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Resilient nations.*

# Annual Progress Report to the FCPF for Papua New Guinea

for the period 1 January –  
31 December 2016

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United Nations Development  
Programme

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Approved by:

Tim Clairs, Principal Policy and Technical advisor,  
UNDP

Ms. Tracy Vienings, Deputy Resident Representative  
UNDP Office in PNG

Date:

Date:

The United Nations Development Programme (UNDP) partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, UNDP offers global perspective and local insight to help empower lives and build resilient nations.

The FCPF Participants Committee (PC) at its ninth meeting in June 2011 approved UNDP to serve as Delivery Partner under the Readiness Fund. The Participants Committee approved the UNDP as the Delivery Partner under the FCPF for Cambodia, Central African Republic, Honduras, Panama, Paraguay, Papua New Guinea, and Suriname. Transfer Agreements were signed between the World Bank, acting as the Trustee of the FCPF, and the UNDP on August 9, 2012.

To ensure a uniform set of safeguard standards, the Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners was also approved at the ninth FCPF PC meeting. The Common Approach is designed to provide the World Bank and the Multiple Delivery Partners with a common platform for risk management and quality assurance in the REDD+ Readiness Preparation process which is substantially equivalent to the World Bank's applicable policies and procedures on environmental and social safeguards, disclosure of information, and grievance and accountability mechanisms.

The report has been prepared by UNDP, based on materials prepared by the Papua New Guinea FCPF Programme Management Unit. It solely reflects the perspectives of UNDP as a Delivery Partner.

## Summary

Country:	Papua New Guinea
Project Title:	Forest Carbon Partnership Facility REDD+ Readiness Project
Implementing Partners:	Climate Change and Development Authority (Former Office of Climate Change and Development)
Responsible Parties:	PNG Forest Authority
Implementation Modality:	National Implementation Modality

Project Timeline			
FCPF PC Resolution Approving R-PP	PC/14/2013/4	Transfer of Funds to Country Office	USD 3,800,000 12 May 2015
Preparatory Grant	-	Inception Phase	Official launch: March 2015 First PEB Meeting: 04 June 2015 PMU staffed: August 2015 – March 2016
Project Appraisal Committee	28 October 2014	Mid-term Review	November 15 – December 15, 2016
Project Signature	18 March 2015	No-Cost Extension:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Duration of Project	March 2015 – December 2018	New End Date:	

## 2016 Results

### 1. Achievements

This Annual Progress Report provides an overview of the activities delivered and results achieved by the FCPF REDD+ Readiness Project (FCPF Project) in Papua New Guinea (PNG) for the period of January 1 to December 2016. The project aims to contribute to the development of PNG's capacity to design a sound National REDD+ Strategy (NRS), develop and sustain national readiness management arrangements, develop a REDD+ implementation framework, and assess potential social and environmental impacts from REDD+ so that, by 2018, PNG is ready to implement policies and measures to reduce emissions enhance removals of GHGs from its forests under the UNFCCC REDD+ mechanism.

The reporting period of 2016 was notably successful for the FCPF REDD+ Readiness project in PNG. A Project Management Unit (PMU) was established within the Climate Change and Development Authority (CCDA) to provide overall operational oversight. At the beginning of 2016 the PMU was fully operationalised, through the appointment of the Project Manager (PM), Chief Technical Advisor (CTA), Stakeholder Engagement Officer, Communications Officer and Admin/Finance Associate. The PMU supported CCDA during the inception phase to produce an Inception Report with an updated situation analysis for the project.

As delivery partner for the PNG FCPF grant, UNDP carried out a Mid-Term Review (MTR) of the FCPF project that provided an overview of the progress made in the implementation of the project, particularly in achieving the project outcomes and their respective outputs. The MTR rated the project as progressing well, with clear evidence of government commitment and ownership. While REDD+ work falls within the broader context of the GoPNG's response to climate change, much of the current progress has resulted from the work of the FCPF project. The full MTR report has been uploaded in UNDP's Evaluation Centre at <https://erc.undp.org/evaluation/evaluations/detail/8462>.

The potential for REDD+ implementation in PNG has been greatly enhanced, and the government's commitment to REDD+ development strengthened, through support from the FCPF project. The project has supported improvements in coordination and cooperation between key government agencies for REDD+. This has built on the work of previous initiatives and been done in collaboration with other ongoing projects, such as JICA and the EU's support to PNGFA. The trajectory to achieve the project's development objectives is very positive.

A combination of capacity building events, technical assessments and policy dialogue has brought together key decisions makers from across the major departments of government relevant for REDD+, as well as civil society and private sector actors, to develop a high-level consensus on how REDD+ can be developed in PNG. This work must now be progressed through further capacity building of key actors and development of specific REDD+ actions across sectors and geographical scales to build on the NRS to develop a REDD+ investment plan that is both strategic and implementable and to have the measuring, monitoring and safeguarding systems in place to support its implementation.

The FCPF project is also looking to work across climate change activity areas to help integrate actions on climate change mitigation and adaptation within local, provincial and national land-use planning. Such approaches are in line with government strategies for climate compatible and 'green' growth. Their development however also requires additional stakeholder engagement and coordination within and outside of government as well as across development partners to ensure that a coherent approach is adopted. The additional support provided through this will help to further catalyse this approach to create

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a coherent message on climate change and land use that will ultimately lead to transformational change in PNG.

Overall, the FCPF project has made significant progress in delivering early project progress, and through strong government buy-in and effective management, is progressing as one of the most efficient and effective development partner projects in the country.

Based on the results achieved, UNDP developed a funding proposal for an additional USD 5m grant from the FCPF Readiness Fund (FCPF-2), which was submitted to the FCPF Secretariat and then presented to the FCPF Participants Committee for its endorsement. FCPF-2 proposes to expand the geographical scale of operation and crucially provide the PNG government with a clear signal of the availability of sufficient and predictable international support for REDD+ that will generate confidence to commit to the necessary policy and operational changes needed to develop and implement REDD+. The request for additional funding was endorsed by the Project Executive Board (PEB) members following the presentation of midterm results achieved by the project.

The additional funding proposal will complement two Outcomes of the current FCPF project and include two additional outcomes related to the capacity building of sub-national stakeholders and support to PNG's National Forest Monitoring System (NFMS) and Forest Reference Level (FRL) currently being implemented by PNG Forest Authority (PNGFA) with the support of FAO and European Union (EU).

## 2. In Focus

During the reporting period the following results were achieved:

### **Outcome 1 - Capacities exist for effective and efficient management of REDD+, including full and effective participation of all relevant stakeholders**

- The FCPF Project supported the transition of Office of Climate Change and Development to become a full statutory authority: the Climate Change and Development Authority (CCDA), in accordance with the Climate Change (Management) Act (November 2015) (CCMA). CCDA has the mandate to provide a regulatory framework to promote and manage climate compatible development through climate change mitigation and adaptation activities in the country. CCDA is the National Designated Authority (NDA) for the Green Climate Fund (GCF) and the Focal Point (or Designated National Authority (DNA)) for the UNFCCC/REDD+. The project supported CCDA to develop a clear strategic plan and supported the design of an institutional restructuring process that will facilitate effective and efficient delivery of the Authority's mission and mandate. It is thus recommended that this could be used as a starting point for further stakeholder consultation to clarify CCDA's role in overseeing action on climate change in PNG in line with the CCMA. An immediate priority is to align the new CCDA structure with the Paris Agreement's elements and ensure that CCDA adequately focuses on international negotiations.
- The FCPF project supports REDD+ technical working groups (TWGs) on NRS, and Safeguards, with a third TWG on MRV and FREL supported by FAO and PNGFA. The TWGs are multi-stakeholder technical and advisory forums created to contribute to the development of PNG's NRS by providing feedback, information sharing, increasing policy dialogue and collaboration.
- The FCPF project supported PNG delegates to prepare progress presentations, and attended the UNFCCC COP 22 in Marrakesh in November 2016 to report REDD+ readiness progress. This is an

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important milestone in the REDD+ readiness process and shows that PNG is well advanced in its readiness phase and will be in a position to move to implementation in the coming years, in the context of adequate and predictable REDD+ investment finance.

- The project has targeted national level capacity building, coordination and cooperation particularly amongst government agencies prior to starting work at the provincial level. This was based on a strategic decision on the need to develop a coherent and unified message on REDD+ at the national level prior to addressing diverse stakeholders at the sub-national level.
- A draft REDD+ Communications Strategy was developed to map out key stakeholders' participation in the implementation of the NRS. In close collaboration with CCDCA and PNGFA, a core communications group was established. The main goal of the communications strategy is to support the REDD+ readiness process by enhancing communication and knowledge on REDD+ among all relevant stakeholders. The strategy will increase awareness and support image building, promote and enhance communications and knowledge management, and build capacity and knowledge among all relevant stakeholder groups. To strengthen REDD+ branding a logo was developed and endorsed by all stakeholders while a REDD+ website was also completed to help stakeholders access information on REDD+ and developments in the country. (<http://www.pngreddplus.org.pg/>). PNG's NFMS web portal was also developed, which provides spatial information on PNG's forests, helping to increase transparency of PNG's forest monitoring system (<http://png-nfms.org/portal/>).
- The project supported the development of policy briefs and an Issues and Options Paper to increase understandings of REDD+ and support informed discussions within key stakeholder groups and among decision makers.
- Throughout all project activities, consistent coordination, consultation and information sharing mechanisms, together with the participation of target groups and implementing partners such as CCDCA and PNGFA remains a priority. These range from ensuring the consultation and active participation of beneficiaries in the definition of priorities and execution of activities addressing them, to coordinating and collaborating with logical and national governmental stakeholders in capacity development approaches and models. For instance, a significant result achieved so far is the enhanced dialogue between CCDCA and PNGFA around understanding of the REDD+ conceptual framework and its management arrangements in the country.
- Regarding participation of Civil Society Organizations (CSOs), non-governmental organizations (NGOs) and private sector actors in the project, they are actively involved in stakeholders' consultations, workshops, TWGs and face-to-face meetings. The project, with the support of CCDCA, is serving as a consultative platform ("REDD+" Ples Bung)<sup>1</sup> to ensure that all actors have capacity to effectively participate in REDD+ readiness and implementation. The CSOs also represent marginalized groups such as forest-dependent women, youth, Indigenous Peoples/landowners<sup>2</sup> and local communities. CSOs, represented by the Eco-Forestry Forum (EFF), also have a seat in the PEB, as well as in the TWGs.
- An assessment of gender responsive and inclusive consultative and participatory REDD+ mechanisms was completed. This assessment informed the development of the NRS and reflects both national priorities as well as concerns of key stakeholders, including men, women and youth

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<sup>1</sup> Ples Bung in Tok Pisin means a place to bring all together to make a collaborative positive change.

<sup>2</sup> PNG has more than 800 ethnic groups, with their own culture, customs and languages, who own 97% of the land in the country. In this context, the term "landowners" is more commonly used to describe these groups instead the international terminology of "indigenous peoples".

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at the provincial levels. The assessment developed a situational analysis to improve social inclusion and gender responsiveness in PNG's NRS and policies through identifying gaps, needs and corresponding recommendations for consideration by the developers of the NRS. The process involved taking stock of and reviewing the current status of gender and stakeholder dynamics in the country, in both informal and formal (e.g. policies, institutions, etc.) spheres as well as formulating a set of recommendations, which could help address the identified gaps and needs for promoting fair, effective and gender-responsive stakeholder engagement in the REDD+ process. Recommendations from this assessment are divided between the development of the NRS and its implementation. Mechanisms for the former will be embedded within existing structures, whereas the latter will specifically address the challenges from engaging key stakeholders, including men, women and youth at the provincial levels.

- As part of capacity building and inter-agency cooperation on REDD+, a series of REDD+ Expert training events for than 120 representatives of national government agencies, civil society organizations and the private sector were carried out in Kimbe, Mount Hagen and Kokopo. The trainings covered basic principles of REDD+, key differences between REDD+ in the voluntary market and under the UNFCCC, elements of the Warsaw REDD+ framework, and the nature of a REDD+ Strategy / Action Plan and how these links with the existing structures and capacities in PNG. During all three trainings, participants had an opportunity to visit sustainable logging companies, commercial agricultural companies as well as subsistence farming practices. They provided opportunities for stakeholders to both learn and through 'real world' exercises input into the development of the NRS and provide feedback on key elements of PNG's approach to REDD+. Overall participants identified training events as being very useful with over 84% scoring them 5 out of 5 for value.

## **Outcome 2. National REDD+ Strategy**

- The project completed an "Issues and Options" Paper to identify key issues and options (including potential areas for REDD+ development, data gaps, institutional strengths and challenges and work to address these) for development of the NRS. The assessment identified a number of priority drivers of forest cover change in the country. To achieve REDD+ PNG will need to reduce the impacts of these direct drivers on forests by overcoming, through a range of Policies and Measures (PAMs) both the underlying drivers and barriers to positive change. All the drivers and barriers were prioritized and included in the Paper, which served as a basis for the NRS. The assessment considered the key strategic elements of REDD+ development, the scope of REDD+, the scale of REDD+, the drivers of deforestation and forest degradation and barriers to '+ activities to be addressed, and the existing and potential challenges to implementation of REDD+-related policies, laws and measures. The document set out proposals for the overall framework for REDD+ in PNG (vision, scope and scale of REDD+) and informed numerous discussions on priority PAMs to address the drivers of forest cover change in the country. The study also identified that PNG needs a clear vision of what it wants to achieve through REDD+ implementation to guide decision-making in the development of the NRS and its subsequent implementation. Through wide consultation and in line with country's strategic direction, the FCPF project supported PNG to define the following vision: ***"to catalyse transformational change within the forest and land use sector towards a new responsible economy with lower GHG emissions, stronger long term economic growth and community livelihoods and the effective conservation of biodiversity and ecosystem services while ensuring that Papua New Guinea's***

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***forest resources are used in a sustainable and equitable manner for the benefit of current and future generations***". A final version of PNG's NRS, prepared by the government with support of the FCPF project, will be endorsed in 2017.

- The project supported the assessment of agricultural commodities focused on assessing the business case for enacting a set of policies and measures to reduce the future impact of key agricultural commodities on forest cover in PNG, while allowing for ongoing growth within these sectors. It was found that while PNG has ambitious plans to increase agricultural production through a combination of increased productivity (by 60%) and increased land under cultivation (by 180%) the balance of these approaches varies by commodity. Developments within the cocoa and coffee sectors are focused on improvements in productivity while the palm oil sector is focused on increasing production through expansion of the area under cultivation and represents the most significant threat to levels of forest cover. Indeed, the area under cultivation is already set to more than double in the coming years based on expansion of existing projects. Thus, to reduce the risk to forests and the potential for short-term gains through the rapid expansion of palm oil to damage the long-term sustainability and profitability of the sector, the study commissioned by the project recommended the development of a National Policy for Sustainable Palm Oil and Multi-Stakeholder Palm Oil Platform. Follow-up work to address these recommendations is now underway.
- The FCPF project supported undertaking an agricultural mapping assessment including through the development of a Land Suitability Model and Future Deforestation Model. In close partnership with the FAO and PNGFA, two guidelines were published on a) Future Deforestation Modelling to predict future deforestation hotspots, and b) Land Suitability Model to identify areas suitable for oil palm growth based on a set of nine climatic and physical variables. The result of the assignment was GIS maps showing various deforestation scenarios for five selected provinces in PNG.
- The FCPF project collaborated with the National Agricultural Research Institute (NARI) to undertake a survey to assess the current status of small-scale agriculture in PNG and its role in rural livelihoods compared with other livelihood (including land use) options; provide a quantitative indication of the potential impacts of ongoing expansion of small-scale agriculture in PNG on forest areas and rural livelihoods, and identify potential 'hotspot' areas vulnerable to rapid expansion; provide recommendations on actions that can be taken to help incentivize sustainable land use planning and management practices while also strengthening community food security and rural livelihoods within forest areas. The assignment will be completed in 2017.
- Although the FCPF project is only focused on two of the REDD+ design elements highlighted in the R-PP (National Strategy and Safeguards and Safeguards Information Systems), it has also been significantly contributing to the other design elements (FREL and NFMS). This has been achieved through close collaboration with PNGFA as well as UN-REDD/FAO project staff supporting those elements. The FCPF project has established information sharing and cooperation mechanism with development partners in PNG.
- In order to comply with the multiple international safeguard requirements under the UNFCCC and other relevant initiatives (e.g. FCPF), PNG has been adopting a Country Approach to Safeguards (CAS). In this regard, FCPF project supported assessment of safeguards and safeguards information system (SIS) in PNG. The following results have been achieved out of this assessment:
  - PNG REDD+ safeguards gap analysis and roadmap developed and agreed with CCDA;
  - Updated and endorsed Terms of reference (TOR) for the TWG-SES;



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- Tool-kit for REDD+ safeguards capacity building developed;
  - Safeguards legal analysis, including the development of matrix and legal gap analysis report for Papua New Guinea carried out;
  - Draft clarification of the UNFCCC REDD+ safeguards in accordance with PNG's national context and circumstances undertaken;
  - Information needs assessment associated with demonstrating how safeguards are being addressed and respected in Papua New Guinea carried out;
  - Draft identification of information systems and reporting mechanisms in PNG, relevant for the design of the safeguard information system, and Recommendations for the design of a safeguard information system (SIS) in PNG developed.

**3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this project. (300 words)**

- Since the project is operating under a National Implementation Modality (NIM), a government agency is fully involved in the decision making, implementation and monitoring of the project. CCDA as the Implementing Partner, with PNGFA as responsible party, coordinates activities with support from the project manager to ensure the delivery of agreed outcomes. All relevant stakeholders and partners are fully and actively engaged in the process, playing an active role in project decision making, implementation and monitoring via the fully functioning Project Management Unit, PEB and TWGs.
- The PEB is comprised UNDP, CCDA and PNGFA as key partners with representation from the private sector, academic/research institutions, and CSOs and is co-chaired by CCDA and PNGFA. CSOs such as EFF, which is the leading umbrella organization for national and provincial NGOs in PNG dealing with forest conservation and co-chairing Conservation NGOs and Integrated Landowners Group (ILG) Network, and The Nature Conservancy (TNC), participate in PEB meeting as observers and their views are considered by PEB members during the discussion of project activities and issues encountered.
- Delivery was low in 2015 due it being the inception year but very high in 2016. The overall project delivery is at about 60% as of the end of 2016, which is extremely healthy at the mid-term of the project<sup>3</sup>.
- The project developed a Procurement Action Plan and delivery targets to follow up the disbursement of funds for services, goods and works. The project annually reviews operational bottlenecks to procuring inputs in a timely manner and addresses them through appropriate management actions. Budget allocation and management are effective and adequate. But it is noted that PMU meetings were not conducted officially and as such there are no regular meeting minutes and follow-up action plans.
- The project developed and implemented M&E as per the project document and tracked progress towards achieving the project objectives. The results framework includes a baseline, targets and

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<sup>3</sup> However, the co-funding from GoPNG was not captured throughout the project monitoring. It is essential that the project captures the funding that GoPNG contributes to the achievement of these global benefits (REDD+ initiatives). These co-funding is in terms of cash and in-kind. For example, the cost of operating a REDD+ division, the time spent by the NPD, and the involvement of the PEB members are considered as in-kind contribution.

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indicators. The funding allocation for M&E is adequate, including for mid-term and final evaluations. However, it is noted that audit for the project has not been conducted yet. But this will be the prerogative of the UNDP Country Office to decide whether the project needs an audit or not.

- Project risks are being monitored regularly as evidenced in the ATLAS updates. Some updates have been made to management plans and mitigation measures but these need to be discussed by the PMU and in PEB meetings officially. At the moment, there are no critical risks that warrant follow up mitigation action. The reporting of progress via Quarterly Progress Reports (QPRs), Annual Progress Reports (APRs) and Quality Assurance Report in ATLAS has been carried out consistently. The back-stopping by UNDP Regional Office is done well with regular inputs and/or monitoring visits. Additionally, in compliance with the Common Approach, all BTORs (Back to Office Reports) related to technical support missions as well as ToRs for different assignments and Assessment Reports have been uploaded to the UNDP PNG Country Office website.
- The project has monitored risks on a quarterly basis, as evidenced by an updated risk log. The project risk log is monitored regularly with adequate mitigation measures including regular dialogue with Implementing Partners (IPs) and key stakeholders through the NRS and Safeguards and SIS TWGs.
- Another critical point identified during the MTR is high security costs in PNG. Due to its complexity and safety issues, UNDP has set up arrangements to follow UNDP Safety Rules and Regulations and charges USD 20,000 per staff on annual basis. Furthermore, due to lack of infrastructure and service delivery systems, PNG remains a country with high operational costs.

**4. Describe progress in addressing social and environmental issues (including safeguards) related to the project. Is the SESA conducted in accordance with the Common Approach? Is the ESMF prepared in accordance with the Common Approach? (300 words)**

- A social and environmental screening was undertaken by UNDP as part of the inception process, and a medium risk rating was assigned. In compliance with the Common Approach, UNDP, as the delivery partner, has been applying its Social and Environmental Standards (SES) to the project in adherence to environmental and social safeguards. The Safeguards and SIS TWG, comprised of representatives from different government departments, civil society organizations and private sectors, was established. The objective of the TWG is to meet the need for PNG to respond to the multiple international safeguard requirements, in particular, those under the UNFCCC (Cancun safeguards) and the FCPF [Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)], through the adoption of a Country Approach to Safeguards (CAS).
- Overall, the entire assignment on safeguards is proceeding effectively and serving to ensure that the project and REDD+ activities will comply with the multiple international safeguard requirements under the FCPF and UNFCCC, and the project will continue to work closely with the government towards the endorsement of its CAS. The NRS will include an assessment of potential environmental and social risks and benefits from implementation of the specific PAMs (SESA), and

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actions to mitigate these risks and enhance the benefits (ESMF). In turn, the Safeguard Information System (SIS) will track how these safeguards are addressed and respected.

**a) Describe the progress in stakeholder consultation, participation, and disclosure of information and the FGRM, related to this project (300 words)**

- The FCPF project has been taking a collaborative approach to engage representatives of government agencies, CSOs and the private sector in the implementation of the project. The participatory mechanism used by the project includes extensive awareness raising, consultations and collaboration. CSOs are represented by EFF in the PEB, an umbrella organization with national and provincial memberships in environmental, governance and social backgrounds.
- Regarding strengthening inter-agency collaboration, the FCPF project has built a strong partnership with the relevant REDD+ readiness initiatives in PNG such as the JICA-funded project “Capacity Development for Operationalization of PNG Forest Resource Information Management System (NFRIMS)”, aimed at reinvigorating the capacity of PNGFA to update and manage forest cover and carbon stocks data on a GIS system, establish an efficient forest monitoring system, improve inter-agency coordination and technical capacities for REDD+ reporting, and develop appropriate training programs. Another ongoing REDD+ readiness initiative which UNDP has been actively collaborating with is the National Forest Inventory (NFI) project funded by European Union (EU) and implemented by FAO to support PNGFA to implement a continuous and multipurpose NFI as part of a National Forest Monitoring System that will fulfil the UNFCCC REDD+ requirements.
- PNG plans to build Grievance Redress Mechanisms (GRMs) based on its existing national and subnational institutions and mechanisms. The GRMs will be built on the joint FCPF/UN-REDD Programme GRMs guidance note for REDD+ countries, and will be compatible with the requirements of the FCPF Common Approach to Environmental and Social Safeguards. These will be independent, transparent, effective and accessible to multiple stakeholders. In this regard, the FCPF project has been reviewing other countries’ GRMs used to address any grievances that may arise in relation to country’s implementation of the NRS, including information, monitoring and reporting mechanisms to collect and provide information on how the country-specific safeguards are being addressed and respected; and enforcement mechanisms to address the lack of, or insufficient, application of the country-specific safeguards. National feedback and GRMs need to be effectively available, and if necessary, strengthened as part of the country’s REDD+ institutional arrangements. Such mechanisms need to be available to REDD+ stakeholders at all levels from the earliest stages of readiness in order to facilitate handling of any request for feedback or complaint by any stakeholders, with attention to providing access to geographically, culturally or economically isolated or excluded groups. Once established or strengthened, effective GRMs will help PNG accomplish several objectives in both the Readiness and Implementation phases, e.g., identify and resolve implementation problems in a timely and cost-effective manner; identify systemic issues within REDD+ implementation; improve REDD+ outcomes; and promote accountability. It is expected that the GRMs will be developed for PNG through CCDA’s leadership in close consultation with all relevant stakeholders.

**b) In Numbers**

	Year 1 (2015)	Year 2 (2016)	Year 3 (2017)	Year 4 (2018)
Number of civil society organizations actively engaged in different aspects of the programme (please indicate when possible Men/women ratio)	15	15		
Number of people trained on REDD+ and climate change (please indicate when possible Men/women ratio)	55 (35 men/ 20 women)	120 (80 men/40 women)		
Number of people trained on the four WF elements (please indicate when possible men/women ratio)	26 (18 Men /9 women)	70 (60 men/10 women)		
Number of national consultation workshops held.	1 (Inception Workshop) 2 (Trainings) 1 (REDD+ TWG meeting)	<p><b>23 National Consultation Workshops:</b></p> <ul style="list-style-type: none"> <li>• 3 - REDD+ Expert Training</li> <li>• 10 – Issues and Options Consultation Workshops</li> <li>• 2 – Palm Oil Consultation Workshops</li> <li>• 4 – Safeguards/SIS Consultation workshops</li> <li>• 2 – Gender Consultation workshops</li> <li>• 2 TWG Meetings;</li> </ul>		

**c) Financial Data**

The table below provides up-to-date cumulative financial progress of the R-PP implementation on planned, committed and disbursed funds, at the end of the reporting period and including all cumulative yearly disbursements.

<b>IMPLEMENTATION PROGRESS</b>				
<b>OUTPUTS</b>	<b>Amount Transferred by UNDP</b>	<b>Cumulative Expenditures up to 31 December 2016</b>		
		<b>Commitments</b>	<b>Disbursements</b>	<b>Total Expenditures (D) = B + C</b>
Outcome 1. Capacities exist for effective and efficient management of REDD+, including full and effective participation of all relevant stakeholders	\$1,041,000	\$47,061	\$247,546	\$384,712.50
Outcome 2: The National REDD+ strategy	\$1,803,000	\$358,940	\$626,365	\$1,230,871.66
Project Management	\$956,000	\$78,884	\$340,584	\$536,020.45
<b>Sub-total</b>	<b>\$3,800,000</b>	<b>\$484,885</b>	<b>\$1,214,495</b>	<b>\$2,151,604.61</b>

**Annex 1. Picture and caption**



Issues and Options Consultation Workshop



REDD+ Expert Training in Kimbe





REDD+ Expert Training Field Trip in Kimbe



REDD+ Expert Training in Mount Hagen



CCDA Managing Director delivering a speech during the REDD+ Training in



Gender Consultation Workshop



Project Executive Board Meeting



Stakeholders' Consultations on PNG's National REDD+ Strategy

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**PROJECT EXECUTIVE BOARD (PEB) MEETING**  
**FCPF REDD+ READINESS PROJECT IN PAPUA NEW GUINEA**  
**PEB/ TECHNICAL ADVISORY MEETING MINUTES 2/2016**

**Date:** December 09, 2016

**Venue:** 4<sup>th</sup> Floor, Climate Change and Development Authority, POM, PNG

**Time:** 09.00 – 12.00

**PURPOSE:**

- **Introduction and Welcome**
- **Take a stock of the 2016 achievements of the FCPF REDD+ Readiness Project in PNG;**
- **Present and discuss findings of the project mid-term review; and**
- **Discuss and endorse the proposed 2017 Project Annual Work Plans, which is a result from series of planning exercises with key stakeholders**

**Participants:**

**Board Members:**

1. Mr. Ruel Yamuna – Acting Managing Director, Climate Change and Development Authority;
2. Mr. Goodwill Amos - Manager REDD+ and Climate Change, PNG Forest Authority;
3. Mr. Dambis Kaip - Manager Policy & Aid Coordination, PNG Forest Authority;
4. Ms. Gwen Maru - Programme Analyst (Environment) – United Nations Development Programme;

**Provisional Advisory Committee (Observers)**

5. Mr. Kwaipo Vali – Director, Renewable Resources, Department of Prime Minister and NEC;
6. Mr. Bob Tate - Executive Officer, PNG Forest Industry Association;
7. Mr. Ian Orrell - Head Sustainability, New Britain Palm Oil Limited
8. Mr. G. Rome – Aid Officer, PNG Forest Authority;
9. Mr. Danny Nekitel – Manager Mitigation, Climate Change and Development Authority;
10. Ms. Sonia Baine - REDD+ Officer, Climate Change and Development Authority;
11. Ms. Leilani Kambuou – REDD+ Officer, Climate Change and Development Authority;
12. Dr Justin Ondopa – Fellow Researcher, National Research Institute;
13. Ms. Maureen Thomas – Fellow Researcher, National Research Institute;
14. Dr Hitofumi Abe – Chief Technical Advisor, UNREDD Programme, Food & Agriculture Organisation
15. Mr. Tatsuya Watanabe - Chief Technical Advisor – JICA, PNG Forest Authority;
16. Mr. Darian Clark - First Secretary DFAT – Australian High Commission;
17. Mr. Kelly Kalit – Director, Government Relations and Policy, The Nature Conservancy
18. Ms. Sarah Stocks – National Consultant, FCPF REDD+ Readiness Project/ FAO Project Coordinator;
19. Dr Gae Gowae – National Consultant, FCPF REDD+ Readiness Project;

**Secretariat/Project Management Unit**

1. Mr. Mirzohaydar Isoev – Chief Technical Advisor, FCPF REDD+ Readiness Project
2. Mr. Peter Katapa - Project Manager, FCPF REDD+ Readiness Project;
3. Mr. Sam Moko – Stakeholder Engagement Officer, FCPF REDD+ Readiness Project;
4. Mrs. Doe Kwarara – Project Administrative and Finance Assistant, FCPF REDD+ Readiness Project

**1. Introduction and Welcome/Opening Remarks:**

The meeting chairperson, Mr. Mirzohaydar Isoev welcomed Project Executive Board (PEB) members and key stakeholders thanking them for their attendance and contribution towards implementing PNG's REDD+ Readiness Project supported by the World Bank's Forest Carbon Partnership Facility. 2016 was successful year for the project in terms of systematically building the national capacity that contributed to the development issues and options for consideration in PNG's National REDD+ Strategy.

Mr. Ruel Yamuna opened the meeting acknowledging all participants' support to progress PNG's REDD+ readiness phase. Mr. Yamuna highlighted the achievements of PNG government's direct



intervention on Article 5<sup>1</sup> of the UNFCCC at COP21 to include REDD+. In 2016 at UNFCCC COP22, PNG presented its outline of the draft National REDD+ Strategy and FREL which will be submitted to UNFCCC in early 2017 for technical assessment. He also noted that transforming ideas from “project driven” to “policy approach” would serve country’s ownership to effectively manage REDD+ initiatives in a transparent, consistent and participatory manner that would lead to sustainable growth in PNG. “2017 will be a changing year towards shifting from REDD+ Readiness Phase to Testing and Implementation. The Project, together with CCDA and PNGFA is looking forward to working in close collaboration with all relevant government departments, private sectors and civil society to implement REDD+ Readiness activities” – said Mr. Yamuna.

Mr. Ian Orrell sought clarification from the chairperson on the distinction on the role of observers and PEB members. PMU/UNDP clarified that stakeholders’ inputs are important to inform the PEB discussions and decisions on the project. The suggestion was agreed to by all meeting participants. Mr. Bob Tate from Forestry Industries supported this idea stating that such process and distinction would ensure transparency and accountability for the benefit of all sectors to know and make meaningful contributions to guide CCDA, PNGFA, UNDP implement the project.

**Decision:** PEB Members remain as CCDA, PNGFA and UNDP while other key stakeholder would constitute Project Technical Advisory Committee.

## **2. Agenda item 1. Review of FCPF REDD+ Readiness Project achievements and lessons learned for 2016**

Mr. Peter Katapa highlighted the following project achievements and lessons learned in 2016. He presented the achievements against the 2016 targets for each of the project’s expected outcomes as per the approved project document. The 2016 achievements are:

- CCDA Institutional Change Management – Project supported CCDA’s institutional restructuring process of the Office of Climate Change and Development to a full statutory authority known as the Climate Change and Development Authority (CCDA) following completion of a comprehensive organizational assessment.
- The Issues and Options Paper on REDD+ was completed. The findings have informed discussions for the development of a National REDD+ Strategy;
- More than 80 representatives of national government agencies, civil society organizations and private sectors have been trained on REDD+ through a series of REDD+ Expert Trainings held in Kimbe, Mt. Hagen and Kokopo;
- Assessment of agricultural commodities was completed. The analysis was to present a business case for enacting a set of policies and measures to reduce the future impact of key agricultural commodities (cocoa, coffee and oil palm) on forest cover in PNG, while allowing for ongoing growth within these sectors;
- A situation analysis to improve gender inclusiveness and participation in PNG’s National REDD+ Strategy and policies completed;

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<sup>1</sup> Insert clause of UNFCCC Article 5

- Provided support to Technical Working Groups (TWG) on Social and Environmental Safeguards and National REDD+ Strategy through undertaking TWG meetings, particularly on the development and improvement of a common vision for national REDD+ implementation;
- Tentative pilot provinces to demonstrate REDD+ actions have been identified in the Issues and Options Paper: Madang, East Sepik, West Sepik, East New Britain and West New Britain. Only Madang and East New Britain Provinces were selected based on the responsiveness and capacity of the two provincial administrations;
- Completed assessment on agricultural modelling (with a focus on oil palm) and developed future trends of deforestation and land suitability models to support the development of REDD+ actions and strengthen national forestry planning processes;
- Developed a REDD+ safeguards gap analysis, Roadmap and recommendations for the design of a safeguards information system in PNG;
- Provided support to CCDA and PNGFA to present the country's progress on National REDD+ Strategy and Forest Reference Level at the Climate Change Conference in Morocco (COP22) in November 2016;
- Initiated development of a National REDD+ Strategy through active engagement of all relevant stakeholders;
- Developed policy briefs on "Introduction to REDD+", "Managing the impacts of Commercial Agriculture on PNG's Forests", "REDD+ Safeguards in PNG" and "PNG's National REDD+ Strategy".
- Developed and consulted on a National REDD+ Communication Strategy and website including national REDD+ logo with all relevant stakeholders. A core group on the national website is established.
- Completed institutional stakeholder mapping and analysis at the national level, and a draft national engagement plan.

While implementing the project, the following lessons learned have been identified:

- Although a significant progress has been made to enhance inter-agency collaboration and bring all stakeholders in the REDD+ discussions, there is still a room for increasing awareness and understanding of REDD+ concepts amongst stakeholders. This approach would build a national ownership on REDD+ and ensure participation of all relevant government agencies, civil society and private sector in the implementation of cross-sectoral activities.

**Action:** FCPF project should take necessary actions in 2017;

- During the organization of REDD+ trainings and workshops, the project faced difficulties with logistics and lengthy UNDP procurement processes.

**Action:** FCPF project takes into account and must work out other possible options to make sure that no delays are occurred;

- Sharing information and knowledge management remain a challenge in implementation of the project. With the support of the project, policy briefs on "Introduction to REDD+", "Managing the impacts of Commercial Agriculture on PNG's Forests", "REDD+ Safeguards in PNG" and "PNG's National REDD+ Strategy" as well as REDD+ communication strategy

including development of a national REDD+ website were developed. However, in order to increase awareness of decision makers and senior level officials from government agencies, there is a need to simplify approaches and deliver communication messages to ensure better understanding and active engagement of stakeholders on REDD+. Another critical point is that since CCDA is the leading government agency on climate change and strives to increase public awareness on climate change issues, there is value in establishing a Climate Change Information Resource Centre to serve as a resource hub to help stakeholders to easily access relevant information on climate change issues including REDD+.

**Action:** CCDA to provide a venue for the resource centre as the government's contribution and FCPF Project to provide technical support to establish and maintain the resource centre. In the future, to ensure sustainability of the centre, a Memorandum of Understanding will be signed between CCDA and relevant government agencies, academic and research institutions, civil society institutions and private sector;

- Significant progress has been made on the development of a Country Approach to Safeguards (CAS) including a comprehensive assessment on safeguards and safeguards information systems. This REDD+ safeguards gap analysis led to roadmap including capacity building tool-kit on REDD+ safeguards, safeguard legal analysis, drafting clarification of the UNFCCC REDD+ safeguards in accordance with national context and circumstances, preliminary identification of information needs associated with demonstrating how safeguards are being addressed and respected in the country. The recommendations have informed the design of a safeguards information system (SIS) in PNG. It was noted that in order to comply with the multiple international safeguard requirements under the UNFCCC and other relevant initiatives (e.g. FCPF), the project should consider the results of the assessment when developing a National REDD+ strategy.

## **Agenda Item 2. Discuss and endorsement of FCPF REDD+ Readiness Project's 2017 Annual Work Plan**

Following Mr. Katapa's presentation, Mr. Isoev presented the project's planned activities for 2017 stating that the project will continue to support the government strengthen capacities on REDD+ management and implementation. The 2017 activities are designed to achieve the following 2017 targets:

- National REDD+ Strategy finalized and endorsed by the GoPNG and the development of REDD+ Action Plan(s) initiated;
- National REDD+ Steering Committee established and functional;
- Two pilot provinces selected and engagement plans developed;
- Communications Action Plan developed and implemented;
- Safeguards and SIS roadmap implemented;

He also mentioned about importance of establishing a National REDD+ Steering Committee (NRSC) to help strengthen coordination across the government, development partners, civil society and the

private sector while also helping to provide clear guidance and leadership on the development of the National REDD+ Strategy and implementation of demonstration activities. A suggestion was to have the first NRSC meeting in February 2017.

Another critical point was bringing activities onto provincial level. In this regard, the project will be working in two pilot provinces i.e. East New Britain and Madang based on the discussions and results of voting by stakeholders during the REDD+ training event in Kokopo.

Mr. Bob Tate noted that there is no need to reinvent the wheel and PNG Forest Authority (PNGFA) has good representation at provincial levels including office, staff and the Provincial Forestry Management Committee (PFMC) which the project could use these existing network to expand and strengthen its REDD+ initiatives at the sub national level.

Mr. Dambis Kaip from PNGFA mentioned that other sectors are yet to fully integrate REDD+ noting climate change as an evolving topic. Relevant sectors would need to enhance their knowledge both at the national and sub-national level.

### **Agenda Item 3. FCPF Mid-Term Review**

Mr. Isoev further informed participants of recently completed Mid-Term Review of the FCPF REDD+ Readiness Project by Independent Evaluator. The purpose of the evaluation was to review progress on PNG's REDD+ Readiness activities since 2015, review of Project Strategy, assess the progress towards project Outcomes and Outputs as well as develop recommendations and lessons learned. The mid-term review was also carried out to submit a top-up proposal for FCPF to continue support on country's readiness phase.

The overall project's MTR findings are:

- REDD+ implementation in PNG is progressing well, with significant evidence of government commitment and ownership. REDD+ falls within the broader context of the PNG's climate change response.
- The presentation of the progress at UNFCCC COP 22 in Marrakesh in November 2016 were important milestones in REDD+ Readiness process and shows PNG is on its way to finalise its readiness state and potential to move into implementation.
- Fundamentally, the coordination's and cooperation between the agencies within the government structure for potential REDD+ implementation in PNG is highly enhanced and committed by this project.
- The trajectory to achieve its development objectives is positive and progress is high given the commitment, initiatives, efforts and attention. But implementation objective i.e planned activities delivery is modest.
- At mid-term of implementation, the project has demonstrated that process of National Management Arrangement and the development of National REDD+ Strategy are progressing well. This could be tremendously improved if the National Steering Committee for REDD+ is fully operationalised.

In terms of sustainability the following findings have been identified:

- A shift is needed from donor-driven to government-driven REDD+ implementation, with stronger ownership and continued high-level commitment of the leading government agencies and ministries.
- Implementing REDD is beyond forestry. Engagement of non-forestry sector is high
- International and national matching of consultants is very positive.
- Achieving high-level political support for REDD+ is contingent on successful progress of the international negotiations and establishment of mechanisms to reward developing countries for reductions in deforestation.
- CCDA support efforts to effectively engage all stakeholders in domestic level in developing a clear roadmap towards implementation of REDD+.
- Suspension of Special Agriculture and Business Leases (SABLS) is encouraging.
- Financing is critical – need to progress on REDD+ National Fund

The key MTR recommendations are:

- The establishment and operations of the National Steering Committee on REDD+ is critical. It is recommended that since this is not operationalised at the mid-term of the project, it is to be considered as critical risk for the successes of the project objective. This risk should appear as standard agenda in the PMU, TWG and PEB meetings. A target date for the approval of the committee and the 1st meeting of this committee should be agreed as soon as possible;
- Project Management Unit (PMU) meetings must be done officially and record of agenda, follow up action and minutes must be maintained. This is a best practice in UNDP project management.
- The project should have a strategy, mechanism and targets on how the NRS will be discussed, approved at the project level and brought up to the NEC. The project should have a clear path on how NRS will be mainstreamed in sustainable development policy and action in PNG.
- The project should capture the co-funding (both in-kind and cash) from PNG side to reflect Government of PNG's commitment appropriately. This would also reflect the strength of sustainability of the REDD+ efforts in PNG.
- Based on the current progress of activities, and the commitment shown by the GoPNG, up to now, activities of the FCPF have been implemented without any requirement for further funding, however, with the 2017 work plan and budget and reduced or lack of funding from partner agencies brings more emphasis in the provincial activities and expansion of the activities, some activities will be underfunded. Readiness is costly and time consuming and institutional-capacity intensive. As such PNG and UNDP should seek additional funding soonest to keep progress going.
- Allocation of funds to delivery partners like PNGFA and other agencies, and NGOs should be explicit in the next work plan or additional funding request so as to provide incentives to these stakeholders.

#### **Agenda Item 4. FCPF Top-Up Proposal**

Project is intending to submit a top-up proposal to receive additional funding support from the World Bank's FCPF Readiness Fund to enable the continuation of support to PNG's Readiness Phase, primarily to strengthen capacities for the efficient management of REDD+, the development of a National REDD+ strategy, and to increase engagement of diverse stakeholders (government, private sector, NGOs/CSOs and academia) in this process. In this regard, the project should meet a few requirements before submitting the proposal:

- Developing country should absorb at least 50% of allocated funds for REDD+ Readiness Phase;
- Mid-term review of the project is undertaken

For PNG, current project delivery has reached 56.6% out of USD 3.8 m of Readiness funds and project MTR was undertaken. Thus, with the support of Government, it is expected to submit the proposal in early 2017.

The duration of top-up proposal is four years (2017 – 2020) with total amount of USD 5m and it consists of the following outcomes:

Outcome 1: Capacities exist for effective and efficient management of REDD+, including full and effective participation of all relevant stakeholders

Outcome 2: Endorsement of PNG's National REDD+ strategy and Action Plan

Outcome 3: Sub-national stakeholders have capacity for REDD+ planning

Outcome 4: Capacities exist for NFMS and FREL management and development

First two outcomes are continuation of ongoing initiatives and outcomes 3 and 4 are new to expand activities at the provincial level and support PNGFA's work on National Forest Inventory through FAO's support.

Discussions around outcome 4 were initiated and Mr. Ian Orrell is interested whether collaboration on biodiversity study is envisaged with the Conservation and Environmental Protection Authority (CEPA) within this proposal. In response, Dr Abe noted that FAO within the PNGFA is striving to create a link and improve cooperation with CEPA.

#### **Agenda Item 5: Feedback and Discussions:**

Ms. Gwen Maru from UNDP PNG Country Office acknowledged CCDA and PNGFA with the support of PMU their commitment to proactively progress national efforts towards PNG's REDD+ readiness. To date, the project approach to engage national agencies and stakeholders is essential and led to successful implementation 2016. Due to uncertainty in future on ongoing funding as key agencies and sectors can take the lead and strengthen this process and make it work across sectors at national and sub-national level. The idea of outsourcing implementation to national institutions is supported by the MTR recommendations to ensure continuity and national ownership to lead REDD+ work in PNG. This include involvement of in other sectors on biodiversity conservation as there are ongoing work to establish database where all agencies could use relevant data for their work to avoid any misinterpretations on biodiversity conservation, land-use planning and forestry activities.

Mr. Goodwill Amos from PNGFA suggested to initiate signing of a Memorandum of Understanding between agencies once the data base is established.

Mr. Darian Clark from the Australian High Commission asked about World Bank's involvement in project implementation. In response, Mr. Isoev has briefed participants about funding mechanisms (Readiness and Carbon funds) for developing countries. He clarified that communication with World Bank at the regional level through UNDP Bangkok Regional Hub by REDD+ Technical Advisor.

#### **Agenda Item 6: Closing and Next Steps**

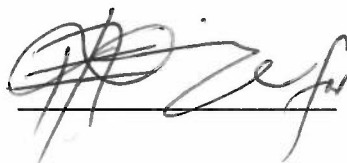
In closing, Mr. Yamuna delivered closing remarks and thanked all stakeholders and development partners for their support and contributions in the implementation of the project. He noted that recently organized Green Climate Fund (GCF) awareness workshop by the Australian High Commission enabled country to build its capacity for receiving funds from the GCF to implement climate change and environmental conservation projects in the country.

#### **AGREEMENTS**

It was agreed that:

- PEB Members remain as CCDA, PNGFA and UNDP while other key stakeholder would constitute Project Technical Advisory Committee.
- Achievements of the FCPF REDD+ Readiness Project in 2016 are acknowledged by interim Project Technical Advisory Committee and approved (currently as observers) and PEB members;
- To improve knowledge management and information sharing system CCDA will provide a venue for the resource centre as the government's contribution and FCPF Project to provide technical support to establish and maintain the resource centre;
- FCPF Annual Work for 2017 is acknowledged by interim Project Technical Advisory Committee (currently as observers) and endorsed by PEB members. The project will take into account all suggestions made by observers while developing and implementing FCPF Annual Work Plan in 2017;
- Findings of FCPF Mid-Term Review are acknowledged by stakeholders and endorsed by PEB members;
- A Top-up proposal to continue support on REDD+ readiness phase is acknowledged by stakeholders' and endorsed by PEM members;

Mr. Ruel Yamuna,  
Acting Managing Director,  
Climate Change and Development Authority




December 09, 2016

Mr. Goodwill Amos,  
Manager, REDD+ and Climate Change,  
PNG Forest Authority



December 09, 2016


Ms. Gwen Maru,  
Programme Analyst (Environment)  
UNDP PNG CO

  
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December 09, 2016

**Minutes taker:**

Ms. Sonia Baine

  
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December 09, 2016

REDD+ Officer,  
Climate Change and Development Authority