

# The Greenpeace attack on development in Papua New Guinea

Tim Curtin

**E**conomic development remains an awkward and complicated goal for undeveloped nations. But one clear path towards raised living standards remains this: any nation, of whatever size or characteristics, has to be free to utilise whatever natural resources, labour or other assets it has been granted by geographic luck.

However obvious this may seem, attempts by developing nations to do just that are regularly attacked by NGOs as contrary to other goals dear to those groups—‘sustainable’ development, cultural and economic self-sufficiency, and adherence to standards set by developed nations. In order to further these goals, activist NGOs take their eye off the ball and, albeit unintentionally, hold back poor nations’ economic development.

Politically, Papua New Guinea is a safe target, unlike Tasmania and Western Australia, which log at higher rates without yet attracting quite such vit-

riolic hostility from real or would-be Greens. But there the rule applies. Instead of focusing on how to lift Papua New Guinea’s economy up for the benefit both of its citizens and the world, its burgeoning but restricted logging industry is used as a pawn for groups with ideological axes to grind.

Moreover, the judgements that PNG’s logging industry is both ‘illegal’ and ‘unsustainable’ do not stand up to scrutiny. The arguments reported in the print and broadcast media are based on unsubstantiated allegations by Greenpeace and other NGOs about the rate of logging, and a lack of understanding about land ownership and property in PNG’s forests. Such arguments are contrary to the interests both of the people most affected and the country as a whole.

What would provide more sustainable cash outcomes for all stakeholders, including the government and local landowners, other than small-scale and

proven financially unsustainable eco-forestry projects? Most (around 70 per cent) of PNG’s landmass is unsuitable for anything except forestry and other tree crops such as cocoa, coffee, copra, rubber, and palm oil—these accounted for over 90 per cent of total non-mineral exports in 2005.

An international comparison is illuminating. New Zealand has a smaller total land area, and an even smaller forested area than PNG. Despite this, it exported 7.2 million cubic metres of logs in 2001, five times more than PNG in that year, and its total roundwood exports were ten times PNG’s in 2001. Its total wood product exports were worth over US\$1 billion in 2004—ten times more than PNG’s.

If PNG were simply to match New Zealand’s export performance, the developing nation’s GDP would be about 28 per cent larger than the actual in 2005. Given its larger land mass and better climatic conditions for rapid



tree growth, PNG's timber production could well equal New Zealand's total production of 30 cubic metres per annum (including the domestic market), and its GDP would then be at least double today's level, with *pro rata* increases in government revenue offering scope for commensurate improvements in all PNG's social indicators—a topic on which Greenpeace has nothing to offer.

### The NGO attack on logging in PNG

Greenpeace's claim that logging in PNG is illegal is based on some peculiar criteria. The comprehensive reviews of PNG's logging industry undertaken by the PNG Government and the World Bank between 2000 and 2005 found that all 14 of the biggest logging concessions were fully compliant with the *Forestry Act* in terms of permits, consistency with the National Plan, and harvesting supervision by the PNG Forest Authority. They also found that all but five of 32 proposed new logging projects had so far fulfilled 'due legal process'.

Thus the 'vast majority' of 46 existing and proposed logging projects were legal.

Greenpeace's assault on 'illegal' logging in PNG is part of its wider campaign against Rimbunan Hijau (RH), a Malaysian conglomerate with global interests in countries as far apart as Russia and New Zealand, which it has conducted in documents such as *The Untouchables: Rimbunan Hijau's world of forest crime & political patronage*. Greenpeace singled out RH's logging in PNG's Wawoi Guavi district for special criticism, finding fault in three respects: first, that due legal process had allegedly not been followed in regard

to the extension of the licence in 2002; second, that the legal (sic) requirement for sustainability had not been applied; and third, that the rights and interests of the local landowners had not been observed and protected.

But these legal issues are far from certain. The World Bank/GoPNG Review stated that the original Timber Permit granted to RH had been fully compliant with the PNG *Forestry Act*, but also suggested that the circumstances of the renewal in 2002 were questionable. It would be hard to sustain in court any claim that a permit granted with full due process should be deemed 'illegal' when the original Permit was granted with an annual cut based on a 26-year cycle, of which only ten had passed.

Greenpeace's attack relies heavily on the account of the World Bank's review by the Washington NGO, Forest Trends, which liberally stretches the term 'illegal logging' to cover a wide range of non-forestry legal issues such as landowner consent, work permits for expatriate staff, training, health and safety, and labour relations generally. None of these has anything to do with forestry, and the recent study of RH forestry in PNG by ITS Global found that it had a generally good record in these matters.

### Is logging in PNG sustainable?

The only valid basis for the Greenpeace/Forest Trends attack on forestry practices would be if there had indeed been a disregard for sustainable logging. But this claim fails upon examination. The permitted annual harvest awarded to RH at Wawoi Guavi in 1992 was 350,000 cubic metres. The bulk of the harvest has gone to the RH plywood and veneer mill, and allowing for the plant's log consumption of 300,000 cubic metres per year needed for its exports of around 150,000 cubic metres of processed wood products, the total harvest has been within the permit harvest of 350,000 cubic metres.

This permitted harvest is well within the sustainable yield estimate

by John McAlpine for PNG's Western province. McAlpine is a noted pioneer of satellite mapping of PNG's resources, but his estimate of sustainable yields could be considered inordinately conservative, at one cubic metre per hectare

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to take a year, as that equates to just half a ute's back load of firewood from an area as large as ten standard quarter-acre housing blocks in Australia.

Tropical forest can do a lot better than that. Many species indigenous to PNG are capable of yielding much more. For example, the tan wattle at 10–20 cubic metres per hectare per year; *anthocephalus chinensis*, 10–40; Norfolk pine, 20–30; *eucalyptus deglupta*, 21–28. To claim that primary forest necessarily yields less than 10 per cent of plantation potential requires more substantiation than is provided by Greenpeace and Forest Trends. For example, NGOs frequently claim that the sustainable rotation in tropical forests is as long as 70 years. However, Jant, operator of the Gogol wood chip project in PNG's Madang province, is still in business after 30 years, having established rotations of 15 years for *eucalyptus deglupta* and eight years for *acacia* on plantations established jointly with local landowners on the previously logged primary forest area.

PNG's *Forestry Act* states that forests are to be 'conserved and renewed as an asset for succeeding generations' while the associated National Forest Policy interprets this as requiring that timber harvesting be managed on a sustained yield basis. But although

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‘sustained yield’ is one of those ‘feel good’ phrases that are seldom if ever defined, least of all by Greenpeace, the PNG Forests Authority has based itself on the McAlpine determinations of sustainable cuts in each Province when awarding new permits such as those for Wawoi Guavi in 1992. Ignoring this makes it easy for NGOs to deem that PNG’s annual log exports of 2–3 million cubic metres per year are ‘unsustainable’, whereas New Zealand’s annual log harvest of 30 million cubic metres is never criticised, any more than similar levels in countries such as Australia, Sweden, Malaysia, Canada and the USA.

exceeded in practice. The World Bank estimated in the 1980s that PNG’s forests could sustain logging at an annual rate of 6 million cubic metres, a rate subsequently confirmed by McAlpine, and more than double the average rate achieved since 1985.

### Is logging in PNG forests ‘illegal’?

The other main basis for deeming all logging in PNG to be illegal is the claimed lack of informed landowner consent—but this is itself ill-informed. First, distant judges such as Greenpeace need to realise that there is no documented landownership in any part of

ened their case by accepting payments, but in reality, they consented. PNG’s rural population is, however, famed for its opportunism, migrating swiftly over large distances to wherever they see a chance of portraying themselves as the original landowners in some new timber or mining project area. Thus, the 1990–2000 Censuses revealed large movements to the vicinity of the Porgera gold mine and the Kutubu oil fields, all in the hope of laying claim to royalty flows. In such circumstances, it is easy for Greenpeace to find disaffected ‘landowners’ in every logging area.

The claims by Forest Trends and Greenpeace that logging in PNG is il-

If PNG were simply to match New Zealand’s export performance, the developing nation’s GDP would be about 28 per cent larger.

It is true that logging in the latter countries is mostly on a plantation basis, while plantations provide only a relatively small, albeit growing, proportion of PNG’s log exports (more than 10 per cent in 2004). Sustainable yields will be different on plantations (where yields of up to 40 cubic metres per hectare a year are well documented), from what is feasible in natural forests where species, ages and hence dimensions of the tree stock are highly variable.

The UN’s Food and Agriculture Organization’s 2005 annual forestry report provides a useful rule of thumb for the potential sustainable yields of primary and plantation forests, in the ratio of 1:4. Thus, plantation yields of 20 to 40 cubic metres per hectare a year are comparable with primary forest yields of 5 to 10 cubic metres, well above McAlpine’s conservative one cubic metre per hectare per year for PNG’s Western Province.

Yet even McAlpine’s cautious estimate of the overall potential logging capacity of PNG’s forests and therefore of the maximum sustainable harvesting potential (although ignored by Greenpeace and Forest Trends), has yet to be

PNG’s forest areas. The country’s customary land tenure system is based on individual rights to one’s own home and cultivated gardens. In the primary forests that are the subject of logging permits, there is little such cultivation.

Instead, PNG’s forests are a commons in which all living in and around it have rights of access for hunting and gathering, but there are no rights of any one individual or family to exclude others. Ignoring these facts, it becomes all too easy for NGOs to find disaffected putative ‘landowners’ in the vicinity of a timber permit area eager to claim that they knew nothing of the project before its inception, gave no consent to it, and have gained no benefit in the form of a share of royalties paid by the logging contractor.

Yet it is clear from the World Bank/GoPNG Review that logging contractors must have a government-approved agreement with incorporated landowner groups before they can acquire timber rights, and that there are large numbers of landowners who have, over the years, received significant cash payments. If these landowners had not consented to the project, they weak-

legal and unsustainable leads to promises to recommend steps ‘that would move PNG toward legal and sustainable logging’. In practice, they fail to do so, other than propose administrative changes that would not necessarily reduce logging below its alleged and undefined ‘unsustainable’ level.

NGOs would make a more positive contribution if they encouraged the reform of PNG’s land tenure system, as it is this which stands in the way of more extensive renewable forestry throughout the country. It would also help if the NGO community would understand that about two-thirds of PNG’s land mass is suitable only for forestry, and that if that was allowed to be exploited at the same sort of scale attained in New Zealand and Malaysia, it would transform the country’s economic prospects, as well as reducing its present dependence on its non-renewable mineral resources.

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