



**UN COLLABORATIVE PROGRAMME ON REDUCING EMISSIONS FROM DEFORESTATION
AND FOREST DEGRADATION IN DEVELOPING COUNTRIES
NATIONAL PROGRAMME DOCUMENT**

Cover Page

Country: Papua New Guinea

Programme Title: UN-REDD PNG National Programme

Programme Outcome(s): UNCP Action Plan 2008-2012 Outcome “*Sustainable Livelihoods and Population: By 2012, rural communities in selected provinces of each region use improved sustainable livelihood practices*”, particularly Intermediate Outcome “*Communities apply national policies and regulatory frameworks to implement environmentally sustainable livelihood opportunities, including community based ecotourism, non-timber forest products, sustainable agriculture and ecoforestry.*”

<p>Programme Duration: 36 months</p> <p>Anticipated start/end dates: 1 January 2011 – 31 December 2013</p> <p>Fund Management Option(s): Pass Through</p> <p>Managing or Administrative Agent: UNDP MDTF Office</p>	<p>Total estimated budget: * \$6,388,884</p> <p>Out of which:</p> <p>1. Funded Budget: \$6,388,884</p> <p>2. Unfunded budget: _____</p> <p>* Total estimated budget includes both programme costs and indirect support costs</p>
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<p>Sources of funded budget:</p> <p>Donor... UN-REDD Multi-Donor Trust Fund</p>

Names and signatures of national counterparts and participating UN organizations

This national programme document should be signed by the relevant national coordinating authorities. By signing this national programme document, all signatories – national coordinating authorities and UN organizations - assume full responsibility to achieve results identified with each of them as shown in Table 1 and detailed in annual work plans.

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List of Acronyms

BAU	Business as usual
CCDS	Papua New Guinea’s Climate-Compatible Development Strategy
DAL	Department of Agriculture and Livestock
DEC	Department of Environment and Conservation
DLPP	Department of Lands and Physical Planning
FAD	Forest Authority Database
FAO	Food and Agricultural Organization
FCA	Forest Clearance Authority
FCC	Joint Government of Papua New Guinea – Development Partner Forum on Climate Change
FCCFA	PNGFA’s Forest and Climate Change Framework for Action 2009-2015
FIMS	Forest Inventory Mapping System
FIPS	Forest Inventory Processing System
FLEGT	Forest Law Enforcement, Governance and Trade mechanism
FMA	Forest Management Agreement
FPIC	Free, prior and informed consent
FRI	Papua New Guinea Forest Research Institute
GEF	Global Environment Facility
GHG	Greenhouse gas
GIS	Geographic Information System
GoPNG	Government of Papua New Guinea
HDI	Human Development Index
IFCI	Australia’s International Forest Carbon Initiative
IIED	International Institute for Environment and Development
ILG	Incorporated Land Group
IPCC	Intergovernmental panel on climate change
ITTO	International Tropical Timber Organization
JICA	Japan International Cooperation Agency
LNG	Liquefied natural gas
LULUCF	Land use, land-use change and forestry
MDTF	Multi-Donor Trust Fund
MRV	Measurement, Reporting and Verification
MTDP	PNG’s Medium Term Development Plan
NADP	National Agricultural Development Program

NCCC	National Climate Change Committee
NEC	National Executive Council
NFDP	National Forest Development Program
NP	National Programme
NPD	National Programme Document
NPMF	National Programme Monitoring Framework
OCCD	Office of Climate Change and Development in Papua New Guinea
OLPLLG	Organic Law on Provincial and Local Level Governments
PEB	Programme Executive Board
PGK	Papua New Guinean kina (1 kina = 0.39 USD)
PMC	Programme Management Group/Committee
PMU	Programme Management Unit
PNG	Papua New Guinea
PNGFA	Papua New Guinea Forest Authority
PSP	Permanent sample plot (for biomass measurements)
QA	Quality assurance
QC	Quality control
QWP	Quarterly work plan
REL	Reference Emission Levels
RIL	Reduced impact logging
RL	Reference Levels
SLMS	Satellite Land Monitoring System
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNITECH	PNG University of Technology
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
UPNG	University of Papua New Guinea

1. Executive Summary

The UN-REDD Programme was set up in 2008 to assist tropical forest countries in establishing a fair, equitable and transparent REDD+ regime. The proposed National Programme (NP) for PNG builds on the 2009 draft NP which has received approval in principle by the Policy Board. It aims to support the Government of PNG to further progress its efforts towards REDD+ readiness and places heavy emphasis on the development of a Measurement, Reporting and Verification (MRV) system for PNG, as an important complement to PNG's domestic climate-change efforts. MRV systems track changes in carbon stock resulting from land-use change, and as such, are a fundamental prerequisite for any pay-for-performance REDD+ programme. The proposed NP has to be seen in the context of PNG's unique national circumstances, including geography, culture and traditions, language, information and communication and land tenure systems, and the progress achieved to date on dealing with the effects of climate change and REDD+.

PNG has taken a global lead in seeking to combat climate change, particularly by proposing measures to realise the carbon abatement opportunity offered by preserving and sustainably managing tropical forests, i.e. by introducing the concept of REDD+ into international negotiations. Domestically, PNG is also committed to mitigating greenhouse gas emissions. The country's Vision 2050 envisages low-carbon economic development, aiming to increase per capita GDP by a factor of three by 2030, while maintaining an aspirational goal of net carbon neutrality by 2050.

In order to achieve this goal, PNG has made significant efforts in the past year to further the domestic agenda on climate change:

- The newly established **Office of Climate Change and Development (OCCD)** provides the institutional structure to coordinate action against climate change in PNG. It supports the whole-of-government **National Climate Change Committee** in steering climate change policy and reports directly to the Prime Minister.
- A **Climate-Compatible Development Strategy (CCDS)** sets out the strategic direction for PNG's action against climate change domestically, with a strong focus on REDD+. The main elements of the draft CCDS and the process for multi-stakeholder consultation have been endorsed by the National Executive Council (NEC). The CCDS is envisaged to be finalised and released in its final form later this year.
- An **Interim Action Plan** sets out the immediate priorities for action over the next 6-12 months while the CCDS is being finalized.

This progress frames the efforts over the coming months and years, during which GoPNG will move to implement climate-compatible development, specifically including the following actions related to REDD+ readiness:

- Mitigation from REDD+ activities needs to be incorporated into national development planning; sectoral policies and initiatives will have to be reviewed to ensure they are climate-compatible.
- Further research and analysis will be required in some areas, such as developing a comprehensive greenhouse gas inventory.
- REDD+ activities will require the development of new capacities in the institutions involved.
- Pilot programs will be required to enhance the knowledge base, identify the most effective institutional arrangements, test the new policies and build capacity.
- A large-scale consultation exercise will need to be launched to involve local communities and landowners in critical elements of the strategy, especially arrangements for benefit sharing.

- A Measurement, Reporting and Verification (MRV) system, fund disbursement mechanism and benefit-sharing models that ensure benefits accrue equitably to resource owners will have to be developed.

This NP will be one important element of an integrated REDD+ readiness strategy and contribute to preparing PNG for a REDD+ mechanism. The programme's objective is to ensure that by 2013, PNG has an operational Measurement, Reporting and Verification system that enables the country's participation in international REDD+ systems to protect its environmental resources and contribute to sustainable livelihood practices of rural communities. This objective will be achieved through the following outcomes:

Outcome 1 – Readiness Management Arrangements in Place

- Management arrangements between GoPNG and stakeholders are strengthened
- National Programme implementation is strengthened

Outcome 2 – National MRV system developed

- National REDD+ Information system developed
- Satellite Forest Land Monitoring system set up
- Multipurpose national forest carbon inventory developed
- National GHG Inventory for REDD+ established
- Technical advice, capacity building and implementation support provided

Outcome 3 – Establishment of Reference Emission Levels (REL) and Reference Levels (RL) supported

- Historical drivers of deforestation assessed
- National circumstances assessed

Outcome 4 – Monitoring of abatement concepts supported

- Capacity for monitoring and implementation of priority abatement levers developed

Outcome 5 – Stakeholders engaged in PNG's REDD readiness process

- Framework for stakeholder engagement processes in place

2. Situation analysis

2.1. PNG Context

Papua New Guinea is the largest of the Pacific Island nations, both in terms of population, estimated at some 6.1 million, and in terms of land mass, covering approximately 460,000 square kilometres. Around 87 percent of the population lives in rural areas of Papua New Guinea's varied and rugged terrain that supports an extraordinary range of ecosystems and biodiversity, most of which are not accessible by road. The country has a rich and unique cultural and ethnic diversity, with some 830 languages spoken by a population distributed over the mainland and the many islands. The population is forecast to grow to more than 11 million by 2050. Currently 40 percent of the population is under the age of 18.

The country's level of human development remains low and has, in some areas, deteriorated over the recent years. In 2008, Papua New Guinea's Human Development Index (HDI) ranked at 149 out of the 179 countries and territories surveyed.

A large part of the rural population, and to a lesser extent, the urban population relies for their livelihoods on forest exploitation, fishing, hunting, and subsistence agriculture. Weak infrastructure, weak social service delivery mechanisms, marketing difficulties as well as low government and civil society capacity constrain possibilities to improve standards of living.¹

2.2. The forest sector in PNG

Forest inventory and deforestation and forest degradation

Papua New Guinea (PNG) has one of the most significant areas of largely-intact tropical forest in the world, although these forests appear to be facing acute and imminent threats. Forests are also a vital resource for the local population particularly in the remote rural areas of PNG. These forests provide food, fibre, building materials, and support a variety of wildlife, ecosystem services such as carbon sequestration, watershed protection, water supply, soil stability and fertility.

Nevertheless, forest cover data, commercial timber stocks, rate of deforestation and relative contributions of the drivers of deforestation are all subject to some uncertainty and much debate among academics and NGOs interested in forest cover change in PNG.

The Papua New Guinea Forest Authority (PNGFA) estimates that approximately 60 percent of the total area of the country is covered by natural forests, of which 52 percent are considered *production forests* (for timber and other products), and 48 percent are for conservation (not for timber extraction due to inaccessibility or ecological constraints).

There is a long history of debate regarding the forestry sector in PNG in numerous reviews, independent audits and studies of the forestry sector, e.g.:

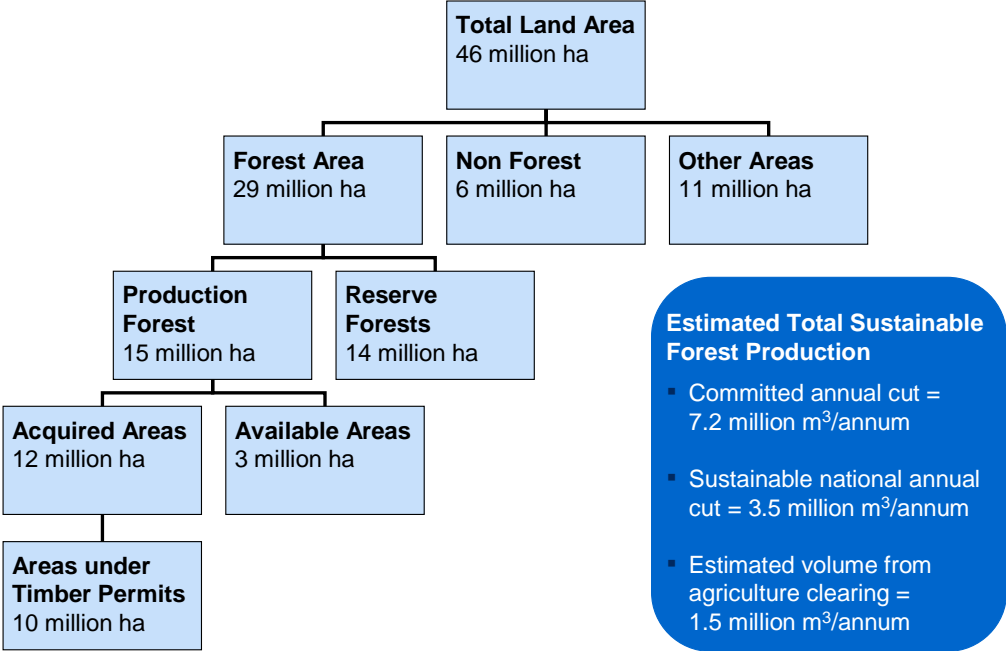
- IIED 1998 Country Study
- IIED 2001 Report edited by Colin Hunt
- PNG Forest Industry Association [analysis](#) 2006

An official assessment of the Forest Resource Base by PNGFA indicates that about 29 million hectares of land are forested of which 15 million hectares are classified as production forest having potentially high quality hardwoods species suitable for commercial development.² The remaining 14 million hectares are classified as Reserve Forests (Figure 1).

¹ This section is based on the Situation Analysis in the UN Country Programme Action Plan.

² PNGFA (2009) Parliamentary Brief for Minister for Forests, Nov 2009, Port Moresby

FIGURE 1 – PNG’s forest resource base



FAO’s *Global Forest Resources Assessment 2010* reports lower forest coverage. Based on their report, in 1990 primary forests covered 31.3 million hectares, declining to 26.2 million hectares in 2010. The annual change of total forest area increased significantly from -180,000 hectares between 1990-2000, to -427,000 hectares between 2005-2010. This translates into an annual deforestation rate of 1.55 percent between 2005-2010.

TABLE 1 – Change in the extent of primary forests in PNG (FAO)

Area of Primary Forests (1,000 ha)				Annual change of total forest area (1,000 ha/year)		
1990	2000	2005	2010	1990-2000	2000-2005	2005-2010
31,329	29,534	28,344	26,210	-180	-238	-427

More recent estimates by Shearman et al (2008)³ and Shearman and Bryan (2010)⁴ suggest that intact forests covered 33 million hectares in 1972, or 82 percent of PNG’s land area. In 2002, PNG’s primary forest area is reported to have decreased to 25.3 million hectares, suggesting that 23 percent of the area in 1972 has been cleared or degraded at a rate of 0.79 percent, or 360,000 ha, per annum. The analysis is based on change detection between a forest map derived from aerial photo of 1972 and a forest map derived from Landsat ETM+ satellite data. The cumulative change (which is in line with the annual rate of deforestation reported by PNG to FAO) has been further elaborated with a socio-economic model to support the definition of a forest loss trend which report for 2002 a combined annual rate of deforestation and degradation of 1.41 percent.

³ See Shearman P., Ash, J, Mackey B, Bryan J.E, and Lokes B (2008), *The State of Forest in Papua New Guinea: Mapping the Extent and Condition of Forest Cover and Measuring the Drivers of Forest Change in the Period 1972-2002*, University of Papua New Guinea, Port Moresby.

⁴ See Shearman, P and Bryan J (2010) *A Bioregional Analysis of the Distribution of Rainforest Cover, Deforestation and Degradation in Papua New Guinea*, *Austral Ecology, A Journal of Ecology in the Southern Hemisphere*

TABLE 2 – The area of primary rain forest in PNG in 1972 and 2002, and change due to deforestation and degradation over this period⁵

Area of Primary Forests (1,000 ha)		Change of total forest area 1972-2002 (Percent)		
1972	2002	Deforested area	Degraded area	Total
33,228	26,462	15	9	24

Additional conclusions of the report include:

- Of the 1972 commercially accessible forest areas, it is estimated that by 2021, 83 percent will have been cleared or degraded if current trends continue;
- About 4.7 billion tonnes of carbon were stored in PNG’s primary forests in 2002. This does not include carbon in forest soils; and
- Between 1972 and 2002 deforestation resulted in the release of a net 926.5 million tonnes of carbon through logging-related forest degradation.

This points to an imminent threat to PNG’s forests over the next 2-3 decades. The main drivers of this deforestation and forest degradation are large-scale selective logging and subsistence and commercial agriculture, and to a lesser extent mining activities and forest fires.

Forest resource owners

Over 80 percent of the population is still directly dependent on the local environment for their livelihoods, particularly subsistence agriculture in shifting cultivation. Legitimate landownership and the right to exploit most natural resources are vested with the people and protected by the constitution. Ownership is mainly governed by traditional law – 97 percent of the land is under customary ownership and usually managed among landowners through Incorporated Land Groups (ILGs). About three percent of the land, or about 600,000 hectares, is held privately under a 99-year State Lease or is government land. It has been argued that the land tenure system is an impediment to rural development because land is owned by clans and can neither be alienated nor used as collateral for business loans. The mobilisation of blocks of land for rural development is constrained by the fragmentation of ownership, the difficulties of identifying the “true” owners where there are disputes, and excessive “compensation” demands. However, proposals to “register” the land to facilitate development have faced vehement public opposition. At the village level, the lack of investment opportunities is a more serious constraint. Poor infrastructure, remoteness from markets, the collapse of government extension services, and the high cost or lack of credit, impede the creation of business enterprise.

Logging is carried out in natural forests by a small number of large private logging companies, generally foreign owned. Companies pay royalties to landowners. Landowners are usually represented by a landowner company formed to look after the owners’ collective interests, or to an agent. Many problems occur with such representation. In many cases, royalty payments were received by company representatives or agents but never fully paid to the appropriate landowners, or were reduced by illegal deductions made by the companies.

The landowner share of logging proceeds in terms of timber royalties ranges from a flat royalty of PGK10 per m³ up to PGK35 per m³, depending on the type of timber. In addition to this royalty, landowners negotiate separate in kind benefits and price premiums as part of the concession negotiations. These may vary considerably. Royalties and premiums are often not paid in full, are

⁵ See Shearman et al (2008). Swamp, mangrove, and dry evergreen forest are excluded.

not fairly distributed and contribute little to rural welfare, according to the Independent Forestry Review Team.⁶

Given the land tenure system in PNG, determining the opportunity costs of logging and providing appropriate payments is difficult. Most previous efforts to provide conservation alternatives that meet the logging opportunity costs have failed.⁷ Yet at the same time, questions have been raised about the contribution of logging in PNG.⁸

According to PNG's Forest Industries Association, the timber industry provides jobs to some 9,000 people, mostly located in remote areas where few other forms of employment exist. NGOs and the Review Team preparing the 2009 NP submission, however, assert that these are generally lowly paid jobs which demand little training and contribute little to long-term welfare of the local population. Many of the higher-skilled positions are filled by foreign labour.

In addition to providing jobs, logging operators construct infrastructure, as well as health and education facilities, as part of the concession agreements. There is considerable debate about the sustainability and quality of the infrastructure/services provided. The Review Team describes operator performance as under par, while Rimbunan Hijau has commissioned a number of reports to demonstrate the lengths to which it goes to provide infrastructure and services to the landowners and its employees.⁹ Under the post-1991 Forest Management Agreements, companies pay for the construction of facilities but are no longer responsible for putting them in place.

The forestry industry

The forestry sector has contributed 3.8 percent to PNG's GDP in 2008, and provided 0.3 percent of employment in the formal sector. In 2009, approximately 2.8 million m³ of logs were harvested. Of the country's total logs harvested, 80 percent is exported as round logs while 20 percent or less is processed locally. Domestic timber processing is not well developed in PNG although considerable tax incentives and current 'zero' tax on export of processed timber is offered. The major domestic export products are sawn timber, plywood, veneer and Balsa wood products.

Table 3: Declared log harvest and round log exports, 2001-2009

Year	Volume Harvested (m³)	Volume Exported (m³) – Round Logs
2009	2,802,277	2,066,854
2008	2,755,554	2,514,915
2007	3,481,617	2,835,402
2006	3,389,891	2,638,296
2005	2,832,162	2,282,414
2004	2,776,900	2,012,136
2003	2,100,284	2,015,208
2002	2,140,953	1,853,549
2001	1,646,047	1,556,220

Source: PNGFA Field Services Division, *PNGFA - SGS monthly reports and database*

⁶ Independent Review of Disputed Timber Permits and Permit Extensions (2003) established by the PNG Government in 2003 to review issues surrounding a proposed World Bank loan to improve forest management. The loan was not taken and the review was not completed.

⁷ See Race for the Rainforest: Evaluating Lessons from an Integrated Conservation and Development "Experiment" in New Ireland, Papua New Guinea, by Rob McCallum and Nikhil Sekhran, UNDP, 1997.

⁸ Drawn from www.odifpep.org.uk/activities/environmental_governance/S0153/png_paperthree_issues.pdf

⁹ See www.forestryanddevelopment.com/

Commercial logging operations are permitted under the following categories:

- Timber concessions approved under timber permits;
- Allocation of small timber resource areas under timber authorities;
- Allocation of large scale forest clearance areas for agriculture development and road construction under the National Agriculture Development Program (NADP).

Commercial Timber Operations

Commercial logging operations are permitted in timber concessions approved under Timber Permits governed by Section 73 of the Forestry Act. A Forest Management Area (FMA) is applied to a natural forest area identified for commercial development by PNGFA, where rights have been acquired from customary landowners for a period of 50 years to manage and commercially develop their forests. This is the current forest management regime employed by the PNGFA. Under this arrangement, the concession holder can operate within the timber concession for 40 years.¹⁰

In total in 2009, there were about 55 approved timber permit operations in the country with a total committed forest area of 9 million hectares of lowland forest.

Allocation of small timber resource areas under timber authorities

A Timber Authority approved under Section 87 of the Forestry Act is granted to enable the supply of timber to sustain small-scale sawmilling, and to clear land for small-scale agriculture development at the village level. A Timber Authority is issued up to an aggregate amount of timber to be harvested annually of 5,000 m³ or clearance of less than 50 hectares of trees. It is issued by the Chairman of the Provincial Government Committee, responsible for forestry matters. Issuance is based on the advice of the Provincial Forest Management Committee. The National Forest Board gives consent for the endorsement of Timber Authorities. As of December 2009, a total of 62 Timber Authority applications were processed by PNGFA and referred to the respective PFMC to approve and issue to the various forest industry participants throughout the provinces, primarily for domestic processing operations.

While timber authorities are a good opportunity for landowners to participate in and manage small-scale timber operations, and although these timber authorities form an important contributor to enable rural development, it also has to be acknowledged that there are challenges to ensure sustainable harvesting and compliance within these areas. Their lower volume nature and fragmentation removes incentive to demonstrate sustainability or compliance and makes comprehensive capacity building and monitoring costly and difficult to enforce.

Agriculture leases

Agriculture leases aim to convert forest land into agricultural land for cash crops at large scale to foster regional economic development. They are granted to agricultural development companies under a lease-lease back scheme issued by the Department of Lands and Physical Planning (DLPP) as a prerequisite for approval by the Department of Agriculture and Livestock (DAL). Under this scheme, customary land is leased to GoPNG for a period of up to 99 years. In a second step, it is then leased back to registered landowner companies or private companies, and frequently includes primary forest areas that have not yet been logged and will have to be clear-felled before agricultural development can happen.

¹⁰ Residual or undersized trees left behind by the initial logging operation will have grown to an acceptable size of more than 50 cm diameter breast height within 40 years (changed from 35 years as of 1 January 2010), thus the resource can be managed and developed in a sustainable manner till the next cutting cycle.

As of August 2010, applications amounting to a total of 2.7-2.9 million hectares (~9-10 percent) of potential forest area have been submitted under these agricultural leases also known as 'agro-forestry' projects approved by DLPP. Of this area, 0.8 million hectares have received a Forest Clearance Authority (FCA) by PNGFA. This area is therefore approved for clear felling for conversion into agricultural land. While the exact share of forest area of the total FCAs is uncertain, agriculture leases will therefore be significant contributor to deforestation of primary forest over the coming years.

The majority of leases (55 percent) have been granted for oil palm development. Following the oil palm projects, the next most common leases are cocoa, rubber and coffee, and large ruminant livestock. Approx. 15 percent are related to combined reforestation and agriculture projects. There is some concern, however, that some of the approved projects do not currently contribute to agriculture development as expected. GoPNG is therefore reviewing the clearance of primary forest for large-scale agricultural development in order to ensure more sustainable agriculture and economic development in those areas.

Reforestation

Plantation forestry remains small in PNG, but the development of reforestation is important to PNG as it can ease the pressure on logging of native forests and help to maintain a sustainable forest industry as per GoPNG policy.

Figures for 2004 indicate 52,000 ha of reforested area of which around 60 percent was managed by the private sector and the remainder by GoPNG (Bourke and Harwood 2009).¹¹ In 2004, the volume of plantation timber was 247,214 m³, valued at 46 million Kina. This seems to have slightly grown to 62,000 ha by 2008 (PNGFA 2010).

The largest plantations are in East New Britain, West New Britain, and Morobe Province, Highlands and in Madang Province. These plantations accounted for 70 percent of total plantations in PNG, while the rest was distributed in 13 locations in 10 provinces (Bourke and Harwood 2009).

The PNGFA (2010) has stated that the future of forests in PNG lies in plantation development as the forest resources that are accessible and commercially viable are diminishing at a fast rate. The PNGFA has also formulated a policy on reforestation that is supported by a Plantation Development Program which aims to establish 240,000 ha by 2030.

There are significant tenure and socio-economic barriers to more rapid expansion of plantation forestry. Particularly hardwood plantations take a long lead time before harvest and customary landowners are reluctant to wait for long periods to generate incomes. Coupled with limited engagement of the forest industry and limited downstream processing facilities to date, this has prevented a rapid growth of this forestry subsector. The PNGFA also claims that a major constraint to expansion of plantation was a lack of capacity and resources within the authority.

A successful expansion of afforestation and reforestation activities will require a joint approach by GoPNG, the private sector and landowners in order to address barriers to access, increase investor confidence, and provide mechanism to provide land-owners ownership of such projects. One such potential approach could be through a broader promotion of community forestry extension programs.

¹¹ See Bourke, M and Harwood, T (2009) Ed, Food and Agriculture in Papua New Guinea, ANU, Press, Canberra

Sector regulatory framework

Forestry sector regulations

Over the last 20 years, forest-related laws have evolved toward increasing government control of forest areas. This change has been aimed at enhancing sustainability and overall sector efficiency. However, implementation of the laws and associated codes of conduct often has been difficult because of political ambivalence and governance problems, and an apparent shortage of human and financial resources to effectively ensure enforcement. These challenges have been outlined in a number of reports, including reviews of the administration and practice of the logging industry commissioned by GoPNG between 2000 and 2005, and supported by the World Bank.¹² While the reviews found that all but 5 of 32 proposed new logging projects had so far fulfilled “due legal process”, shortcomings were also identified that undermine national efforts to achieve economically and environmentally sustainable forest management. Similarly, an International Tropical Timber Organization (ITTO) “Diagnostic Mission to PNG” in 2007 found that PNG has “many solid acts, laws and legislation in place, but implementation is problematic due primarily to administrative and governance constraints and intervention.”¹³ Particular constraints that the study identified were that the “human resources of both PNGFA and DEC, especially the field staff, appeared overworked, under resourced and, therefore, not surprisingly, unmotivated” and that “they lack facilities” to implement their mandates.¹⁴ The PNGFA is aware of these challenges has complemented efforts to improve policy to enhance the capacity to monitor and enforce government regulations.

Following the Forestry Commission of Inquiry (or Barnett Commission) a considerable amount of new forest policy and legislation have been introduced.¹⁵ These include:

- ***National Forest Policy***: was issued in September 1991 by the National Executive Council and covers the areas of forest management, forest industry, forest research, forest training and education, and forest organization and administration.
- ***Forestry Act, 1991***: was gazetted in June 1992 as a direct result of the Commission of Inquiry, and provided for the establishment of the new and semi-autonomous Forest Authority to replace the old Department of Forests. The Act provides for much tighter controls in the acquisition and allocation of land for forest development.
- ***Forest Regulation No. 15, 1992***: specified the procedure to enable registration of forest industry participants and consultants under the Act.
- ***Forestry (Amendment) Act, 1993***: was certified in April 1993 and provided for a clear administrative function of the National Forest Board, and of the National Forest Service through the Managing Director and the Provincial Forest Management Committees.
- ***National Forest Development Guidelines, 1993***: were issued by the Minister for Forests and endorsed by the National Executive Council in September 1993. The Guidelines established an implementation guide for aspects covered in the new Forest Act, especially in terms of

¹² Review of Forest Harvesting Projects Being Developed Towards a Timber Permit of Timber Authority (2000-01); Review of the Forest Revenue System (2001-02); Independent Review of Disputed Timber Permits and Permit Extensions (2003); Review of Current Logging Projects (2004-05); and Compliance Audits (2004-05)

¹³ ITTO (2007) ‘Achieving the ITTO Objective 2000 and Sustainable Forest Management in Papua New Guinea – Report of the Diagnostic Mission’, Executive Summary, p. 5

¹⁴ Ibid, p. 3

¹⁵ The text of this section is borrowed from the page “Forest laws of PNG” on the Internet site of the Forest Authority (<http://www.forestry.gov.pg>), and from the 1997 FAO document Asia-Pacific Forestry Sector Outlook Study: Country Report - Papua New Guinea. (Asia-Pacific Forestry Sector Outlook Study Working Paper No: APFSOS/WP/47).

sustainable production, domestic processing, forest revenue, training and education, review of existing projects, forest resource acquisition and allocation, and sustainable development.

- **National Forest Plan:** under the Forestry Act of 1991 (as amended), PNGFA has been required to prepare a National Forest Plan to provide a detailed statement of how the national and provincial governments intend to manage and utilize the country's forest resources. The National Forest Development Program (NFDP) under the Plan is now under implementation.
- **Logging Code of Practice, 1996:** was finalized in February 1996 and tabled in Parliament in July 1996. This PNG code is inconsistent with the Regional Code proposed at the 1995 Suva Heads of Forestry Meeting but is more specific to PNG operating conditions. It has been mandatory as of July, 1997, but will shortly be undergoing review.
- **The 1996 Forestry Regulations:** cover all facets of the industry procedures and control, and were approved by the National Executive Council in 1996, and finalized soon after with some changes. These Regulations provide the legal status for the implementation of many of the requirements specified under the Forestry Act 1991 (as amended).
- **Forestry (Amendment no. 2) Act, 1996:** was passed by Parliament and certified on the 11 October 1996. The major amendment relates to the membership to the Board to still have eight members, including the representatives of a National Resource Owners Association and CSOs/NGOs. Further amendments were made in 2000 and 2005.
- **Environment Act, 2000:** provides the administrative mechanism for the evaluation of impacts on the environment through an environmental approval and permitting system under the administration of the Department of Environment and Conservation (DEC).
- **National Forestry Development Guidelines, 2009:** act as an update to previous (1993) guidelines and set out the objectives for the Forestry Sector in PNG. They also recognize climate change initiatives under the United Nations Framework Convention on Climate Change (UNFCCC).
- **Forestry and Climate Change Framework for Action 2009 – 2015 (FCCFA):** and outlines the priorities for the GoPNG regarding sustainable development in the forestry sector.

The regulatory and policy action above outlines some of the initiatives taken by the PNGFA to move the PNG industry to a more sustainable development path to reflect both PNG's international efforts in REDD+ and domestic priorities set by the Government. The Logging Code of Practice has been reviewed in recent years to improve the standard of logging operations in the country. In addition, the PNGFA is developing a plantation recovery strategic plan to revive and bring some of the existing plantations, particularly those managed by GoPNG, back to sustainable and commercial levels.

Recently, PNGFA sought NEC approval for a forest and climate change policy integrating climate change and conservation issues in its forestry operations. Under the Forestry legislation, areas of conservation value could be set aside as 'reserves' within Forest Management Areas earmarked for large scale logging. PNGFA and the OCCD are in the process of jointly identifying and establishing REDD+ pilot projects to test the concepts outlined in the climate change framework.

The PNGFA is also refining its strategies to move the forest industry to a more sustainable level. In September 2009, for example, the Minister for Forests announced that no new FMA timber concessions would be allocated with round log export entitlements.

Internationally, PNG's forestry sector will be increasingly affected by legislation in major markets aimed at increasing the legality of imported wood and wood products. This includes, for example, amendments to the U.S. Lacey Act, EU Timber Regulation and the FLEGT action plan, as well as

forthcoming Australian due diligence legislation. All are likely to have major impact on timber supply markets in general and in timber producing countries like Papua New Guinea in particular.

Service Delivery

In 1995 the '*Organic Law on Provincial and Local Level Governments*' (OLPLLG) was passed by Parliament and was subsequently implemented in 1997. It is essentially an attempt to decentralise government functions and responsibilities by devolving substantial financial management functions and responsibilities such as planning, budget and finance to the sub-national level (Provincial, District and Local Level Administrations and Treasuries), although management of forest resources is still the mandate of the PNGFA. Since the introduction and implementation of the OLPLLG, PNG has gone through an extensive process of national and provincial capacity building in order to apply and comply with the requirements of the law. However, this process is far from completion and continuing problems prevail especially with regard to the management of financial resources at the provincial and lower level. As a result, the delivery of basic services in the provinces is sub-standard even though it varies among different provinces.

Although the New Organic Law established decentralized responsibilities and authority across three levels of government in a more equitable sharing arrangement, it did not adequately address implementation issues. Central, line, provincial and local-level government agencies were left to legislate their respective administrative functions and responsibilities with respect to other government agencies. Inadequate guidance and management of this process has resulted in incomplete and open-ended arrangements, with responsibilities poorly matched to authority. Lines of authority between the three tiers of government are insufficiently developed, and transparent and accountable procedures and systems to enhanced decentralization of service delivery remain a huge challenge. In reality, decentralization may have caused accountability at all levels to decrease.¹⁶

Such challenges are well associated with PNG's complex geographical and cultural diversity. As captured above, periods of decentralisation have not really improved service delivery at the provincial and district level as intended by the OLPLLG. If it had, this would have been the most effective avenue of fostering greater indigenous participation, as per the aspiration of the national government. However, recent improvements within this system have been initiated between GoPNG and Australia through the Sub-National Strategy (SNS), with the aim of improving service delivery through the strengthening of institutional governance at the provincial and district levels.

Data availability

PNG has a number of national spatial datasets including land-use, physical environment (e.g. soils, landform, climate etc), and forest types which have been developed over a 20-30 year period. A range of agencies develop and maintain their own datasets. While some high quality datasets exist, institutional arrangements are not conducive to collaboratively holding and maintaining datasets. As part of the NP's work to support the establishment of a MRV system for PNG, a comprehensive assessment of available data will be undertaken to refine and complement the overview provided below. Existing data sources include the following:

- PNGFA's data stored in the Forest Authority Database (FAD), which includes concession planning documentation, the Forest Inventory Mapping Systems (FIMS), the Forest Inventory Processing System (FIPS) and Persyst, a PSP database software which is located at the PNG Forest Research Institute in Lae (FRI) and captures the permanent sample plot measurements;

¹⁶ From www.adb.org/Documents/Reports/CGA/CGA-PNG-2006.pdf

- Available satellite optical and radar data;
 - University of Papua New Guinea (UPNG) PNG Remote Sensing Unit;
 - University of Melbourne (also have Joint Research Centre data);
- National Agriculture Development Plan (for future land-use plans).

These datasets have been created using different base maps, are at different scales, were derived from different source data (e.g. aerial photography, Landsat TM etc) and many have complex polygon level attributes. Different base maps have also been used for development of the land-use versus the forestry datasets which complicates the combination of data from different sources.

Forest research plots

The Forest Research Institute maintains a set of permanent 1 hectare plots which were established under a research project titled "Intensification of Growth and Yield Studies of previously Logged-over Forests in Papua New Guinea", 1992-1999, funded by the International Tropical Timber Organization (ITTO). The project resulted in the establishment and measurement of 72 Permanent Sample Plots (PSPs) in cutover natural forests throughout PNG. Since 1995, FRI has also expanded the PSP network by establishing and measuring more than 55 additional plots of which 9 are on uncut natural forests.

From 2001 to 2005, ACIAR project FST/1998/118 (Planning methods for sustainable management of timber stocks in Papua New Guinea) provided funds to support the re-measurement of these plots. During this time 32 PSPs were re-measured. The current ACIAR project FST/2004/061 is providing funding for ongoing maintenance and re-measurement of these plots as well as the management of the PSP database. As at July 2008, ACIAR project FST/2004/061 had funded the re-measurement of 30 PSP plots.

ITTO Project consultants developed a PSP database computer program (Persyst) in the late 1990s, a long with a forest growth model called PINFORM for lowland tropical forests of PNG using data from these PSPs. FRI national staff have managed PSP re-measurements over the last 15 years.

In 2006-7 the European Commission's Joint Research Centre and the Max-Planck Institute for Biogeochemistry undertook a feasibility study on forest area change and carbon stock change assessment with the PNG's Forest Research Institute (FRI). The reports were made to SBSTA26 and COP-13.

It has to be pointed out that data on biomass and carbon stocks are still limited in PNG. Furthermore, in most cases research plots have been set up for a purpose different from setting up a multipurpose forest inventory. Hence, more work has to be conducted in this area.

Available satellite data

Australia is sourcing access to available optical and radar data primarily from SPOT, Landsat, JERS-1 and ALOS PALSAR. Australia hopes to obtain cloud free optical imagery prior to 1990 with 1st coverage of cloud free radar data from 1992. Australia is working with a range of national and international organizations to obtain this data and refine methods for integration of these various data sources into continuous spatial coverage and continuous time series. The intent is to make this historic and ongoing data streams available to PNG and other countries in the region.

The Joint Research Centre team also considered the feasibility of determining deforestation and degradation rates from available satellite data – such as the Maryland University Global Land Cover Facility archive. Reports were made to COP-12 and GOFC-GOLD meetings.

2.3. The importance of climate-compatible development to Papua New Guinea

Climate change is both a threat and an opportunity for PNG. Greenhouse gas emissions are high relative to the level of development, especially due to emissions from land use, land-use change and forestry. Rising sea levels, floods, landslides and malaria pose an increasing threat to PNG's population. On the other hand, climate-compatible development offers an opportunity to move to a broader-based, low-carbon growth path.

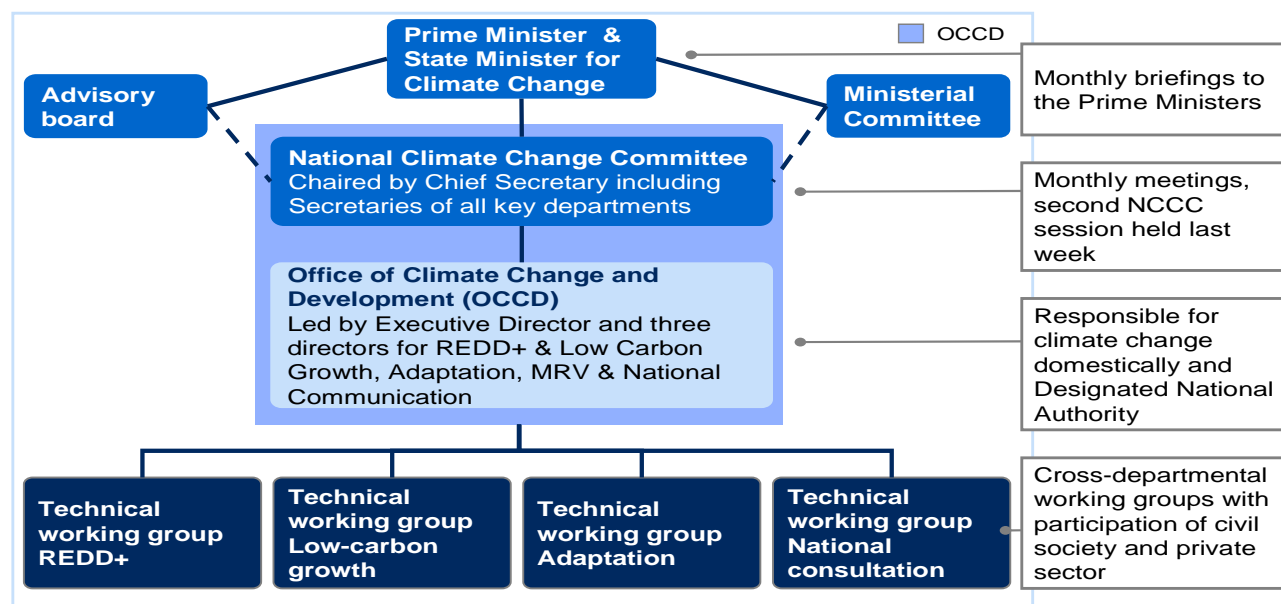
PNG contribution to the international debate on climate change

PNG has played a leading role in advancing the agenda on Reducing Emissions from Deforestation and Forest Degradation plus Conservation, Sustainable Forest Management and Carbon Stocks Enhancement (REDD+) in the UNFCCC. REDD+ was first introduced into the COP by PNG and Costa Rica at COP-11 in 2005, leading to COP-13 decision [2/CP.13](#) in Bali in December 2007. PNG has since contributed various ideas for stimulating action in [submissions](#) to the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA). In addition, PNG plays a leadership role in the Coalition for Rainforest Nations and has worked through the Paris-Oslo process to promote an interim REDD+ agreement as a prelude to a globally applicable, legally binding climate change treaty. PNG has been the co-chair position of the Interim REDD+ Partnership Secretariat until January 2011.

Progress on the domestic stage

In March 2010, the National Executive Council (NEC) approved the creation of a governance structure to coordinate actions against climate change in PNG (Figure 2).

FIGURE 2 – PNG's governance structure for climate change



Climate change is coordinated in a whole-of-government approach by the National Climate Change Committee (NCCC) (Figure 3). It is to be complemented by a ministerial committee and advisory board with membership drawn from international and national experts to provide independent advice. Both are envisaged to be set up in 2011.

The NCCC's objective is to coordinate and decide on climate change action and policy in PNG. It brings together the sector heads of all GoPNG departments and agencies that are affected by climate change and it is chaired by the Chief Secretary, PNG's highest ranking bureaucrat. The NCCC comprises:

- Department of Agriculture and Livestock
- Department of Environment and Conservation
- Department of Foreign Affairs
- Department of Justice
- Department of Lands & Physical Planning
- Department of National Planning and Monitoring
- Department of Personnel Management
- Department of Petroleum and Energy
- Department of the Prime Minister and National Executive Council
- Department of Treasury
- National Fisheries Authority
- Office of Climate Change and Development
- PNG Forest Authority

The Office of Climate Change and Development, known as OCCD, acts as the Secretariat to the NCCC and is the coordinating entity for all climate change policy in PNG and the Designated National Authority under the UNFCCC, in which it replaces the Office of Climate Change and Environmental Sustainability. It was also established under NEC Decision 54/2010.

The OCCD's mandate is founded upon the principles of the Fourth Goal of PNG's National Constitution which stipulates that:

"Papua New Guinea's natural resources and environment are to be conserved and used for the collective benefit of all and are replenished for the benefit of future generations."

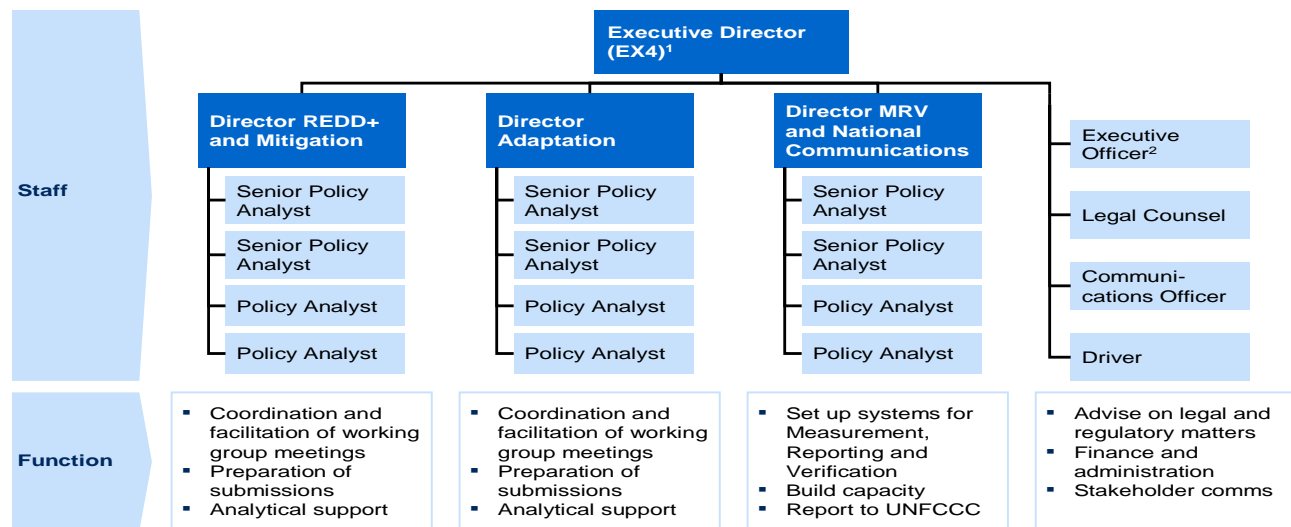
The mandate is derived from NEC decision 54/2010, which specifies:

- That the National Climate Change Committee (NCCC) and the Office of Climate Change and Development as its secretariat take full and exclusive responsibility for all policies and actions under Pillar Five of the Vision 2050, concerning Climate Change and Environmental Sustainability;
- That the OCCD engages and involves all stakeholders to build a common vision and pathway on action to tackle climate change;
- That the OCCD works in close collaboration with, and in support of other departments and agencies to achieve these goals.

The OCCD is designed as a lean, efficient organization that coordinates the climate-change efforts of the GoPNG (see Figure 2). After a 6-month period of institutional set up and recruitment, the OCCD has initiated work with a staff of 3 directors and 12 analysts in late August 2010, and has by now become fully operational with a total staff of 20. The office has already conducted a first comprehensive training programme for its staff in September 2010. A second 1-week workshop for

all staff is foreseen for February 2011. Capacity development for the OCCD's staff to enable the OCCD carry out its tasks effectively will remain a key priority over the coming months and years, for which the NP will play an important role.

FIGURE 3 – The OCCD's organizational structure



1 Will assume the position of the Designated National Authority handling climate change under the Kyoto Protocol
 2 Most financial and administrative functions will be handled by the Prime Minister's Department, in conjunction with the Executive Officer

The OCCD has four immediate tasks:

- Conduct a national and provincial consultation on climate-compatible development and REDD+. The consultation will engage a broad range of stakeholders including government, civil society, private sector and local communities. At the local level, the consultation is designed to yield a better understanding the climate-change issues facing communities, obtain feedback on what it would take communities to participate in a national REDD+ program and prioritize adaptation measures most appropriate for communities.
- Launch immediate Fast Start Actions including 'readiness activities' for REDD+ and pilot projects for different approaches to mitigation, adaptation and low carbon growth.
- Prepare the final version of PNG's National Climate-Compatible Development Strategy (CCDS), outlined in section 3 of this document, which includes REDD+.
- Determine financing requirements of Fast Start Actions and scale up and establish an overall investment plan, which can form the basis for international negotiations of REDD+ support.

In addition, GoPNG is ensuring multi-stakeholder participation and input through a number of Technical Working Groups. They comprise GoPNG departments, the private sector, civil society and development partners to ensure that a broad range of perspectives are considered in the OCCD's work. 3 technical working groups on REDD+, Low-Carbon Growth, and Adaptation have been meeting regularly since Q1/2010 to guide GoPNG's work on climate change, including the preparation of the CCDS. A 4th technical working group on consultation was approved by the NCCC in September 2010 to guide the OCCD's national and provincial consultation process. The REDD+ Technical Working Group is further supported by three sub-working groups on Agriculture, Forestry and MRV which will play a key role in contributing to the implementation of the NP. The overall governance structure ensures that existing capabilities in PNG are utilized effectively and that additional capacity can be built up in a targeted and lasting manner.








2.4. Net Greenhouse gas emissions

The baseline level of greenhouse gas emissions

Over 95 percent of Papua New Guinea's current emissions derive from land use, land-use change and forestry (LULUCF), including the effects of forest fires, based on PNG's Interim Action Plan.¹⁷ The remainder come from mining, transport, the production of energy and oil and gas. Emissions from shipping, aviation and fossil fuels that are exported (such as LNG) are not included, in line with IPCC (Intergovernmental Panel on Climate Change) guidelines. The level of gross emissions is estimated at 113-130 Mt CO₂e (million tons of carbon dioxide equivalent) for 2010 (Figure 4).¹⁸ Of the total, 110-126 Mt CO₂e are related to land use, land-use change and forestry (LULUCF). Emissions from non-LULUCF sectors are estimated to amount to 3-4 Mt CO₂e. In per capita terms, this translates into total gross emissions of 17.2-19.8 t CO₂e per capita in 2010, if LULUCF is included. For non-LULUCF sectors only, GHG emissions amount to 0.5-0.6 t CO₂e per capita.

To estimate gross GHG emissions, data specific to Papua New Guinea has been used wherever available. In the absence of such data, international benchmarks and data from comparable tropical forest countries have been used as an approximation. Further research is required to verify the emissions in specific sectors and develop a detailed greenhouse gas inventory. Part of such refinement will be carried out as part of the consultation process for the CCDS, which the emissions data in this document is based on. Additional work to update emissions data and the National GHG Inventory is currently being carried out in the development of the Second National Communication to the UNFCCC.

FIGURE 4 – Sources of PNG's historical GHG emissions

Driver of emissions	2010 emissions ¹ Mt CO ₂ e	Description
 Timber harvesting	68-69	<ul style="list-style-type: none"> Logging results in significant deforestation and degradation, mainly in lowlands and islands
 Subsistence/ smallholder agriculture	28-43	<ul style="list-style-type: none"> Increasing population leads to expansion of agriculture area into forest (and shortening of rotation cycle)
 Agriculture leases²	6	<ul style="list-style-type: none"> Clearing of forest under 'agriculture leases' scheme to establish agricultural plantations with high risk of being abused for timber extraction
 Commercial agriculture	3	<ul style="list-style-type: none"> Clearing of forest to establish commercial plantations, predominantly oil palm, (mainly on fertile lowland forests) with proven agricultural use
 Mining, infrastructure	3	<ul style="list-style-type: none"> Mining has historically been biggest driver Includes forest dieback from Ok Tedi spill
 Fire	2	<ul style="list-style-type: none"> Caused by humans (hunting, spreading from subsistence burning) and lightning Forest degradation makes fires more likely
 Everything else	3-4	<ul style="list-style-type: none"> Emissions from oil and gas production Fuel for transportation and energy generation Emissions from palm oil processing

¹ Estimate of 2010 extrapolated from 2008/09 data

² Exact emission for 2010 still to be verified

SOURCE: Shearman et al (2008, 2009, 2010); Fox et al (2010); Hunt (2010); REDD+ technical working group

¹⁷ PNG's Interim Action Plan for Climate-Compatible Development contains some updates to GHG emissions under BAU and abatement potential compared to PNG's Draft Climate-Compatible Development Strategy.

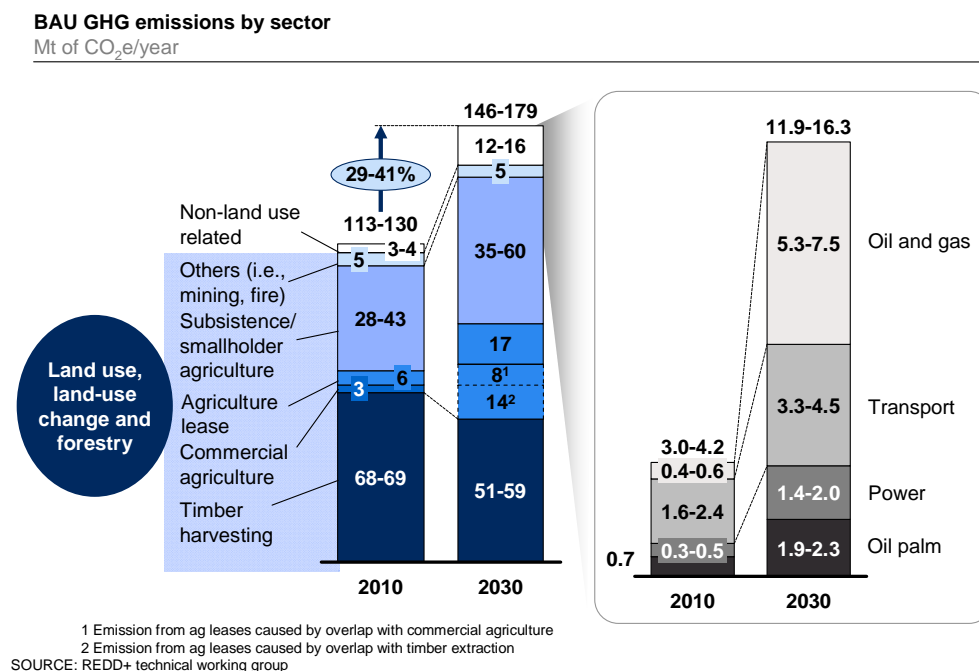
¹⁸ Not including removals from carbon sinks.

REDD+ development and emissions under business as usual

A business as usual (BAU) scenario describes a growth path before any mitigating action is taken on climate change. Figure 5 shows a scenario that is a mid-point between the growth aspirations set out in PNG's Vision 2050 and Development Strategic Plan and a more cautious path in which both LNG projects are completed, but the economy is slow to diversify into non-resource sectors.

The Business as Usual growth path is carbon-intensive. GHG emissions continue to increase, by up to 40 percent by 2030 under the BAU scenario. The majority of this increase would come from increased deforestation from large-scale agriculture leases, subsistence and smallholder agriculture (mostly as a result of population growth). Absolute emissions from non-land use sectors are still low. However, emissions from the energy, transport and oil and gas sectors will have the highest rates of increase over the next 20 years. Oil and gas emissions would rise further if any of the natural gas produced by either LNG project was retained for domestic consumption, but could be reduced if the liquefaction plant were powered by renewable energy sources.

FIGURE 5 – PNG's projected gross GHG emissions



2.5. Opportunities for greenhouse gas abatement

In February 2010, the Government of Papua New Guinea made a conditional commitment, submitted to the UNFCCC under the Copenhagen Accord, that greenhouse gas emissions would be reduced by ~30 percent from current levels, or ~50 percent from the BAU forecast, by 2030.¹⁹ The bulk of this abatement comes from reducing emissions caused by land use, land-use change and forestry, which currently account for over 95 percent of emissions, but generates less than 20 percent of GDP.

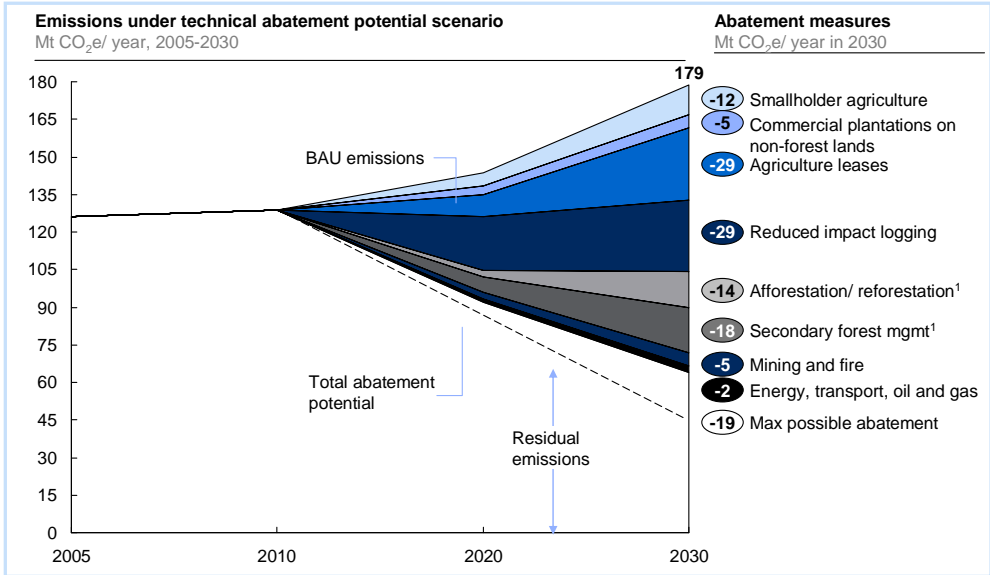
There are numerous technically feasible, cost-effective options to abate and sequester LULUCF emissions in Papua New Guinea. For every driver of deforestation and degradation there are multiple abatement options, ranging from full abatement resulting from ceasing an activity, to partial abatement from reducing an activity's carbon intensity. Full abatement of emissions from

¹⁹ http://unfccc.int/files/meetings/application/pdf/pngcphaccord_app2.pdf

subsistence agriculture, for example, would require stopping subsistence agriculture altogether, which is clearly not a feasible option. Agricultural extension programs, however provide an alternative means reducing emissions related by helping communities to use their agricultural land more effectively, thereby reducing the pressure on forests. Similarly, maximum abatement in the forest sector would be achieved by stopping logging altogether. Such an approach may have conservation merits, but is not strictly required for REDD+. Reduced impact logging could be one alternative option to reduce emissions, particularly for existing concessions. REDD+ opportunities need to be carefully balanced with other important considerations such as economic development.

Figure 5 sets out the growth in emissions forecast under BAU and potential emissions reductions from the most important abatement levers under a strategy which encompasses abatement measures that are broadly compatible with the continued development of the forestry and agriculture sectors. Such measures do not generate the maximum potential abatement, but they do achieve considerable reductions while preserving economic growth. While Figure 6 presents the overall abatement potential for this strategy, it is important to note that the realized abatement volume will depend on the extent of the implementation of the individual abatement levers.

FIGURE 6 – Projected 2030 emissions reduction potential



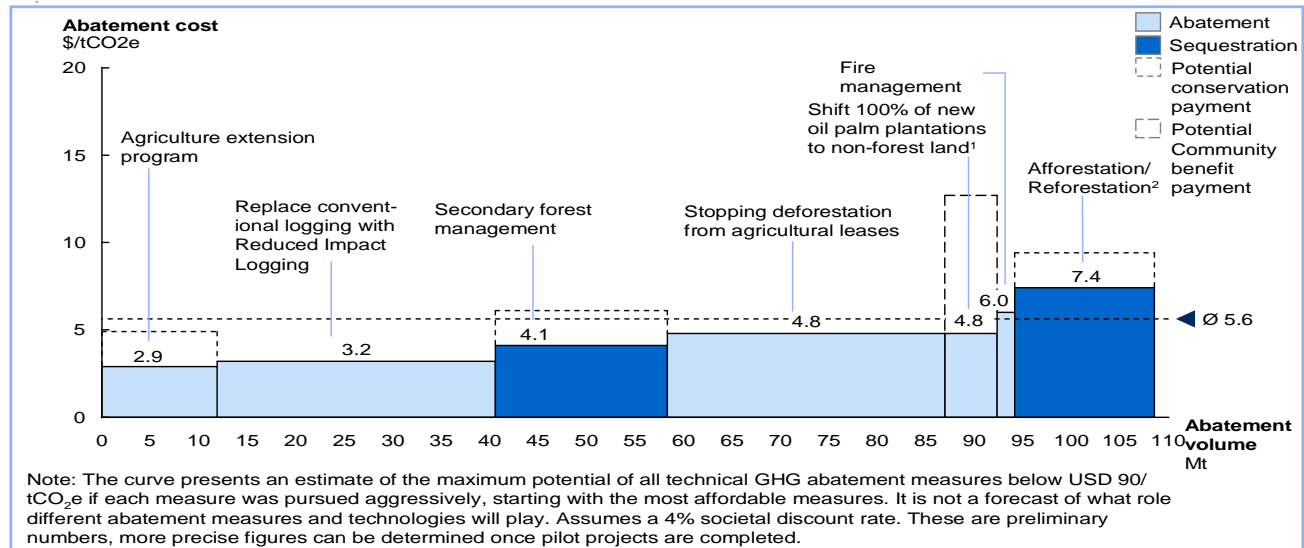
1 A/R and secondary forest management are not emission reduction initiative, but carbon stock enhancement initiatives
 2 Assuming A/R abatement potential comes from its usage as conservation areas. If the areas will be used for plantation forestry, further research/analysis is needed to calculate the abatement potential

SOURCE: REDD+ technical working group

The theoretical cost of abatement measures such as these is estimated at approximately USD 5.6 per t CO₂e, amounting to ~USD 5.9 billions over the next 20 years (2011-2030). Naturally, these reductions are conditional on an international agreement that will fund REDD+ so that Papua New Guineans are compensated for the ecosystem services and mitigation benefits they contribute to the world, and for the resulting changes to their incomes and livelihoods. Figure 7 below shows the cost curve for the abatement measures related to LULUCF, with the lowest cost measures on the left side near the axis and the most expensive on the right side.²⁰ Overall, these measures would reduce emissions by approximately 60-80 percent compared with the BAU scenario.

²⁰ Unit costs per tonne of CO₂e abated are calculated based on cost of programmes, with the exception of agricultural leases and shifting oil palm plantations which also include opportunity cost in the form of compensations for stakeholders that would lose revenue or income from a change in activities.

FIGURE 7 – Abatement potential related to LULUCF by 2030



1 Abatement cost is calculated based on foregone profit from timber produced by clearing forest, assuming zero additional cost of establishing oil palm plantation on non-forest land. Further discussion is needed to determine oil palm community benefit payment
 2 Assuming A/R abatement potential comes from its usage as conservation areas. If the areas will be used for plantation forestry, further research/analysis is needed to calculate the abatement potential

SOURCE: REDD+ technical working group

The abatement measures are all subject to the national consultation process and have not been turned into domestic policy yet. Their translation into policy is contingent upon a piloting and demonstration phase and in some cases to international support. Each measure is described below:

- Increasing yields in subsistence and smallholder agriculture by investing in agricultural extension programs and market access could save 9-15 Mt CO_{2e} by 2030 on the premise that 25 percent of farming communities improve their methods and preserve current forest coverage. The abatement effect of these measures is unproven, but they are likely to increase rural incomes and food security, so have value going beyond climate change mitigation.²¹
- Stopping deforestation from agriculture leases could save ~27-30 Mt CO_{2e} per year by 2030 if ~60-80 percent of the ~670,000 ha of approved agriculture leases (as of May 2010) could be withdrawn (roughly 40,000 ha are estimated to have already been logged). These ~670,000 ha only include projects with full approval from PNGFA and DEC. It is assumed that starting 2015, some of the land deforested for agriculture leases areas will be used for commercial agriculture plantations particularly oil palm, which is considered a separate driver of deforestation in the period from 2010 to 2015. Moreover, agriculture leases may be perceived as an alternative source of timber production with more limited regulation that might replace some of the production from existing and new FMA (Forest Management Agreement) areas. Additional agriculture leases that have not yet obtained final approval have not been included in these calculations. As agriculture leases are one of the main drivers of the projected increase in GHG emissions between 2010 – 2030 in their current form and because they can be an important contributor to economic development if implemented sustainably, GoPNG is currently preparing a review of agriculture leases in order to minimise the clearance of primary forest for

²¹ Improved agricultural practices need to be carefully implemented so that communities receiving agricultural extension services as part of a program which protects the existing forests instead of additional clear cutting to increase the amount of land used for agricultural purposes.

large-scale agricultural development while ensuring that sustainable economic development is enabled.

- Reducing deforestation in commercial agriculture could save ~2-9 Mt CO₂e per year by 2030. The primary means of achieving this would be by shifting 100 percent of new oil palm plantations from forested to degraded land. We assume that starting in 2015, 40-50 percent of new oil palm plantations will be established on former agricultural lease areas, while the rest will be planted on degraded lands (e.g., pasture land, grassland). Alternative land uses and economic development opportunities for landowners will need to be developed for areas where BAU clear felling is displaced. One example of such alternative economic development opportunities is forest conservation measures, which are an important option for these forest areas that could complement agricultural development on degraded and grass land.
- Implementing Reduced Impact Logging (RIL) practices²² in all logging concession areas could save 21-36 Mt CO₂e per year by 2030. This includes the potential to reduce emission from forest degradation by ~33-55 percent in carbon stock loss and to reduce the deforested area by ~33 percent within forest concessions. As an alternative to RIL, restricting logging to plantation forests through a moratorium on new forestry concessions would reduce more than double the emissions (~66 Mt CO₂e per annum by 2030), though at a higher opportunity cost. If applied at scale, this option could negatively impact on plans for downstream value adding activities and employment in the sector, although new employment opportunities for local communities created in forest conservation could offset some job losses.
- Promoting afforestation/reforestation on marginal lands, with a view to protecting watersheds and in some cases developing forest plantations could sequester ~14 Mt CO₂e per year by 2030.
- Managing secondary forests, promoting re-growth through selected replanting and silvicultural practices in logged-over forests could save 14–21 Mt CO₂e per year by 2030.
- Forest conservation provides critical opportunities to protect carbon stocks and most importantly biodiversity from deforestation and forest degradation. Furthermore, implementing forest conservation measures will create new employment opportunities for local communities. The abatement potential of this initiative has not been calculated, since it heavily depends on the prior land allocation. For example, the abatement potential will be different between conservation areas that were formerly assigned for agricultural leases or wildlife management areas. In this context, it has to be pointed out that the eligibility of REDD+ funding for the latter case remains somewhat unclear. If there is no threat to an area, because it is too steep for logging, uninhabited or already designated as protected area, it may be difficult to include it in REDD+ as it does not lead to direct, measurable abatement. This does not lessen the value for the country that conservation measures would have in such areas, and other sources of funding may be available.
- A national fire management program and continued efforts to reduce the environmental impact of large-scale mining could save ~5.4 Mt CO₂e per year.

²² Reduced impact logging (RIL) differs from conventional logging inasmuch as it extracts commercially viable timber at sustainable volumes while minimizing collateral damages. RIL reduces degradation by minimizing logging roads, managing directional timber falling and optimizing cutting methods. RIL can reduce biomass loss to 20-30 percent from ~40-50 percent through conventional logging practices and reduce the eventual area deforested by 33 percent.

Reducing emissions in other sectors could save ~2.1 Mt CO₂e per year by 2030, including:

- ~1.1 Mt CO₂e per year in the power sector, coming from a combination of constructing and/ or rehabilitating grid-connected hydro and geothermal power stations and rural electrification using micro-hydro and solar technology;
- ~0.5 Mt CO₂e per year in the oil and gas sector, with additional potential if LNG plants can be powered by renewable energy sources;
- ~0.5 Mt CO₂e per year in the transport sector, mostly from energy efficiency measures.

The abatement measures set out above have the potential to put Papua New Guinea onto a low-carbon growth pathway that will have benefits beyond reducing emissions. The number of jobs created in new sectors, such as tourism and forest management, should more than outweigh those lost in the traditional logging sector. Overall, with the right additional inputs, the economy can therefore achieve the same 6-7 percent annual growth rate under a low-carbon growth path as under the BAU scenario, with over 20,000 additional jobs created and a more equitable income distribution. In order to translate the identified initiatives into real action, pilot projects and programs need to be rolled out over the next three years.

3. Strategies including lessons learned and the proposed National Programme

3.1. The CCDS and Interim Action Plan

PNG has developed a draft Climate-Compatible Development Strategy (CCDS) which is currently undergoing a consultation process with stakeholders in the country. To bridge the period until the final CCDS is in place, PNG has also developed an Interim Action Plan as a practical step toward realizing a 50 percent decrease in PNG's emissions by 2030 as set out in Vision 2050. It also reflects the integration of PNG's climate-change objectives into its Medium-term Development Plan (MTDP).

The NEC has endorsed the main elements of the national CCDS (NEC Decision 55/2010, see box 1).

Box 1: Main principles, themes and intended actions contained in the Executive Summary of the Report on Climate-Compatible Development

On 22nd March 2010, Council . . . endorsed and supported as a **matter of National priority**, the main principles, themes and intended actions contained in the **Executive Summary of the Report on Climate-Compatible Development** as follows:

- (i) That mitigation of and adaptation to climate change are inseparable from economic development and future prosperity of the people;
- (ii) That the national strategies and plans on climate-compatible development are to be adopted and incorporated into the other national development strategies and plans, including the **Vision 2050** and the (renewed) **Medium Term Development Plan**;
- (iii) That it is necessary to reform (and in some cases to create) institutions and bureaucratic arrangements to facilitate implementation of the National Strategy on Climate-Compatible Development, taking care to ensure that there is no overlap or duplication of activities with other branches of government or the Prime Minister's Department;
- (iv) That a review is necessary of all national development policies and plans which impinge upon and are affected by climate change mitigation, adaptation, and low carbon growth, to ensure climate compatibility;
- (v) That research and development is commissioned and conducted to support the development of a comprehensive greenhouse gas inventory and a more comprehensive understanding of the impacts of climate change on the Country;
- (vi) That collaborative efforts by stakeholder agencies and inputs from development partners must be coordinated and used to improve upon the Government's preliminary policy initiatives;
- (vii) That arrangements for Measurement, Reporting and Verification (MRV) and benefit sharing must be developed such that resource owners' rights and interests are protected and that they share in the benefits from greenhouse gas mitigation schemes, including REDD-PLUS;
- (viii) That pilot projects, demonstration projects and programmes are established and managed by relevant departments and agencies, to improve knowledge and technical capacity on mitigation, adaptation and low-carbon growth, with a view to incorporating lessons from them into the policy framework and legislation; and
- (ix) That a financial strategy be developed in tandem with the above stated activities, to request assistance from donors in building capacity for REDD-PLUS and other aspects of climate-compatible development.

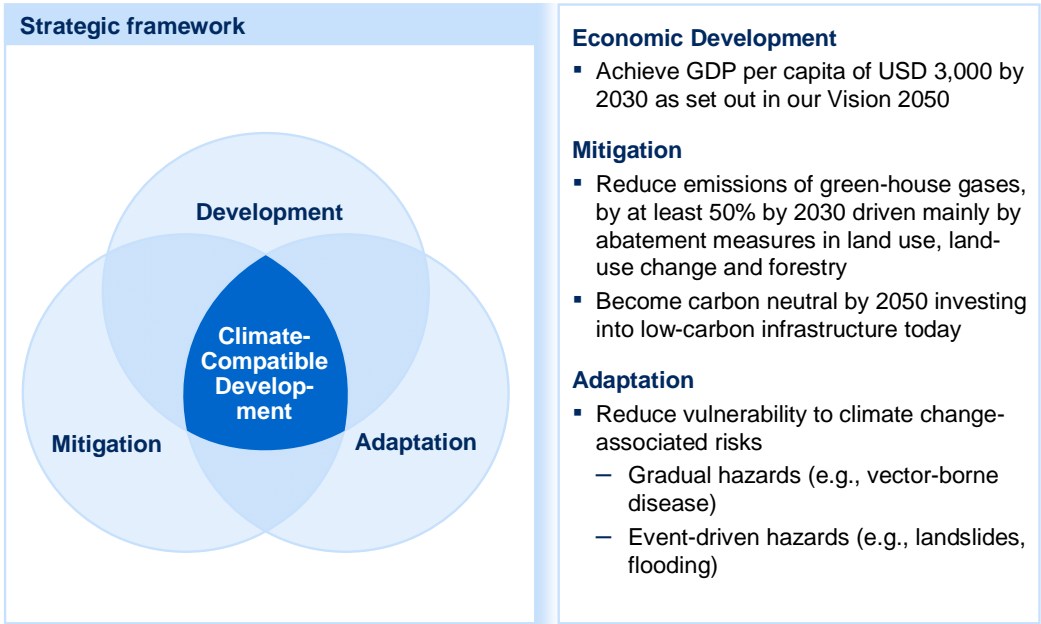
The CCDS outlines the overall strategic direction for the country to achieve the Vision 2050 goals of 50 percent net GHG emission reductions by 2030 and carbon neutrality by 2050, based on PNG’s net GHG emissions profile and the corresponding abatement opportunities. The Interim Action Plan outlines immediate priorities and actions for the next 6-12 months to set PNG on this path, including stakeholder awareness building and capacity development for the OCCD.

By adopting the core elements of the CCDS and the Interim Action Plan, the NEC recognized that economic development must be combined with climate change mitigation and adaptation measures as the core climate-related challenges that PNG faces:

- Promotion of economic development through low-carbon growth;
- Mitigation of net GHG emissions through participation in a global REDD+ scheme;
- Adaptation to climate-related hazards.

The confluence of these three objectives forms the heart of PNG’s climate-compatible development strategy, which will foster environmentally sustainable economic growth while capturing the opportunities of carbon mitigation and protecting against the perils of climate-driven hazards.

FIGURE 8 - PNG’s Climate-Compatible Development Strategy








3.2. Priority actions

The Interim Action Plan spells out 5 priority actions for GoPNG that are to be initiated in 2010 (Figure 9). This plan is subject to continued updating and refinement.

All priority actions are significant contributions towards REDD+ readiness. Each initiative will follow a whole-of-government approach and will require close cooperation with landowners, civil society organizations, the private sector and development partners. GoPNG has made important first steps to incorporate climate-compatible development, including REDD+, into its overall development planes, e.g., through the MTDP. Yet, more work needs to be done in the future. One critical example is the development and enhancement of spatial planning at both the national and provincial level to ensure that land use is able to contribute to a mix of different development objectives.

The actions below will help to contribute to PNG's REDD+ Readiness and ensure that climate-compatibility is deeply anchored into PNG's socio-economic development, but also that benefits beyond GHG abatement will be embedded into a REDD+ readiness framework. The implementation of these priority actions will be carried out by different stakeholders both within and outside GoPNG in a coordinated fashion. Development partner support, such as this NP, will contribute to individual actions within the broader REDD+ readiness framework. This NP should thus be seen as one important contributor to a broader, integrated approach to REDD+ readiness. Accordingly, not all priority actions listed below will be addressed by the NP.

FIGURE 9 – Priority Actions

A		Institution & capacity building	<ul style="list-style-type: none"> ▪ Implement 18-months capability building plan for OCCD and key stakeholders ▪ Hold NGO and whole-of-government workshops
B		Strategy and policy development	<ul style="list-style-type: none"> ▪ Refine Climate-Compatible Development Strategy ▪ Implement agreed policy changes ▪ Integrate climate considerations in sector and spatial plans
C		Benefit sharing mechanism	<ul style="list-style-type: none"> ▪ Develop a benefit sharing approach in line with globally evolving requirements including mechanisms to allocate and manage funds at a national and community levels
D		Consultation & communication	<ul style="list-style-type: none"> ▪ Conduct a national consultation process focusing on provinces with the highest climate change exposure for both mitigation and adaptation
E		MRV	<ul style="list-style-type: none"> ▪ Finalize MRV stock take and develop requirements for a national MRV system in line with global requirements ▪ Develop a MRV solution and start implementation

A) Capacity building

In 2010, PNG has laid the ground to create the institutional and governance structure to effectively deal with climate change and REDD+, as described in section 2.3 of this document. The next 18 months will see a strong emphasis on strengthening this institutional structure and enhancing the capacity among key institutions and stakeholders to efficiently and effectively fulfil their roles. To ensure that capacity building will be carried out in a targeted and focused manner, it will be important to clearly identify the needs of each stakeholder group in the capacity building efforts for REDD+ readiness. A capacity gap assessment for REDD+ readiness will be carried out to clearly identify what capacity development is needed for the different aspects of readiness, and where. This capacity gap assessment will inform the capacity building and training programs to address the needs of GoPNG, non-government institutions, and local communities. Full engagement of all involved GoPNG agencies, civil society organizations, provincial authorities, and – at the appropriate times – local communities will be critical to developing a robust and inclusive capacity building strategy. Accordingly, capacity building will cover a broad range of topics with a different focus for different stakeholders depending on their specific role in REDD+ readiness efforts and the envisaged REDD+ mechanism.

- In the readiness phase, implementing institutions such as PNGFA, FRI, UPNG, DAL, DLPP and DEC, will be required to coordinate, and identify how best to build their institutional and individual capacity, through this program support. Capacity building will come through the process of learning by doing on pilot and demonstration projects. In some case, training of trainers will be required to improve the existing capacity e.g., of provincial staff engaged in local communities for some of the current sustainable forestry activities.

- Growth of local capabilities will come primarily from experience on the job, e.g., project design and implementation, both with the support and guidance from advisors and experts as needed. Where necessary this will be complemented by formal skills training. Capacity building will be through targeted training sessions aimed at supporting the scale-up of pilot projects. After pilot programs have demonstrated impact, the challenges and capability gaps for future implementation will be codified and built into a training curriculum. GoPNG has contracted the services of an international consulting firm, to support this process. In addition, the OCCD is identifying PNG nationals as well as overseas experts who can be seconded to the OCCD for an initial 12-month period. All secondment positions will be fully embedded into the organizational structure of the OCCD and focus on helping to build capacity and capabilities of the permanent staff, in addition to directly pushing forward the OCCD's work. The proposed NP is envisaged to partly facilitate this process through the position of 'technical assistant' for the OCCD Director 'MRV & National Communication' as well as a Programme Manager for the overall management of the NP implementation.
- To ensure that capacity development efforts targeting OCCD benefit PNG stakeholders beyond the OCCD, including both GoPNG and non-governmental actors, additional participants will regularly be invited to join the OCCD's training sessions. In addition, workshops that bring together civil society representatives, and whole-of-government workshops similar to those conducted in 2010 will be held at least once per year to focus both on content and capacity building.
- A REDD+ study tour to Indonesia, envisaged for early 2011, will facilitate the exchange between PNG and Indonesia and allow 6-8 members of the REDD+ Technical Working Group to learn from Indonesia's experience with REDD+ to date. The study is supported by AusAID.
- Where technical advisory services are sought, e.g., for the development of an MRV system as proposed under this NP, strong emphasis will be placed on the inclusion of sufficient training to ensure that relevant implementing partners and stakeholders will be fully capable of independently carrying out their tasks – such as for example operating a new MRV system – beyond the duration of the technical advisory support.
- In addition, specific capacity building and training programmes, including the training of trainers, will be needed to enable stakeholders to effectively implement and monitor abatement actions. This includes, for example, training programmes for reduced impact logging – both for logging operators and PNGFA field officers – such as proposed under a project proposal submitted to ITTO.
- The envisaged pilot and demonstration activities complementing REDD+ readiness activities will be carried out with the full and effective participation of landowners and local level government. This means not only comprehensive awareness building and consultation at the local level, but also a commitment to local training and capacity development. For instance, local involvement – and hence capability building – will be critical to the successful implementation of sustainable forestry pilots, agricultural extension programs, or demonstration of reduced impact logging, but also to readiness activities such as ground truthing for PNG's MRV system. The OCCD and GoPNG recognize that a wide range of groups and institutions will need to contribute to developing this capacity. Community-based organisations, NGOs and local churches will for example play a major role in building awareness, consulting, and providing training to local communities. Indeed, many of these activities are already on-going, emphasizing the role of the OCCD as a coordinating and supporting body for local capacity building.

- Each of these activities will include components of training and capacity building that enable landowners, operators and GoPNG staff at the national, provincial and local level to support and sustain demonstration activities, and eventually a REDD+ mechanism, in the long term. Training and capacity building will need to address capability gaps at all points in the pilot planning, roll-out and ongoing operation. For instance, at the planning stage, capacity building will address such issues as land-use planning at the ward, district and provincial level. At the same time, OCCD will play a facilitating role in ensuring that the learnings from those activities are available to other projects and can be replicated in other areas of PNG. Similarly, the provincial consultation process outlined below aims at equipping landowners with the skills and understanding to effectively act at the local level.
- Capacity building will also cover institutional and governance structure to address climate change in PNG. This will for example include the longer-term plan for how the institutional role and structure of the OCCD evolves (e.g., into an agency or ministry) and how an MRV system will be governed and organised within GoPNG.

B) Strategy and policy development

An updated version of the National Strategy for Climate-Compatible Development will be completed with the insights from a provincial consultation process and the ongoing international REDD+ negotiations. NEC Decision 55/2010, accepting the principles of climate-compatible development, mandates that, "A review is necessary of all national development policies and plans which impinge upon and are affected by climate change mitigation, adaptation, and low carbon growth, to ensure climate compatibility." In light of this direction, the Government is taking steps to ensure that:

- The Medium Term Development Plan for 2011-15, currently under development by the Department of National Planning, will be climate compatible.
- The Forestry and Climate Change Framework for Action (FCCFA) is implemented.
- A review is conducted of the National Agricultural Development Plan including the allocation of forest land for agriculture leases.
- Strict design principles and criteria are developed for all REDD+ projects, taking strong action against any unauthorized voluntary trading schemes.

Many of these activities have already been commenced by GoPNG and will be continued with the support of a broad range of stakeholders, such as civil society organisations, the private sector and development partners. The FCCFA has already been approved and PNGFA is initiating the steps to implement it. A review of forest carbon rights is foreseen for 2011. REDD+ project guidelines and safeguard criteria have been developed by the REDD+ Technical Working Group and are currently being finalised based on stakeholder comments (see Annex 6). They include social, environmental and fiduciary safeguards to ensure REDD+ falls into the broader development objectives of PNG and takes into account social and environmental benefits beyond GHG abatement, and particularly addressing the rights of resource owners.

Land tenure and spatial planning are additional areas that will be addressed as part of PNG's REDD+ readiness programme. At the moment, PNG's capacity for land use planning at the local, provincial and national levels is limited. Spatial planning is therefore an important factor that enables the integration of REDD+ into consistent sectoral plans. This will need to recognise recommendations of the National Land Development Program and assess its impact on REDD+. At the local level, the Organic Law on Provincial and Local Level Government will need to be enforced in all REDD+ demonstration activities to make sure wards develop land use plans which are then to be incorporated to LLG plans, rolled in to district plans and eventually to Provincial Plans. The

demonstration activities will thereby inform longer-term policy enhancement in this area for REDD+, including land use planning at the national level, but at the same time require significant capacity building support as is already offered in some cases by civil society organisations in PNG today.

In addition, REDD+ requires a careful consideration of PNG's unique land tenure system. 97 percent of the land is under customary ownership and usually managed among landowners through Incorporated Land Groups (ILGs). The implementation of REDD+ activities will therefore also require a legal structure that clearly defines rights and responsibilities of landowners, potential project developers and GoPNG. The development of such a mechanism will build on the experiences in other sectors, e.g., FMA agreements in forestry and oil and gas projects, in order to guide land tenure considerations for REDD+ that protect the interests of forest resource owners and minimise the risk of disputes. Specific safeguards will need to be included in any such mechanism that address these needs and that offer a recourse mechanism in the case of disputes, as outlined in section 'C) Models for payment processing, benefit sharing and dispute resolution' below. As a first step in that direction, PNGFA, OCCD and DEC have started to assess an existing FMA area as a potential REDD+ pilot site. This assessment will include a review of current processes and regulations for FMA areas and their applicability to REDD+.

The outcome of the activities outlined above will inform the development of a climate change and REDD+ policy framework which the NCCC has asked the OCCD to start developing in 2011. Although the 16th Conference of the Parties to the UNFCCC (COP16) has made significant progress including the formal integration of a REDD+ mechanism into a COP decision, there are still significant uncertainties both regarding the details of the REDD+ mechanism as well as the overall funding available for both mitigation and adaptation measures. PNG's policy framework will aim at outlining very clearly PNG's priorities and institutional responsibilities in addressing climate change as an overarching framework for the alignment of the relevant sectors in the country. It will be the first step to comprehensive and detailed laws, regulations and policies to enable the implementation of REDD+. PNG's Climate-Compatible Development Strategy provides the fact base and prioritizes areas for immediate action and thus guides the policy formulation process.

C) Models for payment processing, benefit sharing and dispute resolution

Two critical decisions need to be made for the distribution of international REDD+ funds at the local level. First, how will funds be handled on a national level? Second, how will funds be used and distributed to pay for the costs of REDD+ activities and to compensate and incentivise local communities for potential livelihood changes?

There are many examples of benefit sharing at the local level, each with its own challenges and potential for improvement. These include the arrangements for mining, petroleum and forestry projects and conservation work. One of the most important challenges that GoPNG faces is to design a simple, transparent and equitable system for distributing and allocating REDD+ funds that learns from these examples. It is important that this system also takes into account the broader development perspective of PNG and also addresses other benefits alongside with GHG abatement in a holistic way. Besides ensuring the equitable distribution of funds, the mechanism will also need to structure incentives in such a way for all stakeholders as to minimise the risk of reversal and non-permanence.

The REDD+ Technical Working Group has finalised the Terms of Reference for a review and design study aimed at (i) reviewing the benefit sharing models and their implementation in existing sectors (e.g., mining and forestry) domestically and internationally, and (ii) designing the principles and framework for a model specific to REDD+ in PNG as a first step towards a REDD+ benefit sharing mechanism. It is envisaged that this study will be initiated in early 2011 with the support from development partners. The OCCD has approached AusAID to assess opportunities for co-funding through the PNG-Australia Forest Carbon Partnership.

This work on a benefit sharing and distribution mechanism will have to be matched with similar work at the national level to develop a transparent mechanism for GoPNG to receive and manage future REDD+ payments. This will include, amongst others, a system and institutional setup for fund administration, payment processing mechanisms including links to MRV, risk mitigation mechanisms, including permanence guarantee mechanism and the mitigation of timing risks through the use of structured financial mechanisms.

In addition, the system will need to include a simple and transparent dispute resolution mechanism that protects the interests of resources owners and avoids that disagreements escalate and endanger the objectives of REDD+ activities. Such a mechanism will cover disagreement over the distribution of REDD+ funds, but also disputes over land rights and claims, conflicting land use plans and other issues. The exact structure of a dispute resolution mechanism for REDD+ is still to be determined, and will consider both judicial and non-judicial elements. The system will address PNG's specific cultural heritage and customs and build on existing legal frameworks, e.g., the Land Disputes Settlement Act 1975 and the Oil and Gas Act 1998, as well as on the experience from civil society organisations from their work with communities (e.g., Peace Melanesia). It should also explore, for example, the concept of an Independent Environmental Land Court to ease pressure on the current system. As a first step, the OCCD will commission research and recommendations for the development of such a mechanism.

D) Communication and Stakeholder Engagement

The freedom and strength of civil society in PNG will be a key factor in determining whether forest carbon will be managed for the benefit of all of the citizens. An outreach programme to all stakeholders is therefore a critical element to ensure the success of REDD+ readiness efforts in PNG. To this end, the OCCD has initiated a comprehensive multi-stakeholder national consultation process. In the near term, this focuses on communicating and improving the CCDS. In the longer term, the consultation process has the following objectives:

- Build a local understanding of the facts of climate change, clearly communicate the proposed REDD+ strategy and building understanding of options for climate-compatible development that could form part of a national strategy;
- Gain an on-the-ground understanding of local needs and desires so that REDD+, mitigation and adaptation initiatives can be best tailored to meet them;
- Test community interest and willingness to participate in REDD+ schemes;
- Develop working relationships between the OCCD, local government, the private sectors and civil society;
- Empower local government to communicate the national strategy.

The OCCD has already started this process with workshops for GoPNG agencies and civil society organizations and consultation events in provinces. The NEC has foreseen PGK 4.5 million PGK (~USD 1.7 million) for these efforts over the period from 2011 – 2013, to be funded out of the GoPNG budget. In OCCD's budget for 2011, PGK 1.2 million are allocated to stakeholder engagement and consultation activities under the REDD+ & Mitigation and MRV & National Communication divisions, in addition to an in-kind contribution through staff time and general office resources of both division. It is envisaged that the UN-REDD NP and other development partners provide additional funding and international expertise into this important area, including a comprehensive stakeholder consultation plan for GoPNG and an independent review that monitors the implementation of the national consultation process in PNG. An overview of the OCCD's consultation activities for 2010-2011 is included in Annex 7.

E) Measurement, reporting and verification (MRV)

PNG will develop its national MRV system according to Decision 4/CP.15 (Methodological Guidance relating to REDD+) and the Decision on the Outcome of the work of the AWG/LCA of COP16. The national MRV system will be developed in phases and aims to establish a framework which will support a fully operational performance-based REDD+ mechanism within a time-frame of three years. An interim phase will be the establishment of a National REDD+ Information System (NRIS) to ensure that the implementation of REDD+ policies and measures are results-based.

Efforts are being made, particularly by PNGFA and UPNG, to increase the capacity for remote sensing and MRV in PNG. These are supported by development partners, most notably the Government of Japan/JICA with its comprehensive support to PNGFA for hardware and software for remote sensing. The UN-REDD NP provides a unique opportunity to complement these activities to develop a comprehensive MRV system for PNG and build the local capacity to operate it. The proposed NP therefore has a strong focus on this component which is outlined in more detail below. In order to ensure alignment of the different activities and stakeholders in progressing with an MRV roadmap for PNG, the OCCD organized an MRV workshop in February 2011 with the purpose of building collective awareness of on-going activities, highlighting potential for complementary and collaborative efforts, and, where possible, coordinating work plans and activities for more effective progress toward an MRV system for PNG.

3.3. Development of a Measurement, Reporting and Verification system

The development of an IPCC-compliant MRV system will be a key element to support REDD+ policies and measures and to assess PNG performance in climate change mitigation. Internationally, REDD+ is still under negotiation and possible accounting rules will have to be defined in the future. Nonetheless, existing guidelines and reporting requirements about the LULUCF sector for Annex I Parties under UNFCCC are sufficient to inform the establishment of a PNG MRV system at this point. This approach is considered to be conservative as the MRV systems under the Convention are comprehensive and inclusive of all possible land use activities. In this respect the MRV system of PNG (see Exhibit 10) will be composed of four main pillars:

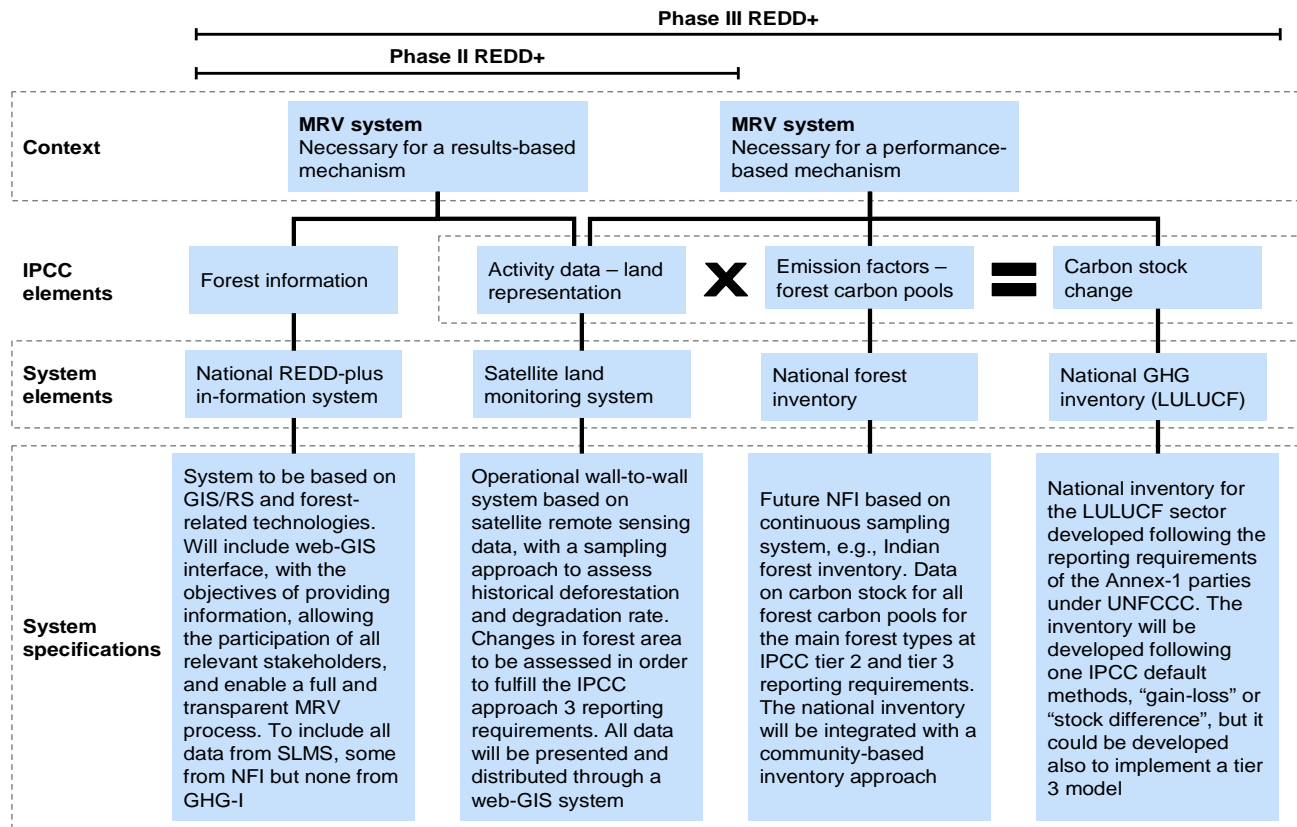
- 1) A Satellite Land Monitoring System to assess activity data, forest area and forest area changes;
- 2) A multipurpose National Forest Carbon Inventory to assess carbon stocks and carbon stock changes (i.e. emission factors - EF);
- 3) A National GHG Inventory to estimate and report anthropogenic emissions by sources and removals by sinks.
- 4) A National REDD+ Information System to share information (domestically and internationally) on all forest and REDD+ related issues, to allow the participation of all relevant stakeholders and to ensure that the implementation of national REDD+ policies and measures, including safeguards, are results-based.

These pillars will have to be supported by a responsible authority (or authorities) for the coordination of the administrative and technical aspects, for the overall quality of reported estimates to UNFCCC and for the fulfilment of procedural requirements and safeguards of REDD+.

PNG is going to develop a MRV system learning from other countries' experiences. The PNG system will combine inputs from already operational and successfully monitoring systems and build on the existing capabilities and resources in the country with the objective to develop, shift and align resources to institutions with capacity to deliver, and to meet the quality in compliance with set or accepted methods and standards. To achieve these objectives, the OCCD has already launched an international Request for Expression of Interest for its MRV system on 06 September 2010 as a first step in an open and transparent procurement process for the establishment of the individual system components. Building on existing resources and technical and financial assistance, this tender

process is envisaged to cover all aspects of a future MRV system, including software, hardware, and capacity building to enable PNG to independently and reliably operate its system in the long-term.

FIGURE 10 – The four basic “carbon-related” MRV elements



Institutional and governance arrangements

It is important to identify and develop an institutional structure that will be responsible to set up a National System.²³ The elements of the MRV system outlined above will form part of the National System that a country will establish in accordance with the LCA/Cancun Decision on REDD+. In the case of PNG, a number of institutions and GoPNG departments are today involved in activities related to the functions of a MRV system for LULUCF, e.g.

- **OCCD** is mandated by the NEC to develop and coordinate the national MRV system;
- **PNGFA** as responsible agency for the management of PNG’s forests is overseeing the monitoring and surveillance of forest areas; **FRI** is the forestry research arm of PNGFA and operates a network of permanent sampling plots.

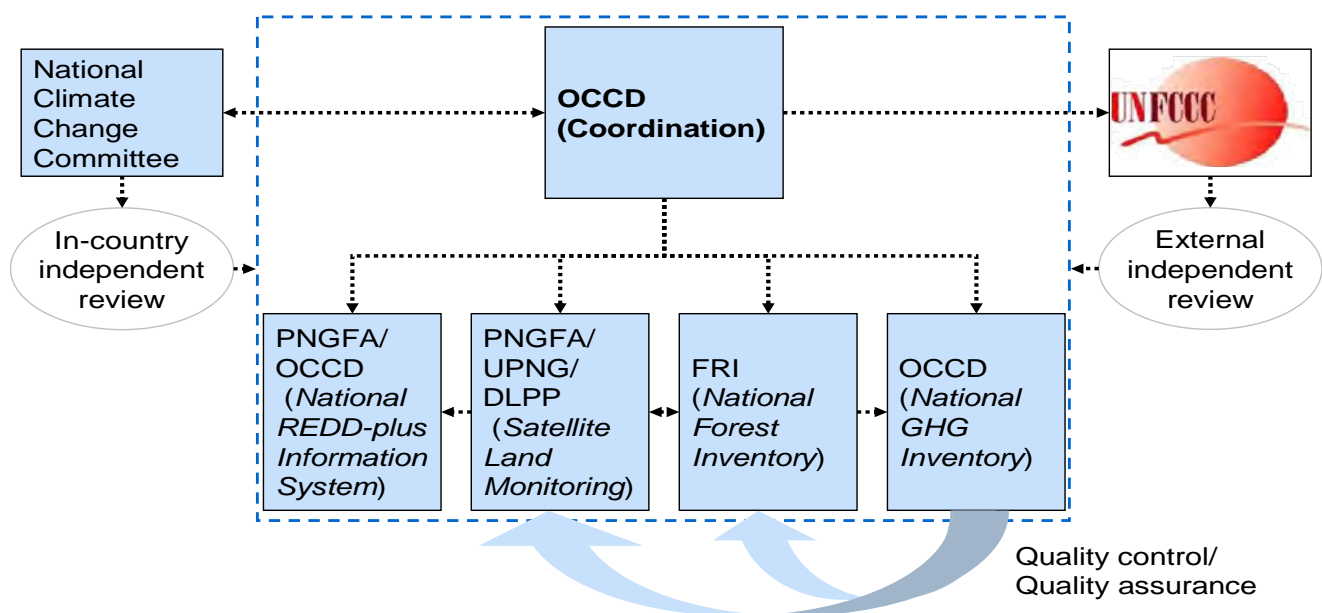
²³ The concept of National systems is explained in paragraph 9 of the Annex to Decision 19/CMP.1.: “National systems should be designed and operated to enable Parties included in Annex I to consistently estimate anthropogenic emissions by all sources and removals by all sinks of all GHGs, as covered by the Revised 1996 IPCC Guidelines for National Greenhouse Gas Inventories and IPCC good practice guidance, in accordance with relevant decisions of the COP and/or COP/MOP.” REDD-plus is a mechanism envisaged to require the full participation of national institutions in Non-Annex I Parties to the financial mechanism under the Convention (e.g. like Annex I countries under the Kyoto Protocol). Thus, it is expected that countries participating in REDD-PLUS will be required to set up such National systems.

- **DAL** is the central coordinating body for the agriculture sector including the planning and promotion of agricultural development and productive employment generation in the sector which may involve conversion of primary and secondary forest.
- **DEC** is tasked with the administration and implementation of the Environment Act 2000 to ensure good environmental protection and management and wise management of PNG's natural resources.
- **DLPP** is responsible for managing the alienated and customary land in PNG, including support for land use plans at the GoPNG, province and district levels.
- The **National Mapping Bureau** is responsible for providing Papua New Guinea, specifically also GoPNG, with mapping products and services.
- The **UPNG Remote Sensing Unit** is currently operating PNG's most advanced GIS system and supporting GoPNG in many of the tasks outlined above.
- The **Papua New Guinea University of Technology (UNITECH)** is mandated to build capacity in lands, surveying and forestry, involving research and training on GIS, remote sensing and biomass.

Accordingly, the institutional set up and organizational responsibilities will have to be clearly identified in order to clarify which institution is responsible for different aspects of the coordination of administrative and technical arrangements, the overall quality of reported estimates and the fulfilment of procedural requirements of REDD+. Strong coordination mechanisms will be required to ensure interaction between all stakeholders at a national and local level.

The final arrangement of organizational responsibilities will be determined through intensive GoPNG consultations and by the proposals received by interested parties in the international procurement process. Figure 11 outlines a potential structure, based on the current GoPNG responsibilities. All organizations involved will ensure the participation of local communities, NGOs, various agencies at national and international level and the private sector.

FIGURE 11 – Potential PNG System for MRV under the UNFCCC



- The **Office of Climate Change and Development** is responsible for the development and coordination of the administrative and technical aspects of the MRV system, hosts the national GHG inventory and reports net GHG emissions to external parties, e.g., National Communications to the UNFCCC;
- The **Forest Research Institute** operates the National Forest Inventory;
- The PNG Forest Authority, the Department of Lands and Physical Planning and the Office of Climate Change and Development, as well as other relevant departments manage the Satellite Land Monitoring System;
- The **National Climate Change Committee** acts as auditor and reviewer to the National GHG Inventory and commissions regular independent in-country audits to verify the transparency, accuracy, consistency, comparability and completeness of the submitted data.

REDD+ activities and phases and their relation to MRV

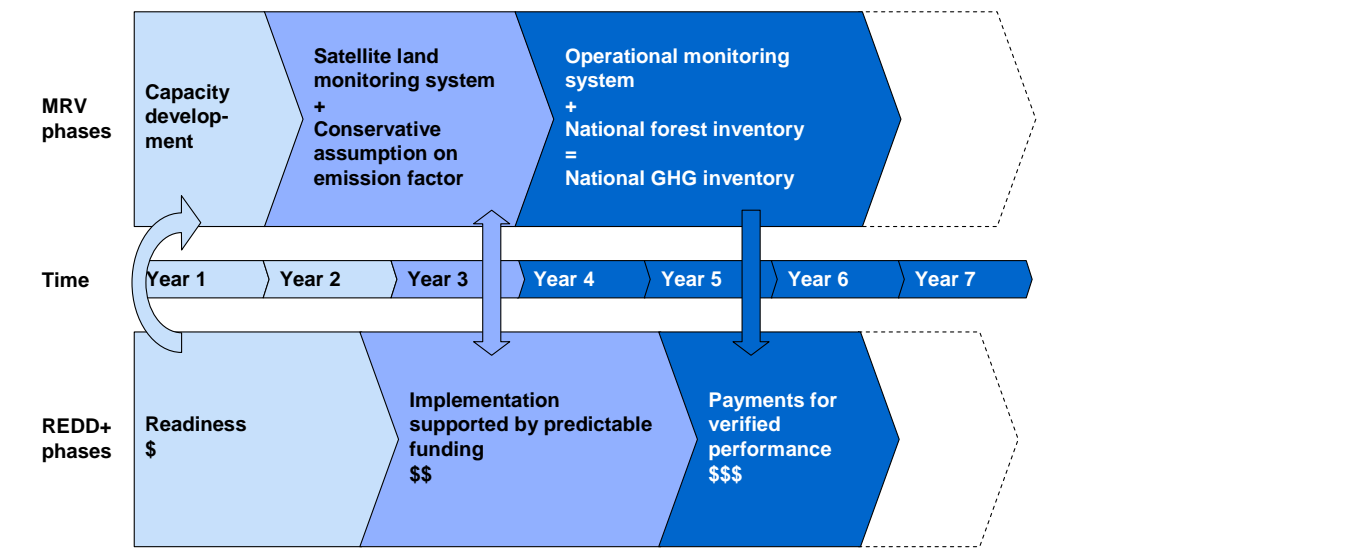
Five forest related activities have been identified under REDD+:²⁴

- (i) Reducing emissions from deforestation;
- (ii) Reducing emissions from forest degradation;
- (iii) Conservation of forest carbon stocks;
- (iv) Sustainable management of forest;
- (v) Enhancement of forest carbon stocks.

This broad prospective has been agreed in order to reflect all potential different national circumstances (e.g. countries with high forest cover and high deforestation; countries with high forest cover and low deforestation; or countries which are expanding their forest area and their carbon stocks), but also to support a phased implementation of the expected REDD+ mechanism. Indeed, countries may start with the implementation of policies and measures to tackle emissions from deforestation and forest degradation, and later on add other mitigation actions like sustainable management of forests, conservation and enhancement of forest carbon stocks.

²⁴ FCCC/AWGLCA/2009/L.7/Add.6

FIGURE 12 - Multiphase implementation of REDD+ through MRV



The roadmap for developing a MRV system in PNG would at all stages accompany and support REDD+ readiness efforts, as outlined in the CCDS and the Interim Action Plan. The REDD+ process would follow through 3 broad stages:

- **Phase 1 - Readiness:** Capacity development for the establishment and testing of the national MRV system. In this phase, PNG will assess its historical forest area and carbon stock changes;
- **Phase 2 - Implementation supported by transitional funding:** Operational National REDD+ Information System with intermediate operational functionality of the Satellite Land Monitoring System and National Forest Inventory (pre-sampling data for conservative estimates of EF);
- **Phase 3 - Payments for verified performance:** Fully operational national MRV system. Integration of REDD+ activities with other mitigation mechanisms under UNFCCC.

The MRV system will enable identification and tracking of actions and processes that are related to the five activities identified under REDD+ and implementation of the most recently adopted or encouraged IPCC methodological approaches. The MRV system will also be the tool that will support the Forest National Information System that PNG will establish in order to provide and share information on the REDD+ safeguards (Annex I of Decision LCA/CP16)

Even if the 2006 IPCC Guidelines are not yet adopted by the UNFCCC these will form the methodological base of the proposed national MRV system on GHG emission and removals since they are the most updated guidelines produced by the IPCC and are fully consistent with the 2003 IPCC Good Practice Guidance for LULUCF, currently adopted for reporting GHG Inventories. The estimation of GHG emissions and removals will be based on two activities: (i) identification of activity data through a satellite monitoring system and (ii) assessment of emission factors through field measurements.

The National REDD+ Information System

A National REDD+ Information System will be set up to provide information (domestically and internationally) on how the safeguards referred to in annex I of the Cancun decision on Outcome of AWK/LCA are being addressed and respected throughout the implementation of all the REDD+

activities and all the forest-related issues. This information system will be PNG's central access point for information related to forests and REDD+. It will also be the key element to allow the participation of all relevant stakeholders and to ensure that the implementation of national REDD+ policies and measures, including safeguards, are results-based. To ensure that the system operates in a transparent way and that the type of information shared through the system is clearly defined, a legal act to empower the REDD+ Information System to collect and publish data should be considered, including aspects such as freedom of information and other supporting mechanisms.

The information on some REDD+ safeguards (e.g., transparent and effective national forest governance structures; respect for the knowledge and rights of indigenous peoples and forest resource owners; and actions that complement or are consistent with the objectives of national forest programs and relevant international conventions and agreements) will be provided through an effective and transparent access to government acts and decisions, as well as through independent reports and analyses realized by NGOs and independent organization. It will also include PNG's REDD+ project guidelines that provide environmental, social and fiduciary safeguards (see Annex 6) and information on how those are applied in the evaluation of demonstration activities.

The REDD+ Information system will also be integrated with some component of the National MRV System as some of the REDD+ safeguards (e.g., actions to address the risks of reversals; actions to reduce displacement of emissions, and the conservation of the natural forest) will require monitoring activities in order to be able to provide information on their implementation, while at the same time protecting the rights of affected stakeholders, including logging operators. The emphasis on participatory approaches for forest management will greatly contribute to this effort. In that respect the REDD+ information system will publish reports of forest assessments by local communities and on the integration of their plans with the national REDD+ policies and measures.

To address the safeguards on "the full and effective participation of relevant stakeholders, in particular, indigenous peoples and local communities" the information system will be an open access database with a web-portal interface to facilitate the access to the information. The system will also include a web-GIS interface which will allow the sharing of geo-spatial data among relevant stakeholders and facilitate the development of a fully transparent REDD+ process. One potential solution for the WEB-GIS interface could be an advanced version of the TERRAMAZON system developed by INPE (Brazilian Space Agency). The system would be based on open-source software (e.g., PostgreSQL and Google Android applications).

The Satellite Land Monitoring System

To assess activity data, a Satellite Land Monitoring System (SLMS) will have to be set up in PNG, along with the capacity to operate it. The system will leverage existing capacities within GoPNG and UPNG. It will be developed as a whole-of-government system with support from different development partners, notably JICA's technical assistance to PNGFA and the UN-REDD National Programme. The SLMS will:

- **Detect land use changes** (changes among different land uses categories) and forest canopy changes in forest land remaining forest land.
- **Be operational**, i.e. it will allow full territory coverage by high resolution satellite data with a seasonal temporal frequency of a minimum of 2 Landsat class data per area unit per year;
- **Allow for frequent monitoring**, i.e. it will enable the monitoring of forest disturbance processes in frequent intervals through medium resolution satellite data, complemented by more detailed imaging for high-risk areas, with the ultimate intention of developing UNFCCC tier 3 capability;

- Monitor **in accordance with the forest definition** that PNG will adopt under REDD+, and parts of which have already been developed as part of the consultation under the FCCFA;

Each unplanned change of land cover detected by the SLMS will then need to be controlled on the ground in order to assess changes and identify causes and actors. Furthermore, GoPNG will need to design a framework for remedial actions through PNGFA and other authorities for cases when undesired changes in land cover are detected, and will guide in the implementation of those actions. Enforcement mechanisms will require considerable attention to be effective.

An ambitious, illustrative output of the SLMS in terms of reporting requirements is shown in Figure 13 below. The final matrix or matrices will be developed as part of the NP and related efforts in PNG, and will build on existing approaches in PNG:

- An annual land use change matrix, for reporting on land use changes processes
- An annual conversion matrix, for reporting on changes in land practices between each land use sub-categories.

FIGURE 13 – Example of a possible PNG land use change matrix and practices conversion matrix

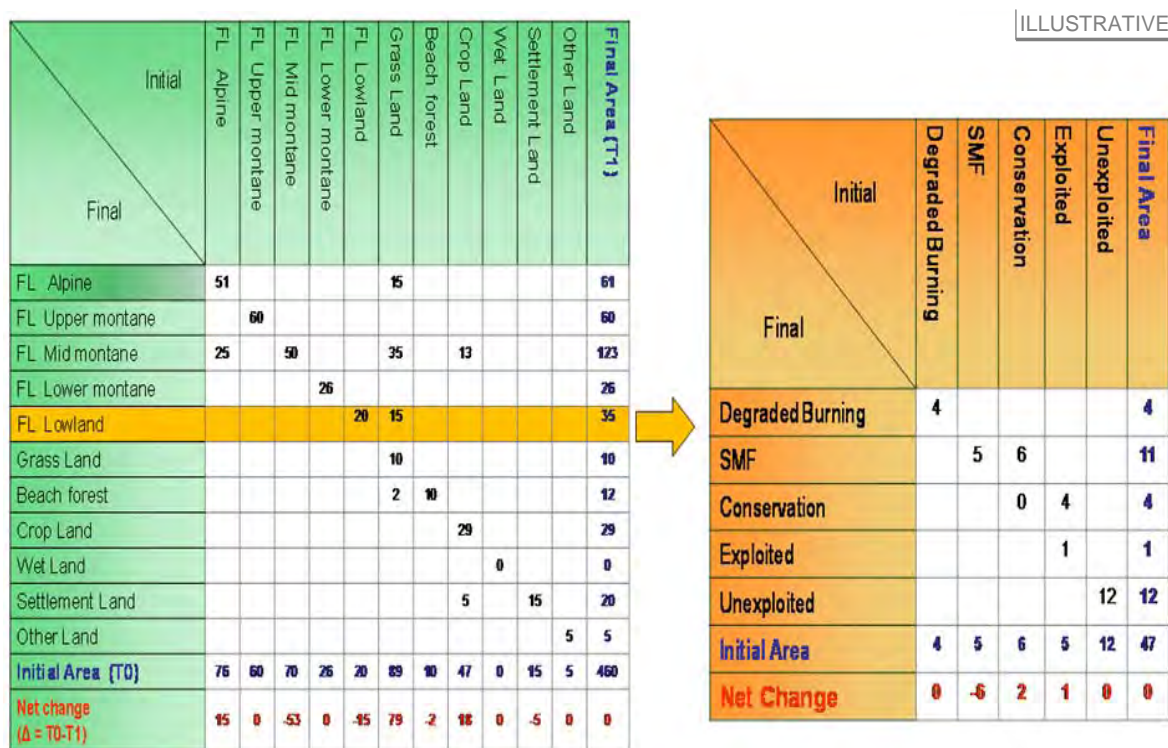
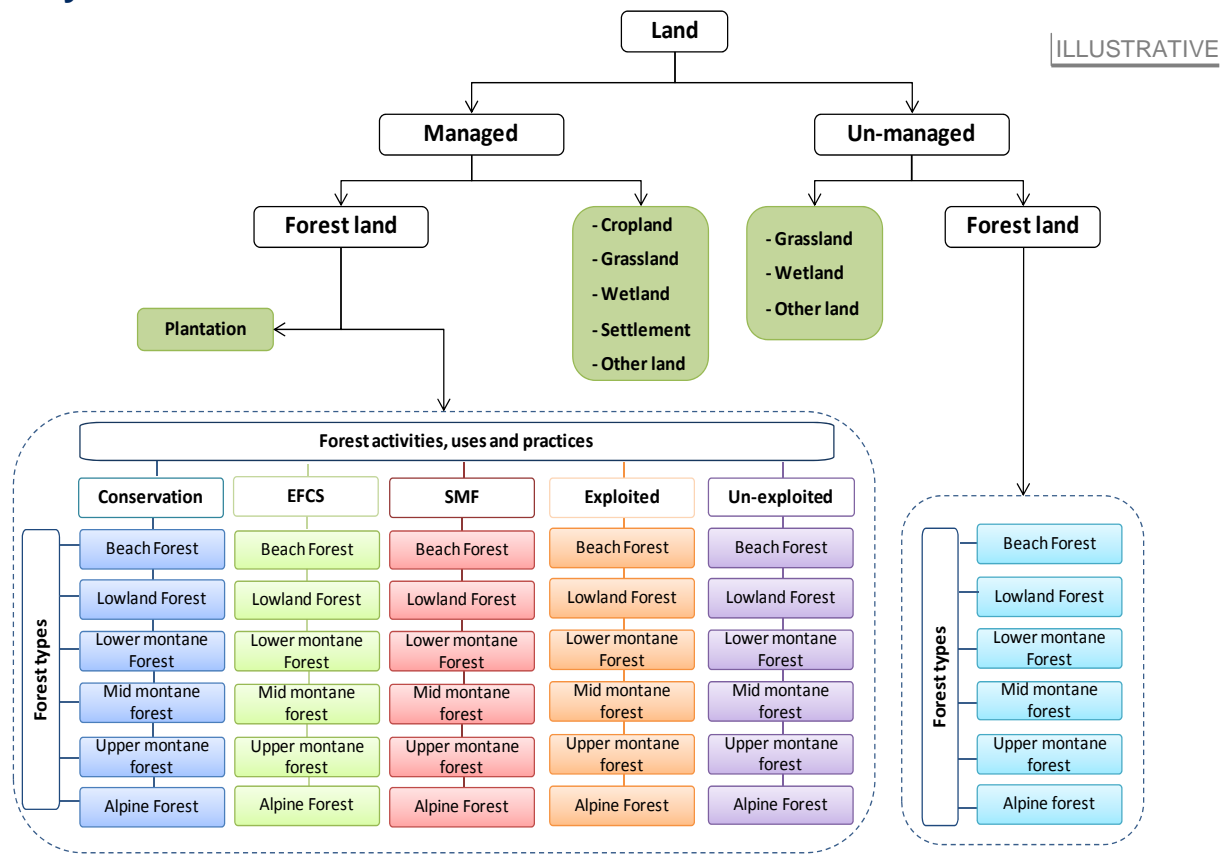


FIGURE 14 – Potential land use classification/stratification system for PNG’s national territory



As the forest area of a country is not homogeneous in terms of species composition, management practices, (e.g. unexploited, under sustainable management, conservation, etc.) and ongoing and future drivers of carbon stock changes (e.g. drivers of deforestation), PNG will develop a stratification of its forest land area in order to identify and track different portions of land with different biophysical properties and subject to different policies, measures and activities. Within a single stratum, different activities and institutional arrangements related to forest carbon stocks management will be identified, producing a further, more detailed sub-stratification. An example of such a system is shown in Figure 14 above

For each different stratum and/or sub-stratum technical and methodological arrangements aimed at achieving the highest quality estimates in a cost-effective manner will be implemented; at this scope all on-going local monitoring activities will be taken into account or directly included in the GHG inventory system while the national monitoring activities verify the local estimates.

National Forest Carbon Inventory

For the assessment of the forest emission factors, the preparation of a multipurpose national forest inventory is key. The main objective for PNG will be the establishment of a country-specific emission factors database reflecting the different forest types in order to support an assessment of carbon stock changes at tier 2 of IPCC guidelines for phase 2 and tier 3 for phase 3 of REDD+.

PNG’s national carbon forest inventory will build on existing research results which have provided indications on PNG’s forests (e.g., permanent sampling plots network, ITTO 1992 or ACIAR project FST98-118, Planning methods for sustainable management of timber stocks in Papua New Guinea).

As in many cases, existing research and sampling plots had a different focus from the objectives outlined here, these efforts need to be assessed and complemented to meet the requirements of the multipurpose national carbon forest inventory. Accordingly, a significant portion of the support envisaged through the UN-REDD NP and other programs will focus on capacity building and training of the relevant institutions, particularly FRI but also other GoPNG and non-governmental organisations (e.g., WWF) that are already doing work on related topics today.

The inventory will have two phases: i) pre-sampling, and ii) final sampling. It will be based on the principle of optimum allocation of resources. During pre-sampling, preliminary statistics of different forest strata will be assessed. These preliminary statistics will be used to define the final sampling strategy but also to produce conservative estimates of emission factors which will support the implementation of REDD+'s phase 2 (i.e. tier-2 reporting). One of the main objectives of the national forest inventory will be to assess with high accuracy all the forest-related emission factors. Previous analysis on the already existing field forest data indicates that most probably, the number of field plots that it will be necessary to collect is between 1,000 and 2,000. The exact number will be defined at the pre-sampling phase.

GHG estimates of a National GHG Inventory

In order to assess estimates of GHG emissions and removals, countries have to compile a national GHG inventory which is then reported to the UNFCCC Secretariat. In PNG, this function will be assumed by the new Office of Climate Change and Development.

PNG's national GHG inventory will be constructed following the methodologies developed by the IPCC in its 2006 Guidelines. The initial objective will be to report GHG estimates at Tier 2 in two to three years, but the GHG inventory unit will aim at reaching Tier 3 around 2020.

A key function of the office responsible for compiling the national GHG inventory is quality assurance and quality control (QA\QC) of data and methods. The OCCD will therefore work as the national entity in charge of verifying data provided by the other two MRV components: the SLMS and the NFI. These functions will be carried out following IPCC guidelines on quality control (QC) and quality assurance (QA).

In order to ensure the transparency of the entire MRV process, all data PNG will use in its national system will be publicly available through a web-based portal. The land data from the SLMS will be distributed through a WEB-GIS system.

MRV Control Service

In addition to the technical components of the MRV system above, ensuring that all technical and institutional arrangements related to REDD+ in PNG are implemented is a critical component of the overall system. The OCCD will therefore closely work with the National Climate Change Committee to ensure that the necessary technical capacity for establishing an MRV system and for the design and implementation of REDD+ related policies, measures and activities, is developed.

The NCCC will therefore commission regular audits, to be carried out by an independent third party, to monitor progress in system development and to verify the results of the REDD+ activities. It further ensures that policies, measures and activities implemented for REDD+ respect relevant safeguards and are compliant with PNG's development plans.

3.4. REDD+ related initiatives in PNG

In PNG, a number of activities by GoPNG, development partners, civil society organisations and the private sector are already under way, aiming at furthering PNG's progress on REDD+ readiness and field testing. PNGFA, for example, is preparing 4 pilot projects to support the FCCFA. The projects are covering each of PNG's 4 regions and target Reduced Impact Logging, Afforestation/Reforestation, Sustainable Forest Management and Conservation. To ensure coordination among the various activities, the NCCC discusses and decides on GoPNG's activities to address climate change. The multi-stakeholder REDD+ TWG and its sub-working groups act as fora to coordinate and progress REDD+ activities (REDD+ readiness and pilot activities) with the participation of non-government stakeholders. The Joint GoPNG – Development Partner Forum on Climate Change (FCC) ensures that GoPNG and donors have an opportunity to exchange views and coordinate climate change efforts on the ground. Specific initiatives in PNG include the following:

Papua New Guinea – Australia Forest Carbon Partnership

The Prime Ministers of Australia and Papua New Guinea established the Papua New Guinea-Australia Forest Carbon Partnership on 6 March 2008. Under this Partnership, Papua New Guinea and Australia have agreed to cooperate in three main areas: policy dialogue on national and international REDD+ policy; increase PNG capacity in forest carbon monitoring and assessment; and cooperation on participation in international carbon markets, including on REDD+ demonstration activities. As announced at the PNG-Australia Madang Ministerial Forum, Australia is contributing up to A\$3 million in initial funding which will include technical, scientific and analytical support for the design of Papua New Guinea's carbon monitoring and accounting systems. This Partnership represents one of the support windows under the Australian Government's A\$273m International Forest Carbon Initiative (IFCI).

Australia has worked with the GoPNG to identify an initial package of assistance under the PNG-Australia Forest Carbon Partnership. It aims to:

- Build the capacity of GoPNG institutions to articulate and implement national climate change policies that meet relevant international standards;
- Build the capacity of GoPNG and other relevant institutions to develop a robust national carbon monitoring and accounting system;
- Support GoPNG to engage in international dialogue on REDD+.

GoPNG has requested that the Forest Carbon Partnership work plan be updated which is under consideration by officials. It is envisaged that the updated work plan would complement the REDD+ readiness efforts covered under the National Programme by lending support to areas that are not comprehensively covered in the NP.

Other IFCI windows of direct relevance to PNG are:

- An allocation for NGOs to develop concepts for demonstration activities to inform the development of a national REDD+ framework—this work is nearing completion, with four of the five NGO concepts presented to the Government of Papua New Guinea in July 2010;
- The Asia-Pacific Forestry Skills and Capacity Building Program which commenced in 2007 to assist countries in the Asia-Pacific region increase their forest management expertise and improve carbon sequestration performance of their forests. Phase II, for which PNG is a priority country, seeks to build regional capacity for delivering sustainable forest management in support of REDD+ efforts. Project activities will address the following objectives:
 - Improving capacity to provide support for sustainable forest management and improved forest governance, law enforcement and regulatory frameworks that assist efforts to REDD;

- Building the institutional and technical capacity needed to deliver sustainable forest management that supports REDD;
- Adaptive and effective program, partnership and knowledge management.

A project is currently under negotiation with GoPNG, through the PNGFA to support development of a forest management Decision Support System (DSS) to assist PNGFA with forest management and planning of operations in support of sustainable forest management.

Australia – PNG Kokoda Initiative

The Australian and PNG governments have signed a Joint Understanding to work together to protect the Kokoda Track and Owen Stanley Ranges and improve the lives of communities living along the Track corridor through the Kokoda Initiative. While the Kokoda Initiative is not a REDD+ initiative, it may explore opportunities for 'forest carbon' amongst other income generation and development activities that it will facilitate for the local landowners of the Kokoda Track and Brown River region. This will involve utilization of GIS and satellite imagery to assess and monitor forest carbon emissions and may therefore support activities aimed at developing an MRV system for REDD+ in PNG under the UN-REDD NP and other support programs. DEC is building capacity to support this activity.

Global Environment Facility (GEF) Support for Sustainable Forest Management

PNG is developing a Forest and Coastal Conservation and Natural Resource Management project with the assistance of UNDP, as an element of the GEF's Pacific Alliance for Sustainability, specifically under the Forestry and Terrestrial Protected Areas component. The objective of the project will be to develop and demonstrate resource management and conservation models for landholding communities that effectively incorporate community conservation areas. The key outcome will be the extent of high conservation value terrestrial and marine area which is brought under community-based conservation and protected areas at targeted sites. PNG has received an allocation under the GEF STAR program. It is envisaged that a portion of this allocation will be used to strengthen initiatives under the GEF-5. DEC has prepared Project Initiation Facility proposal.

GEF's support to PNG also includes a project on capacity building for sustainable land management which will be relevant for aims to strengthen human and institutional capacity at all levels to mainstream Sustainable Land Management. This will be achieved through improving the information basis of characterising the state of land degradation and its impact, raising awareness at various levels of government agencies, improving individual knowledge and skills, improving institutional structures and processes to maximise coordination, mainstream Sustainable Land Management into government's development planning processes, and incorporating the use of mainstreaming tools in decision making.

ITTO Project Proposal 'National Training Program to Promote the Adoption of Reduced Impact Logging (RIL) in Papua New Guinea'

The PNGFA and the Tropical Forest Foundation have submitted a project proposal to the International Tropical Timber Organization (ITTO) for a 2-year program aimed at developing the capacity to understand, implement and regulate the adoption of RIL practices at the government and concession level among the medium to large scale forest operations in PNG. The project seeks to achieve these objectives by establishing a comprehensive training program to be developed and implemented in three pilot forest concessions. The project will also provide refresher training for all field staff of the PNGFA, Field Services Directorate to strengthen their monitoring and reporting capabilities.

Government of Japan & Japan International Cooperation Agency (JICA)

With the support of a PGK 20 million (700 million yen) grant from the Japanese government, PNGFA is aiming to improve its forest monitoring and data management system using remote sensing and GIS/database capabilities. The grant comes under the forestry preservation program (FPP), and was signed by the Government of Japan and GoPNG on March 19, 2010. The main objectives of the project, which focuses on software and hardware equipment, but includes training of staff from all relevant collaborators, are:

- Update the forest resource information of the country;
- Strengthen institutional and capacity building of the PNGFA and other collaborators in assessing changes in forest cover;
- Support PNG's capabilities to report its GHG emissions to UNFCCC.

The funds will be used to procure equipment and soft (non-physical) components which may include:

- The Japanese Aerospace Exploration Agency (JAXA) remotely sensed data (ALOS Satellite Imagery) and other remote sensing data;
- ALOS Satellite Imagery
- Geographical Information System (GIS) related equipment, computer hardware, software/licensing & software upgrading;
- Ground truthing instruments; and
- Training in the use of GIS and Remote Sensing using satellite imagery;
- Training PNGFA staff on the Global Positioning System (GPS);
- Training in field data collection and data processing;
- Training of all related data management in database manner.

It is envisaged that as much as possible existing facilities (e.g. the UPNG Remote Sensing Centre) be strengthened and upgraded to build local capacities in GIS/Remote Sensing interpretation. In addition, JICA is providing capacity building for officers from the collaborating institutions, particularly PNGFA, FRI, UPNG, Unitech and OCCD, amongst others on Forest Resource Monitoring for Addressing Climate Change.

GoPNG and JICA also agreed to set up a Technical Cooperation Project from 25th March 2011 stationed in PNGFA aiming at enhancing capacity of relevant institutions in PNG for monitoring nation-wide forest resource including carbon. A full-time JICA technical adviser on forest management is attached from the outset of this project. This project will be implemented in close coordination and accordance with the grant mentioned above from the Government of Japan.

It is envisaged that the UN-REDD Programme components focusing on MRV and the JICA assistance will be closely coordinated through regular meetings and exchange to ensure efforts are complimentary to each other.

European Union

The European Union (EU) is currently funding activities of UPNG aimed at supporting PNGFA in inventory techniques as well as upgrading the forest inventory mapping system. In addition, it is foreseen that two REDD+ related projects are launched in 2011. One will contribute to remote

sensing forest degradation. A second project will focus on improving the productivity and quality of teak plantations in PNG, thereby contributing to afforestation/reforestation efforts.

Moreover, the EU has also been initiating discussions with Papua New Guinea's stakeholders in view of informing of the possibility for implementing a Forest Law Enforcement, Governance and Trade (FLEGT) mechanism.

Finally, additional funds may further be allocated to the sector depending on identification processes to be carried out in 2011.

Civil society organisations

A number of projects that are relevant to REDD+ and readiness activities are already being undertaken by local and international NGOs throughout PNG. These projects currently focus mostly on forest conservation and environmental and biodiversity protection and can provide important lessons learned on community engagement, land tenure issues, and community project management in PNG, among many others. It is envisaged that the experiences and learnings from these activities will be incorporated into the REDD+ readiness process and that the existing activities will be leveraged to test and refine concepts for REDD+, e.g., a benefit sharing mechanism. DEC and OCCD have already established links with many of these projects and in many cases, representatives of the implementing organisations are represented on the REDD+ Technical Working Group. In mid-2010, AusAID has supported 4 NGOs (Conservation International, Live & Learn, The Nature Conservancy and the Wildlife Conservation Society) to develop concept notes on potential community-based REDD+ demonstration activities. Next steps for these ideas are currently under discussion. Additional ongoing activities include, for example, NORAD's support to the Foundation for People and Community Development (FPCD) for REDD+ community-based initiatives, and the Eco-Forestry Forum's (EFF) REDD+ road show to raise community awareness. One road show consultation event was already held jointly between EFF and OCCD.

3.5. The proposed National Programme

The proposed National Programme builds on the Interim NP draft developed in 2009 and has been updated to reflect progress on PNG's REDD+ readiness efforts over the past 12 months. It will support the relevant institutions, notably the OCCD, PNGFA and others, in furthering PNG's preparatory for REDD+ and help develop the capacity to sustainably implement and sustain a REDD+ framework in PNG. The NP will place strong emphasis on enhancing PNG's capacity and technical infrastructure to effectively measure, report and verify changes in net GHG emissions from activities related to REDD+ and will thereby contribute in a coordinated manner to some elements of PNG's larger integrated REDD+ readiness approach.

MRV features as one of the immediate priorities in the CCDS and Interim Action Plan, and it is a critical enabler for PNG's participation in international REDD+ systems. PNG's national MRV system will be a multifunctional instrument, serving as a guide for social, economic and environmental policies and providing information about forestry-related fields, such as biodiversity, and supporting the monitoring of the REDD+ safeguards²⁵. The activities under the proposed National Programme will be closely tied into the broader REDD+ readiness efforts that GoPNG supports with its own resources, and with the help of other development partners.

3.6. Sustainability of results

Over the past year, PNG has made significant progress in building the institutional framework and developing the capabilities to effectively prepare for and manage REDD+ activities in the country. All activities proposed under the NP will be embedded in this framework and are concentrating on

²⁵ FCCC/AWGLCA/2009/17 available at: <http://unfccc.int/resource/docs/2009/awglca8/eng/17.pdf>

the priorities emphasized in PNG's draft CCDS and Interim Action Plan. It is therefore ensured that the NP contributes to the longer-term strategy, framework and priorities that GoPNG is committed to pursue.

In addition, by anchoring the institutional responsibility for the success of the NP in existing institutions and committees, notably the OCCD and the REDD+ Technical Working Group for Programme Management, and the National Climate Change Committee for the Programme Executive Board, the NP actively contributes to embedding the results in a broader framework that will last beyond the NP's implementation period. This is further strengthened by helping to build additional capacities in the areas of REDD+ readiness and MRV to achieve this goal.

3.7. Links to the UN Country Programme

The UN Country Programme for PNG was one of the world's first Joint UN Country Programmes when it was signed in mid-2007. It introduces new ways of provision of assistance that are in line with the ongoing UN Reform as well as the Paris Declaration on Aid Effectiveness. The overall aim is to simplify and harmonize the way the UN works at country level and to ensure that the UN Country Programme is aligned with and in support of national priorities and that national systems and procedures are utilized for programme delivery which reduces transaction cost significantly.

The UN Country Programme is themed 'Partnership for Nation Building' and encompasses five broad developmental outcomes:

- Governance and Crisis Management - Government develops and implements effective governance and crisis management policies;
- Foundation for Human Development (Health, Education and Child Protection) – By 2012, children, youth, women and men benefit from basic quality health, education and protection;
- Sustainable Livelihoods and Population - By 2012, rural communities in selected provinces of each region use improved sustainable livelihood practices;
- Gender - By 2012, women and girls experience fewer gender inequalities in PNG;
- HIV and AIDS - By 2012, the rate of HIV and AIDS infection is halted or reduced and government provides services to those people with, and affected by, HIV and AIDS.






This NP is one of three programmes under the Sustainable Livelihoods Programme developed to achieve the following Intermediate Outcome: *"Communities apply national policies and regulatory frameworks to implement environmentally sustainable livelihood opportunities, including community based ecotourism, non-timber forest products, sustainable agriculture and ecoforestry."* The proposed UN-REDD NP supports the activities required to achieve the outcome, and particularly the output *"Office of Climate Change has the capacity to develop climate change policy and coordinate activities to address initiatives on climate change"* by supporting the GoPNG's efforts to build the capacities needed to effectively develop climate change policy and coordinate activities to address initiatives on climate change.

4. Results Framework

The main objective of this NP is to ensure that by 2013, PNG has an operational Measurement, Reporting and Verification system that enables the country's participation in international REDD+ systems. This will be an essential prerequisite to securing funding and gaining international support for REDD+ activities that protect PNG's environmental resources and contribute to sustainable livelihood practices of rural communities.

The activities under the NP are an important contribution to PNG's REDD+ readiness efforts. Yet, they form only one component of PNG's overall REDD+ readiness activities which will be jointly implemented by GoPNG and non-government stakeholders with support from a number of development partners, as also outlined in section 3.2. The UN-REDD NP contributes US\$5.97 million (excluding indirect support cost) to a total REDD+ readiness programme amounting to ~US\$21 million.²⁶ This programme also includes contributions from GoPNG and other development partners. JICA, for example, supports the development of an MRV system with US\$7 million, as described in section 3.2. In other areas, GoPNG is discussing opportunities to include components under development partner programmes, e.g., the benefit sharing & distribution framework study under the PNG-Australia Forest Carbon Partnership.

FIGURE 15 – Overview of readiness actions and cost (US\$ millions)

	Components	Total	GoPNG	UN-REDD	Other co-financing ¹
 Institution & capacity building	<ul style="list-style-type: none"> Workshops Training programs Secondments 	4.29 ²	1.30	0.44	2.55
 Strategy & policy development³	<ul style="list-style-type: none"> Finalisation of CCDS REDD+ policy framework Review of agricultural lease process Dispute resolution mechanism 	2.75	1.10	0.65	1.00
 Payment processing & distribution⁴	<ul style="list-style-type: none"> Benefit sharing & distribution Payment processing/fund management 	0.25			0.25
 Consultation & communication	<ul style="list-style-type: none"> National & provincial consultation Awareness building Climate change education 	1.98	1.70	0.28	0.00
 MRV	<ul style="list-style-type: none"> Complete system Training 	11.60		4.60	7.00
Total		20.87	4.10	5.97	10.80

¹ Actions are under way in order to receive financial support from other development partners

² Does not include all capacity building programs that will be included in other pilot and readiness activities to avoid double counting

³ Land tenure & land use planning and dispute resolution efforts not yet included; IWG-IFR global average funding need amounts to ~USD 20 million

⁴ Only includes benefit sharing & distribution framework; IWG-IFR global average funding need amounts to ~USD 3 million

²⁶ Land tenure, land use planning and payment processing are not yet included as detailed estimates in the total. IWG-IFR global averages for these 3 areas total approximately US\$23 million.

The envisaged outcomes of the UN-REDD NP as outlined below will be closely tied into this broader set of REDD+ readiness activities and will be implemented with the additional support of AusAID, JICA and other development partners. The NP will also be closely linked to other programmes and initiatives that are related to or have implications on REDD+, such as biodiversity protection (e.g., under GEF and food security programmes).

Capacity building will be a cross-cutting theme across all outcomes and will address the relevant stakeholders needs for each NP outcome. To ensure that capacity building will be carried out in a coordinated and targeted way, the specific needs of stakeholders in PNG will be identified through a capacity gap assessment for each specific outcome envisaged under the NP. Wherever the NP involves the participation of landowners or resource owners (for instance during pilot program development or MRV plot measurement), the activities will be subject to the principles of Free, Prior and Informed Consent (FPIC), a principle that will be adhered to also in other REDD+-related activities that do not form part of this NP.

Outcome 1 – Readiness Management Arrangements in Place

The UN-REDD NP will support the GoPNG, particularly the OCCD and other partners of the UN-REDD NP (e.g., PNGFA), in furthering its capacities and advancing REDD+ readiness activities. The outcome builds on and complements the efforts of GoPNG outlined above. Indicative activities contributing to this outcome will include:

Output 1.1: Management arrangements between GoPNG and stakeholders strengthened

- Assistance to the OCCD, PNGFA and others for liaising with other REDD+ initiatives and linking the NP to additional programmes;
- Annual NGO and Whole-of-Government workshops for the further development of REDD+ readiness concepts and capacity development.

Output 1.2: NP implementation strengthened

- Strengthening of the National Programme through the support of a NP manager who reports to the OCCD as coordinating entity but closely works with all partners involved in the implementation of the NP;
- Facilitation of exchange and knowledge sharing with other UN-REDD countries

Both support positions will be fully embedded into the OCCD's line organisation and hired by the OCCD to ensure GoPNG ownership of the NP and capacity building in programme management.

Outcome 2 – National MRV system developed

The core of the NP will focus on the establishment of a measurement, reporting and verification system for net GHG emissions from LULUCF through an open and transparent international procurement process. Activities under this outcome are preliminary and may change based on the ongoing Expression of Interest process for a PNG National MRV system which will help to shape the design and setup of a National MRV system in PNG. The system will build on existing components for MRV in the country and develop and strengthen capabilities in a whole-of-government approach. It will be designed in such a way that sustainability, including continuous refinement of the system of regular training of operators is institutionalised and ensured beyond the UN-REDD NP's support. Support under the UN-REDD Programme will complement the activities funded by other donors, particularly the assistance provided by the Government of Japan as outlined above, and it will draw on additional resources for support and capacity building This includes, for example, the existing support for GHG inventory work in PNG through the Second National Communication and potential

training on GHG inventory methodologies for the land-use sectors through efforts led by the US Environmental Protection Agency. Indicative activities under this outcome are:

Output 2.1: National REDD+ Information System developed

- Establishment of a national REDD+ information system the scope and structure of which will be defined through a consultative process (e.g., through stakeholder workshops) and which will be based as much as possible on existing sources of information; this activity will include:
 - System and function design;
 - Development of a national database;
 - Development of a WEB-GIS interface to make available the information system via internet;
 - Training of PNG operators.
- Field testing of safeguards based on PNG's REDD+ guidelines and international best practice, e.g. efforts under UN-REDD's Global Programme.

Output 2.2: Satellite Land Monitoring System set up

- Establishment and training for an operational wall-to-wall satellite monitoring system that allows PNG to report LULUCF activity data and supports national and sub-national REDD+ implementation, including development and implementation of
 - Methodologies to assess land use and land use changes using Landsat class data;
 - Real-time methodologies to monitor canopy cover changes, deforestation and active fires;
 - A GIS platform and web-GIS portal for data visualization and distribution.

Output 2.3: Multipurpose national forest carbon inventory developed

- Establishment of and training for a multipurpose national forest inventory in line with UNFCCC reporting requirements that builds on and expands existing efforts to measure carbon stocks, e.g. the existing permanent sampling plot system by FRI.

Output 2.4: National GHG Inventory for REDD+ established

- Development of a National GHG Inventory focusing on the development of the institutional capacity within GoPNG to carry out this function, and specifically addressing the area of REDD+.

Output 2.5: Technical advice, capacity building and implementation support provided

- Technical advice and capacity building to carry out the activities above, also including a transparent mechanism for quality assurance and control of the MRV system and the data generated;
- Institutional support to GoPNG partners and stakeholders of the MRV system to enhance domestic capabilities related to an MRV system and the reporting of net GHG emissions; specifically support to the OCCD through the secondment of a 'technical assistant' to the OCCD Director MRV & National Communication who would provide content, meeting management and process management support to the Director and act as coach (*see also Annex 3*).

In order to ensure a consistent, whole-of-government approach that also fully integrates non-governmental stakeholders, the development of the system will commence with a 2-day workshop which will bring together all players contributing substantially to the development of a Measurement, Reporting and Verification system for GHG emissions from land-use sectors in PNG,

with the purpose of building collective awareness of on-going activities, highlighting potential for complementary and collaborative efforts, and, where possible, coordinating work plans and activities for more effective progress toward an MRV system for PNG. Expected outcomes of the workshop are an enhanced mutual understanding of all stakeholders of the activities related to MRV that will allow the OCCD to refine a roadmap for the establishment of the MRV system, as well as agreement on the modes of interaction and collaboration among the various stakeholders in the development of the system.

All activities will include comprehensive technical advisory and capacity building assistance to enable PNG stakeholders to carry out the above tasks independently after the NP is completed. Capacity building support will target all stakeholders involved in the operation of the MRV system and be specific to their roles and responsibilities, e.g., FRI on carbon stock measurements and OCCD on a GHG inventory. Wherever possible, capacity building efforts will also target landowners at the community level, e.g. for field measurements of biomass. Such specific training efforts will be complemented with a broader engagement of the involved communities on climate change and awareness to ensure that landowners can make informed decisions and take ownership of their contribution towards and MRV system and other elements of REDD+ readiness. PNG NGOs, with their extensive local presence, relationships, and knowledge, will be critical in building these capacities at the local level. For instance, WWF is already working with local communities in Toricelli Ranges to build awareness and capacities by involving communities in ground plot biodiversity and biomass measurements.

To ensure the long-term sustainability of the operation and advancement of a PNG MRV system, the NP will aim to include PNG's universities and other training institutions as much as possible in order to link their training and research efforts to the specific requirements of the MRV system.

Outcome 3 – Establishment of Reference Emission Levels (REL) and Reference Levels (RL) supported

The UN-REDD NP will support the assessment of methodologies for historical emissions levels from deforestation. Indicative activities under this outcome include:

Output 3.1: Historical drivers of deforestation assessed

- Assessment of past drivers of deforestation, including spatial analysis;
- Test and refinement of MRV methodology (Outcome 2) using available historical emission data;
- Review of methodologies for establishing REL and Reference Levels RL;
- Compilation of data to support the development of REL and RL.

Output 3.2: National circumstances assessed

- Review of the effects of customary land tenure and land reform efforts on REDD+ in PNG, particularly also assessing impacts of the National Land Development Program, land use planning and other land tenure related reform efforts on REDD+;
- Review of the impacts and effects of broader economic and policy development efforts on forestry and land-use related emissions in PNG.

Outcome 4 – Monitoring of abatement concepts supported

The NP will support capacity development for the implementation, monitoring and enforcement of forestry abatement levers outlined in section 2.5 among all relevant stakeholders, i.e. GoPNG, and particularly PNGFA, the private sector, landowners and civil society. Efforts will include training,

implementation and evaluation of abatement lever benefits, and piloting the MRV of abatement levers on the ground. Activities will also include an assessment of how compliance can most effectively be achieved through incentive mechanisms and enforcement, particularly taking into account the limited enforcement capacity in the forestry sector today. The initial focus will include, but not be limited to, the areas of Reduced-Impact-Logging (RIL) practices, secondary forest management, forest conservation (e.g., through community conservation wildlife management areas) and deferred logging or agriculture concessions, and also include afforestation and reforestation. PNGFA has already commenced with preparing pilot activities in these areas, including outside support, e.g., through ITTO. Indicative activities under this outcome are:

Output 4.1: Capacity for monitoring and implementation of priority abatement levers developed

- Develop and deliver comprehensive training in a training of trainers concept for PNGFA and pilot concessions leveraging local vocational and other training capacities;
- Support for piloting abatement levers, including implementation in pilot areas (concessions) and monitoring and verifying results.

Outcome 5 – Stakeholders engaged in PNG’s REDD readiness process

The NP will contribute to build awareness and capacity among all domestic stakeholders, particularly at the provincial and community level, to understand and support GoPNG’s efforts and progress to establish a REDD+ framework in PNG. The NP’s overall objective under this outcome is to strengthen the OCCD’s capacity to effectively maintain an ongoing dialogue with communities and landowners on climate change. This will include guidance on effective cooperation between GoPNG and civil society organisations that have existing links to communities. The component is critical for the success of REDD+ readiness activities. NP support complements the comprehensive stakeholder consultation, awareness building and education activities that the OCCD, PNGFA and other stakeholders are already carrying out. Indicative activities under this outcome include:

Output 5.1: Framework for stakeholder engagement processes in place

- Develop and agree on a comprehensive consultation plan and guidelines for stakeholder engagement including the formal agreements for technical, advisory and public consultation levels. This output will be strongly informed by the joint UN-REDD and FCPF Guidelines on Stakeholder Engagement in REDD+ Readiness.
- Facilitate a constructive and reciprocal dialogue between national multi-stakeholder groups, OCCD/GoPNG and development partners, e.g., through the development of outreach material;
- Assist in the review and refinement of the OCCD’s consultation strategy through an independent monitoring of the consultative and stakeholder awareness process.

Table 4: Results Framework

JP Outputs	UN Agency	Key partners ²⁷	Indicative activities for each Output	Amount US\$			
				2011	2012-2013	Total	Support by UN-REDD
Outcome 1. Readiness Management Arrangements in Place				2011	2012-2013	Total	Support by UN-REDD
1.1 Management arrangements between GoPNG and stakeholders strengthened	UNDP	OCCD/DNPM	<ul style="list-style-type: none"> Assist the OCCD in liaising with other REDD+ initiatives, in particular the PNG-Australia Forest Carbon Partnership Assist the OCCD in carrying out PEB and PMC meetings Support the OCCD in conducting annual NGO and whole-of-government workshops 	70,000	150,000	220,000	220,000
1.2 National Programme Implementation strengthened	UNDP	OCCD/PNGFA	<ul style="list-style-type: none"> Provide support through NP Manager Facilitate knowledge sharing with UN-REDD countries including other regional and international experiences 	180,000	40,000	220,000	220,000
Outcome Sub-Total				250,000	190,000	440,000	440,000
Outcome 2. National MRV system developed				2011	2012-2013	Total	Support by UN-REDD
2.1 National REDD+ Information System developed	UNDP	PNGFA/OCCD/DAL/DLPP	<ul style="list-style-type: none"> Field test safeguards Design the system structure and functions Develop a national database Develop a WEB-GIS interface Training of PNG operators 	200,000	300,000	500,000	500,000
	FAO			200,000	150,000	350,000	350,000
	UNEP			100,000	50,000	150,000	150,000
2.2 Satellite Land Monitoring Systems set up	FAO	PNGFA/DAL/DLPP/DEC/OCCD/UPNG/UNITECH	<ul style="list-style-type: none"> Establish an operational wall-to-wall system based on satellite remote sensing data Design a methodological approach to support the implementation of REDD+ at sub-national scale Provide training in forest land monitoring methodology Develop a near real time monitoring system 	1,600,000	2,000,000	3,600,000	700,000

²⁷ "Key partners" are just indicative of some relevant actors; the UN-REDD NP and broader REDD-plus readiness process will encompass a much broader range of domestic and international government and non-government stakeholders.

JP Outputs	UN Agency	Key partners ²⁷	Indicative activities for each Output	Amount US\$			
2.3 Multipurpose national forest carbon inventory developed	FAO	FRI	<ul style="list-style-type: none"> Develop measurement protocols and sampling design for a national forest carbon survey, building on the existing permanent sampling plot system. System design is driven by UNFCCC reporting requirements. Assess institutional capacity needs Establish adequate institutional capacity to undertake regular forest carbon monitoring and reporting consistent with REDD+ information needs Provide training in forest inventory methodology 	2,000,000	2,000,000	4,000,000	1,600,000
2.4 National GHG Inventory for REDD+ established	FAO	OCCD	<ul style="list-style-type: none"> Develop institutional capacity Provide training on IPCC GHG inventory methodology 	500,000	800,000	1,300,000	550,000
2.5 Technical advice, capacity building and implementation support provided	FAO	PNGFA/FRI/DLPP/DEC/DAL/OCCD	<ul style="list-style-type: none"> Provide technical advice and support covering the activities outlined above for the institutions involved in the national MRV system Provide support through international technical assistant for OCCD Director MRV & National Communication Develop capacity enabling stakeholders to independently review the outputs of MRV system 	300,000	450,000	750,000	750,000
Outcome Sub-Total				4,900,000	5,750,000	10,650,000	4,600,000
Outcome 3. Establishment of REL/RL supported				2011	2012-2013	Total	Support by UN-REDD
3.1 Historical drivers of deforestation assessed	FAO	PNGFA/DAL/OCCD	<ul style="list-style-type: none"> Assess past drivers of deforestation Test and refine MRV methodology (Outcome 2) using available historical emission data Review methodologies for establishing REL and national reference emission levels Compile data to support development of REL 	50,000	50,000	100,000	100,000
3.2 National circumstances assessed	UNDP	OCCD/ DLPP	<ul style="list-style-type: none"> Review effects of customary land tenure and land reform efforts on REDD+ in PNG, including impacts of the National Land Development Program Review effects of economic and policy development efforts on REDD+ in PNG 	100,000	100,000	200,000	200,000
Outcome Sub-Total				150,000	150,000	300,000	300,000

JP Outputs	UN Agency	Key partners ²⁷	Indicative activities for each Output	Amount US\$			
				2011	2012-2013	Total	Support by UN-REDD
Outcome 4. Monitoring of abatement concepts supported				2011	2012-2013	Total	Support by UN-REDD
4.1 Capacity for monitoring and implementation of priority abatement levers developed	FAO	PNGFA/ OCCD	<ul style="list-style-type: none"> Develop and deliver comprehensive training (training of trainers) for PNGFA and pilot concessions Support piloting of abatement levers, including pilot implementation and monitoring and verifying results 	75,000	100,000	175,000	175,000
	UNDP			75,000	100,000	175,000	175,000
Outcome Sub-Total				150,000	200,000	350,000	350,000
Outcome 5. Stakeholders engaged in PNG's REDD+ readiness process				2011	2012-2013	Total	Support by UN-REDD
5.1 Framework for stakeholder engagement processes in place	UNDP	OCCD	<ul style="list-style-type: none"> Develop and agree on guidelines for stakeholder engagement including the formal agreements for technical, advisory and public consultation levels Facilitate a constructive and reciprocal dialogue between national multi-stakeholder groups, OCCD/GoPNG and development partners Carry out independent monitoring of the consultative and stakeholder awareness process 	930,000	1,050,000	1,980,000 ²⁸	280,920
Outcome Sub-Total				930,000	1,050,000	1,980,000	280,920
Total	Programme Cost			5,710,000	6,810,000	12,520,000	5,970,920

SUMMARY COST BY AGENCIES		
FAO	Programme Cost	4,225,000
	Indirect Support Cost	295,750
UNDP	Programme Cost	1,595,920
	Indirect Support Cost	111,714
UNEP	Programme Cost	150,000
	Indirect Support Cost	10,500
Total	Programme Cost	5,970,920
	Indirect Support Cost	417,964
	Total Cost	6,388,884

²⁸ Includes full requested OCCD budget for stakeholder engagement processes

5. Management and Coordination Arrangements

5.1. Overall Arrangements for the UN-REDD Programme

Policy Board

The UN-REDD Policy Board provides overall leadership and sets the strategic direction of the UN-REDD Programme. It decides on Programme financial allocations, in line with the budget parameters set out in the UN-REDD Framework Document, and develops monitoring mechanisms, with a view to ensuring Fund-wide success. The UN-REDD Policy Body will ensure coordination with REDD+ actors at a global scale, such as the World Bank's FCPF participants' committee. The Terms of Reference and Rules of Procedure for the UN-REDD Policy Board are available on the UN-REDD Programme website www.un-redd.net

UN-REDD Secretariat

The UN-REDD Secretariat serves the Policy Board, using the capacities of the participating UN organizations, research institutions and recognized experts. It ensures policies and strategies decided by the Policy Board are implemented and adhered to. The Secretariat will manage the National Programme review process. It will also manage the UN-REDD's overall monitoring and evaluation function which includes *inter alia* monitoring allocations to and delivery by the national programmes, and tracking Programme-wide progress and ensuring that monitoring mechanisms are applied.

The Secretariat's main roles can be summarised as follows:

- Policy Board support
- Partner and external relations
- Quality assurance and oversight of National Programmes
- Quality assurance and oversight of the International Support Functions described in the Global Joint Programme (hereafter referred to as the "Global Joint Programme")
- Monitoring and knowledge management

Participating UN Organizations' Coordination Group

The Participating UN Organizations' Coordination Group consists of representatives of the three UN agencies: FAO, UNDP, and UNEP. The Coordination Group will have the main function in ensuring active, participatory and well-coordinated engagement by the agencies to implement the goals and objectives of the overall UN-REDD Programme, as well as to provide oversight of the Secretariat consistent with the strategic directions and decisions provided by the Policy Board.

Administrative Agent

The UNDP Multi-Donor Trust Fund (MDTF) Office is the Administrative Agent of the UN-REDD Fund. The MDTF Office manages the distribution of resources and serves as the administrative interface with donors. UNDP's accountability as the Administrative Agent is set out in the policy "UNDP's Accountability when acting as Administrative Agent (AA) in MDTFs and/or UN Joint Programmes using the pass-through fund management modality".

The MDTF Office as AA will be responsible for:

- Receipt, administration and management of contributions from donors;

- Disbursement of funds to the Participating UN Organization, in accordance with the instructions of the UN-REDD Policy Board;
- Provide support to FAO, UNDP and UNEP in their reporting functions;
- Compilation of consolidated narrative and financial reports to the Policy Board through the UN-REDD Secretariat, national steering committees and to donors.

The Administrative Agent may undertake additional functions at the request of the Participating UN Organizations. The Administrative Agent will charge a one-time fee of 1 percent for fund administration and fiduciary responsibilities which will be provided in advance on the basis of Programme Documents budgets approved by the Policy Board.

5.2. Management Arrangements at the National Level

This UN-REDD NP and associated Annual Work Plan (AWP) are an integral part of the overall UN Country Programme (UNCP) Action Plan. The UNCP Action Plan provides the overall legal framework and the relevant management arrangements, which will apply to this AWP. The “Implementing Partner” (referred hereunder as the “Designated Institution”) of this Programme will be the OCCD. The OCCD Executive Director will direct the programme and carry overall accountability for the programme to the GoPNG and to the UN agencies as National Programme Director (NPD). The overall programme and each specific activity will be implemented under the leadership of the GoPNG, represented by the NPD. It is envisaged that the NPD is then represented by the National Programme Manager in the UN’s Environment and Sustainable Livelihoods Task Team.

Fund management will use the pass-through modality.²⁹ The funds from UN-REDD will be passed through from the Administrative Agent, i.e. the MDTF, to the Participating UN Organisations in accordance with the MOU between UN-REDD and the Multi-donor Trust Fund Office.³⁰

The Programme will be managed in accordance with the 2003 undg Guidance Note on Joint Programming. It will be executed by several “National Implementing Agencies”, including the OCCD, the PNGFA, Provincial and District agencies, through the participating UN organizations UNEP, FAO, and UNDP. Each of those Implementing Agencies is accountable to the participating UN organization relating to the funds released for the delivery of a specific set of outputs and for management of inputs. Specialized service delivery costs for programme and project implementation may be charged directly to the National Programme, in accordance with the respective Participating UN Organizations’ policies, but such costs will amount to no more than 6 percent of the Participating UN Agency’s budget allocation..will be through joint GoPNG Development Partners’ Climate Change Forum.

PNG’s National Programme will immediately engage the following in-country positions:

- Program Manager;
- ‘Technical assistant’ to the OCCD Director ‘MRV & National Communication’.

The team will be based in the OCCD. The Program Manager, and ‘Technical assistant’ to the OCCD Director ‘MRV & National Communication’ will be selected through a joint recruitment process by the OCCD and UN Agencies. They will be contracted by UNDP through the office of the Resident Coordinator. Specialized service delivery costs for programme implementation may be recovered directly, in accordance with the respective Participating UN Organizations’ policies. In this regard, UNDP will provide technical support and quality assurance for its component of the NP through its Energy and Environment Group, particularly the Regional Technical Advisor, REDD (based in

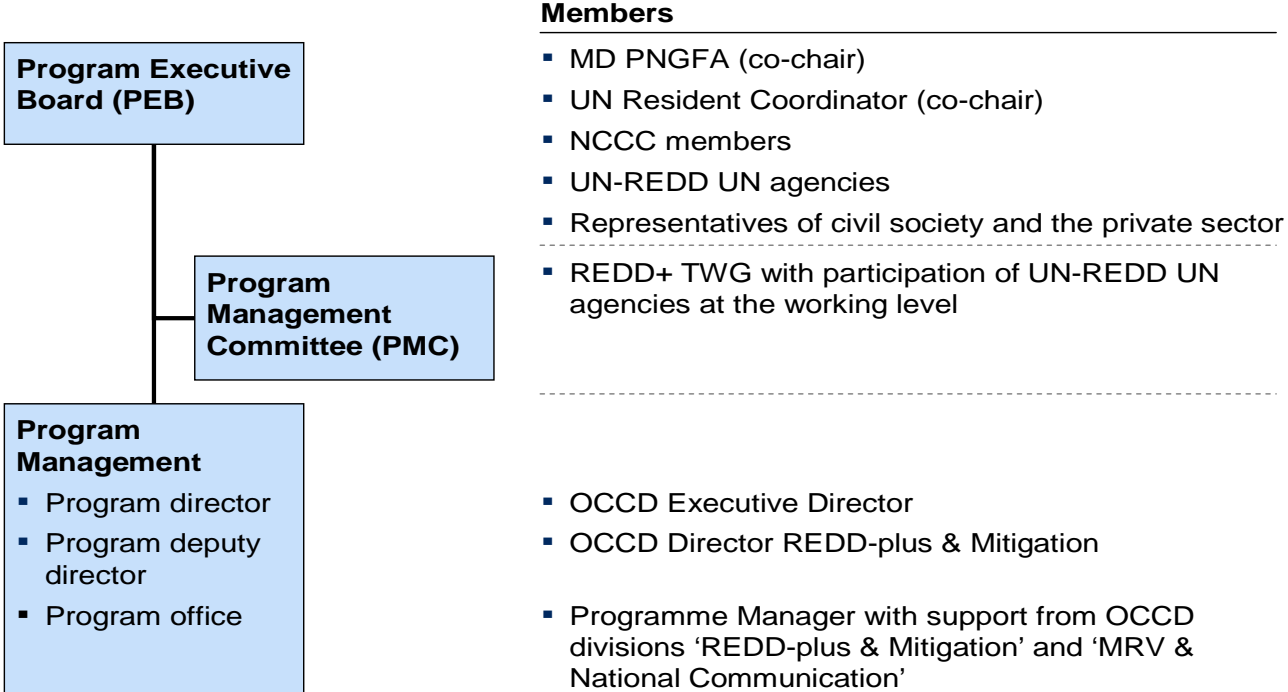
²⁹ www.undg.org/archive_docs/3642-Finalized_Guidance_Note_on_Joint_Programming__complete_.doc

³⁰ <http://www.undp.org/mdtf/UN-REDD/docs/UN-REDD-MOU.pdf>

Bangkok) and the Senior Technical Advisor, REDD (based in New York). These positions will also ensure the linkage of the NP to the UN-REDD Technical Secretariat.

Where deemed appropriate, OCCD as the Implementing Partner can request the UN to provide support services for the AWP, for which relevant details are described in the ‘Standard Letter of Agreement for Provision of Support Services’. The cost of these services will be charged to the AWP budget according to the Universal Price List for Support Services.

FIGURE 16 – UN-REDD PNG NP Management Arrangements



Programme Executive Board (PEB)

A Programme Executive Board will be established and comprised of representatives from UN agencies, from national implementing partners (OCCD, PNGFA), from other NCCC members including the NCCC Chair, from civil society organisations, and from the private sector (e.g. FIA). The PEB will initially meet quarterly, for at least the first three quarters of project implementation, and thereafter at intervals required to ensure effective project implementation. The PEB will be responsible for the effective coordination of the programme, the approval of all detailed work plans, budgets, and overall monitoring and evaluation of progress made. PEB decisions will be reached by consensus. Specific responsibilities of the PEB include:

- Providing leadership, guidance and approval on the strategic and policy direction for NP implementation within the approved UN-REDD Operational Guidelines
- Ensuring NP implementation is aligned with national priorities to promote integration and identify synergies between different REDD+ related initiatives
- Providing overall guidance and approval of AWPs including budgetary allocations for activity implementation as well as making necessary adjustments to attain the anticipated outcomes

- Reviewing NP implementation progress, identifying issues and suggesting corrective actions where appropriate
- Reviewing and approving quarterly and annual progress reports, including financial reports
- Facilitating coordination and information sharing among all stakeholders
- Reviewing and approving any NP related Terms of Reference and country submissions to the UN-REDD Secretariat and Policy Board

National REDD+ Technical Working Group

The existing REDD+ Technical Working Group, chaired by the OCCD and comprising members from relevant GoPNG departments, civil society, private sector and development partners will act as PNG's UN-REDD NP technical committee. The REDD+ TWG will meet once a month to share progress made and find solutions for common issues. The PEB and PMU will strongly rely on REDD+ TWG whose main responsibilities are:

- Providing overall REDD technical knowledge and guidance for the implementation of the NP based on global, regional and national best practices
- Promoting exchange of knowledge and information sharing among all members
- Providing substantive inputs for the design, coordination and implementation of AWP's and Budgets
- Reviewing NP documents for technical feasibility and propose recommendations for PEB endorsement
- Encouraging facilitation and coordination of NP activities with other REDD+ related initiatives

Programme Management Unit (PMU)

The PMU under the leadership of the Program Manager will be guided and supervised by the National Program Director. The PMU will be responsible for the day-to-day management of the programme, including the preparation of annual work plans, quarterly progress and financial reports as well as to liaise and coordinate with the partners responsible for the implementation of outputs, such as PNGFA and its division FRI, DEC, DLPP and others. Work will initially be led by a Programme Manager to be funded out of the UN-REDD NP. The Programme Manager's work will be guided by the CCDS. He/she will be selected in a joint recruitment process between the OCCD and UN agencies. The Programme Manager will report to the Deputy National Programme Director and work closely with OCCD's divisions 'REDD+ and Mitigation' and 'MRV and National Communication' which act as programme management unit (PMU).

National Programme Director (NPD)

The Executive Director of the OCCD will assume the role of National Programme Director (NPD). As well as being responsible to the GoPNG and the UN Resident Coordinator for overall delivery of the programme, as well as serving as PEB Secretariat.

Deputy National Programme Director (DNPD)

The OCCD Director REDD+ and Mitigation will assume the role of Deputy National Programme Director (DNPD). The DNPD will be responsible for ensuring that the responsible UN agencies and implementing partners organise and deliver results according to the results framework (Table 4). The DNPD will also be responsible for maintaining regular contact with other development partners to ensure that the PNG UN-REDD programme responds to new initiatives developed by those partners.

UN Resident Coordinator

The Resident Coordinator shall keep Country Team members fully-informed on UN-REDD activities. Involvement of the Government in the deliberations concerning the programme activities in the country is also crucial. The UN-REDD Programme also looks to Resident Coordinator to reach out to NGOs, CSOs, national governments and non-resident UN agencies, where appropriate.

The UN Resident Coordinator will provide ongoing oversight to the NP at the national level, ensuring the participating UN organizations are meeting their obligations. The Resident Coordinator is entrusted with supporting the overall programme design under the government's leadership, ongoing programmatic oversight of the UN-REDD activities and UN coordination with the OCCD. The Resident Coordinator also facilitates ongoing monitoring and evaluation of UN-REDD activities in conformity with UN standards. On receipt of consolidated country level reports, the Resident Coordinator will provide an overall assessment of the programme's progress and results. He/she will also facilitate ongoing monitoring and evaluation of Fund-supported activities in conformity with UN standards and any guidance provided by the UN-REDD Secretariat or Policy Board.

5.3. Cash Transfer Arrangements and work planning and budgeting

In the Case of all three UN Agencies, cash transfers will be according to the UN Harmonized Approach to Cash Transfers (HACT). The specific modality of cash transfers will be determined on the basis of a joint micro-assessment to be conducted by ExComm agencies.

The PMU will be responsible for preparing a quarterly work plan (QWP) using a unified work plan format and covering activities and inputs under all three Participating UN Agencies, and (after the first quarter of implementation) a unified report on activities and expenditures during the previous quarter, disaggregated by participating UN Agency. The QWP will be accompanied by a quarterly budget table, disaggregated by responsible Participating UN Agency, as specified in chapter 9, above, and for identifying specific procurement and recruitment activities to be undertaken by the National Implementing Partners and Participating UN Agencies. The QWP and budget will be reviewed and agreed among the three UN Agencies and the NPD. Taking into account the financial report of the preceding quarter, and any cost savings or overruns reported therein, funds for those activities will be allocated by each responsible agency. The legal basis for fund transfer will be in accordance with agency financial rules and regulations.

6. Fund Management Arrangements

The UN-REDD Collaborative Programme utilizes the 'pass-through' modality for fund management. Participating UN organizations, in this case FAO, UNDP and UNEP, assume full programmatic and financial accountability for the funds received from the Administrative Agent.

Each Participating UN Organization shall decide on the execution process with its partners and counterparts following the organization's own regulation and rules. National governments, Regional Development Banks and NGOs can receive funding through a Participating UN Organization and act as executing agencies. Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. Any indirect costs will be reflected in the National Programme submitted to the UN-REDD Secretariat. Indirect costs will not exceed 7 percent of the project budget. These costs cover general oversight, management, and quality control, in accordance with its financial regulations and rules. Parties to the NP commit to negotiate appropriate fees charged and services provided. Specialized service delivery costs for programme and project implementation may be recovered directly, in accordance with the respective Participating UN Organizations' policies.

Each Participating UN Organization will use the funds disbursed to it by the Administrative Agent from the UN-REDD Programme MDTF to carry out the activities for which it is responsible as set out in this document as well as for its indirect costs. The Participating UN Organizations will commence and continue to conduct operations for the UN-REDD Programme as set out in the UN-REDD MOU or as instructed by the UN-REDD Policy Board. The Participating UN Organizations will not make any commitments above the approved budgets, as amended from time to time by the Policy Board. If there is a need to exceed the budgeted amounts, the Participating UN Organization concerned will submit a supplementary budget request to the UN-REDD Policy Board, through the UN-REDD Secretariat.

The Administrative Agent will ensure consistency of the approved National Programme with the applicable provisions of the Standard Administrative Arrangements (SAA) entered between donors and the Administrative Agent, and the MOU between the Participating UN Organizations and the Administrative Agent.

Funds will be released in accordance with the UN-REDD Programme Rules of Procedure. These procedures require the UN-REDD Secretariat to submit the following to the Administrative Agent:

- Copy of the signed NP document with the approved budget
- Submission Form, signed by the Chair of the Policy Board.

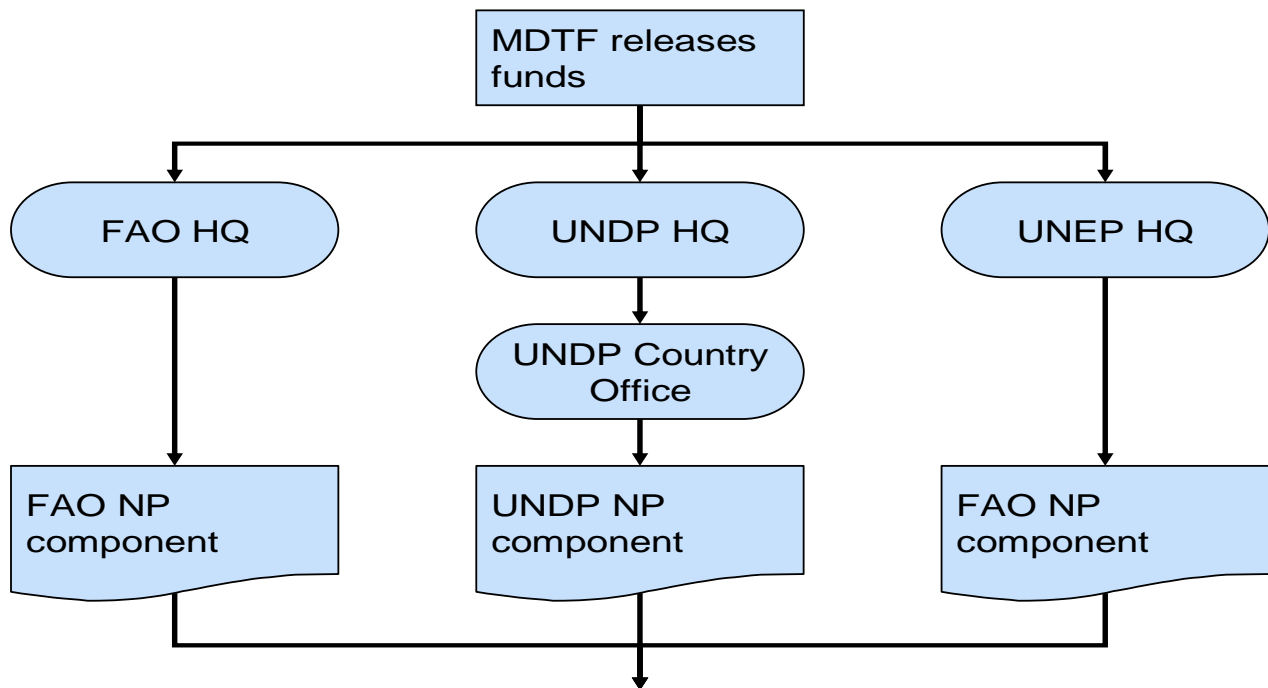
Upon receipt of the necessary documentation, the Administrative Agent shall release funds to the Participating UN Organizations as set out in Section II of the Memorandum of Understanding for the Multi-Donor Trust Fund (available at www.undp.org/mdtf/UN-REDD/overview.shtml). The Administrative Agent shall notify the Participating UN Organizations and the UN Resident Coordinator when the funds have been transferred. Each Participating UN Organization shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent.

The OCCD prepares substantive progress reports on a quarterly basis and submits these for review and approval to the PEB. Within the context of the Harmonized Approach to Cash Transfers (HACT), the OCCD will manage the implementation of this AWP and, in accordance with the UNCP Action Plan, ensure appropriate agreements are prepared and signed with the Responsible (third) Party, in cases where the implementation of certain activities is being outsourced. The OCCD will use the form called Funds Authorization and Credit Expenditures (FACE) to financially report on the PEB, also on a quarterly basis. Depending on the cash transfer modality, this quarterly financial report includes the request for funds for the next quarter. Also, the procurement of the outsourced

activities, the achievement of the results envisaged by them and the appropriate use of resources, remain the responsibility of the OCCD.

As an initial step to implement HACT, the OCCD is subject to a Micro Assessment conducted by a selected audit firm. By signing this NP, OCCD reaffirms its commitment to the Micro Assessment and the subsequent recommendations, including decisions pertaining to the appropriate cash transfer modality and assurance activities.

FIGURE 17 – Flow of Funds for the National Programme



The specific cash transfer modalities for the Participating UN Organizations are:

- **FAO:** FAO funds to be distributed according to FAO financial rules and regulations.
- **UNDP:** Funds will be transferred from UNDP/BDP/EEG to the UNDP Country Office. Fund utilization will be according to the UN Harmonized Approach to Cash Transfers. The payment will take the form of “direct cash transfer”, “direct payment” or “reimbursement”. Funds will be managed in accordance with UNDP financial rules and regulations
- **UNEP:** The appropriate UNEP office, or UNDP Country Office shall manage its programme funds in accordance with UNEP’s financial rules and regulations. Accountable advances will be transferred to the selected partners in this Joint Programme, following the designated modalities outlined in the agreements and/or subcontracts with UNEP.

7. Monitoring, Evaluation and Reporting

The National Programme Monitoring Framework will be developed during the finalisation and approval/signature of the NP document. It will be cleared by the UN-REDD Secretariat. Table 5 below provides a preliminary framework.

Table 5: National Programme Monitoring Framework (NPMF)

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<i>From Results Framework (Table 1)</i>	<ul style="list-style-type: none"> <i>From Results Framework (Table 1)</i> <i>Baselines are a measure of the indicator at the start of the joint programme</i> 	<ul style="list-style-type: none"> <i>From identified data and information sources</i> 	<ul style="list-style-type: none"> <i>How is it to be obtained?</i> 	<ul style="list-style-type: none"> <i>Specific responsibilities</i> 	<ul style="list-style-type: none"> <i>Summary of assumptions and risks for each result</i>
Outcome 1. Readiness Management Arrangements in Place					
1.1 Management arrangements between GoPNG and stakeholders strengthened	<ul style="list-style-type: none"> Baseline: GoPNG liaises with donors through FCC; REDD+ NGO workshop and whole-of-government workshop conducted in 2010 By 12/2011, all donor support on climate change is effectively coordinated and aligned along GoPNG priorities By 12/2013, at least 1 REDD+ NGO workshop and 1 whole-of-government workshop have been held annually to progress REDD+ readiness 	<ul style="list-style-type: none"> Technical Working Group minutes FCC meeting minutes Workshop minutes/ reports 	<ul style="list-style-type: none"> Collection of minutes and reports 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Technical Working Groups and FCC are key for a for convening GoPNG and stakeholders
1.2 National Programme Implementation strengthened	<ul style="list-style-type: none"> Ongoing during NP implementation: Project documents (work plans, budgets, reports, TORs etc.) are produced on time 	<ul style="list-style-type: none"> PEB minutes Programme/Project Progress Reports 	<ul style="list-style-type: none"> Collection of minutes and reports 	<ul style="list-style-type: none"> PEB 	<ul style="list-style-type: none"> NP effectively contributes to REDD+ readiness in PNG

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
Outcome 2. National MRV system developed					
2.1 National REDD+ Information System developed	<ul style="list-style-type: none"> Baseline: No centralized source for information on REDD+ or safeguards By 12/2011, information on REDD+ and safeguards is available to all stakeholders through a web-based interface and an annual report By 06/2012, safeguards have been tested in the field 	<ul style="list-style-type: none"> REDD+ Information System website Annual REDD+ reports Reports and minutes from field visits 	<ul style="list-style-type: none"> Review of website Collection of reports 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Limited capacity of GoPNG to coordinate and operate a full REDD+ information system. No international best practice available
2.2 Satellite Land Monitoring Systems set up	<ul style="list-style-type: none"> Baseline: Fragmented use of GIS systems in GoPNG departments, often relying on outdated data By 12/2011, methodological approach, technical system and institutional responsibilities specified By 12/2013, SLMS provides annual GIS data sets used for MRV and across GoPNG 	<ul style="list-style-type: none"> Reports and guideline documents SFLMS data 	<ul style="list-style-type: none"> Collection of reports and documents Assessment of GIS data 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Limited technical and operational capacity of PNGFA and OCCD coordinate and operate a full MRV system.
2.3 Multipurpose national forest carbon inventory developed	<ul style="list-style-type: none"> Baseline: FIMS, FIPS and Persyst in use by PNGFA with limited data on carbon By 12/2011, measurement protocols and sampling design for forest carbon survey defined By 12/2013, GoPNG has capacity to regularly undertake forest carbon monitoring and reporting 	<ul style="list-style-type: none"> Reports, protocols and guidelines Inventory data 	<ul style="list-style-type: none"> Collection of reports and documents Independent data review 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Limited technical and operational capacity of PNGFA and OCCD coordinate and operate a full MRV system.

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
2.4 National GHG Inventory for REDD+ established	<ul style="list-style-type: none"> Baseline: Preparation of SNC underway with support from UNDP By 12/2012, first REDD+ related GHG inventory completed based on PNG's MRV system By 12/2013, PNG has institutional capacity to regularly report GHG emissions from REDD+-related activities 	<ul style="list-style-type: none"> GHG inventory reports and data Record of institutional arrangements 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Limited technical and operational capacity of PNGFA and OCCD coordinate and operate a full MRV system.
2.5 Technical advice, capacity building and implementation support provided	<ul style="list-style-type: none"> Baseline: limited and fragmented capacity for elements of a MRV system in GoPNG and non-government stakeholders By 12/2011, capacity gap assessment and capacity building plan for MRV elements in place By 12/2013, GoPNG and stakeholders have capacity to independently operate PNG's MRV system 	<ul style="list-style-type: none"> Training reports Workshop agenda and minutes Capacity increased 	<ul style="list-style-type: none"> Collection of reports Capacity assessments 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Limited technical and operational capacity of PNGFA and OCCD coordinate and operate a full MRV system.
Outcome 3. Establishment of REL/RL supported					
3.1 Historical drivers of deforestation assessed	<ul style="list-style-type: none"> Baseline: preliminary assessment of drivers of deforestation and GHG emissions By 12/2012, data to develop REL/RL compiled and clear guidance on methodology for REL/RL developed 	<ul style="list-style-type: none"> Guidance documents Data sets 	<ul style="list-style-type: none"> Collection and review of data and reports 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> REL/RL methodologies not yet agreed under UNFCCC

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
3.2 National circumstances assessed	<ul style="list-style-type: none"> Baseline: existing land tenure and macro-/socio-economic research & studies with limited assessment of impacts on REDD+ and emissions By 12/2012, national circumstances and their impact on GHG emissions and REDD+ assessed 	<ul style="list-style-type: none"> Assessment reports 	<ul style="list-style-type: none"> Collection and review of reports 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> REL/RL methodologies not yet agreed under UNFCCC
Outcome 4. Monitoring of abatement concepts supported					
4.1 Capacity for monitoring and implementation of priority abatement levers developed	<ul style="list-style-type: none"> Baseline: priority abatement levers identified; only limited experience in implementation By 12/2013, monitoring and implementation concepts for key abatement levers have been refined 	<ul style="list-style-type: none"> Reports, briefings CCDS 	<ul style="list-style-type: none"> Collection and review of reports 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> CCDS outlines priority abatement actions for PNG
Outcome 5. Stakeholders engaged in PNG's REDD+ readiness process					
5.1 Framework for stakeholder engagement processes in place	<ul style="list-style-type: none"> Baseline: consultation work plan for 2011; 4 provinces consulted in 2010 By 12/2011, consultation plan and stakeholder engagement guidelines in place By 12/2011, 8 additional provinces consulted and consultation process independently reviewed 	<ul style="list-style-type: none"> Comprehensive consultation plan and stakeholder engagement documents Stakeholder Consultation Workshop Reports Consultation review/monitoring report 	<ul style="list-style-type: none"> Collection of documents and reports 	<ul style="list-style-type: none"> NP manager 	<ul style="list-style-type: none"> Limited understanding of REDD+ and how it could work in the PNG context as well as the complexity surrounding landowner issue may slow progress and create tensions amongst differing beneficiaries.

7.1. Monitoring of risk

Each regular meeting of the PMC will review the Risk Log (see Table 6). This will be supported by a comprehensive risk monitoring plan, the details of which will be presented at the Inception Workshop. In the case of any risks for which the PMC concludes that the risk status, or the probability or impact scores need to be amended, the PMC will recommend whether the existing Counter Measures/Management Response remain adequate or need to be amended also. The revised Risk Log will be sent to all participating UN agencies as soon as possible after the PMC meeting.

Table 6: RISK LOG: UN-REDD Programme for PNG

RISK TYPE	RISKS (threats & opportunities)	Risk impact score³¹	Risk probability score³²	Proposed Action
Social	1. Tribal community systems and landowner rights are highly complex & unpredictable and may be counterproductive to the development of ground truthing elements for the MRV system, to transparent and equitable ways of benefit/revenue sharing, as well as to effective community-based forest conservation programs.	4	5	<ul style="list-style-type: none"> - Establish clear framework and comprehensive consultation plan for effective community outreach and awareness building - Ensure sufficient resources for landowner information and consultation (and compensation, where applicable) in all activities of the NP at the local level (e.g., ground truthing/biomass measurements) - Establish simple and transparent dispute resolution mechanism for NP implementation, building on existing recourse mechanisms in PNG (to be replaced by a comprehensive REDD+ dispute resolution mechanism, once developed as part of PNG's overall REDD+ readiness efforts)
	2. Target communities' extreme poverty, low education levels, and being unacquainted with external aid programs may lead to large REDD+ start-up problems and delays, as well as introduce vulnerability to non-equitable practices.	5	4	Same as above: put adequate GoPNG and NP resources into community organization, outreach and development.

³¹ 1 very low; 2 low; 3 medium; 4 high; 5 very high

RISK TYPE	RISKS (threats & opportunities)	Risk impact score	Risk probability score	Proposed Action
	3. Unknown procedures, methodologies and decision mechanism to establish and communicate REDD+ project carbon values may weaken fair distribution of payments and other benefits (sub-national and project REDD+ accounting).	4	2	As part of the multipurpose national forest carbon inventory, develop standardized carbon estimate methodologies and procedures that can be utilised in REDD+ projects
Financial	1. High overhead costs for national REDD+ management and MRV may excessively reduce cash benefits to carbon sellers landowners.	3	4	Ensure PNG MRV system is developed cost-efficiently with a view towards balancing ongoing operating cost against expected REDD+ payments
Operational	1. Weak information supply and low level of REDD+ awareness may lead to wrong expectations, loss of stakeholders' trust and wrong REDD approaches (PNG REDD+ programs runs ahead of basic awareness requirement levels)	4	4	<ul style="list-style-type: none"> - Sustain and expand national REDD+ consultation and communications campaign, involving education, training and social marketing approaches (2011-2013), based on comprehensive consultation plan - Work closely with NGOs and CBOs who work with landowners to ensure that (i) landowners are properly informed and that (ii) landowners are receiving consistent messages
	2. Lack of PNG forest scientific capacity to provide applied research to REDD+, particularly MRV	3	4	<ul style="list-style-type: none"> - Strengthen FRI through partnerships on REDD+ research; - Strengthen UPNG and UNITECH and other research capacity to support operation and continuous enhancement of the MRV system
	3. Private sector moves quickly into voluntary market arrangements, VCS undermines development of national baseline approach	3	4	Continue engagement with private sector on planned investments/engagement, in line with national consultation and stakeholder engagement plan
	4. Plant taxonomic skills FRI to be utilized for REDD+ forest monitoring program (opportunity)	3	3	Fully involve FRI staff in proposed National Multi-purpose Forest Inventory program

RISK TYPE	RISKS (threats & opportunities)	Risk impact score	Risk probability score	Proposed Action
Organizational	1. Weak local government governance systems & capacity, and little decentralized program experience will prevent proper operation of MRV system	4	5	- Provide adequate capacity building and training at sub-national level to ensure sufficient capacity for ground truthing
	2. The OCCD is not adequately receptive to broad-based support arrangements and working with a range of sector agencies and non-governmental organizations, which may prevent enhanced forest governance and community development systems.	4	2	- Link all aspects of support with the operations of the OCCD, clearly identify how broad-based support assists OCCD - Integrate NP into work of Technical Working Groups managed by the OCCD.
	3. Donor assistance is mobilised too slowly to meaningfully contribute to UNFCCC negotiations, and momentum on National REDD+ Program planning dialogue is lost	3	4	- Ensure NP fund management arrangements allow for timely program implementation - Organise continuous development partner engagement and coordination through donor in-country offices, supported by joint donor missions
Political	1. Need for policy harmonization as well as political will to review e.g. 'high impact projects', expiring Forest Management Agreement areas and to cancel ongoing logging concessions/agricultural leases may reduce prospect for REDD+ projects.	5	4	- National consultation plan to include component on engagement of politicians and decision makers. - Whole-of-government approach to be strengthened through inclusive management arrangements for NP
	2. Need to acknowledge the authority of PNGFA on forest matters in any national REDD+ program	4	3	OCCD to establish partnership with PNGFA
	3. Political change means OCCD is disbanded	4	3	- Ensure support broad based and shared among a range of relevant institutions (e.g. DEC, PNGFA, NGOs where appropriate, UPNG), including strong link of programme to multi-stakeholder working groups - Leverage and strengthen existing capacities in institutions that have existing infrastructure/ technologies (e.g., FRI, PNGFA, DEC)

RISK TYPE	RISKS (threats & opportunities)	Risk impact score	Risk probability score	Proposed Action
	4. OCCD continues to exist but institutional architecture is further amended in near term	2	3	<ul style="list-style-type: none"> - Ensure support broad based and shared among a range of relevant institutions (e.g. DEC, PNGFA, NGOs where appropriate, UPNG), including strong link of programme to multi-stakeholder working groups - Leverage and strengthen existing capacities in institutions that have existing infrastructure/ technologies (e.g., FRI, PNGFA, DEC)
	5. Other government departments resist cooperation with OCCD	5	3	<ul style="list-style-type: none"> - Encourage whole-of-government approach through inclusive management arrangements for NP and involvement of technical working groups
Regulatory	1. PNG policy direction, in particular on carbon accounting, does not meet international standards	4	2	<ul style="list-style-type: none"> - Focus on areas of agreement, engage where possible on carbon accounting - Build trust through ongoing engagement and preparedness to support existing efforts
	2. Unclear carbon accounting rules encourage overestimates at the project level to generate excess REDD+ credits	3	3	<ul style="list-style-type: none"> - Develop clear and transparent carbon accounting rules for sub-national (demonstration) activities
Strategic	1. PNG REDD+ program has yet to specify steps towards maximizing biodiversity conservation benefits and as such may miss its Environmentally Sustainable Economic Growth target: "reduce biodiversity loss, by 2010, a significant reduction in the rate of loss".	3	3	<ul style="list-style-type: none"> - Incorporate biodiversity data and targets in planned development of REDD+ information system and safeguards
	2. Development of REL/RL is captured to artificially inflate the baseline in order to create excess credits	4	2	<ul style="list-style-type: none"> - Ensure transparent assessment of historical drivers of deforestation and national circumstances that can be independently reviewed - Rely on emerging SBSTA guidance on establishing baselines, with third party verification of nominated baseline, once established

RISK TYPE	RISKS (threats & opportunities)	Risk impact score	Risk probability score	Proposed Action
8	3. Climate change sector is so highly politicized that robust policy dialogue is meaningless	3	2	Continued engagement with non-Government sector, and broadly at the officials level across government through NP management arrangements and engagement of technical working groups and NCCC
	4. Donor assistance is not coordinated	3	1	<ul style="list-style-type: none"> - Continual donor engagement, support for OCCD to convene a donor partner's forum - Sharing of key documentation among donors - Regular dialogue both in-country and in international fora on progress on donor support programs in PNG

Annual/Regular reviews

Activities carried out by the Participating UN Organization shall be subject to internal and external audit as articulated in their applicable Financial Regulations and Rules. In addition, the UN-REDD Secretariat will consult with the Participating UN Organizations on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the Participating UN Organizations. Participating UN Organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the MDTF Office and submission to the Policy Board and National REDD+ Committee as applicable.

GoPNG, particularly the Executing Agency, or Lead Implementing Partner, and the Participating UN Organizations, shall jointly conduct scheduled/annual planning and review meetings for all activities covered in the results framework, monitoring and evaluation plan and work plans covered by this National Programme. This will include an assessment of the risks and assumptions to determine whether they are still holding.

Evaluation

The UN-REDD Secretariat will establish an Evaluation Plan which ensures that all programmes supported by the UN-REDD Programme will undertake a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation. Furthermore, the UN-REDD Secretariat from time to time shall lead reviews for programmes as necessary.

Reporting

At the national level, the Participating UN Organizations are required to provide narrative reports on results achieved, lessons learned and the contributions made to the National Programme. Quarterly progress report (programme and financial results) will be prepared by the PMU and submitted to UN Coordination Office after quality control by the HOA. The information shall be consolidated by the Programme Manager into a narrative report every 6 months. The UN-REDD Secretariat shall provide the Policy Board updates on the implementation progress of the National Programme every 6 months, based on information received from the Programme Manager. The UN Resident Coordinator will assist in ensuring the Participating UN Organizations at the country level provide the necessary information. The UN-REDD Coordination Group shall also follow-up with the relevant officers and representatives of the Participating UN Organizations.

The Administrative Agent will provide regular updates on the financial status of the MDTF to the Policy Board, for review and action as appropriate. Participating UN Organizations in receipt of UN-REDD resources will be required to provide the Administrative Agent with the following statements and reports:

- Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than three months after the end of the applicable reporting period;
- Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the National Programme Account, to be provided no later than four months after the end of the applicable reporting period;

- A final narrative report and financial report, after the completion of all National Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of National Programme activities;
- A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Project activities.

The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the UN-REDD Secretariat.

Subsequently, in accordance with the MOU and the SAA, the Administrative Agent will submit consolidated narrative and financial reports to all UN-REDD Programme donors. Agreed standard UNDG financial and progress reporting formats will be utilised. The Administrative Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).

Information given to the press, to the beneficiaries of the UN-REDD Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD donors, the UN Agencies, and any other relevant parties.

Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

8. Legal Context or Basis of Relationship

The Participating UN Organizations (FAO, UNDP and UNEP) have signed a Memorandum of Understanding (MOU) to implement the UN-REDD Collaborative Programme, which came into effect on 20th June 2008 and ends 20th June 2012.

This NPD is consistent with the cooperation/assistance agreements signed by the lead UN agencies involved in this programme with GoPNG. For the UNDP, this Document is pursuant to the Country Programme Action Plan and the Standard Basic Assistance Agreement (SBAA) it signed with the Government of the PNG on 7 April 1981. All provisions in the SBAA therefore apply to this document. Consistent with Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

The implementing partner shall:

- put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
- assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

The **UNDP** reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

On the part of the **FAO**, the FAO Office (UN-REDD Programme) in Rome shall represent the Organization in PNG, and shall be responsible within the limits of the authority delegated to him/her, for all aspects of the Organization's activities in the country. In the effective performance of his/her functions, the FAO representative shall have access to appropriate policy and planning levels of GoPNG in the agriculture and forestry sectors of the economy, as well as to National Planning and the OCCD. He/she shall maintain close liaison with the Government's coordinating agency for external assistance and thereby serve to keep all the appropriate Government agencies fully informed on all aspects of the policies and procedures of FAO's programme in PNG.

For **UNEP**, in line with its position as a non-resident agency with a global mandate for technical cooperation and capacity building, the signed NPD shall be the basis of UNEP's relation with the Government of PNG within the context of this programme. UNEP will work in close coordination with the programme management team.

The Participating UN Organizations agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to UN-REDD are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

9. Work plans and budgets

An annual work plan and budget will be produced each year for each Participating UN Organization, subsequent to the decisions of the annual/regular reviews. Each work plan will be approved by the UN-REDD Secretariat and signed by the implementing partners. A work plan for year 1 of the NP will be developed during the approval/signature and inception phase of the NP. For outcome 2 'National MRV system developed', it is envisaged that this will be jointly elaborated by OCCD, PNGFA, FRI, FAO, JICA, AusAID and other key partners as necessary.

Annexes

**Annex 1 –
Stakeholder validation meeting minutes**



**OFFICE OF CLIMATE CHANGE
AND DEVELOPMENT (OCCD)**

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22 February 2011

UN-REDD PNG National Programme Stakeholder Validation Workshop

The stakeholder validation meeting took place on 22 February 2011, from 9am – 5pm at Hideaway Hotel in Port Moresby. After constructive and fruitful discussions, the participants of the NPD stakeholder validation workshop support the re-submission of the revised NPD to the UN-REDD Policy Board, but would like to highlight the following recommendations to be addressed in the document before submission to the UN-REDD Policy Board:

CAPACITY BUILDING

1. A capacity gap assessment for all NP outcomes that would lead to a capacity development plan is needed. Reference should be made at a broader capacity building that will not be however part of this project.
2. Increase capacity at the village and ILG level to make the people capable of carrying out certain aspects of MRV e.g. biomass measurements.
3. Ensure that capacity within research institutes relating to PNG's MRV system is developed.
4. More consultation and awareness in addition to funding are needed at the village level to enable landowners to make an informed decision and take ownership of the process, in the context of activities of at the community levels of the UN-REDD NP.
5. Show linkages to other projects carried out by government departments, NGOs and development partners.
6. Add DAL and UNITECH to list of relevant agencies on page 33.

CONSULTATION GROUP (PB Comments 1, 13, 19)

1. State in the text how the NP is part of a larger integrated approach to REDD+ readiness
2. State in the text that any activity which involves land owners/resource owners will be subject to FPIC
3. State in the text that a comprehensive consultation plan will be developed that identifies issues for which different stakeholder groups (e.g., land owners) will be consulted, and which includes adequate engagement of the provincial level; plan to follow joint UN-REDD/FCPF guidance

SAFEGUARDS

1. National REDD + information system should be supported by a legal act to empower it collect data to make it available to other stakeholders including the public. Should be supported by a freedom of information act or some other supporting mechanism.
2. Design and development of REDD+ information systems should be done through a national consultation process that end in a national workshop to decide structure of the information system. This should build on information already available in the country.
3. New output "National Circumstances" to be added under outcome 3.
4. Concept of an Independent Environmental Land Court to be explored, or some other institution to support existing infrastructure and take pressure off Lands department. A capacity problem identified within Dept of Lands.
5. Safeguards should be added to account for disputes between landowners and govt, landowners and companies etc. Different scenarios should be reflected
6. Dispute resolution systems should build on existing systems in PNG. Work by Peace Melanesia for example.
7. Recognise recommendations of National Land Development Program. Impact on REDD+ to be assessed.

Specific Language/Edits



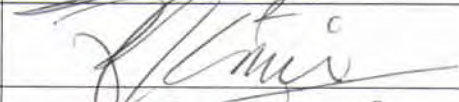
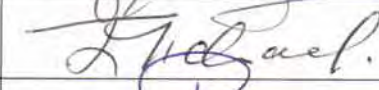
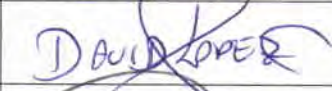

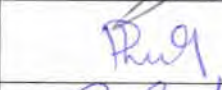
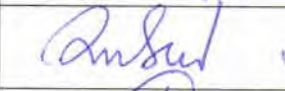
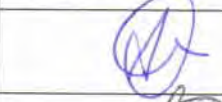

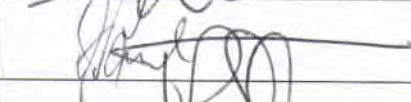
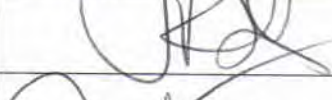
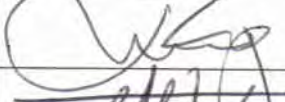
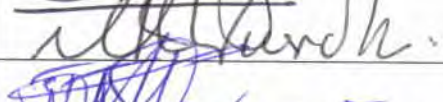

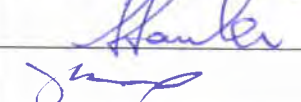
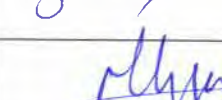

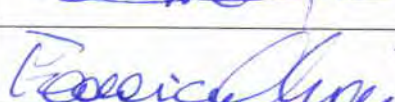
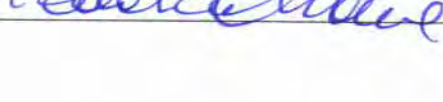
1. Language adjustment on p22. Para 2. Govt agricultural lease moratorium has not yet been initiated.
2. P 20. P3. Language needs possible amendment.

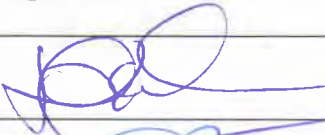

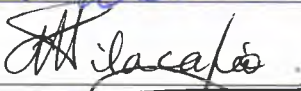
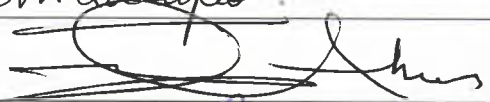
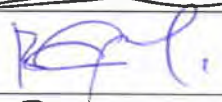
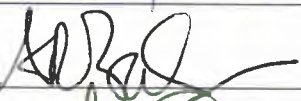
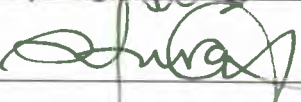
IMPLEMENTATION MODALITIES

EXHIBIT 1

Implementation: Revisions recommendation

Matrix point:	Revision / Addition
<ul style="list-style-type: none"> ▪ 2 ▪ 14 ▪ 17 ▪ 18 	<ul style="list-style-type: none"> ▪ To Section 3.4: Paragraph explaining current coordinating mechanism of REDD-related work, ie <ul style="list-style-type: none"> – GoPNG – Donors – CSO – Private sector
<ul style="list-style-type: none"> ▪ 5 ▪ 6 ▪ 7 	<ul style="list-style-type: none"> ▪ UN Agencies align amongst themselves to agree upon funding approach ▪ However, we want to stress, and recognize in minutes, the need for fast track implementation
<ul style="list-style-type: none"> ▪ 14 	<ul style="list-style-type: none"> ▪ Government must specify its contribution, in cash and kind, to REDD+ consultation
<ul style="list-style-type: none"> ▪ Other 	<ul style="list-style-type: none"> ▪ Need for Legal policy framework ▪ Integration of land owners ▪ Integrated land use study (include in new outcome) ▪ Detailed plan for risk monitoring by inception workshop

Name	Organisation	Signature
PATRICK HEROMATE	ABG	
JOE LOBOSO	ABG	
HEESGI KIM	ABG	
JOHN MICHAEL	DEC	
David Lopez Cornelis	unitech	
JOE POKANJA	OCCD	
PENDRIGH LUI	OCCD	
VITUS AMBUS	PROB	
BEN NGANA	LIVE & LEARN	
GAJE GWATE	UNITECH	
D. K. Pal	UNI TECH	
J. R. Sinclair	WCS	
PATRICK NIMIAGO	PNG FRI	
BRUNO KUROH	PNG FRI	
MILLER KAWANAMO	PNG FRI	
S. Saulei	PNG FRI	
T. Paha	PNG EFF	
M. Leggett	OCCD	
J. ONDOPA	ANG EFF	
FERRICA CHAPPE	OCCD	

Name	Signature
Chalapa KALOUAN (UNGL)	
Martin Goldman (PNGFA)	
Matilda May Pilacafio	
Goodwill Amos (PNGFA)	
Constantin Bizol (PNGFA)	
Roy Barker	
Francis Huruhura	



UN-REDD National Programme Document – Stakeholder Validation Meeting Comments

#	Comment (s)	Category	Addressed in (Page No. and brief description)
1	A capacity gap assessment for all NP outcomes that would lead to a capacity development plan is needed. Reference should be made at a broader capacity building that will not be however part of this project.	Capacity building	<i>The need for a broad capacity building exercise, and for specific capacity gap assessments for all NP outcomes, has been reemphasized Section 3.2 'A) Institution & capacity building', p. 29 and Section 4, p. 48.</i>
2	Increase capacity at the village and ILG level to make the people capable of carrying out certain aspects of MRV e.g. biomass measurements.	Capacity building	<i>The full and effective participation of landowners is highlighted in Section 3.2, pp. 30-31. In addition, the involvement of landowners and communities in MRV activities has been emphasized in Section 4, p. 50(1st paragraph).</i>
3	Ensure that capacity within research institutes relating to PNG's MRV system is developed.	Capacity building	<i>The specific link to PNG's research institutions is included in Section 4, p. 50 (2nd paragraph).</i>
4	More consultation and awareness in addition to funding are needed at the village level to enable landowners to make an informed decision and take ownership of the process, in the context of activities of at the community levels of the UN-REDD NP.	Capacity building	<i>Specific, technical training efforts e.g. on MRV will be complemented with a broader engagement of the involved communities on climate change and awareness to ensure that landowners can make informed decisions and take ownership of their contribution towards and MRV system and other elements of REDD+ readiness. This is included in Section 4, p. 50 (1st paragraph).</i>
5	Show linkages to other projects carried out by government departments, NGOs and development partners.	Capacity building	<i>A clearer reference to other projects has been added throughout the text, particularly Section 4 under each NP Outcome.</i>
6	Add DAL and UNITECH to list of relevant agencies on page 33.	Capacity building	<i>DAL and UNITECH have been included on pp. 35-36.</i>
7	State in the text how the NP is part of a larger integrated approach to REDD+ readiness.	Consultation	<i>The importance of the UN-REDD NP as <u>one</u> element of a broader REDD+ readiness program has been highlighted throughout the text, e.g., Section 3.2, p. 29 (1st para) and Section 4, p. 47 (2nd para).</i>

#	Comment (s)	Category	Addressed in (Page No. and brief description)
8	State in the text that any activity which involves land owners/resource owners will be subject to FPIC.	Consultation	<i>The importance of – and adherence to – FPIC for REDD+ in PNG is emphasized in Section 4, p. 48 (2nd para).</i>
9	State in the text that a comprehensive consultation plan will be developed that identifies issues for which different stakeholder groups (e .g., land owners) will be consulted, and which includes adequate engagement of the provincial level; plan to follow joint UN-REDD/FCPF guidance	Consultation	<i>The need for a comprehensive consultation plan is mentioned under Section 3.2 ‘D) Consultation and communication’, p. 32 and listed specifically as an activity under the UN-REDD NP in Table 4, Outcome 5.</i>
10	National REDD + information system should be supported by a legal act to empower it collect data to make it available to other stakeholders including the public. Should be supported by a freedom of information act or some other supporting mechanism.	Safeguards	<i>Reference to a legal act has been included in section 3.3, p. 38 (1st para under ‘The National REDD+ Information System’)</i>
11	Design and development of REDD+ information systems should be done through a national consultation process that end in a national workshop to decide the structure of the information system. This should build on information already available in the country.	Safeguards	<i>The consultative process as key element for establishing the REDD+ Information System has been included in Section 4 under Output 2.1, p. 49.</i>
12	New output "National Circumstances" to be added under outcome 3.	Safeguards	<i>Section 4 and Table 4 (p. 50, 53) now include 2 outputs under Outcome 3“ Establishment of REL/RL supported”.: - - “3.1 Historical drivers of deforestation assessed” - “3.2 National circumstances assessed”</i>
13	Concept of an Independent Environmental Land Court to be explored, or some other institution to support existing infrastructure and take pressure off Lands department. A capacity problem identified within Dept of Lands.	Safeguards	<i>Reference to an Independent Environmental Land Court is included in Section 3.2, p. 33 (1st para)</i>
14	Safeguards should be added to account for disputes between landowners and govt, landowners and companies etc. Different scenarios should be reflected.	Safeguards	<i>The importance of land owner rights and the corresponding challenges, including the need for safeguards have been addressed in several paragraphs of Section 3.2, pp. 31-32. Information on safeguards is also a key element of the REDD+ Information System under Outcome 2 of the NP.</i>

#	Comment (s)	Category	Addressed in (Page No. and brief description)
15	Dispute resolution systems should build on existing systems in PNG. Work by Peace Melanesia for example.	Safeguards	<i>The need to build the dispute resolution mechanism on existing systems is mentioned in Section 3.2, p. 33 (1st para) The work by Peace Melanesia has been added as an example.</i>
16	Recognise recommendations of National Land Development Program. Impact on REDD+ to be assessed.	Safeguards	<i>Reference to the importance of the National Land Development Program is made in Section 3.2, p. 31. It is also highlighted specifically as element of Output 3.2 in Section 4, p. 50.</i>
17	Language adjustment on p22. Para 2. Govt agricultural lease moratorium has not yet been initiated	Safeguards	<i>Text on p. 24 has been amended to read "...GoPNG <u>is currently preparing</u> a review of agriculture leases in order to minimise the clearance of primary forest for large-scale agricultural development while ensuring that sustainable economic development is enabled."</i>
18	P 20. P3. Language needs possible amendment.	Safeguards	<i>The 2nd paragraph of section 2.5 (now pp. 22-23) has been amended.</i>
19	To Section 3.4: Paragraph explaining current coordinating mechanism of REDD-related work	Implementation	<i>An introductory paragraph has been added to Section 3.4, p. 42.</i>
20	UN Agencies align amongst themselves to agree upon funding approach. However, we want to stress, and recognize in minutes, the need for fast track implementation.	Implementation	<i><TBD based on input from UN agencies></i>
21	Government must specify its contribution, in cash and kind, to REDD+ consultation	Implementation	<i>In OCCD's budget for 2011, PGK 1.2 million are allocated to stakeholder engagement and consultation activities under the REDD+ & Mitigation and MRV & National Communication divisions, in addition to an in-kind contribution through staff time and general office resources of both division. This information has been added to Section 3.2, p.33.</i>
22	Need for Legal policy framework	Implementation	<i>NCCC has asked the OCCD to start developing a REDD+ policy framework in 2011. This is highlighted in Section 3.2, p. 32. This initial framework will be the first step towards comprehensive REDD+ policies and regulation as REDD+ readiness progresses.</i>

#	Comment (s)	Category	<i>Addressed in (Page No. and brief description)</i>
23	Integration of land owners	Implementation	<i>Landowners will be involved in UN-REDD NP activities as much as possible (see e.g. Outcome 2). Nonetheless, some activities, particularly around components of the MRV system separate from ground-truthing and other on-the-ground activities, are very technical in nature and will have to be developed at the national level, e.g. the accounting of national GHG emissions from LULUCF. The importance of land-owner involvement, capacity building, consultation and awareness has been re-emphasized throughout the document.</i>
24	Integrated land use study (include in new outcome)	Implementation	<i>The importance of spatial planning is emphasized in section 3.2, p. 31 (2nd to last para), as discussed during the validation workshop. The impact of land tenure and land development planning efforts on REDD+ has been specifically included as part of new Output 3.2 in Section 4, p. 50.</i>
25	Detailed plan for risk monitoring by inception workshop	Implementation	<i>The risk log will be supported by a comprehensive risk monitoring plan, the details of which will be presented at the Inception Workshop. See Section 7.1, p. 66.</i>



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MEETING MINUTES

REDD+ Technical Working Group 14th Consecutive Meeting and Introduction to National Joint Program submission to NCCC

September 22nd, 2010

9 – 11am

Secretary's Conference Room, 7th Floor, Somare Foundation

Chairman: Paul Rame (Director, REDD+ and Mitigation, OCCD)

Secretary: Eunice Dus (Policy Analyst, REDD+, OCCD)

PURPOSE

To inform the REDD+ Technical Working Group members on the key points of the fourteenth (14th) meeting held on August 22, 2010 with representatives of the United Nations Development Programme (UNDP), AusAID, European Union (EU), JICA, Department of Treasury, PNG Forest Industries Association (PNGFIA), Papua New Guinea Forest Authority (PNGFA), Office of Climate Change Development (OCCD), World Wide Fund for Nature (WWF), ECO-Forestry Forum (EFF), Department of Lands and Physical Planning (DLPP) and McKinsey.

Attendance: Paul Rame (OCCD), Martin Baal (OCCD), Danny Nekitel (OCCD), Eunice Dus (OCCD), Peta Mills (AusAID), Ellen Hau-Pati (AusAID), Clement Bourse (EU), Amos Goodwil (PNGFA), Gabriel Samol (PNGFIA), Steve Nicholls (UNDP), Stanley Wapot (UNDP), Kiren Andrew (Treasury), Thomas Paka (EFF), Justine Ondopa (EFF), Senson Mark (EFF), Matt Leggett (WWF), John Yareki (DLPP), Nesaki Shun (JICA)

Members Absent: Gewa Gamoga (PNGFA), Felix Bablis (NRI), Karen Hiawalyer (DNPM), Daniel Kereka (DNPM), Douglas Maip (DNPM), Iruna Rogakila (DLPP), Timothy Mais (treasury), Udai Pal (NARI), John Demerua (NARI), John Michael (DEC), Barbara Lokes (UPNG Remote Sensing), Ross Sinclair (WCS), Kevin Samuel (Finance), Alex Kana (DPLGA), Cecily Kome (Finance), James Sabi (DEC), Harry Rei (ORD), Thomas Viot (EU), Simon Saulei (FRI/PNGFA), Roy Banka (WWF), Shun Nesaki (JICA), Toru Gomi (Forestry Agency of Japan), Wataru Yamamoto (RECS), Masamichi Haraguchi (Kokusai Kogyo), Hiroki Miyazono (JICA), Stephen Rambe (ORD), Donald Hehona (Treasury), Ben Ngava (Live & Learn), Anjali Brown (Live & Learn), Ian Orrel (OPRA)

AGENDA

1. Opening – Meeting Objective
 - Debrief from 3rd NCCC meeting
2. **REDD+ safeguard criteria and approval process**
3. **National Joint Program (NJP)**
4. Any other business (AOB)
5. Next steps and way forward

Expected outcomes of the meeting

- Compile final input for REDD+ safeguard criteria and approval process before the 4th NCCC meeting
- Conduct validation meeting on PNG UN-REDD National Joint Programme (NJP) document and integrate input from stakeholders

SUMMARIES OF KEY AGENDA DISCUSSION

1. Opening with member's introduction
2. **Debrief from 3rd NCCC meeting held on the 27th of August, 2010.**

The following were decisions reached in the NCCC meeting

- i) OCCD Corporate Plan
 - NCCC approved the OCCD vision, mission and work plan
 - NCCC approved the OCCDs departmental priorities for 2010
- ii) National Consultation Technical Working Group (TWG)
 - NCCC approved the National TWG and agreed to actively participate and support the TWG
- iii) OCCD Budget
 - NCCC approved the OCCDs budget for 2011
 - NCCC noted and supported the required adjustment for the 2010 budget
- iv) MRV
 - Approved the Request for Expression of Interest for a PNG MRV system

Request: AusAID enquired if a copy of the OCCD's budget and corporate plan could be shared as a means to see the Government of PNG's/OCCD's funding priorities for 2011.

3. **REDD+ safeguard criteria and approval process**
 - Safeguard criteria and REDD-plus guidelines critical to ensure the quality and transparent of REDD-plus activities in PNG;
 - Proposed criteria and process are designed to accommodate different types of projects through a flexible mechanism, as not all projects are similar in scope, or focus.
 - Safeguards include a set of 'must have' criteria which need to be met by all REDD-plus demonstration activities

- So far, written comments have been received from only 2 NGOs
- Safeguard criteria to be distributed for final comments by 28th September, 2010 to ensure they can be integrated into the next NCCC meeting where the safeguards will be discussed

Comments:

EFF (Thomas) - Highlighted the importance of safeguarding the interests of the people, and incorporating biodiversity

4. UN-REDD NJP

- Objectives of NJP : -
 - To refine and implement a full MRV roadmap for PNG that will drive country actions to obtain a fully operational monitoring system by the end of 2012
 - To supports PNG's overall REDD framework and readiness efforts.
 - Activities under the NJP are to be closely linked to and implemented with the additional support of AusAID, JICA, the WB-FCPF and other development partners
- Outcomes of the UN-REDD NJP (*see attached Powerpoint slides for the more detailed presentation material used during the meeting*)
 - i. Readiness management arrangements in place
 - ii. National MRV system developed
 - iii. Historical drivers of deforestation assessed
 - iv. Monitoring of abatement concepts supported
 - v. Stakeholders aware of REDD-plus activities and opportunities in PNG

Comments on UN-REDD NJP

The NJP, particularly the programme outcomes, were approved by participants in principal. But some specific comments were raised which are summarized below. It was agreed that additional comments to the NJP, which had been distributed by email to all TWG members on September 17, would be submitted by participants by Monday, September 27, 2010 for the submission on October 1. [Comments from non-GoPNG organizations were received from Steve Nicholls – UNDP, the Government of Australia, and PNGFIA]

UNDP – Asked for a clarification on the difference between the components of the original NJP draft from 2009 and the current draft.

Response: The current version of the NJP builds on, but moves beyond the scope of the 2009 draft NJP. The 2009 draft focused on the preparation of a national REDD plan, particularly through institutional capacity support, the assessment of information needs for key building blocks of REDD, and stakeholder engagement processes. MRV played a more limited role. Since then, the Government has made tremendous progress in furthering REDD readiness activities, thereby covering many of the focus areas of the previous 2009 draft NJP with own efforts. A Climate-Compatible Development Strategy and Interim Action Plan now clearly spell out the risks, opportunities and immediate priorities related to climate change on which the

UN-REDD NJP builds. With the establishment of our new Office, we now also have the institutional framework in place to effectively manage UN-REDD NJP.

PNGFA – Raised concerns about the previous draft and earlier process that had resulted in a temporary suspension of the programme.

Response: At the time that the previous draft was discussed, the UN agencies and GoPNG could not reach full alignment on the priorities of the UN-REDD NJP. As a consequence, it was decided to put on hold PNG's UN-REDD process until the NJP could more effectively contribute to PNG's climate-change efforts.

PNGFIA – The document is technically incorrect in some places. These technical errors need to be fixed, e.g., sustainable national annual cut should be 3.9 million m³ p.a., not 3.0 million m³; the reference to the Forest Resource Inventory is unclear, is this to be done by PNGFA or OCCD? What is it referring to? We have not had any inventory of such (we need to be careful & correct in what we say) Further clarification is required how the existing FRI sample plots would serve carbon stock measurements as the plots had been set up for a different purpose. DEC should be mentioned in the report. The full list of comments and errors will be provided separately.

EFF – Seconded those comments and highlighted that linkages to biodiversity are important.

WWF – Overall report OK, but individual aspects, e.g. around the Climate-Compatible Development Strategy (CCDS), should be addressed. One example is the focus on Reduced Impact Logging for abatement concepts which has received criticism from WWF and others for sending the wrong signal on logging in the past. The strong focus on MRV should also be clarified, and how it supports the broader REDD-plus readiness agenda. Should other items like enforcement in the forest sector and land use planning also be integrated?

Response: The focus on MRV has been chosen particularly because the UN-REDD NJP offers the opportunity to comprehensively address this very critical element of REDD readiness efforts in PNG. GoPNG is complementing the NJP with own efforts in other areas of REDD readiness and also seeking additional support from other development partners. The NJP will be updated to reflect the comments to ensure that a) it allows for enough flexibility to incorporate changes of the CCDS through the consultation process, and b) to better explain linkages to other REDD readiness efforts.

UNDP – Asked for the link of Japan's (JICA) support to PNGFA to the NJP's MRV component.

Response: To establish a satellite monitoring system and remote sensing center at PNGFA. The project focuses on hardware and software, and not on technical system. The NJP will complement these efforts and ensure that JICA's support is fully integrated into the broader MRV work that the NJP supports.

PNGFA – Asked for clarification on the process for submitting the NJP.

Response: - The deadline for submission to the 5th Policy Board on November 4-5, 2010 is October 1st. In order to allow for enough time for integration into the document and approval by the National Climate Change Committee, comments need to be submitted by Monday, September 27, 2010

PNGFIA – Pointed out that the OCCD should be relying less on technical advice in its work in general, and the preparation and presentation of the UN-REDD submission in particular.

Response: It was pointed out that the OCCD is a young office and still in a phase of capacity building and transition, but ramping up quickly. Technical assistance and capacity building support had specifically been sought for this phase of organizational development, in which the OCCD is developing increasing capacity and capability to effectively manage and coordinate all climate change matters in PNG. In addition, the Director MRV and Senior Analyst MRV were not able to attend the meeting and present the MRV focus due to a stakeholder consultation commitment in Manus.

PNGFIA - Pointed out that the role of DEC in managing and overseeing PNG's forests should be highlighted more prominently.

UNDP (S. Nicholls) – Emphasized the same notion that DEC is not mentioned in the draft NJP.

WWF- Efforts in PNG need to urgently address a National Land-use Management Plan. Land-use is important in REDD+ scenario - how do we enforce to monitor values of land-use? How do we adequately address land availability, food security?

AusAID – Seconded this notion, highlighting that the lack of a National Land-use Plan is mentioned in many meetings across sectors and topics.,

DLPP – New to technical aspects of climate change; but interested in following up on the land-use questions. Requires additional understanding of the OCCD's priorities to understand linkages to DLPP's land use policy. Asked for additional material on the topic to be sent to the Chief Policy/Planning of DLPP. (Apologies for not having been able to attend previous meetings)

PNGFA Questioned anticipated start/end date is 1 Dec 2010 – 31 Dec 2013. Chapter 8 outlines that UN-REDD is designed until 20th June 2012 only. Is the NJP therefore in the timeframe?

Response: Start/end dates were discussed with FAO, but the OCCD will follow up to clarify.

5. Any other business (AOB)

- AusAID presented a preliminary date for an OCCD study tour to Indonesia from 11 – 16 November, 2010, for PNG to meet and learn how Indonesia is setting up REDD+ activities. OCCD to confirm date with AusAID.
- JICA sought clarification on who would attend the Interim REDD+ Partnership meeting in Nagoya from PNG. The OCCD will look into the issue and clarify
- PNGFIA brought up two new submissions to the UNFCCC by Australia and Indonesia on A/R under CDM. The OCCD will follow up and
- EFF suggested a stronger presence of the new OCCD at international UNFCCC meetings..

6. Next steps and way forward

7. Closing of the TWG meeting 11:30am

8. Next Meeting Date – OCCD will confirm with all members in the near future; preliminary meeting date 20 October 2010.

My name

5/10/10



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MEETING MINUTES

REDD+ Technical Working Group meeting to discuss changes made in UN-REDD NJP, different stakeholder comments on the NJP and answer any open question.

October 13, 2010
10 – 11am
Secretary’s Conference Room, 7th Floor, Somare Foundation

Chairman: Sebastian (Advisor to OCCD) in absence of Paul Rame (Director)
Secretary: Eunice Dus (Policy Analyst, REDD+, OCCD)

PURPOSE

To update the REDD+ Technical Working Group members on the UN-REDD NJP document presented to the UN-REDD Secretariat and to view and voice comments on NJP.

Attendance: Martin Baal (OCCD), Eunice Dus (OCCD), Peta Mills (AusAID), Ellen Hau-Pati (AusAID), Stanley Wapot (UNDP), Gwen Maru (UNDP), Kiren Andrew (Treasury), Tanya Zeriga (WCS), Ian Orrel (OPRA), Sebastian Schienle (McKinsey & Company)

Members Absent: Gewa Gamoga (PNGFA), Felix Bablis (NRI), Karen Hiawalyer (DNPM), Daniel Kereka (DNPM), Douglas Maip (DNPM), Iruna Rogakila (DLPP), Timothy Mais (treasury), Udai Pal (NARI), John Demerua (NARI), John Michael (DEC), Barbara Lokes (UPNG Remote Sensing), Ross Sinclair (WCS), Kevin Samuel (Finance), Alex Kana (DPLGA), Cecily Kome (Finance), James Sabi (DEC), Harry Rei (ORD), Thomas Viot (EU), Simon Saulei (FRI/PNGFA), Roy Banka (WWF), Shun Nesaki (JICA), Toru Gomi (Forestry Agency of Japan), Wataru Yamamoto (RECS), Masamichi Haraguchi (Kokusai Kogyo), Hiroki Miyazono (JICA), Stephen Rambe (ORD), Donald Hehona (Treasury), Ben Ngava (Live & Learn), Anjali Brown (Live & Learn), Clement Bourse (EU), Amos Goodwil (PNGFA), Gabriel Samol (PNGFIA), Steve Nicholls (UNDP), Thomas Paka (EFF), Justine Ondopa (EFF), Senson Mark (EFF), Matt Leggett (WWF), John Yareki (DLPP), Nesaki Shun (JICA)

AGENDA

1. Opening – Welcome Note
 - Meeting Objective
- 2. UN-REDD National Joint Program (NJP) submission**
3. Comments/questions on UN-REDD NJP submission
4. Next steps and way forward

Expected outcomes of the meeting

- Clear understanding on the UN-REDD NJP submission and the integration of comments
- Build a clear understanding and relationship between all stakeholders

SUMMARIES OF KEY AGENDA DISCUSSION

1. Opening with welcoming members and stating the objectives of the meeting.

Objectives: a) update the UN-REDD NJP submission
b) view and voice the comments made by different stakeholders

- 2. UN-REDD National Joint Program (NJP) submission**

The UN-REDD NJP was formally submitted on the 1st of October, 2010. The NJP was submitted through the UN Resident Coordinator to UN-REDD Secretariat and the UN-REDD Secretariat is currently conducting review and translation of the document. The document will be brought up in the 5th UN-REDD Policy Board meeting on 4th – 5th November.

The submitted UN-REDD NJP document integrated feedback from a range of stakeholders including PNGFIA, Government of Australia/AusAID, Steve Nicholls with UNDP and UNEP, UNDP and FAO. Comments and feedback were particularly integrated from PNGFA and DAL while all NCCC members endorsed the UN-REDD NJP submissions. The final version of the UN-REDD NJP document is presented today in this meeting and was also circulated in the last few days. It includes an updated version of the minutes of REDD+ TWG Meeting 14 integrating comments made by Gabriel Samol, PNGFIA and Thomas Paka, EFF.

Objectives

The objectives of the NJP was highlighted in the 14th REDD+ TWG Meeting, however, is presented again (see power point pages attached).

Priority Actions

Presented on page/slide 3:

- Establishment of OCCD and recruitment of staffs. OCCD staff planned for involvement in a few capacity building activities including workshops, learning/training sessions, etc. OCCD supported by consultants – McKinsey and

secondment positions which is, 1) a MRV shadow Director working very closely with the Director, and 2) Program Manager who implements and oversees programs under the NJP.

- OCCD and stakeholders working on policy framework and development
- OCCD and partner stakeholders both government, NGOS and civil society groups had a good feedback on REDD+ and climate change issues/topics presented at the first provincial consultation in Manus. Feedback posted on national daily papers, Post Courier and National in the past two days. Envisaged budget towards Stakeholder Consultation is K4.5m by GoPNG
- MRV is the highlighted priority action for PNG because it is seen as an opportunity to drive MRV forward. Donors like JICA supporting MRV through PNGFA.

AusAID enquired if a copy of the OCCD's budget and corporate plan could still be shared as a means to see the Government of PNG's/OCCD's funding commitment and priorities for 2011.

Outcomes

The outcome of UN-REDD NJP submission compared to last year 2009 submission has not changed much. Page/Slide 5 and 6 of presentation (attached) highlights the differences. Outcome 1 and 5 are same but 2, 3 and 4 have changed or are addressed under different outcome. MRV is the focus of the current submission (2010 UN-REDD NJP) with a large budget while the other outcomes are slightly less compared to 2009 submission.

Governance Structure

The structure and function of the NJP is closely tied to existing bodies that closely involve different GoPNG departments (e.g, PNGFA, DEC, DAL, etc.) and stakeholders OCCD is responsible for Programme Management in climate change while working closely with other stakeholders. Most decisions will be made by the REDD TWG who is the Programme Management committee.

Management Arrangement

The Programme Management Team for UN REDD NJP will be lead by the OCCD Executive Director as Programme Director, assisted by Program Deputy Director who will be the OCCD Director for REDD+ and Mitigation. The support staff to the Program Director and Deputy Director is the Programme Manager (position to be funded by NJP) plus OCCD Divisions, REDD+ and Mitigation and MRV and National Communication. The Programme Management Committee is the REDD+ TWG including the UN agencies involved in the NJP. The Programme Executive Board (PEB) is co-chaired by the PNGFA Managing Director and the UN Resident Coordinator. Members of the PEB include PNGFA Managing Director, UN Resident Coordinator, NCCC members, UN REDD UN agencies and representatives of civil society and private sector.

3. Questions and comments on UN-REDD NJP submission

The UN-REDD NJP was formally submitted on the 1st of Oct, 2010, to the UN-REDD Secrerariat integrating all comments made by different stakeholders. But some open questions were asked for comments which are summarized below. It was agreed that additional comments to the NJP, will be noted and where possible OCCD will push to voice some major important concerns to UN-REDD

team. [Questions and comments from non-GoPNG organizations were received from Ian Orrel – OPRA, the Government of Australia]

OPRA – Raised concerns that about 4.2million hectares of agricultural leases were gazetted under lease-lease back arrangements to 3rd parties, where about 1.6 million hectares were gazetted in the last two weeks. In many cases, these agriculture lease projects use company names including ‘oil palm’ to imply benefits to landowners similar to oil palm projects in Kimbe, but have shown little agriculturally development so far. It is noted that agriculture leases are very important and may undermine any REDD+ activities, if not addressed. Under current lease-lease-back arrangements to 3rd parties, benefits under any benefit sharing arrangement would risk accruing to lease holders (foreign investors) rather than the indigenous population. Accordingly, agricultural leases should be at least mentioned in the NJP’s risk matrix and need to be addressed by the OCCD.

Response: Agriculture leases have indeed been overlooked in the risk matrix. This will be adjusted before the NJP is signed. Other than that, the REDD+ TWG and Agriculture Sub-working Group (ASWG) will continue to work on this issue. It was also mentioned that the ASWG is still pending the appointment of a new chair.

OPRA – Proposed that if chair is undecided at the moment, that former chair Martin Barl, now OCCD, would continue as deputy chair until a chair is appointed.

Response: Martin said to think about it.

OPRA – Asked for the participation of UPNG in a MRV system whether it is a single contract or overall for whole MRV actions.

Response: UPNG positively responded to participation in MRV.

UNDP – Raised concerns about the relationship of NGOs, especially EFF regarding complaints made by some NGOs on OCCD lack of response, that not enough time was given for comments to be made. It was suggested that OCCD must talk to EFF and clarify the cloudiness of misunderstanding between the NGOs and OCCD.

Response: EFF had been invited to the TWG meeting also, but did unfortunately not attend. OCCD to follow up again and seek comments from EFF before October 21 when final comments have to be submitted to UN-REDD Secretariat before the Policy Board meeting.

WCS – raised concerns that dispute resolution mechanism is very important when dealing with land issues, however it is noted that the NJP document does not mention anything on the dispute resolution, should it arise, in the priority actions.

Response: Dispute resolution mechanisms should be addressed also in the envisaged Benefit Sharing Mechanism Study to be carried out outside the scope of the NJP.

Gabriel Samol, PNGFIA – Sent his apologies and submitted additional comments emphasizing that:

- *The proposed program must be capable of being implemented by staff of OCCD and other domestic agencies, and the development and acquiring of appropriate skills by the national staff of OCCD in particular and other agencies is absolutely critical*
- *To ensure effective implementation some months and years for the date of proposal, PNG, home grown expertise are fully involved in the preparation, monitoring, evaluation of progress etc*
- *PNG must slowly move away from dependence on foreign consultants and advisors*
- *For each anticipated output, one should be able understand and foresee from start to finish all aspects (legal, social technical, policy legislative requirements etc) before implementation*
- *OCCD has no legal and legislative powers at this stage and in the foreseeable future and there seem to be no priority is given to this area under the project*

Meetings around the country and internationally

1. Next week , an economic sector meeting in Milne Bay where OCCD has slot in climate change
2. End of Oct, there will be a provincial consultation on REDD+ projects in West New Britain
3. PNGFA will also attend a forestry meeting in Milne Bay next week and also in Goroka the following week which OCCD may be part of
4. Early November EFF will host a road show on climate change o-hosted by OCCD in East New Britain

**Annex 2 –
NCCC Business Paper
'PNG UN-REDD National Programme'**



**OFFICE OF CLIMATE CHANGE
AND DEVELOPMENT (OCCD)**

NATIONAL CLIMATE CHANGE COMMITTEE

24th September 2010

BUSINESS PAPER – PNG UN-REDD National Joint Programme

NATIONAL CLIMATE CHANGE COMMITTEE

BUSINESS PAPER FOR CIRCULAR APPROVAL

**SUBJECT: SUBMISSION OF THE PNG UN-REDD NATIONAL JOINT PROGRAMME TO THE
UN-REDD POLICY BOARD**

PURPOSE

- To update the Committee of the progress on the UN-REDD National Joint Programme (NJP)
- To ask for the Committee's approval of the NJP for submission to the 5th UN-REDD Policy Board

RECOMMENDATIONS

- That the Committee approves the PNG UN-REDD NJP.

FACTS AND CONSIDERATIONS

The UN-REDD Programme is the United Nations Collaborative initiative on Reducing Emissions from Deforestation and forest Degradation (REDD) in developing countries. The Programme was launched in September 2008 to assist developing countries prepare and implement national REDD+ strategies, and builds on the convening power and expertise of the Food and Agriculture Organization of the United Nations (FAO), the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP).

Papua New Guinea is one of nine pilot countries that the UN-REDD Programme currently supports. After a year of only limited progress, the OCCD, in collaboration with GoPNG and civil society stakeholders, has prepared a submission to the 5th UN-REDD Policy Board on 4-5 November 2010.

The NJP's focus is to help PNG develop a MRV system that would enable the country to transparently monitor GHG emissions from deforestation as a key component of REDD+ readiness. The NJP targets the following 5 outcomes for the programme period 2010-13:

- REDD+ readiness management arrangements are in place.
- A National MRV system has been developed in an open and transparent procurement process.
- Historical drivers of deforestation have been assessed.
- The monitoring of abatement concepts is supported.
- Stakeholders are aware of REDD-plus activities and opportunities in PNG.

A multi-stakeholder validation meeting was held on 22 September 2010 as part of the REDD+ Technical Working Group. At that meeting, members of the REDD+ Technical Working Group approved the NJP with some technical comments that are currently being integrated into the draft. In order for the NJP to be considered by the UN-REDD Policy Board, the submission has to be received by 1 October 2010 and is now awaiting final approval from the Committee.

FINANCIAL IMPLICATIONS

Approval of the PNG's NJP by the UN-REDD Policy Board would make available funding for REDD+ readiness activities, particularly a Measurement, Reporting and Verification system for greenhouse gas emissions from land use, land-use change and forestry, of USD 5,970,920, to be administered by participating UN agencies (FAO and UNDP).

LEGAL IMPLICATIONS

None.

PLANNING IMPLICATIONS

Once approved, implementation of the joint programme will be closely coordinated and planned jointly with GoPNG stakeholders.

POLITICAL IMPLICATIONS

Views of the Secretaries will be sought in the meeting.

VIEWS OF THE OCCD


The OCCD recommends these measures.

ANNEXES

- ANNEX I – PNG UN-REDD National Joint Programme


Committee's Decision;

Members approve the PNG UN-REDD National Joint Programme for submission to the 5th Policy Board by 1 October 2010.



Mr. Manasupe Zurenuoc
Acting Chief Secretary

Approved
 Rejected

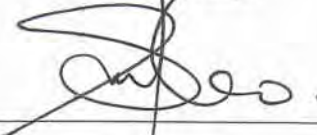


Ms Margaret Elias
Secretary
Department of Prime Minister & NEC

Approved
 Rejected

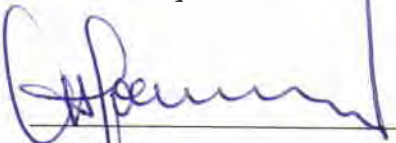
Dr. Wari Iamo
Acting Executive Director
Office of Climate Change
and Development

Approved
 Rejected



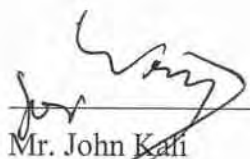
for Dr. Lawrence Kalinoe
Secretary
Department of Justice and
Attorney General

Approved
 Rejected



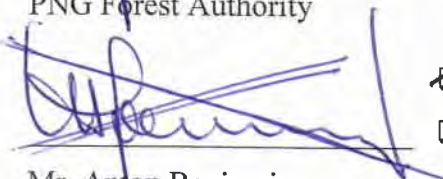
Mr. Kanawi Pouru
Managing Director
PNG Forest Authority

Approved
 Rejected



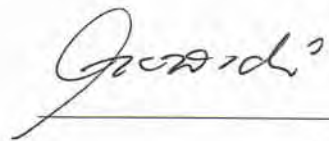
for Mr. John Kafi
Secretary
Department of Personnel Management

Approved
 Rejected



Mr. Anton Benjamin
Secretary
Department of Agriculture
and Livestock

Approved
 Rejected




Mr. Simon Tosali
Secretary
Department of Treasury

Approved
 Rejected



Mr. Pepi Kimas
Secretary
Department of Lands &
Physical Planning

Approved
 Rejected



Mr. Joseph Lelang
Secretary
Department of National Planning and
Monitoring

Approved
 Rejected

Mr. Rendle Rimua
Secretary
Department of Petroleum & Energy

Approved
 Rejected

Mr. Sylvester Pokajam
Managing Director
National Fisheries Authority

Approved
 Rejected

Committee's Decision;

Members approve the PNG UN-REDD National Joint Programme for submission to the 5th Policy Board by 1 October 2010.

Approved

Approved

Rejected

Rejected

Mr. Manasupe Zurenuoc
Acting Chief Secretary

Ms Margaret Elias
Secretary
Department of Prime Minister & NEC



Approved

Approved

Rejected

Rejected

Dr. Wari Iamo
Acting Executive Director
Office of Climate Change
and Development

Dr. Lawrence Kalinoe
Secretary
Department of Justice and
Attorney General

Approved

Approved

Rejected

Rejected

Mr. Kanawi Pours
Managing Director
PNG Forest Authority

Mr. John Kali
Secretary
Department of Personnel Management

Approved

Approved

Rejected

Rejected

Mr. Anton Benjamin
Secretary
Department of Agriculture
and Livestock

Mr. Simon Tosali
Secretary
Department of Treasury

Approved

Approved

Rejected

Rejected

Mr. Pepi Kimas
Secretary
Department of Lands &
Physical Planning

Mr. Joseph Lelang
Secretary
Department of National Planning and
Monitoring

Approved

Approved

Rejected

Rejected

Mr. Rendle Rimua
Secretary
Department of Petroleum & Energy

Mr. Sylvester Pokajam
Managing Director
National Fisheries Authority

Committee's Decision;

Members approve the PNG UN-REDD National Joint Programme for submission to the 5th Policy Board by 1 October 2010.

Approved

Approved

Rejected

Rejected

Mr. Manasupe Zurenuoc
Acting Chief Secretary

Ms Margaret Elias
Secretary
Department of Prime Minister & NEC

Approved

Approved

Rejected

Rejected

Dr. Wari Iamo
Acting Executive Director
Office of Climate Change
and Development

Dr. Lawrence Kalinoe
Secretary
Department of Justice and
Attorney General

Approved

Approved

Rejected

Rejected

Mr. Kanawi Pouru
Managing Director
PNG Forest Authority

Mr. John Kali
Secretary
Department of Personnel Management

Approved

Approved

Rejected

Rejected

for J. Benjamin

Mr. Anton Benjamin
Secretary
Department of Agriculture
and Livestock

Mr. Simon Tosali
Secretary
Department of Treasury

Approved

Approved

Rejected

Rejected

Mr. Pepi Kimas
Secretary
Department of Lands &
Physical Planning

Mr. Joseph Lelang
Secretary
Department of National Planning and
Monitoring

Approved

Approved

Rejected

Rejected

Mr. Rendle Rimua
Secretary
Department of Petroleum & Energy

Mr. Sylvester Pokajam
Managing Director
National Fisheries Authority

Committee's Decision;

Members approve the PNG UN-REDD National Joint Programme for submission to the 5th Policy Board by 1 October 2010.

- Approved
 Rejected

Mr. Manasupe Zurenuoc
Acting Chief Secretary

- Approved
 Rejected

Dr. Wari Iamo
Acting Executive Director
Office of Climate Change
and Development

- Approved
 Rejected

Mr. Kanawi Pours
Managing Director
PNG Forest Authority

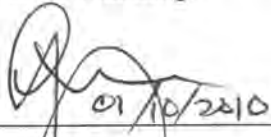
- Approved
 Rejected

Mr. Anton Benjamin
Secretary
Department of Agriculture
and Livestock

- Approved
 Rejected

Mr. Pepi Kimas
Secretary
Department of Lands &
Physical Planning

- Approved
 Rejected

for  01/10/2010

Mr. Rendle Rimua
Secretary
Department of Petroleum & Energy

- Approved
 Rejected

Ms Margaret Elias
Secretary
Department of Prime Minister & NEC

- Approved
 Rejected

Dr. Lawrence Kalinoe
Secretary
Department of Justice and
Attorney General

- Approved
 Rejected

Mr. John Kali
Secretary
Department of Personnel Management

- Approved
 Rejected

Mr. Simon Tosali
Secretary
Department of Treasury

- Approved
 Rejected

Mr. Joseph Lelang
Secretary
Department of National Planning and
Monitoring

- Approved
 Rejected

Mr. Sylvester Pokajam
Managing Director
National Fisheries Authority

**Annex 3 –
Secondment position of a ‘technical assistant’
to the OCCD Director MRV and National
Communication – Description**



OFFICE OF CLIMATE CHANGE AND DEVELOPMENT (OCCD)

– OFFICE OF THE EXECUTIVE DIRECTOR –

Telephone: (675) 325 0180
 Facsimile: (675) 325 0182
 Email: officesec@dec.gov.pg

Level. 7 Somare Foundation
 P O Box 6601
 BOROKO, NCD

Technical Assistant – MRV & National Communication

<u>Reports to:</u>	Director MRV & National Communication
<u>Status/period</u>	Temporary position (12 months with possible extension)
<u>Location:</u>	Office of Climate Change and Development, Port Moresby
<u>Special conditions:</u>	Frequent travel to Provinces will be required


Background

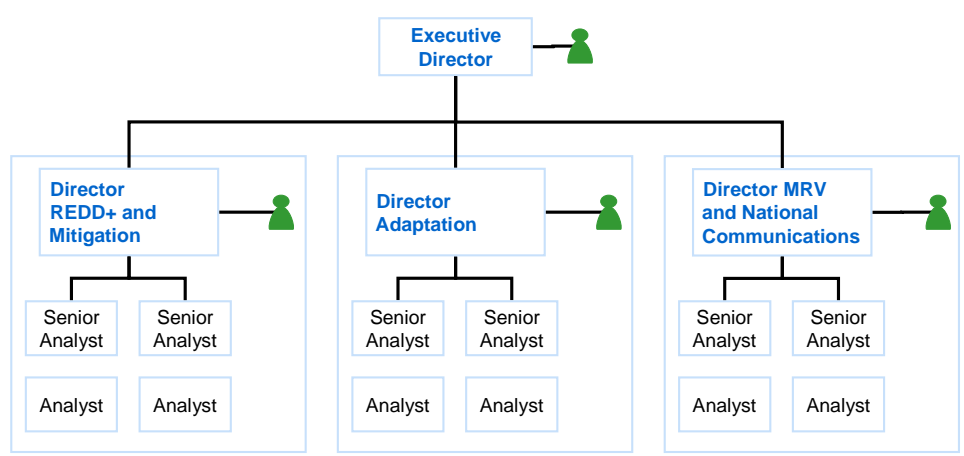
The OCCD leadership team includes the Executive Director and 3 Directors of the respective division. All 4 positions have been filled with highly qualified individuals. Given the complexity of their tasks combined with generally low capacity levels within PNG, it is expected that Directors will spend significant amounts of their time on logistical and process work.

To increase the efficiency and effectiveness of the OCCD leadership team over the next 12 months the Office is looking for international technical assistants to support the 3 Directors and potentially the Executive Director.

EXHIBIT 1

Technical assistants in OCCD's structure

 Technical Assistant



Objective

Increase the effectiveness and efficiency of the OCCD Director by

- Freeing up the Director's time otherwise spent on logistical and process work
- Supporting the Director with his day-to-day tasks
- Coaching the Director with best practice process and project management skills

Role / job specifications

Meeting management: setup meetings, prepare agenda/documents/minutes, ensure follow up

Process management: keep track of Director's action items, ensure strict follow-up

Coaching: provide Director with immediate feedback and act as sounding board

Build capacity: codify and share insights, train successor

Accountability & working relationship

The Technical Assistant will report directly to the Director MRV & National Communication and will be fully embedded into the OCCD organization.

Qualifications

Academic: Minimum bachelor degree from an internationally renowned university

Work: Minimum of 2 year work experience in a private or public sector role requiring good process and project management. Content knowledge on MRV, National Communication and/or stakeholder engagement processes a plus.

Personal skills: Self driven and motivated by "helping individuals improve themselves"

**Annex 4 –
National Programme Manager –
Draft Terms of Reference**



OFFICE OF CLIMATE CHANGE AND DEVELOPMENT (OCCD)

– OFFICE OF THE EXECUTIVE DIRECTOR –

Telephone: (675) 325 0180
Facsimile: (675) 325 0182
Email: officesecc@dec.gov.pg

Level. 7 Somare Foundation
P O Box 6601
BOROKO, NCD

PNG UN-REDD National Programme Manager

<u>Reports to:</u>	Deputy National Programme Director (DNPD)
<u>Status/period</u>	Temporary position (12 months with possibility for extension)
<u>Location:</u>	Office of Climate Change and Development, Port Moresby
<u>Special conditions:</u>	Frequent interaction with other stakeholders in Government, UN agencies, civil society and the private sector required

Background

The PNG UN-REDD National Programme (NP) aims to support the Government of PNG to further its efforts towards REDD readiness. The NP places heavy emphasis on the development of a Measurement, Reporting and Verification (MRV) system for PNG, as an important complement to PNG's domestic climate-change efforts. The NP will be managed and coordinated by the Office of Climate Change and Development, in close cooperation with other government agencies, particularly the PNG Forest Authority, and UN agencies. The NP will be implemented with the frequent consultation of a broad range of stakeholders including Government, civil society, the private sector and development partners.

Objective

The overall objective of the assignment is to ensure efficient and effective implementation of the PNG UN-REDD National Programme.

Role / job specifications

- Prepares and updates project work plans that are consistent with guidance provided by UN-REDD, and submits these to the Deputy National Programme Director (DNPD), National Programme Director (NPD) and UN agencies for clearance;
- Prepare and participate in quarterly work planning and progress reporting meetings with the DNPD, NPD, PMU, and UN agencies;
- Ensures that all agreements with implementing agencies are prepared, negotiated and agreed upon.

- Drafts TORs for key inputs (i.e. personnel, sub-contracts, training, procurement) and submits these to the DNP, NPD and UN agencies for clearance, and administers the mobilization of such inputs.
- With respect to external project implementing agencies/ sub-contractors:
 - Ensures that these agencies mobilize and deliver the inputs in accordance with their letters of agreement or contracts, and
 - Provides overall supervision and/or coordination of their work to ensure the production of the expected outputs.
- Assumes direct responsibility for managing the project budget by ensuring that:
 - Project funds are made available when needed, and are disbursed properly,
 - Expenditures are in accordance with the project document and/or existing project work plan,
 - Accounting records and supporting documents are properly kept,
 - Required financial reports are prepared,
 - Financial operations are transparent and financial procedures/regulations for NEX projects are properly applied; and
 - S/he is ready to stand up to audits at any time.
- Drafts project progress reports of various types and the Final Project Report as scheduled, and organizes review meetings and evaluation missions in coordination with UN agencies.
- Reports regularly to and keeps the NPD and UN agencies' PO's up-to-date on project progress and problems.

Accountability & working relationship

The Programme Manager will report directly to the Deputy National Programme Director and will be fully embedded into the OCCD organization. As such, administrative support will be supplied by OCCD, and where needed by UNDP officers (e.g. regarding contractual issues). The Programme Manager will also work closely with stakeholders from other relevant ministries/agencies, provincial and district DPAs, and bilateral and multilateral development partners.

Qualifications

Academic: Minimum bachelor degree from an internationally renowned university; Post graduate degree in Environmental Science, Natural Resource Management, Environmental Economics, or similar preferred.

Work: Minimum of 2 year work experience in a private or public sector role requiring good process and project management. Content knowledge on MRV and/or REDD-plus and conservation a plus.

Personal skills: Strong inter-personal skills, especially oral and written communication skills.

Language skills: Proficiency in both spoken and written English.

Computer skills: Good computer literacy, particularly proficiency with Microsoft Office; hands-on experience with data management and data analysis desired

**Annex 5 –
Request for Expression of Interest for the
Provision of MRV Services –
Terms of Reference**



**OFFICE OF CLIMATE CHANGE
AND DEVELOPMENT (OCCD)**

– OFFICE OF THE EXECUTIVE DIRECTOR –

Telephone: (675) 325 0180 Level 7 Somare Foundation
Facsimile: (675) 325 0182 P O Box 6601
Email: officesec@dec.gov.pg BOROKO, NCD

Request for Expression of Interest

Terms of Reference for the Provision of Measurement, Reporting
and Verification (MRV) Services

1. Context and background

The Government of Papua New Guinea is currently developing a Strategy for Climate-Compatible Development. A critical component of this strategy is to Reduce Emissions from Deforestation and Forest Degradation Plus Conservation, Sustainable Forest Management and Carbon Stocks Enhancement (REDD+). Papua New Guinea is taking a lead on REDD+ internationally by co-chairing the global Interim REDD+ Partnership that seeks to enshrine REDD+ as a viable development and climate change mitigation option for developing countries.

In parallel with its international leadership, the Government is now seeking to establish institutional foundations and develop its readiness for REDD+ domestically. National Executive Council Decision no. 55/2010 mandates the newly created Office of Climate Change and Development (OCCD) to coordinate the development of a national system for Measurement, Reporting and Verification (MRV) of greenhouse gas emissions from land use, land-use change and forestry (LULUCF). This system is a crucial enabler for the payments for ecosystem services that are at the heart of the REDD+ concept.

The government's Interim Action Plan for Climate-Compatible Development and subsequent work by the cross-departmental MRV sub-working-group identifies the following requirements for a national MRV system for LULUCF:

- A system to classify land use and land cover, and to monitor forest cover from remote sensing data;
- Regular forest, carbon and land surveys to estimate terrestrial carbon stocks, verify changes to local land use, and verify and corroborate the remote sensing-based system;
- The development of a comprehensive inventory of greenhouse gas (GHG) emissions from LULUCF for reporting purposes.

The OCCD, mindful that many of these capacities already exist or are being developed within Papua New Guinea, notably by the Papua New Guinea Forest Authority (PNGFA), the University of Papua New Guinea and others, is now inviting interested parties to submit their qualifications for the development of such an integrated system and/or the components of it. Parties should note that qualifications will be treated in strict compliance with the rules and procedures of the Central Supply and Tenders Board (CSTB). The OCCD intends to conduct a public tender, in accordance with the regulations of the Central Supply and Tenders Board, at a later date this year.

2. Objectives

The overarching goal is to develop a system for Measurement, Reporting and Verification of GHG emissions from LULUCF that allows Papua New Guinea to have timely information on emissions and emission savings from these sectors. Core components of the MRV system are to be housed in, and operated by, institutions within Papua New Guinea. The system for Measurement, Reporting and Verification should be designed to meet the following objectives:

- Provide regular updates of changes to land use and land cover, with particular focus on forest cover,
- Provide regular estimates of the resulting GHG emissions at the country, provincial and district levels, and provide annual updates to the inventory of greenhouse gases (GHGs) for reporting purposes;
- Enable the Executive Director of the OCCD as the Designated National Authority to report these figures to external organizations, including the UNFCCC and other parties as appropriate;
- Permit third parties inside and outside Papua New Guinea to review the figures and underlying data to verify their accuracy ;
- Develop the capacity and institutions to operate the MRV system in Papua New Guinea.

The system should also be capable of complementing and expanding Papua New Guinea's capacity to provide output on land cover change and forest conditions for national and international reporting processes such as the national State of the Forest Report and Forest Pan, the FAO Global Forest Resource Assessment and the Convention on Biodiversity. This would include, but not be limited to, an estimation of timber stocks, forest health, forest disturbances such as fire, landslide or storm damage, human activities such as timber harvesting (for industrial and domestic purposes, including fuelwood) and collection of non-timber forest products and the status and condition of biodiversity at site and landscape scales.

In providing these capacities, the system should as far as possible build on systems and capacities that already exist in Papua New Guinea today, as well as on ongoing efforts by the Government of Papua New Guinea, development partners and other organizations to develop additional capacity in areas related to the MRV system.

3. Policy and institutional requirements

Interested parties must specify:

- The elements of the system that they will provide themselves and the institutions that these will be housed in;
- The elements of the system that they will outsource to other organizations, including both those within and outside Papua New Guinea, mindful that the core elements of the system are to be housed in Papua New Guinea;
- Their intended collaboration with existing institutions in Papua New Guinea, including amongst others the National Climate Change Committee (NCCC), the OCCD, PNGFA, and the Forest Research Institute (FRI);
- The mechanism and frequency by which the system enables the OCCD (and other organizations as appropriate) to report to the Government, UNFCCC and others;
- The mechanism to ensure conformity to the National System for GHG reporting, particularly proper institutional, legal and procedural arrangements taken to allow the OCCD to report and to archive all information in a transparent, complete, consistent, comparable and accurate way and to ensure the quality of delivered information;
- The mechanisms by which the system would foster transparency at the national and international levels, including opportunities for verification by third parties;
- The technical and human capacities needed for each component of the system and how they propose to develop these capacities through training, coaching, and procurement of services from domestic and international providers.

4. Technical requirements

Interested parties must specify:

- The specifications of the following system elements:
 - 1) Activity data
 - Remote sensing, including sensors proposed with description of types (e.g., optical, radar, LIDAR), resolution and frequency of update, current coverage of Papua New Guinea, expected continuity and risk of failure of the proposed sensors, and classification and/or interpretation methodologies;
 - Ground surveys, including the proposed survey methodology and proposed coverage and frequency;
 - Accuracy assessment and uncertainty analysis of data ;
 - The financial and human resources required.

- 2) Expansion factors, data collection and analysis
 - How carbon stock and carbon stock change data are collected, and how non-CO₂ fluxes are measured
 - Systems (software and hardware) used for analysis
 - Accuracy assessment and uncertainty analysis of data
 - The financial and human resources required
 - 3) Data integration and reporting
 - How a national GHG inventory will be constructed and reported
 - System to be used for database management and creation of output
 - Examples of output generated (e.g., charts and maps)
 - Accuracy assessment and uncertainty analysis of data
 - The resources required (hardware, software, human etc.)
 - 4) Verification
 - Ability of other institutions to interrogate and verify data
 - Conformity of reporting system with IPCC and UNFCCC requirements
 - Ability of system to undergo audit by the UNFCCC
 - Accuracy assessment and uncertainty analysis of data
- The compliance of their system with the guidelines of IPCC, UNFCCC and other internationally accepted best practices
 - Their experience of applying this system in comparable contexts (e.g., countries with extensive, cloud-covered rainforests; countries with limited existing capacity to operate an MRV system in the public and private sectors)
 - The names, qualifications and experience of the technical staff and consultants who would be involved in developing the system in Papua New Guinea (including who would be based in the country permanently and who would be available part-time and as needed)
 - The relationship of the proposed MRV system to existing systems, databases and resources within Papua New Guinea, including in particular:
 - The Forest Monitoring System run by the PNG Forest Authority
 - The Remote Sensing Centre at the University of PNG
 - The Forest Research Institute

5. Format for submission

In order to be considered as potential supplier, interested parties should submit their Expression of Interest including the following information:

1. Brief presentation of the parties associated with the proposal;
2. Reference list demonstrating the qualifications of the interested parties for participating in this tender process. The referenced projects should be related to the same kind of services and highlight the applicability to the specific local conditions in Papua New Guinea;
3. An opinion on the key issues related to the establishment of the system for Measurement, Reporting and Verification, particularly
 - a. Compliance with policy and institutional requirements (see section 3 for details);
 - b. Compliance with technical requirements (see section 4 for details);
4. Preliminary timeline and budget for system development;
5. Contact information (full name and address, country, telephone and fax numbers, e-mail address, website and contact person);
6. Declaration of intent (see Schedule 1).

For clarifications, interested parties may obtain further information at the address below:

Office of Climate Change and Development (OCCD)
Director MRV and National Communication
P. O. Box 6601
Boroko, N.C.D
Papua New Guinea

Telephone: (675) 325 0180

Facsimile: (675) 325 0182

Email: gsissiou@dec.gov.pg

Interested parties are requested to submit their Expression of Interest in both hardcopy and electronic format, to be included on CD or submitted by email to gsissiou@dec.gov.pg. Complete Expression of Interest documents must be delivered to the address below by 1pm PNG time on 24 September 2010.

Office of Climate Change and Development (OCCD)
Office of the Executive Director
P. O. Box 6601
Boroko, N.C.D
Papua New Guinea

Alternatively, if hand delivered, documents must be delivered to:

Office of Climate Change and Development (OCCD)
Office of the Executive Director
Somare Foundation Building, Level 7
Corner of Sir John Guise Dr. and Independence Ave.
Waigani, N.C.D.
Papua New Guinea

The OCCD reserves the right to change or cancel the requirements at any time during the EOI and/or solicitation process. The OCCD also reserves the right to require compliance with additional conditions as and when issuing the final solicitation documents. Submitting a reply to a call for EOI does not automatically guarantee receipt of the solicitation documents when issued. Invitations to bid or requests for proposals and any subsequent purchase order or contract will be issued in accordance with the rules and procedures of the Central Supply and Tenders Board and the Public Finance (Management) Act.

SCHEDULE 1

Declaration of intent

I, _____, on behalf of
_____, do hereby
declare that all the information above is true and complete to the best of my knowledge and
ability.

Signed at _____ on this day the _____ 2010.

(Signature)

**Annex 6 –
REDD+ project guidelines –
Draft document**



REDD+ projects guidelines

Draft for public consultation



Government of Papua New Guinea

Office of Climate Change and Development
November 2010

Announcement

The present document is a draft for consultation.

Comments and feedback are encouraged and may be submitted to Ms. Eunice Dus at eunicejd@gmail.com, or:

Ms. Eunice Dus

Office of Climate Change and Development

c/- Department of Environment & Conservation

Somare Foundation Building, 7th Floor

P.O. Box 6001

Boroko

National Capital District

Phone: (675) 325 0180

Fax: (675) 325 0812

The deadline for submission is: **Friday, 7th January 2010.**

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Introduction

Climate change is both a threat and an opportunity for Papua New Guinea. Our greenhouse gas emissions are high relative to our level of development especially due to emissions from land use, land-use change and forestry (LULUCF) which account for over 95% of total emissions. Reducing emissions from avoided deforestation and forest degradation plus conservation, sustainable forest management and carbon stock enhancement (REDD+) has the potential to reduce 2030 emissions by approximately 60% to 80%¹ compared to business as usual.

The purpose of these guidelines is to ensure that Government-supported REDD+ activities have real emission reduction benefits and meet high standards of environmental, social and fiduciary safeguards and that projects are assessed in a transparent manner, based on criteria that are easily accessible by all stakeholders. The safeguard criteria will determine which REDD+ pilot projects and demonstration activities receive the support of the Government.

REDD+ projects under these guidelines are defined as any activity that specifically aims to develop, test and trial mechanisms that substantially and measurably reduce greenhouse gas (GHG) emissions by actively managing processes of avoided deforestation and forest degradation, enhancing forest carbon stocks, implementing sustainable forest management, afforestation and reforestation.

These guidelines were prepared by Office of Climate Change and Development (OCCD) and endorsed by the National Climate Change Committee (NCCC) and National Executive Council (NEC), drawing heavily on input from the multi-stakeholder REDD+ Technical Working Group.

In the short term, this preliminary version of the REDD+ project guidelines will be utilised to appraise proposals for REDD+ pilot projects and demonstration activities. They are intended to guide the evaluation process of responses to specific requests for proposals for REDD+ projects that the Government will issue and other pilot activities. As such, proponents will find them a good reference when compiling a proposal for consideration.

¹ See the Government of PNG's Interim Action Plan for Climate – Compatible Development

In the medium to long term, we hope that the lessons from the pilot and demonstration activities will contribute to an updated version of the guidelines, which will form the basis for participation of projects in the envisaged national REDD+ scheme. As an evolving document, these guidelines will continue to be updated and refined based on feedback and lessons learned during implementation.

PUBLIC CONSULTATION DOCUMENT

REDD+ project approval process

This section describes how proposals for REDD+ projects submitted by proponents are assessed and approved by the Technical Working Panel, and includes explanations on required documents, Technical Review Panel and stages of the evaluation process.

DOCUMENTS FOR SUBMISSION

There are two documents that need to be submitted by the project proponent to the Technical Review Panel through the OCCD to gain final approval for a project. Initially the proponent submits a project concept note and following the proponent submits a project design document.

Project Concept Note

Proponents submit a project concept note for early feedback from the Technical Review Panel. This will help the Technical Review Panel and project proponents to review the feasibility of a project and gain an understanding of how to take project forward.

The project concept note consists of an explanation of the project background, objectives, description and potential challenges and impact and is a maximum of 10 pages. Project proponents also have to briefly explain what they will do to fulfil mandatory criteria and what potential support is needed.

Project Design Document

The project design document is a more complete version of the project concept note and is submitted for assessment to the Technical Review Panel. In this document, project proponents are expected to provide a comprehensive picture of the project design as developed based on the feedback received on the project concept note. This document consists of not more than 80 pages.

For the initial assessment, the proponent must provide all of the mandatory criteria and suggest what additional criteria are applicable. To gain final approval, the proponent must explain any additional criteria requested during the initial assessment.

TECHNICAL REVIEW PANEL

A Technical Review Panel, chaired by the REDD+ Director and/or Senior policy analyst of the OCCD, assesses all project design documents. This 10-person panel includes the following members:

- Government (four members)
 - OCCD REDD+ Director and/or Senior policy analyst (**Chair**)
 - One representative from each relevant governmental organisation (i.e., Papua New Guinea Forest Authority (PNG FA), Department of Agriculture and Livestock (DAL), Department of Environment and Conservation (DEC))
- Non-governmental organisation (two members)
 - One representative from each of two non-governmental organisations (NGOs)
- Development partner (two members)
 - One representative from each of two development partners
- Private sector or industry experts (two members)
 - One representative from each of the agriculture and forestry sectors

The members of the Technical Review Panel are appointed by the REDD+ Technical Working Group for the duration of 12 months and are endorsed by the NCCC. To avoid a potential conflict of interest, no representative can evaluate a project that comes from his/her own organisation, or that the organisation supports. For instance, an NGO representative cannot evaluate a project from his/her NGO or that is supported by that NGO.

Based on its assessment, the Technical Review Panel prepares a recommendation for the NCCC, which grants final approval for a project. The OCCD supports the Technical Review Panel in preparing its recommendation to the NCCC, by having its REDD+ analyst conduct the initial assessment.

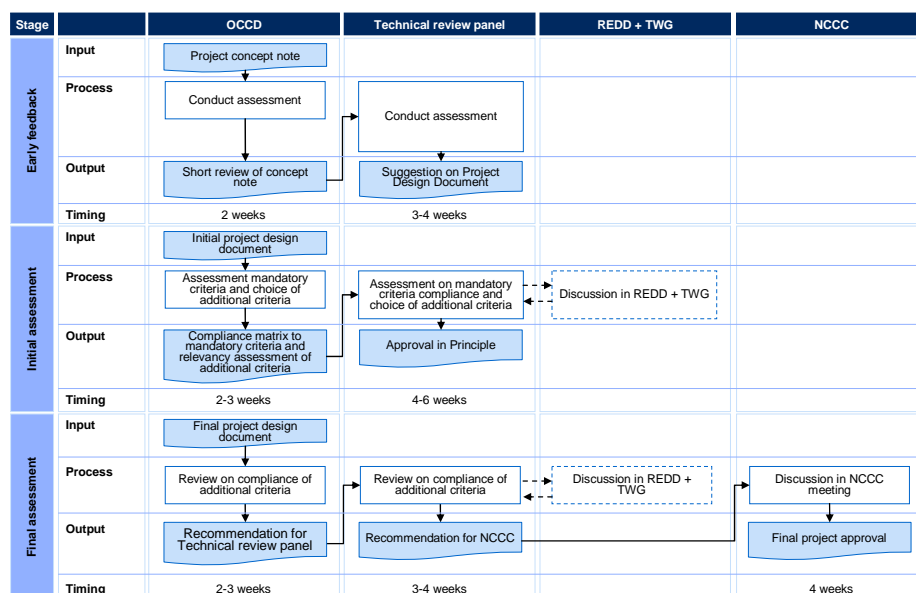
EVALUATION PROCESS

The evaluation process to assess a project's compliance with the REDD+ safeguards has three stages as shown in Exhibit 1, which are explained below.

EXHIBIT 1

REDD+ project approval process

Document Activity Optional activity



Early Feedback Stage

The early feedback stage allows proponents to receive feedback on a project concept note before submitting it formally for assessment against the safeguard criteria. Proponents can submit draft project concept notes to the OCCD for review or propose an informal meeting to discuss an idea for a project.. Proponents will be given advice on how to proceed to project design document if projects are considered good to be developed further. If not, project proponents will be asked to improve project concept note based on feedback and resubmit again.

Assessment Stage

During the assessment stage, the Technical Review Panel evaluates project concept notes and decides whether to approve projects based on the safeguard criteria. The process begins when project proponents submit project concept notes to the OCCD, following the steps outlined below.

Initial assessment

Regardless of the type and scope of the project, each proponent needs to show compliance with a set of mandatory safeguard criteria, which are uniform for

every type and scope of project. The proponent also needs to propose which additional criteria from the safeguards catalogue are most important and relevant for the scope and type of the project by deeming criteria either 'relevant' or 'not relevant' criteria will be relevant for large projects that have expansive scope. This customised list will form the basis for the final evaluation by the Technical Review Panel.

The Technical Review Panel will review the proposal's response to the mandatory criteria and the proposed categorisation of additional criteria. With the help of the OCCD, the Technical Review Panel will prepare a recommendation to the NCCC as a decision maker that will include the following:

- A compliance review for mandatory criteria including requests for additional information, where necessary
- A review and adjustment of the categorisation of safeguard criteria
- A review of the proposed process to meet 'relevant' criteria, including requests for additional information, where necessary

Based on this recommendation, the NCCC will decide whether: the project will be declined, the proponent will be asked to amend the proposal, or the project will be given 'approval in principle':

- Declined: Projects will be declined if they do not sufficiently address safeguard criteria
- Request to Amend: Proponents will be asked to amend proposals where not all mandatory criteria are met sufficiently. Proponents will be then given a period of up to four months to resubmit the proposal
- Approval In Principle: Proponents who receive Approval in Principle for a project will be expected to provide evidence for compliance with the criteria within agreed time

The status 'approval in principle' indicates to the project proponent that the project is in line with PNG's overall objectives for REDD+ and will be endorsed if and when compliance with all relevant safeguards is proven, thereby justifying the additional efforts to ensure compliance.

Project proposals that require amendments may proceed to the final assessment stage if both compliance with mandatory criteria and relevant non-mandatory criteria is demonstrated in the re-submission.

Final assessment

When projects have passed the initial assessment stage, proponents are expected to prepare additional information on the project's compliance with 'important' additional criteria before receiving final approval to begin with project implementation. This information is to be provided to the OCCD and the Technical Review Panel within the period of time specified in the original project approval, usually a period of six months.

Once received, the Technical Review Panel reviews the submission for final assessment and either approves the project or requests additional information, if the submission does not provide sufficient evidence for compliance with 'important' additional criteria. If a proponent is unable to submit a complete proposal within 18 months of receiving 'approval in principle', approval is revoked. Projects for which Approval in Principle was revoked can only be resubmitted as new concept notes for initial assessment.

In some cases, the Technical Review Panel will ask project proponents to present their project and safeguard measures to the REDD+ Technical Working Group to obtain a broader opinion.

Periodical Monitoring Stage

During project implementation, projects undergo annual compliance reviews. Project managers need to conduct measurement, reporting and verification activities at the project level and report annually to the OCCD.

REDD+ safeguard criteria

The purpose of safeguard criteria is to set standards of quality of REDD+ projects in Papua New Guinea, while meeting the following objectives:

- 1) Protect landowner rights and interests in REDD+ demonstration projects
- 2) Prepare projects for future performance-based payments from international REDD+ sources
- 3) Ensure compliance of projects with internationally accepted safeguards

The REDD+ safeguard criteria comprise 37 criteria in six categories. These criteria constitute the requirements for a REDD+ project in Papua New Guinea. Criteria are applied to proposals in stages, with different criteria and requirements at different stages, as explained in the REDD+ approval process. Exhibit 2 shows an overview of all categories and sub-categories of the criteria.

EXHIBIT 2

REDD+ demonstration activity safeguard criteria



General Information	<ul style="list-style-type: none"> ▪ Conditions in the project area ▪ Management information ▪ Community characteristic ▪ Land ownership information ▪ Legal status and rules compliance
Climate compatibility	<ul style="list-style-type: none"> ▪ Strategy alignment ▪ Baseline projections ▪ Positive climate impact
Measurement, reporting, and verification	<ul style="list-style-type: none"> ▪ Climate monitoring ▪ Environment monitoring
Social safeguard	<ul style="list-style-type: none"> ▪ Consultation process ▪ Benefit sharing ▪ Poverty reduction and sustainable livelihood ▪ Capacity development ▪ Non-discrimination
Environmental safeguard	<ul style="list-style-type: none"> ▪ Baseline projections ▪ Biodiversity ▪ Impact on local resources
Fiduciary safeguard	<ul style="list-style-type: none"> ▪ Business plan metrics ▪ Funding sources ▪ Annual audit

The safeguard criteria fall under six main groups:

- **General information** consists of a description of the project area and its surrounding project zone, details about the project proponent(s) and community, as requested by criteria explained in following section

- **Climate compatibility** consists of all required climate-related safeguards to ensure additionality² and alignment with the national strategy.
- **Measurement, reporting, and verification (MRV)** requirements assure that project monitoring plans are sufficient and continuous monitoring will take place during project implementation.
- **Social safeguards** consist of community involvement and community-related impacts of the project. Proponents need to be able to ensure community rights are well taken care of.
- **Environmental safeguards** aim at ensuring that biodiversity and local resources are not negatively affected by the project. Projects are expected to not only achieve GHG abatement, but at the minimum also keep intact existing biodiversity and resources in the project area.
- **Fiduciary safeguards** are aimed at ensuring that financial flows of the project, such as payments for ecosystem services, REDD+ payments, or any other payments and compensation to landowners, where present, are managed in a transparent and accountable manner by the project proponent.

As explained above, criteria are divided into mandatory criteria, which each project needs to provide satisfactory information and compliance, and additional criteria for which the project proponent carries out a self-assessment of their relevance. However, some criteria might not be applied because of insufficient scale of a project. In the end, the Technical Review Panel with the input of the proponent will judge which additional criteria must be met by the proponent.

MANDATORY CRITERIA

All initial proposals, regardless of their project type and scope, will be assessed against a set of mandatory criteria as the first step in the assessment stage. These criteria must be fulfilled at the initial stage in order for the project to receive approval in principle and progress further in the approval process for REDD+ demonstration activities. Where criteria are not applicable, project proposals will clearly indicate why the mandatory criterion should not be considered.

² Additionality means that the project reduces emissions more than would have occurred in the absence of the project.

General Information on the Project

1. Conditions in the project area

- a) Characterisation of the project site's physical parameters, i.e., project area size, climate, topography using available data
- b) Clear map with coordinates of the boundaries of the project area

2. Management information

- a) Project proponent: A brief description of the lead organisation's structure, staffing and history, including evidence of Investment Promotion Authority (IPA) registration and a recent audit

3. Community characteristics

- a) A description of communities located in the project zone that describes the way in which people organise themselves socially (e.g., organisation of clans, total population by age group and gender, educational background) with a summary of basic socio-economic and cultural information

4. Land ownership

- a) Description of the legal status of land tenure, with a map showing what areas, if any, are registered, covered by Incorporated Land Group (ILG), or subject to ongoing or unresolved conflicts or disputes
- b) For projects that involve landowners, a brief description of the formal or informal organisation of landowners from the project area including ILGs; including copies of ILG certificates with appropriate social mapping and genealogy
- c) Land use plan for the project area shall conform to the district policy. This needs to be proven by submitting project area land use plan and

5. Legal status and rules compliance

- a) Evidence that the appropriate authorities, e.g., PNG Forest Authority, Department of Environment and Conservation, Department of Agriculture and Livestock, are aware of this project and have not raised any concerns with the project

Climate Compatibility

6. Strategy alignment

- a) Support of priority abatement levers outlined in PNG's Climate-Compatible Development Strategy (CCDS)

- b) Alignment with PNG Vision 2050 and the Medium Term Development Plan (MTDP)
- c) Project has to be consistent with Land Use Plans of local level government and ward councils, by explaining and if possible submitting comparison between project's plan and local level government's land use plan.

Social Safeguards

7. Consultation process

- a) Community's expression of interest in a formal letter
- b) Outline of planned FPIC (Free Prior and Informed Consent) process
- c) Evidence that at least 30% of customary landowners in the project area, half of whom must be women, have agreed to the project

8. Benefit sharing

- a) Outline of how project activities will contribute to sustainable incomes and employment opportunities that last beyond the initial setup of the project
- b) Project has to ensure local and indigenous people receive their rights and culturally appropriate social and economic benefits and do not suffer adverse effects from the projects

9. Non-discrimination

- a) Any employment opportunities generated by projects have to be filled based on equal opportunity if job requirements are met, regardless of gender, ethnicity, which is shown by employment plan

Fiduciary Safeguards

10. Business plan metrics

- a) A budget and business plan for the project's first five years (or length of total project if it is shorter than five years)

11. Funding sources

- a) Specification of the funding sources for the project (if they exist) and the amount committed per source

CATALOGUE OF ADDITIONAL SAFEGUARD CRITERIA

The catalogue of additional safeguard criteria lists all possible REDD+ project criteria, and therefore some criteria may not apply to specific projects. In the project concept note, proponents submit their own assessment of which criteria are relevant for the proposed project. The Technical Review Panel reviews this assessment according to the type and scope of the project and may require the submission of additional criteria with the project detailed design.

General Information on the Project

12. Conditions in the project area

- a) Types and condition of vegetation within the project area
- b) Existing transportation, water and electrical infrastructure

13. Management information

- a) An organisation chart of the project showing the relationships, roles and responsibilities of the project proponents, sub-national government and the local social institutions of people in the project area

14. Community characteristics

- a) Specification of locations of special significance or traditional cultural identity for the communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities)
- b) Project does not create an involuntary resettlement from project area. If very necessary, a resettlement has to be voluntary and a description of strong reasons behind it needs to be developed

15. Land ownership

- a) An outline of the process used to determine land ownership by the project proponent; the result of establishing both land tenure and access rights (e.g., genealogies) and how this will affect the distribution of benefits

Climate Compatibility

16. Baseline projections

- a) Where the project aims at increasing carbon stocks or countering the decrease of carbon stocks in a specific area, clear and accessible data on the starting point of the carbon stock value and how the data was measured

- b) Defensible and well-documented business-as-usual GHG emission pathways, based on a methodology that is aligned with the CCDS and approved by the REDD+ Technical Working Group (TWG), OCCD and NCCC

17. Positive climate impact

- a) Estimate of the positive climate impact that will be created by the project, measured in tonnes of CO₂e abated
- b) Estimate of the negative climate impact that will be created by activities of the project both on-site and off-site (project-level leakage)
- c) Positive net emissions profile of the project (projects with negative net emissions profiles will not be considered)

Measurement, Reporting and Verification

18. Climate monitoring

- a) Initial plan for selecting carbon pools and non-CO₂ GHGs to be monitored, and frequency of monitoring. Note that a full monitoring plan (including monitoring leakage) is required within six months of the project start date, and results of the monitoring have to be made publicly available
- b) Solid and well-documented methodology of leakage calculation

19. Environmental monitoring

- a) Initial plan for selecting species (animals and plants) and natural resources to be monitored; frequency of monitoring. Note that a full monitoring plan is required to be submitted within six months of the project start date and the results of monitoring have to be publicly available

Social Safeguards

20. Consultation process

- a) FPIC mechanism for conducting proper and well-documented consultation with all stakeholders that will be impacted by this project
- b) Method of providing adequate notification to communities, including evidence from all settlements in the project area that it has been done, i.e., i) public notices detailing the proposed project have been posted in both English and Tok Pisin and ii) open public meetings have been held to discuss the project
- c) Demonstration that at least 75% of customary landowners in the project zone have agreed to the project, including female members of communities

- d) Memorandum of understanding (MOU) agreed between community business groups and REDD+ partners
- e) Evidence that relevant government authorities, private sector, NGO partners and community organisations have been informed of project details
- f) Evidence that community has organised itself to facilitate a detailed Participatory Rule Appraisal (PRA)

21. Benefit sharing

- a) Description of transparent and accountable benefit-sharing mechanism with landowners and other stakeholders that is compliant with the guidelines for REDD+ Benefits Sharing Agreements (BSA)
- b) BSA that details how the project will contribute to a local development plan and directly address poverty reduction and sustainable livelihoods. It should outline the types of benefits that will be delivered, the delivery mechanism and how the success of the BSA will be measured and reviewed

22. Capacity development

- a) A training plan (including training manuals and curricula) for project employees and relevant people from the communities in the project area who need to be included
- b) A calculation of the net impact on job opportunities in the project zone. Note that this has to be positive, i.e., any loss of employment opportunities resulting from project activities must at least be offset by employment newly created as part of the project

23. Non-discrimination

- a) Pledge that any benefits and development opportunities will be filled based on equal opportunity, regardless of gender, ethnicity and certain range of ages
- b) Pledge that employment opportunities will be distributed based on equal opportunity

Environmental Safeguards

24. Biodiversity

- a) Estimate of changes in biodiversity as a result of project activities in the project zone, justification for any negative impacts and how they will be offset

25. Impact on local resources

- a) Evidence that the project will not have a negative impact on the availability and quality of water resources
- b) Evidence that the project will not negatively impact food security for the population living in the project area, or the population dependent on the project area. It should include a baseline projection for food security and explain how any reduction in the area available for gardening (or other production of subsistence food crops) or for hunting and harvesting will be offset by the project
- c) Evidence that the project does not negatively impact soil productivity

Fiduciary Safeguards

26. Business plan metrics

- a) Key financial performance indicators, e.g., breakeven value or expected tax payment every year

27. Annual audit

- a) Statement of commitment to conduct annual independent audits that will be presented to the OCCD

PUBLIC CONSULTATION DOCUMENT

Appendix – List of acronyms

BSA, Benefits Sharing Agreements

CCDS, Climate Compatible Development Strategy

CO₂, carbon dioxide

DAL, Department of Agriculture and Livestock

DEC, Department of Environment and Conservation

FPIC, free prior and informed consent

GHG, greenhouse gas

ILG, Incorporated Land Group

IPA, Investment Promotion Authority

LULUCF, land use, land-use change and forestry

MOU, memorandum of understanding

MRV, Measurement, Reporting and Verification

MTDP, Medium Term Development Plan

NCCC, National Council of Climate Change

NEC, National Executive Council

NGO, non-governmental organisation

OCCD, Office of Climate Change and Development

PNG FA, Papua New Guinea Forest Authority

PRA, Participatory Rule Appraisal

REDD+, Reducing Emissions from Deforestation and forest Degradation plus conservation, sustainable forest management and carbon stock enhancement

TWG, Technical Working Group

**Annex 7 –
OCCD's National Consultation Process –
Overview of 2010-11 Activities**



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OCCD National Consultation Brief

January 2011

Brief overview

The Office of Climate Change and Development (OCCD) is undertaking an intensive period of consultation with a broad range of stakeholders, including government, civil society, private sector and local communities. This follows a period of intensive dialogue with individual stakeholders in the preparation of the draft Climate-Compatible Development Strategy when the OCCD was not yet established and resources were insufficient to conduct a broader outreach to provinces and resource owners. The current effort also promotes the Government’s commitment to the United Nations Framework Convention on Climate Change (UNFCCC), which asks Parties to the Convention to promote climate change in Education, Training, and Public Awareness.

Objectives

The consultation process aims to:

- Inform and educate on the facts of climate change and options for climate-compatible development
- Gain on-the-ground understanding of local community needs and perspectives in order to incorporate them into the national strategy
- Develop working relationships between relevant government departments, provincial authorities and civil society
- Empower local government to communicate the national strategy and test community interest and willingness to participate in REDD+ schemes

Progress so far

■ Provincial consultation

– The initial round of national consultation was conducted in four provinces, selected based upon the following criteria:

- Strong interest and support by provincial government
- Significant logging, voluntary carbon trading activities or exposure to hazards that require adaptation measures to be taken
- Strong civil society organizations, which can collaborate with the OCCD to amplify outreach and support implementation of mitigation and adaptation initiatives

– **Manus Community Workshop**

- The first provincial consultation was held in conjunction with the Manus Leaders' Summit on 20-25 September 2010 at Lorengau, which was attended by Manus Provincial Administrator (PA) Kulu-En Hamou and his administration staff as well as over 150 Local-Level Government (LLG) Presidents and Ward Councilors.
- The OCCD presented and engaged the leaders in discussions about climate change-related issues in collaboration with the Manus provincial administration and agencies as well as NGOs such as Wildlife Conservation Society (WCS), The Nature Conservancy (TNC). The workshop ended with the leaders drafting action plans, detailing the required adaptation and alternative livelihood initiatives at the ward, LLG and provincial levels. A documentary screening on how climate change affects Manus was also presented.
- Besides engaging with provincial leaders, the OCCD reached out to the people through a public discussion at the Lorengau market involving around 200 interested locals, a radio talk-back session in *Tok Pisin* on Radio Manus with up to 20,000 listeners, and a public documentary screening on how climate change affects Manus.
- The overall discussions confirmed the need for mangrove planting as the most important community-based adaptation measure as well as sea-wall construction given the vulnerability of the province to coastal flooding. At the same time, it also surfaced further implementation complexities, such as certain soil types that are not suitable for mangrove planting. In addition, adaptation measures around coral reef protection and rehabilitation for the province were raised.

– **Milne Bay Stakeholder Workshop**

- The second provincial consultation was held in conjunction with the Economic Sector Plan Enhancement Workshop organized by the Provincial Planning and Coordination Division on 18-22 October 2010 at Alotau, which was attended by over 50 participants from provincial departments and agencies, NGOs and local business owners.
- The OCCD presented and engaged the leaders in discussions about climate change-related issues in collaboration with the Milne Bay provincial administration as well as support by Conservation International (CI), Department of Provincial and Local Government Affairs (DPLGA) and AusAID. In their discussion groups, the participants had the opportunity to develop action plans, detailing the required adaptation and mitigation initiatives.

- Besides coastal flooding, the overall discussions highlighted the importance of adaptation measures against agricultural yield changes for the province. This has helped to inform the need to coordinate research and alternative agricultural livelihoods to ensure food security.

– East New Britain Consultation

- The third provincial consultation was held in conjunction with the Climate Change and REDD Road Show for New Guinea Islands (NGI) Region, a three-day workshop on 2-4 November 2010 at Kokopo jointly organized by the PNG Eco-Forestry Forum (EFF) and the OCCD. Over 50 participants from different NGI provinces (East New Britain, West New Britain, Manus, Bougainville and New Ireland) attended as representatives of government departments and agencies, NGOs (Greenpeace), CBOs (Forcert), development partners (JICA), as well as forest and resource owners.
- The forum was to provide a deeper understanding on climate change issues, in particular REDD+, through presentations and open discussions amongst different stakeholders. This included a presentation on a Measurement, Reporting and Verification (MRV) system for PNG and PNG's National Joint Programme (NJP) submission to UN-REDD.
- Apart from the road show, the OCCD conducted a radio talkback show on Radio ENB in *Tok Pisin* and *Kuanua* to explain the impact of climate change as well as a field visit to the Cocoa Coconut Institute to understand the current research on commercial agricultural yield in lieu of climate change.
- In general, discussions confirmed adaptation needs for mangrove planting as well as coral reef protection and rehabilitation. As for community-based measures, suggested efforts included building elevated houses along the shorelines and installing elevated water tanks for drinking water.

– West New Britain Stakeholder Workshop

- The fourth provincial consultation was held in Kimbe, jointly hosted by the OCCD and the West New Britain provincial government, on 7 December 2010, which was attended by West New Britain Provincial Administrator (PA) Steven Raphael and his administration staff. More than 50 participants from the provincial government and agencies, NGOs, Integrated Land Groups (ILGs), companies, as well as cooperative societies and local business owners gathered to actively discuss climate change-related issues and REDD+ initiatives. New Britain Palm Oil Ltd also discussed its organization's bid to promote environmentally-friendly activities.
- The consultation confirmed the province's priority towards mitigation initiatives as timber harvesting and oil palm planting have been the two major drivers of deforestation. Thus, the province has also been selected to be one of the pilot REDD+ project sites for PNGFA, which include Reduced Impact Logging (RIL), conservation, afforestation/reforestation, and/or secondary forest management.

■ Awareness initiative

- In a country where few have access to TV or internet, the OCCD has begun consultation with some creative solutions to the broader public, especially in remote communities.
- **Radio:** Together with the National Broadcasting Corporation (NBC) of PNG, OCCD has developed a 10-episode radio drama in *Tok Pisin*, which addresses climate change topics in a

format that is easier to understand. The radio drama will be broadcasted in early 2011 on the national radio station as well as the provincial radio stations in PNG.

- **Student-led awareness:** The OCCD conducted a briefing workshop on climate change with over 50 interested University of Papua New Guinea (UPNG) students from both science and non-science backgrounds prior to the school holidays. The aim is to empower the students returning to their villages across different provinces in PNG to spread awareness on climate change and to help their own family and communities to be climate-resilient and carbon-neutral. This effort will be continued and expanded in 2011, as outlined below.
- **Cartoon:** The OCCD ran a cartoon competition for UPNG students in order to select a cartoonist to draw a series of cartoons on climate change. The cartoons would be used in communication materials as a simple and entertaining way to communicate climate change messages to a broader audience. However, the response rate was low. In view of that, the OCCD has taken steps to review the competition for 2011.
- **Other awareness activities:** Besides the use of different media formats, the OCCD also participated in other events held by other organizations to highlight the issue of climate change. For example, the OCCD was present at the International Disaster Reduction Day to talk with the public.

■ National and international stakeholder management

– Government

- **National Climate Change Committee (NCCC):** Created by NEC decision 54/2010, the NCCC is chaired by the Chief Secretary and is comprised of the Secretaries of Departments and Managing Directors of State Authorities with portfolios covering climate change-related issues. It includes DEC, Treasury, DPM, DAL, Justice, Department of PM and NEC, DPE, DLPP, DNPM, PNGFA, NFA and DFA. The committee has been meeting monthly since June 2010 to take decisions on climate change policy and actions as well as ensure that climate change is approached by the whole of government.
- **Whole-of-Government workshop:** The 2-day workshop conducted on 29-30 June 2010 addressed all Secretaries and Provincial Administrators (PAs), as a whole-of-government approach, to share international as well as domestic progress on climate change issues, and gather feedback on how each of them would like to stay involved in climate change issues.
- **Meetings & presentations:** The OCCD has also briefed other government entities as and when required about domestic and international progress on climate change issues. These include presentations to PAs and Deputy PAs on provincial consultation, regular updates to the Economic Sector Department heads on climate change priorities as well as presentations to the economic sector working groups and individual departments, e.g. Foreign Affairs and Defense.

– Civil society

- **NGO workshop:** In the NGO REDD+ Problem Solving Workshop held in early July at NRI and sponsored by AusAID, representatives from PNGFA as well as over 10 NGOs including PNG EFF, World Wildlife Fund (WWF) and TNC discussed the challenges of implementing REDD+ in PNG

- **Council of Churches (CoC):** The OCCD held a half-day workshop in December with members of the CoC Fraternity to align on climate change topics and to explore methods of collaboration, including opening the CoC network for communication purposes
- Multi-stakeholder
 - **Technical Working Group (TWG):** Three TWGs – REDD+, Adaptation and Low Carbon Growth – and three Sub-Working Groups (SWGs) – Forestry, Agriculture and MRV – have been meeting regularly since January 2010 to discuss relevant issues, conduct analysis, develop pilot projects and shape the national strategy. Over 40 different government departments and agencies, development partners, NGOs and private sector organizations participate in the working groups. The National Consultation TWG was established as the fourth TWG in September 2010 to ensure that the national consultation process is conducted robustly and continuously improved based on perspectives and recommendations from national and development partner stakeholders.
 - **National Climate Change Task Force:** Development Partners and representatives of the PNG government meet on a monthly basis to coordinate climate change-related funding activities and to provide regular updates on the progress of both government initiatives and projects supported by various development partners. Based on the substantial funding opportunities available, this National Climate Change Task Force has been set up in early 2010. Participants include UNDP, AusAID, World Bank, JICA, British High Commission, US Embassy, European Union and Asian Development Bank (ADB).
- International
 - **PNG side event in Cancun:** PNG hosted a side event at the Conference of the Parties (COP 16) of the UNFCCC in Cancun, Mexico on 10 December 2010. At this event, the OCCD presented on the progress of domestic climate change actions to other countries, NGOs and civil society. PNG's approach to follow a climate-compatible development pathway served as a blueprint that is now being followed by other countries, e.g., the Dominican Republic which presented its own ambitions for a similar approach during the same event.
- Media
 - **E-newsletter:** The OCCD sends a regular bi-weekly update on climate compatible-development activities in PNG to national and international stakeholders via email.
 - **Brochure:** Information on climate related issues that can be readily distributed to national and international stakeholders.

Plans for 2011

- In 2011, the OCCD will continue to increase awareness and dialogue on climate change to the communities in PNG across different provinces. In addition, the OCCD seeks to establish and build networks among key stakeholders with government departments and agencies, state-owned enterprises, NGOs, CBOs, the Council of Churches, research and academic institutions as well as development partners.
- **Provincial consultation**

- As the OCCD was building its experience in conducting provincial consultations over the last few months, there were challenges in terms of suitability of presentation and communication materials. This year, as a way forward, communication material will be tailored to different audience groups as well as translated to *Tok Pisin* and *Motu* in the format of booklets, brochures, flyers, posters, videos and cartoons. These materials then can be easily distributed and disseminated to and by the participants of the provincial consultation events.
- Provincial consultation will be continued in at least 8 provinces, amongst which 5 are envisaged to include community workshops, to increase awareness on the impacts of climate change and refine the national strategy.
 - In order to cover a representative set of provinces based on region and types of climate change issues, the following provinces have been prioritized: West Sepik, Central, Bougainville, New Ireland, Oro, Chimbu, Enga, Southern Highlands, Eastern Highlands, and Morobe. However, the final decision would depend on the provincial government's interest and support as well as presence and support of civil society organization to drive outreach and implementation.
 - The institutionalization of permanent contacts in the provinces would be a priority for the year. The OCCD plans to establish and maintain strong working relationships with an appointed contact person in each province to disseminate climate change information and to gather feedback from the communities beyond the consultation events. This person could be the provincial forester, climate change officer or environment officer.
 - In addition, it is also a priority for the OCCD to provide feedback reports to the provinces based on the outcome of each provincial consultation. The report would include concrete next steps for both OCCD as well as the provinces.

■ Awareness initiative

- The OCCD plans to produce awareness materials and disseminate to wider communities through radio dramas, school awareness programs, as well as student and church outreach programs.
- **Radio:** The 10-episode radio drama in *Tok Pisin* produced in 2010 will be broadcasted on the national and provincial radio stations in PNG. Based on the response to the drama, the OCCD may continue broadcasting or develop a new radio drama. The OCCD is also collaborating with WWF to broadcast information on climate change and specifically on carbon trading in the talkback format. During provincial consultations, the OCCD will continue to hold live discussions with the people on climate change topics with Q&A call-ins.
- **Education awareness:** To ensure that the next generation is aware of the issues of climate change, the OCCD will explore ways to work with the Department of Education and NGOs to include climate change as part of the school curriculum for schoolchildren. At the same time, the OCCD will also work with NGOs to deliver climate change programs and education materials on climate change topics in school awareness visits and remotely through local partners.
- **Student-led awareness:** The OCCD plans to expand on last year's effort and scale up the university student-driven awareness by involving more university students in UPNG and also other universities in PNG. The aim is also to cover as many different provinces as possible and work together with the provincial administration or civil society organization with established relationships.

- **Cartoon:** Based on the cartoon competition ran in 2010, the OCCD has decided that it would open the competition to secondary school students. The competition will select cartoons drawn by students to be used in delivering climate change messages. Other forms of competition for the schoolchildren will also be explored.

■ National and international stakeholder management

– Government

- The NCCC will continue to meet monthly in 2011 to approve climate change policies and actions. A second Whole-of-Government workshop will also be conducted to update on progress and gather feedback.
- **Ministerial Committee:** The Ministerial Committee, chaired by the Prime Minister, will be set-up in order to engage the broader Government on climate change related topics. In addition, the OCCD is already conducting smaller meetings with relevant Ministers.

– Civil society

- **NGO workshop:** At least one NGO workshop will be held this year with the NGOs and CBOs in PNG to discuss topics on REDD+ implementation.
- **Council of Churches (CoC):** The OCCD and the CoC are currently working on a MoU to outline methods of collaboration going forward. This could include involving members of the CoC Fraternity in the National Consultation TWG and designing church outreach programs.
- **PNG Chamber of Commerce:** The OCCD plans to discuss the impact of climate change with the business community and the dissemination of climate change messages to the wider community through its established network, as well as to create additional public-private partnerships to further action against climate change in PNG both in the areas of mitigation and adaptation to climate change.
- **Private sector companies:** The OCCD is looking to build a working relationship with major private sector companies such as Coca Cola Amatil, SP Brewery, Bank South Pacific (BSP) and Digicel to collaborate on delivering climate change messages through programs or using their network.

– Multi-stakeholder

- The OCCD will continue to inform and get feedback from stakeholders to improve the national consultation process and climate change initiatives through the monthly National Consultation TWG and National Climate Change Task Force.
- A Coastal Early Warning System SWG will be set up in 2011 to begin a trial system and ultimately implement a nationwide program for warning people well in advance of coastal hazards
- **Advisory Board:** An independent Advisory Board will be set-up, consisting of 5-8 domestic and international stakeholders with excellent reputations and qualifications, as well as expertise across academia, public sector, private sector and civil society. The key objectives are to provide crucial expert advice and guidance to NCCC on climate-compatible development, to provide PNG an international perspective through shared experiences, as well as to build PNG's image and credibility internationally.

– Media

- **E-newsletter:** The OCCD will continue to send regular e-newsletters to update national and international stakeholders on climate compatible-development activities in PNG.
- **Website:** In addition, the OCCD is currently developing a website with regular announcements, news update and information on climate change topics.

DRAFT

**Annex 8 –
Independent adviser to Papua New Guinea’s
(PNG) provincial consultation process in
relation to the Climate-Compatible
Development Strategy (CCDS) –
Draft Terms of Reference**



OFFICE OF CLIMATE CHANGE AND DEVELOPMENT (OCCD)

– OFFICE OF THE EXECUTIVE DIRECTOR –

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Terms of Reference (ToR) for an independent adviser to Papua New Guinea’s (PNG) provincial consultation process in relation to the National Climate-Compatible Development Strategy (CCDS)

Background

The Government of Papua New Guinea has developed the National Strategy for Climate-Compatible Development (CCDS) to capture the opportunities of carbon mitigation and protect Papua New Guinea against climate-driven hazards while fostering sustainable economic growth. As set out in the country’s Vision 2050, Papua New Guinea aims to reduce 50% of projected emissions and reduce vulnerability to climate change-associated risks while tripling GDP per capita by 2030. The Office of Climate Change and Development (OCCD), as the government’s coordinating entity for all climate change-related topics in Papua New Guinea, is undertaking an intensive period of consultation with a broad range of stakeholders to help refine the CCDS.

The consultation process aims to:

- Inform and educate on the facts of climate change and options for climate-compatible development in Papua New Guinea
- Gain on-the-ground understanding of local community needs and perspectives in order to incorporate them into the CCDS
- Develop working relationships between relevant government departments, provincial authorities and civil society
- Empower local government to communicate the CCDS and test community interest and willingness to participate in REDD+ schemes

To ensure an inclusive, transparent and sustained multi-stakeholder engagement process, the OCCD plans to engage a small team of independent experts consisting of two national (Papua New Guinean) experts and one international expert as the team leader to advise the Government of Papua New Guinea on its multi-stakeholder consultation process.

The ToR and reports from the advisors’ work shall be made publicly available to ensure transparency and legitimacy of Papua New Guinea’s consultation process as well as provide for international learning and exchange of experience.

Work Schedule and Outputs

The outputs from the assignment should consist of two parts:

(1) An initial independent assessment of Papua New Guinea's current provincial consultation process.

The advisers should be present in at least six provincial consultations beginning in April 2011 pending confirmed dates and locations. Prior to these consultations, the team of advisers should have assessed Papua New Guinea's provincial consultation plans on paper. The consultants shall document and review each provincial consultation separately within 2 weeks after the end of each event in order to immediately identify and address areas for improvement.

Following the first three consultation events, the consultants shall write an interim assessment report reviewing the overall stakeholder engagement work plan and methodology, with concrete recommendations for future consultation processes, within 4 weeks of the third event. This report shall be made available publicly.

Between the commencement and completion of the assignment, at least one national expert from the team of advisers should actively participate in the monthly National Consultation Technical Working Group meetings, which will be held in Port Moresby, Papua New Guinea.

The total work input in this part for combined members of the entire team will be limited to 74 days (8 hours per day)¹.

(2) A final independent assessment of Papua New Guinea's updated provincial consultation process.

For the remaining three provincial consultation events, the two national advisers shall continuously document and review each provincial consultation separately within 2 weeks after the end of each event based on previous visits. The consultants shall also review the updated stakeholder engagement work plan and methodology. Within 4 weeks of the last event by October 2011, the team should prepare a final assessment report including progress review. This report shall be made available publicly as well.

The total work input in this part for combined members of the entire team will be limited to 57 days (8 hours per day)².

Selection of Consultants

The team composition should consist of two national (Papua New Guinean) experts and one international expert as the team leader.

Ideal candidates should be independent experts on stakeholder consultation processes and forest governance, with at least 10 years of relevant experience. The consultants are to possess documented expertise and experience in independent assessments of all aspects of consultation processes, in particular the concerns of indigenous landowners. The consultants are also to be conversant with the REDD+ process and debate. Prior knowledge of or experience in Papua New Guinea will also be an advantage.

¹ Approximately 25 days per team member

² Approximately 19 days per team member

Budget

The team leader will be asked to submit a budget for the assignment, including consultancy fee, and travel costs and allowances³.

Tenders are to be submitted together with CVs of all team members and budget, and to be directed to the OCCD, Papua New Guinea.

DRAFT

³ Travel costs and allowances relevant to international team member's overseas travel to Papua New Guinea and related costs.

**Annex 9 –
TOR for OCCD's REDD+
Technical Working Group**

OFFICE OF CLIMATE CHANGE AND DEVELOPMENT (OCCD)

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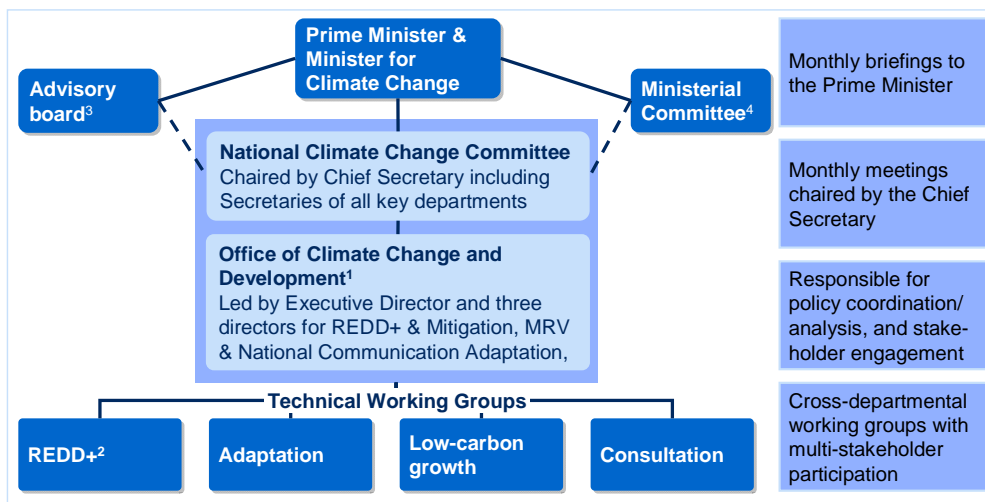
REDD+ TECHNICAL WORKING GROUP

TERMS OF REFERENCE

1. BACKGROUND

The Office of Climate Change and Development (OCCD) was created under NEC Decision 54/2010 and is the coordinating entity for all climate change policy and the Designated National Authority (DNA) for Papua New Guinea under the United Nations Framework Convention on Climate Change (UNFCCC). In 2010, the Government of PNG developed the Second Draft of PNG’s Climate-Compatible Development Strategy (CCDS), which has been noted by the NEC (55/2010) as the basis of PNG’s National Climate Change Policy and which forms the basis for ongoing stakeholder consultation efforts.

EXHIBIT 1 – Overview of governance structure for climate-change policy development



1 OCCD Executive Director reporting directly to Prime Minister
 2 The Technical working group REDD+ consists also of sub-working groups of MRV, Forestry and Agriculture
 3 National and International Experts
 4 Chaired by the Prime Minister

In addition, OCCD has developed an Interim Action Plan (IAP), which provides guidance on the immediate climate change priorities, while long-term institutional and policy arrangements are being developed and implemented. The CCDS and IAP are underpinned by the principles of the Copenhagen Accord which recognizes the need to develop nationally appropriate mitigation and

adaptation strategies that are in line with the country's economic development plans. To further refine the strategy and initiates an enabling environment for the three focus areas (Low-Carbon Growth, REDD+ and Adaptation), the NEC Decision 54/2010 specified that Technical Working Groups should be formed. Recently, an additional Technical Working Group on National Consultation was endorsed by the National Climate Change Committee (NCCC) in its Meeting NO. NCCC 03/2010 and included into the institutional governance structure for climate change policy development.

These Terms of Reference (TOR) guide the work of the REDD+ Technical Working Group (REDD+ TWG).

2. CHAIR

The REDD+ TWG will be chaired by the OCCD's Director REDD+ and Mitigation with support from the REDD+ and MRV divisions of OCCD.

3. COMPOSITION

Membership of the REDD+ TWG includes representatives from Government of Papua New Guinea agencies and non-Government of PNG stakeholders, e.g. civil society organizations, private sector representatives and development partners. A full list of current members is shown in Annex I. The list is not exhaustive. Other participants will be invited where required.

4. TECHNICAL SUB-WORKING GROUPS (SWG) UNDER REDD+

The REDD+ Technical Working Group initially runs three discrete but integrated technical sub-working groups. They are as follows:

1. Forestry Sub-working Group – Chaired by Manager Climate Change and REDD+, PNGFA;
2. Agriculture Sub-working Group – Chaired by a representative of DAL;
3. Measuring, Reporting and Verification Sub-working Group – Chaired by Senior Policy Analyst MRV, OCCD.

Membership to the Sub-working Group includes nominees from the above named organizations who are also members of the REDD+ Technical Working Group. Other participants will be invited where required.

The technical sub-working groups will meet at a time and frequency agreed by the respective sub-working groups to meet their tasks. Meeting times will be closely coordinated with the REDD+ TWG by the respective chairs.

5. ROLES AND RESPONSIBILITIES

The roles and responsibilities of the REDD+ Technical Working Group (TWG) and the Sub-Working Group (SWG) are briefly described as follows:

A. The roles and responsibilities of the REDD+ Technical Working Group (TWG) are as follows:

1. Review and establish a Climate-Compatible Development pathway for Papua New Guinea's forestry and agriculture sectors.

2. Provide inputs and guidance on the current and existing work in forestry, agriculture, MRV and other relevant sectoral policies and legislations.
3. Undertake research and analysis of relevant data that will support the work of the TWG and OCCD.
4. Liaise and consult with relevant stakeholders and individuals whose inputs will be significant in achieving progressive result in the activities of work undertaken by the REDD+ TWG.
5. Support the work of the Government of PNG, and particularly the OCCD in identifying and establishing effective nationally appropriate mitigation actions (NAMAs) and nationally appropriate plans of actions (NAPAs) for carbon abatement.
6. Develop work programmes, set timelines and monitor their progress.
7. Provide technical advice where necessary on the work of the OCCD's division REDD+ & Mitigation, in particular the work on designing a REDD+ Policy Framework for PNG based on the Climate-Compatible Development Strategy (CCDS).
8. Provide necessary technical advice to the Chair of REDD+ TWG and OCCD.

B. The roles and responsibilities of the Sub-Working Groups (SWG) are as follows:

1. Provide adequate technical advice to the Chair of the REDD+ TWG and OCCD.
2. Liaise and consult with relevant stakeholders and individuals whose inputs are significant to the work of the SWG.
3. Carry out research and compilation of data to support the work of the REDD+ TWG.
4. Identify, develop and implement activities of the REDD+ TWG.
5. Assist in the compilation of adequate data to support the work of the SWG.

The above roles and responsibilities will be subject to review by the REDD+ Technical Working Group.

6. BENEFITS

Members of the REDD+ Technical Working Group will benefit from:

1. Having access to advanced technical information generated from the TWG Meeting under the Climate Compatible Development Strategy.
2. Relevant data sharing among members of the Technical Working Group and the Technical Sub-Working Group.
3. Having access to technical and scientific experts within PNG and overseas.
4. Receiving technical advice and support were required from the TWG.
5. Participating in meetings, conferences, workshops, etc., as required to upon request by the Chair of the TWG.

7. CONFIDENTIALITY

Due to the evolving and innovative nature of discussions related to REDD+, the members of the REDD+ Technical Working Group (TWG) might be provided with documents and data of sensitive nature. While all information discussed during the TWG may be shared with third parties, there may be cases where the Chair of the TWG recognizes the need to maintain confidentiality. It will therefore be allowed to share such information only with the consent of the Chair.

8. ATTENDANCE

Member organisations agree to nominate representatives who will attend and participate in TWG meetings on a continuous basis to ensure effective work within the TWG. In case members are not

able to attend a meeting, they will nominate an alternative representative to attend on their behalf and inform the Chair of the REDD+ TWG prior to the meeting.

9. DECISION MAKING

It is understood that the role of the TWG is principally of advisory nature. However, if required, it is agreed that decisions within the TWG will be made via consensus.

10. REPORTING

The REDD+ Technical Working Group will report to the Executive Director of the Office of Climate Change and Development (OCCD).

The Chair of the Technical Sub-Working Groups (for Forestry, Agriculture and MRV) will report to the overall REDD+ Technical Working Group.

11. MEETING SCHEDULE

The REDD+ Technical Working Group will meet monthly on Wednesday mornings at 9:00 am - 11:00 am at the Tabari Haus Conference Room, 7th Floor, Somare Foundation as per the agreed schedule unless advised otherwise.

The schedule will be discussed and agreed at the beginning of every four months in a year.

ANNEX I – Membership in the REDD+ Technical Working Group as of 23 November 2010

Membership to the REDD+ TWG will include representatives from the Government agencies listed below:

1. PNG Forest Authority (PNGFA)
2. Department of Agriculture and Livestock (DAL)
3. Department of Lands and Physical Planning (DLPP)
4. Department of Environment and Conservation (DEC)
5. Department of Commerce and Trade
6. Department of Finance
7. Department of Treasury
8. Department of National Planning and Monitoring (DNPM)
9. Forest Research Institute (FRI)
10. Investment Promotion Authority (IPA)
11. National Agricultural Research Institute (NARI)
12. National Research Institute (NRI)
13. Office of Climate Change and Development (OCCD)
14. Office of Prime Minister & NEC
15. University of Papua New Guinea (UPNG)
16. University of Technology (Unitech)
17. PNG Fisheries Authority

The following stakeholders (Development Partners, NGOs and Private Sectors) are also members of the REDD+ TWG:

16. Delegate from Australia Agency for International Development (AusAID)
17. Delegate from European Union (EU)
18. Institute of National Affairs (INA)
19. Delegate from Japan International Cooperation Agency (JICA)
20. New Britain Palm Oil Limited (NBPOL)
21. Oil Palm Research Association (OPRA)
22. PNG Eco-Forestry Forum (EFF)
23. PNG Forest Industry Association (PNG FIA)
24. Delegate from United Nations Development Programme (UNDP)
25. Wildlife Conservation Society (WCS)
26. Delegate from World Bank (WB)
27. World Wide Fund for Nature (WWF)
28. Delegate from French Embassy (FE)
29. Delegate from British High Commission (BHC)