

Timber barons v carbon brokers: the Kamula Doso forest area in PNG

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A list of Incorporated Land Groups involved in Kamula Doso Block 1, Kamiyame village, 2019
Photo Credit: Michael Wood

A [previous blog](#) examined a number of forest carbon (or REDD) projects in Papua New Guinea whose proponents have tried to register their interests under the [Verified Carbon Standard](#) so that they can sell carbon credits to companies that want to offset their own carbon emissions through this global market mechanism. Here, we consider a scheme whose proponents have not yet begun to travel along this path, though they may intend to do so.

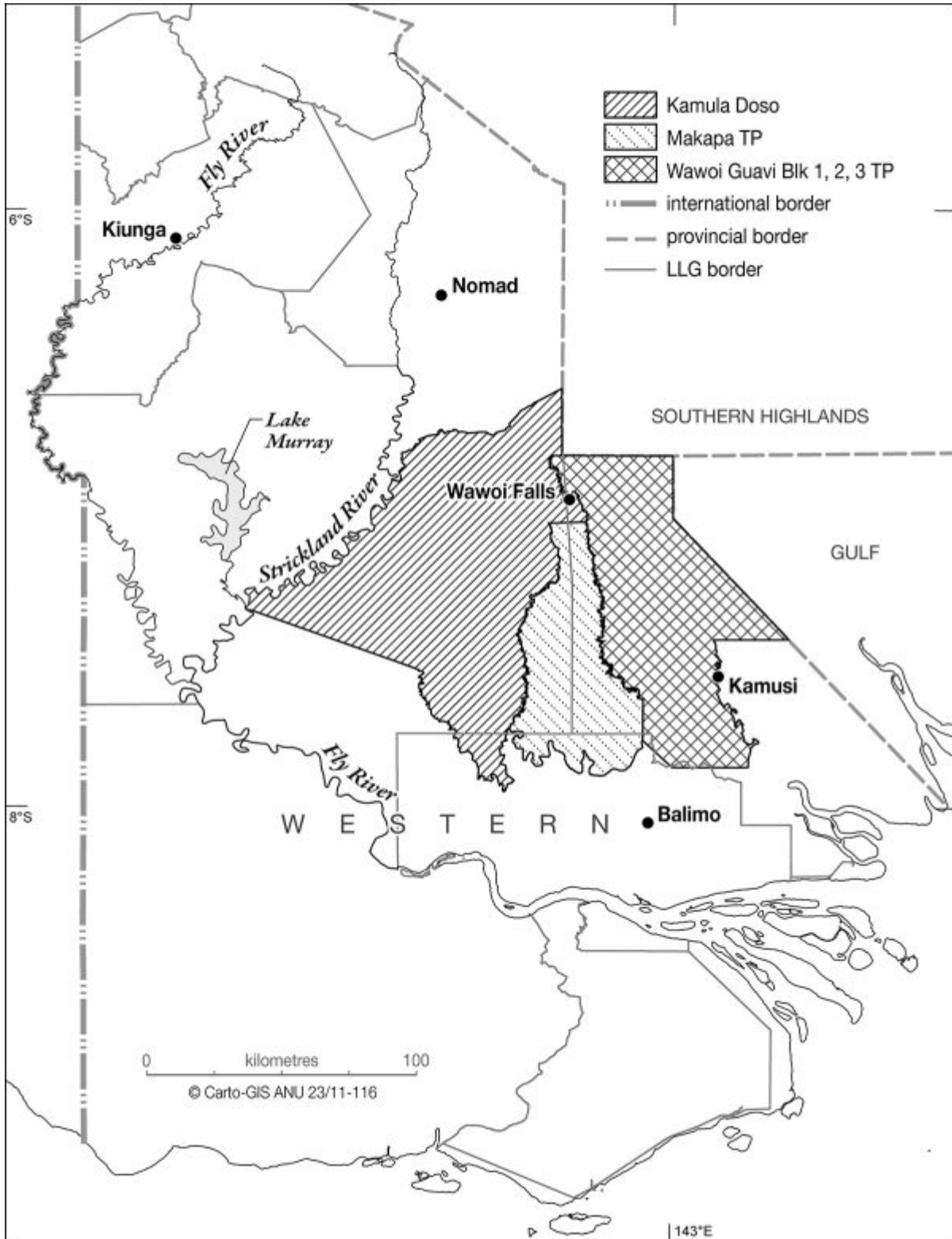
This scheme in the Kamula Doso forest area also got a mention in the Four Corners program about “[carbon colonialism](#)”, but the program could barely scratch the surface of what has been a long and complex struggle for control of an 800,000-hectare area in PNG’s Western Province. The recent focus of [monitoring attention](#) has been a partnership between [Mayur Resources](#), a small Australian company, and oil and gas giant Santos, who share a common interest in offsetting emissions from their other investments in PNG by investing in the conservation of this forest area.

Three forest carbon permits covering the Kamula Doso area were granted to Mayur Resources by then Minister for Forests Walter Schnaubelt, presumably acting on advice from the [National Forest Board](#) (NFB), at the end of 2021. At that juncture, Mayur was already [claiming that its scheme](#) had the backing of PNG’s Climate Change and Development Authority (CCDA) and the Conservation and Environment Protection Authority, as well as the PNG Forest Authority (PNGFA), the Fly River Provincial Government, and hundreds of local landowners.

We have been reliably informed that the same landowners, or their representatives, had signed up to a Forest Management Agreement (FMA) with the PNGFA between 2019 and 2020. Forestry officials would take this to mean that they had agreed to transfer their timber harvesting rights to the state, which would in turn enable the NFB to approve the grant of a large-scale logging concession for a period of 35 years.

The first FMA over the Kamula Doso area was signed back in 1998, and formed the basis for a decision to allocate a logging concession to Malaysian company Rimbunan Hijau, which already held the Wawoi Guavi concession in Western Province (see Figure 1). An [investigation by PNG's Ombudsman](#) resulted in the cancellation of that agreement, which created an opportunity for a couple of Australian investors to persuade the local landowners to pursue some alternative development options. One of these was the option of a forest carbon project that signally [failed to generate any marketable carbon credits](#).

Figure 1: Three forest areas in Western Province, Papua New Guinea



Source: ANU CartoGIS

The decision to negotiate a new FMA requires some explanation, given that no other FMA over a forest area of any great size had been negotiated since 2010. The most obvious explanation is that Rimbunan Hijau was pressuring the PNGFA and its governing body, the NFB, to grant a new logging concession to provide a new source of raw material for the company’s processing facilities at Kamusie and Panakawa, in response to the rapidly diminishing volume of harvestable timber in

the Wawoi Guavi concession. Another company, Vanimo Jaya, which currently exports logs from the adjacent Makapa concession, may also have expressed a competing interest.

If the new FMA was negotiated in order to satisfy the demands of the logging industry, then forestry officials would not have discussed the possibility of a forest carbon project with local landowner representatives between 2019 and 2020, when the local landowners were being consulted once again. Furthermore, senior forestry officials would have been aware of legal advice provided by the Solicitor-General in 2016, which said that the [Forestry Act of 1991](#) does not provide an effective legal mechanism for implementing forest carbon projects, especially since PNG's [Climate Change \(Management\) Act](#) of 2015 had vested this power in the CCDA.

The NFB may have been reminded of this advice after Mr Schnaubelt was removed from the ministry, almost as soon as he had granted the forest carbon permits to Mayur Resources. The NFB resolved to cancel the permits in April 2022, but only [announced its decision](#) after Mayur had announced its partnership with Santos. Mayur said that it would [challenge the legality of the board's decision](#), and continued to send a team of local consultants to Western Province to seek the endorsement of local landowners.

At the end of August last year, the new Minister for Forests Salio Waipo conceded that the question of how to regulate forest carbon projects was still ["floating"](#) between his own ministry and the one responsible for climate change, but promised to deal with the matter through the long-promised amendments to the Forestry Act that still have not seen the light of day. Meanwhile, Mayur has reassured the market that its partnership with Santos would soon yield a ["portfolio of nature-based carbon offset projects"](#) in PNG, despite the legal uncertainties.

While the fate of the Kamula Doso forest area remains in limbo, this part of Western Province has now acquired a new reputation for lawlessness after a group of archaeologists was kidnapped by bandits in February this year. Huli bandits from Hela Province have been [raiding the logging camps and terrorising local villagers](#) for some time. Landowners in the Wawoi Guavi concession are currently claiming that Rimbunan Hijau alone, through its subsidiary Wawoi Guavi Timber Company, has [paid 2.8 million kina in ransoms](#) since 2020.

It would be somewhat ironic if these activities had the simultaneous effect of dissuading the logging companies from venturing any further into the forest, while making it even harder for Mayur and Santos to acquire forest carbon credits on the basis of a claim to be protecting the forest from this threat of industrial exploitation.

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<https://devpolicy.org/timber-barons-v-carbon-brokers-kamula-doso-forest-area-png-20230404/>