



**PAPUA NEW GUINEA FOREST AUTHORITY**

**NATIONAL FOREST SERVICE**

**HEAD OFFICE – FRANGIPANI STREET, HOHOLA.**

P.O. BOX 5055, BOROKO,  
NATIONAL CAPITAL DISTRICT,  
PAPUA NEW GUINEA.

TELEPHONE: (675) 327 7800  
FACSIMILE: (675) 325 4433  
URL - [www.forestry.gov.pg](http://www.forestry.gov.pg)

16<sup>th</sup> October, 2023

Eddie Tanago  
Act Now PNG

Dear Mr. Tanago,

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**SUBJECT: RESPONSE TO ACT NOW REPORT TITLED TEN YEARS WITHOUT A CROP – WAMMY PROJECT (FCA 10-07) IN WSP**

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I would like to respond to your report as per the subject matter and advise that the headline "Ten years without a crop" is not true and misleading because so far, there are 26,000 seedlings in the nursery, 121 hectares of forest has been cleared of which 88.5 hectares have been planted.

**Background on Wammy FCA Project:**

Prior to the inception of the Wammy Rural Agriculture Development Project (WRADP), there was no road connecting the different communities in this remotest part of the country and of West Sepik Province. People walked for weeks to reach the nearest main Sepik Highway to catch a PMV to the nearest town of Maprik to get basic goods such as soap, salt and clothes which we take for granted. No one was interested in assisting these people and it was and still is very costly to connect them to the outside world. Developer Global Elite Limited through the project have enabled the people in the project area to see positive changes with the provision of basic services apart from money in their pockets for sustenance of their livelihoods.

Due processes were followed resulting in PNGFA issuing Global Elite Ltd the FCA 10-07 Permit for the WRADP on 18<sup>th</sup> April, 2013. The project is located in the Telefomin District of West Sepik Province.

The notion that Global Elite Ltd has taken ownership of all the land is totally misleading as the land is still owned by the landowners and the company is assisting to incorporate their respective ILGs and Land Titles being granted to them. The landowners then sign the Land Lease Agreement with the company for agriculture development on their land.

There is no misuse at the Wammy project (FCA 10-07). Given its geographical settings and size of this said project, it is moving at a slow pace due to ongoing challenges or reasons which include:

- Landowners not fully understanding the company's development plans;
- People with self-interest including NGOs, are misleading landowners and disseminating conflicting ideas or assumptions, and not providing alternate development options, thus suppressing landowners, resulting in some reluctant to release their land for oil palm development.
- Landowner disputes and misunderstandings are affecting further road clearance and construction of planned roads.
- Landowners who own road filling materials and gravels are not allowing Global Elite Ltd to extract gravelling materials to use on the land of other villages and clans. This makes it difficult as the area is mostly swampy.
- Landowner factions disseminating conflicting information of a new developer being brought in has resulted in Global Elite Ltd., not being allowed to implement its agriculture plans.
- The processes of ILG registration, birth certificates and the eventual issuing of National Identification (NID) cards is ongoing but slow. This will result in Land Titles being issued to respective ILGs who will then enable Global Elite Ltd to convert and develop their customary lands to massive plantation development, thus eliminating land disputes that is hindering further developments.
- The CoVID 19 Pandemic had a great impact on the progress of the project wherein most expatriate specialist personnel have left.
- The current global economic situation resulting in rising cost of spare parts and fuel prices.
- Climate Change resulting in the declining level of the Sepik River, making it difficult for timely transportation of fuel and supplies; and
- A delay occurred when the bridge leading to the main nursery collapsed following heavy rain and flooding, thus affecting transportation of seedlings ready for planting. The bridge is being repaired.

### **Monitoring**

In terms of monitoring, the WRADP FCA 10-07 Project is not a sustainable forest harvesting project, hence the PNG Logging Code of Practice (LCoP) and Planning, Monitoring and Control Procedure (PMCP) are not applicable. FCAs are agriculture projects and to PNGFA, they are not sustainable forest

harvesting projects. However, PNGFA officers ensure buffer zones, cultural sites and other important species and areas as identified by local communities are protected.

### **Compliance**

PNGFA officers ensure all contract agreements are implemented as stated. They monitor levy and royalty payments, and ensure the implementation of infrastructure like schools, aid posts, teachers' houses, churches etc., as per the agreement. They also ensure buffer zones are maintained for rivers.

### **Penalty**

Non-compliance to the contract agreements results in the companies being penalized by way of suspension of operations or charge with monetary default payments depending on the level of occurrence and non-compliance.

PNGFA has 3 different types of projects namely Forest Management Agreement (FMA), Forest Clearance Authority (FCA) and Timber Authority (TA):

- a) FMA concept: The Forestry Act 1991 (as amended) requires PNGFA to carry out landowner intensive awareness/consultations (LIA/C) through Free Prior Inform Consent under the Forest Acquisition processes in FMA projects.  
PNGFA is then responsible for selecting a suitable developer for the project, and constantly carries out Landowner Consultation meetings and negotiates on behalf of the State and the Landowners.
- b)
- c) FCA concept: The responsibility for LIA/C rests upon the landowners and their preferred developer. According to the Forestry Act 1991 (as amended), it is not necessary nor is it required for PNGFA to conduct LIA/C. As a result, most FCA projects are drafted by landowners and their chosen developer. It is only when an FCA application is submitted to PNGFA, that we ensure all the pre-requisites and the requirements entailed in obtaining an FCA permit are met. Thus, this includes ensuring the submission has signed consent forms from all clan agents, through Regulation Form 267.

But even though the Forestry Act 1991 (as amended) does not compel the PNGFA to conduct LIA/C for FCA projects, it is a requirement under the pre-requisites for applying for an FCA project, particularly in obtaining an Environment Permit from Conservation Environment Protection Authority (CEPA) and a compliance certificate (Regulation Form 235) from Department Agriculture and Livestock (DAL).

- d) Timber Authority (TA) concept: is basically issued for 5,000 cubic metres per year downstream processing activities, Road lines, Non-Timber Products Harvest and Small-scale Agriculture less than 50 hectare etc., So, the requirement for obtaining a TA, in regards to getting the Landowner Consent is basically through completing a Landowner Verification Form 167, as per the Forestry Act. Any Landowner Awareness exercise that needs to be carried-out, is entirely up to the Developer or Landowners proposing the project. Thus, the Landowner Awareness exercise is not necessarily done by PNGFA, as per the requirements.

Meanwhile, as part of the control measure, the National Forest Board in its wisdom in 2022, imposed a Moratorium against the issuance of new FCA projects which is still current. Since the imposition of this moratorium, the PNGFA has been carrying out audits on all existing FCA projects, with a report to be submitted to the National Forest Board soon, for its consideration and further advise.

Moreso and importantly, the Forestry Act 1991 (as amended) has been under review since 2022, with possible consideration to repealing the clauses that relate to FCA projects in the Act.

**Additional information regarding Wammy project (FCA # 10-07) and the involvement of Global Elite Ltd:**

As part of the project, so far:

- 89.3 kilometres of main road has been constructed,
- 163.6 km secondary road constructed; and
- 55 bridges built.

Infrastructure built at Edwaki High school so far include:

- 1x 40 room dormitory for ladies,
- 1 x 40 room dormitory for men. These were built using kwila from the project,
- 1x administration building using kwila,
- 2 x double classroom kwila built,
- 4x low post staff houses, and
- 3x high post staff houses using steel fabricated.

Still to be built as part of the project are:

- 1 more 40 boys' dormitory;
- 1 more girls' dorm;
- 1 x 3-in-one classroom;
- 2x ablution blocks, bore water supply,
- 1 x perimeter fencing for girls' dorm; and
- 1x school boundary perimeter fencing.

Global Elite Ltd., is part of a group of investors of the successful Turubu oil palm plantations and mill currently producing over 20,000 metric tonnes of crude oil annually.

High magnitude projects like Wammy FCA require proper planning, commitment and time to bring to fruition. They will take time, effort and resources in terms of machinery, capital, expertise and manpower.

Apart from the Turubu success in the plantations and the Oil Mill, the same group of investors have built one of the biggest veneer and plywood factories in the middle of nowhere at Kanduanum water front with the latest state of the art facilities. Hundreds of local youths, both men and women are employed, with 60% being females.

Additionally, a huge state of the art sawmill is being built at Kanduanum to promote domestic processing in line with the current Marape/Rosso Government's vision to increase downstream processing of raw materials in the country.

### **Conclusion**

To conclude, spreading of untrue and misleading reports as done by Act Now and JARC is a slap in the face of genuine developers such as Global Elite Ltd., who in their line of business, endeavour to reach the unreachable particularly the 70-80% rural base population with basic key infrastructure, health and social services, in partnership with the government through its respective agencies.

### **Photographs**



**Three teachers houses' under construction at Edwaki High School in Telefomin District of West Sepik Province as part of the project obligations.**



**Edwaki High School classrooms built as part of the project obligation.**

### **Invitation to meet with PNGFA**

I invite you to come and meet with my management and I whenever you have reports and get our side of the story before you go to the media.

Enclosed is a copy of the 2021-2022 PNGFA Annual Report, the National Forest Development Program, a copy of the Forestry (Amendment) Act 2007 on FCAs, and National Anti-Money Laundering and Counter Terrorist Financing Strategic Plan 2023-2028.

Should you agree to meet with us, I can be reached through telephone number 3277841 for an appointment through my Executive Assistant Ms. Helen Mack or her email address [hmack@pngfa.gov.pg](mailto:hmack@pngfa.gov.pg) or [info\\_general@pngfa.gov.pg](mailto:info_general@pngfa.gov.pg)

Yours faithfully,



**JOHN MOSORO**  
**MANAGING DIRECTOR**