

“Special Agricultural and Business Leases” imperil forests in Papua New Guinea

THE native forests of Papua New Guinea (PNG) are among the most biologically diverse on Earth, with a high proportion of endemic species (e.g., Diamond 1973; Flannery 1995). They also constitute a major stock of terrestrial carbon (Melick 2010). These forests are being altered at a rapid rate, particularly by industrial logging and by the expansion and intensification of swidden farming as a result of substantial population growth (Shearman *et al.* 2009, 2011). Wildfires, large-scale mining, and clearing for oil palm and exotic-tree plantations are also causing significant forest loss (Filer *et al.* 2009; Shearman *et al.* 2009, 2011; Laurance *et al.* 2010, 2011). In addition to its impressive biological richness, PNG sustains an extraordinary variety of human cultures. More than 850 languages are spoken in the country, reputedly more than a third of all living languages on Earth (Wurm and Hattori 1983). The diverse clans and communal groups of PNG own or claim virtually all (~97%) of the country's land area (Muroa 1998). Importantly, the territorial rights of these native groups have traditionally been protected by the country's national constitution. This has created a hurdle for logging, mining, and other resource-exploiting corporations operating in PNG, as permission from the traditional owners is required prior to any commercial exploitation (Muroa 1998; Fingleton 2004). Unfortunately, a recent legal development in PNG—termed “Special Agricultural and Business Leases” (SABLs)—could potentially disrupt the traditionally strong land rights of indigenous groups while posing a major threat to the environment (Hance 2011). This threat is considered so serious that it has been the focus of three recent declarations or expressions of concern by reputable international organizations

or conferences, beginning with the Cairns Declaration (2011) and followed by the U.N. Human Rights Commission (U.N. 2011) and the Association for Tropical Biology and Conservation (ATBC 2011). SABLs are long-term leases (usually of 99-year duration) that effectively give the PNG National Government and its ministries long-term control over large expanses of land. The leases were initially devised to facilitate moderate-sized industrial land developments spanning a few tens of thousands of hectares (P. L. Shearman, pers. comm.). These deals are technically termed “lease-back” schemes as they involve the National Government leasing the land from its traditional owners, and then leasing it back to industrial land users. However, the popular media and public increasingly refer to SABLs as “land-grabs” (e.g., Cleary 2011; Korugl 2011a, 2011b, 2011c; Noho 2011). Many observers view SABLs as a means to circumvent traditional land rights and existing forestry laws to facilitate industrial logging, and to promote large-scale land clearing for oil palm or pulpwood plantations (e.g., ATBC 2011; Cairns Declaration 2011; Hance 2011). This view is supported by the fact that “Land Clearing Authorities” have been granted for ~2 million ha of forest, under existing SABLs, which will legally allow forest clearing on large industrial scales (Cairns Declaration 2011). If they do facilitate major forest loss, SABLs could seriously hinder PNG's capacity to attract international “REDD” (Reducing Emissions from Deforestation and forest Degradation) funds, efforts that have already suffered from allegations of serious financial mismanagement (Lang 2009; Melick 2010). This has international implications for the perceived viability of REDD, because PNG has been a political leader in promoting REDD schemes to con-

serve forests as part of international climate accords (cf. Laurance 2007, 2008; Melick 2010). To date, 5.2 million ha of SABLs—an area larger than Costa Rica and encompassing ~15% of PNG's total land area—have been granted. Most SABLs have been awarded in the last two years, with 2.6 million ha of new leases in 2010 alone. Nearly all of these have gone to foreign or multinational corporations and many are vast in extent, with the ten largest SABLs each ranging from over 100 000 ha to nearly 800 000 ha in area (Hance 2011). In a number of cases, the leases appear to have been granted without the free and prior informed consent of a majority of traditional landowners, which is a legal requirement in PNG (Cairns Declaration 2011; U.N. 2011). SABLs have become increasingly controversial in PNG, with the national Post-Courier newspaper taking a leading role in investigating their legality and potential social and environmental impacts (e.g., Korugl 2011a, 2011b; Post Courier 2011a, 2011b). In response to a growing domestic and international outcry, in early May 2011 then-Acting Prime Minister of PNG, the Hon. Sam Abal, declared a temporary moratorium on the granting of new SABLs, a freeze on the implementation of existing SABLs and Land Clearing Authorities, and the establishment of a Commission of Inquiry to assess their overall status and legality (Post-Courier 2011a). Clearly, this is a welcome development, though it is far from a *fait accompli* (Korugl 2011b). The foreign timber and oil palm corporations rushing to invest in SABLs are often economically powerful and politically connected, within PNG and internationally (Laurance *et al.* 2010, 2011). Much could depend on who is chosen to serve on and lead the Commission of Inquiry; hopefully these appointees will be independent and upstanding enough to resist

lobbying and graft from the foreign corporations that have acquired, or are attempting to acquire, SABLs. The PNG forestry sector has a rather spectacular history of graft and corruption (e.g., Filer 2004; Laurance *et al.* 2010, 2011), and resisting such powerful industries can be easier said than done. Some of the corporations that hold SABLs have already floated shares on the Singapore Stock Exchange specifically to develop their SABL projects (Tannos 2011), reflecting their apparent confidence that PNG will be soon be opened up to major industrial land developments. The bottom line, then, is that SABLs should be on the radar screen of anyone interested in environmental and social issues in Papua New Guinea. The Commission of Inquiry is offering temporary respite, but SABLs could soon re-emerge as one of the most serious and immediate threats to the country's forests and biodiversity. SABLs might also have destabilizing social impacts, such as promoting urban migration and lawlessness, if they weaken the intimate links between communal groups in PNG and their traditional lands.

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