

## **Policies and Practice – Giving the Landowners a Real Option from REDD+**

PNG is not lacking ideas, energy, talent and opportunities; these are in abundance. It is, however, widely lacking coordination, good management, organisation, governance, discipline and accountability, at National through to District levels. We know what many of the country's problems are, but unfortunately little action is taken to address them, so opportunities, ideas and talent are widely wasted. Decisive decision-making is avoided, so, whilst institutions should be rationalised, we create more, provinces, ministries and agencies, rather than clearly defining responsibilities or reforming existing organisations to make them more operational and accountable. So with 1,000 public institutions, of which only 5 reportedly account properly for the public funds they manage, more are created. Despite its considerable resource wealth PNG suffers amongst the poorest provisions of public infrastructure and services, because it is one of the most over-governed countries, with funds heavily wasted on administrative overheads and malpractice.

PNG must focus, putting funds and the best management available where they're needed and let the managers and staff perform their job, but then hold them accountable. Where old-style Departments, with officials and Ministers holding discretionary powers, no longer perform effectively, as with Lands, Agriculture, Petroleum and Energy, let's replace them with accountable Authorities, with adequate resources, run and governed by professionals and a broad cross-section of stakeholders (not narrow vested interests); and let's remove these special development zones, like Petroleum parks, which appear to be scams for lucrative consultancies and avoidance of PNG's essential laws, including environmental requirements. Likewise, major public Trust or endowment funds (like a prospective LNG sovereign fund) and public holding corporations, like the Independent Public Business Corporation, which has just gained greater autonomy over public funds, and Petromin, all require the highest level of public awareness, ownership and accountability, if they're to serve the country's wider interests. This decade the superannuation funds have shown higher standard of reporting and returns to their members, and the country has a right to demand Ministers and public institutions perform and account for their funding. If all some Department heads do is travel incessantly overseas, collecting lavish allowance, for no apparent benefit, show them the door!

One area where PNG has needs and prospects, relates to climate change and payments for carbon and other environmental services. A workshop last week hosted by the INA with the Institute of Global Environmental Strategies (of Japan), explored the prospects for emission reductions and climate adaptation, and particularly 'Reducing Emissions from Deforestation and Degradation (REDD) following December's inconclusive Copenhagen Summit. PNG will be affected by climate change, not only low lying areas inundated by rising sea levels, but elsewhere from spreading malaria, more extreme weather conditions, including longer droughts and impacts upon agriculture, forests, reefs and fish populations, but also water and power supplies. As well as having to prepare for change, PNG can also play a significant part in mitigating that change, so long as the major emission-producing countries, from China, India, US, in Europe, Brazil etc, play their fundamental role, more cooperatively than in Copenhagen.

PNG's major contribution to greenhouse gas emissions is from deforestation (largely conversion for gardens and settlement) and forest degradation (notably from destructive logging operations). Tropical deforestation, including the extensive fires in Indonesia, are estimated by scientists as releasing nearly 20% of total emissions. The numbers remain relatively imprecise, as are the amounts of carbon absorbed (or sequestered) in different types of forest, protected, restored or established. This requires detailed field studies, as different forests and species store or absorb different levels of carbon in different locations and conditions. Limited studies have been undertaken in PNG by the Forest Research Institute, NARI, and various NGOs and some companies, but much more should have been done already, using international funds available but not yet released (from Australia, UN or the World Bank).

Proposals have been long planned for providing resource owners tangible additional benefits for forest conservation. The forests have provided livelihoods for rural communities for millennia, but with changing needs and aspirations, and opportunities offered from other land-uses, it is widely recognised that landowners should benefit from foregoing other choices to meet global needs by conserving forests, whether for biodiversity conservation or safeguarding the climate. Opportunities for such payments for environmental or eco-system services (PES) have been boosted recently through the voluntary carbon market, and the prospect of the REDD+ mechanism, expected to have been agreed in Copenhagen. It has only been endorsed at this stage in a non-binding "Accord", but is likely to be formalised and funded in some form this year, substantially increasing resources available to resource owners for forest conservation.

For PNG and resource owners to benefit significantly from REDD or other PES schemes requires much preparation, reliable resource inventories, credible long term agreements and resource security. Several PES pilot schemes have been launched by committed local communities with NGOs and some reputable companies, which will provide invaluable experience. Unfortunately, despite commendable efforts by some government institutions (including, perhaps surprisingly, the Forest Authority), government's efforts have been inconsistent and uncoordinated and some of its key proponents and actions have been divisive.

A basic principle of the Forest Act (1991) is landowner decision-making. Landowners should have access to information on options available, including from development options studies. Too often they have had no options, and with government generally failing to provide core health, education and other services, required under the Constitution, landowner leaders have often signed up the only apparent options to secure infrastructure, services and some cash benefits, notably from logging.

The history of logging in PNG in recent decades has been a sad one, with extensive non-compliance, skewed and short term benefits; nevertheless, sustainable forestry remains one long term land-use option, if complying to much higher standards than currently, and with greater local participation and control. 'Carbon cowboys' should not be landowners' only option, offering a pittance for the forest carbon and speculating on trading that carbon for a major mark-up once the formal REDD market is formalised. When resource owners then hear real market values they'll feel cheated and may renege on their deals, jeopardising the prospects for the carbon

market in PNG. Landowners should make decisions based on full awareness of a complex market, and applying free and informed consent.

Unfortunately government hasn't helped, sending out mixed messages, discouraging voluntary carbon deals whilst their climate change office chief issues his own! Whilst the Prime Minister has led the globally campaign for tropical forest conservation for emission reductions, including resource owner benefits, various other ministries have been hell-bent on allocating PNG's remaining forest resources to largely faceless business entities, in the name of misnamed 'agro-forestry' projects, but which look suspiciously like logging projects, circumventing the Forestry Act requirements for genuine projects.

Last week's workshop was intended to assess the prospects for addressing climate change, globally and locally following Copenhagen, notably for PNG through REDD+ (and other PES). It sought to identify the state and threats to PNG's forests and landowner interests, seek some consensus between relevant government agencies, together with leading NGOs, private sector bodies and development agencies on ways to advance REDD+ (including biodiversity protection) as a practical means to both ameliorate climate change, safeguard biodiverse tropical forests, but also provide resource owners a realistic option to logging or forest conversion for other purposes.

Asked why Lands, Agriculture and other Departments, which should be working in the best interests of PNG's landowners, were rushing through vast 99 years Special Purpose Leases, without landowners' informed consent and abusing the lease-lease back processes, whilst placing the interests of various 'clients' above PNG's and landowner rights and interests, one senior official stated it was because of 'extensive corruption' now pervading many Departments/Ministries. The workshop agreed that discretionary powers to allocate lease-lease backs to business groups should be revoked immediately, whilst resources be provided to resource owners seeking to appeal arbitrary Land's decisions. Recent land reforms were discussed, including how to make mechanisms (like requirements for birth certificates for ILGs) immediately practicable.

The workshop also sought the climate change policy formulation process be hastened but with greater consultation, with the process and implementation not controlled by overseas-based interests. International funds (e.g. from UN-REDD, WB-FCP and from Australia) should be made available promptly for genuine resource research and pilots (including inventory, growth trials) and an accessible technical/scientific advisory pool on REDD+ be available to landowners from bona-fide government and non-government organisations, whilst landowners are advised against premature resource commitments, with tangible options potentially available. There will be significant administrative costs to the State or independent verification bodies related to REDD+, but the majority of benefits must go (equitably) to resource owners if it is to provide a competitive alternative to other land-use options. Any REDD+ fund should not be managed by government, but as an transparent and accountable financial institution, run by a independent body (as with NasFUND or the MG Conservation Trust Fund), able to gain international and landowner credibility (unlike MRDC and various government financial/fund management institutions over the years).

Someone in Government must bring heads into line, to have public institutions work both together, rather than as independent fiefdoms, and with respectable businesses, NGOs and the wider community. Finally, unless criminal penalties start being imposed upon corrupt leaders and public officials (not merely the Leadership code), all PNG's sound laws and policies will continue to be undermined in practice.

Paul Barker  
7<sup>th</sup> March 2010