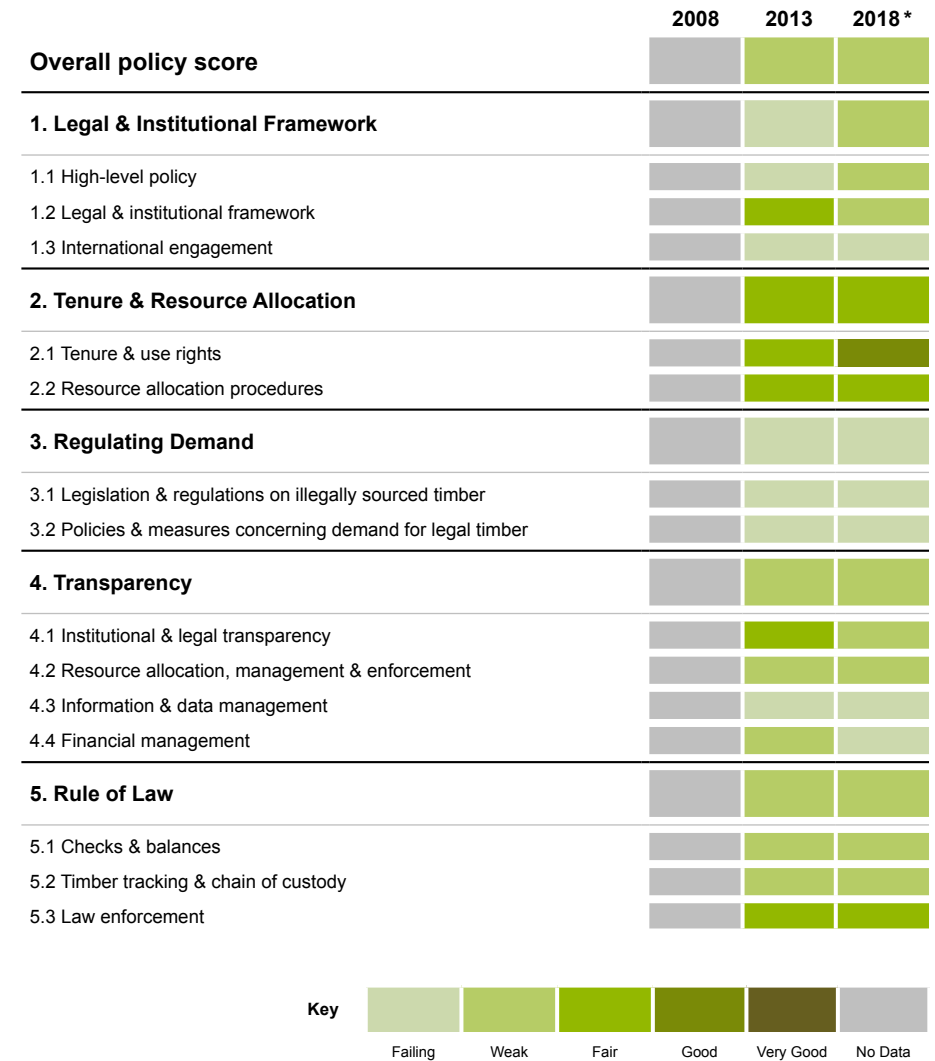


### Summary

Papua New Guinea has made little progress in addressing illegal logging since the last Chatham House assessment in 2013. The only notable progress has been the launch of the REDD+ and Forest Monitoring Web Portal in 2016 and the adoption of a REDD+ Strategy for 2017-27. However, the impact of these initiatives on illegal logging remains to be seen. An effective system for traceability and verification of legality is still not in place. Regulatory mechanisms are weak and there remains a lack of transparency in forest resource allocation and widespread corruption.

Figure 1: Summary of Papua New Guinea’s forest policy assessment



### Key Forest Policies and Resources

Forestry Act 1991 (No. 30 of 1991). Available at: <https://www.ecolex.org/details/legislation/forestry-act-1991-lex-faac022285/?q=FORESTRY+ACT+1991>

Forestry Regulations (No. 3 of 1998). Available at: <https://www.ecolex.org/details/legislation/forestry-regulations-no-3-of-1998-lex-faac-043116/?q=FORESTRY+ACT+1991>

Papua New Guinea. National REDD+ Strategy, 2017 – 2027. Available at: [https://redd.unfccc.int/uploads/4838\\_1\\_papua\\_new\\_guinea\\_national\\_redd\\_2B\\_strategy.pdf](https://redd.unfccc.int/uploads/4838_1_papua_new_guinea_national_redd_2B_strategy.pdf)

\* A number of questions were added to the assessment in 2018 (noted in the list of questions below). Consequently, the overall scores for 2018 are not directly comparable with those of the previous assessments.

## About

Chatham House is monitoring forest governance and legality to assess the effectiveness of government and private sector efforts to tackle illegal logging and trade. An assessment was undertaken of the Papua New Guinea's forest policy framework to evaluate the government's response to illegal logging and the related trade. A standard list of questions was used in the policy assessment and answers were scored against 3 criteria: if the policy exists (0-2), how well designed it is (0-5) and how well implemented it is (0-5). (See tables below).

## Timeframe for the research

This assessment is based on the situation at the end of 2018 and the scores refer to this date. However, where there have been significant developments in 2019, these have been noted in the text. The research was undertaken in 2018-19 and finalized in June 2019.

## Acknowledgements

The 2018 policy assessment for Papua New Guinea was carried out by Haseeb Bakhtary (Climate Focus) in collaboration with Gae Gowae (University of Papua New Guinea). Oversight was provided by Darragh Conway (Climate Focus) and Alison Hoare (Chatham House) and the final assessment was edited by Alison Hoare. The results were peer reviewed by independent experts. The editor is responsible for the final text and scores.

Suggested citation: Hoare, A, (Ed.) (2020), 'Chatham House Forest Policy Assessment, Papua New Guinea', available at: [forestgovernance.chathamhouse.org](http://forestgovernance.chathamhouse.org)

## Contact

Alison Hoare  
Energy, Environment and Resources,  
Chatham House

Chatham House, the Royal Institute of International Affairs, is a world-leading policy institute based in London. Our mission is to help governments and societies build a sustainably secure, prosperous and just world.

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical including photocopying, recording or any information storage or retrieval system without the prior written permission of the copyright holder. Please direct all enquiries to the publishers.

Chatham House does not express opinions of its own. The opinions expressed in this publication are the responsibility of the author(s).

Copyright © The Royal Institute of International Affairs, 2020



Supported by:



Federal Ministry  
for the Environment, Nature Conservation,  
Building and Nuclear Safety

based on a decision of the German Bundestag

### Acronyms and Abbreviations

CCDA	Climate Change and Development Authority	ITTO	International Tropical Timber Organization
CCM	Act Climate Change (Management) Act	NGO	Non-governmental organization
CELCOR	Centre for Environmental Law and Community Rights	NPA	National Procurement Act
DLPP	Department of Lands and Physical Planning	PFMC	Provincial Forest Management Committee
EITI	Extractive Industries Transparency Initiative	PNGFA	PNG Forest Authority
FAO	Food and Agriculture Organization	PNGFIA	PNG Forest Industries Association
FCA	Forest clearance authority	PNGRIS	PNG Resource Information System
FIMS	Forest Information Mapping System	REDD+	Reducing Emissions from Deforestation and Degradation
FLEGT	EU Forest Law Enforcement, Governance and Trade	SABL	Special Agriculture Business Lease
FMA	Forest Management Agreement	SGS	Société Générale de Surveillance
FSC	Forest Stewardship Council	SMEs	Small and medium-sized enterprises
FTA	Free trade agreement	TLS	Timber Legality Standard
GIS	Geographical Information System	TLTV	Timber Legality and Timber Verification
ILG	Incorporated Land Group	TRP	Timber Rights Purchase
INDC	Intended Nationally Determined Contributions to reduce greenhouse gas emissions under the United Nations Framework Convention on Climate Change	VPA	Voluntary Partnership Agreement

## Table 1: Papua New Guinea's Forest Policy Assessment

### Legal and Institutional Framework

High-level policy	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>1. Does the country have high-level political and governmental mechanisms in place to tackle illegal logging?</b>				
<i>a. Has a review of the causes and severity of illegal logging been conducted by the government?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	<p>The government has not conducted a review of the causes of illegal logging and there is a lack of understanding of the issue in PNG. The government seems to interpret illegal logging only as 'harvesting without authority – license or timber permit' whereas non-governmental organizations (NGOs) define this more broadly to include both 'harvesting without authority' and 'non-compliance with permit conditions'.</p> <p>The only major review of the forest sector in PNG to date was through a Commission of Inquiry into Aspects of the Timber Industry<sup>1</sup> which was established in 1987 by the prime minister of the time. The inquiry investigated the widespread corruption, transfer pricing and unsustainable logging practices that were prevalent in PNG. The findings and recommendations of the inquiry, published in 1989, led to a major transformation of PNG's legislative framework for the forest sector with the formulation and enactment of the 1991 National Forest Policy and the Forestry Act (gazetted in 1992). This legislation resulted in the establishment of the PNG Forest Authority in 1993 – an agency under the control of the national government with the involvement of provincial governments on forest planning including the power to veto projects in their provinces. This was followed by the establishment of the Timber Export Monitoring System in 1994 which requires third-party inspection and certification of timber exports regarding origin, species, volume and price of timber. Inspections are currently carried out by Société Générale de Surveillance (SGS) – an international verification company. The Logging Code of Practice was also introduced in 1996.</p>
<i>b. Is there a national action plan in place for tackling illegal logging?</i>	2013: 0 2018:	2013: n/a 2018: n/a	2013: n/a 2018: n/a	<p>There is no national action plan to address illegal logging. However, an International Tropical Timber Organization (ITTO) project to improve forest law enforcement was implemented between 2010-12. This resulted in the development of a framework Timber Legality Standard (TLS) and guidelines for a code of conduct for the forest industry.<sup>2</sup></p> <p>The development of the TLS involved a number of multi-stakeholder consultation processes and incorporated both the Timber Legality and Timber Verification (TLTV) (see Q21f) and Forest Stewardship Council (FSC) standards. Pilot testing of the TLS took place in May and June 2013. The results of field trials were presented to stakeholders in early 2017 and the final report published in June 2017. The TLS is currently awaiting approval by the government and implementation is yet to begin. It is anticipated that once approved, implementation will begin in the three pilot REDD+ provinces. The management of the TLS will be the joint responsibility of the Forest Authority and the National Institute of Standards &amp; Industrial Technology within the Commerce &amp; Trade Ministry.</p>
<i>c. Does a formal process exist for high-level coordination of action on illegal logging across departments and sectors e.g. a parliamentary committee or inter-ministerial task force</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	<p>There is no formal process for high-level coordination of action on illegal logging across departments and sectors.</p> <p>The only high-level body is the National Forestry Board which is responsible for the overall management of the forest sector. It includes a representative from the government departments responsible for planning and implementation, and for environmental matters, the Chamber of Commerce and Industries, Provincial governments, the office of the minister for forests, the managing director for PNGFA (PNG Forest Authority), the PNG Association of Foresters, a representative of civil society and forest resource owners. Recent practice is that the representative of the forestry minister serves as the chair of the board, and partly reflecting this, the board has been perceived as becoming less independent from the ministry.</p>

<sup>1</sup> Barnett, (1989), Commission of Inquiry Into Aspects of the Timber Industry, available at: <https://pngforests.files.wordpress.com/2013/05/final-report-vol-1.pdf>

<sup>2</sup> Available at: [https://www.itto.int/project/id/PD449\\_07-Rev.2-M-1](https://www.itto.int/project/id/PD449_07-Rev.2-M-1)

High-level policy	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>d. Are there formal consultation processes in place for multi-stakeholder involvement in developing policy and legislation to tackle illegal logging? These processes should ensure that viewpoints of stakeholders affected by legislation are taken into consideration. (Such processes should take place at central and regional levels of policy development and implementation.)</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 2 2018: 2	<p>There are multi-stakeholder consultation processes in place but implementation is weak.</p> <p>The formal process for any land-use project starts with consultation of the customary owners of a forest resource by the provincial forest officer for forestry projects or the provincial agriculture and lands officers for agriculture projects. Proposals are then considered, in turn, by the Provincial Forest Management Committee (PFMC) where customary owners of forests are represented, the Forest Authority for technical advice and comments, the National Forest Board for decision-making, the forestry minister for endorsement, and finally, the Cabinet for approval. This process has been in place since the approval of the 1991 Forestry Act. However, in 2008, changes to Section 59 of the Forestry Act removed certain powers of the PFMC.</p> <p>Agriculture projects that involve clearance of forests require either a timber authority for a small forest area or a forest clearance authority (FCA) for a large area. The PFMC decides which type of permit is required and these decisions have been controversial in relation to Special Agriculture Business Leases (SABLS – see under Q4b).</p> <p>A number of reviews of the country's legislation are underway (see Q4d). A review of the Climate Change (Management) Act began in 2017 and this process has included regional consultation workshops.<sup>3</sup> A review of the Forestry Act is also soon to be undertaken for which stakeholder participation will be sought.</p>
<i>e. Are there formal processes or policies in place aimed at ensuring a balanced participation of men and women in the development and implementation of forest policies? (Question added in 2018)</i>	2013: - 2018: 1	2013: - 2018: 1	2013: - 2018: 1	<p>The Constitution of PNG enshrines equal rights for men and women but in reality women's participation in political decision-making, at the national, provincial and local levels is poor. For example, there were no female representatives in the National Parliament as of 1 December 2018<sup>4</sup> and PNG was ranked 155 out of 189 countries in the UN Gender Inequality Index in 2019.<sup>5</sup></p> <p>In the forest sector, women currently play a more significant role in forest governance and decision-making. For example, in the Forest Authority, women hold the positions of deputy chairperson, director of policy &amp; planning and director of forest resource acquisition &amp; allocation.</p> <p>The Forestry Act 1991 provides for the National Forest Board to include 'one member, with awareness of the concerns of women affected by forestry operations, appointed by the National Executive Council from a list of two persons submitted by the National Council of Women' (Paragraph 10, Membership of the Board, 1(h)). However, this is not required at the provincial level and there are no women-specific positions allocated on the PFMC Boards.</p>
<i>f. Is illegal logging considered in the country's climate change strategy e.g. INDC, REDD strategy or other climate change national policy? (Question added in 2018)</i>	2013: - 2018: 2	2013: - 2018: 3	2013: - 2018: 1	<p>In PNG's Intended Nationally Determined Contribution to reduce greenhouse gas emissions under the United Nations Framework Convention on Climate Change, forestry is recognized as an area with high mitigation potential. Uncontrolled logging and land use conversion to agriculture are both identified as having caused increases in CO2 emissions.<sup>6</sup></p> <p>The country's Reducing Emissions from Deforestation and Degradation (REDD+) strategy states that deforestation in the country has been primarily driven by conversion to agriculture – this accounting for 87 per cent of total deforestation between 2000 and 2015. Shifting agriculture accounted for 63 per cent of this amount and commercial agriculture, mainly for oil palm, for 30 per cent. With respect to forest degradation, commercial logging is identified as the main driver of this, estimated to have accounted for 98 per cent of degradation between 2000-15. Although illegal logging is not specifically referred to, 'strengthening forest management and enforcement practices' is one of the action areas identified in the strategy.<sup>7</sup></p>

<sup>3</sup> UNDP (2019). Review of PNG's Climate Change (Management) Act hits First milestone. Available at: [https://www.pg.undp.org/content/papua\\_new\\_guinea/en/home/presscenter/pressreleases/2019/review-of-png\\_s-climate-change--management--act-hits-first-mile.html](https://www.pg.undp.org/content/papua_new_guinea/en/home/presscenter/pressreleases/2019/review-of-png_s-climate-change--management--act-hits-first-mile.html) Accessed on 13/11/2019. And UNDP (2019). Workshop supports national plan to tackle climate change in Papua New Guinea. Available at: <https://www.adaptation-undp.org/workshop-supports-national-plan-tackle-climate-change-papua-new-guinea> Accessed on 13/11/2019.

<sup>4</sup> <http://archive.ipu.org/wmn-e/arc/classif011218.htm> Accessed on 11/11/2019.

<sup>5</sup> UNDP, (2019), Human Development Reports: Papua New Guinea, available at: <http://hdr.undp.org/en/countries/profiles/PNG>, accessed on 11/11/2019

<sup>6</sup> [https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Papua%20New%20Guinea%20First/PNG\\_INDC%20to%20the%20UNFCCC.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Papua%20New%20Guinea%20First/PNG_INDC%20to%20the%20UNFCCC.pdf)

<sup>7</sup> Papua New Guinea. National REDD+ Strategy, 2017 – 2027. [https://redd.unfccc.int/uploads/4838\\_1\\_papua\\_new\\_guinea\\_national\\_redd\\_2B\\_strategy.pdf](https://redd.unfccc.int/uploads/4838_1_papua_new_guinea_national_redd_2B_strategy.pdf)

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><b>2. Is forest legislation and regulation coherent and unambiguous?</b> (Question added in 2018)</p>	<p>2013: 3 2018: 3</p>	<p>2013: 3 2018: 3</p>		<p>ince the enactment of the Forestry Act in 1992, a number of amendments were made between 1993 and 2008, with the aim of improving the delivery of services and implementation. However, these amendments led to some ambiguity in the country's forest legislation and regulations.</p> <p>For example, amendments to Sections 90a and 90b of the Forestry Act in 2007 (Forestry (Amendment) 2007, No. 19 of 2007) enabled timber harvesting through Forest Clearance Authorities (FCA) under Special Agriculture Business Leases (SABLs) – these leases have since been associated with high levels of illegal practices.<sup>8</sup> Furthermore, amendments to Section 69 of the act in 2008, which removed certain powers of the PFMC, resulted in several court cases by the PFMC against the Forest Authority over the allocation of forest concession areas.</p> <p>One flaw in the 1991 Forestry Act is that it does not say when Timber Rights Purchases (TRP) issued under the previous legislation expire or whether they should or should not be renewed under the new act. Timber Rights Purchases could automatically constitute illegal logging since they do not comply with the requirements of the 1991 act.</p> <p>The 1991 act (paragraph 137 on 'saving of existing permits') also states that all Timber Permits issued prior to the act remain valid until their date of expiry, but where the term of these is shorter than the TRP agreement for which they were granted, they can be extended or renewed. 28 years since the new act came into force, the Forestry Authority continues to use Section 143 of the 1991 act to extend issued prior to the 1991 act. SGS have reported on this issue in their annual reports but there is no evidence of any action having been taken to reconcile this issue.</p> <p>There have been no changes in forest legislation and regulation since the last assessment but there has been a recent move by the Forest Authority to review the Forestry Act so that it is aligned with the country's strategy for the forest sector to support the domestic economy while also achieving its goals to reduce deforestation as part of its climate strategy.</p>

<sup>8</sup> Summary of the Final SABL report as presented by Chief Commissioner John Numapo; brief sourced from the executive summary and recommendations of the report dated 24 June 2013, <http://www.actnowpng.org/content/summary-final-sabl-report-presented-chief-commissioner-john-numapo>; Greenpeace, (2012): Up for grabs: millions of hectares of customary land in PNG stolen for logging.

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><b>3. Is the legislation and regulation for artisanal and micro-scale enterprises coherent and unambiguous, or example, considering all relevant areas of law such as fiscal, rights of association, SMEs, forestry etc.</b> <i>(Question added in 2018)</i></p> <p><i>(Artisanal and micro-scale enterprises are defined respectively as those with 1-3 and 4-10 employees.)</i></p>		<p>2013: - 2018: 3</p>		<p>mall-scale logging operations are regulated under the Forestry Act which requires the issuance of timber authorities for small-scale clearance of forests (see more detail under Q. 4b). Although the requirements are clear, implementation is weak, with the majority of operators using licenses issued under the previous legislation. (Timber authorities have been mainly used by private operators to salvage logs from development projects.)</p> <p>PNG's National Constitution calls for a focus on the economic development of small and medium-sized enterprises (SMEs) although this objective has not been reflected in the legislation. However, the Small and Medium Enterprise (SME) Policy 2016 envisions this sector playing a major role in PNG's national goal of becoming a middle-income country by 2030 and a high-income country by 2050. The objective of the policy is to support the SME sector in creating new employment opportunities, achieving sustainable economic growth outside the resources sector and achieving a fair and equitable distribution of wealth through majority citizen ownership of business activities. With regards to the forest sector, the policy would impose export taxes on all commodities and timber products exported in a raw or semi-processed form to encourage increased local processing together with a ban on the export of round logs by 2020. Sawmilling, timber yards and retailing are activities under the Reserved Activity List for 100 per cent PNG ownership while pre-fabricated buildings, furniture making, logging and downstream processing would require a minimum 51 per cent PNG ownership.<sup>9</sup></p>
<p><b>4. Is there legislative and/or institutional coherence across sectors?</b></p>				
<p><i>a. Are formalized forest laws and regulations consistent and harmonized with other laws and regulations affecting forests e.g. for land-use planning, agriculture, mining etc.</i> <i>(Question added in 2018)</i></p> <p><i>(Formalized here is used to distinguish between laws designed and enacted by national government and customary practices/norms of indigenous peoples and local communities).</i></p>		<p>2013: 2 2018: 2</p>		<p>Formalized forest laws and regulations are not harmonized with other laws and regulations affecting forests such as those on agriculture, mining, conservation and eco-tourism. However, the need to harmonize forestry laws and regulations with REDD+ and climate change mitigation processes has been highlighted, for example, in the 2009 Forest Authority REDD+ Framework for Actions and the 2009 National Forestry Development Guidelines.</p> <p>However, there have been tensions between the Forest Authority and the Climate Change and Development Authority (CCDA) over REDD+: there was previously a clash between the minister for forests and minister for environment, conservation and climate change regarding jurisdiction over REDD+, which the state solicitor had to resolve by providing legal interpretation and advice. All forestry laws and regulations remain with the Forest Authority while REDD+ processes remain with the CCDA.</p>

<sup>9</sup> [https://www.dci.gov.pg/images/article/png-sme-policy\\_2016.pdf](https://www.dci.gov.pg/images/article/png-sme-policy_2016.pdf); PwC (2016). Overview and commentary on the PNG Government's SME Policy. Accessed on: <https://www.pwc.com/pg/en/publications/sme-bulletin/sme-bulletin-png-sme-policy-commentary.pdf>. Accessed in 12/11/2019.

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><i>b. Is there a legal framework for selling or licensing of any timber resulting from forest clearance driven by activities in other sectors? (Question added in 2018)</i></p>	<p>2013: - 2018: 2</p>	<p>2013: - 2018: 2</p>	<p>2013: - 2018: 1</p>	<p>The Forestry Act 1991 regulates forest clearance resulting from other sectors and there are two mechanisms that govern this depending on the size of the clearance area.</p> <p><b>Large scale</b></p> <p>FCAs are the mechanism used to clear forests to make way for large agricultural or other land use development including roads longer than 12.5 kilometres and/or where the proposed development involves clearance of areas of natural forest larger than 50 hectares. An FCA is subject to approval of the relevant Provincial Forestry Management Committee and the National Forest Board. FCAs have been criticized for giving permission to clear forests under SABLs issued under the Land Act 1996 and evidence suggests that many of the agricultural projects being proposed under SABLs were fronts for logging activities.<sup>10</sup> FCAs continue to be used for intensive logging on the pretext of clearance for oil palm development to avoid the lengthy processes involved in acquiring Forest Management Agreements (FMA) as set out under the 1991 Forestry Act.<sup>11</sup> Furthermore, the logging code of practice does not apply to FCAs. Logs sourced from SABLs constituted 25 per cent of PNG's total log export volume in 2015.</p> <p><b>Small scale</b></p> <p>Small operators work under a timber authority system. Timber authorities are issued for selective logging operations with a focus on the domestic market and they can only be issued for areas that are outside an existing FMA and for the following purposes:</p> <ul style="list-style-type: none"> <li>• Timber harvesting of less than 5,000 cubic meters within a 12-month validity period.</li> <li>• Harvesting of timber for road line clearance for roads that do not extend more than 12.5 km outside of a FMA.</li> <li>• Harvesting of timber for clearance in preparation for agriculture or other land use for less than 50 hectares of trees.</li> <li>• Harvesting of forest products other than timber.</li> </ul> <p>Timber authorities are also issued for small-scale clearance or for Local Forest Areas under selective logging operations. It should be noted that since the 1991 Forestry Act came into force, only about six FMAs are in operation while the rest of the timber concessions – accounting for about 65 per cent of the total – still remain under the old legislation (Timber Rights Purchase and Local Forest Areas). Towards the end of 2017, a number of expired TRPs – some which had expired more than 10 years ago – were given a three-year grace period extension.</p>

<sup>10</sup> Greenpeace, (2012): Up for grabs: millions of hectares of customary land in PNG stolen for logging, Ultimo: Greenpeace. Nelson, P., et al., (2012): 'Oil palm and deforestation in Papua New Guinea', Conservation Letters, Early View, published online 27 August 2013. Summary of the Final SABL report; brief sourced from the executive summary and recommendations of the report dated 24 June 2013, <http://www.coi.gov.pg/documents/COI%20SABL/Summary%20-%20COI%20SABL.pdf> and <https://actnowpng.org/content/prime-ministers-statement-parliament-sabl>

<sup>11</sup> Global Witness (2018) A Major Liability. Illegal logging in Papua New Guinea threatens China's timber sector and global reputation. August 2018. [https://www.globalwitness.org/documents/19406/A\\_Major\\_Liability.pdf](https://www.globalwitness.org/documents/19406/A_Major_Liability.pdf)



Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><i>c. Is there a legal framework for selling or licensing of timber produced by informal enterprises? (Question added in 2018)</i></p> <p><i>(Informal enterprises are defined as those that are owned and controlled by member(s) of a household(s), are unincorporated, are unregistered, their size falls below a certain threshold, do not have a complete set of accounts, produce goods that are meant for sale or barter etc.)</i></p>	<p>2013: - 2018: 0</p>	<p>2013: - 2018: n/a</p>	<p>2013: - 2018: n/a</p>	<p>There is no legal framework in place for selling or licensing informally produced timber. However, some sawmill operators buy timber from individuals who own small Alaskan chainsaw mills or portable sawmills which are not formally licensed. Also, in most cases, portable sawmills owned by individuals or communities are not licensed for commercial activities yet they sell timber to major sawmill operators. The domestic sale of timber from small-scale producers seems to be outside of the control of the Forest Authority.</p>
<p><i>d. Are there systems in place for cross-sectoral coordination between ministries and agencies responsible for planning and land-use allocation? (Question added in 2018)</i></p>	<p>2013: - 2018: 1</p>	<p>2013: - 2018: 2</p>	<p>2013: - 2018: 2</p>	<p>There is no such system in place. Land use planning across sectors and different levels of government is not well-coordinated. This has led to challenges in concession allocation and overlaps between protected areas and concessions.</p> <p>However, the 2017-27 REDD+ Strategy has highlighted the need for improved coordination. One of the action areas under this strategy is 'strengthened and coordinated national level development and land use planning', under which a more comprehensive approach to land use planning is to be developed. The strategy also sets out how REDD+ actions are to be coordinated,— the Climate Change and Development Authority has the mandate for the central coordination of all climate change actions. This coordination role is implemented through the National Climate Change Board, the National REDD+ Steering Committee and a number of technical working committees.</p> <p>Currently, there is work in progress to review the 1991 Forestry Act as well as the Provincial Forest Plan Guidelines under the Act. A review of the Climate Change and Development Authority Management Act is also underway as well as of the development of the National Sustainable Land Use Policy by the Department of Lands and Physical Planning. Improved coordination between state agencies will need to be addressed under these reviews.</p>

Legal and Institutional Framework	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>5. Is gender considered within policy-making and implementation?</b>				
<i>a. Is there a designated agency/ focal point with the mandate to ensure gender perspectives are mainstreamed in forest policies? (Question added in 2018)</i>	2013: - 2018: 1	2013: - 2018: 2	2013: - 2018: 3	<p>The Office for the Development of Women was established in 2005 within the Department for Community Development for enhancing the participation of women in contributing to and benefiting from development in PNG with a focus on policy-making. Among the key functions of the office is policy advice, implementation and gender mainstreaming. The work of the office is in line with the implementation of the government of PNG's Medium-Term Development Strategy which commits the government to reduce inequalities between men and women in PNG.</p> <p>This is however not specific to forest policies.</p>
<i>b. Are there processes or policies in place to assess gender impacts in the development and implementation of forest policies? (Question added in 2018)</i>	2013: - 2018: 0	2013: - 2018: n/a	2013: - 2018: n/a	<p>New policies and programmes must comply with the government's commitments to address gender discrimination and inequality under international agreements, national and provincial law and policies. There is however no specific gender impact assessment requirement.</p> <p>Nonetheless, in developing the REDD+ Strategy, an assessment was conducted and gender components were included in the strategy.</p> <p>The National Climate Compatible Development Management Policy of 2014 includes the principle 'To ensure fair and equal participation in representation of views at various levels including men, women, youth, vulnerable or minority groups and respect the rights of resource owners and increase community participation in all activities so that they will take ownership of the issue.'<sup>12</sup> This policy led to the adoption of the Climate Change (Management) (CCM) Act in 2015 which makes similar provisions for gender mainstreaming although it does not set out how this will be accomplished. However, the CCM Act has not resulted in much action, and as a result, the act is now under review.</p>

<sup>12</sup> <https://www.climatelinks.org/resources/national-climate-compatible-development-management-policy-papua-new-guinea>

International engagement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>6. What level of international cooperation has been shown by the country?</b>				
<i>a. Does the country have formalized trade or customs arrangements with major trading partners e.g. FLEGT VPAs or free trade agreements which include specific provisions on illegal logging?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	PNG does not have any formalized timber trade arrangements in place.
<i>b. Does the country have a system in place for sending and receiving enforcement alerts regarding illegal shipments in transit to destination countries?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	PNG does not have an official system in place for sending and receiving enforcement alerts regarding illegal shipments in transit to destination countries.

## Tenure and Resource Allocation

Tenure and use rights	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>7. Are property, use rights and tenure arrangements clearly defined, documented and secure including those of indigenous and local communities?</b>				
<i>a. Does the law require that property, use rights and tenure arrangements are set out on publicly accessible maps and/or Geographical Information Systems (GIS) and demarcated at ground-level?</i>	2013: 2 2018: 2	2013: 3 2018: 4	2013: 3 2018: 4	<p>NG's land law (Land Act, 1996) requires that property, use rights and tenure arrangements are set out on publicly accessible maps and demarcated at ground-level. Property use-rights and tenure are well documented including customary rights over land and resources. However, public access to this information is limited. Around 80 per cent of the population live in rural villages. Furthermore, nearly half of the population is illiterate and all of the documents and information are written in English making them even less accessible.</p> <p>The online PNG REDD+ and Forest Monitoring tool<sup>13</sup> provides maps of forest concessions, mining leases, oil palm plantations and REDD+ activities (see Q26a).</p>
<i>b. Are there formalized mechanisms in place for resolving conflicting or overlapping property rights?</i>	2013: 2 2018: 2	2013: 1 2018: 3	2013: 1 2018: 3	<p>With the increased extraction of natural resources and increased conflicts over resource ownership, the government has realized the need to develop mechanisms for resolving conflicts and overlapping property rights.</p> <p>The informal and most common mechanism has been through traditional chiefs'/leaders' meetings. Failure to resolve conflicts at this level then leads to formal land tribunal hearings and after that to court hearings. A Village Magistrate Court system is in place to assist in this regard but it is ineffective due to a lack of resources and limited government support for enforcing the system.</p> <p>A major reform of land administration began in 2007 through the National Land Development Programme. This was set up to implement the recommendations of the National Land Development Taskforce which was mandated to assess issues related to land administration, land dispute settlement and customary land development. While many of these have yet to be implemented, some progress has been achieved. For example, there is now a single Land Court to handle disputes over the ownership of customary land and its establishment is helping to address such conflicts in a more timely manner.<sup>14</sup></p> <p>Different NGO groups have been advocating improvements to the mechanism for conflict resolution and REDD+ is a potential driving force in helping to develop a better mechanism, in particular, through the development of Provincial Forest Plans for which guidelines have been developed.</p>
<i>c. Are there formalized mechanisms in place for accommodating customary rights in law and regulations?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 3	<p>There are formalized mechanisms in place for accommodating customary rights in law and regulations but they are not fully implemented.</p> <p>Customary land ownership is recognized in the National Constitution (Section 53) and in the Forestry Act 1991 (Section 46) the rights of customary owners to forest resources are fully recognized.</p> <p>The Land Groups Incorporation (Amendment) Act of 2009, which came into force in 2012, sets out the procedures for incorporating customary landowning units. The Incorporated Land Group (ILG) Division, under the Customary Land Services of the Department of Lands and Physical Planning (DLPP), is responsible for registering these units giving them legal recognition.<sup>15</sup> There has been an increase in the number of ILGs seeking registration. However, the process is costly, requiring the mapping and documenting of land boundaries by qualified surveyors and insufficient resources have been allocated by the government to the process. Furthermore, improvements to the registration process have been hampered by slow reform of the DLPP.<sup>16</sup></p>

<sup>13</sup> <http://png-nfms.org/portal/>

<sup>14</sup> Duncan, R. 2018, A Review of the Implementation of the National Land Development Program in Papua New Guinea. Discussion Paper, The National Research Institute. [https://pngri.org/images/Publications/Discussion\\_Paper\\_160.pdf](https://pngri.org/images/Publications/Discussion_Paper_160.pdf)

<sup>15</sup> PNG Department of Lands & Physical Planning (2014), Incorporated Land Group. Available at: <http://lands.gov.pg/Services/ILG/index.html>. Accessed on 15/11/2019.

<sup>16</sup> Duncan, R. 2018, Op. cit.

Tenure and use rights	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><i>d. Does the legal and policy framework provide for gender-equal use rights and tenure?</i></p> <p><i>(Question added in 2018)</i></p>	<p>2013: - 2018: 1</p>	<p>2013: - 2018: 1</p>	<p>2013: - 2018: 2</p>	<p>There is no legal or policy framework that provides for gender equal use rights or tenure.</p> <p>Nonetheless, gender inclusive approaches are included in some areas. For instance, s.14b of the Land Groups Incorporation Act 2009 requires that two female representatives of six must be elected to ILG management committees – the controlling body of the group. However, the act fails to provide for equal tenure rights and benefits.</p> <p>In some parts of the country, where matrilineal systems of land ownership are strongly practised, there is greater participation of women and better recognition of their use rights. However, this is an exception rather than the norm. According to the UN Population Fund, Papua New Guinean men commonly hold onto their traditional cultural practices, where men have authority over their clan and family members. Men make most of the decisions in the family and control most of the resources and women are expected to conform to various societal rules and norms – sometimes at the expense of their basic rights.<sup>17</sup></p>

<sup>17</sup> UN (SD). Gender equality. Available at: <https://png.unfpa.org/en/topics/gender-equality-12>. Accessed on 18/11/2019

Resource allocation procedures	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>8. Do resource allocation regulations and procedures include measures consistent with good forest governance?</b>				
<i>a. Is there a prequalification process which is designed to exclude inappropriate bidders from resource allocation awards?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 3	<p>There is a prequalification process. Only registered industry participants are able to make bids. The process for registration, set out in Part IV of the Forestry Act, sections 104-113, entails submission of an application to the managing director of the Forest Authority, who in considering the application, will have regard to (section 109):</p> <p>'(a) The financial resources of the applicant; and</p> <p>(b) The expertise and experience of the applicant in the activity or activities in respect of which application is sought; and</p> <p>(c) Any previous performances of the applicant in the forest industry.'</p> <p>Further, Section 67 (2) of the Forestry Act states that an evaluation of project proposals will include consideration of '(e) the commercial viability of the project including the financial resources of the applicant, the past performance of the applicant in forest industry and other projects, analysis of projected cash flows and the anticipated net benefit to the resource owners and to the state.'</p>
<i>b. Is there a competitive award process which is designed to be open to all eligible bidders?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 3	<p>The 1991 Forestry Act provides for a competitive award process. Section 64 sets out the requirements for advertising projects and seeking expressions of interest and sections 66-72 set out the processes for selecting successful bidders.</p>
<i>c. Does the law require prior informed consent procedures or stakeholder consultations for local communities with respect to logging interests and rights to be carried out?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 3	<p>The law does require prior informed consent procedures or stakeholder consultations with local communities. Section 46 of the Forest Act stipulates that 'The rights of the customary owners of a forest resource shall be fully recognized and respected in all transactions affecting the resource'. Section 57 sets out from whom consent should be obtained when entering into a Forest Management Agreement over customary land. Section 58 requires that the Provincial Forest Management Committee certifies that it is satisfied as to 'the willingness of those customary owners to enter into the agreement' (paragraph (ii)).</p> <p>However, the consultation processes are often only with representatives of the ILGs rather than with the wider community. A major problem has been the failure of the government to ensure that landowners have given their free prior informed consent for leases. In August 2016, the Supreme Court ruled that a land lease used to clear forest in East Sepik Province was invalid and that any associated logging and oil palm development was illegal. It found that the logging operation had violated the legal rights of indigenous communities to their land and forests by failing to gain their consent.</p> <p>Under REDD+, a Safeguard Information System has been drafted, although yet to be finalized, and this includes requirements that 'free prior informed consent' is obtained from customary forest owners for any REDD+ activities.</p>
<i>d. Are measures to protect and develop forest-based livelihood opportunities for local communities within concession areas built into concession contracts?</i>	2013: 1 2018: 1	2013: 2 2018: 2	2013: 2 2018: 2	<p>Such measures are not built into concession contracts. However, the Log Export Development Levy, established in 2006, is a tax on logging companies to help fund basic infrastructure and services in areas affected by logging. In many cases, the projects funded have been poorly implemented or not completed.<sup>18</sup> In 2016, the auditor general reported poor administration of these funds as well as low dissemination – just 25 per cent of the monies collected had been spent due to a low level of awareness of the availability of these funds.<sup>19</sup></p>

<sup>18</sup> Hamago, L. & E. Ezebilo, 2017. The Log Export Development Levy: Are we Using it to Develop Infrastructure? Spotlight. The National Research Institute. [https://pngnri.org/images/Publications/Log\\_Export\\_Spotlight.pdf](https://pngnri.org/images/Publications/Log_Export_Spotlight.pdf)

<sup>19</sup> Auditor General, 2017. Performance Audit on the Effectiveness of the Management of the Log Export Development Levy. <https://pngportal.org/directory/performance-audit-on-the-effectiveness-of-the-management-of-the-log-export-development-levy>

## Regulating Demand

Legislation & regulations on illegally sourced timber	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>9. Does the country have adequate legislation and regulations in place to prevent illegally sourced timber from being imported or sold?</b>				
<i>a. Has the country analysed its existing legislation and regulations on preventing imports and sales of illegally sourced timber? (Question added in 2018)</i>	2013: - 2018: 0	2013: - 2018: n/a		There has been no such analysis of existing legislation and regulations.
<i>b. Has additional legislation been enacted and regulations put in place to prevent illegally sourced timber from being imported or sold?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	There has been no additional legislation enacted or regulations put in place to prevent illegally sourced timber from being imported. There are existing regulations related to trade control timber imports but these do not prevent illegality.  To date, PNG remains a major exporter of timber and imports are minimal. However, there have been cases of foreign construction companies importing timber because their needs could not be met from domestic supplies. For example, this has taken place to meet the construction needs linked with mining activity in the country.
<i>c. If there is legislation in place to prevent the import of illegal timber, how broad is the product scope of this legislation? (Question added in 2018)</i>		2013: - 2018: n/a		No such legislation in place.
<i>d. If there is legislation in place to prevent the import of illegal timber, does it apply only to importers &amp; those that are first place on the market or to all those along the supply chain? (Question added in 2018)</i>		2013: - 2018: n/a		No such legislation in place.
<i>e. If there is legislation in place to prevent the import of illegal timber, does it include a requirement on businesses to implement due diligence? (Question added in 2018)</i>		2013: - 2018: n/a		No such legislation in place.
<i>f. Is implementation of the policy systematically monitored and assessed? (Question added in 2018)</i>		2013: - 2018: n/a		No such legislation in place.

Policies & measures to promote demand for legal timber	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>10. Is there a public procurement policy in place excluding illegal and/or unsustainable timber products from government purchasing?</b> <i>(Question added in 2018)</i>	2013: - 2018: 0		2013: - 2018: n/a	Public procurement policies do not stipulate this.  In 2018, the government replaced its Public Finances Management Act of 1995 with the National Procurement Act (NPA). <sup>20</sup> Although 'fairness' and 'ethics' are amongst the procurement principles, it does not directly address illegal timber purchasing and does not refer to environmental or sustainability implications of procurement activities. According to the NPA, 'all procurements shall be carried out in accordance with the Codes of Ethics which may be established, from time to time, by the [new National Procurement] Commission' (Art. 44, Act n. 12 of 2018). The 2018 NPA provides revised procurement thresholds and gives local companies exclusive rights to bid for state contracts valued at under PNK10 million which is in line with the 2016 SME Policy (see Q8a).
<i>a. What level of adherence does the policy require?</i> <i>(Question added in 2018)</i>		2013: - 2018: n/a		No such policy in place.
<i>b. Does the policy cover all timber products including paper?</i> <i>(Question added in 2018)</i>		2013: - 2018: n/a		No such policy in place.
<i>c. Does the policy rest on independent certification or verification schemes or equivalent for identifying legal products?</i> <i>(Question added in 2018)</i>		2013: - 2018: n/a		No such policy in place.
<i>d. Is assistance offered to government purchasers e.g. advice, guidance, training etc?</i> <i>(Question added in 2018)</i>		2013: - 2018: n/a		No such policy in place.
<i>e. Is implementation of the policy systematically monitored and assessed?</i> <i>(Question added in 2018)</i>		2013: - 2018: n/a		No such policy in place.
<i>f. Does the procurement policy apply to sub-national (provincial, regional, local) government?</i> <i>(Question added in 2018)</i>		2013: - 2018: n/a		Not applicable although the 2018 National Procurement Act does apply to sub-national (provincial and local) governments.
<b>11. Do forest-related policies encourage legal timber production and discourage illegal timber production by ensuring that the level of demand does not exceed legal supply?</b>				
<i>a. Does the permitting system for primary wood processing facilities require evidence of sufficient legal sources of raw material?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	The permitting system for primary wood processing facilities does not require evidence of sufficient legal sources of raw material. The main requirement under the permit conditions relates to minimum and maximum production outputs for processed materials. Failure to observe these production targets results in certain penalties.  However, the vast majority of timber exports are of logs and not processed products. This could drastically change if the 2016 SME policy is effectively implemented with its planned ban on all export of round logs by 2020 (see Q3).

<sup>20</sup> PNG (2018). National Procurement Act, n. 12 of 2018. Available at: <http://www.parliament.gov.pg/uploads/acts/18A-12.pdf>. Accessed 0n: 18/11/2019.



## Transparency

Institutional & legal transparency	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>12. Is there a unified document which describes the roles, responsibilities and controls for all agencies involved in regulating forest utilization and trade from harvest rights allocation to point of sale or export and is it accessible to the public?</b>	2013: 1 2018: 1	2013: 2 2018: 2	2013: 2 2018: 2	No such document exists. However, the Forestry (amended) Act 1991 describes the roles and responsibilities of agencies involved in regulating forest utilization and trade – from harvest rights allocation to the point of sale or export.
<b>13. Is there a legal requirement to make forest legislation and regulations readily accessible to the public?</b> <i>(Question added in 2018)</i>	2013: - 2018: 0	2013: - 2018: n/a	2013: - 2018: 4	<p>The Constitution (section 51 (1)) states that 'Every citizen has the right of reasonable access to official documents subject only to the need for such secrecy as is reasonably justifiable in a democratic society'. Paragraph 3 of this section says 'Provision shall be made by law to establish procedures by which citizens may obtain ready access to official information.'</p> <p>No such law has been put in place however and there is no requirement in the Forestry Act 1991 to make forest legislation and regulations readily accessible to the public. However, new laws and regulations passed by the parliament are made available to the public on the website of the Office of Legislative Counsel as well as on the websites of the respective ministries. Furthermore, a new web portal is being set up under PNGFA with the aim of providing such information to the public.</p>

Transparency in resource allocation, management & enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>14. Do policies, laws or regulations contain provisions designed to ensure that resource allocation and management is carried out transparently?</b>				
<i>a. Do policies, laws or regulations stipulate that rules for resource allocation processes e.g. concession allocation and competitions are made publicly available?</i>	2013: 2 2018: 2		2013: 3 2018: 3	The rules for resource allocation processes are required to be made publicly available.  Sections 64-72 of the Forestry Act set out the processes for resource allocation.
<i>b. Do policies, laws or regulations stipulate that dates for when resource allocation processes are to be held are made publicly available?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 3 2018: 3	There is no specific requirement that these dates are made publicly available and published automatically but such information can generally be obtained on request.
<i>c. Do policies, laws or regulations stipulate that the results of resource allocation processes are made publicly available e.g. bids and awards for concession allocation and competitions?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 3 2018: 3	There is no specific requirement that the results of resource allocation processes are made publicly available. However, in most cases the public is informed through the media or the results are made available on request.
<i>d. Do policies, laws or regulations stipulate that up to date summary data is published on harvesting, processing and international trade?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 1 2018: 1	There is no specific requirement that up-to-date summary data is published on harvesting, processing and international trade and such data are not easily available even through formal requests.
<b>15. Do policies, laws or regulations contain provisions designed to ensure transparency in concession use?</b>				
<i>a. Do policies, laws or regulations stipulate that information on location of concessions, ownership and contact details is publicly available?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 1 2018: 3	There are no legal requirements that such information be made available and accessing such information is often very difficult even for other government agencies.  The REDD+ monitoring online platform provides a map with the location of all expired and operational timber concessions.
<i>b. Do policies, laws or regulations stipulate that information on concession contracts, inventories and plans are publicly available i.e. long term and annual forest management and harvest plans?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: 1 2018: 1	There are no legal requirements that information on concession contracts, inventories and plans are publicly available. Accessing such information is often very difficult even for other government agencies.

Transparency in resource allocation, management & enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>c. Do policies, laws or regulations stipulate that results of environmental and social impact assessments and mitigation measures are publicly available?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 3	Division 3 on Environmental Impact Assessments of the Environment Act 2000, Section 55 (Public Review and Submissions) states that the director of environment shall cause any environmental impact statement to be made available for public review. These are made available with newspaper advertisements used to inform the public when they are available for review. However, there is a lack of awareness among the public of the importance of inputting to these.
<b>16. Do policies, laws or regulations contain provisions designed to ensure that information on enforcement activities is publicly available?</b>				
<i>a. Do policies, laws or regulations stipulate that data is published on forest crimes including success rates on detection, interdiction, prosecution and conviction including fines levied and fines paid and volumes seized?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	There are no legal requirements stipulating that such data is published and such information is not easily obtained.
<i>b. Do policies, laws and regulations stipulate that information on disposals of confiscated wood or results of public auctions of confiscated wood or other kinds of public bidding are publicly available?</i>	2013: 2 2018: 2	2013: 5 2018: 5	2013: 3 2018: 3	Such information is required to be made publicly available and should be published automatically. Information can generally be obtained often being made available in local newspapers.

Information & data management	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<p><b>17. Is there an up-to-date, accurate information management system in place through which relevant government agencies can access data related to forest enforcement and management?</b></p> <p><i>This information management system could include elements such as forest inventories, remote sensing imagery and harvest permits and licenses, forest management plans, centralized repository of maps, transportation documents and processing licenses and records.</i></p>	<p>2013: 0 2018: 1</p>	<p>2013: n/a 2018: n/a</p>	<p>2013: n/a 2018: n/a</p>	<p>There is no up-to-date accurate information management system in place through which relevant government agencies can access data related to forest enforcement and management.</p> <p>The PNG Resource Information System (PNGRIS) and the Forest Information Mapping System (FIMS) of the Forest Authority are both out-of-date and often difficult to access by other government agencies.</p> <p>Under REDD+, there has been some improvement in information systems for the forest sector and accessibility by government agencies. A memorandum of understanding was agreed between the Climate Change and Development Authority, Forest Authority and Conservation Environment Protection Authority to work collaboratively to meet the outcomes of REDD+. The REDD+ and Forest Monitoring system (see 21a) includes an online portal with information on forests and forest use. A new National Forest Inventory is also being developed with support from FAO. This will improve the availability of information on the sector although it is mainly targeted at estimating emissions from deforestation and forest degradation.<sup>21</sup></p>
<p><b>18. Is there an up-to-date, accurate information system in place to gather data on employment in the forest sector?</b> (Question added in 2018)</p>	<p>2013: - 2018: 0</p>	<p>2013: - 2018: n/a</p>	<p>2013: - 2018: n/a</p>	<p>No database or information system exists to gather data on employment in the forest sector.</p>

<sup>21</sup> See: <http://www.fao.org/in-action/png-multipurpose-national-forest-inventory/en/>

Financial management	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>19. Is there an effective financial management system in place for the forest sector?</b>				
<i>a. Does the forest administration have a system for monitoring revenue collected from utilization of forest resources against revenue owed as well as a procedure for investigating discrepancies?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	There is no such system within the Forest Authority.  The Forestry Act, Section 119, Part IV (Forest Finance) stipulates the establishment of a forest revenue system in order to prescribe royalties and other charges and a basic system for this is in place. But this does not enable identification of discrepancies.
<i>b. Is there an audit of the forest administration whose findings are publicly available?</i>	2013: 2 2018: 2	2013: 2 2018: 2	2013: 2 2018: 1	Section 45 under Division 7 (Financial Procedure) of the Forestry Act 1991 stipulates that the accounts of the Forest Authority shall be audited. However, the audit system is not as effective as it should be because of limited resources within the auditor general's office.  The 2016 Annual Report of the auditor general did not have any data on the Forestry Authority because the inspection for 2013-14 was on-going and the Forestry Authority had not submitted their financial statement for 2015-16. The 2017 report noted that the fieldwork had been completed for 2013 and the results were being evaluated but that for 2014 was still ongoing. Financial statements for 2015-17 had not been submitted. <sup>22</sup>
<b>20. Does the country report on its forest sector to the EITI? (Question added in 2018)</b>	2013: - 2018: 0	2013: - 2018: n/a	2013: - 2018: n/a	PNG does not report on its forestry sector to the Extractive Industries Transparency Initiative (EITI). <sup>23</sup>

<sup>22</sup> The Annual Reports are available at: <http://www.ago.gov.pg/index.php/8-annual-reports>

<sup>23</sup> See: <https://eiti.org/publishers/papua-new-guinea-eiti>

## Rule of Law

Checks and balances	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>21. Are mechanisms (checks and balances) in place to ensure government fully applies forest law and regulations?</b>				
<i>a. Does the law make provisions for protecting the rights of the public to mount legal challenges against forest management decisions/practices and failure by the government to apply forest law?</i>	2013: 2 2018: 2		2013: 3 2018: 3	<p>Under the National Constitution (Section 32) the public is at liberty to mount legal challenges against poor decisions and practices by the government.</p> <p>There have been several cases where non-governmental organizations (NGOs), on behalf of customary forestry owners, have mounted successful legal challenges against decisions of the Forest Authority. For example, in the Makapa forest area in the Western Province, Greenpeace, through the Centre for Environmental Law and Community Rights (CELCOR), sued a timber company and the state for illegal logging and the customary owners were awarded over PGK26 million. However, because the company was not registered in PNG, the customary owners did not receive the payment.</p>
<i>b. Does the law stipulate penalties for staff for corruption?</i>	2013: 2 2018: 2	2013: 2 2018: 2	2013: 2 2018: 2	<p>There is no specific penalty regime for government staff engaged in corruption.</p> <p>The Forestry Act 1991 stipulates penalties for individuals who engage in forestry activities without being registered (Section 114 (1-5)) with fines ranging from 1,000 to 10,000 Kina and between one and five years imprisonment depending on the offence. These penalties are low in value and are not linked with inflation. It is also not clear if penalties that have been imposed for such offences are based on the prescribed penalties by the laws. The National Forestry Development Guidelines 2009 do not emphasize the issue of corruption and illegal logging in the forest sector.</p>
<i>c. Does the law include clear limits to the power of forest ministers or equivalent or other senior government officials to override forest-related laws, regulations and procedures e.g. concession allocation procedures? Does the law limit discretionary powers?</i>	2013: 2 2018: 2		2013: 2 2018: 2	<p>The law does provide limits to discretionary powers but implementation is poor. Sections 9-20 of the Forestry Act 1991 describe the powers of the National Forestry Board and the discretionary powers of the board were increased in amendments made in 2008 that reduced the powers of the PFMC.</p> <p>The minister for forests is responsible for forest-related matters but does not have direct control over routine forest administration.<sup>24</sup></p> <p>The National Forest Board has been known to abuse its powers. For example, irregularities in a National Forest Board decision led to an Ombudsman Commission Investigation in 2002.<sup>25</sup> To date the board members implicated in the Commission's findings have not been penalized.</p>
<i>d. Does a parliamentary committee, or equivalent, have formal oversight over the national government forest service and associated agencies?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 2	<p>There is an equivalent of a parliamentary committee in place that has formal oversight of the national government forest service and associated agencies. The committee sits regularly with good attendance.</p> <p>The National Forest Board is equivalent to a Ministerial Committee. Its members are appointed by the minister and endorsed by the government's National Executive Council. The board is composed of 8 members representing government and other stakeholders. The board was established in 1993 as part of the forestry reforms that followed the 1987 Barnett Inquiry (see Q 1a). The performance of the board in terms of the frequency of and attendance at the meetings is very high which could be partly explained by the privileges attached to it. However, many of the board's decisions and actions have been questionable as far as good forest governance is concerned. The only body that can report on the board's actions is the Ombudsman Commission.</p> <p>Most high-level parliamentary committees have become defunct including the Economic Sectoral Committee and the Economic Ministerial Committee. Before 2012, any major policy papers or decisions would have to go through these two committees in turn before going to the EMC then to the National Executive Council (NEC) for decision-making and finally to Parliament for approval. Now, individual heads of department go direct to their respective ministers and papers then go to the NEC.</p>

<sup>24</sup> Friends of the Earth Japan, (2011), Evaluation of social and environmental risks accompanying the procurement of timber from Papua New Guinea. Available at: [https://www.fairwood.jp/eng/res/report/report2011\\_PNG\\_FoEGEF.pdf](https://www.fairwood.jp/eng/res/report/report2011_PNG_FoEGEF.pdf). Accessed in 13/11/2019

<sup>25</sup> Forest Trends (2006). Logging, legality, and livelihoods in Papua New Guinea. V. 2. Available at: <https://www.forest-trends.org/wp-content/uploads/imported/logging-png.pdf>. Accessed in 13/11/2019.

Checks and balances	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>e. Is there a system in place through which relevant government departments and agencies carry out self-monitoring of their performance and internal corruption investigation. (This could be carried out by an internal or external inspectorate which includes making the findings public.)</i>	2013: 1 2018: 1	2013: 1 2018: 1	2013: 1 2018: 1	<p>There is no such system in place although the Government General Orders 2002 and the Public Finance Orders of 2006 do require such systems.</p> <p>The Parliament Accounts Committee, the auditor general and the Department of Planning &amp; Monitoring do carry out external assessments of government departments and agencies including the Forest Authority. Their findings are made public through their published annual reports but these do not report on standard performance criteria.</p>
<i>f. Is there an independent national forest monitoring system in place?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	<p>There is no independent national forest monitoring system in place that covers the entire sector including allocation of timber rights and law enforcement.</p> <p>The Timber Export Monitoring System was introduced in 1994. The system requires exporters to undergo inspection and obtain certification by a third party to confirm the origin, species, volume and price of the timber product being exported. The inspection is currently carried out by the verification company Société Générale de Surveillance. The Timber Legality and Traceability Verification (TLTV) service was established in 2008 by SGS, with funding from ITTO and support from the PNG Forest Industries Association (PNGFIA), to verify the legality of timber and chain of custody. It assesses compliance with requirements for business administration, forest management, health and safety, processing and trade and the maintenance of a company's internal chain of custody system for managing verified materials.<sup>26</sup></p>
<b>22. Is customs specifically mandated to check that timber consignments meet the country's forestry-specific legal export requirements?</b>	2013: 0 2018: 0		2013: n/a 2018: n/a	<p>Customs are not specifically mandated to check that timber consignments meet the country's forestry-specific legal export requirements. However, the Customs Act, the Customs Tariff Act and the Export (Control and Valuation) Act do control and regulate the export of timber products.</p> <p>No new developments have been reported.</p>

<sup>26</sup> SGS, (2010), Is your timber legal? Available at: [https://www.sgs.com/~/\\_media/Global/Documents/Brochures/SGS-Governments%20And%20Institutions-Is%20your%20timber%20legal-A4-EN-10-V1.pdf](https://www.sgs.com/~/_media/Global/Documents/Brochures/SGS-Governments%20And%20Institutions-Is%20your%20timber%20legal-A4-EN-10-V1.pdf)

Timber tracking & chain of custody	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>23. Are there effective mechanisms in place to detect instances of illegal timber entering the supply chain?</b>				
<i>a. Is there a system in place designed to verify the origin of timber i.e. forest management unit in transport, transfer and delivery?</i>	2013: 1 2018: 1	2013: 1 2018: 1	2013: 1 2018: 2	There is no mandatory system in place to verify the origin of timber in transport, transfer and delivery. The only existing process is that companies are required to submit a Declaration of Logs Harvested and Royalty Self-Assessment on a monthly, or more frequent, basis. This declaration is based on the Log Scaling Record Sheets. For exports, SGS monitors shipments to ensure they were correctly declared with respect to log volume and species.  The TLTV system (see 21f) does provide a system to verify the legality of timber and of companies' chain-of-custody systems to manage verified timber but this is voluntary.
<i>b. Does the system design include the following components?</i>				
<i>i. Independent monitoring procedures by independent government body or third party?</i>	2013: 2 2018: 2	2013: 2 2018: 2	2013: 3 2018: 3	There is an independent third-party monitoring procedure in place by SGS. However, its mandate is limited to monitoring log exports (volumes & prices). Thus, it does not cover the supply chain from the point of harvest to export nor all forest types, for example, customary forests.
<i>ii. Reconciliation systems</i>	2013: 0 2018: 1	2013: n/a 2018: n/a	2013: n/a 2018: n/a	There is no reconciliation system in place. However, the Timber Legality Standard is expected to provide a reconciliation system once established.
<i>iii. Tamper-resistant documentation procedures</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	There is no tamper-resistant documentation procedure in place. The Timber Legality Standard remains paper-based.
<i>iv. Computerized systems</i>	2013: 2 2018: 2	2013: 2 2018: 2	2013: 2 2018: 2	SGS uses computerized systems to monitor the legality of timber entering the market. However, the system is primarily in place for the purpose of levying taxes and not for the detection of illegal timber entering the supply chain. Illegal logging is perceived by the Forestry Authority to entail the illegal issuance of timber permits rather than the violation of timber permit conditions. Therefore, the SGS system does not cover this latter aspect.  Computerized information systems for forest plan applications and their approval has been identified as a priority in the country's REDD+ Finance & Investment Plan, to improve collection of tax revenues and enforcement. <sup>27</sup>
<i>c. Does the system also cover timber for the domestic market as compared to systems explicitly targeting exports? (Question added in 2018)</i>	2013: - 2018: 0	2013: - 2018: n/a	2013: - 2018: n/a	Monitoring and verification systems do not cover timber for the domestic market. SGS only inspects logs for export.

<sup>27</sup> Green Climate Fund, (2018), Implementation of Papua New Guinea's REDD+ Finance and Investment Plan, available at: <https://www.greenclimate.fund/document/implementation-papua-new-guinea-s-redd-finance-and-investment-plan>



Law enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<b>24. Do policies, laws, regulations and procedures facilitate and promote effective law enforcement?</b>				
<i>a. Are penalties and sanctions against illegal logging and forest-related crime proportionate and dissuasive?</i>				
<i>i. For legislation on domestic production and trade</i>		2013: 2 2018: 2	2013: 2 2018: 2	<p>The maximum penalties for illegal logging and forest-related crime are not sufficiently proportionate and dissuasive and are rarely applied in practice. Part VII (Sections 122-135) of the Forestry Act stipulates various offences and penalties. These include, for engagement in forest industry activities without an appropriate permit or license, a fine not exceeding K100,000 or a maximum prison sentence of five years and for unlawful removal of any forest produce, a fine not exceeding K50,000.</p> <p>The financial penalties do not reflect the severity of the crimes nor do they take into account inflation or changes in timber value, furthermore, penalties are rarely imposed. On the rare occasions that penalties are imposed, judges do often impose the maximum penalties.</p>
<i>ii. For legislation to prevent the import of illegal timber if in place</i>		2013: - 2018: n/a	2013: - 2018: n/a	There is no additional legislation enacted to prevent illegally sourced timber from being imported or sold.
<i>b. Are there systems in place to ensure coordination between relevant ministries and agencies on illegal logging cases?</i>	2013: 2 2018: 2	2013: 3 2018: 3	2013: 3 2018: 3	There are systems in place to ensure coordination between relevant ministries and agencies on illegal logging cases but their design and implementation are poor. For instance, there is a consistent lack of field monitoring in the forestry sector by the Conservation Environment Protection Authority while breaches of the Logging Code of Practice have often been overlooked by the Forest Authority Inspection Supervisors.
<b>25. Do government institutions and agencies have sufficient capacity and resources to monitor forest areas and detect and suppress forest crime?</b>				
<i>a. Are forest officials/law enforcement staff sufficiently resourced for monitoring and enforcement? (Relevant resources include budgets, numbers of staff, communications, transport, equipment, salaries as well as training in understanding of regulatory framework and knowledge of techniques for monitoring and enforcement.)</i>		2013: 2 2018: 2	2013: 2 2018: 2	<p>Forest officials and law enforcement staff are not sufficiently resourced for monitoring and enforcement. Consequently, Forest Authority officials carrying out field inspections and monitoring of logging operations rely heavily on the assistance of the logging companies for transportation and accommodation at the logging sites therefore they cannot perform their duties independently. Under the National Forestry Development Guidelines of 2009, it was intended that the Forest Authority become more financially autonomous but this has not been achieved.</p> <p>In the concept note for PNG's REDD+ Finance &amp; Investment Plan, limited resources and human capacity are noted as factors underlying lack of enforcement of logging standards. Enhancing enforcement is therefore identified as a priority including investment in technology such as electronic systems for staff, drones and the use of mobile phone reporting applications.<sup>28</sup></p>

<sup>28</sup> Green Climate Fund, (2018), Implementation of Papua New Guinea's REDD+ Finance and Investment Plan, available at: <https://www.greenclimate.fund/document/implementation-papua-new-guinea-s-redd-finance-and-investment-plan>

Law enforcement	Does policy exist? (0-2)	Quality of design (1-5)	Level of implementation (1-5)	Justification or additional qualitative explanation
<i>b. Are the following non-forest sector officials who are involved in forest enforcement, trained and kept up to date in relevant forest sector issues?</i>				
<i>i. Judges and prosecutors</i>			2013: 2 2018: 2	Training is not provided to judges and prosecutors on forest sector issues. However, lawyers employed in the forest sector do provide assistance with legal matters pertaining to forestry during court cases.
<i>ii. Customs officials</i>			2013: 2 2018: 2	The annual reports of the Customs Department do not report on any training of customs officers on forestry issues. However, officials do typically have contacts with forestry officials who can provide expertise.
<b>26. Do government agencies systematically use appropriate information gathering tools in order to identify illegal activities?</b>				
<i>a. Are remote sensing systems used for this purpose such as satellite imagery and/or aerial surveillance?</i>			2013: 2 2018: 3	Remote sensing is used for forest management planning but is rarely used to identify illegal logging. Most satellite imagery is obtained from Australia as PNG doesn't have its own satellite station.  A remote sensing centre has been established within the Forest Authority and the PNG REDD+ and Forest Monitoring Web-Portal has been set up. It was developed jointly by the Climate Change and Development Authority and Forest Authority with the support of the Japan International Cooperation Agency, FAO and the EU. The portal was launched in 2016 and provides information on land cover, forest concessions and deforestation and forest degradation. <sup>29</sup>
<i>b. Are in-the-field investigatory tools used for this purpose such as confidential diagnostic surveys, informants and NGOs?</i>			2013: 1 2018: 1	The Forestry Authority does not have in-the-field investigatory tools in place to systematically monitor and identify illegal logging activities. Its approach to illegal logging is reactive and responds to allegations on a case-by-case basis.
<i>c. Are material flow analyses used for this purpose such as wood input/output estimates and comparison of import/export data?</i>			2013: 2 2018: 2	Material flow analyses are not used for identifying illegal logging activities.  This approach has not to date been integrated into the Timber Legality and Timber Verification framework.
<i>d. Are log tracking and check point systems used for this purpose?</i>	2013: 0 2018: 0	2013: n/a 2018: n/a	2013: n/a 2018: n/a	There are no log tracking systems or checkpoint systems in PNG.  The Timber Export Monitoring system only monitors export data, and is aimed at ensuring revenue collection rather than identifying illegal logging activities.

<sup>29</sup> See: <http://png-nfms.org/portal/>