Papua New Guinea: The World Bank once again in the forest

Papua New Guinea's (PNG) rainforests are of global significance, comprising one of the last major tropical rainforest wildernesses in the World. Within a mere 1% of the world's land mass, it is estimated that PNG contains 5-8% of global biodiversity and that seventy five percent of this valuable forest is still standing. However, these forests are once again under threat.

A number of regulations put in place during 1996-97 seemed to show the government's will to control the activities of the so-called “robber barons” --name given to the timber industrials. This situation didn't last long. During the following two years, strong lobbying of the industry --linked to the country's economic crisis-- led the government to initiate a process of reviving the timber industry.

That process included the elimination of log export taxes and monitoring inspections, allocation of vast logging areas to foreign companies and the dismantling of the Forest Service. Such measures obviously favoured the timber industry, but provided few benefits to the country while generating further negative social and environmental problems. (see WRM bulletin 22)

In December 1999, national and international environmental NGOs, as well as local small sawmill operators, enthusiastically received an announcement made by PNG’s Prime Minister Mekere Morauta of the intention of the government to impose a moratorium on new logging activities, and to review existing logging concessions that had been improperly granted and implemented.

However, this moratorium, that would have enabled a forest-rich country like PNG to change course to a forestry industry providing maximum social, economic and environmental benefits. was never implemented and foreign logging companies completely ignored it during the year 2000. (see WRM bulletins 32 and 41)

Australian SBS Television Dateline produced a documentary showing fraud, incompetence, corruption and human rights violations by transnational logging companies operating in Papua New Guinea. The response from the National Forests Board was to accuse the World Wildlife Fund (WWF), the Eco-Forestry Forum and other NGOs of being 'puppets' of foreign countries and of the World Bank! (see WRM bulletin 46)

It is interesting to note that this attack on the World Bank occured while the Bank was still carrying out a process of Regional Consultations on its Forest Policy Implementation Review and Strategy (FPIRS), where one of the major concerns was whether the Bank's future strategy would maintain or remove the prohibition of funding forestry operations in primary moist tropical forests. Now the situation seems to have changed and it is the World Bank which appears to be a 'puppet' in the hands of the logging industry.

As soon as the long and costly FPIRS consultation process was finalized, more than 80 NGOs wrote to the World Bank expressing their concern about the secrecy surrounding what should have been a public draft of the new policy. What is now happening in PNG seems to prove that those NGO’s were right in suspecting that something was going in the wrong direction. According to Glen Barry, the

World Bank has recently indicated that they will not require the government to maintain the moratorium in order to receive further loan payments. The World Bank has also confirmed it has abandoned support for policy-making in support of community-based eco-forestry. If this is a sample of the Bank's new forest policy, then it's time to begin campaigning against the Bank once again.

Article based on information from: Worldwide Rainforest Conservation Network Slams World Bank's Papua New Guinea Program. July 1, 2001.Glen Barry, Forests.org,