



# ABOUT THIS REPORT

This is a publication of ACT NOW! and the Jubilee Australia Research Centre  
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Cover image: Tropical logs from Wanigela FCA stacked ready for export

## ACT NOW

ACT NOW! is a community advocacy organisation based in Papua New Guinea. Its vision is for a 'gutpela sindaun blong olgeta' (a just and equitable society) that embraces PNG's rich and diverse cultural and biological heritage and is based on the principles of sharing, communal land ownership and environmental stewardship.

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# 1. INTRODUCTION

In 2017, the PNG Forest Authority (PNGFA) granted a Forest Clearing Authority (FCA) to a company called Northern Forest Products Limited for the Wanigela Tree Plantation Project in Oro Province in Papua New Guinea. The FCA was, reportedly, to allow clearing of the rainforest for the establishment of a tree plantation and covered around 42,600 hectares.

However, eight years later and we are unaware of any evidence of a tree plantation, nor any evidence that it will be established in future. It has led to speculation that the idea of a plantation was simply a ruse to undertake selective large-scale logging. The project also faces serious concerns regarding resource owner consent and about the impact of logging on the local environment.

This briefing paper is part of a series examining the controversy over Forest Clearing Authorities (FCAs). A FCA is a type of license designed to support agriculture or other land-use changes that require a discrete area of land clearing for those activities. The FCA allows logging as part of this land clearing, but this should be a secondary outcome of the agriculture project. However, evidence shows FCAs have frequently been used to enable full-scale selective logging operations over large areas of forest – a practice documented in other reports in this series.

- Case Study 1: Ten years without a crop, the Wammy rural development project
- Case Study 2: A new forest grab, the Mengen integrated agriculture project
- Case Study 3: Where's the beef, The Wasu 'cattle farm' project<sup>1</sup>

Despite PNGFA being legally required to maintain a public register that includes details of board decisions and maps of forest areas and other FCA holders – no such register exists, leaving many FCAs mired in secrecy.<sup>2</sup>

Act Now has previously requested the PNG Forest Authority (PNGFA) and Northern Forest Products Limited provide copies of the FCA licence and the initial FCA application documents but those requests have received no response.

Details of the findings in this briefing paper were also sent to the PNGFA and Northern Forest Products Limited inviting their response, but no reply was received.

## 2. THE HISTORY OF CONFLICT OVER LOGGING IN THE COLLINGWOOD BAY AREA

Wanigela is located on the shores of Collingwood Bay, which is on the north coast of Papua New Guinea's mainland in Northern (Oro) province. It is an area of lush tropical rainforest that sustains a network of remote communities scattered across the area. There are no roads linking the villages and people travel on foot or by boat to access basic services. The area is rich in biodiversity, with primary rainforest in the hinterlands and healthy mangrove ecosystems on the coastal shores.<sup>3</sup>

Collingwood Bay is an area with both a long history of logging as well as often successful community opposition to logging. **In the mid-1980s**, authorities granted a timber permit for the whole Collingwood Bay area to the Collingwood Bay Timber Company Ltd, a company that claimed to represent local resource owners and which made an agreement with the Sumitomo

1 Case study 1: Ten years without a crop, the Wammy rural development project, ACT NOW! and Jubilee Australia, September 2023, <https://www.jubileeaustralia.org/storage/app/uploads/public/64f66f96a64f66f96ad950779028158.pdf>, Case study 2: A new forest grab, the Mengen integrated agriculture project November 2023, <https://actnowpng.org/sites/default/files/publications/A%20New%20Forest%20Grab%20-%20The%20Mengen%20Integrated%20Agriculture%20Project.pdf>, Case study 3: Where's the beef, The Wasu 'cattle farm' project, May 2024, <https://actnowpng.org/sites/default/files/publications/Where%27s%20the%20Beef%20-%20Wasu%20Cattle%20Farm%20FCA.pdf>, [https://actnowpng.org/sites/default/files/publications/Loani%20FCA%20Briefing%20Paper\\_o.pdf](https://actnowpng.org/sites/default/files/publications/Loani%20FCA%20Briefing%20Paper_o.pdf)

2 PNG Forestry Act 1991, s.103. [http://www.paclii.org/pg/legis/consol\\_act/fa1991139/](http://www.paclii.org/pg/legis/consol_act/fa1991139/)

3 Rainforest Action Network, *Conflict Palm Oil in Practice: Exposing KLK's Role in Rainforest Destruction, Land Grabbing and Child Labor*, April 2014, [https://d3n8a8pro7vhm.cloudfront.net/rainforestactionnetwork/legacy\\_url/3968/klk\\_case\\_study\\_2014\\_low.pdf?1402697981](https://d3n8a8pro7vhm.cloudfront.net/rainforestactionnetwork/legacy_url/3968/klk_case_study_2014_low.pdf?1402697981)

Corporation. Sumitomo's intention was to clear fell 650,000 hectares for wood chips. The resource owners resisted this development as well as an attempt a few years later by a company called Goodwood, a subsidiary of the Malaysian timber giant Rimbunan Hijau (RH), to clear fell the forest for a coconut sap project.<sup>4</sup>

Further issues emerged **in the 1990s**, including an attempt by another subsidiary of RH, Dee Gold, which teamed up with a resource owner group called the Kekoro Development Corporation in an attempt to gain control of 350,000 hectares of land in the area via a Special Agricultural Business Lease (SABL) for another agro-forestry project. A group of Maisin-Wanigela people sought an injunction against the company in June 1999; three years later, in May 2002, the National Court ruled for the 34 elders of the landowning clans, and ordered the leases cancelled and the land registration be reversed.<sup>5</sup>

SABLs were set up under the PNG Land Act in 1996, and have been the subject of significant controversy and official investigations including a Commission of Inquiry into Special Agriculture and Business Leases (SABLs), which was set up in 2011. The commission investigated into 75 SABLs, and made findings in 2013.<sup>6</sup> A moratorium was declared on the issuance of any new SABLs in 2011.

In the 2000s and 2010s, two new attempts at agro-forestry projects emerged in the region. The Tufi-Wanigela Agricultural Project attempted to use the same SABL scheme to log parts of the Collingwood Bay Area **in March 2007**, with the granting of an SABL for 28,100 ha of land about 25 kilometres South East of the Tufi government station. A company called Victory Plantation Ltd partnered with a local group called the Okena Goto Karato Development Corporation Limited (OGKDC) to secure the lease; however, the process of the company attaining the SABL came under criticism in the SABL Commission of Inquiry some years later. The COI report found that the project did not specify what sort of agricultural project was being planned and concluded that “the SABL is tainted with so many defects that it cannot lawfully stand as a legitimate SABL”.<sup>7</sup> The CoI found no evidence of an FCA attached to the project.<sup>8</sup> (It is not clear whether this project bore any relationship to one called Tufi Wanigela by a company called Matufi (PNG) Limited, however, according to SGS reports, this concession exported 113,000 cubic metres of logs during 2011 and 2012.)<sup>9</sup>

## THE WANIGELA INTEGRATED AGRICULTURE PROJECT (FCA 05-02)

A second controversial project involving the Keroro Development Corporation, the group behind the Dee Gold agro-forestry project mentioned above, emerged in the 2010s. This time the KDC teamed up with a Malaysian group called Ang Agro Forest Management Ltd. The company was strongly associated with a Malaysian businessman, Mr Eii Sing Hii.<sup>10</sup> The Malaysian company pursued development through acquisition of another SABL lease for an oil palm plantation project and an FCA logging licence. Both permissions were subsequently revoked after challenges by resource owners.

According to a briefing later prepared for the provincial governor by the PNGFA, the FCA (FCA 05-02) was granted to the company through ‘normal processes’ on 28th January 2010.<sup>11</sup> This is despite the fact that four days before this, on 24th January, the traditional paramount chiefs of the 9 tribes of Collingwood Bay had issued a joint communique calling for an end to all logging operations in Collingwood Bay and a rejection of any attempts to develop oil palm plantations there.<sup>12</sup>

4 RSPO Complaint against Collingwood Plantations Pte Ltd, April 2013 submitted on behalf of Oro Community Environmental Action Network (OCEAN) and Collingwood Bay Conservation and Development Association (CCADA)

5 See Anne Kajir and Drusila Modjeska, ‘The Collingwood Bay Logging Case’, 28 August 2007, <http://www.drusillamodjeska.com/downloads/DrusillaModjeska-TheCollingwoodBayLoggingCase.pdf> and RPSO Complaint by OCEAN AND CCADA.

6 J. Numapo, Commission of Inquiry into the Special Agriculture and Business Lease (SABL) Final Report, June 2013 (henceforth cited as “Numapo CoI Report”), p 3.

7 Numapo CoI Report, pp.198-206.

8 Numapo CoI Report, p.206.

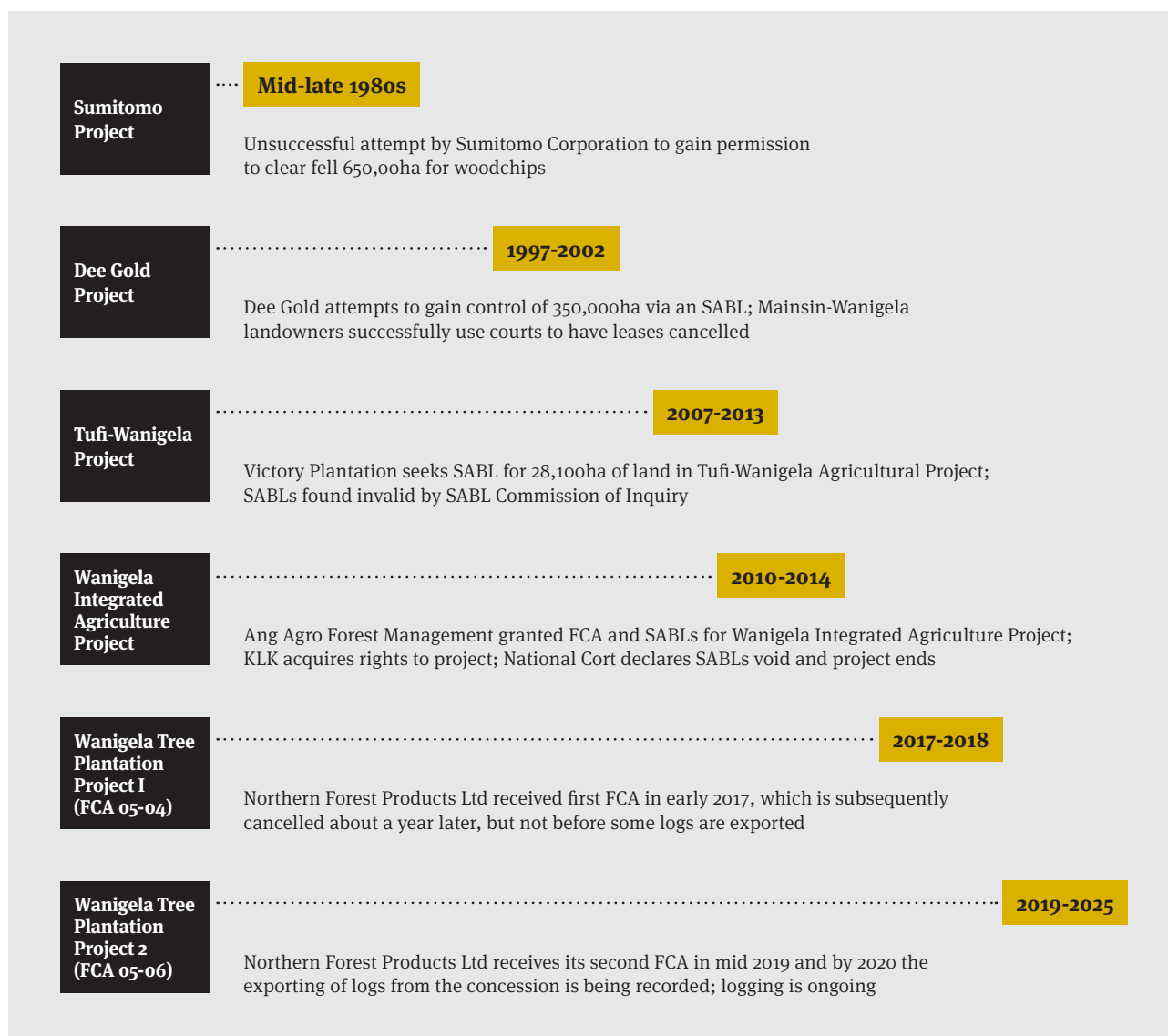
9 SGS, Log Export Monitoring Monthly Reports to the Papua New Guinea Forest Authority, December 2011, April 2012, p.11-5, 12-6 & December 2012, April 2013, p.11-5. See also <https://pngiforests.org/licence/tufi-wanigela>; Currency conversion is approximate, based on XE mid-market rates recorded for 31 December 2012. <https://www.xe.com/currencytables/?from=PGK&date=2012-12-31#table-section>

10 From 2006 until 2017 Eii Sing Hii was the Director and Secretary of Ang Agro Forest Management Ltd. PNGi data, Ang Agro Forest Management Ltd, accessed 17 June 2025. <https://pngiportal.org/search/?q=ANG+AGRO+FOREST+MANAGEMENT+LTD>

11 Papua New Guinea Forest Authority (PNGFA) Office of the Managing Director, Brief to the Hon Gary Juffa, Governor for Oro, 29 February 2020, p. 14.

12 Rainforest Action Network, *Conflict Palm Oil in Practice*, p. 7.

The FCA permit was challenged in court and was subsequently cancelled by the court in December 2011.<sup>13</sup>



The following year in July 2012, despite the cancellation of the FCA, two SABLs covering over 40,000 hectares were nevertheless issued in connection with a project pursued by ANG Agro Forest Management Ltd for the development of oil palm. One—a 50-year SABL—was granted to a company called Sibom Management Limited, and the second to a company called Wanigela Agro Industrial Limited.<sup>14</sup>

In December 2012, Mr Eii Sing Hii subsequently sold 50% of the company to the Malaysian agrobusiness, Kuala Lumpur Kepong (KLK) Bhd. KLK, which was at the time was Malaysia's third-largest and the world's fifth-largest palm oil plantation company with close to 250,000 hectares under its control, paid Mr Hii El Sing nearly US\$12 million for a 69 per cent stake in the company.<sup>15</sup>

<sup>13</sup> PNGFA Brief for Gov Juffa, Feb 2020, p.14.

<sup>14</sup> Rainforest Action Network, *Conflict Palm Oil in Practice*, p. 6-7.

<sup>15</sup> Rainforest Action Network, *Conflict Palm Oil in Practice*, p. 2; 'Cash Crop', GRAIN, 22 September 2014.

In 2013, the Collingwood Bay Conservation and Development Association (CCADA), a mandated forum established by a Memorandum of Agreement to register the views of the 326 clans and 9 tribal chieftains of the area, brought a court case against the SABLs. The CCADA and the Oro Community Environmental Action Network (OCEAN) also initiated a complaint against KLK's oil palm project in April 2013, to the Roundtable on Sustainable Palm Oil. The RSPO found that there was evidence that RSPO principles had been breached and ordered the company to cease operations until the outcome of the court case.<sup>16</sup> In May 2014, the National Court declared the two SABL for the Wanigela Integrated Agriculture Project null and void.<sup>17</sup>

## 3. THE WANIGELA TREE PLANTATION PROJECT

### LOGGING AND THE FCA APPROVALS

The Wanigela Tree Plantation Project, or at least the logging and deforestation associated with the project, has been operational from at least 2018.<sup>18</sup> Its operations have been carried out by Northern Forest Products Limited under two different FCAs. Northern Forest Products Limited's local partner for the venture is a company called the AISOR Development Corporation Ltd.<sup>19</sup>

PNGFA granted the first FCA (FCA 05-04) to the company in 2017. (Reports differ as to whether FCA 05-04 was approved in March or July; there is also a slight discrepancy between the area under concession, either 42,600 or 42,900 hectares).<sup>20</sup> This FCA was first suspended in December 2017 and then formally cancelled in February 2019—details of this are discussed in the next section. However, a fresh FCA application was approved by the PNGFA in July 2019 and appears to be still in existence.<sup>21</sup>

Table 1: The Wanigela Tree Planation Project

| Concession                                | Wanigela FCA 05-04                              | FCA 05-06                        |
|-------------------------------------------|-------------------------------------------------|----------------------------------|
| Licence active                            | March 2017 - Feb 2018                           | July 2019 - ongoing              |
| Period of project                         | 10 years                                        | Unknown                          |
| Licence holder                            | Northern Forest Products Limited                | Northern Forest Products Limited |
| Annual Allowable Cut/<br>Log Export Quota | 276,250 m <sup>3</sup> / 276,250 m <sup>3</sup> | Unknown                          |

As Table 2 below shows, exports from the two Wanigela FCAs (05-04 and 05-06) have been consistent across 2017-2023, except for 2019, (reflecting the suspension of an FCA in the 18 months from early 2018 to July 2019, assuming it took some time for operations to start up and be recorded). In 2023, Northern Forest Products Limited was the second largest exporter of logs from Oro Province – based exclusively on its Wanigela FCA—after Musa Century Ltd's Lower Musa Agro project.<sup>22</sup>

16 Complaint by OCEAN AND CCADA to the Roundtable of Sustainable Palm Oil (RSPO); RSPO letter to Kuala Lumpur Kepong Bhd, 1 January [2014], Re: Complaint – Collingwood Plantation Pte Ltd/Kuala Lumpur, <https://ap45.salesforce.com/sfc/p/#90000000YoJi/a/90000000PYQz/xlOw8dji100oTImLcEhaulCRBGxGlXJoV7Ux3DbfQ>

17 Rainforest Action Network, *Conflict Palm Oil in Practice* p. 6. Act Now!, 'Court Revokes SABL Leases', 30 October 2014, <https://actnowpng.org/blog/court-revokes-sabl-leases>

18 SGS, Log Export Monitoring Monthly Reports to the Papua New Guinea Forest Authority by Northern Forest Products Limited for years 2023, 2022, 2021, 2020, 2019 and 2018, collated at <https://pngiforests.org/company/northern-forest-products>

19 AISOR Development Corporation Ltd was removed from the register of companies in December 2023.

20 Papua New Guinea Forest Authority, Office of the Managing Director, Ministerial Brief, 15th February 2018, accessed at: <https://d6mljhs7208w9.cloudfront.net/uploads/2018/03/ministerial-brief.pdf> The Feb 2020 PNGFA briefing for Gary Juffa contradicts this, saying that the projet was approved in March 2017.

21 PNGFA Wanigela Ministerial Brief Feb 2018; PNGFA Brief for Gov Juffa, Feb 2020, p.10-11.

22 <https://pngiforests.org/province/northern-oro>

Although there is no SGS timber export data to confirm that logging continued into 2024, according to a community representative and analysis of satellite imagery, logging continued throughout 2024 and is still ongoing. The representative said that roughly 15,000 hectares of the area of the FCA had been harvested by December 2024.<sup>23</sup>

Table 2: Log exports under Wanigela FCA 05-04 and 05-06<sup>24</sup>

| Year         | Log exports m <sup>3</sup> | Value of logs (PGK) |
|--------------|----------------------------|---------------------|
| 2018         | 8,741 <sup>25</sup>        | 3,229,807           |
| 2019         | 0                          | 0                   |
| 2020         | 5,422                      | 1,304,432           |
| 2021         | 31,849                     | 9,703,412           |
| 2022         | 39,541                     | 13,422,257          |
| 2023         | 71,158                     | 17,703,075          |
| <b>Total</b> | <b>156,711</b>             | <b>45,362,983</b>   |

## THE AGRICULTURE PROJECT

In terms of the agro-forestry that is supposed to accompany the project, it has been reported in one source that the proposed plantation species are kamerere (a eucalyptus species) and *acacia mangium*.<sup>26</sup> Other reports suggested that the plantation would consist of cocoa crops.<sup>27</sup>

## ABOUT THE COMPANY

In the company's filings with the Registrar of Companies, Northern Forest Products Limited lists its Port Moresby office and the Wanigela Tree plantation project area as the locations where the company conducts business.<sup>28</sup> Its latest annual return filed in June 2024 lists a turnover of K21,576,999 (USD\$5.4 million) and that it employs no PNG nationals.<sup>29</sup>

Of the company's four directors, three are also the company's shareholders, including Mr Eii Sing Hii who controls a 99.9% share.<sup>30</sup> This is the same Mr Eii Sing Hii who controlled Ang Anglo Forest Management Limited and was thus the initial developer behind the development of the failed Wanigela Integrated Agriculture Project which was halted when the National Court declared the SABL leases null and void.

<sup>23</sup> Interview with community member, 6 November 2024.

<sup>24</sup> SGS, Log Export Monitoring Monthly Reports to the Papua New Guinea Forest Authority by Northern Forest Products Limited for years 2023, 2022, 2021, 2020, 2019 and 2018, collated at <https://pngiforests.org/company/northern-forest-products>

<sup>25</sup> 2018 exports were under FCA 05-04, subsequent exports are under FCA 05-06. SGS, Log Export Monitoring Monthly Reports to the Papua New Guinea Forest Authority for years 2023, 2022, 2021, 2020, 2019 and 2018.

<sup>26</sup> PNGFA Brief for Gov Juffa, Feb 2020, p.9.

<sup>27</sup> 'Illegal logging site shot down, Asians jailed', *Post Courier*, 16 March 2018, <https://postcourier.com.pg/illegal-logging-site-shut-asians-jailed/>

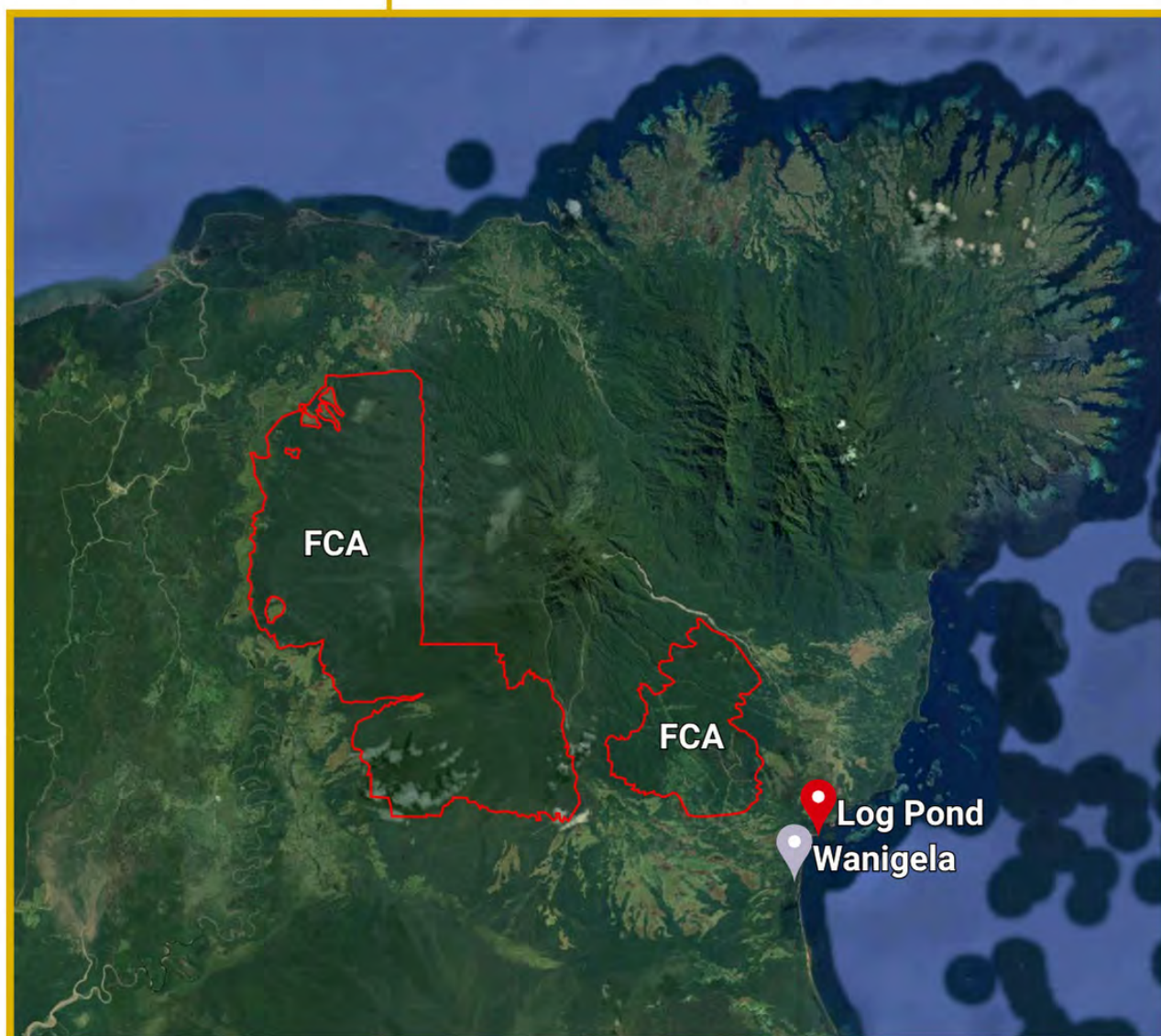
<sup>28</sup> Form B-1, Application for Re-registration of Papua New Guinea Company: Northern Forest Products Limited. Undated. Accessed 7 August 2024 via PNG Investment Promotion Authority.

<sup>29</sup> Form AR-1 Annual return, Northern Forest Products Limited. Filed 1 June 2024. Accessed 7 August 2024 via the PNG Investment Promotion Authority.

<sup>30</sup> Certificate of Good Standing – Long Form, Northern Forest Products Limited, company extract generated on 2 June 2023. Form B-1, Application for Re-registration of Papua New Guinea Company: Northern Forest Products Limited. Undated. Accessed 7 August 2024 via PNG Investment Promotion Authority. The company's entity profile accessed on 7 August 2014 on the PNG IPA listed the B-1 form as filed on 2 June 2023, <https://pngiportal.org/search/?q=NORTHERN+FOREST+PRODUCTS+LIMITED>



| LEGEND                                                                             |                        |
|------------------------------------------------------------------------------------|------------------------|
|  | Populated place        |
|  | Logging Infrastructure |
|  | FCA location in PNG    |
|  | FCA Area (250km2)      |



Source: Google maps (underlying image).

## 4. CONCERNS ABOUT PROJECT

Our investigation has highlighted numerous serious concerns about the Wanigela FCA. These are summarised below.

### 4.1 THE PROJECT DOES NOT HAVE FREE, PRIOR AND INFORMED CONSENT OF LOCAL RESOURCE OWNERS

Since FCA 05-04 was awarded, local people who are the resource owners have tried to assert their rights and raise concerns about the project, including through the courts.

As mentioned above, the permit for FCA 05-04 was cancelled in February 2018. This cancellation happened, according to the court ruling and the 2018 PNGFA ministerial briefing, because no Provincial Forest Management Committee (PFMC) approval had taken place prior to the PNGFA awarding the FCA; furthermore, the briefing also concluded that no public hearing was ever conducted for the project for FCA 05-04.<sup>31</sup>

It is important to note that it was advocacy by the resource owners (often supported by the provincial governor) that both brought these lapses of process in connection with FCA 05-04 before the courts, and to the PNGFA's own complaints processes. The initial PNGFA investigation by the Managing Director's office was an attempt to 'ascertain the allegation and claims raised by resource owners and the Governor of Oro'.<sup>32</sup>

In the meantime, the resource owners had also filed a 'writ of summons' in the National Court in Waigani, claiming that the FCA permit was issued illegally. The lead plaintiff in the case was a Mr Ivan Kauyet on behalf of the Miniafia tribe, Sakor clan and Abit clan and members of those clans. The court ordered in December 2018 that the FCA be cancelled, an order that was duly carried out in February 2019.<sup>33</sup> As the 2020 PNGFA brief acknowledges, this cancellation was taken in response to 'allegations and claims made by the resource owners and the Governor of Oro'.<sup>34</sup>

Nevertheless, in July 2019, the PNGFA issued a new licence, FCA 05-06, to Northern Forest Products Limited for the same area as the previous FCA<sup>35</sup>. This move was foreshadowed as far back as March 2018, when the Managing Director of PNGFA made statements to the media that downplayed the failure of the PFMC to endorse the project, and that the PNGFA had the ultimate authority to make decisions.<sup>36</sup>

The five-month turnaround between the cancellation of FCA 05-04 (in February) and the award of FCA 05-06 (in July) may have been enough time for the PFMC to meet, but extremely unlikely to be enough time to seek, and achieve, full Free, Prior and Informed Consent.

One community member and resource owner from the region told Act Now that there has never been a proper consultation process, verification of land rights or informed consent from local clans prior to either FCA being issued.<sup>37</sup>

This representative also spoke in support of the idea that the community still continues to resist the project and maintains that consent has not been given.<sup>38</sup>

31 PNGFA Wanigela Ministerial Brief, February 2018.

32 PNGFA Brief for Gov Juffa, Feb 2020, p.10.

33 Court Order OS (JR) No. 575 of 218: Ivan Kauyet v David Dotaona; PNGFA Brief on forestry products February 2020

34 PNGFA Brief for Gov Juffa, Feb 2020, p.9.

35 PNGFA Brief for Gov Juffa, Feb 2020, p 10

36 See 'Operation should not be closed: Sabuin', 16 March 2018, *The Post Courier*, <https://postcourier.com.pg/operation-not-closed-sabuin/> ; see also 'Serious questions over Collingwood Bay logging legality', 20 March 2018, PNGi, <https://pngicentral.org/reports/serious-doubts-over-collingwood-bay-logging-legality/>

37 Interview, 6 November 2024.

38 Interview, 6 November 2024.

## 4.2 NON-COMPLIANCE WITH THE TERMS OF THE FCA

### Selective Logging and not Land Clearing

The Forestry Act provides that logging and forest clearance should proceed in blocks of a maximum size of 500ha with permission for logging in the second and subsequent blocks only to be granted once the first is cleared and an agriculture project established. However, the map below shows that the deforestation that has occurred has been selective logging and not land clearing in 500ha blocks, given logging has been taking place under FCA 05-06 since 2019, and has been in the form of selective logging over a wide area and not in the form of land clearing – this condition appears to be breached. The map also shows that there has been considerable logging outside FCA boundaries.

### Exceeding permitted export volumes for particular tree species

As Table 2 shows, in 2023, Northern Forest Products Limited almost doubled its log exports from the Wanigela FCA. It exported logs in 12 separate shipments, with an estimated value of K17,703,074.68.<sup>39</sup> In addition to permits related to the logging operation, PNG has a separate export permit system, with a permit required for each log shipment. In December of 2023 alone, export monitors noted 12 separate instances where the company's actual exports from the Wanigela FCA for a certain tree species significantly exceeded the permitted export volume – in one case 169% higher than permitted.<sup>40</sup>

## 4.3 THERE IS A LACK OF EVIDENCE THAT THE UNDERLYING AGRICULTURAL PROJECT IS GENUINE

There appears to be a lack of any evidence that the underlying agricultural project is genuine. The Wanigela FCA, like all FCAs, requires the development of an agriculture or other land use project once a discrete area within the licence area has been logged. In the case of Wanigela, this suggests that a seedling nursery should have been established and then those seedlings or young trees should be planted. However, as late as December 2024, a community representative there is still no evidence that tree planting or a seedling nursery has been established.<sup>41</sup> This is despite the fact that many years have passed since 2017 when the FCA was approved and logging began.

As a respected community elder and resource owner living in the project area reflected in their interview:

*The category of permit by which the companies have access to Wanigela is a concern; it's an FCA, and that's supposed to be agriculture or other land use permits, but none of those things are happening. The logging is going on like wildfire, but the other side of the agreement which the FCA was granted in the first place is not happening.<sup>42</sup>*

## 4.4 SOCIAL AND ENVIRONMENTAL IMPACTS FROM THE LOGGING ACTIVITY

The community elder and resource owner from Wanigela spoke of environmental concerns associated with logging, such as the polluted water along the coastline where people bathe. The representative also spoke in general terms of social issues in connection with the project.<sup>43</sup> The same community representative reports that there is little or no compliance monitoring of the site by relevant government agencies.<sup>44</sup>

39 SGS, Report Number 12, Log Exports by Project Site (Volume and Value) for December - 2023 , and Year to Date, 29/01/2024 in SGS Log Export Monitoring, Monthly Report for December 2023 to the Papua New Guinea Forest Authority, March 2024, p 12-8.

40 SGS, Report Number 19, Substantial Log Export Permit Discrepancies in Log Volumes Loaded for Export for December 2023 (discrepancies exceeding 40% or exceeding 10% and 40m3), 29/01/2024, in SGS Log Export Monitoring, Monthly Report for December 2023 to the Papua New Guinea Forest Authority, March 2024, p 19-2.

41 Interview with community member, 6 November 2024.

42 Interview with community member, 6 November 2024.

43 Interview with community member, 6 November 2024.

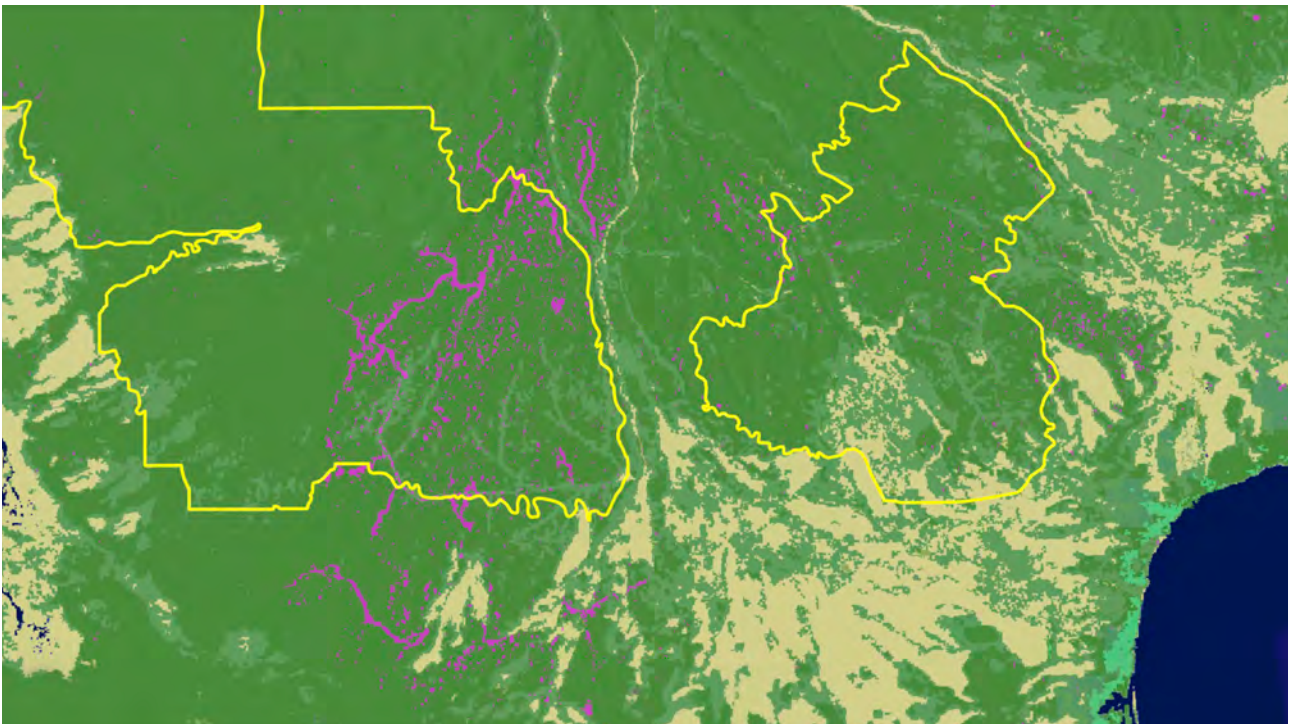
44 Interview with community member, 6 November 2024.

*Because of my grandchildren, all these actions and inactions of stakeholders, government agencies are denying the rights, denying the inheritance of our future generations of the forests of everything that my ancestors enjoyed, my great grandfathers, my grandfathers, my father's, me enjoying in that forest will never be experienced by the next generation.*

In June 2021, the Conservation and Environment Protection Authority (CEPA) suspended the environmental permit for the Wanigela Integrated Agriculture project. Wera Mori, the Minister for Environment, Conservation and Climate Change noted that 'given issues raised, especially pertaining to illegal logging and other activities and reports of environmental issues' the Department had suspended the permit. Mori also noted that an appeal of the suspension of the permit had been made to the environmental council.<sup>45</sup> In February 2022, the environmental council lifted the suspension.<sup>46</sup> No explanation has been given for why the suspension was lifted.

In 2023, customary resource owners sought a judicial review of the lifting of the suspension alleging that Northern Forest Products Limited's operation had "caused and continue to cause destruction and pollution to the river systems and water resources that the resource owners rely on for their living".<sup>47</sup> In 2024, the court dismissed the case on a procedural technicality.<sup>48</sup> The case has since been refiled and is still before the courts.<sup>49</sup>

Another concern is that the company appears to have no lease or other secure tenure rights for the land under the FCA, such as an SABL or something similar.<sup>50</sup> This further calls into question whether their plans to establish a long-term plantation are genuine as it would be financially reckless to invest in such a project without any rights to the underlying land.



Forest loss in the Wanigela area April 2024 - March 2025. Source: Nusantara Atlas

45 'Project's permit still suspended', The National, 30 June 2021. Accessed at <https://www.thenational.com.pg/projects-permit-still-suspended/>

46 Maravis vs. Tukuliya [2024] PGNC 97; <https://www.pacii.org/cgi-bin/sinodisp/pg/cases/PGNC/2024/97.html?stem=&synonyms=&query=wanigela>

47 Maravis vs. Tukuliya [2024] PGNC 97; <http://www.pacii.org/cgi-bin/sinodisp/pg/cases/PGNC/2024/97.html>

48 Resource owners tried to challenge this, but the case was dismissed on a technicality. <http://www.pacii.org/cgi-bin/sinodisp/pg/cases/PGNC/2024/97.html>

49 Jubilee Australia communications with lawyer for the plaintiffs, Feb 2025

50 We have not been able to find any evidence either in the media, official sources or from community interviews that any such new lease has been granted.

# 5. CONCLUSIONS AND RECOMMENDATIONS

## CONCLUSIONS

As a result of the evidence collected, this report makes the following conclusions:

- Since, 2018, a company called Northern Forest Products, with the support of a local landowner company, has been logging in the Wanigela area in Northern (Oro) Province of PNG via acquisition of a logging concession of between 42 and 43 thousand hectares.
- Latest reports suggest that the logging is ongoing, despite a hiatus in 2019 when the initial Forest Clearing Authority (FCA) for the project was successfully challenged by resource owners with the support of the provincial governor. A new FCA was issued in July 2019 and exports continued from 2020.
- In excess of 150,000 cubic metres of round logs had been shipped overseas from the concession by December 2023, and there are reports that by the end of 2025, around 15,000 hectares have been harvested.
- The company responsible is under the control of a Mr Eii Sing Hii, the same individual who was behind the attempted development of the failed Wanigela Integrated Agriculture Project, which also attempted to undertake logging in the area via FCA during the period of 2010-2014—this attempt was fought off by local resource owner groups.
- As evidenced by the successful challenge to the first FCA, resource owners continue to oppose the project.
- Satellite data suggests that selective logging rather than land clearing is being used, meaning that the terms of the FCA may not be complied with.
- Although reports of the supposed agricultural project associated with the project differ, there is no evidence that we have been able to find for any sort of plantation, again suggesting with the satellite data that the intention may be to harvest native timber, not grow agricultural products.
- There are reports of negative social and environmental impacts of the project, and CEPA did temporarily suspend the project's environmental permit, a suspension that was subsequently lifted.

## RECOMMENDATIONS

### 1. Northern Forest Products Limited should:

- a. Immediately cease all logging activities in the Wanigela Project area until an independent investigation of the project's legality has been undertaken;
- b. Rehabilitate any areas that have been degraded if illegal selective logging has occurred;
- c. Provide compensation for any logging activities that are found to have occurred in contravention of the terms of the FCA, or under an invalid FCA, and associated environmental impacts to the customary resource owners;

### 2. The PNGFA should:

- a. Urgently investigate the legality of the Wanigela FCA, in particular whether the FCA was granted improperly as it lacked the consent of key affected resource owners, and whether the logging under the FCA has met the licence conditions;
- b. Order Northern Forest Products Limited to immediately stop any further logging under the FCA and further exports of already felled logs from the FCA, until PNGFA has investigated the legality of the project;
- c. Cancel the FCA for the Wanigela Tree Plantation Project (FCA 05-06) if it cannot be shown that all relevant resource owners consented to the project; and/or suspend all logging rights under the project if the project is found not to be complying with its licence terms;
- e. Investigate whether Northern Forest Products Limited has committed any of the offences in section 122 of the Forestry Act 1991 and, if so, impose the relevant penalty;
- f. Provide compensation for any illegal logging activities and associated environmental impacts to the customary resource owners.

### **3. The Department of Agriculture and Livestock should:**

- a. Investigate the Wanigela FCA and determine whether any agricultural activities have been undertaken to date and whether the forestry activities undertaken are consistent with an agriculture / tree plantation project;

### **4. Banks and financial institutions providing services to Northern Forest Products Limited:**

- a. Review their risk exposure and conduct enhanced due diligence on any arrangements that could be connected to funds generated from the Wanigela Project or the activities of companies mentioned in this report, with legal support from experts on forestry laws in PNG.

### **5. To address the systematic misuse of FCAs for large-scale selective logging, the PNG Forest Authority should:**

- a. Publicly release information on the outcomes of the current review of FCAs, including a list of the FCAs reviewed and the findings of each review;
- b. Undertake a new, independent, public and transparent audit of all existing FCAs and commit to implementing its recommendations;
- c. Suspend log exports from all existing FCAs until the review results are published;
- d. Extend the current moratorium on new FCAs until a transparent independent audit of FCAs has been undertaken and its recommendations implemented;
- e. Immediately establish a public register as required under the Forestry Act.



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