

FORMAL REPORT ON ENCROACHMENT AND ENVIRONMENTAL DESTRUCTION BY PACIFIC ELITE INVESTMENT LIMITED UNDER THE MOMASE LARGE-SCALE INTEGRATED AGRICULTURE PROJECT

Date: 15th / 10/ 2025

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Submitted to: East Sepik Environment Conservation and Climate Change Office

ANNUAL ENVIRONMENTAL PERFORMANCE REPORT
Momase Large-Scale Integrated Agriculture Project

1. Background

This report highlights serious environmental and social issues resulting from the ongoing operations of Pacific Elite Investment Limited under the Momase Large-Scale Integrated Agriculture Project (MLSIAP). The company operates under Forest Clearance Authority (FCA) No. 11-03 and Environmental Permit No. WD-L3 (196) / WE-L3 (150).

The project area covers parts of Turubu LLG (Wewak District), Angoram LLG (Angoram District), and Sausso LLG (Yangoru-Saussia District) within East Sepik Province, with a gross area of 105,400 hectares, of which 90,000 hectares are deemed suitable for operation. The Environmental Permit was issued on 5 December 2008, and later amalgamated as EP-L3 (806) on 19 November 2021, with a term of 25 years.

2. Nature of the Problem

The logging company, operating from Dandan Village, has now encroached into areas beyond agreed customary boundaries, including lands where no consent has been granted by legitimate landowners. These include:

- Wugh Clan (Ward 8, Kamasau Village)
- Ngagam and Wau Clans (Ward 7, Tring Village)

These encroachments have taken place without prior consultation, awareness, or consent from the affected clans and communities, which violates the principles of Free, Prior and Informed Consent (FPIC) under national and international standards.

It is noted that the operations are being influenced by a few semi-educated local

PROJECT FACT SHEET

PROJECT/CONCESSION AREA :	MOMASE LARGE-SCALE INTEGRATED AGRICULTURE PROJECT (MLSIAP)
FOREST CLEARING AUTHORITY :	NO. 11-03
PERMIT HOLDER :	PACIFIC ELITE INVESTMENT LIMITED
LOCATION :	Turubu LLG of Wewak District, Angoram LLG of Angoram District, and Sausso LLG of Yangoru-Saussia District, all of East Sepik Province, Papua New Guinea
GROSS AREA :	105,400 HECTARES
SUITABLE AREA :	90,000 HECTARES
ENVIRONMENTAL PERMIT (EP) :	WD-L3 (196) / WE-L3 (150)
DATE ISSUED :	December 5, 2008
AMALGAMATED (EP) :	EP-L3 (806)
AMALGAMATED DATE :	November 19, 2021
TERM OF PERMIT :	25 Years



elites and “paper landowners,” who are supporting the continuation of logging despite widespread opposition from genuine landowners.

3. Environmental and Social Impacts

Significant environmental destruction and ecological disturbance have already been reported, including:

- Destruction of wildlife habitats, particularly of endangered species such as Tree Kangaroos and Black Cockatoos.
- Pollution of rivers and creeks, including contamination of drinking water sources at Dandan Care Centre, where the Kadavar people reside.
- Clearing of forest areas that are part of the proposed extension of the Mojirau Wildlife Management Area (WMA) — an area recognized for its high biodiversity and importance as a nesting ground for wildfowl eggs and other species.
- Social tensions and conflicts among landowners due to misinformation and lack of proper consultation.



4. Governance and Compliance Concerns

4.1 Lack of Environmental Compliance Monitoring

There is no clarity on whether Environmental Performance Reports (EPRs) have been submitted or whether CEPA has conducted inspections in line with the Environment Act 2000, Section 82.

4.2 Unlawful Employment

The majority of workers are reportedly foreign nationals (Asians) without valid Work Permits, potentially breaching the Employment of Non-Citizens Act 2007, Section 6(1).

4.3 No Landowner Awareness or Consent

Most landowners in Turubu LLG are unaware of the project’s scope or legal basis, a clear breach of the FPIC principle, and likely contravening the Forestry Act 1991, Section 90B(2)(a) and Environment Act 2000, Schedule 2 (Public Consultation).

4.4 Société Générale de Surveillance (SGS) PNG Ltd.,

Contracted by **PNGFA** to perform third-party compliance monitoring, has **not reported** breaches or irregularities despite ongoing landowner complaints and visible encroachments. There is no publicly available SGS verification of FPIC compliance or of land boundary observance.

This constitutes a **failure of third-party compliance auditing** and undermines public trust in the regulatory process.

International Reference:

UNDRIP, Article 32 affirms Indigenous peoples' right to Free, Prior and Informed Consent (FPIC) on matters affecting their lands and resources.



6. Recommendations

A. Conservation and Environment Protection Authority (CEPA):

- Conduct urgent compliance inspections under the Environment Act 2000
- Confirm whether Environmental Performance Reports (EPRs) have been submitted
- Determine whether permit conditions under EP-L3 (806) are being fulfilled
- If not Terminate the Environmental Permit and Suspend the Operation

B. Papua New Guinea Forest Authority (PNGFA):

- Suspend FCA No. 11-03 pending a judicial review of legality and land acquisition processes
- Ensure all future operations comply with FPIC requirements

C. Department of Labour and Immigration:

- Investigate the employment status of foreign workers and ensure work permit compliance

D. Provincial and District Authorities:

- Facilitate an independent investigation into the social and environmental impacts
- Support inclusive community consultations on land use and project continuation

E. SGS PNG Ltd.

- Disclose **monitoring reports** for the project to date
- Explain the **lack of compliance reporting** regarding landowner disputes and encroachments
- Cooperate with any **independent investigations or regulatory reviews**

7. Conclusion

The situation in Turubu LLG constitutes a serious breach of environmental laws, land rights, and constitutional protections. Continued operations under FCA No. 11-03 without proper legal and social safeguards will result in irreversible environmental damage, social unrest, and legal liability.

We therefore strongly recommend that the Government of Papua New Guinea, through CEPA and PNGFA, immediately halt all operations under FCA No. 11-03 until a full judicial review and compliance audit is completed.