

THE EMPOWERMENT OF PAPUA NEW GUINEA'S TRIBESPEOPLE: OVERCOMING THE CHALLENGES OF FOREIGN INVESTMENT PROJECTS

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ABSTRACT: Papua New Guinea (PNG), in the early stages of economic development, embraces foreign investment focusing on natural resource extraction. With the majority of land ownership vested in the numerous indigenous tribes, disputes often arise between tribespeople, the government and foreign enterprises over the way in which resources are accessed. This article reviews the impact of deforestation and mining on PNG tribespeople. It illustrates that, while there are many obstacles to overcome, gradual empowerment of the people is evident in many cases as they challenge the way foreign investment projects are implemented. Understanding the impact of foreign investment and the dire situations local people experience as a result, especially when government priority is given to economic development, is vital to informing the need and processes for change.

KEY WORDS: Deforestation, foreign enterprises, mining, Papua New Guinea

1. INTRODUCTION

Tribespeople of Papua New Guinea (PNG), a country rich in natural resources, frequently find themselves at odds with foreign enterprises and government officials over the way in which projects are instigated and undertaken (Blazey, 2012). Nevertheless they have gradually become empowered; challenging projects they consider are of little social benefit. This article highlights the form in which protests take place and the response of foreign enterprises.

PNG is made up of 21 decentralized local government provinces and one autonomous region – Bougainvillea. In the *Constitution of the Independent State of Papua New Guinea 1975 (Constitution)*, customary land ownership vests in the state's 800 tribes (Section 53). The *Constitution* provides that 97 per cent of land is owned by the tribes and the remaining 3 per cent is alienated to government for public purposes provided they are reasonably justified.

Customary land ownership has been undermined by successive governments that have manipulated landowners into leasing their land for far less than it is worth. This includes leasing the land to foreign enterprises through Special Agricultural and Business Leases (SABLs), which allow for 99 year leases to foreign entities for agriculture and mining operations. The main countries involved are Australia, China, Malaysia and Indonesia. The United Nations (UN) (2013) argues these relationships have resulted in a development model based on unrestrained capitalism run by large foreign owned companies. In many instances tribal owners are alienated as they can only remain on the land if the leaseholder permits (Filer, 2011).

The UN *Convention on the Rights of Indigenous Peoples* (2007) affirms that indigenous peoples are equal to all other people. However, they argue concern over the injustices relating to land, territories and resources that prevent indigenous peoples exercising their right to development, needs and interests; including the sustainability of culture, environmental protection and capacity to utilise their own resources. While the UN (2007) recognises the need to respect and promote indigenous rights, namely in response to political, social and economic structures, such as forced assimilation and land dispossession, current activities in PNG challenge these rights. Foreign companies operating within PNG have gained a superior status over the indigenous tribespeople, who experience domination from external economic relationships (Molag, 2014). The responsibility for this outcome lies with the PNG Government, which has been subject to serious corruption issues - rated at the high end of the corruption scale: 145 out of 174 by Transparency International (2014).

2. THE EFFECT OF NATURAL RESOURCE EXTRACTION ON LANDOWNERS RIGHTS

Deforestation

PNG comprises tropical rainforests rich in biodiversity that run the length of the main island, as well as heavily forested areas found in the North and South. Since 1990, 7.6 per cent of PNG's rainforest has been destroyed (Mongabay, 2011) and 15 per cent degraded due to logging activities (Convention on Biological Diversity, 2010). Shearman *et al.* (2010) predict that by 2021, 53 per cent of the rainforest will be destroyed or degraded.

The timber industries operating in PNG engage in unsustainable deforestation, and have significantly contributed to the loss of rainforests (Convention on Biological Diversity, 2010; Mongabay, 2011). Representatives of the Rainforest Movement are concerned over the large scale developments, which have taken place without the prior informed consent of the tribespeople, as critical ecosystems are invaded by logging, oil palm, fishing, mineral exploration and tourism (World Rainforest Movement, 2004). They argue that development should take into account human rights and the environment, rather than creating poverty, social division and disrespect for local culture and customary laws.

The Australian Conservation Foundation and the Centre for Environmental Law and Human Rights found that the underlying causes of deforestation were forest governance that consisted of excess political corruption, police racketeering, and the repression of workers, the destruction of food sources and water supplies, and the destruction of the cultural property of indigenous peoples (Illegal Logging Portal, 2006). The introduction of SABLs in the late 1970's has been a major cause in undermining such property rights and land ownership. The result has been social unrest throughout the country, leading to a Commission of Inquiry by the PNG Government to investigate the effect of SABLs on traditional owners. The inquiry found that the alienation of large areas of customary land had been placed in the hands of landowner companies that were linked to foreign owned companies, with the misappropriation of 5 million hectares (ha) of land belonging to thousands of traditional landowners occurring (Namupo, 2013).

Of the 5.1 million ha of land subject to SABLs, 75 per cent are controlled by foreign owned corporations (Namupo, 2013). Of these, 54 subleases covering 39 million ha is dominated by Malaysian and Australian businesses (Winn, 2012). Foreign-owned logging companies

are the cause of much of the social unrest in rural areas, where the bulk of the population reside and engage in subsistence farming. Local communities argue that fraud and forgery have been used to obtain the subleased land (Global Witness, 2014). To illustrate this, Central Province has been subject to many questionable SABLs. In 2005, for example, over 42 100 ha of land 60 kms northeast of Port Moresby was issued to Baina Agro Forest Ltd for 40 years. Another example is that of Nasyl No. 98 Ltd, a Malaysian Corporation which undertakes large scale logging in PNG and has diminished the size of rainforest. This project has been undertaken without the agreement of the local Woitape people (Filer, 2011). Such a state of affairs is unfortunate because it jeopardizes PNG's chance of gaining funding from the United Nations programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD+) to combat climate change, particularly as PNG has committed to conserving forests in order to reduce greenhouse gas emissions (Namupo, 2013).

Deforestation is particularly problematic for the local people of East New Britain Province. One of Malaysia's biggest logging companies, Rimbunan Hijau is attempting to renew a licence that would permit the deforestation of 40 000 ha of tropical rainforest in order to grow oil palm covering three SABLs (Global Witness, 2014). The local citizens argue that clearing the forest threatens a number of local forestry initiatives, which produce timber for housing and infrastructure (Global Witness, 2014). This is detrimental for local communities who, in 2005, achieved Forest Stewardship Council certification, the gold standard for forest management (Global Witness, 2014).

In Oro province 2009, the Ahora/Kakandetta Pressure Group requested an investigation into palm oil projects in the province and that of West New Britain (The Inspection Panel, 2011). The local tribespeople argued that the World Bank failed to comply with several of its operational policies and procedures in the design, appraisal and implementation of the project, thus affecting their community and environment (The Inspection Panel, 2011). Though the project developers argued it would increase the income and improve the livelihoods of smallholders involved in palm oil production by enabling them to plant additional oil palm through infilling, in effect indigenous and customary land was lost (The Inspection Panel, 2011).

New Ireland Province suffers from the impact of the logging industry with Tutuman Development Ltd (PNG and Malaysian owned), having multiple logging SABLs covering over 117 000 ha of land within the

province (Winn 2012). Three SABLs granted in 2014 by the Treasury Minister, Patrick Pruaitch (former Minister for Forests) were found to be fraudulent and unlawful because: consent to the leasing of the land was not properly obtained; the PNG Forest Authority was misled and the landowners were harassed, which included the use of weapons. (Namupo 2013). Despite this, Pruaitch approved the three SABLs and Tutuman had the Ministry's support.

Exploitation is evident in West New Britain (The Oakland Institute, 2013, p.5) an area that is home to the largest and oldest palm oil plantations in PNG (The Oakland Institute, 2013) yet there are few signs of positive development for communities, who suffer from lack of basic infrastructure, services such as health and education facilities and clean drinking water (The Oakland Institute, 2013). In 2013, the Prime Minister ignored issues relating to the SABLs and announced legislation to free up customary land for development (The Oakland Institute, 2013, p.5). A number of SABLs in West New Britain are controlled by New Britain Palm Oil Limited. The Commission of Inquiry 2013 found many of these leases were granted under threat, through bribery and without the landowners free and informed consent (Namupo, 2013). Further, as in the case of Rimbunan Hijau in East New Britain, if landowners wish to terminate Palm Oil SABLs they have to pay the company the equivalent of projected profits over the remaining term and any other costs (The Oakland Institute, 2013). Both the Government and the provincial government, who is a shareholder of New Britain Palm Oil Ltd, support the penalties (The Oakland Institute, 2013). The Commission of Inquiry also found exploitation in regards to Pulie Anu Plantation Ltd (Namupo, 2013). The National Court declared the Pulie Anu SABL void in 2008 following findings that the land had been acquired without the knowledge or consent from landowners. However, the lease was resurrected only three months later in the form of five smaller portions of land held by five companies, each with the same postal address as Pulie Anu.

In Sandaun Province (formally West Sepik), Malaysian and Hong Kong corporations Goldworld Resources Co. (PNG) Ltd, Vanimo Jaya Ltd, Global Elite, Bewani Oil Palm and Skywalker Global Resource Company hold the largest, area (ha), SABLs (Winn 2012). Logging companies have been criticised by traditional landowners for not providing employees with the necessary training and safety equipment and demonstrate a lack of concern for the rainforest (Freestone, 2014). According to the Commission of Inquiry into SABLs 2013: the directors failed to get '*informed consent*' from the landowners prior to the granting of the

SABL and the Land Investigation Process was not properly carried out (Namupo, 2013, p.139).

Mining

Section 5 of the PNG *Mining Act 1992*, provides that the state owns all minerals in or below the surface of the land and any contained in water. The extraction of minerals is governed by the *Mining Act 1992* and the *Oil and Gas Act 1998*, which issue Special Mining Leases (SMLs). The *Mining Act* further provides that PNG can acquire up to a 30 per cent participating interest in mineral discoveries made during the exploration period.

Under the *Environment Act 2000* (amended 2010), the Secretary of the Department of Conservation is granted the power to approve mining and petroleum applications without consulting the traditional landowners (Nikints, 2010); even though the purpose of the *Environment Act* is to regulate the environmental impact of development. Though an environmental permit cannot be granted until all stakeholders, including landowners, are informed (see Section's 41-73), landowners are in many instances ignored and thus protests are frequent. Recent amendments to the *Environment Act* have also provided the director in charge of environmental impact assessments the right to exercise his/her sole discretion when authorizing mining activities, with the decisions unable to be challenged in a court or tribunal.

A major problem affecting the local people is the management and disposal of tailings from mine sites, particularly into the Fly and Auga Rivers. Protests by local people resulted in the formation of the Constitutional Law Reform Commission, which was given the mandate to prepare a report on the management and disposal of tailings. The Commission made 19 recommendations for reform of the *Mining Act*, calling for a total ban on riverine tailings disposal when future mines are established (PNG Mine Watch, 2014a). However, pollution remains.

An example of unacceptable tailings disposal has arisen in the nationally owned Tolukuma Gold Mine in Goilala District, Central Province. The mine's waste is not contained, with 160 000 tonnes of tailings discharged annually in Iwu Creek, which runs into the Auga River (MacDonald, 2004). Local communities complain of the contamination to the River, threats to food security, noise from helicopters, lack of informed consent concerning ongoing exploration, lack of local infrastructure development, social problems (including

violence and alcoholism) and poor communication by the company with the local people (MacDonald, 2004). An investigation by the Oxfam Mining Ombudsman found that many people living on the river have suffered from swollen stomachs, open sores, yellow feet after bathing and some people died as a result of their illnesses (MacDonald, 2004).

East Sepik has the Frieda River copper-gold project acquired by PanAust Ltd of Australia and Highlands Pacific Ltd (PanAust, 2015). There are 12 million tonnes of copper and 18.5 million ounces (oz) of gold in this area, rendering it one of the world's largest undeveloped copper and gold sites (PanAust, 2015). Drilling is taking place at the Frieda River, expecting to generate contamination. Further to the East Sepik area, local people are concerned that historic caves in the province could be subjected to mining exploration by the Asian logging company Rimbunan Hijau. Kenn Mondiaia argued that customary owners have not been consulted and have not given consent to the SMLs in this customary land (Radio Australia, 2013).

A large gold and silver mine operates in Enga Province at Porgera; controlled by the Porgera Joint Venture between Barrick Gold (95 per cent) and Mineral Resource Enga (5 per cent). The mine has produced over 17 million oz of gold and has over 6 million oz in reserves (Bickis, 2013). It has brought considerable unrest to the area due to unauthorized mining activities. In 2010, Amnesty International reported that over 130 structures near the mine belonging to villages had been burnt down with villagers beaten and harassed (PNG Mine Watch, 2011a).

The Ramu Nickel Mine, owned by Management (MCC) Ltd (Ramu NiCo), a company based in PNG and sponsored by the China Metallurgical Group Corporation, also has a problematic history of causing environmental damage and social upheaval (PNG Mine Watch, 2012a). In 2010, local people of Kumbukari reported that, as a result of the mine and economic change, gambling, prostitution and alcohol consumption was rising (PNG Mine Watch, 2010). In the same year, the Government permitted the dumping of more than 100 million tonnes of waste, including mercury and cadmium, into the tuna rich Basamuk Bay (PNG Mine Watch, 2010). The company also polluted the Gagaiyo River, which people use for cooking and washing (PNG Mine Watch, 2010). One of the two Supreme Court judges, who approved the dumping of toxic waste in this case, was seen to have strong connections with the Somare regime and Chinese mine company MCC (PNG Mine Watch, 2011b).

Later, an Inspection Panel set up by the World Bank found that there were deficiencies in the way the Social Assessment of Ramu mine was

carried out as it did not adequately cover information on customary laws, leadership decision making or dispute resolution (The Inspection Panel, 2011). The assessment argued the consultation fell short of that required and the World Bank Policy's treatment of different communities that rely on crops, fishing and hunting was seen as 'inadequate' (The Inspection Panel, 2011). Further, it found the consultation process was not conducted in a culturally appropriate manner, form or language. Despite this however, the Panel considered there was adequate attention to poverty reduction and that there had been due diligence in project supervision. This demonstrates that there is a lack of an independent organization that undertakes investigations between the World Bank and tribespeople.

Liquid Natural Gas (LNG) is likely to become another dominant issue in PNG. In East New Britain, the landowners have taken out an injunction to prevent a scheduled forum between them, the Government and Exxon because the State, through the Department of Petroleum and Energy, did not comply with the *Oil and Gas Act* (Contemporary Pacific, 2010). This *Act* requires that a benefit sharing agreement can only be agreed to in a development forum after a full scale social mapping and landowners identification has been carried out (Contemporary Pacific, 2010). A benefit agreement ultimately agreed to permits for an eight per cent equity in the project, with landowners to receive more than K20 billion over the 30 year life of the project (Contemporary Pacific, 2010).

The LNG project in Hela Province has a capital investment of US\$10 billion and a prospective generation of US\$55 billion to US\$123 billion in profits (McIlraith, n.d.). It is led by Esso Highlands Ltd, a PNG subsidiary of Exxon Mobil, in partnership with other multinationals and the Government (McIlraith, n.d.). The project area is inhabited by uneducated people living in remote areas, with only a few gaining cash windfalls by negotiating under-the-table deals with government representatives.

Milne Bay is another of PNG's provinces rich in gold deposits. A mining agreement was established for gold production between Placer and its subsidiary, Misima Mines Pty Ltd. The Government mined gold from 1988-2001, before it was rehabilitated and closed in 2004 (AMC Mining Consultants, 2013). By 2000, 82 per cent of the Misima gold project's workforce was local PNG people so, following its closure, protests surfaced relating to employment (Jackson, 2002).

In 2011, WCB Resources Ltd of Canada, entered into an exploration agreement with Pan Pacific Copper of Japan to cover a prior exploration licence (PNG Mine Watch, 2014b). Under the agreement WCB could obtain a 70 per cent interest in the property if AUD\$9 million was spent within 4 years. Under the current mineral rights arrangement, the landowner's resources will be exploited without any long-term benefits and over 10 000 residents displaced from the eastern Misima area (PNG Mine Watch, 2012b).

In Morobe Province, Hidden Valley owned by the Morobe Mining Joint Venture (MMJV) and Australia's Newcrest Mining (shared 50-50 per cent), built a tailings dam in 2007. However, with its inadequate environmental management controls, the Markham River experienced erosion and waste filling (Mineral Policy Institute, 2012). Downstream communities reported significant social, economic and environmental concerns, such as increasing health issues, price of goods and services and domestic violence (Morobe Provincial Government, 2015). Hidden Valley operations were seen to lack transparency and community engagement and to have poor social and environmental management. Further, Governor Nalu argued that the local people were not receiving their promised royalties (PNG Mine Watch, 2012c). Despite producing gold and silver with a market rate above AUD\$475 million, Morobe citizens had received less than AUD\$6 million per year. In addition, the revenues from MMJV and Newcrest that were given to the Morobe Government and other Local Level Governments (LLGs) remain unaccounted (PNG Mine Watch, 2012c).

Lihir was yet another province untouched by modernization until SMLs were granted in 1995 (Goodland, 2006). Newcrest mining established economic growth opportunities, investment in public infrastructure and employment opportunities (Newcrest Mining, 2015). Educated Lihirians negotiated a mine deal contracted through Integrated Benefit Packages which included 20 per cent royalties to landowners, a relocation scheme, trust fund for community development and shares in the project, (Jackson 2002). However, while negotiations seemed beneficial to the local peoples, environmental problems resulted from the intrusion of toxic chemicals (Maiden, 2014). Notification of poor environmental management came from the Environmental Protection Agency, the UN London Dumping Convention and US Overseas Private Investment Corporations causing its closure in the 1990s, however, proponents persuaded local Lihirians and the Government to waiver the law suits and production re-commenced (Goodland, 2006).

Bougainville once consisted of the Bougainville Copper, Panguna mine; owned by the Australian company Rio Tinto (30 per cent), PNG Government and the public (Nonggorr, 1993). Despite contributing resources and capital to Bougainville, Panguna was exposed as having a conflict of values and norms between the western and indigenous cultures over property rights/land ownership, distribution of these rights, the functioning of the political bodies and the relationship of people to their environment (Nonggorr, 1993). Further, militant/rebel activity by the Bougainville Revolutionary Army had halted production in 1989 following campaigns, leading to 10-15 000 deaths, acts of sabotage and arson (News Ltd, 2013). As a result of such conflict and disruption, the mine was closed. The largest royalty share from the mine went to the Government, and the landowners saw little benefit (PNG Mining Legacies, 2015).

The events that occurred in Bougainville in the late 1900s continue to threaten the locals with the potential re-opening of the Panguna mine (PNG Mining Legacies, 2015). Bougainville Copper Ltd suggests there are copper reserves of approx. 3 million tonnes and gold production of approx. 400 000 oz per annum if the mine re-commences (PNG Mining Legacies, 2015). President Dr John Momis expressed support for the re-opening of the mine because of the need for revenue and improved services (PNG Mine Watch, 2015). He argued that true autonomy can only come from the ability to independently source revenue and provide adequate services (PNG Mine Watch, 2015). The *Bougainville Mining Act 2015*, states “*all land in Bougainville is available for reconnaissance, exploration and mining and the grant of tenements over it*”. Therefore, if given permission by landowners and approved by Bougainville Executive Council, the Autonomous Bougainville Government has exclusive power to determine the amount and distribution of revenue from the mine (Manu, 2005).

Southern Highlands Province has a history of disputes, conflict and violence (Haley and May, 2007), now an integral part of the indigenous peoples' life, economic dealings and society. Tensions exist due to ethnic divisions, lack of governance and inequitable and unrealistic access to services and 'benefits' of resource development. Warrilow found that the key to economic success and peace with landowners here involves contact and more contact (Haley and May, 2007). The Southern Highlands is home to a number of oil projects, for example, Kutubu, Gobe and Moran, and the Hides Gas electricity project with the benefits, cash royalties and non-cash benefits meant for distribution between the

Government and landowners (Haley and May, 2007). However, disputes over land and royalty issues are evident. The Kutubu development project was the first successful attempt to produce oil in PNG and conflict has since arisen between landowners and shareholders (Taurika, n.d.). The majority shareholder, Chevron, has raised significant revenue resulting in social development for the Southern Highlands, however, landowners argue their rights to royalties and benefits have been breached.

Finally, the Western (Fly) Province is one of the least developed of PNG's provinces (Mercy Works, 2014). The story of abuse and corruption of the Western Province region comes from its large-scale mining projects, such as Ok Tedi. Ok Tedi began as an open cut gold mine in 1982 and copper concentrate producer in 1986 through partnership with Australian mining corporation BHP Ltd, the Government, Amaco Corporation and Inmet Mining Corporation, which formed Ok Tedi Mine Limited (OTML) (Jackson, 2002). Ok Tedi is located at Mount Fubilan, near the Ok Tedi River, which flows into the Fly River and the Gulf of Papua (Low and Gleeson, 1998).

OTML had a strong relationship with the Government, as it was the largest business and contributor to PNG's economy (Department of Foreign Affairs and Trade, 2013). Ok Tedi produced over 30 per cent of total export, and at times, was the only major source of national export and government revenue (Jackson, 2002). Emerging from PNG's struggling global economic position, the Government invested in the development of Ok Tedi with the aim of reducing PNG's debt (The Economist, 1993). This included special provisions for mining operations to commence in 1989 without a tailings dam, with an agreed level of pollution (Australian Graduate School of Management, 2002), and its operations to be governed under its own legal act (not the nation's *Mining Act*) (Jackson, 2002). This allowed OTML greater freedom for pollution, extraction and land use/abuse.

Initially, OTML promoted the Ok Tedi project to the local peoples through education, communication and transport facilities, employment, better water systems, health facilities and a cash economy (Morrison, 2000). But, OTML's careless mining activities exacerbated ecological destruction, with the dispersion of chemical, waste and pollution of the river (Low and Gleeson, 1998). It also led to economic and social instability and issues, including AIDS, violence, human rights violations, and the inadequate dispersion of compensation and royalties (Friends of the Earth, 2003). As many local communities still lived in pre-modern conditions, OTML found difficulty in establishing community engagement forums and obtaining 'modern' forms of agreements, and

therefore, negated collective agreements on the project (Ballard and Banks, 2003).

The damage of Ok Tedi resulted in disputes with several legal actions ensuing; namely compensation claims (Low and Gleeson, 1998) and class action suits (*Gagarimabu v BHP Billiton Ltd* (28 October 2003), Supreme Court of Victoria). In 1996, after a long-running class action where citizens claimed AUD\$4 billion, an out-of-court settlement was reached for much less (Low and Gleeson, 1998). Government corruption was evident as the Prime Minister at the time, Wingti, warned the hundreds of citizens involved in the class action of the potential damage to economic and overseas investment (Australian Graduate School of Management, 2002). He emphasized the priority of economic development of which led to the construction of the *Mining (Ok Tedi Restated Eighth Supplemental Agreement) Act 1995*, and prevented citizens claiming further compensation against OTML (Low and Gleeson, 1998). BHP withdrew from OTML in 2002 transferring ownership to the PNG Sustainable Development Program Limited (BHP, 2002). Ok Tedi continues to operate, with expected closure in 2022-25 (Filer, 2011). However, environmental problems and social inequality issues remain.

3. DISCUSSION AND CONCLUSION

PNG has a history of abuse and corruption by government bodies and foreign investors. Land ownership rights have been challenged by logging and mining industries that seek to gain economic benefit from PNG's natural resources. This article has highlighted a number of economic, political, social and individual challenges that local tribespeople endure. It demonstrates that the PNG tribespeople are often aware of their democratic rights regarding the implementation of extractive industries driven by foreign investment, the granting of SABLs, and the approval of SMLs. However, it also argues that, given the extensive threats and consequences, the state and local governments, as well as the indigenous landowners cannot afford to become dependent on a capitalist system essentially run from outside the country. While PNG cannot exclude outside capital investment, it has to ensure that its inhabitants are not subjected to further impoverishment (Loewenstein, 2014).

PNG is plagued by multinational corporations that have operated there for decades, investing billions of dollars in exploiting the rich natural resources that lie beneath the ground. Simultaneously, residents have

experienced difficulty in exercising their rights, have recouped few tangible benefits and see little improvement to their standard of living. This was expressed in the *UN Convention on the Rights of Indigenous Peoples* (2007). The environmental costs have been massive. Corruption is rife. The so-called resource curse is alive and well.

Yet, change is not out of reach. Recent protests from PNG locals have resulted in the PNG Government committing to reducing its national greenhouse gas emissions by 50 per cent below the business as usual forecast by 2030. The majority of emission reductions result from REDD+ programs (REDD Desk, 2012). UN-REDD+ has entered into a three year National Joint Program with PNG providing US\$6.4 million in order to focus on monitoring, measurement reporting and verification (REDD Desk, 2012). Further support is provided by Australia's International Forest Carbon Initiative through the PNG Australia Forest Carbon partnership, which provides AUD\$3 million for technical scientific and analytical support in order to design carbon monitoring and accounting systems (REDD Desk, 2012). This approach comes at an important time as, for example, the recent Paris Agreement (2015) signals the need to foster the protection of rainforests and address rising carbon emissions.

Amendments to the *Mining Act* will hopefully divert the management of mineral resources to the various provinces, allowing customary owners to take part. The establishment of a Sovereign Wealth Fund (SWF) also aims to save a percentage of funds gained from foreign mining activities for the benefit of PNG's citizens as revenues from past extractions have failed to positively impact on the lives of the average citizen (Sanida *et al.* 2014). Perceived problems from the SWF though include the lack of transparency in the proposed SWF Bill and the failure to elucidate the aims and structure of SWF (Sanida *et al.*, 2014).

This article demonstrates that PNG, which has a democratic system of government, is failing to protect the traditional ways of life and the basic rights of its citizens due to corruption. This must be addressed in order to progress toward the elimination of social unrest and ongoing poverty, and for the inhabitants of this forest and mineral rich country to benefit from what rightfully belongs to them. It is heartening that the local peoples of PNG have gradually become empowered to object to projects that have a detrimental effect on their traditional way of life. Respect for their concerns and the willingness of foreign investors to negotiate fair deals will serve to ensure that economic development will proceed in a peaceful and beneficial environment in this remarkably diverse cultural country.

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