



THE PAPUA NEW GUINEA ECO-FORESTRY FORUM

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EFF Calls on Government of PNG, Development Partners and AusAid to Protect PNG from Carbon Scams

In April 2009 the activities of the PNG Office of Climate Change and Environmental Sustainability (OCCES) brought international condemnation and embarrassment for the Somare Government.

Central to the scandal was the printing of fake 'state-backed' carbon credits, and their sale to an Australian company 'Carbon Planet'. It was reported by the Economist that Carbon Planet acquired 39 'certificates' giving them saleable rights to much of PNG's forests (1). Since then Carbon Planet has gone on to raise funds and list on the Australian Stock exchange (2). According to Carbon Planet CEO Jim Johnson "the company has exclusive rights over 25 REDD projects in PNG alone which could generate up to \$1 billion a year in carbon credits for the project owners (2)".

The certificates issued by OCCES have no legal basis. One of them, that provided a guarantee to the million hectares of forest in the Kamula Doso region, has been enjoined by the National Court in proceedings instituted by The PNG Eco-forestry Forum (PNGEFF) (3). Further the carbon rights over Kamula Doso were issued despite the fact that PNG Forest Authority (PNGFA) had already allocated timber rights over the exact same area to Rimbunan Hijau, a Malaysian Logging Company that owns over half of the forest concessions in PNG. The acquisition and allocation of those timber rights is currently the subject of an existing national court injunction obtained by PNGEFF, and litigation over those timber rights is on-going.

The scandal caused by these certificates led to the suspension of then Director of OCCES, Dr. Theo Yasause, referral of the OCCES to the Public Accounts Committee and the appointment of the Secretary for Department of Environment and Conservation (DEC) as acting Executive Director. .

The PNGEFF hoped that this was the beginning of a new direction for the management of PNG's Climate Change Strategies. It now appears that this was naive.

In May 2009, The Economist reported that an Australian National University Academic Dr Colin Filer, was working for Carbon Planet. His contract involved advising Carbon Planet on methods of paying landowners for carbon projects in PNG (4).

We now understand that the same Dr Filer has been engaged by DEC undertake stakeholder analysis under its UN-REDD National Joint Programme which has already been signed by the acting Expectative Director of the Office of Climate Change. We further understand that Dr. Filer may also, under the same arrangement, be engaged to undertake "a review and synthesis of mechanisms for securing land for REDD and for benefit sharing" as indicated by a Climate Change Update prepared by the OCCES (5). It is believed that payments for his services to DEC and the government of PNG could potentially be, among others, supported through funds secured by The Nature Conservancy (TNC) under the Australian Governments (AusAID) International Forest Carbon Initiative (IFCI) to undertake a synthesis portfolio of case studies on both customary land agreements and benefit sharing mechanisms. It is believed that this work will form part of the interim Low Carbon Strategy for PNG with the emphasis on REDD.

Dr. Filer's engagement with both Carbon Planet and the Department of Environment and Conservation is of major concern to the Eco-forestry Forum and its members.

Kenn Mondiai, Chairman of the EFF asks:

1. Would DEC/Government of PNG not consider that hiring Dr. Filer to advise the PNG Government on how to secure land for carbon projects when he is also advising Carbon Planet on how to access the same forests for carbon projects, is a major conflict of interest?
2. Would the DEC/Government tell the people of PNG if there was a proper tendering process that resulted in the engagement of Dr. Filer.
3. "Has it already been decided by the Government if Carbon Planet will take the lead in commercialising carbon projects in PNG? If so why?"
4. Could the Government of PNG tell the people of PNG how Carbon Planet was able to obtain carbon credits in the absence of a national climate change and carbon trade policy?
5. Do all parties in this process see this as an action best undertaken through a wider stakeholder consultation, which was started during the OCCES regional workshops in May 2009?
6. Could the Australian Government tell the people of PNG if it has any links at all to Carbon Planet? If so to what level and or extend?

"We need to promote good governance by bringing transparency into the creation of carbon-related policy" said Mr Mondiai. "The people of this country have suffered enough from bad governance in other resource sectors and we do not want to see the same happen in any climate change related incentives including through REDD" he added.

The Forum and its members demand that:

1. Dr. Filer should not be engaged on anything to do with Climate Change, Carbon Trade and REDD in PNG.
2. Dr. Filer's contract must be terminated.

Finally we call upon all development partners and donors to work together in a true spirit of partnership and transparency to make REDD work for PNG and its people. There must be true consultation.

For further comment contact Chairman Kenn Mondiai

1. <http://natashaloder.blogspot.com/2009/06/in-search-of-stolen-carbon-credits.html>
2. http://www.theaustralian.news.com.au/business/story/0,25838183-5018021_00.html
3. <http://natashaloder.blogspot.com/2009/06/kamula-duso-credit.html>
4. <http://natashaloder.blogspot.com/2009/06/barking-up-right-tree.html>
5. Memo from Dr Wari Iamo dated 17 August, 2009.

The Papua New Guinea Eco-Forestry Forum supports integrated rural community development
and sustainable resource use through a viable and sustainable eco-forestry industry

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