLs to non-indigenous companies and other entities, effectively doubling the area leased as SABLs in one year.</p> <p>27 In this total of 66 leases or extensions to leases in the last year, the majority have been for 99 year terms despite policy guidance of the DLPP stating that leases on customary lands should average 10-20 years.²⁸ In <i>Musa Valley vs Department of Land and Physical Planning</i>, a lease issued for 99 years to Musida Ltd., the customary owners successfully challenged a SABL issued on their lands. In his findings, the Judge concluded that consent had been fraudulently claimed with Musida Ltd, the recipient of the lease, having secured the agreement of only 10 of the 62 incorporated land groups (ILGs) who owned the land in question.²⁹</p> <p>14. In PNG at the moment no less than 4.3 million hectares of customary lands are under SABLs (as noted, 2 million of which have been issued in the past year).³⁰ There is widespread concern in PNG that many or a majority of these leases have been obtained without the consent of customary land owners. The first of these cases to be taken to court substantiated this concern.³¹ This is particularly serious given the barriers that face customary owners whose lands may have been illegally leased when they seek to access the judicial system, as UN human rights bodies have already noted. ³²”</p> <p>“IV. Amendments to the Environment Act: denial of the right to judicial review</p> <p>16. On May 28 2010 the parliament in PNG passed the Environment Bill Amendment 2010, a sweeping amendment that provides almost total immunity to third parties involved in development projects where the Ministry of Environment has issued a permit (referred to as an ‘Authorization Instruments’) and to the extension and alternation of the permit. Specifically the amendment provides the Director of the Environment with total discretion and complete immunity over (i) the authorization of ‘associated acts’³³, and issuance of (ii) exemption certifications³⁴, (iii) best practice certificates³⁵, (iv) certificates of necessary consequence³⁶ and (v) certificates of compliance.³⁷</p> <p>17. For each of these new powers, the act specifies that the Director’s</p>	Country	Specified risk for land rights
	<p>14. In PNG at the moment no less than 4.3 million hectares of customary lands are under SABLs (as noted, 2 million of which have been issued in the past year).³⁰ There is widespread concern in PNG that many or a majority of these leases have been obtained without the consent of customary land owners. The first of these cases to be taken to court substantiated this concern.³¹ This is particularly serious given the barriers that face customary owners whose lands may have been illegally leased when they seek to access the judicial system, as UN human rights bodies have already noted. ³²”</p> <p>“IV. Amendments to the Environment Act: denial of the right to judicial review</p> <p>16. On May 28 2010 the parliament in PNG passed the Environment Bill Amendment 2010, a sweeping amendment that provides almost total immunity to third parties involved in development projects where the Ministry of Environment has issued a permit (referred to as an ‘Authorization Instruments’) and to the extension and alternation of the permit. Specifically the amendment provides the Director of the Environment with total discretion and complete immunity over (i) the authorization of ‘associated acts’³³, and issuance of (ii) exemption certifications³⁴, (iii) best practice certificates³⁵, (iv) certificates of necessary consequence³⁶ and (v) certificates of compliance.³⁷</p> <p>17. For each of these new powers, the act specifies that the Director’s</p>	Country	Specified risk for land rights

	<p>decision to issue the certification “is final and may not be challenged or reviewed in any court of tribunal” further specifying that the action undertaken under one of these certifications “does not constitute a civil cause for action, whether in torts or otherwise, or an offence and is not unlawful”.38 (..)”</p> <p>“19. In the face of such an egregious removal of fundamental rights to legal review and compensation, national organisations in PNG have not been quiet. (..)”</p> <p>Conclusion and Request “22. The traditional landowners in Papua New Guinea face irreparable harm if their rights to their lands and resources are not adequately protected. Actions taken by companies, and the role of the government of PNG in facilitating and allowing those actions, provide ample evidence of the threat to traditional landowners if the profits from resource extraction is allowed to override the legal protection of their rights to lands and resources. With the passage of the Environment Act Amendment, this harm is imminent and further demonstrated by prior and ongoing acts and omissions that substantially compromise a series of rights that are fundamental to the cultural integrity and survival of the peoples of PNG.”</p>	Country	Specified risk for land rights
<p>Society for Threatened Peoples: http://www.gfbv.de/index.php?change_lang=english</p>	<p>https://www.gfbv.de/fileadmin/redaktion/UN-statements/2011/Indigene_Voelker_und_ihre_Sprachen_18t_HRC_2011_STP_Written_Statement_Indigenous_Peoples_Languages.pdf</p> <p>To Human Rights Council: Written Statement on Indigenous Peoples’ Languages “In Asia there are some 900 languages threatened with extinction. In India alone, where some 90 million indigenous Adivasi live, some 190 languages are threatened with extinction. In Indonesia some 140 languages are endangered. The ongoing destruction of the rain forests and the establishment of largescale plantations has resulted in the loss of traditional livelihoods of many indigenous peoples and increased the pressure for them to assimilate themselves into the majority society. In Papua-New Guinea more than 90 languages are in danger.”</p>	Country	Specified risk for IP rights
<p>Regional human rights courts and commissions: - Inter-American Court of Human Rights http://www.corteidh.or.cr/index.php/en - Inter-American Commission on Human Rights http://www.oas.org/en/iachr/ http://www.oas.org/en/iachr/indigenous/ - African Commission on Human and Peoples’ Rights - African Court on Human and Peoples’ Rights - European Court of Human Rights</p>	Not applicable	-	-
<p>Data provided by National Indigenous Peoples’, Traditional Peoples organizations;</p>	No additional information found.	-	-

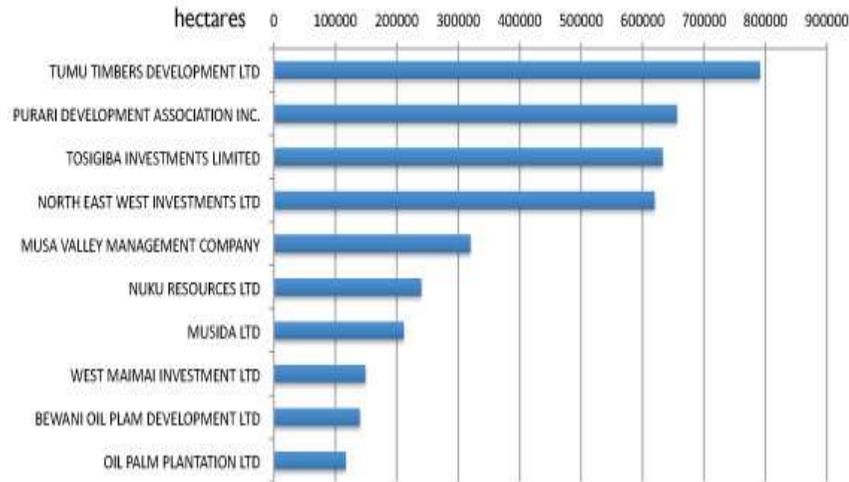
<p>Data provided by Governmental institutions in charge of Indigenous Peoples affairs;</p>	<p>https://www.constituteproject.org/constitution/Papua_New_Guinea_2014.pdf?lang=en Papua New Guinea's Constitution of 1975 with Amendments through 2014 "5. PAPUA NEW GUINEAN WAYS We declare our fifth goal to be to achieve development primarily through the use of Papua New Guinean forms of social, political and economic organizations. WE ACCORDINGLY CALL FOR- (..) 3. recognition that the cultural, commercial and ethnic diversity of our people is positive strength, and for the fostering of a respect for, and appreciation of, traditional ways of life and culture, including language, in all their richness and variety, as well as for a willingness to apply these ways dynamically and creatively for the tasks of development; and 4. traditional villages and communities to remain as viable units of Papua New Guinean society, and for active steps to be taken to improve their cultural, social, economic and ethical quality."</p>	<p>Country</p>	<p>Presence of local communities with customary rights</p>
<p>Data provided by National NGOs; NGO documentation of cases of IP and TP conflicts (historic or ongoing);</p>	<p>http://www.greenpeace.org/australia/en/what-we-do/forests/Forest-destruction/Papua-New-Guinea/ Greenpeace Australia and Pacific <i>Papua New Guinea</i> "PNG's forests are the third largest, and some of the most diverse, on Earth. (..) Devastatingly, this rich diversity of life is being lost at an alarming rate. Over 60% of PNG's intact forests have already been destroyed by logging and industrial agriculture and the loss continues today.</p> <p>The World Bank estimates 70% of logging in PNG is illegal and the United Nations has questioned PNG on the recent rollout of over 5 million hectares of agricultural leases. These leases - known as Special Agriculture and Business Leases (SABLs) - cover about 20% of the country's forests. Representing one of the worst contemporary cases of cultural land grabs, they will decimate PNG's remaining forests and biodiversity unless they are overturned.</p> <p>The rights of PNG's communities and traditional landowners are also at risk. Decades of industrial logging have not delivered the promised benefits of employment, improved health and education. In most cases customary landowners are not given free, prior and informed consent before their land is logged and cleared. Communities are losing their forests, waterways and traditional ways of life against their wishes.</p> <p><i>Solutions</i> (..) However, before this money can be made available, the PNG Government must show it can manage its resources responsibly, share the revenue equitably and rein in corruption."</p> <p>http://www.foei.org/no-category/legal-action-land-rights-papua-new-guinea CELCOR (Friends of the Earth Papua New Guinea) <i>Legal Action for Land Rights Papua New Guinea</i> 30 September, 2015 "Friends of the Earth Papua New Guinea/CELCOR works to strengthen and defend customary land rights by challenging land grabbing directly in the courts, providing legal training to impacted communities and campaigning for law reform. In Papua New Guinea (PNG) 97% of the total land area of the country is under customary ownership, therefore by strengthening the legal framework on land rights we aim to transform the country to be more just and sustainable.</p>	<p>Country Country Country</p>	<p>Specified risk for IP rights Specified risk for IP rights Presence of local communities with customary rights</p>

	<p>FoE PNG focus their program on legal education and informing people of their customary rights and laws governing natural resources. Communities are often taken advantage of by multinational corporations because they are not made aware of their rights. FoE PNG's basic legal trainings have given thousands of people a better understanding of their rights, enabling them to make well informed decisions with regard to their land.</p> <p>Illegal land grabbing is a massive problem in PNG and has a big impact on rural subsistence farmers. Once a company holds a lease title over the customary owned land, communities are displaced; and as a consequence, the forest dependent subsistence farmers, mothers and children are greatly affected as their movement is restricted. They lose access to gardening grounds, fishing, hunting and sacred sites.</p> <p>FoE PNG uses the courts to directly challenge illegal land grabs and in doing so aims to set a precedent to stop future human rights abuses. In 2014, the local communities of Collingwood Bay, Oro Province won a court case supported by FoE PNG against a Malaysian Oil Palm giant KL, with the land given back to the customary landowners.</p> <p>It has been estimated that a total of 5.2 million ha of customary land throughout the country have been alienated from customary landowners. This is acquired for Special Agriculture and Business Lease (SABL) under the lease-lease back scheme captured in the Land Act 1996. In 2011 a Commission of Inquiry (COI) was set up to investigate SABLs that had been issued. The inquiry is complete; however, the recommendations are yet to be implemented. FoE PNG in collaboration with other NGOs is campaigning for the government to take appropriate action and reform the law to support landholders. We are making our voice heard through the media, reports, public forums, advertising and court injunctions.</p> <p>National Policy Recommendation: We call on the National Government to fully recognise and respect the rights of customary landholders, and implement the recommendations as per the COI. We call on the Lands Department to cancel all SABLs fraudulently acquired and that customary land be returned to the landowners. We call for the revoking of Section 11 and 102 of the Lands Act 1996."</p>	Country	Specified risk for IP rights
National land bureau tenure records, maps, titles and registration	<p>http://lands.gov.pg/ Department of Lands & Physical Planning Information on land titles is available on this website through: http://lands.gov.pg/Services/ROT/Services/titlesearch.html "Title Search The Office of the Registrar of Titles maintains all of the land title registries for Papua New Guinea and can be accessed either over the counter at the office and/ or through telephone or facsimile."</p>		
Relevant census data	<p>http://www.nso.gov.pg/ Papua New Guinea National Statistical Office <i>National Population and Housing Census, 2011. Final Figures Booklet.</i> "SUMMARY OF FINDINGS: - The population of Papua New Guinea has reached 7,275,324 according to 2011 Census. It has increased by 40% and at average annual growth rate 3.1% since the last census in 2000. In absolute numbers a total of 2,084,538 persons were added to the population during the last 11 years. - About 39% of the population live in the Highlands region followed by Momase region with 26% while Southern and Island regions make up 20% and 15% respectively.</p> <p>http://www.forestpeoples.org/sites/fpp/files/publication/2011/02/png-unsrip-2011-final2-reduced-size-annexes.pdf FPP quoting the 2000 National Census (<i>National Census, Papua New Guinea National Statistical Office, 2000</i>): "Papua New Guinea is one of the most culturally diverse countries in the world with over 850 different indigenous peoples and between 820 – 850</p>	Country	Presence of local communities with customary rights
		Country	Presence of local communities with customary rights

	<p>“Resource use has gendered aspects. In most PNG societies women have use rights to cultivate land, gather forest products and to fish for or collect marine and riverine resources. However, regardless of whether their society’s descent and inheritance system is based on patrilineal or matrilineal principles, women are rarely considered to have ownership rights over productive resources. Planting annual food crops does not secure long-term use rights over land, unlike the planting of small plantations of perennial crops such as cocoa, coffee and coconuts. Food gardens are generally transient, whereas plantations of tree crops are semi-permanent markers of property rights and confer status on the men who control them.</p> <p>When customary land is leased for plantations, logging or mining or when access to marine rights and riverine rights are negotiated, women seldom take part in negotiations, nor are women usually considered to have the right to claim a direct share of leases, royalties or compensation payments.”</p> <p>http://www.geographia.com/papua-newguinea/papuahistory.htm</p> <p>PAPUA NEW GUINEA <i>For the Serious Adventure Traveller</i> “History and People The first inhabitants of Papua New Guinea, probably migrants from the Indonesian archipelago, arrived about 50,000 years ago. These migrants arrived in several waves, and the land that they encountered had a remarkable effect on cultural development. Because New Guinea’s terrain is marked by imposing mountains and extremely rugged territory, different population groups developed in virtual isolation. Each group developed its own language and its own tribal culture, a development that gives Papua New Guinea one of the world’s most diverse and fascinating cultural landscapes.</p> <p>The first contact with the island by Europeans occurred in the early 16th century, when the Portuguese explorer Jorge de Meneses sighted the country and named it Ilhas dos Papuas (Land of the Fuzzy-Haired People). However, it wasn’t until the mid-1800’s that European missionaries and traders began to settle on the island, and even those few settlers limited their presence mostly to the accessible coastal areas. Over the next several decades Papua New Guinea was claimed by the Germans, the British, and the Dutch, but it came under the control of Australia after World War One. The inland Highland region, thought to be too inhospitable for habitation, wasn’t even explored until the 1930s. Astoundingly, European explorers in search of gold instead discovered over one million people, living in fertile mountain valleys and in cultures that hadn’t changed since the Stone Age. By the 1960s there had emerged a significant independence movement in the country, and in 1975, after a brief period of internal autonomy, Papua New Guinea declared its full independence.</p> <p>The people can be divided into four ethnic groups: New Guineans (from the north of the main island), Papuans (from the south), Highlanders, and Islanders. There is, however, considerable cultural variation within each of these groups. The peoples of the south coast were notorious for headhunting and cannibalism before the arrival of the Europeans. Many people still live in small villages and follow traditional tribal customs. Although English is the official language in schools and government, almost 800 distinct languages are spoken in the islands.”</p> <p>https://news.mongabay.com/2014/04/illegal-logging-makes-up-70-percent-of-papua-new-guineas-timber-industry/ Mongabay ILLEGAL LOGGING MAKES UP 70 PERCENT OF PAPUA NEW GUINEA’S TIMBER INDUSTRY <i>Press release / April 22, 2014</i> “Corruption, weak governance, and powerful timber barons are illegally stripping the forests of Papua New Guinea, according to a new report from the Chatham House. The policy institute finds that 70 percent of logging in Papua New Guinea is currently illegal, despite the fact that 99 percent of land is owned by local indigenous communities.</p>	Country	No risk assessment (context information to establish presence of TPs)
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	<p>“The biggest challenge is dealing with collusion between corrupt officials and logging firms,” author of the report Sam Lawson told mongabay.com. “The logging industry in Papua New Guinea is very powerful, while the government is extremely weak...The largest logging firm owns one of the two national newspapers, for example.”</p> <p>In fact, the logging industry has managed to skirt some of the strongest community and forest land rights in the world—at least on paper. In practice, according to the report, Papua New Guinea’s customary land laws suffer from poor transparency and few mechanisms to mitigate conflict.”</p> <p>https://news.mongabay.com/2011/03/5-million-hectares-of-papua-new-guinea-forests-handed-to-foreign-corporations/ Mongabay <i>5 million hectares of Papua New Guinea forests handed to foreign corporations</i> <i>23 March 2011</i></p> <p>“During a meeting in March 2011 twenty-six experts—from biologists to social scientists to NGO staff—crafted a statement calling on the Papua New Guinea government to stop granting Special Agricultural and Business Leases. According to the group, these leases, or SABLs as they are known, circumvent Papua New Guinea’s strong community land rights laws and imperil some of the world’s most intact rainforests. To date 5.6 million hectares (13.8 million acres) of forest have been leased under SABLs, an area larger than all of Costa Rica.</p> <p>“Papua New Guinea is among the most biologically and culturally diverse nations on Earth. [The country’s] remarkable diversity of cultural groups rely intimately on their traditional lands and forests in order to meet their needs for farming plots, forest goods, wild game, traditional and religious sites, and many other goods and services,” reads the statement, dubbed the Cairns Declaration.</p> <p>However, according to the declaration all of this is threatened by the Papua New Guinea government using SABLs to grant large sections of land without going through the proper channels. Already 2 million (nearly 5 million acres) hectares of the leased land has been slated for clearing by the government’s aptly named Forest Clearing Authorities. Daniel Ase, Executive Director of the Papua New Guinea NGO, Center for Environmental Law and Community Rights (CELCOR), who participated in the meeting, told mongabay.com that this was “massive land grabbing [...] basically for large scale industrial logging,” adding that “most of these areas are located in areas of high biodiversity in the country.”</p>	Country	Specified risk for IP rights
		Country	Specified risk for IP rights

10 largest Special Agricultural and Business Lease (SABL) holders in Papua New Guinea



The SABLs undercut indigenous communities by handing land over to largely foreign and multinational big corporations for leases that last 99 years, severing indigenous people from their land for generations. Last year alone, 2.6 million hectares (6.4 million acres) were granted under SABLs. Local communities have often not consented to the deals and in some cases weren't even notified.

“Virtually all of Papua New Guinea is owned by one communal group or another, and at least in theory these groups have to approve any development on their land. This is one of the key reasons for the SABLs—it’s a way for the government to carve off large chunks of land for major logging and other developments, and to greatly diminish the role of local communities,” explains William Laurance, a leading conservation biologist with James Cook University, to mongabay.com.

According to Laurance, the revenue made from these deals is not aiding poverty alleviation efforts in Papua New Guinea, but instead the profits are “mostly ending up in the hands of foreign corporations and political elites in Papua New Guinea.”

“For instance, local communities in Papua New Guinea are capturing only around \$10 per cubic meter of kwila, one of their most valuable timbers, whereas the same raw timber fetches around \$250 per cubic meter on delivery to China,” explains Laurance, adding that, “many of the major socioeconomic indicators for Papua New Guinea have fallen in the past decade, indicating a decline in living standards even as the country is experiencing a huge resource boom.”

While this may seem contrary to expectations, it is a pattern that has been repeated in many poor countries with great wealth in natural resources. Known to economists as the ‘resource curse’, such nations see their natural resources exploited while receiving little to no economic gain, instead promised funds are lost to bad business deals, corrupt politicians, or what have been described as ‘predatory’ foreign corporations.”

“Unlike Southeast Asia, Papua New Guinea had long been thought to have avoided massive deforestation, thereby retaining one of the last great rainforests outside of the Congo and the Amazon. However, a 2009 study found that between 1972-2002, nearly a quarter of the country’s forests were lost or degraded by logging.”

Country

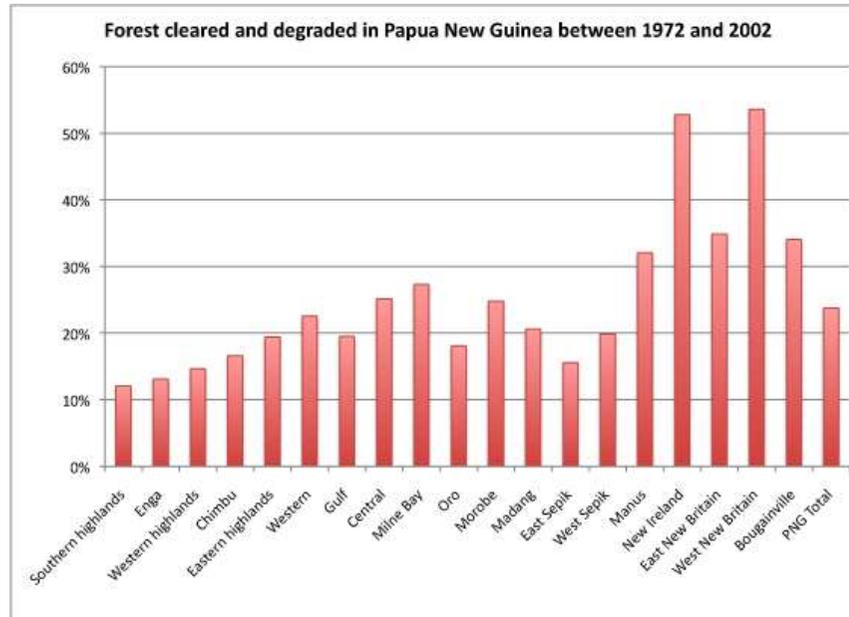
Specified risk for IP rights

Country

Specified risk for IP rights

Country

Specified risk for IP rights



<http://www.uncontactedtribes.org/where>

Uncontacted Tribes

The map shows no knowledge of uncontacted tribes in Papua New Guinea.

<https://www.ethnologue.com/country/PG>

Ethnologue: Languages of the World

Papua New Guinea

“Language Counts

The number of individual languages listed for Papua New Guinea is 852. Of these, 840 are living and 12 are extinct. Of the living languages, 839 are indigenous and 1 is non-indigenous. Furthermore, 42 are institutional, 303 are developing, 344 are vigorous, 114 are in trouble, and 37 are dying.”

<https://www.oaklandinstitute.org/blog/papua-new-guinea-land-core>

Oakland Institute

Papua New Guinea: The Land at the Core

November 15, 2013

“The vast majority of PNG’s territory belongs to its people. Until the end of the 2000s, 97 percent of the country’s 46 millions hectares were governed by local communities under consensual regimes of customary rights. These customary rules, which vary from one group to another, address the issues of land acquisition and transfer among community members. They also regulate the management of common areas, such as forests or water sources, and set

Country

Specified risk for IP rights by logging

	<p>forth a framework for responsible use of the land. For example, traditional systems employ the practice of letting land lie fallow, which maintains soil fertility and productivity over generations. Contrary to those who believe customary rights don't allow for "efficient" use of territory, traditional systems actually support productivity and sustainable resource management. By allowing households' independent use of parcels, the customary rights structure also fulfills the basic needs of the population. As a result, Papua New Guineans in rural areas have a hybrid livelihood that relies on diverse land utilization strategies. On one hand, stable access to land helps insure a small commercial income for smallholder farmers who decide to sell their crops. Furthermore, land bears noncommercial value by providing families with the possibility of growing their own food, building a house, and leveraging other resources from their parcel by collecting plants for use as medicines, tools, textiles, cords, artwork, and so on. Compared to the excessive price of housing and food in an urban context, this lifestyle has many advantages.</p> <p>Additionally, land holds other significant social and spiritual value. PNG is one of the countries with the most equal distribution of land on earth. This is partly because the country's customs take as a point of departure that every human being deserves to establish a life of his or her own on a piece of territory. Through this lens, land allows the individual to relate to their history and ancestors who, in most cases, have been farming it for centuries. As relatively permanent object in an ever-changing world, land provides families with a spiritual support. Finally, the fact that customary rights are held at community level carries critical advantages for conflict resolution, common decision and knowledge building, as well as for solidarity maintenance.</p> <p>Despite the important benefits of the traditional system, the government of PNG has decided to reduce the number of parcels under customary tenure. Its Medium Term Development Plan (MTDP) 2011-2015 sets as a key objective to "release customary land for development" and plans to take control of 10,000 customary parcels by 2025. [2] This would result in 20 percent of PNG's land being withdrawn from traditional owners. In order to meet this objective, the MTDP also plans to scale up the country's capacity to conduct proper land registration. Without registration, it is much harder to grant concessions to private companies because traditional systems don't provide title deeds nor do they draw clear borders between parcels. Finally, despite the constitutional limitation of selling and acquiring land, [3] PNG's government created an institutional strategy to provide "Special Agriculture Business Leases" (SABLS) to corporations once land is registered. Since 2003, the number of SABLS in the country has soared. This phenomenon led to the granting of 5.5 million hectares, 12 percent of PNG's total territory, to private firms. However, conceding such huge amounts of land failed to bring the promised agricultural development.</p> <p>The Oakland Institute's recent field investigation reveals that most SABLS have resulted in large-scale logging operations with no further investment in the territory. In fact, even in locations with longstanding agriculture projects (mainly oil palm plantations), the researchers found the situation in the villages did not improve. In plantation areas visited by researchers, local populations still lacked access to basic infrastructure and services. Implementing new mechanisms to increase the land leases for foreign investors is therefore not a guarantee for rural development. Besides, the cost of giving up on the current customary right systems might be higher than expected. As demonstrated by Tim Anderson from the University of Sydney, revenues from the leases don't match the actual value of families' hybrid system of subsistence and small-scale commercial agriculture. [4] Customary landowners find themselves disadvantaged because they have little or no bargaining power to counter both corporations and the state's pressure to "free up" land. Lastly, leasing the land to foreign investors is an isolating process that dismantles communities. Because traditional solidarity networks will be damaged--and urban living does not offer many opportunities in PNG [5] a large portion of the displaced landowners risk falling into poverty and suffering from food insecurity if they lose their access to their traditional land."</p>	Country	Low risk (No presence of uncontacted tribes)
		Country	IP/TP presence
		Country	Presence of local communities with customary rights
		Country	Presence of local communities with customary rights

	<p>“Legislation confers rights to: Customary landowners. Customary owners, in reference to an area of Customary Land, refers to persons having Customary Rights: a) of ownership over the land, b) of ownership over forest produce growing on the land, or c) relating to the use of the land (Section 2, Forest Act, 1991).”</p> <p>“Withdraw (NTFP): According to the Forest Authority website they are "considering formulating a policy on non-timber forest products" in the future. In the absence of this policy, NTFPs including rattan, are currently being exploited under Timber Authority System - 4 (TA-4). There are another 4 types of TA: TA-01 for commercial timber harvesting of 5000m³/year, TA-02 regarding forest clearance for roads TA-03 for agricultural forest clearance, and TA-05 for plantation harvesting. These TAs are issued for small operations under the Timber Authority System (Sections 87-90, Vol. 1, Forestry Regulation, 1996; Written comments by Mondiai).”</p> <p>“Withdraw (Timber): Communities are free to exploit timber for subsistence use up to 500m³. A permit or license is required to use and benefit from timber commercially or if subsistence use surpasses this quota (Section 11, Forestry Act, 1991). Communities must be registered at the Forest Authority as Forest Industry Participants (FIP).”</p> <p>“Alienation (Lease): Papua New Guinea prevents customary landowners from directly leasing land to outsiders (Section 11, Land Act, 1996). They can however, lease it to the state. Thus, landowners wishing to engage in direct land dealings are able to enter into a lease-lease back arrangement with the government. In this way, landowners acquire a leasehold interest in their land, which then may be used as mortgage (Manning and Hughes 2008, 245).”</p> <p>“Duration of Rights (Years): Customary Land is a statutory recognition of customary rights (Section 133-135, Land Act, 1996). It has unlimited duration and exists as long as the clan/community exists. Ownership can be transferred from generation to generation.”</p> <p>https://www.regionalsecurity.org.au/Resources/Files/SC%2010-2%20AllenandMonsoon.pdf</p> <p>Regional Security.Org <i>In: Security Challenges, Vol. 10, No. 2 (2014), pp. 1-14.</i> <i>Land and Conflict in Papua New Guinea: The Role of Land Mediation</i></p> <p>“Anecdotal evidence suggests that conflicts over land and extractive resource developments are on the rise across Papua New Guinea. These micro-level conflicts have the potential to scale up and feed into large-scale armed conflicts—such as those that occurred on Bougainville and in neighbouring Solomon Islands—which require costly external intervention. Against this backdrop, this paper examines PNG’s legally-mandated land mediation system in theory and practice. A number of weaknesses are identified and described; and a case study of an apparently successful “hybrid” approach is discussed.”</p> <p>“Recent amendments to PNG’s land law—made as part of the National Land Development Program (NLDP)—may contribute to an escalation of land disputation in rural areas.”</p> <p>“Land Mediation in Theory and Practice The resolution of disputes about the use, ownership and boundaries of customary land is generally governed by the Land Dispute Settlement Act 1975 (hereafter LDS Act).¹⁴ The LDS Act establishes a system of land mediation that is intended to be “close to the people” and to provide “an avenue for traditional dispute settlement processes to be utilized”.¹⁵ It establishes a system of land mediation that is to be conducted by state-sanctioned Land Mediators.”</p>	Country	Specified risk for IP rights, land rights
		Country	Specified risk for right to FPIC
		Country	Presence of local communities with customary rights
		Country	Specified risk for rights to land and resources
		Country	Specified risk for rights to land and resources

	<p>“Despite the vital role of land mediation in the resolution of disputes regarding customary land, land mediation services have been plagued by institutional uncertainties and ambiguities (..).”</p> <p>Expert engagement conducted by working group pf PNG NFSS with Colin Filer, Australian National University</p> <p>INDIGENOUS PEOPLES’ OR ‘CUSTOMARY LANDOWNERS’ IN PAPUA NEW GUINEA</p> <p>“In the latest version of its safeguard policies, the World Bank has recognised that there are countries in which indigenous people(s) may be referred to by other terms, such as “Sub-Saharan African historically underserved traditional local communities”, “indigenous ethnic minorities”, “aboriginals”, “hill tribes”, “vulnerable and marginalized groups”, “minority nationalities”, “scheduled tribes”, “first nations”, or “tribal groups.” As the applicability of the term “Indigenous Peoples” varies widely from country to country, the Borrower may request the Bank to use an alternative terminology for the Indigenous Peoples as appropriate to the national context of the Borrower (World Bank 2016: 106).</p> <p>For some unknown reason, the Bank has not added ‘customary landowners’ to the list of alternative terms, but this would be the most appropriate and acceptable term throughout the Pacific Island region, primarily because of the legal recognition granted to customary land tenure in Pacific Island countries. Even in New Caledonia, Kanak political parties have been wary of representing their people as ‘indigenous’ for fear that this will constitute an acceptance of their status as an ethnic minority within a French overseas territory, and hence weaken their argument for political independence (Filer and Le Meur 2017: 17).</p> <p>The National Constitution of Papua New Guinea (PNG) makes one reference to the ‘indigenous inhabitants of the country’, but only for the purpose of defining the term ‘custom’, which is otherwise deemed to be the property of ‘traditional villages and communities’. While other laws occasionally repeat this constitutional reference to the ‘indigenous inhabitants of the country’, the term ‘customary landowner’ or ‘customary owner’ is far more common. For example, Section 46 of the Forestry Act 1991 says that “[t]he rights of the customary owners of a forest resource shall be fully recognized and respected in all transactions affecting the resource’, while Section 10 of the Land Act 1996 says that the Minister of Lands ‘shall not acquire customary land unless he is satisfied, after reasonable inquiry, that the land is not required or likely to be required by the customary landowners or by persons on whom the land will or may devolve by custom’. Recent amendments to the Land Groups Incorporation Act and Land Registration Act were justified as legal measures ‘to empower customary landowners in Papua New Guinea to realize the now locked up economic potential which their customary land has’ (PNGCLRC 2008: x).</p> <p>The assumption that PNG already has numerous laws and policies to protect and advance the interests of ‘customary landowners’ may help to explain why the PNG Government did not bother to ratify the UN Declaration on the Rights of Indigenous Peoples. Although national legislation does not make explicit reference to the principle of ‘free, prior and informed consent’ (FPIC), there are several examples of an equivalent legal requirement in transactions over customary land or natural resources subject to customary rights. For example, Section 58 of the Forestry Act 1991 says that a Forest Management Agreement by which the State acquires timber harvesting rights from the customary owners of an area of native forest must include a statement from the relevant Provincial Forest Management Committee to verify the authenticity of their ownership and their consent to the agreement, while the ‘development guidelines’ attached to this legislation say that a ‘landowner awareness program’ should be undertaken in advance of such an agreement in order to enable landowners to make their own assessment of ‘the likely costs and benefits, impacts and responsibilities associated with a forest development project’ and enable them to ‘truly participate in the project formulation process and ensure that it is sensitive to their needs and concerns’ (PNGMOF 1993: 4).</p>	Country	Specified risk for right to FPIC
		Country	Presence of local communities with customary rights
		Country	No presence of IPs but presence of local communities with customary rights

	<p>It is an article of faith in PNG that every piece of land has some living customary owners. This doctrine applies to the 2-3% of the land area that was alienated during the period of European colonial administration (1884-1975), as well as to any land alienated since Independence and to the balance of 'customary land' that has never been alienated (Filer 2014). The PNG Government routinely makes provision for the current 'customary owners' of alienated land – commonly the recognized descendants of the customary owners who may or may not have agreed to its alienation – to be consulted over new plans for the development of that land and to receive a special share of the benefits of such development.</p> <p>Although political debate about customary land rights in PNG often seems to assume that every 'automatic' (or 'indigenous') citizen must, by definition, be a customary landowner, there clearly are some automatic citizens who have lost their customary land rights. These are mostly people who have been born and brought up in urban areas or so-called 'rural non-villages', such as oil palm resettlement schemes or government outstations, and have failed to maintain customary social relationships with any of the villages in which their parents or grandparents were born. Insofar as their existence receives any kind of public recognition, this sometimes takes the form of a concern that they might use their access to government offices in order to make false claims over other people's customary land. This is what people mean when they talk about 'paper landowners'. It is also one of the concerns that lies behind the complexity of the recent amendments made to the Land Groups Incorporation Act, which impose a much higher burden of proof on the groups of 'customary landowners' seeking to establish a legal identity for themselves.</p> <p>There is a growing tendency for people who may or may not have retained customary rights to land in the villages from which they (or their parents) originated to obtain new rights to customary land in areas to which they have migrated (Koczberski et al. 2017). This has generally been done by means of informal transactions with the customary owners of this land. The result of such transactions can be the formation of a 'community of settlers' whose relationship to a 'community of landowners' has no legal basis and can easily become a bone of contention. There are very few cases in which the 'settlers' have been known to establish 'woodlots', as opposed to cash crops like oil palm, on the land to which they have gained access in this way. In any case, the customary owners would almost invariably object to any process in which they were not consulted about the certification of such a woodlot. That is because of the abiding belief, reinforced by national laws and policies, that customary land cannot and should not be permanently alienated from its customary owners. As previously noted, this principle of inalienability is now even applied to land that has been legally alienated from its customary owners by the colonial administration or the post-colonial government."</p> <p>https://journals.plos.org/plosgenetics/article?id=10.1371/journal.pgen.0040019 <i>The Genetic Structure of Pacific Islanders</i> Friedlaender, Jonathan; Friedlaender, FR; Reed FA; Kidd KK; Kidd JR (2008). Published in: PLOS Genetic "Abstract Human genetic diversity in the Pacific has not been adequately sampled, particularly in Melanesia. As a result, population relationships there have been open to debate. A genome scan of autosomal markers (687 microsatellites and 203 insertions/deletions) on 952 individuals from 41 Pacific populations now provides the basis for understanding the remarkable nature of Melanesian variation, and for a more accurate comparison of these Pacific populations with previously studied groups from other regions. It also shows how textured human population variation can be in particular circumstances. Genetic diversity within individual Pacific populations is shown to be very low, while differentiation among Melanesian groups is high. Melanesian differentiation varies not only between islands, but also by island size and topographical complexity. The greatest distinctions are among the isolated groups in large island interiors, which are also the most internally homogeneous. The pattern loosely tracks language distinctions. Papuan-speaking groups are the most differentiated, and Austronesian or Oceanic-speaking groups, which tend to live along</p>	Country	No presence of IPs but presence of local communities with customary rights
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	the coastlines, are more intermixed. A small “Austronesian” genetic signature (always <20%) was detected in less than half the Melanesian groups that speak Austronesian languages, and is entirely lacking in Papuan-speaking groups.”		
Additional general sources for 2.3	Additional specific sources	scale of risk assessment	risk indication
World Directory of Minorities and Indigenous Peoples	https://minorityrights.org/country/papua-new-guinea/ <i>Papua New Guinea</i> <i>Updated February 2018</i> Main languages: Melanesian (over 800 languages), Tok Pisin (Pidgin), Motu English Main religions: Christianity 95.6 per cent (among them, Roman Catholic 26.0 per cent, Evangelical Lutheran 18.4 per cent, Seventh Day Adventist 12.9 per cent, Pentecostals 10.4 per cent, United Church 10.3 per cent), animism. <i>The indigenous population is almost entirely Melanesian, though there are small Polynesian outlying communities north of Bougainville. There are significant ethnic distinctions between population groups in different parts of the country. The country is unusually fragmented, by terrain, history, culture and language. About 840 distinct languages are spoken in Papua New Guinea, around a quarter of the world’s stock, reflecting enormous regional and local cultural divisions. There are small numbers of Asian and European migrants and their descendants, some of whom are long-established.</i> The overwhelming majority of the population is Christian, although traditional beliefs remain very strong and reports of religious discrimination are rare. Baha’is form the second-largest religious group, with local leaders claiming up to 40,000 followers. There are a few thousand Muslims, including increasing numbers of converts. Ethnic Chinese have been present in Papua New Guinea since the nineteenth century, but migrant numbers have grown rapidly over the past decade. They are now estimated to comprise around 20,000 people, or 0.3 per cent of the population. Some have set up small goods shops and fast food outlets, which make them a highly visible presence in New Guinean towns.”	Country	No IP presence
Global Witness: www.globalwitness.org	https://www.globalwitness.org/en/campaigns/corruption-and-money-laundering/png-lawyers/ <i>“THE DAYS OF BANGING A MILLION BUCKS INTO A SECRET ACCOUNT IN SINGAPORE ARE OVER”</i> <i>Press Release / July 2, 2015</i> <i>“Corruption is a daily topic of conversation in Papua New Guinea. Often described as “an island of gold floating on a sea of oil” the country is a treasure trove of natural resources, but citizens don’t see the profits invested in much-needed schools, hospitals and roads. Instead as much as 7% of the country’s GDP is reportedly siphoned out of the country illegally.”</i> https://www.globalwitness.org/en/press-releases/papua-new-guinea-government-turns-blind-eye-to-illegal-logging-its-own-backyard/ <i>“PAPUA NEW GUINEA GOVERNMENT HOSTS TALKS ON FOREST PROTECTION WHILE TURNING A BLIND EYE TO MULTI-MILLION DOLLAR ILLEGAL LOGGING IN ITS OWN BACKYARD”</i> <i>Press release / Oct. 26, 2015</i> <i>“As Papua New Guinea prepares to host government ministers from across Asia-Pacific for talks on the future of the region’s forests, Global Witness reveals how logging companies are making millions liquidating PNG’s rainforests, often illegally. The advocacy group’s investigations show that nearly a third of PNG’s timber exports in 2014 came from logging under agriculture permits at the centre of a nationwide scandal over widespread land grabbing.</i> This year’s meeting of Asia-Pacific Economic Cooperation (APEC) Forestry Ministers gets underway in PNG’s capital Port Moresby on October 27th, aimed at discussing how to preserve the region’s forests and combat illegal logging. Its	Country Country	Specified risk for IP rights, land rights Specified risk for IP rights, land rights

	<p>host is the world's largest exporter of tropical logs, with an export value of US\$365 million last year. It also suffers from one of the highest rates of illegal logging in the world and rampant government corruption. (1)</p> <p>Approximately 91% of PNG's timber exports go to fellow APEC member China. Global Witness is calling on both countries to lead by example and commit to taking steps to address the crisis in PNG's forests.</p> <p>"This year's APEC meeting on forests is being held in an epicentre of illegal logging," said Rick Jacobsen of Global Witness. "For more than four years, the PNG government has stood by and watched while its people are stripped of their land and its rainforests wiped out under leases deemed illegal by its own investigation. Meanwhile, foreign-owned logging companies are making millions selling the timber to China. This inconvenient truth should be top of the agenda in Port Moresby this week."</p> <p>By 2014 nearly a third of PNG's log exports came from highly controversial agriculture leases that have violated indigenous land rights and destroyed huge tracts of the world's third largest rainforest. A 2011 inquiry into the leases commissioned by the government found that nearly all those reviewed were issued in violation of PNG laws. Despite this, timber exports under the leases has increased dramatically since the inquiry was set up, now accounting for an estimated 1 of every 10 tropical logs imported by China. (2)"</p> <p>https://www.globalwitness.org/en/campaigns/land-deals/papua-new-guinea-one-biggest-land-grabs-modern-history/ PAPUA NEW GUINEA – ONE OF THE BIGGEST LAND GRABS IN MODERN HISTORY Briefing / March 19, 2015</p> <p>"Global Witness has been documenting the Papua New Guinea government's failed response to one of the largest land grabs in modern history. In recent years roughly 12 per cent of the country has been annexed to timber and palm oil companies using a leasing system intended for small-scale agriculture. Three years after a national inquiry was launched into allegations of widespread fraud and illegality surrounding the acquisition of this land, the government has taken no meaningful action to defend its citizen's rights to their land and halt the wholesale destruction of rainforests of global importance."</p> <p>Our briefing paper documents:</p> <p>"Government inaction – The government has failed to stop any logging operations under Special Agriculture & Business Leases, even where an official investigation recommended they be cancelled.</p> <p>Breakdown in law and order – Logging and exports continue unabated and with the support of local police and forest authorities in the one operational Special Agriculture & Business Lease the government has cancelled.</p> <p>Failure to complete review of leases – More than three years after committing to review the legality of these leases, around 40% have not been reviewed, including the three largest timber exporting operations.</p> <p>More logging authorized – The National Forest Board continues to issue and renew permits to log and clear rainforest under this leasing system, ignoring community complaints and the government's own decision to repeal it.</p> <p>Timber grabbing – Many Special Agriculture & Business Leases have been used for industrial logging rather than their intended purpose to promote agricultural development. These leases now account for nearly a third of the country's total log exports, with an export value of roughly US\$100 million a year.</p> <p>Total impunity – No government officials or companies involved in the abuse of these leases have been prosecuted or sanctioned where evidence of criminality or negligence was uncovered by an official investigation."</p>	Country	Specified risk for IP rights, land rights
From national CW RA	Not available	-	-
Conclusion on Indicator 2.3: <ul style="list-style-type: none"> The first inhabitants of Papua New Guinea, probably migrants from the Indonesian archipelago, arrived about 50,000 years ago. Several sources divide the people into four groups: New Guineans (from the north of the main island), Papuans (from the south), Highlanders, and Islanders. However, partly due to the 		Country	Specified risk for the violation of the rights

<p>geography of the country, a large variation within each of these groups regarding their culture and structures. Many people still live in small villages and follow traditional tribal customs. Although English is the official language in schools and government, almost 800 distinct languages are spoken in the islands.</p> <ul style="list-style-type: none"> • Is the indigenous population of PNG to be considered indigenous peoples as defined by FSC? <ul style="list-style-type: none"> ○ An important factor here is that the indigenous population is in the majority while the FSC definition requires that indigenous peoples “form non-dominant groups of society”. However, based on very strong evidence it is concluded that in PNG 97% of the total land area of the country is under customary ownership. 87% of the country’s population is rural population and these local communities have customary rights to their lands and resources, according to PNG regulation as well as in line with FSC definition for “local communities” with “customary rights”. ○ There is also evidence indicating that the indigenous population should be considered as indigenous peoples. There are significant ethnic distinctions between population groups in different parts of the country. The country is unusually fragmented, by terrain, history, culture and language. And the evidence shows that there are many different tribes or peoples in PNG. ○ However, the term indigenous peoples is not used in many sources. The terms being used are landowners, groups, tribes, communities or peoples. ○ Nevertheless, some sources refer to indigenous peoples in PNG, for example IWGIA referring to the Moroni people in Bougainville. As said, IP presence as defined by FSC could not be confirmed but it is also not excluded with certainty. Knowledge of local or regional contexts and of peoples might lead to a different conclusion. ○ For congruency with “The FSC National Forest Stewardship Standard of Papua New Guinea” (FSC-STD-PNG-02-2017 EN V2-0), in PNG the term Indigenous Peoples is not used, as its inhabitants, apart from a very small percentage of recent immigrants, are all indigenous. In the terminology of this FSC risk assessment, “customary landowners” is used instead of indigenous peoples in all indicators. The rights of customary landowners are equivalent as indigenous peoples’ rights. • PNG has not ratified ILO Convention 169. On paper, the current democratic and legal system of the country is strong including the Constitution and in particular the Land Act 1996 that regulates land dealings and regulates customary land rights. But, taking the above assessed country context in mind, the governance is very weak, which goes for factors such as rule of law, implementation of regulations and governmental accountability and the level of corruption in PNG is very high. In the country context it was already concluded that there is a high level illegal logging and that land grabbing and timber grabbing are also serious issues. • That assessment is supported by strong evidence that legal and customary rights of local communities are not protected, that legal and illegal land grabbing are a massive problem, that logging has a large negative contribution and that there is a huge gap between regulations on paper and governmental and private practices. The issuing out of concessions under an arrangement known as ‘Special Agricultural and Business Leases’ (SABL) is specifically mentioned in a large number of sources. • There is no evidence for a functioning system of consultations, let alone a policy and practice to implement FPIC. The opportunities for customary landowners to access to the judicial system are also limited. <p>In sum, most of the land in PNG is customary land and local communities have customary rights. These rights are not sufficiently protected by legislation nor by practice. Logging, legal and illegal, is part of this problem and leads to conflicts of substantial magnitude. FPIC rights are contradicted.</p> <p>Therefore, the following ‘specified risk’ thresholds apply: (23) The presence of IP and/or TP is confirmed or likely within the area. The applicable legislation for the area under assessment contradicts indicator requirement(s) (refer to 2.2.6); AND (24) Substantial evidence of widespread violation of IP/TP rights exists; AND/OR (25) IP and/or TP are not aware of their rights; AND (26) There is evidence of conflict(s) of substantial magnitude pertaining to the rights of IP and/or TP. Laws and regulations and/or other legally established processes do not exist that serve to resolve conflicts in the area concerned, or, such processes exist but are not recognized by affected stakeholders as being fair and equitable. Note under threshold No 20 applies.</p>	<p>of customary landowners</p>
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Note:
Customary landowner: Person or persons with heritable rights to use or occupy an area of land, in accordance with the custom of the clan or tribe they belong to, having a spiritual connection to the land and looking after it in trust for both the past and future generations (PNG FSC's Standard Development Group).

Controlled wood category 3: Wood from forests in which high conservation values are threatened by management activities

Overview

Papua New Guinea occupies the eastern half of the island of New Guinea, just north of Australia, and many outlying islands to the north and east, with a total land area of about 462,243 km². Lying at the collision line of the Australian and Pacific tectonic plates, the country is remarkably diverse in terms of species, landscapes and ecosystems. Moreover, it is extremely mountainous with extensive areas above 3000 m and contains more than 5,000 lakes, extensive river systems and wetlands. The species-rich mainland coastline includes more than 8,000 kilometers of mangrove swamps, lagoons, wetlands, coral reefs and atolls, plus island archipelagos and hundreds of offshore islands (4th National Report to the CBD, 2010). Please also refer to the *PNG REDD+ and Forest Monitoring Web-Portal* (<http://png-nfms.org/portal/>) for an overview.

Papua New Guinea's forests are globally significant as 'they cover more than two-thirds of the country's land mass, and, together with forests in the neighboring Indonesian province of Papua, comprise the third largest tract of intact tropical forest in the world, after the Amazon and Congo Basins' (CIFOR, 2010). Moreover, it is estimated that the country is in an 'early phase' of forest transition (CIFOR, 2013), which means that 'while the country retains significant forest cover there is a considerable threat of deforestation'.

Forest cover and trend estimates vary depending on source, forest definition and classification. Accordingly, the following estimates are provided for overview purposes and due care should be taken when drawing conclusions for specific parts of the country.

- Shearman *et al.* (2008), estimate that the forest estate covers approx. 71% of the land area. Rainforests cover approx. 28.2 Million ha or equal to 80.0% of the forest estate. 'The remainder of the forest estate comprises mostly dry evergreen forest, swamp forest, and mangroves (please refer also to *controlled wood category 1 – overview* for further details).
- The *Global Forest Resources Assessment (FAO, 2015)* estimates that the forest estate covers approx. 33.5 Million ha of forest. Primary forest occupies approx. 17.6 Million ha or equal to 52.4% of the forest estate. According to the *Global Forest Watch* database approx. 11.0 Million ha or equal to 31.7% of the forest estate consist of Intact Forest Landscapes (IFLs).
- The Ministry of Forests (2009) distinguishes three forest management categories, which amount to an estimated forest estate of approx. 29.4 Million ha. These include: production forests (15 Million ha), protection forests (1.2 Million ha), and reserve forests (13.2 Million ha) (please refer also to *controlled wood category 1 – overview* for further details).

Papua New Guinea's forest resources are customary owned, and there is a 34-step project development process for timber concession areas (Chamber of Commerce & Industry, 2013). The Papua New Guinea Forest Authority (PNGFA) is responsible for monitoring, controlling and managing the wood and forest-based industries and resources. According to the Chamber of Commerce & Industry (2013), '29 forest concessions are in production, covering 3.5 Million ha. All commercial timber production is controlled by private companies, with Malaysian multinational companies currently dominant. Malaysian company Rimbunan Hijau controls over 45% of log exports.'

Papua New Guinea's forest industry is focused on the harvesting of natural forest areas for round log exports (ACAIR, 2011), the country being the second-largest exporter of tropical logs in the world, following Malaysia (Chamber of Commerce & Industry, 2013). There is a small, conventional plantation sector in PNG. Accordingly, the PNG Forest Authority manages around 35,000 ha of plantation forest and there are three commercial plantations covering around 33,000 ha in total (ACAIR, 2011). Gaining access to customary-owned land is a major constraint on the expansion of the plantation forestry industry (ACAIR 2011).

According to the Forest Legality Initiative (2013), 'there is general agreement that the forestry legislation in PNG consists of policies, laws, regulations and guidelines that are sufficient to ensure sustainable forest management. However, there are serious implementation and enforcement issues, which allow illegal and unsustainable logging to go unchecked.' Chatham House (2014), reported that illegal practices are widespread in PNG and suggests that 'the majority of timber production in PNG is illegal in some way'. Please also refer to *controlled wood category 1* for further details.

In this context of widespread illegality and lack of regulatory enforcement, this risk assessment concludes that there are no low-risk areas for sourcing timber from Papua New Guinea in relation to High Conservation Values 1 – 6. Nevertheless, this risk assessment does identify HCV occurrences, risks, and mitigation measures at national level in case organizations intend to source timber despite specified-risk designations. In relation to the relatively small size and/or low amount of timber available from the plantation forest industry, this risk assessment focuses on natural forests.

According to the *Fifth National Report to the Convention on Biological Diversity* (2017), the country occupies less than 1 percent of the world's landmass but is home to approx. 6 – 7 percent of the world's biodiversity. In addition, it is estimated that approx. 30% of the flora and fauna are endemic to Papua New Guinea and well over 70% are endemic for *Papuasia* – the SW Pacific region from New Guinea to the Solomon Islands.

In relation to the country's rich biodiversity, *Conservation International* classifies the 'Islands of New Guinea' as part of the East Melanesian Islands Biodiversity Hotspot (<https://www.cepf.net/our-work/biodiversity-hotspots/east-melanesian-islands>, last assessed in January 2018), due to high levels of endemism, both within the entire hotspot and on single islands, while being exposed to pressure 'from outside threats – logging and mining among them.' *WWF International* identifies 6 terrestrial and 2 freshwater *Global 200 Ecoregions* located in the country (please refer to *HCV1 – Sources of information* for further details). According to the *Conservation Environment Protection Authority* (CEPA, 2014), approx. 4% of the land area are under protection, distributed over a network of 57 protected areas that covers a total area of approx. 2.3 Million ha.

With respect to the reporting, monitoring and evaluation framework of the Convention on Biological Diversity – ratified in December 1993 – Papua New Guinea identifies nine terrestrial ecoregions, i.e. relatively large units of land containing a distinct assemblage of natural communities and species, with boundaries that approximate the original extent of natural communities and species prior to major land-use changes. The ecoregions (Figure 1 **Error! Reference source not found.**) are referenced for overview purposes in this risk assessment in combination with provinces as the primary administrative units of the country (Figure 2 **Error! Reference source not found.**). However, risk designations and recommended control measures are applicable at the national level.



Figure 1: Delineation of ecoregions (4th National Report to the CBD, 2010)

Reference	Ecoregion	Size [Million ha]	Size [%]
1	Admiralty Islands	0.209	0.5
2	Northeastern Islands	4.700	10.2
3	Bougainville Island	0.939	2.0
4	Northern New Guinea	9.482	20.5
5	Central Range	11.821	25.5
6	Southeast Peninsula	7.457	16.1
7	Trobriand Islands	0.433	0.9
8	Southeastern Islands	0.181	0.4
9	Southern New Guinea	11.054	23.9

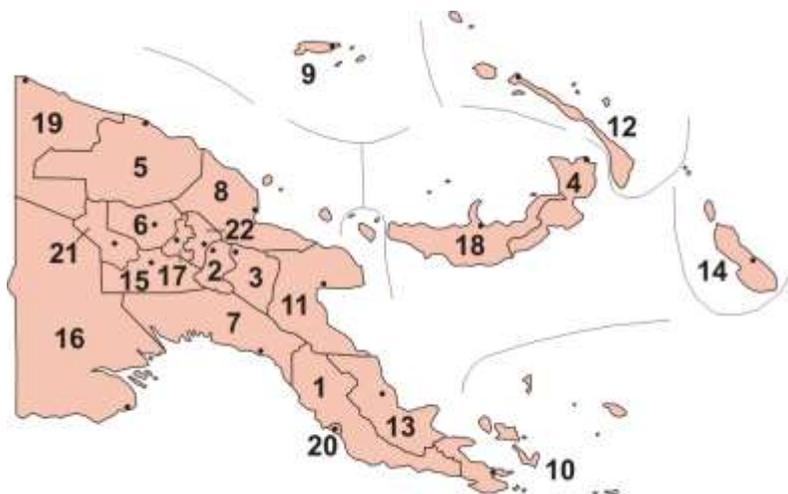
Table 1: List of ecoregions

According to the *High Conservation Value Forest Toolkit* (2005), ‘the diversity and highly variable conservation context and land use patterns of different regions in Papua New Guinea makes the development of nationally relevant definitions and lists of High Conservation Values very difficult’. As such, and following a precautionary approach, the presence of High Conservation Values I – IV needs to be assumed for any part of the country. For further information please refer to the detailed results of this risk assessment.

Threats to High Conservation Values I – IV from the forestry sector include, but are not limited to: (i) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (ii) Fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), (iii) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation (please refer also to *controlled wood category 1 – indicators 1.3 / 1.8 / 1.9 / 1.10* for further details), (iv) unsustainable logging practices that result in adverse environmental impacts – e.g. soil erosion, hydrology and water quality impacts, and loss of habitat and biodiversity as well as hunting and fishing.

The majority of deforestation and degradation has occurred within lowland forests. As such, these forests have a high potential for further losses in the near term (Sherman and Bryan, 2010). The largest percentage of deforestation and forest degradation has occurred in the eastern parts of the country (*Southern New Guinea and Southeast Peninsula regions*), in the islands and lowlands of the Bismarck (*Northeastern Islands region*), D’Entrecasteaux Islands (*Trobriand*

*Islands and Southeastern Islands regions). Areas with highlands components to undergo significant deforestation are the *Huon Peninsula and Adelbert region (Northern New Guinea region).**



	Province		Province
1	Central	12	New Ireland
2	Chimbu (Simbu)	13	Northern (Oro Province)
3	Eastern Highlands	14	Bougainville (autonomous region)
4	East New Britain	15	Southern Highlands
5	East Sepik	16	Western Province (Fly)
6	Enga	17	Western Highlands
7	Gulf	18	West New Britain
8	Madang	19	West Sepik (Sandaun)
9	Manus	20	National Capital District
10	Milne Bay	21	Hela
11	Morobe	22	Jiwaka

Table 2: List of Provinces of Papua New Guinea

Figure 2: Map of Provinces of Papua New Guinea (Keith Edkins at en.wikipedia, CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=19628230>, last assessed January 2018)

	Province	Tree cover extent 2010 [Million ha]	Tree cover loss 2001 – 2016 [kha]	Tree cover gain 2001 – 2012 [kha]
16	Western Province	7.33	180	24.6
5	East Sepik	3.10	84.7	15.5
19	West Sepik (Sandaun)	2.81	91.3	9.82
7	Gulf	2.73	38.2	4.23
11	Morobe	2.42	66.2	18.4
8	Madang	2.20	114	25.5
1	Central	2.17	34.6	8.64
13	Northern (Oro Province)	1.76	62.9	15.3
18	West New Britain	1.62	144	45.0
15	Southern Highlands	1.22	15.2	2.29
4	East New Britain	1.22	109	12.7
10	Milne Bay	1.04	54.9	15.2
14	Bougainville	0.73	47.2	8.44

Table 3: Forest cover and trend estimates 2001 – 2016 (tree canopy cover > 30% / Global Forest Watch, 2018)

'Papua New Guinea has a system of customary land tenure, where 97% of the land and virtually all of its forests are owned by local landowner groups (rather than by the state) and are regulated by custom' (CIFOR, 2013).

The country is one of the world's most culturally heterogeneous societies with an estimated 820 language groups (12% of the world's total) and many more tribes and clans. The constitution and other laws provide recognition of and protection for, the rights of Melanesian communities and clans, which make up the majority of the approx. 8.4 million inhabitants (World Population Review, 2018). 'Requirements to consult with customary landowners, and other members of the community, are provided for in key legislation governing land use planning and decision-making. Customary landowners must be consulted and must give their informed consent for any developments on their land (Ase 2011b cited in CIFOR, 2013). A process of social mapping and land investigations must be carried out to identify the true landowners in a project area for the purposes of benefit sharing and landowner participation in the project' (CIFOR, 2013). However, results of the risk assessments for controlled wood categories 1 and 2 indicate widespread implementation and enforcement issues of landowner consent requirements.

Please also refer to results of the risk assessments for controlled wood category 1 – indicators 1.1 / 1.14 / 1.15 – and for controlled wood category 2 – indicator 2.3.

Papua New Guinea's population is one of the most rural as approx. only 18% of its population lives in urban centers, while the great majority lives in customary communities. It is estimated that approx. 40% of the population lives a self-sustainable lifestyle based on farming with little to no access to capital (5th national report to the CBD, 2017). Moreover, approx. 80% of PNG's population is dependent on subsistence agriculture for food and other ecosystem services. A traditional system of shifting cultivation is practiced, whereby patches of forest are cleared and planted as food gardens and then left fallow for long(er) periods during which time forests may regenerate. At very low population densities, gardens remain isolated and revert to forest after cultivation ceases. However, Papua New Guinea's rapid population growth of over 2% per annum has increased pressure(s), which increases the likelihood of adverse impacts on existing ecosystems.

As such and following a precautionary approach, the presence of High Conservation Values V – VI needs to be assumed for any part of the country. For further information please refer to the detailed results of this risk assessment.

Threats to High Conservation Values V – VI from the forestry sector include, but are not limited to: (i) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (ii) Fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), (iii) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of legislation for landowner consent requirements, (iv) unsustainable logging practices that result in adverse environmental impacts – e.g. soil erosion, hydrology and water quality impacts, and loss of habitat and biodiversity as well as hunting and fishing.

Best available data for identification of HCV 1 - 6: The *PNG REDD+ and Forest Monitoring Web-Portal* (<http://png-nfms.org/portal/>) published by the Climate Change Development Authority (CCDA) and Forest Authority (PNGFA) provides best available spatial information. This includes, inter alia, land cover and land use base maps, a forest base map (2012), location of logging concessions, location of protected areas and biodiversity priority areas, etc. *Global Forest Watch* (<http://www.globalforestwatch.org/country/PNG>) provides best available spatial information on the location of Intact Forest Landscapes (IFLs) and forest cover

change dynamics (Figure 2: [Map of Provinces of Papua New Guinea](https://commons.wikimedia.org/w/index.php?curid=19628230) (Keith Edkins at en.wikipedia, CC BY-SA 3.0, <https://commons.wikimedia.org/w/index.php?curid=19628230>, last assessed January 2018)).

Experts consulted

Five experts with local knowledge were consulted, their background varies from HCV protection, forestry industry and policy settings, the personal detailed expertise and profile were kept at FSC PSU.

Risk assessment

Indicator	Sources of Information	HCV occurrence and threat assessment	Functional scale	Risk designation and determination
3.0 Data availability	Please refer to references in the text.	<p>Availability of data on HCV occurrence:</p> <p>The <i>PNG REDD+ and Forest Monitoring Web-Portal</i> (http://png-nfms.org/portal/) published by the Climate Change Development Authority (CCDA) and Forest Authority (PNGFA) provides publicly available, spatial information. This includes, inter alia, land cover and land use base maps, a forest base map (2012), location of logging concessions, location of protected areas and biodiversity priority areas, etc. <i>Global Forest Watch</i> (http://www.globalforestwatch.org/country/PNG) provides publicly available, spatial information on the location of Intact Forest Landscapes (IFLs) and forest cover change dynamics.</p> <p>Formal assessment(s) of HCV categories 1 to 6 at the national and/or regional level do not exist. Nevertheless, a <i>High Conservation Value Forest Toolkit</i> (2005) exists, which provides national interpretations of the HCV categories 1 to 6. 3 FM/COC and 1 CW/FM FSC Certificates exist within the country (as of April 2018) – details can be accessed via the FSC data base (https://info.fsc.org/).</p> <p>According to the <i>5th National report to the CBD</i> (2017), mapping and spatial assessment capacity for biodiversity and other land use planning in PNG are advancing. The PNG BioRap program under Conservation & Environment Protection Authority (CEPA), FIMS mapping under PNG National Forest Authority (PNGFA), and PNGRIS under Department of Agriculture and Livestock (DAL) are spatial planning tools that provide land use planning for forestry and agricultural development purposes.</p> <p>The report further states that ‘during the past two decades biological field surveys have intensified reaching many of the remaining unknown or poorly known parts of Papua New Guinea.’ (5th National Report to the CBD, 2017). Nonetheless, official and spatially correlated data and statistics remain to be published. A Species Information Management System (SIMS) database housed within CEPA seems to exist, but remains to be updated with sections that are publicly available and user friendly (5th National Report to the CBD, 2017).</p> <p>The following references provide a wide array of country profiles, country reports, technical reports, and country websites including information on environmental and social indicators:</p> <ul style="list-style-type: none"> • Secretariat of the Pacific Regional Environment Programme (SPREP) – Country profile Papua New Guinea (http://www.sprep.org/Papua-New-Guinea/pein-papua-new-guinea) • Convention on Biological Diversity – Country profile Papua New Guinea (https://www.cbd.int/countries/?country=pg) • PNG National Agricultural Research Institute (http://www.nari.org.pg/mapping-geographical-information-systems) 	Country	<p>Specified risk threshold are met:</p> <p>(3) Available data are not sufficient for determining HCV presence <u>and</u></p> <p>(4) Available data are not sufficient for assessment of threats caused by forest management activities.</p> <p>Hence, the whole category is</p>

		<ul style="list-style-type: none"> Global Biodiversity Information Forum (GBIF) – Country profile Papua New Guinea (https://www.gbif.org/country/PG/summary) <p>Conclusion on data availability:</p> <p>The <i>PNG REDD+ and Forest Monitoring Web-Portal</i> provides the most recent, comprehensive, and publicly available data for the assessment of HCV occurrence in the country. However, the data is only provided as polygon or point shapes including a legend with classification. Geographic coordinates are not displayed nor are the data layers available for download.</p> <p>The portal is helpful for the identification of HCVs 1 – 6 at the national level, but does not provide data of appropriate quality to determine HCV presence at higher resolutions. National data sets of higher resolution exist, but are not publicly available. The respective authorities need to be contacted directly.</p> <p>The desk review and online research did reveal a wide array of publicly available data / information sources with relevance for determination of HCV presence at the national level. However, data quality is not sufficient to conclude any low risk designations.</p>		'Specified risk'
3.1 HCV 1	Please refer to references in the text.	<p>HCV1 occurrence:</p> <p>The <i>Fifth National Report to the Convention on Biological Diversity</i> (2017) indicates that the country occupies less than 1 percent of the world's landmass but is home to approx. 6 – 7 percent of the world's biodiversity. In addition, it is estimated that approx. 30% of the flora and fauna are endemic to Papua New Guinea and well over 70% are endemic for <i>Papuasia</i> – the SW Pacific region from New Guinea to the Solomon Islands. https://www.cbd.int/doc/world/pg/pg-nr-05-en.pdf</p> <p><i>Conservation International</i> identifies the 'Islands of New Guinea' as part of the <i>East Melanesian Islands Biodiversity Hotspot</i> (https://www.cepf.net/our-work/biodiversity-hotspots/east-melanesian-islands)</p> <p>WWF International identifies the following 6 terrestrial and 2 freshwater <i>Global 200 Ecoregions</i>:</p> <ul style="list-style-type: none"> AA0122 – Southern New Guinea lowland rain forests (status: Critical/Endangered) (https://www.worldwildlife.org/ecoregions/aa0122, last assessed January 2018) AA0116 – Northern New Guinea montane rain forests (status: Critical/Endangered) (https://www.worldwildlife.org/ecoregions/aa0116, last assessed January 2018) Solomons-Vanuatu-Bismarck moist forests (status: Vulnerable) (https://en.wikipedia.org/wiki/East_Melanesian_Islands, last assessed January 2018) 	Natural forests	Specified risk

		<ul style="list-style-type: none"> ○ AA0126 – Vanuatu rain forests (status: Critical/Endangered) (https://www.worldwildlife.org/ecoregions/aa0126, last assessed January 2018) • AA0708 – Northern Australia and Trans-Fly Savannas, Trans Fly savanna and grasslands (status: Relatively Stable/Intact) (https://www.worldwildlife.org/ecoregions/aa0708, last assessed January 2018) • AA0802 – Central Range subalpine grasslands (status: Relatively Stable/Intact) (https://en.wikipedia.org/wiki/New_Guinea_Highlands, last assessed January 2018) • AA1401 – New Guinea Mangroves (status: Critical/Endangered) (https://www.worldwildlife.org/ecoregions/aa1401, last assessed January 2018) • New Guinea rivers and streams (status: Relatively Stable/Intact) (http://clonewwf.wwfdev.org/about_our_earth/ecoregions/newguinea_rivers_streams.cfm , last assessed January 2018) • Lakes Kutubu and Sentani (status: Relatively Stable/Intact) (Indonesia / Papua New Guinea, http://clonewwf.wwfdev.org/about_our_earth/ecoregions/kutubu_sentani_lakes.cfm, last assessed January 2018) <p>The PNG REDD+ and Forest Monitoring Web-Portal (http://png-nfms.org/portal/) provides spatial information on existing protected areas, planned protected areas, and biodiversity priority areas. In addition, <i>Global Forest Watch</i> provides spatial information on Birdlife Endemic Bird Areas and biodiversity hotspots.</p> <p>According to the <i>High Conservation Value Forest Toolkit – A national guide for identifying, managing, and monitoring High Conservation Value Forest</i> (2005), ‘the high diversity and very variable conservation context and land use patterns of different regions in Papua New Guinea makes the development of nationally relevant definitions and lists for High Conservation Value I very difficult. https://www.hcvnetwork.org/resources/national-hcv-interpretations/hcvf%20toolkit_first%20edition.pdf</p> <p>Nevertheless, the HCV toolkit identifies four HCV 1 sub-categories.</p> <p>HCV1.1 Protected areas</p> <p>According to the <i>Conservation Environment Protection Authority</i> (CEPA, 2014), approx. 4% of the land area is under protection, distributed over a network of 57 protected areas that covers a total area of approx. 2.3 Million ha.</p>		
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	<p>The PNG REDD+ and Forest Monitoring Web-Portal (http://png-nfms.org/portal/) provides spatial information on existing protected areas, planned protected areas, and biodiversity priority areas. In addition, <i>Global Forest Watch</i> provides spatial information on Birdlife Endemic Bird Areas and biodiversity hotspots.</p> <p>Due care has to be taken when drawing conclusions about the effectiveness of the protected area system, as protected areas and logging concessions may overlap and/or share direct boundaries. For instance, when doing an overlay of protected areas and logging concessions for the province East Sepik (<i>Northern New Guinea and Central Range regions</i>), one can easily identify significant, direct overlap.</p> <p>Up-to-date information on status and effectiveness of the protected area system and on single protected areas is scarce. In general, the majority of protected areas are classified as Wildlife management Areas (WMA) – i.e. 32 WMAs which amount to approx. 1.4 Million ha (58% of protected areas) – which offer a low level of protection, 'because key legislation does not provide effective powers for the gov't to enforce appropriate management of these areas, or even to prevent them being used for exploitative purposes such as mining or commercial forestry (CEPA, 2014).</p> <p>Key findings of a field survey <i>Assessment of management effectiveness for PNG's protected areas</i> (Leverington <i>et al.</i>, 2017) include for most protected areas that customary landowners:</p> <ul style="list-style-type: none"> • Appreciate the role of protected areas as places where nature and culture are relatively intact, however, that they have little idea why the protected area exists or what it means. • Perceive a close relationship between nature, culture, and livelihoods. Animals and plants are respected for their own value, but more often as important resources for food, medicines, building material and cultural practices. There is no real separation between values for biodiversity, culture and human well-being. <p>An informal system of customary protected areas and protective measures outside of the formally recognized protected area system remains in many parts of the country, but further information is very difficult to identify.</p> <p>As such, this risk assessment concludes that there is specified risk that timber harvested in protected areas might enter the supply chain.</p> <p>HCV 1.2 Threatened and endangered species</p> <p>According to the HCV toolkit, 'the island of New Guinea and satellite islands are well-known centers for high levels of endemism. Many species are confined to limited distribution ranges. Because of this, and due to human-made habitat alterations, many of these species are considered <i>Endangered</i> (En) or <i>Critically Endangered</i> (Cr) or are so rare that they are considered <i>Data Deficient</i> (DD) according to the IUCN Red List (www.redlist.org).</p>		
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	<p>The 5th National Report to the CBD (2017) states that ‘the IUCN Red List of 2008 indicates an estimated number of all species described including plant, animal taxa of 26,381 with number assessed to be 2,316. Among the taxa that are well assessed are birds, mammals and amphibians at 100% followed by reptiles, fishes, plants and invertebrates.’</p> <p>‘Mammals have been assessed under the <i>Global Mammal Assessment</i> and likewise frogs under the <i>Global Amphibian Assessment</i> and all birds have been assessed. However the gaps in taxonomic group assessment are plants, reptiles, reef fish and mollusks [...]. Invertebrates are a very large group that also have estimates of a large number of still undescribed species.’</p> <p>‘PNG mammal endemics are the most threatened as per the IUCN red list, of the taxa assessed, followed by birds and amphibians. In 2014, the total animal species threatened were 319 and plant species 133.’</p> <p>According to the IUCN Red List (2014), a total of 448 species were listed as Threatened. Of these 39 were mammals, 39 birds, 11 amphibians, 11 reptiles, 49 fishes, 2 mollusks, 149 invertebrates and 151 plants.</p> <p>‘By comparison with other tropical forests of the world, PNG’s forests are largely absent of large game animals. The forests of PNG host only several large-bodied marsupials whose average biomass is just around 20 kg. Hunting efforts are therefore expanded to cover a wide range of species, from birds with biomass of less 100g to the tree kangaroo with an average biomass of 15 kg.’</p> <p>Marsupials comprise about half of the assemblage of Endangered and Critically Endangered PNG mammals. Because many of them are relatively large, they are important sources of bush meat and threatened with over-hunting particularly in the Central Highlands region of the country, a hotspot for restricted-range endemic mammals. The twin effects of forest loss and over-hunting has already caused the localized extinction of relatively widespread species such as the eastern long-beaked echidna, (<i>Zaglossus bartoni</i>) and Goodfellow’s tree kangaroo (<i>Dendrolagus goodfellowi</i>).</p> <p>Eleven species of terrestrial mammals are listed as Critically Endangered (CR) and include a monotreme, <i>Zaglossus bartoni</i>, 6 species of marsupials - <i>Spilocuscus rufoniger</i>, <i>Phalanger matanim</i>, <i>Petaurus abidi</i>, <i>Dorcopsis atrata</i>, <i>Dendrolagus scottae</i> and <i>D.pulcherrimus</i> - a murid, <i>Solomys ponceleti</i>, and three species of bats - <i>Pharotis Imogene</i>, <i>Aproteles bulmerae</i> and <i>Pteralopex flanneryi</i>.</p> <p>The Endangered (EN) mammals include 9 species of marsupials - <i>Thylogale lanatus</i>, <i>T.calabyi</i>, <i>Phalanger lullulae</i>, <i>Echymipera davidi</i>, <i>Peroryctes broadbenti</i>, <i>Dendrolagus notatus</i>, <i>D.matschiei</i>, <i>D.goodfellowi</i> and <i>Dactylopsila tatei</i> - and four species of rodents - <i>Paramelomys gressitti</i>, <i>Paraleptomys rufilatus</i>, <i>Melomys matambuai</i>, <i>Solomys salebrosus</i> - and the Bougainville monkey-faced bat <i>Pteralopex anceps</i>.</p> <p>The remaining 14 species of mammals listed as Vulnerable (VU) on the IUCN Red List are a mix of relatively widespread but uncommon species and narrow-range endemics.</p>		
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'A total of 39 species of birds are also listed as Threatened in PNG, of which 34 are considered as Vulnerable, four as Endangered and one as Critically Endangered. The single critically endangered species is a seabird, *Pseudobulweria becki* known from PNG-Solomon Islands area, now locally common in the sea between New Britain and New Ireland (Allison and Tallowin,2015). Four species considered to be endangered include *Otidiphaps insularis*, *Pitta superba*, *Actenoides bougainvillei* and *Aplonis brunneicapillus*. The latter two, a kingfisher and a starling are restricted to the Bougainville island group, while *O.insularis* is restricted to the Fergusson Island in the D'Entrecasteaux group in Milne Bay Province. The superb pitta (*P.superba*) is restricted to the Manus island group. The remaining 34 species listed as Vulnerable are still represented by reasonably large population in PNG ,with some facing extreme pressure from over-hunting, e.g. two species of cassowary (*Casuarius casuarius* and *C.unappendiculatus*), the Vulturine Parrot (*Psittichus fulgidus*), a number of large raptors and a large number endemics from the Bismarck Archipelago.'

'In this reporting period one species of Bird of Paradise, the Goldie's found on two satellite islands of PNG has been upgraded to Vulnerable due to loss and fragmentation of its habitat from subsistence farming, commercial logging and mineral exploration within its habitat. The Vulturine Parrot with a patchy distribution in the foothills across the Island of New Guinea has also been upgraded to Vulnerable (Table 4).'

For further details please refer to the 5th National Report to the CBD (2017) – Chapter 2.1.2 Species Status. <https://www.cbd.int/doc/world/pg/pg-nr-05-en.pdf>

HCV 1.3 Concentrations of endemic species

For further details please refer to the 5th National Report to the CBD (2017) – Chapter Terrestrial Vertebrate Diversity. <https://www.cbd.int/doc/world/pg/pg-nr-05-en.pdf>

The report contains species richness maps and detailed descriptions of distribution patterns for amphibians, birds, mammals, and reptiles. Further references are provided. The maps as such are not publicly available. For further inquiries the national focal points listed under the CBD – PNG country profile (<https://www.cbd.int/countries/?country=pg>) should be contacted.

HCV 1.4 Critical temporal use

According to the HCV toolkit, 'those areas that are critical for temporal use by animals, where these concentrate seasonally as part of their life cycle, should be considered HCV 1.4'. This includes all mangrove forests, high and low-water refuges in woodlands and wetlands.

As such, all mangrove forests are considered HCV 1.4, because these ecosystems act as spawning sites for many economically important fish species. High – and low-water refuges (woodlands) in the Trans-Fly are considered HCV 1.4 because these offer refuge to many water-dependent species at different times of the year.

		<p>The PNG REDD+ and Forest Monitoring Web-Portal (http://png-nfms.org/portal/) provides a forest base map (2012) that includes location of mangrove forests.</p> <p>Overview of threats to HCV1:</p> <p>Threats from the forestry sector include, but are not limited to:</p> <ul style="list-style-type: none"> (i) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (ii) fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), (iii) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation (please refer also to <i>controlled wood category 1 – overview, Indicators 1.3 / 1.4 / 1.8 / 1.9 / 1.10 / 1.20</i> for further details), (iv) unsustainable harvesting of timber products and non-timber forest products as well as hunting and fishing. 		
3.2 HCV 2	Please refer to references in the text.	<p>HCV2 occurrence:</p> <p>Papua New Guinea's forests are globally significant as 'they cover more than two-thirds of the country's land mass, and, together with forests in the neighboring Indonesian province of Papua, comprise the third largest tract of intact tropical forest in the world, after the Amazon and Congo Basins' (CIFOR, 2010). Moreover, it is estimated that the country is in an 'early phase' of forest transition (CIFOR, 2013), which means that 'while the country retains significant forest cover there is a considerable threat of deforestation'.</p> <p>'Intact Forest Landscapes (IFLs) are seamless mosaics of forests and associated natural treeless ecosystems that exhibit no remotely detected signs of human activity or habitat fragmentation and are large enough to maintain all native biological diversity, including viable populations of wide-ranging species' – i.e. have a minimum extent of 500 km² and a minimum width of 10 km (http://www.intactforests.org/ , Potapov <i>et al.</i>, 2017, http://advances.sciencemag.org/content/3/1/e1600821.full).</p> <p>According to the <i>Global Forest Watch</i> database (http://www.globalforestwatch.org/country/PNG), approx 11.0 Million ha or equal to 31.7% of Papua New Guinea's forest estate is classified as Intact Forest Landscapes (IFLs). The country is among the top 20 countries in the world in terms of IFL area extent (Potapov <i>et al.</i>, 2017).</p>	Natural forest	Specified risk

	<p>Intact Forest Landscapes (IFLs) are not as such included in the national system of protected areas (Potapov <i>et al.</i>, 2017). Consequently, approx. 15% of Intact Forest Landscapes (IFLs) have been converted to other forms of land use or have been degraded during the period 2000 – 2013.</p> <p>The <i>Global Forest Watch</i> database (http://www.globalforestwatch.org/country/PNG) provides spatial information on the distribution of Intact Forest Landscapes (IFLs). The <i>PNG REDD+ and Forest Monitoring Web-Portal</i> (http://png-nfms.org/portal/) provides spatial information on logging concessions, logging roads (2015), human settlements (2000 / 2011), roads, etc.</p> <p>The national HCV toolkit (2005) provides further criteria for the classification of HCV 2. These include:</p> <ul style="list-style-type: none"> (i) On satellite islands, contiguous forest blocks around protected areas that can potentially become protected areas extending beyond 20% of the total island forest cover are considered HCV 2. (ii) On both mainland and satellite islands, areas that represent significant contribution to large landscape-level forests through connectivity for ecological and ecosystem processes are considered HCV 2 including mangroves and mangrove swamp forests. <p>The location of mangrove forests can be estimated in the <i>PNG REDD+ and Forest Monitoring Web-Portal</i> via the forest base map (2012).</p> <ul style="list-style-type: none"> (iii) On both mainland and satellite islands, the presence of 5 – 10 breeding pairs of an umbrella species render associated forest areas HCV 2. The Appendix 4 of the HCV toolkit provides a list of recognized species. <p>At present, there is no data available for the identification of (i) and (iii).</p> <p>In addition, the national HCV toolkit (2005) provides recommendations for regions / areas where appending new protected areas to existing ones would enhance conservation of forest types (please refer to chapter HCV 2, pp. 15 and 16).</p> <p>Overview of threats to HCV2:</p> <p>Threats from the forestry sector include, but are not limited to:</p> <ul style="list-style-type: none"> (iv) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (v) fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), 	
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		<p>(vi) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation (please refer also to <i>controlled wood category 1 – overview, Indicators 1.3 / 1.4 / 1.8 / 1.9 / 1.10 / 1.20</i> for further details),</p> <p>unsustainable harvesting of timber products and non-timber forest products as well as hunting and fishing.</p>		
3.3 HCV 3	Please refer to references in the text.	<p>HCV3 occurrence:</p> <p>According to the national HCV toolkit (2005), the following forest types are of high concern, and as such are identified as HCV 3:</p> <ul style="list-style-type: none"> • Lowland forests on satellite islands, • mangroves, • swamp forests (Sepik plains, Gulf deltas, and Fly river delta swamps), • lower montane forests, • Araucaria forests, • Eucalyptus deglupta forests, • Terminalia brassii forests, • Castanopsis forests, • Nothofagus forests, • Forests on karst or ultrabasic soils (that do not or hardly promote regeneration), • Forests that do not regenerate sufficiently after logging and where regeneration management and/or silvicultural measures cannot be applied in consultation with PNGFA and CEPA, <p>According to the HCV toolkit, ‘some of the most threatened ecosystems in Papua new Guinea are island ecosystems, including satellite islands and ecosystems on mountain tops. Forest types found on particular substrate are notable for possessing high levels of endemism, such as karst forest and ultrabasic soil forests.’</p>	Natural forest	Specified risk

Some of the nationally protected areas are directly useful for the determination of HCV 3 – e.g. Ramsar sites. Recognized wetlands of international importance include Lake Kutubu and Tonda Wildlife Management Area (https://rsis.ramsar.org/sites/default/files/rsiswp_search/exports/Ramsar-Sites-annotated-summary-Papua-New-Guinea.pdf?1521171240).

Due care has to be taken when drawing conclusions about the effectiveness of the protected area system, as protected areas and logging concessions may overlap and/or share direct boundaries. This can be accessed via the *PNG REDD+ and Forest Monitoring Web-Portal* (<http://png-nfms.org/portal/>) – e.g. for the province East Sepik (*Northern New Guinea and Central Range regions*). When doing an overlay of protected areas and logging concessions for this region, one can easily identify direct overlap.

According to the report *The Context of REDD+ in PNG* (CIFOR, 2013), 'There are 33 species of mangrove trees known from Papua New Guinea. This flora, which includes 16 genera and 13 families of plants, constitutes the highest mangrove diversity in the world. The south coast mangrove, which in area comprise about 2/3 of the country's total, are composed of 31 species. Seven of these, *Aegialitis annulata*, *Bruguiera exaristata*, *Osbornia octodonta*, *Avicennia officalis*, *Sonneratia ovata*, *S. lanceolata* and *Camptostemon schultzei* occur only on the south coast. Two species, *Avicennia alba* and *Sonneratia caseolaris* occur only on the north coast. The remaining 23 species occur along both coasts (Ellison, 1997).'

WWF International identifies the following 6 terrestrial and 2 freshwater *Global 200 Ecoregions*:

- AA0122 – Southern New Guinea lowland rain forests (**status: Critical/Endangered**) (<https://www.worldwildlife.org/ecoregions/aa0122>, last assessed January 2018)
- AA0116 – Northern New Guinea montane rain forests (**status: Critical/Endangered**) (<https://www.worldwildlife.org/ecoregions/aa0116>, last assessed January 2018)
- Solomons-Vanuatu-Bismarck moist forests (**status: Vulnerable**) (https://en.wikipedia.org/wiki/East_Melanesian_Islands, last assessed January 2018)
 - AA0126 – Vanuatu rain forests (**status: Critical/Endangered**) (<https://www.worldwildlife.org/ecoregions/aa0126>, last assessed January 2018)
- AA0708 – Northern Australia and Trans-Fly Savannas, Trans Fly savanna and grasslands (**status: Relatively Stable/Intact**) (<https://www.worldwildlife.org/ecoregions/aa0708>, last assessed January 2018)
- AA0802 – Central Range subalpine grasslands (**status: Relatively Stable/Intact**) (https://en.wikipedia.org/wiki/New_Guinea_Highlands, last assessed January 2018)

		<ul style="list-style-type: none"> • AA1401 – New Guinea Mangroves (status: Critical/Endangered) (https://www.worldwildlife.org/ecoregions/aa1401, last assessed January 2018) • New Guinea rivers and streams (status: Relatively Stable/Intact) (http://clonewwf.wwfdev.org/about_our_earth/ecoregions/newguinea_rivers_streams.cfm , last assessed January 2018) • Lakes Kutubu and Sentani (status: Relatively Stable/Intact) (Indonesia / Papua New Guinea, http://clonewwf.wwfdev.org/about_our_earth/ecoregions/kutubu_sentani_lakes.cfm, last assessed January 2018) <p>Overview of threats to HCV3:</p> <p>Threats from the forestry sector include, but are not limited to:</p> <ul style="list-style-type: none"> (i) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (ii) fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), (iii) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation (please refer also to <i>controlled wood category 1 – overview, Indicators 1.3 / 1.4 / 1.8 / 1.9 / 1.10 / 1.20</i> for further details), <p>unsustainable harvesting of timber products and non-timber forest products as well as hunting and fishing.</p>		
3.4 HCV 4	Please refer to references in the text.	<p>HCV4 occurrence:</p> <p>The HCV toolkit identifies three HCV 4 sub-categories.</p> <p>HCV 4.1 Forest critical to water catchments</p> <p>Forests critical to water catchments are defined as forests that:</p> <ul style="list-style-type: none"> • Provide critical water supplies for urban areas which are defined by established catchment plans (Waterboard, PNG Power, etc.), • have catchments as identified by Wetlands (Ramsar) Convention, 	National forests	Specified risk

	<ul style="list-style-type: none"> • provide rural communities with class 2 stream according to the <i>Logging Code of Practice</i> (http://www.fiapng.com/PDFfiles/PNG%20LOG%20CODE%20OF%20PRACTICE.pdf), including all water bodies and water courses, • are within designated Water Control Districts, • provide water for energy / electricity sources. <p>This includes, but is not limited to the following water catchments:</p> <ul style="list-style-type: none"> • Latoki water catchment (urban / hydro and water supply), • Fly river water catchment (rural / irrigation, navigation, transport, tourism, fishing), • Sepik water catchment (rural / irrigation, tourism, fishing), • Markham-Ramu (urban / hydro), • Purari (rural / reference function due to no or little development), • All urban water supply catchment areas and their tributaries, • All Water Control Districts identified under the Environment Act 2000 (section 95 div v), • Water permit areas as identified under the Environment Act 2000 (section 82 div 1 part vii). <p>The HCV toolkit provides a list of Water Control Districts in its Appendix 5.</p> <p>The <i>PNG REDD+ and Forest Monitoring Web-Portal</i> (http://png-nfms.org/portal/) provides spatial information on administrative boundaries including at the district level.</p> <p>HCV 4.2 Forest critical to erosion control</p> <p>Any forest on a cut-off slope of 30 degrees or more needs to be considered as HCV 4.2 as is described in the <i>Logging Code of Practice</i> (http://www.fiapng.com/PDF_files/PNG%20LOG%20CODE%20OF%20PRACTICE.pdf).</p> <p>‘While it is advisable to develop a separate more conservative slope class according to erosion potential, the necessary information – relief, soil structure, seismic activity – is not easily available to forest managers or at a scale relevant to forest management plans.’ (HCV toolkit, 2005).</p> <p>HCV 4.3 Forests providing barriers to destructive fire</p> <p>‘This element is not intended to include forests where fire is a natural or normal part of forest ecosystem process. Rather, it will include those few forests that provide natural barriers to fire where uncontrolled spread of fire could pose a serious risk to human life and property, economic activity or to threatened ecosystems or species.’ (national HCV toolkit, 2005).</p> <p>This includes any forest area that provides protection from fire to:</p>		
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		<ul style="list-style-type: none"> • Forests declared protected according to the Forestry Act (Division 3. Section 52. Subsection 1 and 2), Fauna (Protection and Control) Act, National Park Act, Conservation Area Act, • forest susceptible to fire (Monsoon and Savanna Forests, Swamp and Peat Forests), plantations (as well as green breaks). <p>Further information was not available by the time of writing this assessment (April, 2018).</p> <p>Overview of threats to HCV4:</p> <p>Threats from the forestry sector include, but are not limited to:</p> <ul style="list-style-type: none"> (i) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (ii) fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), (iii) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation (please refer also to <i>controlled wood category 1 – overview, Indicators 1.3 / 1.4 / 1.8 / 1.9 / 1.10 / 1.20</i> for further details), <p>unsustainable harvesting of timber products and non-timber forest products as well as hunting and fishing.</p>		
3.5 HCV 5	Please refer to references in the text.	<p>HCV5 occurrence:</p> <p>According to the national HCV toolkit (2005), 'this value is designed to protect the basic subsistence and security of local communities that are derived from forests - not only for "forest-dependent communities", but also for any communities that get substantial and irreplaceable amounts of income, food or other benefits from the forest.'</p> <p>The following criteria are classified as HCV 5:</p> <ul style="list-style-type: none"> (i) In case the community derives > 50% of their needs for water, building materials, food, medicine, firewood, craft materials, cash NTFP's, cultural materials from the forest, the corresponding forest areas are HCV 5 for this particular need. (ii) Any forest areas of cultural and heritage significance (ples tambu), or historical sites within the forest are HCV 5 (or HCV 6). (iii) Any forest areas identified as important and incorporated into the property list of an <i>Incorporated Land Group</i> are HCV 5 (or HCV 6). 	Natural forests	Specified risk

According to the 5th national report to the CBD (2017), the custodianship of the environment for much of PNG lies with the landowners and those with user rights. This has led to the creation of mosaic landscapes of preservation, sustainable use, exploitation and degradation, spatially and/or temporally. For areas of the highlands agriculture has been practiced continually for over 8,000 years defining an anthropogenic landscape whilst many coastal areas have been inhabited for 3,000 years or less. Over these many generations localized environmental use and management has evolved to what it is today.

Papua New Guinea is a dual economy comprising a formal public- and corporate sector and largely informal subsistence farming based rural population that accommodates 80% of population, whose livelihoods depends on the goods and services provided by their environment. Their environment is the foundation for provisioning of services that include among others; food, water, fuel, materials and medicines, regulating services of climate and water, cultural services of sense of place and supporting services such as soil formation. Although many rural communities are cash poor they are rich in environmental capital. Many use this environmental capital to support the development of their social capital.

However, with a National Free Education Policy in place since 2011 and free health care delivery from 2014 this has helped to take pressure off of exploitation of the natural environment previously used to generate income to pay for these social services. Nonetheless environmental capital, both natural and agricultural is a major driver of socio-economic status of rural Papua New Guinea

Papua New Guinea is characterized by high cultural and linguistic diversity, a constitutionally-guaranteed customary land ownership and resource tenure, a land of diversity of sorts, which supports a growing population, 90% of which live on customary land whose livelihoods depend on the retention of traditional belief systems and resource management practices.

The PNG REDD+ and Forest Monitoring Web-Portal (<http://png-nfms.org/portal/>) provides spatial information on human settlements (2000 / 2011), land use / land use change, and a TerraPNG basemap that includes a land classification system, etc.

However, location of HCV5 with any degree of accuracy is not possible within the scope of this risk assessment and with the data quality available.

Overview of threats to HCV5:

Threats from the forestry sector include, but are not limited to:

- (iv) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs),

		<p>(v) fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests),</p> <p>(vi) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation,</p> <p>(vii) please refer to threats listed under CW Category 1 – Indicator 1.13 customary rights / 1.14 FPIC / 1.15 IP’s rights,</p> <p>(viii) please refer to threats listed under CW Category 2 – Indicator 2.3 (specified risk thresholds 23, 24, 25, and 26).</p>		
3.6 HCV 6	<p>Please refer to references in the text.</p>	<p>HCV6 occurrence:</p> <p>According to the national HCV toolkit (2005), ‘this value is designed to protect the basic subsistence and security of local communities that are derived from forests - not only for "forest-dependent communities", but also for any communities that get substantial and irreplaceable amounts of income, food or other benefits from the forest.’</p> <p>The following criteria are classified as HCV 6:</p> <ul style="list-style-type: none"> • Any forest areas of cultural and heritage significance (ples tambu), or historical sites within the forest are HCV 6 (or HCV 5). • Any forest areas identified as important and incorporated into the property list of an <i>Incorporated Land Group</i> are HCV 6 (or HCV 5). <p>According to the <i>5th national report to the CBD (2017)</i>, ‘Papua New Guinea is a culturally diverse community that has a traditional classification and nomenclature system for the biodiversity that its communities and their ancestors have depended upon for survival. The key determinants are totemic value, conspicuousness to the human eye, and utilitarian value. The greater the utilitarian value, the more fine-scale classification. A globally threatened reptile will not be identifiable in local eyes from the dozen or more other species on their land. A totemic freshwater crocodile, on the other hand, will be readily identifiable and have existing local value to a particular tribe or clan. Totemic value can be very important, as members of the clan believed to descend from the totem may not kill or eat the totemic animal. For this reason, any consideration for biological diversity or protected area prioritization must take into account general patterns of human perceptions of biodiversity in PNG cultural context if conservation or resource development efforts are to have any meaning at all to the land-owning tribes and clans in rural Papua New Guinea.’</p>	Natural forests	Specified risk

	<p>'Papua New Guinea is a land endowed with a diversity of cultures, whose people speak equally diverse living languages that number over 800. These languages and traditions of each community and of each culture are strongly influenced by the local environment, its ecosystems and species. Each language and culture is both shaped by the environment and describes it. Peoples' identity and customs are linked to the place from where they come from and/or by where they live. The natural environment therefore has a strong influence on the majority of Papua New Guineans who live within and rely upon it to maintain their way of life and standard of living.'</p> <p>The <i>PNG REDD+ and Forest Monitoring Web-Portal</i> (http://png-nfms.org/portal/) provides spatial information on human settlements (2000 / 2011), land use / land use change, and a TerraPNG basemap that includes a land classification system, etc.</p> <p>However, location of HCV6 with any degree of accuracy is not possible within the scope of this risk assessment and with the data quality available.</p> <p>Overview of threats to HCV6:</p> <p>Threats from the forestry sector include, but are not limited to:</p> <ul style="list-style-type: none"> (i) Forest conversion / deforestation in the context of Special Purpose Agricultural Business Leases (SABLs), (ii) fragmentation and degradation of forest resources due to industrial logging operations (including logging in Intact Forest Landscapes and/or primary forests), (iii) malpractice, corruption, political interference, inadequate monitoring and poor enforcement of forest and environmental legislation, (iv) please refer to threats listed under CW Category 1 – Indicator 1.13 customary rights / 1.14 FPIC / 1.15 IP's rights, (v) please refer to threats listed under CW Category 2 – Indicator 2.3 (specified risk thresholds 23, 24, 25, and 26). 	
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Recommended control measures

Indicator	Recommended control measures
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3.0	<p>In relation to the non-availability of reliable, user friendly data sources for determination of HCV presence and assessment of threats caused by forest management activities, the following control measures are recommended:</p> <ul style="list-style-type: none"> • Source controlled materials from forest areas that have been certified according to the <i>FSC-STD-30-010 (V2-0) FSC Controlled Wood Standard for Forest Management Enterprises</i>. • Source materials from forest areas for which monitoring and verification programs are implemented at field level (i.e. for all relevant environmental and social attributes), including fulfilment of consultation requirements in the context of <i>Free, Prior and Informed Consent (FPIC)</i>. • Consult international, national, or local experts, or any combination of the three, on relevant matters in relation to High Conservation Values 1 – 6 and during assessment, management, and monitoring phases. This should be done in relation to the ‘Common Guidance’ documents provided by the <i>High Conservation Value Resource Network (HCVRN)</i>, https://www.hcvnetwork.org/resources/folder.2006-09-29.6584228415. • Large-scale and high-intensity forest management operations perform baseline surveys / assessments in regard to the presence of HCV 1 – 6 that are conducted by international or national experts that are licensed according to the <i>HCV assessor licensing scheme</i> (Please refer to the HCV Resource Network for further details, https://www.hcvnetwork.org/als/home)
3.1 HCV 1	Please refer to recommended control measures under Indicator 3.0
3.2 HCV 2	Please refer to recommended control measures under Indicator 3.0
3.3 HCV 3	Please refer to recommended control measures under Indicator 3.0
3.4 HCV 4	Please refer to recommended control measures under Indicator 3.0
3.5 HCV 5	<p>In addition to the recommended control measures under Indicator 3.0, the following control measures are recommended based on the risk assessment for <i>Controlled Wood category 2 – Indicator 2.3</i>:</p> <ul style="list-style-type: none"> • Demonstrate clear and unchallenged evidence that forest operations neither take place on sites nor negatively affect resources that are fundamental for satisfying the basic necessities (e.g. for livelihoods, health, nutrition, water, etc.) of local communities or indigenous peoples, OR, • Demonstrate clear and unchallenged evidence that forest operations take place with continuous engagement of local communities or indigenous peoples, including an (FPIC) agreement after a fair, transparent, cultural appropriate and inclusive procedure, OR, • Demonstrate clear and unchallenged evidence that a forest operation is managed by the governance structures of local communities or indigenous peoples with customary and/or legal rights.
3.6 HCV 6	<p>In addition to the recommended control measures under Indicator 3.0, the following control measures are recommended based on the risk assessment for <i>Controlled Wood category 2 – Indicator 2.3</i>:</p>

	<ul style="list-style-type: none"> • Demonstrate clear and unchallenged evidence that forest operations neither take place on sites nor negatively affect resources that are fundamental for satisfying the basic necessities (e.g. for livelihoods, health, nutrition, water, etc.) of local communities or indigenous peoples, OR, • Demonstrate clear and unchallenged evidence that forest operations take place with continuous engagement of local communities or indigenous peoples, including an (FPIC) agreement after a fair, transparent, cultural appropriate and inclusive procedure, OR, • Demonstrate clear and unchallenged evidence that a forest operation is managed by the governance structures of local communities or indigenous peoples with customary and/or legal rights.
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Information sources

No.	Source of information	Relevant HCV category and indicator
01	ACIAR, 2011, Forestry in Papua New Guinea – A review of ACIAR’s program, http://aciar.gov.au/files/node/13939/forestry_in_papua_new_guinea_a_review_of_aciar_40462.pdf (last assessed in April 2018)	HCV 1 - 6
02	Assessing the management effectiveness of Papua New Guinea’s protected areas using WWF’s RAPPAM methodology, 2006, http://www.sprep.org/attachments/VirLib/PNG/assessing-management-effectiveness-png-protected-areas-2006.pdf (last assessed February 2018)	HCV 1 - 6
03	Bryan, J., Shearman, P.L., Ash, J., and Kirkpatrick, J.B., (2010). Estimating rainforest biomass stocks and carbon loss from deforestation and degradation in Papua New Guinea 1972-2002: best estimates, uncertainties and research needs. Journal of Environmental Management. 19, 995-1001, https://www.sciencedirect.com/science/article/pii/S0301479709004034?via%3Dihub (last assessed March 2018)	HCV 1 - 6
04	Chamber of Commerce & Industry, 2013, The PNG Investor’s Manual – A handbook for investing and doing business in Papua New Guinea, https://issuu.com/businessadvantage/docs/png_investorsmanual_3rdend (last assessed in April 2018)	HCV 1 - 6
05	Chatham House, 2014, Illegal logging in Papua New Guinea, https://indicators.chathamhouse.org/sites/files/reports/20140400_LoggingPapuaNewGuineaLawson.pdf (last assessed in April 2018)	HCV 1 - 6

06	Convention on Biological Diversity, Country Profile Papua New Guinea, https://www.cbd.int/countries/profile/default.shtml?country=pg (last assessed February 2018)	HCV 1 - 6
07	Papua New Guinea Biodiversity Strategy and Action Plan, 2007, https://www.cbd.int/doc/world/pg/pg-nbsap-01-en.pdf (last assessed in February 2018)	HCV 1 - 6
08	Fourth National Report to the Convention on Biological Diversity, 2010, https://www.cbd.int/doc/world/pg/pg-nr-04-en.pdf (last assessed in February 2018)	HCV 1 - 6
09	Fifth National Report to the Convention on Biological Diversity, 2017, https://www.cbd.int/doc/world/pg/pg-nr-05-en.pdf (last assessed in March 2018)	HCV 1 - 6
10	Conservation International, East Melanesian Islands Biodiversity Hotspot, https://www.cepf.net/our-work/biodiversity-hotspots/east-melanesian-islands (last assessed in February 2018)	HCV 1, 3
11	CIFOR, 2013, The Context of REDD+ in Papua New Guinea – Drivers, agents and institutions, https://www.cifor.org/library/4153/the-context-of-redd-in-papua-new-guinea-drivers-agents-and-institutions/ (last assessed February 2018)	HCV 1 - 6
12	Forest Legality Initiative – Country profile PNG, 2013, http://www.forestlegality.org/risk-tool/country/papua-new-guinea (last assessed in April 2018)	HCV 1 - 6
13	FAO, 2015, Global Forest Resources Assessment 2015 – Desk reference, http://www.fao.org/3/a-i4808e.pdf (last assessed in February 2018)	HCV 1 - 6
14	Global Biodiversity Information Forum (GBIF) – Country profile Papua New Guinea (https://www.gbif.org/country/PG/summary)	HCV 1, 3
15	Global Forest Watch, Papua New Guinea – Country profile, http://www.globalforestwatch.org/country/PNG (last assessed in February 2018)	HCV 1 - 6

16	High Conservation Value Toolkit – A national guide for identifying, managing and monitoring High Conservation Value Forest, First Edition, November 2005	HCV 1 - 6
17	High Conservation Value Resource Network (HCVRN), https://www.hcvnetwork.org/ last assessed March 2018, 'Common Guidance' documents https://www.hcvnetwork.org/resources/folder.2006-09-29.6584228415 last assessed March 2018	HCV 1 - 6
18	Independent State of Papua New Guinea, 2014, Papua New Guinea Policy on Protected Areas, Conservation & Environment Protection Authority (CEPA), http://www.pg.undp.org/content/dam/papua_new_guinea/docs/environment%20and%20energy/DEC%20signed%20PNG%20Protected%20Areas%20Policy-lowrespgs.pdf (last assessed March 2018)	HCV 1 - 6
19	Intact Forest Landscapes (IFL), http://intactforests.org (last assessed March 2018)	HCV 2
20	IUCN, 2009, Papua new Guinea – Summary of species on the 2008 IUCN Red List, http://cmsdata.iucn.org/downloads/the_pacific_islands_an_analysis_of_the_status_of_species_as_listed_on_the_2008_iucn_r.pdf (last assessed February 2018)	HCV 1
21	Fiona Leverington, Ann Peterson and Gregory Peterson with Warren Jano, James Sabi and Amanda Wheatley (2017), Assessment of management effectiveness for Papua New Guinea's protected areas 2017. Final Report. SPREP, Apia, Samoa. http://protectedareas.com.au/wp-content/uploads/2018/03/PNGPA-final-130318-lo.pdf (last assessed in April 2018)	HCV 1 - 6
22	Papua New Guinea Logging Code of Practice http://www.fiapng.com/PDF_files/PNG%20LOG_%20CODE%20OF%20PRACTICE.pdf (last assessed March 2018)	HCV 1 - 6
23	Papua New Guinea Forest Authority, 2013, Draft National Forest Plan, https://pngexposed.files.wordpress.com/2013/01/draft-nfp.pdf	HCV 1 - 6
24	PNG National Agricultural Research Institute (http://www.nari.org.pg/mapping-geographical-information-systems)	HCV 1 - 6

25	Papua New Guinea Policy on Protected Areas, 2014 (http://www.pg.undp.org/content/dam/papua_new_guinea/docs/environment%20and%20energy/DEC%20signed%20PNG%20Protected%20Areas%20Policy-lowrespgs.pdf , last assessed in April 2018)	HCV 1 - 6
26	PNG REDD+ and Forest Monitoring Web-Portal, http://png-nfms.org/portal/ , last assessed March 2018	HCV 1 - 6
27	Potapov <i>et al.</i> , 2017, The last frontiers of wilderness: Tracking loss of intact forest landscapes from 2000 to 2013, http://advances.sciencemag.org/content/3/1/e1600821.full (last assessed in March 2018)	HCV 2
28	Ramsar sites Papua New Guinea, Lakes Kutubu and Sentani (Indonesia / Papua new Guinea, http://clonewwf.wwf-dev.org/about_our_earth/ecoregions/kutubu_sentani_lakes.cfm , last assessed January 2018), Lake Kutubu and Tonda Wildlife Management Area, https://rsis.ramsar.org/sites/default/files/rsiswp_search/exports/Ramsar-Sites-annotated-summary-Papua-New-Guinea.pdf?1521171240 (last assessed March 2018)	HCV 1 - 6
29	Secretariat of the Pacific Regional Environment Programme (SPREP) – Country profile Papua New Guinea (http://www.sprep.org/Papua-New-Guinea/pein-papua-new-guinea)	HCV 1 - 6
30	Shearman, P., Bryan, J., Ash, J., Hunnam, P., Mackey, B. and Lokes, B., 2008, The state of the forests of Papua New Guinea: Mapping the extent and condition of forest cover and measuring the drivers of forest change in the period 1972-2002. University of Papua New Guinea, Port Moresby, https://pharmacy.utah.edu/ICBG/pdf/WebResources/ForestBiodiversity/Shearman-State-of-the-Forests-of-PNG-2008.pdf , last assessed February 2018	HCV 1 - 6
31	World Population Review (http://worldpopulationreview.com/countries/papua-new-guinea-population/ , last assessed April 2018)	HCV 5 - 6
32	WWF International, Global Ecoregions 200, https://www.worldwildlife.org/publications/global-200 (last assessed February 2018) – Please see risk assessment for HCV 1 for further details on identified ecoregions incl. more detailed references	HCV 1, 3
33	AA0122 – Southern New Guinea lowland rain forests (https://www.worldwildlife.org/ecoregions/aa0122 , last assessed January 2018)	HCV 1, 3

34	AA0116 – Northern New Guinea montane rain forests (https://www.worldwildlife.org/ecoregions/aa0116 , last assessed January 2018)	HCV 1, 3
35	Solomons-Vanuatu-Bismarck moist forests (https://en.wikipedia.org/wiki/East_Melanesian_Islands , last assessed January 2018) AA0126 – Vanuatu rain forests (https://www.worldwildlife.org/ecoregions/aa0126 , last assessed January 2018)	HCV 1, 3
36	AA0708 – Northern Australia and Trans-Fly Savannas, Trans Fly savanna and grasslands (https://www.worldwildlife.org/ecoregions/aa0708 , last assessed January 2018)	HCV 1, 3
37	AA0802 – Central Range subalpine grasslands (https://en.wikipedia.org/wiki/New_Guinea_Highlands , last assessed January 2018)	HCV 1, 3
38	AA1401 – New Guinea Mangroves (https://www.worldwildlife.org/ecoregions/aa1401 , last assessed January 2018)	HCV 1, 3
39	New Guinea rivers and streams (http://clonewwf.wwf-dev.org/about_our_earth/ecoregions/newguinea_rivers_streams.cfm , last assessed January 2018)	HCV 1, 3

Controlled wood category 4: Wood from forests being converted to plantations or non-forest use

Risk assessment

Indicator	Source of information	Functional scale	Risk designation and determination
4.1	<ul style="list-style-type: none"> Forestry Act 1991 and amendment 2005 - http://theredddesk.org/sites/default/files/forestry_act_1991_png_0.pdf Land Act 1996 - http://faolex.fao.org/docs/texts/png20843.doc - Sections 11 and 102 of the Physical Planning Act 1989 - http://www.paclii.org/pg/legis/consol_act/pa1989185.rtf - Section 9 Environment Act 2000 - http://faolex.fao.org/docs/texts/png70607.doc - Sections 4 and 5 <p>Government sources</p> <ul style="list-style-type: none"> Government of Australia, Department of Agriculture and Water Resources and PNG Forest Authority, 2015. Papua New Guinea Country Specific Guidelines. Available at: http://www.agriculture.gov.au/SiteCollections/Documents/forestry/australias-forest-policies/illegal-logging/png-csg.pdf Commission of Inquiry into the Special Agriculture and Business Lease (SABL) - Final report - John Numapo, Chief 	-	<p>Content of law</p> <p>In Papua New Guinea the government, through the PNG Forest Authority, as required under the Forestry Act 1991, allows for conversion of the Natural Forest to plantations or non-forest use and relevant sections of the act which allows for such conversion is as follows;</p> <ul style="list-style-type: none"> Section 73 of the PNG Forestry Act 1991 which allows for Timber Permit to be issued. Section 87 of the PNG Forestry Act 1991 allows for timber authority to be issued Section 92 of the PNG Forestry Act 1991 allows for timber license to be issued Section 90B and 90D of the PNG Forestry Act allows for Forest Clearance Authority to be issued. Section 99 of the PNG Forestry Act allows for road line clearance Authority to be issued <p>The following land clearance activities are provided for in the Forestry Act:</p> <ul style="list-style-type: none"> 90A: enables large scale conversion of forest to agricultural or other land use over an area over 50 hectares, but in less than 500 ha blocks with a maximum of 4 blocks, as set out in 90B; 90C: enables large scale conversion of forest to roads that will be greater than 12.5 km in length. S 90D stipulates that the maximum of 20 km sections can be approved at a time to ensure the road actually gets built. Clearance is allowed max 20 m either side of the road centre (40 m X 20,000 m = 800,000 m² or 80ha); 90E: prescribes the process of cancellation of a forest clearing authority. <p>The most common (and controversial) FCA issued in PNG in recent years have been those issued in association with Special Agricultural Business Leases (SABLs).</p> <p>SABLs are provided for in Sections 11 and 102 of the Land Act 1996 (the Land Act). Under that Act, the State acquires customary land through an “instrument of lease in an approved form”. The Land</p>

<p>Commissioner, Port Moresby - 24th June, 2013 - http://www.coi.gov.pg/documents/COI%20SABL/Numapo%20SABL%20Final%20Report.pdf</p> <ul style="list-style-type: none"> Commission of Inquiry into the Special Agriculture and Business Lease (SABL) - Final report - Nicholas Mirou, Commissioner, Port Moresby - June, 2013 - http://www.coi.gov.pg/documents/COI%20SABL/Mirou%20SABL%20Final%20Report.pdf <p>Non-Government sources</p> <ul style="list-style-type: none"> Shearman, P.L., et al., (2008): The State of the Forests of Papua New Guinea: Mapping the extent and condition of forest cover and measuring the drivers of forest change in the period 1972–2002, Port Moresby: University of Papua New Guinea. http://www.scienceinpublic.com.au/wp-content/uploads/State-of-Forests-of-PNG_embargo-version.pdf Forestry and Development, 2014. PNG's National Executive Council hands down decision on SABLs. Available online at http://forestryanddevelopment.com/site/2014/07/24/pngs-national-executive-council-hands-down-decision-on-sabls/, accessed 18 January 2017. 		<p>Investigation process and associated Acquisition by Agreement, is intended to obtain informed consent of the affected landowners before their customary land is acquired and converted to SABL. Land acquired under this process is then leased on to an “agreed” person or entity (COI Report Numapo, 2013).</p> <p>The approvals process for the allocation of an FCA can be summarized as:</p> <ul style="list-style-type: none"> The Forest Industry Participant submits an application for a FCA. The application is assessed by the Project Allocations Directorate of the PGFA who may deem it satisfactory or incomplete. Provincial Forest Management Committee (PFMC) for review. The PFMC then makes a recommendation to the National Forest Board to either issue or not issue the FCA. The National Forest Board then either issues, or does not issue the FCA. Issued FCA's are printed by the PNFA Project Allocations Directorate. <p>Where a SABL has been granted for the purpose of a proposed agricultural development in a forested area, necessitating forest removal, and where the removed forest products are to be used commercially including sale, such activity will attract the regulatory requirements of the Forestry Act, 1991(as amended), particularly Sections 90A and 90B (COI Report Mirou, 2013).</p> <p>Is the law enforced?</p> <ul style="list-style-type: none"> See the findings of category 1, in particular 1.1, 1.2, 1.3, 1.4, 1.8, 1.10 and 1.11. There are significant issues with the forest law compliance, monitoring and enforcement in PNG. Between 2003 and 2011 there was huge increase in the number and land area of SABLs issued by the government. Amendments to PNG's forestry law made it much easier for companies to obtain permits to clear huge areas of rainforest, ostensibly to make way for large-scale agriculture projects such as oil palm plantations. In that period, the PNG Department of Lands and Physical Planning has approved 74 Special Purpose Agricultural and Business Leases (SABLs) covering about 5.2 million ha of forested customary land; 11% of PNG's total land area
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<ul style="list-style-type: none"> • Institute for Global Environmental Strategies (IGES), 2016. Legal framework, legality risks and risk mitigation - A reference for buyers of Papua New Guinean export timber. Accessed 13 January 2017 at http://pub.iges.or.jp/modules/envirolib/upload/6455/attach/Book_1.pdf • Oakland Institute, 2016. The Great Timber Heist: The Logging Industry in Papua New Guinea. Accessed 11 January 2017 at https://www.oaklandinstitute.org/great-timber-heist-logging-industry-papua-new-guinea • Graham Wilkinson, 2013. Background report on forests and forestry in Papua New Guinea with reference to the implementation of the Logging Code of Practice - Report 1 - Project GCP/PNG/003/AUL. Available online at http://www.forestry.gov.pg/site/files/1.%20Report%201%20-%20Background%20on%20forests%20and%20forestry%20in%20PNG%20with%20reference%20to%20the%20Implementation%20of%20the%20Logging%20Code%20of%20Practice%20(b%20by%20Wilkinson).pdf accessed 13 January 2017. • Expert consultation carried out in Port Moresby by NEPCo, 21-25 November 2016. 		<p>or about 18% of its remaining forest. Most leases run for 99 years and alienate customary owners who can only remain on their land at the discretion of the leaseholder.</p> <ul style="list-style-type: none"> • Under the Land Act, the State acquires customary land through an “instrument of lease in an approved form”. The Land Investigation process and associated Acquisition by Agreement, is intended to obtain informed consent of the affected landowners before their customary land is acquired and converted to SABL. Land acquired under this process is then leased on to an “agreed” person or entity (COI Report Numapo, 2013). • Evidence suggests that many of the agriculture projects being proposed under SABLs had low viability and were likely to be fronts for logging - a 2014 study analyzed 36 proposed oil palm projects involving 51 SABLs. It concluded that only four of these projects had the potential to produce viable oil palm plantations due to unsuitable soil, developer inexperience, and lack of support from local landowners (Global Witness 2014). • According to Greenpeace *2011, in many SABLs, the area subjected to logging far exceeds that being cleared for agricultural purposes, and in some cases logging has occurred without corresponding agricultural activities. Even in the potentially viable agriculture projects, many landowners claim they never agreed to lease their land and allege that fraud and forgery was involved in the SABL allocation process. • A major legality problem is the failure of government agencies to ensure that the landowners gave free prior informed consent for the leases. • Complaints from landowners, concerns raised by many international NGOs and a warning letter from the UN High Commission for Human Rights (UNHCHR) to PNG’s UN Ambassador led the then acting Prime Minister, Sam Abal to announce a Commission of Inquiry (CoI) into SABLs. He also announced an immediate moratorium on the issuing of any new SABLs and a suspension of all FCAs until the conclusion of the Inquiry. The aim of the Inquiry (amongst other things) was to determine the legality of forest clearance authorities (FCAs) that have been issued with the leases. • The CoI was only partially completed. One Commissioner failed to submit his findings, meaning that the government lacked recommendations for over a third of SABLs, including several of the largest log exporting projects. Of those reviewed, the COI found that only 4 of the 46 SABLs it investigated had obtained proper landowner consent, with the remainder being secured through corrupt means (Fox, 2013).
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<ul style="list-style-type: none"> • Transparency International, 2018. Corruption Perceptions Index 2018 – Papua New Guinea. Available online at http://www.transparency.org/country/PNG , accessed 30 January 2017. • Forest Legality Alliance, 2013. Risk Tool – Papua New Guinea. Accessed 11 January 2017 at http://www.forestlegality.org/risk-tool/country/papua-new-guinea • World Bank, 2015. Worldwide Governance Indicators – Papua New Guinea 1996–2015. Available online at http://info.worldbank.org/governance/wgi/index.aspx#reports, Accessed 11 January 2017. • Overseas Development Institute, 2007. What can be learnt from the past? A history of the forestry sector in Papua New Guinea - Papua New Guinea Forest Studies. Available online at https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/90.pdf, accessed 30 January 2017. • Armitage, L. 2001. Customary Land Tenure in Papua New Guinea; Status and Prospects: (page 2) available online: http://dlc.dlib.indiana.edu/dlc/bitstream/handle/10535/589/armitage.pdf?sequence=1 • Vegter, A. 2005 Forsaking The Forests for the Trees: Forestry in Papua New Guinea 	<ul style="list-style-type: none"> • 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 in Global Witness 2014). • In June 2014, nine months after the COI’s findings were published, the National Executive Council (NEC) issued a decision to follow its recommendations, review the SABLs for which the COI failed to provide recommendations, and repeal the SABL provisions in the Land Act. • According to Global Witness, in the years since the Col report, the government: <ul style="list-style-type: none"> ○ has failed to revoke or suspend SABLs in line with the recommendations of the COI ○ has not halted logging in the one operational SABL listed for cancellation ○ Continues to issue new permits to clear rainforest under SABLs ○ has failed to expedite the review of the remaining SABLs; and ○ has recently renewed a clearance permit for a controversial SABL • The Prime Minister, Hon. Peter O’Neil announced the cancellation of all Special Agricultural and Business Leases (SABLs) in Papua New Guinea (PNG). This was reported on page 5 of The National newspaper on 7th November 2016. • The recent report prepared by Institute for Global Environmental Strategies (IGES) recommends that companies purchasing timber from PNG ‘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.’ • Landowner consent has been raised as one of the most significant issues with the SABL process. The COI inquiry concluded that “the SABL scheme, both at the policy level and in the manner it was implemented, has failed. Developers and people with vested interests have hijacked the SABL process to suit their own ends. Greed and corruption at all levels... have tainted a noble landowner empowerment initiative”. • According to many sources, the dramatic increase in the number of SABLs applied for and issued from 2009-2011 was because the logging companies realized the process for obtaining a new FMA was quite difficult as the consultation and consent requirements are very onerous (Expert consultation Port Moresby November 2016).
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<p>inhibits Indigenous Customary Ownership, Pacific Rim Law and Policy Journal Association. https://digital.lib.washington.edu/dspace-law/bitstream/handle/1773.1/675/14PacRimLPolyJ545.pdf?sequence=1</p> <ul style="list-style-type: none"> • anopy Watch, undated. Forestry in Papua New Guinea. Available online at http://www.canopywatch.org/p/png-forestry.html, accessed 13 January 2017. • Canopy Watch, undated. The Issue of Consent. Available online at http://www.canopywatch.org/p/issue-of-consent.html, accessed 13 January 2017. • Todagia Kelola for the Post Courier, 16 July 2010. Madang Timbers goes back to court - http://hector-madanginfo.blogspot.com/2010/07/madang-timbers-goes-back-to-court.html • Tararia, A. and L. Ogle. (2010) Incorporated land groups and the registration of customary land: Recent developments in PNG. In: T. Anderson and G. Lee, eds. In Defence of Melanesian Customary Land, pp. 21–26. Sydney: AID/WATCH. http://milda.aidwatch.org.au/sites/default/files/Incorporated%20land%20groups%20and%20the%20registration%20of%20customary%20lands.pdf. • Greenpeace Australia Pacific, 2011. BRIEFING: Special-purpose agricultural 		<ul style="list-style-type: none"> • Commissioner Mirou (2014) found that “in some instances [...], inferences from very strong evidence suggests that not only the Dept. of Lands and Physical Planning officials but landowner companies and ILG executives have been compromised. These will be noted in instances where grants of title were made directly to foreign entities (developers) as well as where transfer of shares of the SABL title holding company to other or foreign entities resulted with control of title to be in foreign hands.” Mirou goes on to states that: • “In respect of Forestry (PNGFA), many FCAs were issued in questionable circumstances. Many of these FCAs issued, were not supported by authentic, verified and approved agriculture development plans. Even if these FCAs were supported by properly approved agriculture development plans, during the operations in many instances it had been noted that the operators or developers departed or digressed from the approved agriculture plans. • In other instances, the proportionate agriculture development phased out per every 500 hectares maximum area over which clear felling of forests can take place, it has been noted that FCAs were nonetheless given and logging generally continued into areas not immediately within the 500 hectares phases but over the whole areas of SABLs.” • According to some experts consulted, there is essentially 100 per cent risk of bribery and/or corruption with all permits and licenses allocated in PNG. Experts also report that is it very difficult to obtain evidence of this taking place. Detecting bribery and corruption are very difficult to trace in a supply chain, and the nature of the system in PNG makes this even harder. • There is a general risk of corruption in Papua New Guinea. The 2018 Transparency International’s Corruption Perceptions Index ranked Papua New Guinea 138th out of 180 countries assessed and scored it 28 out of 100, meaning it has a high perception of corruption. The 2015 World Bank Worldwide Governance Indicators (WGI) gave Papua New Guinea the following scores out of 100: Voice and Accountability: 49.26; Political Stability and Absence of Violence: 24.29; Government Effectiveness: 29.81; Regulatory Quality: 31.25; Rule of Law: 18.75 and Control of Corruption: 14.42. • According to the State of PNG’s Forest Report (Shearman, 2008), annual forest loss in PNG over the period 1972 -2002 was estimated to be 0.5%, with a total of 15% of the total forest cover lost, amounting to total forest area of 4.415 million ha. For this report, this annual loss figure was used to estimate forest loss over 14 years from 2002 to 2016 to a further 7% loss (1.752 million hectares). Based on the report prepared by Shearman in 2008, it is suggested 23.270 million hectares of the country is still covered by more than 70% forest.
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<p>and business leases in Papua New Guinea. Available online at http://www.greenpeace.org/australia/Global/australia/11-076%20PNG%20Press%20Briefing_small_er_F-1.pdf, accessed 30 January 2017.</p> <ul style="list-style-type: none"> Global Forest Resources Assessment 2015, Country Report Papua New Guinea http://www.fao.org/3/a-az303e.pdf 	<ul style="list-style-type: none"> It should be noted that there is conflicting information on the total forest cover for PNG for example Chatham House (2014) reports that PNG's forest cover is 33 million ha, however, for this report the figure issued by PNG Forest Authority, 2007 was used. Therefore, it is surmised that there is at least 23.270 million hectares of forest still intact, with average production volumes of 25 m³ /ha, 581.750 mill m³ of timber volume available. However, most of these forested areas are in remote and inaccessible areas, as logging in the last 40 years accessed timber from lowland forest areas easily accessible and easy terrain forest areas. <p>Is it possible to conclude that the spatial threshold (0.02% or 5000 ha) is met?</p> <p>The spatial threshold (0.02% or 5000 ha) was exceeded.</p> <p>According to the Global Forest Resources Assessment 2015, Country Report Papua New Guinea, from 2005 to 2010 a total of 29.345 million ha forest (excl. plantations) has reduced to 28.640 million ha. The natural forest loss from 2005 to 2010 was 141, 000 ha per year, this is 0.4% annual net loss of natural forest. The spatial threshold is exceeded (0.02% or 5000 ha) both in absolute area and percentage from the year 2005 to 2010. The total forest area including plantation and other woodland is 33 million ha. However, more recent data is not available for the forest dynamics.</p> <p>Risk conclusion</p> <p>Specified risk</p> <p>The following thresholds apply:</p> <ul style="list-style-type: none"> (4) There is more than 5000 ha net average annual loss or there is more than 0.02% net average annual loss of natural forest in the assessment area in the past 5 years; (7) There are significant economic drivers for conversion. <p>Data yield evidence that conversion is occurring on a widespread or systematic basis.</p>
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Recommended control measures

The recommended control measures here are only indicative in nature, and are not mandatory. Recommended control measures might not have been provided for all the risks that have been identified in this risk assessment. Organizations shall evaluate and devise appropriate control measures to mitigate the risks identified in this risk assessment as applicable.

Indicator	Recommended control measures
4.1	<p>The risk of conversion is mainly related with Special Agricultural Business Leases (SABLs) and the pertinent Forest Clearance Authority, therefore the verification of harvest permit shall indicate the conversion does not take place. Unlike Timber Permits which are issued for selective logging, Forest Clearance Authorities are issued for clear-felling of natural forest, the sourcing of timber shall not originate from Forest clearance authority (FCA) with SBAL.</p> <p>Organization shall commit to zero conversion of natural forest to plantation or non-forest use, and communicate the commitment by legal binding documents and sufficient training with its suppliers.</p>

Controlled wood category 5: Wood from forests in which genetically modified trees are planted

Risk assessment

Indicator	Sources of information	Functional scale	Risk designation and determination
5.1	<ul style="list-style-type: none"> • FAO, 2015. FAO GM Foods Platform – Papua New Guinea. Available online at http://www.fao.org/food/food-safety-quality/gm-foods-platform/browse-information-by-country/country-page/en/?cty=PNG, accessed 18 January 2017. • Biosafety Clearing House, 2016. Country Profile PNG. Available online at http://bch.cbd.int/about/countryprofile.shtml?country=pg, accessed 18 January 2017. • PNG biosafety framework 2005 - http://unep.ch/biosafety/old_site/development/countryreports/PGNBFrep.pdf • Chris Lang, 2004. Genetically modified trees: The ultimate threat to forests - Chapter 3: A web of actors: Some of the research institutions and companies involved. Available online at https://chrislang.org/2004/12/20/genetically-modified-trees-chapter-3/, accessed 18 January 2017. • World Rainforest Movement, 2014. GE tree research: A country by country overview – 2014 update. Available online at http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/, accessed 18 January 2017. • Expert consultation meetings conducted in Port Moresby, November 2016. • Extensive web-based research 	-	<p>There is no commercial use of GMO (tree) species in the area under assessment, and other available evidence does not challenge a ‘low risk’ designation.</p> <p>There is no legislation covering GMO (trees) in Papua New Guinea (PNG). PNG has ratified the Cartagena Protocol on Biological Diversity in 2005, and is party to the Convention on Biological Diversity. The Biosafety Framework 2005 and Biosafety and Biotechnology Policy 2000 have been published, but the draft Biosafety and Biotechnology Policy and Bill (2005) has not passed into law.</p> <p>There is currently no legislation in force in PNG that includes a ban for the commercial use of GMO.</p> <p>There is no evidence of unauthorized use of GMO trees.</p> <p>There is no commercial use of GM trees in PNG. According to Chris lang, 2004 Oji Paper, Japan has an active research programme into GM trees. Oji Paper owns a total of more than 130,000 hectares of plantations in Australia, China, Brazil, New Zealand, Vietnam and Papua New Guinea. In 2003, the Asahi Shimbun reported that Oji Paper would start trials of its GM eucalyptus within a year in a massive domed research facility in the US. There is no evidence that these trees have been used in plantations in PNG. This is the only company who have carried out GMO related activity with a connection to PNG.</p> <p>There are no trials of GM trees in the region.</p>

			<p>No licenses have been issued for GM trees.</p> <p>Risk conclusion</p> <p>Low risk. Thresholds 2 and 3 have been met.</p> <p>(2) There is no commercial use of GMO (tree) species in the area under assessment,</p> <p>AND</p> <p>(3) Other available evidence does not challenge a ‘low risk’ designation.</p>
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	GMO Context Question	Answer	Sources of Information (list sources if different types of information, such as reports, laws, regulations, articles, web pages news articles etc.).
1	Is there any legislation covering GMO (trees)?	<p>No.</p> <p>Papua New Guinea (PNG) has ratified the Cartagena Protocol on Biological Diversity in 2005, and is party to the Convention on Biological Diversity.</p> <p>The Biosafety Framework 2005 and Biosafety and Biotechnology Policy 2000 have been published, but the draft Biosafety and Biotechnology Policy and Bill (2005) has not passed into law. This framework was generated by the National Biosafety and Biotechnology Committee (NBBC). The mandate of this policy lies with the National Focal Point, which is the Environment and Conservation Authority (ECA); however, currently the NBBC remains dormant.</p>	<ul style="list-style-type: none"> • FAO, 2015. FAO GM Foods Platform – Papua New Guinea. Available online at http://www.fao.org/food/food-safety-quality/gm-foods-platform/browse-information-by/country/country-page/en/?cty=PNG, accessed 18 January 2017. • Suri T. Taisa & Michael Kukne, 2015. <i>Would the controversial transgenic crops be beneficial to the economy of Papua New Guinea? A Review of the current trends and future implications</i>. Available online at < http://devpolicy.org/Events/2015/2015-PNG-Update/Presentations/Day-2/Agriculture-and-forests_Taisa.pdf>, accessed 18 January 2017. • Biosafety Clearing House, 2016. <i>Country Profile PNG</i>. Available online at http://bch.cbd.int/about/countryprofile.shtml?country=pg, accessed 18 January 2017.

2	Does applicable legislation for the area under assessment include a ban for commercial use of GMO (trees)?	<p>There is currently no legislation in force in PNG that includes a ban for the commercial use of GMO.</p> <p>The Biosafety and Biotechnology Policy 2000 yet does not expressly prohibit research into timber and other forest products for biotechnology purposes. The Policy promotes forest research activities such as: development of silviculture and new logging techniques for enhancing forest productivity; botanical research and protection of forests from biodegradation and fire. It may be argued that by giving a wide definition of forest research, genetic engineering into forest or botanical products may be permissible by the Policy.</p>	<ul style="list-style-type: none"> • PNG biosafety framework 2005 – http://unep.ch/biosafety/old_site/development/countryreports/PGNBFrep.pdf
3	Is there evidence of unauthorized use of GM trees?	<p>No, there is no evidence of unauthorized use of GMO trees.</p> <p>Oji Paper, Japan has an active research programme into GM trees. Oji Paper owns a total of more than 130,000 hectares of plantations in Australia, China, Brazil, New Zealand, Vietnam and Papua New Guinea. Chris Land notes that in 2003, the Asahi Shimbun reported that Oji Paper would start trials of its GM eucalyptus within a year in a massive domed research facility in the US. There is no evidence that these trees have been used in plantations in PNG. This is the only company who have carried out GMO related activity with a connection to PNG.</p>	<ul style="list-style-type: none"> • Chris Lang, 2004. Genetically modified trees: The ultimate threat to forests - Chapter 3: A web of actors: Some of the research institutions and companies involved. Available online at < https://chrislang.org/2004/12/20/genetically-modified-trees-chapter-3/>, accessed 18 January 2017. <p>Extensive web research which yielded no results.</p>
4	Is there any commercial use of GM trees in the country or region?	<p>No, there is no commercial use of GM trees in PNG.</p>	<ul style="list-style-type: none"> • Chris Lang, 2004. Genetically modified trees: The ultimate threat to forests - Chapter 3: A web of actors: Some of the research institutions and companies involved. Available online at < https://chrislang.org/2004/12/20/genetically-modified-trees-chapter-3/>, accessed 18 January 2017. • World Rainforest Movement, 2014. <i>GE tree research: A country by country overview – 2014 update</i>. Available online at < http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/>, accessed 18 January 2017. • Expert consultation meetings conducted in Port Moresby, November 2016.

			Extensive web research which yielded no results.
5	Are there any trials of GM trees in the country or region?	No, there are no trials of GM trees in the region.	<ul style="list-style-type: none"> World Rainforest Movement, 2014. <i>GE tree research: A country by country overview – 2014 update</i>. Available online at < http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/>, accessed 18 January 2017. Expert consultation meetings conducted in Port Moresby, November 2016. <p>Extensive web research which yielded no results.</p>
6	Are licenses required for commercial use of GM trees?	No, no legislative requirements.	<ul style="list-style-type: none"> World Rainforest Movement, 2014. <i>GE tree research: A country by country overview – 2014 update</i>. Available online at < http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/>, accessed 18 January 2017. Expert consultation meetings conducted in Port Moresby, November 2016. <p>Extensive web research which yielded no results.</p>
7	Are there any licenses issued for GM trees relevant for the area under assessment? (If so, in what regions, for what species and to which entities?)	No, there have been no licenses issued.	<ul style="list-style-type: none"> World Rainforest Movement, 2014. <i>GE tree research: A country by country overview – 2014 update</i>. Available online at < http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/>, accessed 18 January 2017. Expert consultation meetings conducted in Port Moresby, November 2016. <p>Extensive web research which yielded no results.</p>
8	What GM 'species' are used?	N/A	<ul style="list-style-type: none"> World Rainforest Movement, 2014. <i>GE tree research: A country by country overview – 2014 update</i>. Available online at http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/

			<p>briefings/ge-tree-research-a-country-by-country-overview/>, accessed 18 January 2017.</p> <ul style="list-style-type: none"> Expert consultation meetings conducted in Port Moresby, November 2016. <p>Extensive web research which yielded no results.</p>
9	Can it be clearly determined in which MUs the GM trees are used?	N/A	<ul style="list-style-type: none"> World Rainforest Movement, 2014. <i>GE tree research: A country by country overview – 2014 update</i>. Available online at < http://wrm.org.uy/books-and-briefings/ge-tree-research-a-country-by-country-overview/>, accessed 18 January 2017. Expert consultation meetings conducted in Port Moresby, November 2016. <p>Extensive web research which yielded no results.</p>

Recommended control measures

N/A