

**INA / IGES PNG Situation Assessment for REDD, REDD Capacity Building Workshop and Building Consensus, 01-03 March 2010, Gaire, Central Province, PNG: Summary**

**Rapporteur: Henry Scheyvens**

**Day 1: Theme - State and Prospects for REDD+**

**Session 1: Update on REDD+ Negotiations and Implementation**

**Presentation 1. Introduction: Paul Barker (Institute for National Affairs), Henry Scheyvens (IGES)**

- ✚ Workshop conveners explained that the workshop was organized by INA and IGES, with funding support from the Ministry of Environment of Japan. The purpose of the workshop was introduced: To assess the current threats and scenario with respect to forests in PNG and the pre-requisites for a likely participation in the REDD program once a framework for implementation is internationally agreed upon.
- ✚ Attention was drawn to the issue of industrial agricultural development now being a major challenge for REDD. That the Forestry Act brought in a set of checks and balances to reduce the potential for sole discretion by Ministers and others in allocating timber rights was also explained. Various direct mechanisms have been introduced to avoid the forest management agreement (FMA) process laid out in the Forestry Act. The issuance of special purpose leases by the Lands Department (mostly 99 years; total >2.5 million ha) could be described as part of the global "land grab". The motives are not clear. The land grab followed the high commodity food prices at the end of 2007, which saw a lot of developed countries attempt to acquire land in developing countries for food security, bio-fuels, etc.

**Presentation 2. Secretary of the Department of Environment and Conservation (DEC): Dr. Wari Iamo**

- ✚ Dr. Iamo welcomed the opportunity the workshop provides, and its timeliness. He presented on: What the outcome of COP15 means for PNG; PNG's REDD strategy; Next steps.

**COP15**

- ✚ We had high expectations, but COP15 was a great disappointment. Nevertheless, the Copenhagen Accord mentions issues important to PNG: Adaptation and REDD+. We expect more money to be available for REDD+ (~ US\$1 billion year). Allocation will be based on the strategy development of each country, not just on capacity building needs.

- ✚ Prior to Copenhagen, Govt. conducted a variety of consultations and commissioned several studies: Colin Hunt -- economics of REDD; Colin Flier - - securing resources and benefit sharing; Dr. Julian Fox -- drivers of deforestation. DEC engaged McKinsey for technical studies a few weeks before Copenhagen. These reports are still to be finalized.

### **PNG strategy for climate compatible development**

- ✚ The strategy has 3 elements:
  - Economic development - achieve GDP per capita of US\$3,000 by 2030;
  - Mitigation - at least 50% emissions reductions by 2030 (>90% to come from REDD; average cost = US\$4/tonne CO<sub>2</sub>).
  - Adaptation - Key areas: coastal flooding, inland flooding, loss of agricultural yields, coral reef decay and malaria. Early action would avoid higher costs later. E.g. Govt. is now spending ~ US\$20 million on coastal flooding. By 2020, Govt. will be spending about US\$100 million. By spending US\$40 million now, PNG could save about US\$80 million later.

### **Drivers of deforestation and degradation (DD)**

- ✚ Studies show that DD is caused mainly by smallholder agriculture and forestry.

### **Low carbon growth**

- ✚ Scenario analysis suggests that taking a low carbon growth path can be achieved with annual GDP growth of 7-8% by 2030. Policies to achieve this include reduced impact logging, having 10% of energy needs provided by hydropower and solar, etc.

### **Institutional set-up**

- ✚ The DEC/OCCES has 3 working groups: Technical working group on REDD; Technical working group on adaptation; Working group on low carbon growth.

### **Decision principles of new organization proposed**

- ✚ The OCCES is to be re-staffed and reorganized. The basic principles for the new office should be: Equipped with required authority and power; Coordinate activities across the different ministries and stakeholders; Include all stakeholders, for relevant topics at the right time; Hire and develop a highly qualified set of people; Ensure highest possible integrity of people and processes.

### **Conference**

- ✚ A conference will be convened to disseminate results from all the studies DEC has commissioned.

*Facilitator*

- ✦ The importance of integrity and trust was highlighted. It was pointed out the purpose of the new Lands Act and the Forestry Act was to get people involved in decision making.

## Session 2: State and Prospects for REDD+

### Presentation 1. Prospects and timetables for REDD+ internationally: Dr Graham Sem

- ✦ Under UNFCCC there are 2 main negotiation tracks: The AWG-LCA ( which will continue to work towards a post-12 mechanism) and the AWG-KP, to continue until COP16.
- ✦ Many countries did not like the process by which the Copenhagen Accord was reached. It is not part of the official COP decisions, which is an important consideration as most things we do now on climate change (CC) are based on COP decisions. The COP only said that it would “take note of” the Accord. This causes problems as we don’t know how it will be implemented over the next few years, even though over 100 countries have associated themselves with it, including PNG.
- ✦ US\$30 billion was committed for mitigation and adaptation.
- ✦ Indigenous people and local communities feature as key players in REDD+. Safeguards that are put into practice are a key instrument for creating REDD+ systems.
- ✦ A phased approach is supported for REDD+ activities: 1. policy/strategy development, 2. policy/strategy implementation, 3. results-based action. Also, there is a consensus that when developing national strategies, drivers of DD, land tenure, governance, gender, and safeguards should be considered.
- ✦ A methodology for monitoring carbon was requested. As yet, the use of MRV language is undecided.

### **What was not agreed at Copenhagen regarding REDD+ (i.e. outside of the Copenhagen Accord)**

- ✦ Nature of financing (i.e. amount and source);
- ✦ Scale - acceptance of sub-national implementation and monitoring;
- ✦ Link to NAMAs (nationally appropriate mitigation strategies);
- ✦ Measuring, reporting and verification for support provided by developed countries;
- ✦ Commitment to MRV for REDD+ activities and results-based actions in a phased approach;
- ✦ MRV for safeguards included in MRV systems for REDD+ activities (must be careful of sovereignty issue).

### **What’s ahead on REDD+?**

- ✦ AWG-KP and AWG-LCA meeting from 9-11 April 2010, Bonn;
- ✦ SBSTA meetings in May-June 2010;

- ✚ COP16 in Mexico November-December 2010.

### *Discussion*

- ✚ A complaint was made that McKinsey was being brought in while local expertise was being ignored. Govt. argued that the credentials of McKinsey are recognized internationally, and that both local and international expertise should be fully utilized.
- ✚ One participant explained that although there is no international decision, PNG needs to move ahead with the development of its national REDD policy framework. What is done at the national level must inform the international processes.
- ✚ That PNG needs to take ownership was stressed. One participant felt that PNG can learn from the landowner program. We need to treat this workshop as an opportunity for us to work together, to start thinking as Papuan New Guineans, and to take control of REDD with input from our development partners.

### Presentation 2. Update on Initiatives and Activities undertaken concerning REDD implementation: Gwen Sissiou, DEC / Goodwill Amos, PNG Forestry Authority (FA)

#### Background

- ✚ After COP13, the REDD roadmap was developed with assistance from AusAID. The UN-REDD program came later, but as yet no funds have been released through it to begin implementation. UN-REDD is now inactive in PNG as FAO has refused to sign the latest agreement.
- ✚ A detailed economic analysis of REDD+ and the energy sector has been launched. McKinsey was contracted for this work after recommendations from donors. Govt. is now trying to use data to inform the policy process

#### Emissions estimates

- ✚ Total LULUCF were approximately 79-90 Mt CO<sub>2</sub>e in 2005: 13-25% subsistence agriculture; deforestation 19%; degradation 29%; plus others.
- ✚ Under business as usual (BAU), emissions are expected to increase 13-41% by 2030. Timber extraction is highest at 53-64% by 2030. Agriculture is 32-58%. Mitigation policies for forestry have been identified, e.g. 100% reduction would be through a logging ban. Less severe targets could be met through enforcement of SFM and tree planting.
- ✚ Analysis suggests that up to 100 Mt can be mitigated by 2030, costing about US\$ 1-2/t CO<sub>2</sub> for shifting agriculture to over US\$ 10/t CO<sub>2</sub> for oil palm.

#### Next steps

- ✚ Working groups meet every Wednesday.
- ✚ REDD+ working group priority programs
  - Subsistence smallholder agriculture
  - Intensive commercial agriculture

- SFM
- Plantations
- Enrichment planting in natural forest
- Fires

### *Discussion*

- ✦ It is not enough to set targets and list policies to achieve these. Govt. must take the first step and show that action is possible to move towards a low carbon society. Then Govt. will win support for its policy.
- ✦ Set up an environmental baseline, rather than plan according to an economic baseline. PNG is not even implementing the basics of sustainable rotation harvesting. Let us start from the environmental basics of good forest management and change the policies to achieve this. We must also focus on the social baseline. If it helps, let us consider cutting down industrial logging by 50% and replace it with carbon trading in a way that benefits with our people.
- ✦ About 80-90% of logging is illegal because it does not comply with the code of harvesting and other forestry-related regulations. The FA and DEC, supported with local NGOs, should investigate this further and come up with home grown solutions.
- ✦ You could reduce emissions from deforestation by kicking out the loggers that are not complying with their permits.
- ✦ We need detailed land-use studies with the communities that we are working with. This needs to be participatory and transparent.
- ✦ Land-use planning at clan level should be the basis for setting the REDD strategy. If we start from the clan level up, we can succeed, but not from top-down, which has failed so many times for so many programs.
- ✦ Govt. was urged to put out a full page advertisement in the newspaper to inform the public on what happened at Copenhagen. EFF has already done this, but this is Govt. responsibility.
- ✦ We should stop talking about carbon trading. We need to start with Sustainable Land Use Planning. We need to get communities prepared for climate change.
- ✦ At COP13 in Bali in Dec. 2007, PNG asserted itself on the international stage and even won an award. But, at Copenhagen we had nothing to offer. We have even embarrassed ourselves with credit certificate scandal. So, we need to forget that we are NGOs and Govt. and we must work together.

### *Response from the presenters*

- ✦ DEC has both a bottom up and top down approach. We want to hear more of what is going on at the ground level.
- ✦ Govt. will not support voluntary carbon trading unless it can be demonstrated to govt. that it can be a pilot project.
- ✦ McKinsey did approach the EcoForestry Forum, but they refused an interview.

- ✦ Govt. is yet to decide on which agency would be responsible for developing a national spatial land-use plan. Forestry and Agriculture each have their plans but there is not much communication between them.
- ✦ Govt. will develop a fully-fledged benefit sharing policy. The principle is that those who contribute to an activity will benefit from the activity. This will include all layers of government. Calls for 80-90% of benefits to go to local resource owners came from regional consultations. But, government will be charging an administration fee.
- ✦ PNG has “associated” with the Copenhagen Accord as there is no legally-binding agreement on REDD.
- ✦ Govt. still needs to tease out what needs to be legislated for.
- ✦ DEC wants to hear of experiences from the ground and to learn from these, and invites proposals from this workshop;
- ✦ The Prime Minister used his strong relationship with the Asian leaders, esp. China, to bring forward the possibility of the Accord.

### **Session 3: Practical Applications of the REDD Mechanism (positive international and PNG pilot projects under PES or pre-REDD arrangements and their pre-requisites)**

#### **Presentation 1. International Good Experience: Henry Scheyvens (IGES)**

- ✦ This presentation discussed progress in Indonesia towards regulating REDD. Two regulations and 2 decrees now regulate REDD activities in the country, and could be instructive for PNG.
- ✦ The regulations cover who can propose REDD activities, and their rights, roles and responsibilities; the application process; the process of vetting the application; and payment distribution.
- ✦ The formulation of the legislative framework involved rounds of consultations with stakeholders. The regulations now must be tested by Govt. requiring REDD project developers to submit their proposals through the formal process laid out in the new regulations.

#### **Presentation 2. Issues & Options in the Development & Implementation of a REDD Mechanism: Peter Dam, FORCERT**

- ✦ It is very important to have rural communities fully involved in REDD, but communities have lost faith in government. For REDD to succeed in PNG, it must be very transparent.
- ✦ Payment for Environmental Services (PES) should be seen as one form of income generating option for communities; but, only as *one*.
- ✦ It is very important for the communities to develop their own carbon trading entities. This will help cut out the middleman.
- ✦ A group of concerned Papua New Guinean experts proposed to Govt. a payment for environmental services system for PNG. The proposal provides the outline for a transparent operational PES framework; ensures maximum

benefits reach local communities; and contain the major aspects of a practical, transparent and equitable PES system. The initial Govt. response was -ve, but is now much more +ve.

- ✦ The proposed PES system has REDD funds managed through an independent financial institution.
- ✦ National standards should be established for REDD and PES implementation. It is very important that a multi-stakeholder institution is established to set the national REDD standards and oversee the process.

### **Presentation 3. The Nature Conservancy (TNC) approach: Francis**

- ✦ The TNC project is developing tools and processes for local people to develop a land use management plan and sign a conservation agreement with local government.
- ✦ Manus, Madang and West New Britain are being targeted for the provincial Govt.s to take up these tools and to reflect them in the 5-year development plans.
- ✦ Key features of the TNC approach are that the communities decide the land zoning, and are responsible for the institutions and their enforcement to ensure compliance with their land use plan.
- ✦ The communities have been federated into societies and some are selling cacao under FairTrade.

#### ***Nalau Bingeding (facilitator)***

- ✦ Our NGO partners are doing something we as Govt. have not done. We have something here that is home grown that we can present to the international community.

### **Presentation 4. The Foundation for People and Community Development (FPCD) approach: Vitus Ambia**

- ✦ FPCD is raising awareness of communities on climate change and has developed leaflets for this purpose.
- ✦ Lessons for REDD from the FPCD approach include:
  - REDD should start with the development of community based land use plans;
  - Communities can manage their forests for timber production using management plans certified to international standards;
  - Applying Forest Stewardship Council tools for forest management will bring down emissions.
- ✦ Govt needs to produce a clear CC and REDD policy so the NGOs can explain this to the communities.

### **Presentation 5. Dorothy Tekwie, Greenpeace**

- ✦ Greenpeace sees most logging in PNG as destructive and illegal
- ✦ Awareness raising is critical. People don't know whether they should put the carbon in a bottle, they are so confused about the subject. If they are given the choice of something hard like certified locally-based forestry,

compared with easy money for REDD offered by someone dishonest who flies in by helicopter, they will choose the later.

- ✚ PNG needs a National Forest Fund for REDD that is managed by a multi-stakeholder body. It would not produce emission reductions for trading, but rather would be a quick way to get action on the ground. The fund would integrate local, provincial and national land-use planning, and would be linked to national carbon accounts and deforestation targets. It would not be used for industrial logging, but could be used for forest restoration.
- ✚ We need to agree on the Forest Fund institutional arrangements and elect committees. We need to jointly approach donors with a Govt./civil society proposal.
- ✚ We now need a united Govt. to provide the leadership role in preparation for and regulation of REDD, with independent monitoring against international standards to ensure performance. We need a complete policy and regulation with a proper participatory stakeholder process.

### **Presentation 6. Landowner perspectives on landowner ownership and participation in REDD: Enock Kale**

- ✚ Partnerships with local people are contributing to sustainable natural resource management. But, more use of partnerships is needed. Local people have conservationist objectives, but these are not recognized by those who design conservation programs.
- ✚ Challenges for conservation
  - Protected areas impinge on local rights and have local costs, but benefits accrue globally.
  - Enforcement of laws regarding use/protection of forest is not effective in PNG. Local partnerships are needed.

### **Day 2: Theme - Agriculture, forestry and other land uses**

#### *Discussion*

- ✚ Globally, we see a shift towards a broad range of environmental services, not just carbon in forests. Bonds are being proposed for specific species, e.g. Orangutans, as one example.
- ✚ PNG needs to produce a homegrown model of REDD drawing on the community experiences and the forestry experiences.
- ✚ From DEC: We are interested in ideas for moving forward and invite you to submit proposals. We have had some discussion on financing. Can this group produce a proposal on financing?
- ✚ The Govt. has a poor record of managing funds, but we can learn from past experiences. Any fund for REDD must be independent, and it must have checks and balances.
- ✚ Could clan-based spatial planning be one of the first steps towards REDD as part of the home grown REDD model in PNG.
- ✚ FPCD is supporting local-based land use planning as a step towards building the capacity of the landowners to take charge of managing their forests.

- ✦ From TNC: 22 clans have completed their land use management plans. But, we have not completed all the steps as we are yet to secure environmental incentives. We have seen that Govt. planning is very quiet on environmental issues. TNC would be happy to contribute to Govt. to inform the process. TNC would like Govt. to take this model to a provincial and national level. Two provinces (East Sepik and Manus) agreed to take the process of incorporating the local-based land use plans into the district and national plans.
- ✦ FORCERT is working with 200 clans in over 100,000 ha. We start with socio-economic baselines surveys, working separately with women, men and youth (especially young men). We aim to promote thinking about land use in the past and use in the future. We facilitate the communities, who then zone their land, and we put this information on to a topographic map. The zoning is kept in draft form for 1 year, after which the communities institutionalize it in a way that is appropriate for them.
- ✦ We need a proper national consultation policy.
- ✦ We need to remove the gap between the NGOs and Govt.
- ✦ World Conservation Society (WCS): We also use clan-based land use spatial planning in the areas we work, similar to FPCD and FORCERT. But, this is unsustainable as we rely on donors. We need Govt. to be involved in these processes. On REDD+, local people are coming to us to ask what is happening, we are sending them to the Govt., and the Govt. is sending them back to us.
- ✦ We would like to see Govt. take a position on certification, which is needed for REDD+. The policy on TAs for local producers is not helping our efforts. Govt. forestry extensive services have essentially ceased. A problem is that we propose ideas to Govt., and these are knocked back.
- ✦ DEC: This is an opportunity for NGOs to tell us what is happening on the ground and we can try and bring it into the national planning and find partners.
- ✦ We need a single voice from Govt. that presents a clear message.
- ✦ We need to focus on providing options and having the landowners in a position where they can make fully informed decisions.
- ✦ One way to build a partnership with Govt. is for Govt. to allocate budgets for civil society work, as they do in other parts of the world.

### Session 1: State of PNG forests

#### **Presentation 1. State of PNG Forests including setting reference/base levels: Goodwill Amos, PNG Forestry Authority:**

- ✦ For the FA study, we used the Forestry Research Institute (FRI) work on permanent sample plots (PSPs) - Julian Fox did the carbon stock estimation; World Resource Institute (WRI) work; the report by Phil Shearman and others on the state of PNG's forests.
- ✦ Total forest area = 29 million ha; Non-forest area = 6 million ha, Other areas = 11 million ha.

- ✦ Of 29 million ha of forests, 12 million ha acquired by Forestry Authority; 10 million ha under timber permits; 3 million ha are available areas.
- ✦ The current committed cut = 8.9 million m<sup>3</sup>/y; National sustainable cut = 3.5 million m<sup>3</sup>/y; Cut from conversion for agriculture = 1.5 million m<sup>3</sup>/y.
- ✦ As 97% of land is owned by the landowners, Govt. must alienate the timber rights to organize logging projects.
- ✦ Challenges for REDD:
  - Climate change policy and legislation yet to be developed and implemented;
  - High population growth rate of 2- 2.3%;
  - Lack of national land use plan;
  - Lack of secured and long term permanent forest estates;
  - Insufficient resources to adequately implement REDD;
  - Lack of awareness on REDD amongst stakeholders (we are happy to hear that EFF are doing a pilot road show).
- ✦ Innovative approaches by FA to address REDD+:
  - Legal authorities;
  - Resource acquisition and allocation process;
  - Role of incorporated land groups (ILGs);
  - National Forestry Development Guidelines;
  - Forestry and Climate Change Framework for Action (FCCFA) 2009-2015
- ✦ Legal authorities - Forestry Act 1991:
  - S. 46. Recognizing rights of customary owners;
  - S. 49 Provincial Forest Plan;
  - S. 47 National Forest Plan;
  - Types of land . . . . Timber Rights Permitted;
  - S.57. Obtaining consent of customary owners;
  - S.58. Forest Management Agreement (FMA);
  - S.60. Assignment of timber rights under FMA.
- ✦ The FCCFA has seven principles: Ownership of carbon credits; Implementing adaptation measures; Contributing to mitigation of GHG; Governance; Improving understanding of forestry and CC; Education and awareness; Partnerships and co-operation.
- ✦ REDD scale: 3 options are recognized: sub-national; nested; national. We feel that a nested approach is most suited for the Asia Pacific region.
- ✦ Other issues: MRV; Payment for verified emissions reductions, etc.
- ✦ Ways forward to achieve REDD+ in PNG: National policy and legislation; National landuse plan; Research and analysis for GHG inventory; New institutional arrangements for REDD+; MRV mechanisms; Benefit sharing to reach local landowners, etc.

### *Discussion*

- ✦ It is +ve to see that FA recognizes that REDD requires good policy, not just piloting.

- ✦ There is a lot of distrust of the FA. How much are people within the FA working together to achieve your mandate? Outside the pilots, how is the FA improving management in all of the forests it is responsible for?
- ✦ We are getting a confused message from Govt. We have logging permits being signed this very day in forests that could be set aside for REDD. How is the Govt. aiming to reduce emissions to achieve its targets with such weak enforcement of forest laws?
- ✦ Back in 1992, the FA suspended 33 licenses. We had a good Minister and a good Secretary.
- ✦ Resources are an issue as our foresters in the field cannot monitor the size of the concessions that they are responsible for.
- ✦ FA is hoping that REDD+ provides an opportunity for us to ensure proper enforcement of forest laws
- ✦ Reflecting on the experience of FMA development - a permit was approved yesterday that took 11 years of development - we can see that REDD project development will also take a long period of time. We also are confused as to why one pilot project is being developed in the recently approved FMA area.
- ✦ FA has a problem with the FCAs (Forest Conversion Authorities), which cover huge areas (100,000 - 200,000 ha). We are rejecting many proposals for FCAs. Some people are coming to us with proposals for logging, but asking for authorities for agroforestry projects.
- ✦ For FCAs and clearing authorities for roads, the FA does not check with the landowners.
- ✦ Can INA as a record of this meeting provide a resolution that we need a national land use plan and that this is the responsibility of the Dept. of Lands?
- ✦ The ILG concept is based on a 1974 legislation and was never intended for forestry. It was for the equitable distribution of plantations. There are signs of the inadequacy of land legislation with building developments in the cities and around the settlements.
- ✦ A big challenge for us is to respond to the political pressures that come from above that the civil servants are subject to. NGOs and Govt. must work together on this.
- ✦ We must assess our own capacity before we commission work to McKinsey and others using our own data.
- ✦ Does the DEC and FA have the capacity to manage the rapid gazettement of forest land under customary ownership for agriculture projects?
- ✦ FA controls some activities by initially giving authority for clearance for only part of the land under the development proposal. For example, if there is a proposal for 10,000 ha of oil palm, FA will initially allow clearance for 500 ha, but will then ensure that this has been planted.

**Presentation 2. Forest conservation and threats: Steven Nicholls, Sustainable Land Management Advisor, UNDP**

- ✦ The presentation was made on behalf of DEC.

- ✦ DEC is now trying to identify where the high conservation value areas are in PNG, building on earlier studies.
- ✦ Based on the IUCN eco-regions, 11 Conservation Planning Regions in PNG were identified, based on climate, landscape, soils and historical geographic accessibility for organisms.
- ✦ The interim priority areas for biodiversity have been mapped, as have the biodiversity hotspots for reptiles, amphibians and mammals.
- ✦ Of the 1,941,771 ha of protected forests, Wildlife Management Areas (WMAs) account for 1,631,360 ha (84%). They are easy to set up, but their performance has been mixed. Nevertheless, the current network of protected areas is based on the efforts of communities who established the WMAs.
- ✦ Threats:
  - Commercial agriculture (esp. oil palm) expansion into new areas, “infilling” of secondary forest and garden areas, and agroforestry projects;
  - Extractive industries (especially mining) leading to forest “die-back” through downstream sedimentation;
  - Commercial logging;
  - Forest fires and natural hazards (Geo-hazards);
  - Transport infrastructure and ribbon development (income from LNG is like to increase the road networks, which will make ribbon development an even greater threat to forests);
  - Cash cropping.
- ✦ Lowland and low montane forest is under greatest threat, especially in West and East New Britain.
- ✦ Next steps: Further work on high conservation values, including extending the animal database; Updating the spatial database on land use change between 1996 and present for threat assessment; Integration of the high conservation value and threats database.

### *Discussion*

- ✦ Once DEC receives a proposal, it undertakes a preliminary review of the Environment Impact Assessment. DEC hopes that a protected area policy (when developed) will assist in decision making regarding biodiversity. A problem arises when landowners want a particular development project that can have negative consequences, but they are not aware of them. If Govt. tells a community that it cannot do some kind of development, the officers will get stones thrown at them. DEC can at best enforce policies to ensure that environmental values are considered in the development projects that the communities pursue.
- ✦ This is trying to solve the problem after it has been created. We must start much earlier. We say that the community wants a particular project and we cannot ignore community will. But what happens is that one or two influential developers are able to influence a few people in the communities and then present a project as the community will, but in fact,

the majority will be against it. We must start with free, prior, informed consent.

- + DEC and FA are beginning to work together with respect to incorporating the work on biodiversity hotspots into forest management.
- + Milne Bay, Eastern Highlands, West Sepik, and West New Britain are the 4 pilot project provinces which provides representation of the regions.
- + We need much greater support from DEC to support communities who are interested in establishing WMAs.
- + We hope that REDD will provide real funding for protected areas.
- + If we try and establish REDD in large areas, we will face the same problems with forestry and agriculture. That the FA must alienate the carbon rights for carbon trading is not how we should view things. We need to start from the level of the clan, and then scale up, but only where possible. Lessons for bundling can be taken from the FPCD and FORCERT approach to group certification.
- + The state owns everything below 6ft of soil, including the carbon, but the landowners own all the carbon above this.
- + 90% of the timber permits are given to the resource owners, who then organize with the developers.
- + We must look beyond payment distribution to resource owners to consider what benefits actually come from the payments. Equity within the communities must also be considered.
- + Govt. has the right to tax carbon benefits that accrue on customary land.

## Session 2: Current state of land use and threats to forest resources

### Presentation 1. Jane Mogina, Executive Director, Mama Graun

- + Conservation Trust Fund (CTF) characteristics: Organizations designed to distribute funds over a long period; Insulated against annual shifts in Govt. priorities; Diverse revenue flows - investment capacity.
- + About 58 conservation trust funds exist globally. Mirconeasia Trust and Mama Graun are the only CTFs in the Pacific.
- + The legal structure can be special national legislation and decrees. The governing bodies have representatives from public, private, and civil societies, and non-voting members are also often included. Preference is for membership based on individual capacity rather than representatives of specific groups.
- + Disbursement: Competitive grant process; Specified annual budgets; performance/incentive based.
- + 3 types of funds managed by CTFs: 1. Sinking funds - must be spent within a timeframe; 2. Revolving funds - specific stream of funds from fees, green taxes, etc.; 3. Endowments.
- + CTFs and REDD: REDD funds are geared towards long term sustainable funding rather than short term project funding; therefore, they share the same characteristics as CTFs. Proposals for REDD funds often build from CTF experience.

- ✦ Advantages of using CTFs for administration of REDD funds: CTFs have experience in capacity building and have existing legal structures; They have trialed disbursement methods; They have existing investment mechanisms; They have MRV strategies in place (but not for emissions).
- ✦ CTFs have experience of managing PES: E.g. FONAFIFO (Costa Rica), FMCN (Mexico).
- ✦ CTFs could act as carbon brokers for indigenous groups and local communities.
- ✦ Mama Graun REDD strategy
  - Community agreements for long-term sequential disbursement for the whole community;
  - Agreement with technical partners to monitor REDD agreement
  - Fiduciary responsibility for community funds
  - Community empowerment - contract agreement
  - Land use planning
  - Forest sustainability
  - Sustainable project management
  - MRV
- ✦ Mama Graun works with partners. Its major role is fund channeling. Other partners will be responsible for community facilitation, etc.

### *Discussion*

- ✦ Mama Graun could perhaps provide a buffer for REDD projects, as well as organizing bundling. But before we bundle, we need a lot more work at community level.
- ✦ The Govt. has several options. It could use an existing regional conservation trust fund or it could establish its own conservation trust fund. It would need to be an independent, autonomous body, outside of Govt. and Govt. budgets. The governing body needs to be open to the outside for capitalization by multilateral agencies. These agencies don't trust a fund with only Govt. sitting on the board. BOD members will have to be selected on performance, not on representation. CTFs are very expensive to run, so keeping overheads down will be critical. This fund must be efficient, effective and transparent.

### **Presentation 2. Landowner perspective: Lester Seri, Collingwood Bay**

- ✦ Coastal land is now receding quite rapidly from our observations. Within a lifetime, 3 islands have gone under sea and 3 villages have disappeared. We need clarification now on whether this is due to plate tectonics or CC.
- ✦ Signatures from landowners in Collingwood Bay were collected and a lease was issued over 38,000 ha after approval from Lands and from Forestry. The communities opposed the logging through letters, but received no response from Govt. departments. In 1999, they took the matter to Court and filed a case against the logging company and the State. It took 5 years for the final case to be heard and was a very expensive process. In 2008, the landowner

group got permits for logging and for agroforestry projects in Collingwood Bay, in contradiction of the earlier ruling.

- ✚ The communities have met and drafted a communiqué opposing the development. This problem is common throughout PNG, and yet there is no support for communities who find themselves in this situation.

### *Discussion*

- ✚ We seem to have a problem of the Govt. departments, who should be representing the landowners, now representing the external organizations that are responsible for the development projects, who are rather faceless. What role can the IPA play in vetting these external investors?
- ✚ There is corruption in every department.
- ✚ We have no policy to stop villagers directly negotiating with the developers.
- ✚ At the end of this meeting we should consider calling for a second commission of inquiry into the forestry sector. It is timely, given that the Barnett Inquiry was conducted over 20 years ago. This should also include the Dept. of Lands and other agencies.
- ✚ There is clearly not enough scrutiny of the proposals being submitted by developers. We see "cut and paste" errors, we see that the investment estimates are too low, and we can see fundamental errors in the calculations.
- ✚ We have pointed out this afternoon that we need to take up this issue both at a legal level to make sure that the laws are properly enforced, but also at a political level to stop the unscrupulous actions of our elected representatives and ministers.

### Day 3: Theme - REDD Capacity Building

Session 1 and 2: Practical approaches for REDD project development and capacity building

*(Presentation on law from day 2 was held over to day 3)*

#### Presentation 1. Sarah

- ✚ Land use models under the Land Act, 1996
  - Two forms of land: un-alienated customarily owned land (97%)
  - Land owned by the state (3%)
- ✚ Under the Land Act, the State can acquire land through agreement or compulsory process. Under Agreement, the state reaches an agreement with the landowners for acquiring land. Under Compulsory Process, the state takes ownership of land for the national interests, e.g. construction of a hospital, but there must be consensus between landowners, Govt., and project developers.

- ✚ A new arrangement is lease-lease back. The customary owners lease the land to the Govt., the Govt. brings in a developer, and after the lease the land is returned to the customary owners. A problem is that the developer may have finished their project, but because the lease has been agreed for beyond this period (the max. period is 99 years), the land remains a state lease and the customary owners cannot use it. The customary owners only receive benefits during the project period. For development purposes, the leases can be registered to ILGs and “businesses”; the latter can be foreign entities.
- ✚ The prerequisites provided for in the process of voluntary land registration are burdensome and expensive, almost impractical considering that 90% of the population are rural dwellers. Under the new amendments for ILGs, birth certificates for all applicants are required and surveys (mapping) must be conducted over the portion of the land to be registered. These amendments are impractical.

### *Discussion from the floor*

- ✚ What are the most effective ways for public input to strengthen the Forestry and Land Acts to avoid abuse?
- ✚ Most people do not have birth certificates and they take months to get. How can we deal with this process?
- ✚ FORCERT has the registration of ILGs as part of its forest certification process. We understand that there are reasons for the changes brought in to the ILG process, such as birth certificates, but it will be impossible for us to comply with the requirements for our registered ILGs in the 2-year time limit set.
- ✚ It is very important to elect good leaders to make sure that these impractical decisions are not made in the first place.
- ✚ Outside of the ILG process, clans could organize themselves and sign a document that states their purpose, but this would not have legal standing.
- ✚ One of the biggest abuses for lease back is that the majority of leases is to “business groups” not to ILGs. Therefore, no proper processes are followed. Rather the discretion is with the minister. The same can be said for forestry, with so many forestry projects falling outside the FMA process. FA does not have the resources to be monitoring all the forestry projects that are registered as non-forestry projects. The loopholes are intentional.
- ✚ There are some legally prescribed processes for communities to challenge decisions on land and forestry development. But, in practice, when decisions are challenged it is a very difficult and lengthy process. Where grievance processes do not exist, it is possible to use administrative principles that are established in common law (outside PNG). The problem is thus more to do with weak enforcement, rather than the content of the laws.
- ✚ To make the necessary reforms we need to: Get the Govt. on side; Use the press; Use the courts; Get Govt. to commit resources. Bringing pressure on Govt. from donors does not work, as we know from the experience of the

World Bank. Because of LNG revenues, the Govt. can ignore these foreign pressures.

### Presentation 2. WCS approach: Tanya Zeriga-Alone, WCS

- + WCS has conducted a major study at various levels and with various stakeholders on REDD+ and CC. The key themes raised by the WCS study are:
  - Lack of understanding among all groups on REDD+;
  - #1 need stated was more awareness on CC and REDD+;
  - High local interest in mechanisms to protect forests;
  - People mostly trust their family members and clan members, above others;
  - People were interested in building partnerships - NGOs and civil society organizations (CSOs) have an important role to play.
- + WCS has developed the "Village REDD" concept. The WCS process starts with consent from the people that they want to continue with the WCS model. A study is then conducted on governance and other institutions. Strengthening of existing institutions may be conducted as part of an empowerment process. Potential benefits and opportunity costs of REDD are discussed. The process for developing a REDD project is then described. The community can decide to proceed or to stop. The next step is an agreement between local people and an agency or organization for the development of a REDD project. This is followed by an ILG/land registration/land deeds process. This can be a long process, so the facilitating organization must be prepared for this process to take its due course, no matter how long. Step 7 is discussion and awareness on options for a local benefit sharing agreement.
- + Issues brought up during the design of the 10 steps include:
  - How to get local people to organize themselves into groups that are capable of entering into contracts?
  - What is the best scale for this approach: clan, ward, etc.?
  - Land tenure and land rights issues need to be addressed. A critical question is how can customary tenure be retained for REDD?
  - How can REDD be located within ward and local level government planning?
  - A major risk for REDD identified by groups was over benefit sharing and land disputes. What kind of dispute resolution system could be used?
  - How can smallholders and those without forest benefit?
  - What information do local groups need for informed consent?
  - What modes of information sharing are most effective (radio could be a useful mode)?
  - What information do the different levels of Govt. need for their roles in REDD?
  - What are the implications of REDD for an FMA? Does the timber permit holder now also hold all the carbon rights?

*Discussion from the floor*

- ✦ Most of the forest is tied up under timber permits. These should be reviewed in terms of their implications for REDD+.
- ✦ It could be worthwhile for the NGOs to develop a booklet on REDD+ that can be used widely by foresters and others throughout the country when approached by communities for more information.

### **Presentation 3. Peter Dam, FORCERT**

- ✦ Trials were conducted with FORCERT communities that had already gone through a process of organizing themselves. They were registered as ILGs, had developed a land use plan, and are all working towards FSC certification. A socio-economic baseline study had also been undertaken. Effort was made to lower expectations. This was followed by community awareness and discussions on CC and PES. They then received training on carbon forestry inventory.
- ✦ We now have a draft field protocol for measuring forest carbon stocks with communities. This will be released later in 2010 and training will be conducted.
- ✦ FRI has developed a means of estimating height from different species, so we only measured DBH and tree condition.
- ✦ Baseline, additionality and leakage were all explored.
- ✦ Of the study projects, 1 project design has been developed for submission to the VCS (Voluntary Carbon Standard).
- ✦ BAU analysis for sites include: 1. Conventional large scale logging, 2. Conversion to industrial oil palm, 3. Conversion to cash crops, 4. Conversion to gardens.
- ✦ Leakage: We argued that there would be none as all areas in Pomio are under some type of rights exploitation.
- ✦ Opportunity costs were calculated in the 3 study villages but our calculations need refinement.

### ***Discussion***

- ✦ This is a home grown solution specifically being developed here in PNG for all of PNG.
- ✦ It is very critical that we don't raise expectations at local level beyond what can be satisfied.
- ✦ We need clarity on what UN-REDD is doing. We need to make the existing documentation on REDD available to communities.
- ✦ FAO has not signed the latest agreement between UN-REDD and the Govt. so at this stage UN-REDD is not active in PNG.
- ✦ Working with the clans should be the basis for any project. There is no timeframe for this. The process must proceed at the speed that the clans want to move at.

### **Session 3: The way forward and community ownership and participation**

#### **Presentation 1. REDD concepts and methods: Graham Sem**

## Concepts

- ✦ Drivers of deforestation and forest degradation (DD): Need to distinguish between 1. Drivers that are the result of human activities, 2. Drivers that are not the result of human activities.
- ✦ Not all forest land area is eligible for REDD+. The requirement of additionality must be met. A well managed forest will not be eligible.
- ✦ Leakage: Must be monitored and ideally dealt with by policy. 3 types of leakage: activity leakage (happens because of the project); market leakage (the activity reduces wood supply which is met by increased production elsewhere); international leakage. National leakage can be minimized through landscape management and a national accounting system.
- ✦ Permanence: Will be a critical issue for PNG. Will require commitment to REDD+ from several generations, and from successive Govt.s. These risks can be handled various ways, e.g. through carbon banking, insurance, etc.
- ✦ Baselines: historical; projected future rates of DD without REDD+; crediting baseline (future baseline below which a REDD project can claim credits).
- ✦ Essential elements for system of monitoring and reporting emissions from REDD+:
  - Credibility
  - Transparency
  - Accuracy with high certainty (i.e. use of higher Tier methods and national values)
  - Good science
  - Compliance to the requirements of the REDD policy
- ✦ To deal with risks, credit buffers and risk pooling (combining REDD with other activities - afforestation and energy efficiency projects) is possible.

## Methods for estimating GHG emissions and removal from forests

- ✦ Guidance on methods
  - Revised 1996 IPCC guidelines for national GHG inventories (1996GL)
  - IPCC Good Practice Guidance and Uncertainty Management (IPCC GPG)
  - IPCC GPG on LULUCF (GPG2003)
  - 2006 IPCC Guidelines for National GHG inventories
- ✦ Forest as defined by the UNFCCC
  - Min. area = 0.05-1 ha
  - Min. crown cover = 10 - 30%
  - Min tree height = 2- 5 meters
- ✦ Definitions
  - Activity data: Data on the magnitude of human activity, resulting in emissions/removals taking place (e.g. data on land area, management system, use of lime or fertilizers)
  - Emission factor: A coefficient that relates the activity data to the amount of chemical compound which is the source of later emissions. Is often based on a sample of measurement data, averaged to develop a representative rate of emission or removal.

- Removal factor: Rate at which carbon is taken up from the atmosphere by a terrestrial system and sequestered in biomass and soil.
- + Basic equation for REDD: Emissions estimate = activity data X emission or removal factor
- + IPCC Tiers:
  - Tier1 uses IPCC default emissions factor and require least disaggregated activity data.
  - A combination of tiers can be used to reflect the availability of data.
- + 6 carbon pools in forest: above ground biomass; below ground biomass, soil carbon, dead organic matter, wood litter

### Recommendations from this workshop

- + Establish a council on climate change for better consultation and information sharing to drive policy and hold decision makers accountable. Should provide input into the climate change policy and legislation
- + EFF/Consultation Implementation Monitoring Council to be responsible for bringing the work of NGOs on preparing plans for climate change and REDD to the Govt.
- + There is a need to get the UN-REDD program moving again. There is also a need to clarify what is the state of the relationship between the Govt. and AusAID and the Govt. and the World Bank Forest Carbon Partnership Facility (FCPF) to make fullest use of the available support.
- + EFF to assess the capacity of its own members.
- + INA to explore the principles of setting up a trust fund.
- + Establish a climate resource centre for landowners to access information.
- + INA and EFF to review the conduct of the PNG lead REDD negotiator.
- + These recommendations to be circulated to the group with a deadline for feedback.

### Closing remarks

- + Closing remarks thanking the participants, presenters, facilitators, organizers and funder were made by Paul Barker and Henry Scheyvens.



<b>Issue # 1:</b>	
<b>1. Absence of National Climate Change Policy, including clear timeframe for implementation and lack of Climate Change Legislation</b>	
Actions to be taken	Responsible Agency
<ol style="list-style-type: none"> <li>1. Circulate the draft climate change policy for comments and input by all key stakeholders before finalising the draft policy.</li> <li>2. Need for Awareness Campaigns and Road shows on Climate Change and REDD for all stakeholders.</li> </ol>	DEC and other agencies/NGOs
<b>Issue # 2:</b>	
<b>2. Absence of a Land Use Planning and coordination (at the National or Local level)</b>	
Actions to be taken	Responsible Agency
<ol style="list-style-type: none"> <li>1. Recognize and support the Clan based approaches to land use planning and development as currently being designed, researched and developed by several NGOs' including Forcert.</li> <li>2. Develop tool kits using research results of the clan based land use approaches. The tool kits should involve documentation of the whole process; from land mobilisation to design and application of methodology for measuring carbon etc.</li> <li>3. Establish a mechanism to feed practical research by NGOs and the private sector into government policy planning and formulation processes.</li> </ol>	
<b>Issue # 3:</b>	
<b>3. No consultation on the formulation of the Climate Compatible Plan</b>	
Actions to be taken	Responsible Agency
<ol style="list-style-type: none"> <li>1. Request opportunity for wider stakeholder consultations and comments.</li> </ol>	INA/CIMC
<b>Issue # 4:</b>	
<b>4. Lack of information, including the delay in necessary preparation (awareness, resource research and inventory/growth studies by FRI and other GoPNG and non-govt institutions) towards the implementation of the climate change and the REDD+ initiatives of Development Partners including through Facilities set up as part of the international negotiations on Climate Change and REDD; notably UNREDD and World Bank Forest Carbon Partnership Facility (FCPP) and under the Australia-PNG Climate</b>	

<b>Partnership.</b>	
<b>Actions to be taken</b>	<b>Responsible Agency</b>
<ol style="list-style-type: none"> <li>1. Write to the Prime Minister, the Foreign Affairs Minister and relevant development partners, including the UN Resident Representative, to facilitate the timely access to/implementation of the UNREDD and other facilities.</li> <li>2. The Government, with the respective Development Partners, to host a workshop to update all stakeholders on the respective international funding facilities including process and/or eligibility criteria and process for each facility. Govt and non-government bodies share establish capacity to share information, including outcomes of research and pilot initiatives</li> </ol>	<p>INA/CIMC</p> <p>INA/CIMC</p>
<b>Issue # 5:</b>	
<b>5. Need for capacity building</b>	
<b>Actions to be taken</b>	<b>Responsible Agency</b>
<ol style="list-style-type: none"> <li>1. Capacity assessment</li> <li>2. Database of NGOs activities in REDD/REDD+</li> <li>3. Have a pool of climate/forest resource and PES/REDD+ specialists readily available, including to advise resource owners impartially</li> </ol>	<p>UNDP</p> <p>EFF</p>
<b>Issue # 6:</b>	
<b>6. Need to establish a Credible Climate Trust Fund</b>	
<b>Actions to be taken</b>	<b>Responsible Agency</b>
<ol style="list-style-type: none"> <li>1. Need to start exploring the establishment of a Climate Trust Fund, its functions and approach to safeguard and target funds for the purposes intended, without awaiting international approval of the REDD+ mechanism and implementation</li> <li>2. Entity must be transparent and accountable with multi stakeholder representation without government control. Explore the operations of PNG's and overseas Conservation Trust Funds, and other potential models or vehicles; (notably PNGMGCST)</li> </ol>	<p>INA/CIMC</p> <p>INA/CIMC</p>
<b>Issue # 7:</b>	

**7. Poor Land Governance**

Actions to be taken	Responsible Agency
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<p>1. Recommend immediate removal of Ministerial or Delegate’s discretion to allocate customary land to business groups/etc under Land Act Section 11. Ensure awareness of proposals and implications, and free and informed consent granted by landowners converting customary land under lease-leasebacks for extended terms (esp. 99 years) as Special Purpose Agricultural and Industrial Leases. Make Lands, Agriculture, Environmental approval processes open and transparent, and officers not working for prospective land developers. Facilitate access to administrative appeals and where necessary legal services where landowners’ rights and land title has apparently been sidestepped or abused.</p>	<p>INA/CIMC</p>
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**Issue # 8:**

**8. Collapse of basic services delivery by government in rural areas which could be an hindrance to implementation of sound land management in the resource owners best long term interests, including REDD projects**

Actions to be taken	Responsible Agency
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<p>1. Improve basic service delivery mechanisms including exploring new models, by government agencies and civil society organisations, e.g. Community learning centres by Dept for Comm. Development, for use by multiple service providers.</p> <p>2. Delivery of basic services as a requirement in the REDD projects</p> <p>3. Empowerment of resource owners</p>	<p>INA/CIMC</p>
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**Issue # 9:**

**9. Need to institutionalise the climate change policy, planning and implementation role to ensure effective local ownership and coordination between government and the wider community.**

Actions to be taken	Responsible Agency
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<p>1. Given the lack of results, poor performance and cooperation at Copenhagen, the Government should seriously institutionalise the respective PNG government and non-government (and private) organisations in the process of climate change strategy development and implementation, including providing a mechanism for routine policy dialogue (e.g through CIMC), and consider ceasing the contract of the</p>	<p>INA/CIMC</p>
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special ambassador/envoy on climate change matters for PNG, and	
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