

Speaking Notes
LAUNCHING OF NRI REVIEW REPORT ON
SPECIAL PURPOSE AGRICULTURE BUSINESS LEASES (SPABL)
NRI CONFERENCE CENTRE - 4TH JULY 2011

Our special guests, ladies and gentlemen... Good morning

My remarks this morning are going to be very brief and I am going to do so in my capacity as Interim Manager of the NLDP Office... so please pardon me for any apparent biases that I may portray towards the NLDP.

Firstly and especially to those who may be unaware of the NLDP, let me say this...the NLDP is not a replacement of the SPABL nor does it qualify colloquially as a sham. Please read between the lines, on the line, above the line, and below the line to understand what is at the end of the line regarding the NLDP, and then write for the PNG audience what is based on facts and not what can be quickly cobbled together to sell.

OK...let me now turn to **SPABL**

1. The legislative provisions for SPABL under the Land Act were well intended and remain so today. The problems we have now are however operational. It has to do with how the provisions have been abused in the process of implementation rather than the original intent and purpose of lease-lease back.
2. There are some very notable fine examples of successful small-holder SPABL that offer good economic returns and win-win situations for all partners. The small-holders examples at New Britain Palm Oil Limited and Kagamuga/Hagen corridor benefit many and should be encouraged as the way to go rather than encouraging the big-holders of SPABL that benefit very few customary landowners.
3. Let us avoid deprivation and disempowering ourselves of our rights as customary landowners by spreading the benefits to many rather sub-leasing to a few big holders with benefits only for few.
4. It seems that the big holders of SPABL with over 1,000 hectares spanning over three generations on 99 year sub-leases are more of a problem than the original intention for small holder SPABL.

5. The growing concern about the escalating number of big-holders SPABL has drawn our focal attention away from what was well intended as a means for growing our nation's economy vis a vis:
 - a. Increasing acreage from 20 hectares to 1,000 plus hectares
 - b. Increasing term of sub-lease from 40 years maximum to 99 years
 - c. Decreasing number of beneficiaries, especially customary landowners against the volume of land for which SPABL are now being granted is horrendous in as much as the increasing approval rates per year.
 - d. The lack of enabling provisions under the existing arrangements to ensure accountability and transparency of operations of incorporated landowning groups renders opportunity for multiplicity of abuse in the longer term/99 year duration of the SPABL.
 - e. Undesirability of our massive contribution on the international scene - there are growing concerns that land grabbing is a global phenomenon that threatens longer term food security.
6. At the rate we are going with 5.6 million hectares SPABL granted since 2003, available PNG customary land has now been reduced by about 11%. That is the reality today.
7. We can now realistically stop claiming that only 3% of PNG land is alienated and the remainder 97% is still under customary ownership. The new ratio is 11% alienated and 87% customary owned.

NLDP Options

1. Under the NLDP the lease-lease back features of SPABL can be done away with; in which case customary landowners have the option to lease their land directly as lessors to tenants as lessees, i.e. as opposed to having a sub-lease under lease-lease back arrangements through SPABL.

2. The *Land Group Incorporation (Amendment) Act 2009* and the *Land Registration (Customary) (Amendment) Act 2009* provide vast improvements on accountability and transparency and the opportunity to enter direct negotiation with prospective tenants/lessees as opposed to the sub-leasing arrangements under SPABL.
3. The NLDP is about empowering customary landowners by improving land value so that the return on investment, for customary landowners, is attractive enough to make economic sense. This is not quite the case currently with big holders SPABL.
4. It seems that somewhere along the line, some of us have mistakenly concluded that by signing off thousands of customary land as SPABL we can quickly achieved the 20% target for 2030 as set out under the PNG Development Strategic Plan 2010 – 2030. In reality this mad rush for quantity rather than quality SPABL will serve relatively few customary landowners.
5. The existing infrastructure to address the growing administrative requirements for servicing customary leases is inadequate. It must therefore be strengthened and made accountable and transparent in its operation. This was the call from the 2005 National Land Summit.
6. The Review of SPABL conducted by the NRI - that which we are about to witness the launching this morning - is a direct contribution from the NLDP towards the improvement of Land Administration in PNG. We had at least made a start.
7. But as we now know, a Commission of Inquiry has since been announced by the Government to delve further and deeper into the SPABL. This COI thing is big with a K6 million budget over three months. You know what?...I think COIs are unnecessary if those paid to implement continue to do their job well by doing the right thing all the time.
8. However, when this does not happen then COIs are our final but sad admission that things have gone horribly wrong. And in the case of SPABL, it is the final admission that they have not been working right towards fulfilling public desires and expectations.

9. We welcome and will no doubt cooperate with the COI under the Chairmanship of Mr John Numapo. He has been a very supportive NLDP advocate during his previous capacity as Chief Magistrate. With technical advisors from Transparency International via Ms Mayabo Ipu Peipul and Deputy Chief Magistrate – Lands, Mr Mark Pupaka, we are no doubt pleased that our effort in producing this report will be of greater practical value in terms of its usefulness. Mark Pupaka happens to be an active member of the NLDP Management Group.

10. Ladies and gentlemen, the work on this review was completed last year for much the same concerns and reasons that had resulted in the announcement of the COI. In this respect it may well serve or represent good background material for the COI.

11. Thank you all for coming along this morning and thank you for your attention.

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