



Papua New Guinea

REDD+ DEVELOPMENT GUIDELINES

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Climate Change and Development Authority

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Acronyms

BSA – Benefit Sharing Agreements

BSDS – Benefits Sharing Distribution System

CCDA – Climate Change Development Authority

CO₂ – Carbon dioxide

tCOe₂ – tonnes of Carbon dioxide equivalent

GHG – Green House Gas

FPIC – Free, Prior and Informed Consent

ILG – Integrated Land Group

IPA – Investment Promotion Authority

MRV – Measurement, Reporting and Verification

NDC – National Determined Contributions

NDA – National Designated Authority

NFMS – National Forest Monitoring System

UNFCCC – United Nations Framework Convention on Climate Change

REDD+ - **R**educing **E**mission from **D**eforestation and Forest **D**egradation and (+) the role of forest conservation, sustainable management of forest and enhancement of forest carbon stocks

GLOSSARY

The definitions below are in accordance with Section 2 of the Climate Change (Management) Act 2015 (as Amended),

Afforestation - The direct human-induced conversion of land that has not been forested for a period of at least 50 years to forested land through planting, seeding and/or the human-induced promotion of natural seed sources

Afforestation, Reforestation and Revegetation (ARR) - Activities that increase carbon stocks in woody biomass (and in some cases soils) by establishing, increasing and/or restoring vegetative cover through the planting, sowing and/or human-assisted natural regeneration of woody vegetation.

Agriculture, Forestry and Other Land Use (AFOLU) - The sectoral scope that covers GHG emissions and emission reductions and/or removals from project activities in the agriculture, forestry, and other land use/land use change sectors and for which the VCS Program has established rules and requirements with respect to specific project categories

Anthropogenic means relation to, or resulting from, the influence of human beings on the natural environment.

"Carbon dioxide (CO₂)" means the gas having the molecular chemical compound composed of two oxygen atoms each covalently double bonded to a single carbon atom;

"Carbon rights" refer to legal claims, verified through social and land mapping, on the benefits streams from carbon sinks as referred to in Section 92A

Carbon Sinks/Pools – these are large reservoirs that has potential to accumulate carbon dioxide (CO₂) or carbon compounds from atmosphere over an indefinite period of time, which for AFOLU projects encompasses aboveground biomass, belowground biomass, litter, dead wood and soil

Carbon Sources – large reservoirs or pools of carbon such as forests and oceans that emits large amount of carbon dioxide into the atmosphere

Carbon Stock - The quantity of carbon held within a pool, measured in tonnes of CO₂

"CDM" means the Clean Development Mechanism under the Kyoto Protocol including amendments or revisions from time to time;

"Climate change" means a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural variability over comparable time periods;

"Climate change related project/activity agreement" means an agreement between the Authority, any persons or entity related to climate change related project/activity, the customary landholders and the project proponent relating to an Agreement on REDD, REDD+, CDM or other Voluntary Carbon Offset Projects and any future climate change emission reduction mechanisms agreed to by

the government that will facilitate for sustainable development and reduction of greenhouse gas emissions;

"Climate change related project or activity" means any project or activity that is undertaken in response to the effects of climate change, including but not limited mitigation and adaption projects or activities; to ensure climate resilience and carbon neutral pathway for climate compatible development;

Communities - All groups of people, including customary landholders, mobile peoples and other local communities, who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area.

"Conference of the Parties" or **"COP"** means the supreme decision-making body of the UNFCCC;

"Constitution" means the **Constitution** of the Independent State of Papua New Guinea;

Customary land¹ – land that is owned or possessed by an automatic citizen or community of automatic citizen by virtue of rights of a proprietary or possessory kind that belong to the citizen or community and arise from and are regulated by custom.

Customary Landholders²– communities or members of communities that inhabits the project area for many recognized generations and have the customary obligation, rights to both hold and use the land.

Customary Rights³ – rights of a proprietary or possessory kind of relation to land that arise from and are regulated by customs.

"Designated National Authority" has the meaning ascribed by Article 12 of the Kyoto Protocol;

'Ecosystem services' means provisioning services such as food and water; regulating services such as regulation of floods, drought, land degradation, and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and other nonmaterial benefits

Emissions Avoidance – avoiding/prevent/reduce emissions from being emitted into the atmosphere through forest deforestation and degradation. The action of reducing emissions from carbon sources.

"Emissions Removal" means removing/reducing emissions in the atmosphere by sequestering/absorbing into the carbon sinks. The action of increasing capacity of carbon sinks.

¹ The Lands Act 1996

² The Lands Act 1996

³ The Lands Act 1996

‘Emissions Trading’ means the emissions trading system established and operated under apart VIA and referred to in Section 78A

“Focal Point” means an individual or entity appointed by the Managing Director to perform a function under various International Treaties, Agreements and Conventions that the State through the Authority, is party to;

“Forest” means land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, or trees able to reach these thresholds *in situ*, to the exclusion of land that is predominantly under agricultural or urban land use;

“Free prior and informed consent” or **“FPIC”** means a specific right that pertains to customary land holders peoples and that allows them to give or withhold consent to a project that may affect them or their territories.

"Land" includes —

- (a) the surface and any ground beneath the surface of the land; and
- (b) water; and
- (c) the foreshore, being that area between the mean high water springs level of the sea and the mean low water springs level of the sea; and
- (d) the waters of Papua New Guinea area being the seabed underlying the territorial sea from the mean low water springs level of the sea to such depth as admits of exploration for or mining of minerals, and any interest in land;

"Land holder" means –

- (e) persons having customary rights –
 - (i) of ownership or user rights over land or sea; or
 - (ii) of ownership or user rights over flora and fauna growing on land or sea; or
 - (iii) in relation to the use of land or sea; or
- (b) a person who is in occupancy of Government land by virtue of an agreement with the State; or
- (c) a person who is the owner or lawful occupant of land other than customary land or Government land;

Land Tenure – refers to the rights of people or communities to manage (own and use) the land that they reside on.

“Minister” means the Minister designated by the Prime Minister under section 148 of the *Constitution* to be the Minister responsible for all matters related to climate change;

“Mitigation” means the efforts that seek to prevent or slow down the increase of atmospheric greenhouse gases concentrations by limiting culture or future emissions and enhancing potential sinks for greenhouse gases;

“National Forest reference level” means a national forests emission reference level or forest reference level expressed in tonnes of CO2 equivalent per year for a reference period against which the emission and removals from a results period are compared when implementing REDD+ activities;

“Nationally determine contributions” or **“NDC”** means the efforts undertaken by Papua New Guinea to address climate change in accordance to Article 4 of the Paris Agreement;

“Paris Agreement” means the Paris Agreement, ratified by Papua New Guinea on September 21, 2016 and which entered into force on November 2016;

“Payment for Environmental or Ecosystem Services” or **“PES”** means payments for the provision of services from ecosystems, including but not limited to carbon sequestration or storage with benefits provided to land holders in the form of compensation, incentive funds, grants, donor money and other funding derived from the national and international sources;

Project Proponent – either individual, public or private entity that is interested to develop the climate change project area thus signs a project agreement between parties of interest

REDD+ Focal Point – means an individual appointed by the General Manager, REDD+ and Mitigation Division, and approved by Managing Director to perform a function based on a set term of reference for different REDD+ activities under both private and public sector, for example, at all levels of government and across other relevant sectors which CCDA’s mandate covers;

Stakeholders - “those groups that have a stake/interest/right in the forest and those that will be affected either negatively or positively by REDD+ activities.”⁴

“REDD+” means policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries as identified by the UNFCCC described by the Conference of Parties to the UNFCCC in Decision 1/CP.16 in its sixteenth session and Decision 1/CP.21 in its twenty-first session and as amended from time to time;

⁴ Stakeholder Engagement Guidelines, UNREDD programme

SECTION 1: INTRODUCTION

1.1 What is REDD+?

Reducing Emission from Deforestation and Forest Degradation and (+) the role of conservation, sustainable management of forests and enhancement of forest carbon stocks (REDD+) in developing countries is an international climate change mitigation financing mechanism established under the United Nations Framework Convention on Climate Change (UNFCCC) to reduce forest-related greenhouse gas (GHG) emissions⁵.

REDD+ is functional under two different approaches targeting two different carbon market mechanism, that is National Approach targeting Regulatory/Compliance Market and Project Approach targeting Voluntary Market (Non-Compliance).

Compliance markets are created and regulated by mandatory national, regional, or international carbon reduction regimes. Voluntary markets **function outside of** compliance markets and enable companies and individuals to purchase carbon offsets on a voluntary basis with no intended use for compliance purposes.

The voluntary carbon marketplace encompasses **all transactions of carbon offsets that are not purchased with the intention to surrender into an active regulated carbon market**. It does include offsets that are purchased with the intent to re-sell or retire to meet carbon neutral or other environmental claims.

Under the National Approach targeting Compliance market, REDD+ is:

- regulated by mandatory national, regional or international carbon reduction regimes like UNFCCC, GCF, The World Bank, etc
- implemented in phases, three identified phases described in Section 2.
- used by companies and governments that by law have to account for their GHG emissions
- implemented at the national level by respective sector agencies,
- coordinated by a National Designated Authority (NDA),
- required to be implemented through four key elements of REDD+, they are, National REDD+ Strategy (NRS), National Forest Monitoring System (NFMS), Forest Reference Level/Forest Reference Emission Level (FRL/FREL), Safeguards Information Systems/Summary of Information (SIS/SOI),
- guided by policies and measures,
- biennial reporting to UNFCCC with Technical Annex indicating emission reduction efforts,

Under the Project Approach targeting voluntary market (VCS), REDD+ is regulated by VCS/Verra and or different voluntary standards. Projects is often initiated by local experts representing customary landholders and local communities, and, implemented by independent proponents like the local expert, affiliated groups like ILG, Associations, and or LLGs, local/national NGOs with assistance from Project Developer. Voluntary projects are implemented at the community level with the CLLCs,

- guided by standards placed by voluntary standards like VCS, CCBS and others, and carbon credits traded on voluntary basis
- implemented and developed according to project developers and proponents desired targets outlined in Contract Agreements,

⁵ The National Strategy, 2017

- implemented with no laws and regulations protecting the activities as well as its stakeholders, especially the beneficiaries, the CLLCs,
- no reporting schedule to verify operation after the PDD is submitted to Verra, however, when a complain reaches Verra, Verra investigates to ensure project is not compromised or breached any international or national laws on REDD+ especially human rights towards land tenure issues.

1.2 The Purpose of this Guidelines

This REDD+ Development Guidelines (RDG) seeks to improve the governance and implementation of the REDD+ programme both at the national and sub-national level considering the international implementation framework. The RDG seeks to do so for the benefit of all REDD+ stakeholders, especially women, youth and vulnerable or minority groups, with the goals of maximizing monetary and non-monetary benefits, eradicating poverty, sustainable livelihoods, social stability, rural development, environmental protection with the aim of increasing forest cover, sustainable social and economic development. All programmes, policies and technical assistance to improve governance and implementation of REDD+ activities through the implementation of these Guidelines should be consistent with States' existing obligations under international law, including human rights laws and instruments.

These guidelines seek to:

- i. Ensure all REDD+ projects in PNG comply with high internationally recognized technical modalities agreed under the United Nations Framework Convention on Climate Change (UNFCCC) and Voluntary Carbon Standards (VCS) or Climate, Community and Biodiversity Standards (CCB) to reduce emissions.
- ii. contribute to the improvement and development of the policy, legal and organizational frameworks regulating climate change, mitigation, REDD+, adaptation and related initiatives across all sectors.
- iii. Enhance the transparency and improve the functioning of existing and future systems in implementing REDD+.
- iv. Strengthen the capabilities and operations of REDD+ stakeholders, that is, implementers, development partners, regulators and beneficiaries, and all persons or entities concerned with REDD+ as well as to promote cooperation between these stakeholders.

1.3 Nature and Scope

- i. This REDD+ Development Guideline is mandatory
- ii. This Guideline should be interpreted and applied consistent with existing obligations under national and international law, and with due regard to voluntary commitments under applicable regional and international instruments. It is complementary to, and support, national, regional and international initiatives that address emission reduction and removals, human rights, promote transformation change, provide secure rights to land and forests, improve governance, enhance economic productivity and sustainable livelihoods.

Nothing in this guideline should be read as limiting or undermining any legal obligations to which the State may be subject under international law⁶.

- iii. This Guideline can be used by States; implementing agencies; judicial authorities; local governments; organizations of local communities; forest users; customary landholders and other communities; civil society; private sector; academia; and all persons concerned or interested in REDD+, its implementation, and benefits gained from results-based payments.
- iv. This Guideline is global in scope. It suggests that the rules and guidance from any international REDD+ initiative a country is participating in, for example, UN-REDD programme, FCPF, FIP – are understood and considered alongside UNFCCC decisions. It is important to identify the implications these international technical and legal frameworks have on the national implementation of REDD+.
- v. This Guideline should be interpreted and applied in accordance with national legal systems and their institutions that are governing legally significant aspects of REDD+ implementation such as Visions 2050, StaRs, MTDPIII, CCMA 2015 and the NRS. The NRS is the nationally approved policy document that this guideline will implement.
- vi. This Guideline should be used to understand and implement the recognized safeguards for REDD+ implementation which PNG has developed and accepted under the Cancun Safeguards by UNFCCC. It is therefore strongly recommended by this guideline that all safeguards (FPIC, BSDS, GRM) be respected when implementing REDD+.
- vii. This Guideline promotes the vision statement of the NRS, that is,
“To catalyze 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 forest resources are used in a sustainable and equitable manner for the benefit of current and future generation.”

1.4 Key Principles

All these key fundamental principles are mandated criteria to strengthen an enabling environment for implementing REDD+ activities, thus can be characterized in the following areas;

1.4.1 General principles

The States should:

- i. Recognize and respect all legitimate stakeholders in implementing REDD+ activities. They should take reasonable measures to identify, record and respect legitimate stakeholders especially project proponents.
- ii. Protect customary land holders and local communities, especially women, youth and the vulnerable or minority group, of any REDD+ activity area from unauthorized or recognized project proponent not recorded.

⁶ A manual for Legal Practitioners, 2015

- iii. Promote and facilitate the enjoyment of ownership and user rights, and facilitate the full realization of such rights and making transactions with the rights, such as maximizing benefits, non-monetary and monetary, from results-based payments.
- iv. Provide access to justice to deal with grievances related to REDD+ implementation including benefit sharing. They should provide effective and accessible means to everyone, through judicial authorities or other approaches, to resolve disputes in project area; and to provide affordable and prompt enforcement of outcomes. States should promptly intervene into to address issues where customary land holders and local communities' rights are denied and project proponents fail to comply with project development agreements.
- v. Prevent land disputes, violent conflicts and corruption. They should take active measures to prevent land disputes from arising and from escalating into violent conflicts. They should endeavour to prevent corruption in all forms, at all levels, and in all settings.

Non-state actors including business enterprises have a responsibility to respect human rights and customary landholders and local communities' ownership and user rights over their land and forests. Non-state actors should not compromise any existing legal, social and economic procedure for their benefit putting at stake the legitimate customary land holders and local communities. They should provide a non-judicial mechanism including effective operational-level grievance mechanism to address all grievances. Where transnational corporations are involved, their home States have roles to play in assisting both those corporations and host States to ensure that businesses are not involved in abuse of human rights and legitimate ownership and user rights. States should take additional steps to protect against abuses of human rights and legitimate ownership and user rights by non-state entities that are owned or controlled by the State, or that receive substantial support and service from State agencies.

1.4.2 Principle of Implementation

These principles of implementation are essential to contribute to responsible governance of REDD+ activities under both national (compliance) and project (voluntary) approach.

- i. **Human dignity and non-discrimination**
To recognize the inherent dignity and the equal and inalienable human rights of all individuals, where, no one (including women, youth and vulnerable or minority groups) should be subject to discrimination under law and policies as well as in practice.
- ii. **Gender equality, equal participation and inclusiveness**
To ensure fair and equal participation by all stakeholders affected by the REDD+ activity including men, women, youth, vulnerable or minority groups. Rights of customary land holders and local communities be respected (Part VIII, Section 87 and 88 of CCMA 2015) to increase community participation so that they will take ownership of the REDD+ activity.
- iii. **Transparency**

All policies, laws and procedures should be clearly defined and widely published in readable format which is clear precise and accessible to all stakeholders especially customary landholders and local communities.

iv. **Accountability**

Holding individuals, government agencies and non-state actors responsible for their actions and decisions according to the principles of the rule of law, that is, the existing international and national laws and obligations.

v. **Continuity and Sustainability**

To ensure sustainable development that draws balance between social, economic and environmental aspects of the REDD+ activities and secure on-going improvements. The project proponent as well as all interested stakeholders should be committed to ensures that continuity after its term is clearly defined and secured. That all stakeholders involved show willingness to take the project beyond its term, the eagerness to learn and adjust and the ability to maximize benefits to empower the customary land holders and local communities. The state including all interested stakeholders must develop and implement a mechanism for monitoring and analysing improvements, risks and opportunities to effectively promote improvements, reduce risks and expand the opportunities⁷.

vi. **Increase emission reduction and removals**

To encourage measurable and verifiable emission reductions and removals with long-term GHG reductions, no ecological leakage (that is, displace of deforestation and forest degradation to forests and other ecosystems with less carbon stocks).

vii. **Partnership**

Strengthen partnership between all stakeholder including customary land holders and local communities. All stakeholders especially project proponent need to build relationship with all stakeholders to allow them to understand the project, what the project does, how the project will be implemented, each of their roles and responsibilities, and most importantly take ownership of its failure or success.

viii. **No-harm and good governance**

Promote and uphold good governance and safeguards when implementing REDD+ activities so that is robust, fair, transparent and accountable causing no harm to customary landholders and local communities, no negative social and environmental impacts and must always follow a human-rights based approach⁸.

ix. **Transformational change**

To ensure that there is long term change of land-use activities, which leads to a transformation of the relevant sectors causing deforestation and forest degradation, i.e., a permanent reduction of the drivers of deforestation and forest degradation. Also supporting the building of alternative sustainable low emission livelihoods.

⁷ Issues and Options Paper, FCPF

⁸ A manual for Legal Practitioners, 2015

vii. **Displacement**

No displacement of environmental problems to another level. To give an example: Intensification of agriculture could reduce deforestation, but intensive use of energy, intensive use of fertilizers could have serious impacts on aquatic ecosystems and drinking water quality.

viii. **Cultural Sensitivity**

To recognize, respect and uphold existing customary values, authorities, institutions, and processes.

SECTION 2: REDD+ LEGAL FRAMEWORK AND INITIATIVES

REDD+ proponents (all stakeholders including potential developers) implementing REDD+ should consider identifying and understand the different international legally and non-legally binding instruments and aligning them to national legal framework. Doing this will amount to a more durable and less burdensome REDD+ implementation process in the long-term.

International Legal Framework

The relevant international policy and legal framework for PNG's REDD+ efforts, are listed below⁹:

- United Nations Framework Convention on Climate Change (UNFCCC);
- United Nations Convention on Biological Diversity (UNCBD);
- Ramsar Convention on Wetlands of International Importance;
- UN Convention on Climate Change and Desertification (UNCCD);
- Convention on International Trade of Endangered Species (CITES);
- Convention for the Protection of the World Cultural and Natural Heritage (1972);
- The UN Collaborative Programme on REDD+ (UN- REDD);
- International Covenant on Civil and Political Rights;
- International Covenant on Economic, Social and Cultural Rights;
- Convention on The Elimination of All Forms of Racial Discrimination (CERD);
- International Convention on Indigenous and Tribal Peoples (No. 169)

Furthermore, PNG has agreed to the following Conventions below, but these Conventions have not been ratified domestically:

- Convention on the Protection and Promotion of The Diversity of Cultural Expressions
- Convention on the Elimination of all forms of Discrimination against Women (CEDAW);
- ILO Indigenous and Tribal Peoples Convention 169; and
- United Nations Declaration on the Rights of Indigenous Peoples.
- UN Declaration on Human Rights,
- Rio Declaration on Environment and Development

National Legal Framework

Land Tenure ship - The Land Registration and ILG Act
- Land (Tenure Conversion) Act 1963 and
- Lands Act 1996.¹⁰

2.1 The Compliance Approach

The overall framework under which REDD+ should be implemented is provided by UNFCCC mostly by policies and measures as identified under the NRS. The decisions made are non-legally binding in nature and focus on voluntary or optional requirements for REDD+ implementation depending on national circumstances.

⁹ A manual for Legal Practitioners, 2015

¹⁰ See Appendix 3. List of PNG legislation

The “REDD+ activities” identified under the UNFCCC are as follows and all or some can be implemented depending on national circumstances:¹¹

- Reducing emissions from deforestation;
- Reducing emissions from forest degradation;
- Conservation of forest carbon stocks;
- Sustainable management of forests; and
- Enhancement of forest carbon stocks.

Of these five REDD+ activities, PNG is implementing three:

- i. Reducing emissions from deforestation;
- ii. Reducing emissions from forest degradation, and
- iii. Enhancement of forest carbon stocks

REDD+ shall be implemented in three phases:

1. the ‘readiness’ phase starts with the development of national strategies, policies and measures, and capacity building including institutional strengthening,¹²
2. Phase II – the implementation phase follows with the implementation of national policies and measures and national strategies or action plans that could involve further capacity-building, technology development and transfer and results-based demonstration activities, and,
3. Phase III – full implementation evolving into results-based actions that should be fully measured, reported and verified, allowing countries to seek and obtain results-based payments,

The Key Operational Elements for implementing REDD+ targeting Regulatory Compliance Market are: ¹³

1. National REDD+ Strategy or Action Plan (NRS/AP)
2. National Forest Reference Level and/or Forest Reference Level (REL/RL)
3. National Forest Monitoring Systems (NFMS) that is robust and transparent to monitor and report the REDD+ activities
4. Safeguards Information System (SIS) that is user-friendly and accessible by all stakeholders

Furthermore, seven Cancun Safeguards was agreed to be promoted and supported and shall be addressed and respected in implementing REDD+ activities. The Cancun Safeguards focus on **governance (A & B), rights (C), participation (D), consent (C & D), environmental and social co-benefits (E), permanence (F) and leakage (G)**. These safeguards help to avoid social and environmental risks and generate positive benefits through the implementation of REDD+ activities.

¹⁴

The REDD+ activities should be implemented as per the following International Framework identified;

¹¹ National REDD+ Strategy, 2017

¹² National REDD+ Project Guidelines, 2017

¹³ UNFCCC Decision 1/CP.16, para. 70.

¹⁴ UNFCCC Decision 1/CP.16, para. 70.

- i. **Warsaw Framework for REDD+** is the enabling framework for REDD+ implementation and is characterized by a set of nine decisions made in Warsaw in 2013 during the 19th Conference of the Parties (COP19) to the UNFCCC. The nine decisions provided closure to most of the workplan on REDD+ implementation which emphasized on institutional arrangements, methodological guidance and REDD+ finance. Thus, implementation of REDD+ in developing countries was subject to the availability of adequate finance and capacity-building.
 - a. Decision 9/CP.19 - Work programme on results-based finance to progress the full implementation of the activities referred to in decision 1/CP.16, paragraph 70
 - b. Decision 10/CP.19, Coordination of support for the implementation of activities in relation to mitigation actions in the forest sector by developing countries, including institutional arrangements
 - c. Decision 11/CP.19, Modalities for national forest monitoring systems
 - d. Decision 12/CP.19, The timing and the frequency of presentations of the summary of information on how all the safeguards referred to in decision 1/CP.16, appendix I, are being addressed and respected
 - e. Decision 13/CP.19, Guidelines and procedures for the technical assessment of submissions from Parties on proposed forest reference emission levels and/or forest reference levels
 - f. Decision 14/CP.19, Modalities for measuring, reporting and verifying
 - g. Decision 15/CP.19, Addressing the drivers of deforestation and forest degradation
- ii. **The seven Cancun Safeguards** identified in Cancun during the 16th Conference of Parties (COP16) in 2010 was agreed to promote and support when undertaking REDD+ activities. The safeguards as desired under Decision 1 of COP16 shall be addressed and respected taking into account the national circumstances and respective capabilities, and recognizing national sovereignty and legislation, and relevant international obligations and agreements, while respecting gender considerations.¹⁵ These seven safeguards are:
 - a. Safeguard A: Policy alignment (national & international) helps to ensure REDD+ actions do not conflict with national law or international agreements
 - b. Safeguard B: Forest governance (transparency & effectiveness) helps to ensure transparency and access to information, and effectiveness and efficiency of systems for feedback, oversight and accountability
 - c. Safeguard C: Knowledge & rights of indigenous peoples & local communities helps to ensure respect for rights of indigenous peoples and local communities, as stated in international and national law, and that REDD+ draws
 - d. Safeguard D: Full & effective participation of relevant stakeholders, in particular IP & local communities helps to ensure participation from people affected by REDD+ upon the knowledge of indigenous peoples and communities
 - e. Safeguard E: Natural Forest, biodiversity, social & environment benefits help to incentivize protection and conservation of natural forests and their services and other social and environmental benefits

¹⁵ Decision 12/CP.17

- f. Safeguard F: Address risk of reversals helps to ensure REDD+ results in long-lasting change for the good of the climate
- g. Safeguard G: Reduce displacement of emission helps to ensure REDD+ tackles drivers of deforestation rather than shifts them from one area to another (locally, nationally, or internationally)

iii. Article 6 Paris Agreement

Moving beyond specific REDD+ decisions, countries may wish to consider how REDD+ fits into broader mitigation actions and commitments under the UNFCCC. For instance, , REDD+ should be able to contribute to fulfil the broader national objectives set out in the Constitution, National Development Plan, and Environmental and Climate Change laws and policies, for example, to reduce half of PNG's emission by 2030 and be carbon neutral by 2050 under the Vision 2050.¹⁶

- a. Synergies with other international legal instruments
- b. Synergies with national legal instruments

The Paris Agreement was ratified in 2015 and enforced as a national act in 2016, The Paris Agreement Implementation Act 2016.

2.4 Voluntary Carbon Standards (VCS)

Voluntary Mechanism is outside of the UNFCCC process however it has to comply with standards set at the voluntary market such as Verra. The voluntary carbon markets (VCM) or Voluntary Carbon Standards (VCS) allow participants to purchase carbon offsets to mitigate their greenhouse emissions resulting from manufacturing processes, electricity use, transportation, etc. The VCM allows the investor to deal directly with the entity offsetting carbon credits, for example, an investor deals with a project integrated customary land holder group, which is recognized by the national government and acknowledged by the UNFCCC and other related initiatives process as it may affect the carbon pricing system.

Voluntary carbon market is regulated by mandatory national, regional or international carbon reduction regimes. On the voluntary market the trade of carbon credits is on a voluntarily basis. Carbon credits on the voluntary markets are called Verified Emission Reductions (VER).

Both the compliance and the voluntary market can complement each other, and work towards the overall goal of reducing greenhouse gases in the atmosphere. Although Papua New Guinea signed up for compliance mechanism under UNFCCC through ratification of Paris Agreement, the National REDD+ Strategy (NRS) stresses the importance of alignment of accounting systems and approaches. The NRS recognizes the voluntary initiatives that can have transformational change to customary land holders and local communities.

¹⁶ <https://redd.unfccc.int/fact-sheets/safeguards.html>

It is therefore important to understand the mandatory requirements in developing a REDD+ Project targeting voluntary market. The mandatory requirements addresses both environmental, social and economic development considering the opportunities and challenges and are described in detail in Section 5.

Table 1: The three phases of REDD+ activity¹⁷

Phase	Activities	Principle Funding Source
1	REDD+ readiness capacity building and planning	Public funds, largely channeled through multilateral funds and programmes
2	Institutional strengthening, policy reform and demonstration projects	Public funds through bilateral agreements and some multilaterals, and some private finance, often with public support
3	Deployment at scale and payment for results	Public funds through bilateral agreements and, potentially, the Green Climate Fund; private investment & carbon markets increasing over time

¹⁷ Funding for forests: UK Government support for REDD+,2011

Section 3: STAKEHOLDERS OF REDD+ ACTIVITIES

Stakeholders identified in this guideline are those as identified in the NRS and are equally important to the implementation of REDD+. Stakeholders in this document can equally be referred to as **proponents** and are used interchangeably, that is, “those groups and or individuals that have an interest or right in forest and land that will be affected negatively or positively by the REDD+ activities”.¹⁸ Stakeholder engagement at all stages of REDD+ planning and implementation is paramount thus have to be transparent and inclusive to minimize potential conflicts and unintended negative consequences and also helps build trust between stakeholders.

The REDD+ stakeholders outlined in this guideline as guided by the NRS are:

- Minister of Environment, Conservation and Climate Change. Minister responsible for all national matters related to climate change mitigation and adaptation activities.
- Climate Change and Development Authority (CCDA). The mandated office to coordinate all climate change mitigation and adaptation actions across all land use, land-use change and forestry sectors (LULUCF).
- Implementing agencies of REDD+ activities as described in the NRS through policies and measures are the Government Institutions or Sector Agencies (PNG Forest Authority-PNGFA, Conservation and Environment Protection Authority -CEPA, Department of Land and Physical Planning-DLPP, Department of Agriculture and Livestock – DAL, Department of National Planning and Monitoring – DNPM, Department of Provincial and Local Government Affairs – DPLGA, and Fresh Produce Development Agency - FPDA)
- Customary Land Holders and Communities (ensuring gender equality)
- National Executive Council. The higher decision-making body for all REDD+ activities.
- Non-Governmental Organizations (NGOs) and Civil Society
- Private Sector
- Development Partners
- Other key people involved in the REDD+ development process include legal consultants, surrounding community representatives, auditors, verifiers, financial consultants or institutions, GIS analysts and other REDD+ technical experts.

Most common stakeholders implementing REDD+ activities at sub-national level are Customary Landholders and Communities, Private Sector, and International Organizations. Government Institutions and Parliament are entities that provides the general policy and legal framework for implementation of REDD+ activities and can also support the approval process of implementation. International and regional stakeholders are referred to entities beyond borders of PNG that have interest in participating in a specific REDD+ activity given their area of interest. All REDD+ activity is uniquely identified by their activity and project stakeholders.

3.1 Customary Landholders and Communities

It is important to recognize the role of the customary landholders and communities inhabiting the forest areas in the role they play as the stewards of the land and forest they have managed for generations. Given that more than 75% of PNG's population depend on the land and forests to sustain their livelihoods, the impacts of deforestation, forest degradation, and any REDD+ activities on those communities are often disproportionate.

¹⁸ Draft Guidelines on Stakeholder Engagement in REDD+ Readiness, 2012

As such, it is necessary to ensure the consent of the customary landholders and communities when identifying and developing any REDD+ activities on their customary land. Free prior and informed consent (FPIC) is the key component of effective stakeholder engagement. Even before consent is given, the customary landholders and local communities must understand what REDD+ is, the benefits and non-benefits the REDD+ activities bring, and the sustainability of the REDD+ activity. Fully informed landholders and communities will effectively participate in the decision-making process that will affect their livelihood.

The FPIC guidelines developed under the UN-REDD programme outlines the normative, policy and operational framework for PNG to seek and obtain consent when appropriate. The “Stakeholder Engagement in REDD+ Readiness” operational manual developed under FCPF by Wildlife Conservation Society (WCS) and Research Conservation Foundation (RCF) highlights the importance of customary landholders and communities, emphasizing on avoiding potential harm that may negatively affect their livelihoods. Furthermore, the FPIC guideline outlines the process of respecting the rights of the customary landholders and communities and no force be used in gaining consent.

Customary landholders and communities often play an important role in implementing REDD+ activities and their effective participation in all decision-making process minimizes conflicts and unnecessary delay in REDD+ implementation both at sub-national and national level. Failure to respects their rights negatively affects REDD+ implementation. In addition, customary landholders and communities play an important role in accurate data collection given their local knowledge and understanding of the land and forest with its ecosystem services.

Better yet, the effective participation of women are significant and essential to successful implementation of REDD+ and long-term sustainability and effectiveness of REDD+ as the primary recipients of any social agendas in the communities.¹⁹ Therefore it is important for stakeholder engagement to be inclusive of women, minorities (including old and people living with disabilities) and youth including children, play an active role in all phases of REDD+, with the means to participate effectively, including in decision making.

3.2 Government Institutions, NEC and Parliaments

The government plays an important role as coordinators of all REDD+ activities in country and ensure that there are general policy and legal framework for implementation of REDD+ activities. The government can also be implementors depending on the targeted sectors such as forestry, lands, agriculture and conservation. In PNG, these sectors are already identified as implementers of REDD+ activities through development and enforcement of policies and measures while the Office of Climate Change and Development Authority (CCDA) is the overall coordinating government entity serving as the National Designated Authority (NDA) to the UNFCCC. Apart from playing a role in implementing REDD+ activities, government are also responsible to ensure the rights of affected communities are respected and that all biodiversity is protected during all phase of REDD+ implementation. So, the government, especially the NDA, is responsible for the overall management of REDD+ in country,

¹⁹ UN-REDD Programme, The Business case for Mainstreaming Gender in REDD+ (2011),

from implementation to the results-based payment and benefit distribution ensuring that all safeguards are respected and upheld by all stakeholders involved.

The relevant government agencies such as those responsible for forests, environment, natural resources, agriculture, energy, transportation, finance and planning as well as institutions with a specific REDD+ mandate are relevant stakeholders in view of their role in implementing REDD+ and/or the relationship between REDD+ and national development objectives and plans. Government agents responsible for human rights, parliamentary issues and environmental law are also considered as important stakeholders regardless of the ministry or agency in which they are placed.

Sub-national and local government are custodians of all customary landholders and communities and play an important role in managing land-use, identifying legitimate customary landholders and communities, the location of specific land holding communities and natural resources, provide data and information on forest cover and forest cover change, identify drivers of deforestation and forest degradation, develop sectoral development plans and recognizing land ownership rights.

Furthermore, the legislative bodies such as parliament are very key stakeholders who authorizes for REDD+ activities to be implemented given the information provided by government agencies or relevant REDD+ stakeholders. The parliament are also responsible for ensuring all existing legislation are aligned to support implementation of REDD+, however in the absence of law the parliament can adopt new legal frameworks relevant to safeguard implementation of REDD+ while addressing agendas such as carbon rights, social and environmental safeguards are addressed and respected, clear institutional mandates established and overlapping sectoral laws harmonized. Apart from enacting and amending legislation, parliament provides budgetary oversight and scrutinizing governments actions. Since REDD+ is a financial mechanism, the parliament's role becomes more important to secure international funding support from international financial institutions such as UNFCCC, FAO, UNDP, European Union (EU), World Bank, etc., and also to endorse submission for Results-based Payment (RBP).

3.3 Non-Governmental Organizations and Civil Society

Non-Governmental Organizations (NGOs) and civil society organizations (CSOs) ensures public participation, wider and extensive awareness and consultation, the quality and credibility of reporting, as well as transparency and accountability. They scrutinize and ensures all stakeholders involved are well represented and their interest in REDD+ addressed and respected. Women and youth groups ensures equal gender participation which is a key requirement for UNFCCC results-based payment (RBPs).

Most NGO groups are active in REDD+ related sectors such as forestry including conservation, rural development and agriculture. Such organizations can be (and often already are) key partners in maintaining forests and reducing deforestation. Besides, they can contribute to the development and enforcement of standards and safeguards to ensure that stakeholder rights are upheld throughout REDD+ implementation. NGOs and CSOs add value to REDD+ implementation by reducing administrative costs and providing early warning systems. They strengthen partnerships and help

strengthen capacities to engage in REDD+; for example, by providing information to indigenous peoples and local communities and other potentially vulnerable stakeholders.²⁰

3.4 Private Sector

The private sector has played a number of different designing and planning implementation of REDD+ activities.²¹ Some companies act as investors and funding specific activities related to REDD+ activities preventing deforestation and encouraging conservation, for example, Barrick Gold Limited of Porgera Gold Mine. Alternatively, these companies could involve purchasing emission reductions generated by REDD+ activities, for example, on-going discussion with Barrick and recently onboard is the SWIRE Shipping/Freighting Company. Private sector can also be involved in implementing REDD+ activities and monitoring, reporting and verification of REDD+.

3.5 International and Regional Organizations

International and regional organizations refer to the multilateral REDD+ initiatives like the FCPF, the FIP, and the UN-REDD Programme that involve major international financial institutions like The World Bank, Asian Development Bank, UN organizations (e.g., FAO, UNDP, UNEP), and others. They can play multiple roles, including channeling funds, coordinating and implementing REDD+ activities, and advising and/or building in-country capacity on REDD+. They also serve as Accredited Entity. There are also organizations that conduct important research on forests to inform planning and decision-making. Bilateral donors also play an important role in REDD+ through international funding mechanisms, including, for example, the Government of Norway's International Climate and Forest Initiative and the Government of Germany's International Climate Initiative, which supports REDD+ activities.²²

²⁰ A manual for Legal Practitioners, 2015

²¹ The Role of the Private Sector in REDD+, 2013

²² A manual for Legal Practitioners, 2015

Box 1. Taking Stock: Identifying Stakeholders²³

- Who are the relevant stakeholders of REDD+ in Papua New Guinea with close attention to customary landholders and communities?
- How have stakeholders been identified thus far? From experience in existing REDD+ activities as April Salumei REDD+ project in Sepik, NIHT REDD+ project in New Ireland and FORCERT BEST program in Rabaul. And also referring to FCPF/ UN-REDD Guidelines on Stakeholder Engagement in REDD+ Readiness, as well as the UN-REDD Programme Guidelines on FPIC.
- What are the existing national policies and legislation relating to consultation and participation?
- What tools are available to assist in stakeholder identification? This includes stakeholder consultation such as inter-agency one-on-one consultation, regional and sub-national consultation, technical working committee (TWC) meetings, etc.

²³ A manual for Legal Practitioners, 2015

Section 4: REDD+ SAFEGUARDS AND ITS APPLICATION

This Section expands on Section 2 describing specific safeguard requirements that is necessary to effectively participate in Results-based Payments (RBPs) under UNFCCC and even under VCS-VERRA. Countries undertaking REDD+ activities must establish domestic approach appropriate to national circumstances that will enable them to address and respect the seven Cancun Safeguards. These safeguards are intended to ensure social and environmental risks are minimized and benefits enhanced. The *Constitution* of PNG already addresses most of these safeguards emphasising on respecting human rights in all forms and at all costs. This is further translated to existing policies, laws and regulations outlined in Section 2.

These PLRs is one approach to demonstrate the Cancun safeguards are being addressed and respected, while the second approach is the development of a national Safeguards Information System (SIS). A system that provides information on how safeguards are addressed and respected throughout the implementation process of REDD+ showing indicators, methodologies for collection of information, a framework for collection and provision of information, and, finally the reporting of information.

A safeguard system displays REDD+ achievements as the system is able to demonstrate that emissions have been reduced, poverty alleviated and or biodiversity and ecosystem services protected and other benefits that is associated with implementing REDD+. Furthermore, the safeguard system verifies how negative impacts are being addressed such as establishment of a grievance redress mechanism that is home grown.

4.1 Development of National Safeguards

Papua New Guinea has developed its respective national REDD+ safeguards through multi-stakeholder consultation and participatory process over the last five years. These safeguards guide the process of implementing REDD+, addressing and respecting the Cancun safeguards (Section 2).

All stakeholders shall conduct FPIC to acquire consent from customary landholders and local communities as well as other interested stakeholders. Consent shall be acquired without force. Before consent is given or acquired, the recipient of the project must fully understand why and what they are signing up for. Customary landholders and local communities have the right to raise concerns where FPIC is not applied and responsible proponents will be penalized.

Effective FPIC process will already address grievances and result to a less burdensome implementation of REDD+. Wider consultation of the REDD+ activity reduces grievances into the life of the activity. A clear user friendly and accessible GRM process must be identified and outlined by the proponent. Project proponents shall provide an accountable and transparent carbon accounting system as well as a benefit sharing mechanism that is suitable to all beneficiaries. These REDD+ safeguards guidelines should address gaps and challenges in existing PLRs, however, depending on capacity and resources not all these gaps and challenges can be addressed

Besides the assessment of PLRs, the UNFCCC Cancun safeguards require consistency with relevant international treaties and obligations relating to respecting customary landholders and communities. Treaties and obligations that PNG is committed to are listed in Appendix 4. Ensuring consistency with

international obligations will also contribute to fulfilling other UNFCCC REDD+ safeguards. However, the extent of fulfilling other UNFCCC REDD+ safeguards will depend on what international instruments was signed, ratified, approved or acceded to.

There are many cross-cutting issues that have particular legal significance which this section will discuss, especially around 'rights', corruption and permanence of emission reduction. These are seen to be the most challenging issues in PNG context as well as other developing forest nations. Rights surrounding land tenure and carbon ownership 'carbon rights' are very obvious issues in PNG. The negotiations are ongoing regarding 'carbon rights' thus is only briefly described here on the exceptional definition surrounding PNG cultural definition of ownership.

4.2 Rights

Human rights in all forms must be addressed and respected in accordance to the Constitution of PNG. The PNG's *Constitution* is one of the few unique constitutions around the world, which came into force in 16 September 1975, that contains almost all rights and freedom enshrined the United Nations Charter and Universal Declaration of Human Rights 1948.²⁴

The *Constitution* contains many civil (as well as political) rights. To list a few, the constitution expresses rights of freedom (Section 32), and freedom of expression (Section 46). Rights are expressed in many forms which is enshrined in the *Constitution*; thus, it is advisable that all stakeholders developing and implementing REDD+ activities must address and respect these rights.

4.2.1 Stakeholder Engagement and Participation

FPIC encourages and promotes stakeholder engagement and participation, that is, the freedom and rights for all stakeholders to effectively participate in planning and decision-making, have access to information and have access to justice. These are key tools essential for effective participation, as well as for promoting transparency and accountability, more generally for successful implementation of REDD+ activities. This is fully described in the "Stakeholder Engagement in REDD+ Readiness"²⁵ and the FPIC guidelines developed by CCDA.

Thus, the key elements to address in REDD+ readiness and implementation includes:

- Rights of stakeholders, with a particular focus on women, marginalized population and customary landholders and forest dependent communities,
- Free prior and informed consent from all stakeholders especially the customary landholders and local communities must be gained,
- Assignment of responsibilities of national and sub-national stakeholders for effective participation,

²⁴ www.wikipedia.org, The Constitution 1975

²⁵ Draft Guidelines on Stakeholder Engagement in REDD+ Readiness, 2012

- Provisions to ensure that notice of consultations and related information are provided with sufficient time including feedback on specific consultation process (taking into account geographic, communication and cultural considerations); and
- Provisions to ensure that consultations are conducted in culturally-appropriate, simple written and spoken language and gender sensitive ways.

4.2.2 FPIC

Free prior and informed consent (FPIC) guidelines developed by CCDA fully describes the definition of components of FPIC, the importance of FPIC, partakers of FPIC, the process of conducting FPIC, the requirement of acquiring consent and the legal basis of FPIC. FPIC is crucial to the effectiveness of REDD+. While details of FPIC is described in the FPIC guidelines it is important to reiterate that meaningful consultation (including extensive awareness and education) is necessary to obtain consent that is willing for transformational change offered by REDD+.

Consent forms provided in the FPIC guidelines are required to be submitted by the project proponent to CCDA as evidence of consent attained from customary landholders and local communities. The same consent form can be used by other stakeholders where FPIC is required. The Climate Change Management Act 2015 encourages 85% of the adult population to give consent and these signed forms be attached to the Project Design Document (PDD). Consent given indicates that the customary landholders and local communities understands the project (objectives, risks and benefits, sustainability, overall management, etc.) and are willing to implement the project.

4.2.3 Rights to land, natural resources and carbon

The Lands Act 1996 clearly defines land, land groups, customary rights to land, landholders or Landowners and the legal process of acquiring customary land. “Land’ *includes an interest in land, whether arising out of and regulated by custom or otherwise*’.²⁶ However, considering all forms of environment and resources and the definition in the Land Act 1996, this guideline land:

includes —

- (a) the surface and any ground beneath the surface of the land; and
- (b) water; and
- (c) the foreshore, being that area between the mean high water springs level of the sea and the mean low water springs level of the sea; and
- (d) the waters of Papua New Guinea area being the seabed underlying the territorial sea from the mean low water springs level of the sea to such depth as admits of exploration for or mining of minerals, and any interest in land;

The difference between customary ownership and user rights to land, natural resources and carbon needs to be understood by all stakeholders. Furthermore, it is important to have a clear, secure and equitable framework governing ownership and user rights to forests, land and any applicable/associate rights to carbon. While the agenda of ‘carbon rights’ is still under negotiations in

²⁶ The Land Acts 1996

the UNFCCC Conference of Parties, it may be accepted that the usage of land and natural resource rights can depend on the national circumstance and context. Thus, for PNG, it may be correct to say that carbon sequestered by the forest and land is owned by the people.

All stakeholders implementing REDD+ activities shall ensure that all actions regarding ownership and user rights and its governance are consistent with the existing obligations under the national and international law.

4.3 Permanence and Leakage

There are many concerns in reducing emissions from deforestation and forest degradation and one concern is around the permanence of emission reduction. How can we ensure that carbon stored or saved today cannot be released or destroyed tomorrow? What mechanisms should be designed to ensure permanence? Most carbon buyers want to invest in projects that demonstrates permanency. Non-permanence (carbon sequestered is released on a later time) should be at all cost reduced or avoided, otherwise, there is no meaning for REDD+. REDD+ is all about delivering reduction results, therefore, carbon stored in the forests and land must be contained and should not be at the risk of being emitted into the atmosphere continuously.

In forestry, compared to other mitigation actions, carbon stored is more difficult to control, even under the best management practices, for example, fire, drought and pests occur unexpectedly making it difficult to manage.²⁷ Then, there is the risk of not providing continuous incentives to the landholders to monitor and maintain their forests, which pushes them to ventures into acts of deforestation and forest degradation. Apart from the unexpected carbon release by fire or drought, the most effective mechanism for permanence of carbon emission is the continuous incentive for the landholders. In addition, illegal logging increases risks of permanence.

It is therefore important to understand if these actions (disaster-fire, landslips, etc and illegal clearance) can be insured. Insurance (or buffer credits) in simple terms may refer to putting aside some carbon credits (instead of selling everything) to cater for the carbon loss. Most carbon market platform, standards and registries will automatically calculate insurance from total carbon issued, thus, it is advisable that all stakeholder must provide an insurance mechanism for their REDD+ activities.

Leakage, on the other hand, is that the sequestered carbon is released in another place.²⁸ It's like displacing emissions in another location, for example, you stop clearance in one area but allow clearance in another area. This form of REDD+ activity is not producing emission reduction results, thus, shall be avoided. This is one disadvantage of project level REDD+ activities where there is absence of PLRs governing their operations. REDD+ implementation at the national level, under compliance approach, addresses leakage and permanence by implementing REDD+ through PLRs.

²⁷ Schlamadinger et al. 2007

²⁸ Schlamadinger et al. 2007

Although weak enforcement may be the prime cause, addressing enforcement alone cannot solve the problem. Apart from providing safeguards it is also important to address underlying issues such as social issues and deeper political economy that drive illegal logging.²⁹ Proper tracking of illegal-harvested timber and legally harvested timber remains a big problem in PNG driven by lack of or gaps in data, laundering of permits through corrupted practices and lack of consistent data requirements for tracking permits. In such environment it is nearly impossible to track legally harvest timber to those harvested illegally. Such systemic problems need a more significant or regulatory reform.

Some approaches to take when dealing with permanence and avoidance of leakage include;

- The project should demonstrate that unexpected events like fire and drought have no impact on sustainable forest management in the project area, in other words, these events do not significantly affect the permanence of the project;
- Certain amount of carbon credits be set aside or deposited to cater for these unexpected events (insurance or buffer credits), meaning not all carbon credits calculate in a vintage year be sold but some set aside for insurance purposes;
- When conducting risk assessment of REDD+, a non-permanence risk report should be prepared during time of validation or verification for each crediting period (7 years) throughout the life of the project. Once there is evidence showing non-permanence has been reduced, then the project can apply for the buffer credits to cater for another unexpected non-permanence;
- If, on the other hand, credits are already issued or cancelled when an unexpected deforestation or forest degradation occurs in the project area, then the following measures or procedures are required³⁰.
 - ✓ A report be prepared on the unexpected deforestation or forest degradation showing the amount of lost sequestered carbon (carbon stock).
 - ✓ The project proponent should demonstrate that (i) it is unexpected deforestation/forest degradation and (ii) the amount of lost carbon stock is conservatively calculated.
 - ✓ The report should be submitted to VERRA for voluntary projects or UNFCCC for compliance market. It is always safe to prepare such report for verification of next crediting period, otherwise, evidence of non-permanence can have a drastic effect on the project regarding results-based benefits.
 - ✓ It is important to consistently monitor changes in carbon stock of the project area if the risks of non-permanence are high. These monitoring reports be submitted during validation or verification to maximize results-based payments.
 - ✓ Any shortfall of carbon stock must be replaced by the buffer credits
 - ✓ At the end of every crediting period, the project should revise its reference level and under any circumstance regarding unexpected events, the designated geographical boundary of the project area must not be changed.
 - ✓ At the end of the crediting period, all buffer credits be cancelled in preparation of the next crediting period. In the next crediting period, project proponent can

²⁹ A manual for Legal Practitioners, 2015

³⁰ A manual for Legal Practitioners, 2015

set aside new buffer credits to offset unexpected deforestation and forest degradation in that crediting period

- ✓ No further credits should be issued until the reversal that occurred due to the unexpected deforestation/forest degradation is made up.

Section 5: Social and Land Use Mapping

In all REDD+ activities, land owners and resource ownership must be clearly defined through social mapping and land use mapping. Social mapping and land use mapping should clearly identify cultural land boundaries, existing land use, existing customary landholders and must not violate legitimate statutory and customary tenure and use rights.

Therefore it is important to conduct simple small scale mapping and tenure identification process by exploring:

- Existing maps of the national or sub-national jurisdictions (for example, districts or local level government maps) and identify where forests are found.
- What forest lands and resources are claimed (recorded/titled and informal/ customary claims) by the customary landholders, local communities, government (both national and sub-national), the private sector or companies, those owned by private individuals or those set aside for development. It is also important to note land and forest area that are under land disputes which are not yet resolved.
- Forest and land area not claimed by anyone
- Forest and land area claimed by more than one user

Assessment of forest and land tenure as well as understanding the existing legal framework governing ownership and user rights is crucial for effective REDD+ implementation.

In addition, the agenda of 'Carbon Rights', who owns the carbon? How is this carbon rights acquired? When is it acquired? (who and when should the rights (ownership and user) be awarded) What is the legal framework in PNG that provides for such rights? Can the existing tenure ship system be used to identify the ownership and user of carbon? Ownership or user rights should be clearly identified and legal clearance sought to accept the decision locally.

Another feature suggested to manage disputes relating to competing claims among customary landowners and/or other landholders is to establish a Tribunal under the CCM Act that can be vested with wide and absolute powers to determine the title or ownership of carbon rights. The proposed Tribunal could be comprised of the members of the Land Titles Commission, Forest Authority, CEPA and CCDA, and legal experts.

Section 6: IMPLEMENTATION PROCESS FOR REDD+

6.1 Compliance Approach – National Programme

Under the Compliance Market, implementation of REDD+ is governed by the United Nations Framework Convention of Climate Change (UNFCCC) through decisions and outcomes of the Conference of Parties. The UNFCCC and related activities like UN-REDD, FCPF and FIP have clear guidelines for implementation. Implementation is at the national level through policy and measures and are grouped into three main action areas, that is, strengthened land-use and development planning, strong environmental management, protection and enforcement, and enhanced economic productivity and sustainable livelihoods. The National REDD+ Strategy fully describes these action areas, policy and measures, and how the direct and underlying drivers of deforestation can be addressed.

Parties are expected to meet UNFCCC requirements that qualify them to participate in REDD+ result-based payment. The four main elements of REDD+ implementation at the national level under compliance market are as stated:

- **National REDD+ Strategy or Action Plan (NRS/AP)** is the strategic action plan for how REDD+ will be implemented at the national level. The NRS identifies the drivers of deforestation and the policies and measures to address these drivers. The NRS recognizes that REDD+ is not an activity, or project in itself, but a goal to be achieved as part of the PNG's approach to sustainable and responsible development. This goal will be achieved by (a) creating the enabling conditions for actions by government, civil society and the private sector, and (b) mainstreaming the concept and goals of REDD into work of sectors and developing policies and measures that drive actions at the national provincial and local level to reduce emissions and enhance PNG's forests.
- **National Forest Emission Reference Level and/or Forest Reference Level (FREL/FRL)** – FREL is the benchmark for emissions exclusively from deforestation and forest degradation (REDD only), while, FRL is a benchmark for emissions from deforestation and forest degradation and removals from sustainable management of forests and enhancement of forest carbon stocks (all REDD+ activities). Setting FRLs and FRELs is one of the first steps needed to benefit from REDD+. As a key component of national forest monitoring systems, FRLs and FRELs provide baseline against which emission reductions can be measured, and subsequent results-based payments be made.³¹
- **National Forest Monitoring Systems (NFMS)** that is robust and transparent to monitor and report the REDD+ activities. NFMS include measurement, reporting and verification (MRV) functions and aim to produce high-quality, reliable data on forests including forest-carbon estimates, that are critical to the battle against climate change caused by among others deforestation and degradation of forests. NFMS components include (a) satellite land monitoring system (SLMS) and other data collection providing information for activity data

³¹ The National REDD+ Strategy, 2017

(AD), and (b) National Forest Inventories (NFI) or other data collection providing information on emission factors (EF), and (c) National GHG Inventories which provides information on estimated emissions by source and removals by sinks.

- **Safeguards Information System (SIS)** that is user-friendly and accessible by all stakeholders showing how UNFCCC REDD+ Safeguards are being addressed and respected

There are three recognized phases of REDD+ implementation leading up to the results-based payment.

Phase one is REDD+ Readiness, that is where countries decide IF they want to implement REDD+ and HOW they will implement it. Then country prepares for institutional capacity building and networking, and start developing systems that will ensure smooth implementation of REDD+. The four elements of REDD+ implementation is developed in this readiness phase.

Phase two the demonstrating approaches to REDD+ phase where the different approaches and systems developed including the policies and measures are tested, refined and where improvement needed these systems and approaches are scaled-up. At this phase the REDD+ process and requirements, lessons learnt, challenges and opportunities clearly outlined for better understanding of REDD+ implementation. The NRS is implemented at this phase and results-based finance accessed.

Phase three is the Full Implementation of REDD+ through policies and measures where emissions reduced from source and removals by sinks are measured and reported for results-based finance. Measurement and reporting of REDD+ implementation and for result-based payments is described in Section 8.

6.1.1 Methodology

The methodology relevant for REDD+ is described in the IPCC 2006 Guidelines for National Greenhouse Gas Inventories. The IPCC 2006 Guidelines provides particular methods and guidance for specific issues in the relevant chapters of the guide. The IPCC guidance provides best practices for building methodologies and developing projects under any carbon standard. The 2006 IPCC guidelines serve to report national inventories by dividing GHG emission and removals into main sectors, which are groupings of related processes, sources and sinks, one of which is the agriculture, forestry and other land use (AFOLU) sector³² and also guidance for good practice for Land Use, Land-Use Change and Forestry (LULUCF).

The IPCC Guidelines is intended to be used at the national level, but can be also applied at the project level.

Each sector comprises of individual categories and sub-categories, which, for AFOLU sector is the anthropogenic GHG emissions and removals by sinks are defined as all those occurring on 'managed land'. The 6 land use categories in the 2006 IPCC Guidelines³³ are:

³² Estrada, 2011

³³ IPCC Guidelines 2006

- forest land
- cropland
- grassland
- wetlands
- settlements
- other land

Each land use category is further subdivided into land remaining in that category (e.g. 'Forest land remaining forest land') and land converted from one category to another (e.g. 'Forest land converted to cropland'). The IPCC 2006 GL methods are ranked by tiers. A tier represents a level of methodological complexity. Usually 3 tiers are provided: Tier 1 is the basic method, Tier 2 intermediate and Tier 3 most demanding in terms of complexity and data requirements. Tiers 2 and 3 are sometimes referred to as higher tier methods and are generally considered to be more accurate. Tier 2 and 3 methods use nationally derived data and more disaggregated approaches and (or) process models, which allow for more precise estimates of changes in carbon stocks in biomass.

6.2 Voluntary Approach – Project based

Under these guidelines REDD+ Projects are defined as:

“Any activity that specifically aims to **develop and implement** mechanisms that substantially and measurably reduce greenhouse gas (GHG) emissions or enhance removals” utilizing one or more of these strategies:

1. Avoiding or limiting emissions from deforestation, that is, through protection of forest areas that would otherwise be converted to other land use;
2. Avoiding or limiting emissions from forest and or land degradation, that is activities that are implementing sustainable forest management techniques such as reduced impact logging, selective alternative agricultural practices, etc.)”;
3. Avoiding emissions by conservation of forest carbon stock;
4. Sustainable management of forest carbon stocks, and,
5. Enhancing forest carbon stocks referring to projects opting for afforestation and/or reforestation which will increase the area of carbon sink to increase GHG removals from atmosphere

Therefore, for the projects to meet the above strategies they must have the following threats, needs or opportunities (in order of priority) to be a REDD+ project:

- Firstly, the forest area of interest must have an immediate threat to drivers of deforestation and degradation, for example, commercial logging, commercial agriculture, extensive family agriculture, etc...
- The land area must have the need for (i) reforestation over degraded land or logged over areas or areas exposed to continuous family agriculture practices, or (ii) afforestation over land that has been converted to grassland more than 10 years or historically known as grassland

Other projects to consider are also those of conservation value, wildlife/biodiversity and ecosystem services management, cultural heritage values, high carbon stock value (HCSV) and those that have

the potential for ecotourism and eco-forestry. The two latter projects are also categorized as alternative livelihood practices.

6.2.1 General Requirements

There are general requirements that REDD+ activities or projects must meet to be eligible as a REDD+ project, and, these are based on agreements reached at the COP 16 (Cancun Agreements). REDD+ projects;

- should contribute to: (a) reducing emissions from deforestation; (b) reducing emissions from forest degradation; (c) conservation of forest carbon stocks; (d) sustainable management of forests; and, (e) enhancement of forest carbon stocks;
- should abide by the international and national laws;
- should be based on methodology described in IPCC 2006 Guidelines or any recognized guideline under the voluntary carbon market;
- Should use data and methods of calculation for estimating GHG emissions from highly-reliable sources like (a) publicly available and credible literatures, for example the IPCC 2006 Guidelines or Voluntary Carbon Standards, (b) published peer-reviewed scientific literatures; (c) recognized carbon standards and markets, for example, ART & TREES, and CORSIA.
- Should clearly identify all its relevant project stakeholders at the project design phase with their roles and responsibilities clearly identified;
- Should be able to analyze, identify and mitigate negative environmental, social, and economic impacts that might be caused by implementing the project. In addition, each project is recommended to acquire an internationally accepted certification such as the Climate, Community & Biodiversity Standards (CCBS) and the Forest Stewardship Certificate (FSC);
- Does not involve conversion of native ecosystems (conversion of natural forest to one species tree plantations).

6.2.2 Requirements by sections of REDD+ implementation

- i. *Social Mapping*: Every community is identified by clans and ILGs inhabiting a certain land area. It is therefore necessary that all clans and ILGs be clearly identified and mapped using the existing ILG registration process.
- ii. *Consent (FPIC)*: At least 85% of the total adult customary land holders and local communities must understand and give their consent to develop any REDD+ initiative on their land. All information provided must be free up-to-date information that improves their understanding and ability to fully participate in the REDD+ project development process.
- iii. *Legal framework*: The REDD+ projects should respect the international and existing national laws regarding land, land use and land use change including legal framework associated with addressing REDD+ related grievances considering the social and cultural settings of the area of interest.
- iv. *Methodology*: The REDD+ projects must clearly indicate the methods of calculation, formulae and default values used to measure GHG avoided and removed. The methods under the VCS varies and may increase chances of double accounting, thus, it is encouraged to understand the different methodologies. It is, therefore, recommended to use IPCC 2006 Guidelines under the compliance market, however, other methods are still accepted if it is proven to be nationally or globally accepted.
- v. *Data*: Must be from reliable and credible sources which have been proven to work effectively.
- vi. *Implementing parties*: All stakeholders involved should be clearly identified in the initial project design phase with their roles and responsibilities clearly spelled out.

6.3 General Approval Process

The REDD+ project initiated must first be endorsed by the CLLCs through FPIC and with formal approval by the government through CCDA.

- i. Customary landholders and communities should be correctly identified under the process set out by the Lands Registration Act and records of ILGs provided including consent from 85% of adult population.³⁴
- ii. Land boundaries, land use planning, forest area and brief description of forest type identified under the Lands Act and Forestry Act should be provided with clear demarcation of the area covered by the proposed REDD+ activity to be implemented. This brief information should be submitted through a Project Concept Note (PCN) by the Provincial Executive Council (PEC).
- iii. All stakeholders involved in the implementation of the proposed REDD+ activity with their roles and responsibilities should be identified and outlined in a PCN accompanied by consent form(s).
- iv. Project Concept Note (PCN) is a brief explanation of the project background, objectives, description and potential challenges and impact. It should be a maximum of 15 pages.
- v. Upon approval of PCN by the REDD+ Technical Working Committee (TWC), proponent submits a detailed Project Design Document (PDD).
- vi. The PDD is a more detailed version of the PCN based on the feedback received from TWC. The PDD is assessed by the TWC and submitted to the Climate Change Board (CCB) with its recommendations for endorsement. The PDD, unlike the PCN, are not presented in a form version, however, in whatever format it is submitted, it must contain all necessary details requested by the TWC. This document consists of not more than 80 pages.
- vii. The TWC chaired by the General Manager, REDD+ and Mitigation, will be conducting assessments on the different information provided for each project throughout the approval process. Recommendation from the assessments conducted are communicated to the CCB for endorsement.
- viii. To avoid a potential conflict of interest, no representative can evaluate a project that originates from his/her own organization, or that is funded in part or in full by his/her organization.
- ix. Members of the TWC are expected to give unbiased technical advice and guidance based on information provided and field assessment reports. Decisions within the CCB are made by majority.
- x. Parallel to the PDD, a Memorandum of Agreement (MOA) between the government, project and CLLCs is then submitted for legal clearance by CCDA to the Office of the State Solicitor (OSS) to implement the PDD and MOA.

³⁴ Climate Change (Management) Act, 2015

- xi. The CCB gives the final endorsement to implement the MOA and PDD following the legal clearance (Section 89, CCMA 2015) and enters the project into the National REDD+ Registry.

6.4 Approval by Component/Stage

There are two distinctive stages that each REDD+ project passes through. At each stage, certain information is required from the project proponent. The REDD+ criteria outlined earlier in this document are the criteria which each project will be tested against³⁵.

Stage One: Early Feedback Stage

All PCN must be submitted from the PECs office. Thus, proponents must make formal submission to the PEC through the existing project proposal submission process at the sub-national level. The PEC submits the PCN with a cover letter stating that the project has been captured in the Provincial Development Plan (PDP) and is in line with the sub-national development aspirations. All PCN received will be presented to the TWC during the TWC meetings. TWC meeting is hosted every quarter and screening of PCN received before the TWC will be on the agenda for discussion. The PCN can be discussed with the REDD+ Branch of CCDA for clarity purposes prior to submission at the sub-national level.

The template of a PCN form is provided in the annex and should be approximately 10 – 15 pages providing information on:

- The registered name of the project,
- REDD+ activity type and size of the project
- its location, land use and social settings (provide a map)
- the anticipated total amount of greenhouse gas (GHG) reduction compared to the “business-as-usual” scenario (which will be elaborated in the baseline later on at PDD level)
- the suggested crediting life time
- the financial structuring (indicating which parties are expected to provide initial funding)
- an overview of what safeguards are in place to minimize social and environmental risks.

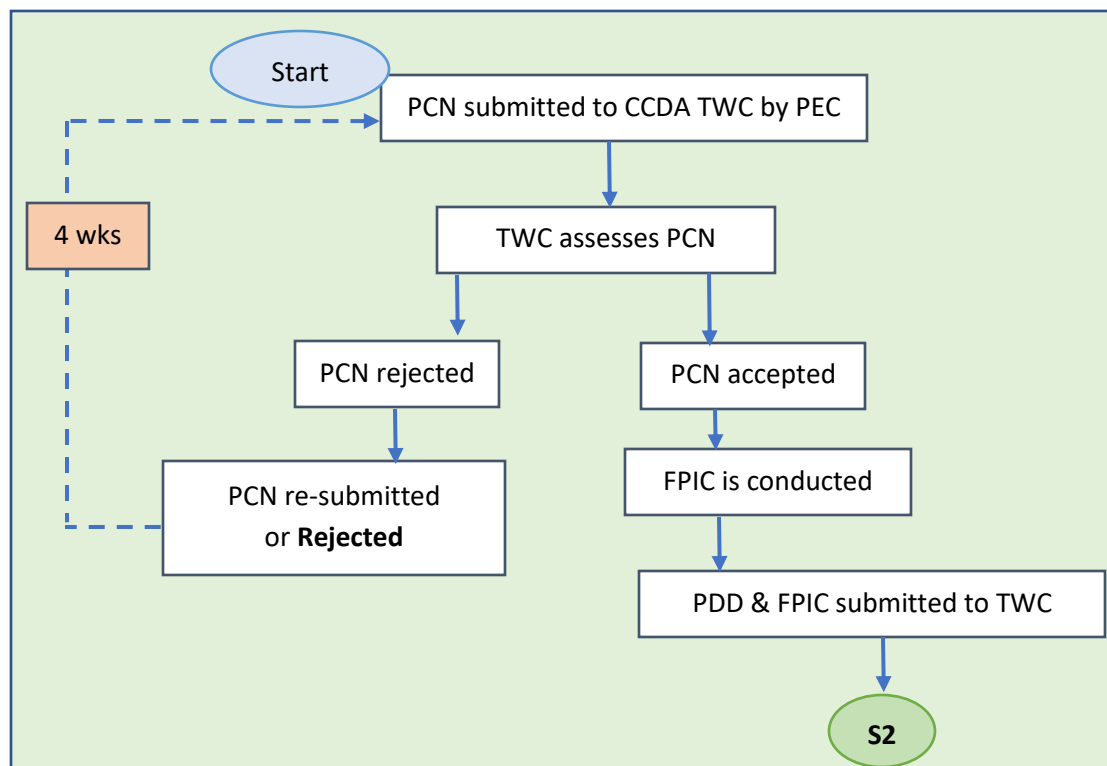
Upon approval of the PCN, the project is expected to conduct FPIC with all stakeholders that will be affected by the project. The FPIC process must not be influenced in any way instead it must be the true willingness of the CLLCs. Refer to the FPIC guidelines on how to conduct FPIC. Together with the consent, proponent submits it's PDD. If the PCN is rejected, full justification for the rejection will be provided with the chance to resubmit. The proponent is given a 4-week time frame to re-submit. This initial stage may take 6 – 8 weeks. The resubmitted PCN can take less weeks for review.

The project proponent submits detail PDD with evidence of consent to TWC. For most project proponents, this process is expected to take several months and may require external assistance. CCDA will be able to provide guidance and advice at this stage for all proponents to facilitate assistance from national and international technical experts where necessary. However, if a

³⁵ The implementation process is derived from National REDD+ Project Guidelines, 2011

proponent is unable to submit a complete PDD within 18 months from the date of PCN approval, PCN approval is cancelled. PDDs that are rejected can only be resubmitted as new project concept notes.

Figure 1. Early Feedback Stage (S2 – Stage 2)



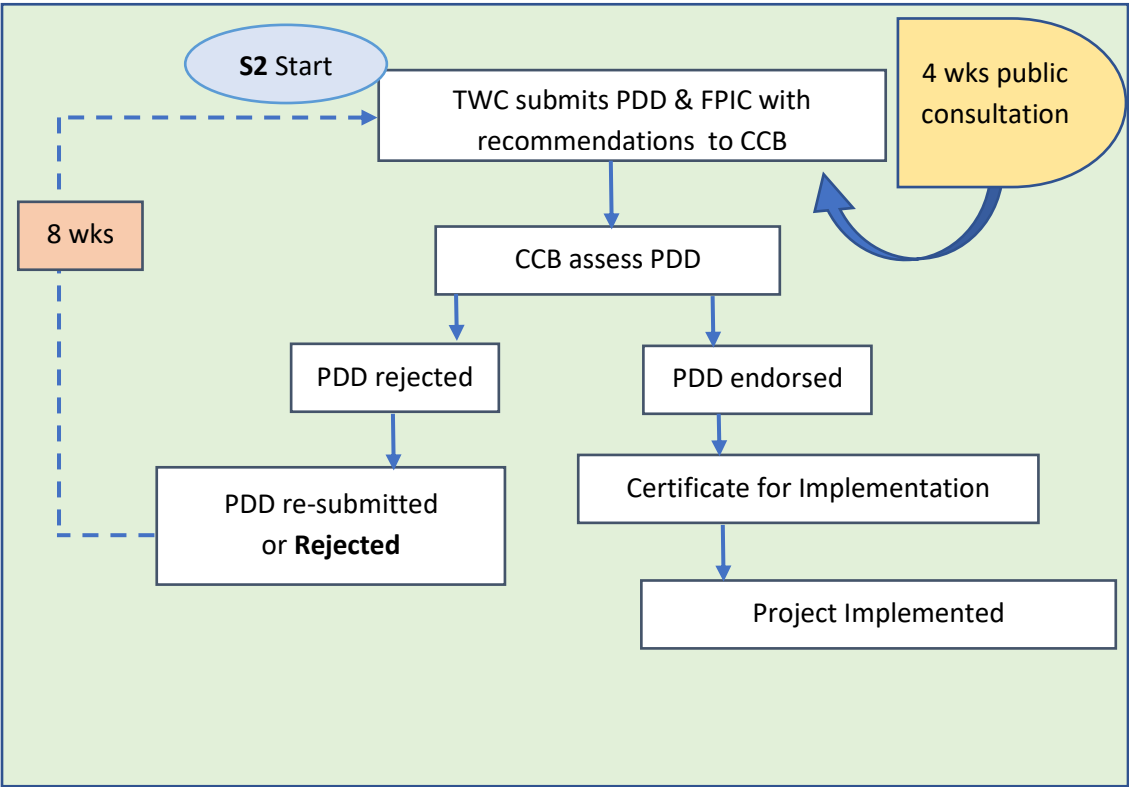
Stage two: Endorsement Stage

A collaborative field verification visit is also conducted by the TWC with assistance from CCDA to the project site. The PDD and FPIC are published on media for a month of public consultation. The independent assessment report based on documents provided and public consultation (with recommendations) is submitted to CCB. The board reviews the PDD and assessment report and endorses the project. Once a project is endorsed a “Certificate for Implementation” is issued and the project is given no more than one year to start producing ERRs. For PDDs that are rejected, a full justification is provided and proponents are given the opportunity to appeal or re-submit updated PDD. Issuance of a Certificate for Implementation proves that the project is in line with PNG's overall objectives for REDD+ and is now eligible to implement its MOA and PDD.

If PDD is not endorsed, the CCB may recommend that the project design document is revised and resubmitted within 8 weeks, or that it is rejected. In all instances detailed justification will be provided to the project proponents. The CCB has unrestricted power to limit the number of times a project can re-apply. The re-submitted PDD can take less than four months for a decision to be reached.

Once PDD and MOA are implemented, TWC through CCDA REDD+ branch continues to monitor and provide an annual progressive update to the CCB.

Figure 2. Endorsement Stage



Section 7: MONITORING, REPORTING AND VERIFICATION - NESTING

7.1 National REDD+ Registry

To effectively manage and report on REDD+ actions in line with the 2015 Paris Agreement and guidance from the UNFCCC, PNG requires a structured system for coordinating and reporting action on REDD+ and achievements in terms of emission reductions and removals. This structured system is referred to as a National REDD+ Registry (NRR) where REDD+ under UNFCCC compliance market and other emission reduction projects under voluntary market are verified, validated and registered for monitoring and reporting. This registry allows nesting of carbon reduction (avoidance and removals) activities, where, REDD+ projects can be registered, monitored and reported under or within the national framework. This NRR system is established under the Climate Change Management Act under Section 78A, thus ensures that it is mandatory to measure and record the correct amount or volume of emissions reductions or offsetting schemes correspond to the results-based payments or financial incentives.

Most importantly the registry system avoids double counting of emissions reductions. Penalties could also be imposed where there is intentional double counting of emissions reductions by the CCDA or the National Designated Authority (NDA). This would act as a deterrent and maintain transparency and overall efficiency. For nesting to be done, cost-effective and conceptional mechanism must be identified and developed, that can promote environmental integrity, transparency, accuracy and ensure the avoidance of double counting. It is therefore recommended that data management systems like NRR be built, ensure technical consistency across all scales of REDD+ activities and develop national technical guidelines and requirements for projects.

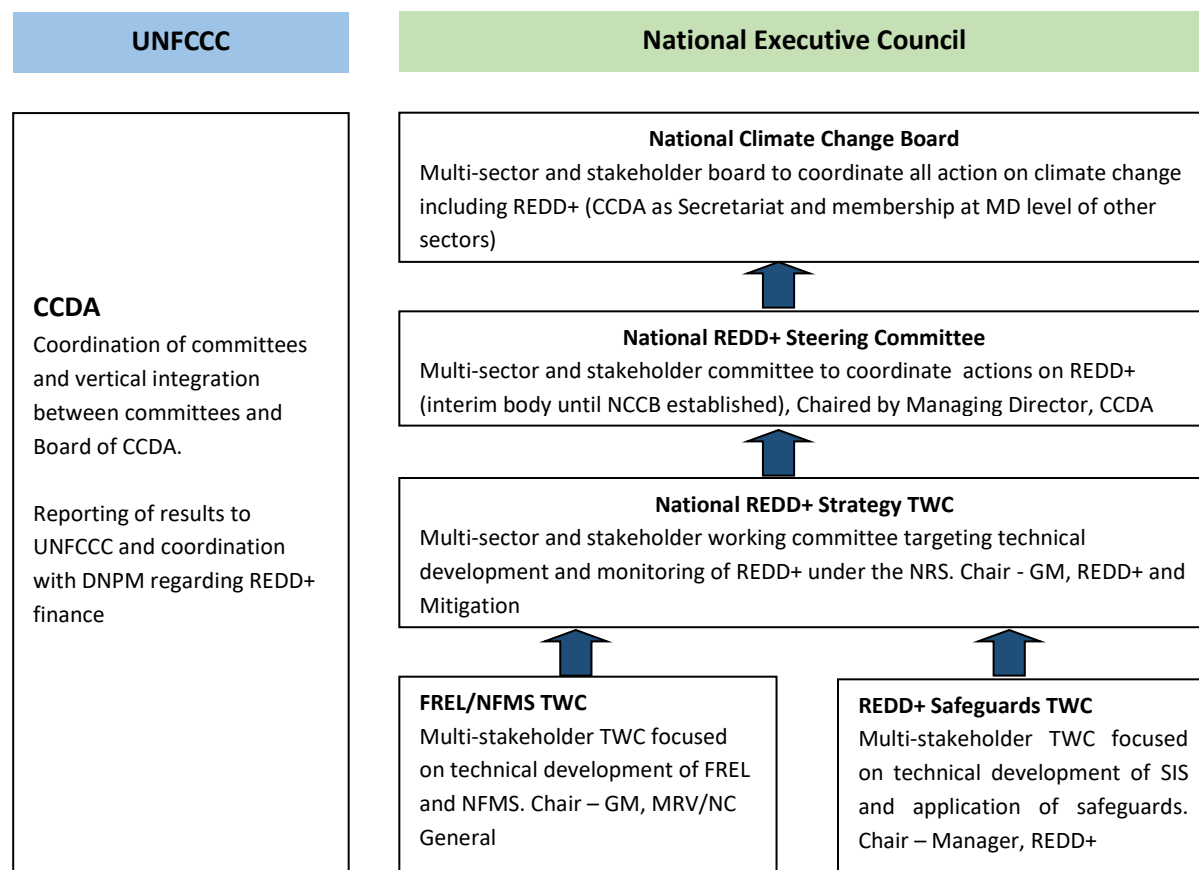
Reporting accurately the carbon credits accumulated over a vintage period is very important to be eligible for results-based finance under the compliance market (as well as voluntary market)³⁶ which the most important information includes:

- The assessed results (tonnes CO₂ per year) for each relevant period;
- The assessed forest reference level (tonnes CO₂ per year);
- The summary of information on how all of the REDD+ safeguards are being addressed and respected;
- A link to the REDD+ national strategy or action plan;
- Information on the national forest monitoring system.

Coordination of REDD+ implementation is very important thus the coordination structure of REDD+ implementation should be clear. Figure 4 shows the national coordination arrangement for PNG as outlined in the NRS.

³⁶ <https://unfccc.int/topics/land-use/workstreams/redd/what-is-redd>

Figure 3: REDD+ Coordination Arrangement



7.2 Nesting Systems

A nesting system refers to the alignment of the accounting of greenhouse gas (GHG) emission reductions and removals (ERs) from REDD+ activities across multiple scales. It is theoretically possible to ‘nest’ VCM projects in a UNFCCC national framework but its challenging conceptionally, where one cannot attribute emissions reductions (avoidance and removals) to individual projects or policies, technically, where different methods for carbon accounting is used making it difficult to track, and legally, where it is unclear how VCM fits into Paris Agreement.

Why nest? It is important to nest all efforts of emissions reductions and removals (ERs) to:

- i) Optimize REDD+ finance, that is, have access to multiple sources of climate and carbon finance, including market and non-market opportunities, which will enable private sector investment.
- ii) Align REDD+ with the Paris Agreement to avoid double counting of emission reductions and removals and optimize the contribution of REDD+ to the country’s NDC,
- iii) Honor the legal system and decentralized forest management that promotes REDD+ implementation at multiple scales and equity among actors participating in forest protection, and, implement REDD+ in line with the existing land tenure and rights regimes

- iv) Create broad support for REDD+ where stakeholders are involved in all policy levels in the design of REDD+ policies, programs and projects, and, harness broad technical, financial and human capacity for REDD+ implementation

There are two main types of nesting system:

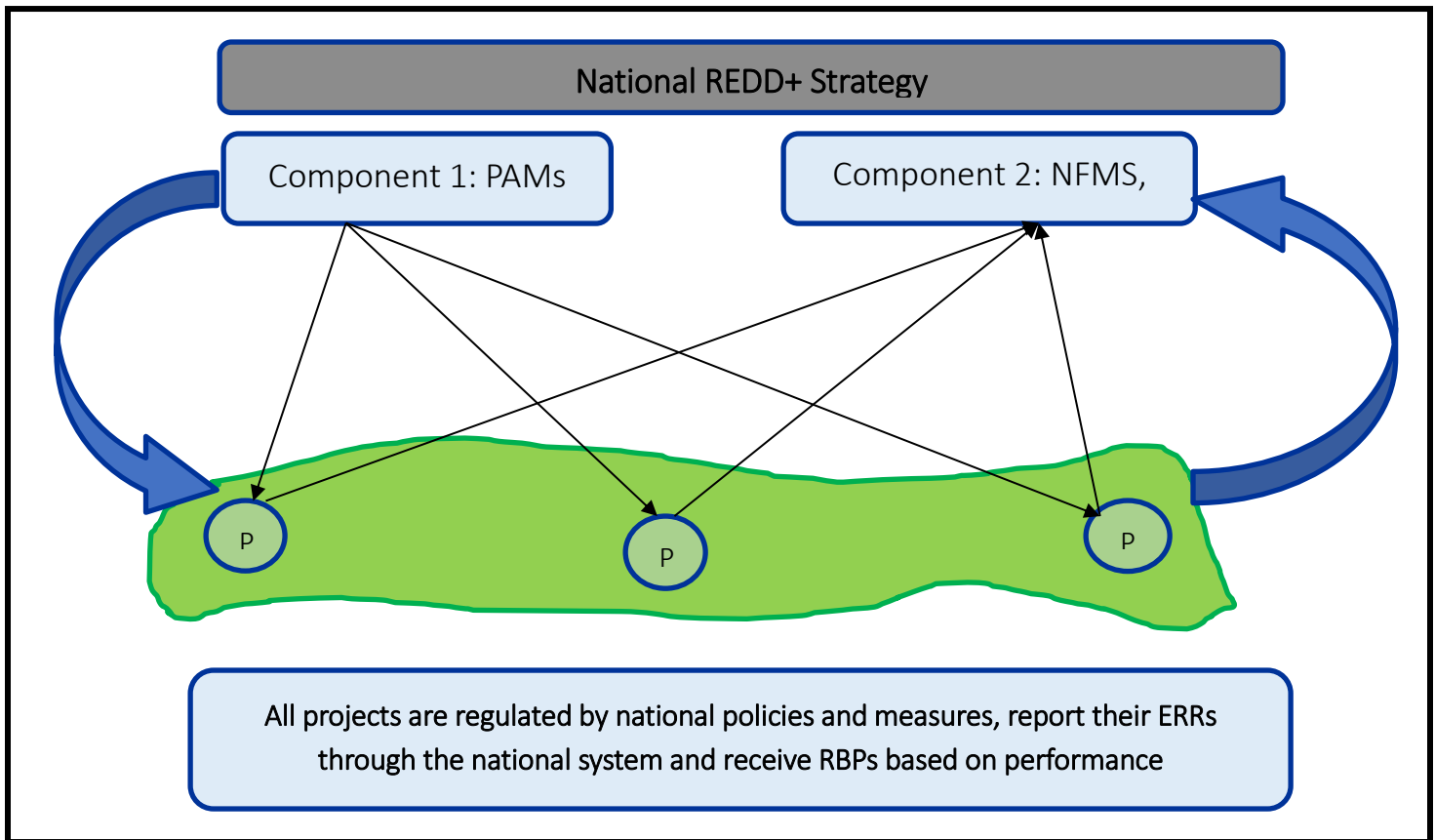
1. Centralized nested systems involve the local-actors, project developers and the government at the national level. The government regulates the GHG performance at sub-national/project level and align its ER results with the National system. The RBP gained from the carbon credits sold are distributed to project developers, locals and the government through a benefit sharing system at the National level.
2. Decentralized system involves the Local actors and Project developers and is independent from the government, however it uses the governments regulations to carry out REDD+ activities for direct investments through private-sectors. Results gained from carbon credits are directly sold to carbon markets and payments received are distributed amongst locals and project developers at the sub-national level.

There are four approaches to establishing a nesting system.

1. Centralized Approach where crediting of emission reduction results (ERRs) is at the national scale. This approach operates where there is no carbon or REDD+ projects thus no direct performance-based rewards for non-state actors. All credits and results-based payment is ONLY at the national level
2. Decentralized Approach is where all credits and results-based payments is made directly between the individual REDD+ project and its buyer or investor. No involvement of the national level.
3. Centralized Nested Approach is where crediting and RBPs is made at the national level as well as reporting of all national ERRs including REDD+ projects. Projects are credited and RBPs is made based on performance. Crediting and reporting done at the national level.
4. Decentralized Nested Approach is where national approach accounts for all national credits while authorizing projects to market ERRs and receive carbon credits directly. However, in reporting, the National Approach discounts all ERRs under projects. This is to avoid double counting and maintain environmental integrity.

Papua New Guinea is developing a system that will integrate two or more of the four approaches with the option of centralizing its nested approach and can be referred to as “hybrid nested approach”. The Hybrid Nested Approach regulates all credits and RBPs to ensure double counting and double accounting is avoided. This hybrid approach maintains environmental integrity, accountability and transparency. Furthermore, it attracts both market and non-market payment (e.g., GCF, Art and Trees, etc.) for performance at national scale.

Figure 4. An illustration of a Hybrid Nested Approach



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Global Environment Facility, <https://www.thegef.org/partners/conventions>

Global Environment Facility, <http://www.thegef.org/gef/whatisgef>
<https://www.thegef.org/projects-operations/how-projects-work>
http://www.un-redd.org/Partner_Countries/tabid/102663/Default.aspx
<https://www.forestcarbonpartnership.org/about>

APPENDICES

Appendix 1: Relevant Decisions and Guidelines Referenced in Chapter 2

Relevant UNFCCC decisions

COP19, Decisions 9-15/CP.19 (Warsaw, 2013)

http://unfccc.int/meetings/warsaw_nov_2013/session/7767/php/view/decisions.php

COP 18, Decision 2/CP.18 (Doha, 2012; see paragraphs 25-40): <http://unfccc.int/resource/docs/2012/cop18/eng/08a01.pdf#page=6>

COP 17, Decision 2/CP.17 (Durban, 2011); see paragraphs 63-73 on financing options for implementation of results-based actions:
<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=14>; and Decision 12/CP.17 guidance on systems for providing information on how safeguards are addressed and respected;
<http://unfccc.int/resource/docs/2011/cop17/eng/09a02.pdf#page=16>

COP 16, Decision 1/CP.16 (Cancun, 2010): LCA Decision, ANNEX I, Paragraph 2 [UNFCCC safeguards for REDD]; see paragraphs 68-79: <http://unfccc.int/resource/docs/2010/cop16/eng/07a01.pdf#page=2>

COP 15 (Copenhagen, 2009; Guidance for implementing REDD activities):
<http://unfccc.int/resource/docs/2009/cop15/eng/107.pdf>

COP 13 (Bali, 2007; where discussions of developing an incentive mechanism for REDD): Bali Action Plan <http://unfccc.int/resource/docs/2007/cop13/eng/06a01.pdf#page=8>

COP 11 (Montreal, 2005, where REDD was first introduced):
http://unfccc.int/meetings/montreal_nov_2005/session/6269.php

UN-REDD Guidelines

UN-REDD and FCPF Guidelines on Stakeholder Engagement in REDD+ Readiness with focus on the participation of Indigenous Peoples and Other Forest-Dependent Communities: <http://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/July2012/Guidelines%20on%20Stakeholder%20Engagement%20April%202012%20%28revision%20of%20March%2025th%20version%29%20%281%29.pdf>

UN-REDD Programme Guidelines on Free, Prior and Informed Consent (FPIC):
http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=8717&Itemid=53

Forest Carbon Partnership Facility and the Forest Investment Program – World Bank
World Bank’s Forest Carbon Partnership Facility: www.forestcarbonpartnership.org/

FCPF Readiness Fund: <http://www.forestcarbonpartnership.org/readiness-fund>

FCPF Carbon Fund: <http://www.forestcarbonpartnership.org/carbon-fund>

REDD+ SES

REDD+ Social & Environmental Standards: http://www.redd-standards.org/files/REDDSES_Version_2/REDDSES_Version_2_-_10_September_2012.pdf

Guidelines for using REDD+ SES at the country level: http://www.redd-standards.org/files/pdf/redd-docs/Standards/REDD_SES_Guidelines_Version_2_-_16_November_2012.pdf

Factsheet supporting countries to develop Safeguard Information Systems: http://www.redd-standards.org/files/pdf/redddocs/Standards/REDD_SES_factsheet_November_2012.pdf

Appendix 2: Forest Definitions (Examples)

The actual definition of what a forest is varies across countries with definitions impacted by the ecology of an area as well as considerations of how measurements can be made. For example:

PNG’s Forest Definition? PNG has a specific definition, agreed by the NEC in 2014, which is: “*land spanning more than 1 hectare, with trees higher than 3 meters and the canopy cover of more than 10 percent (%)*”

As this definition was only formalized in 2014 studies conducted prior to this have not used this definition and as such their estimates of carbon stock, forest cover and drivers may be different from those stated within the FRL.

Appendix 3: Indicative list of National Legislation that assists this guideline

Legislation	Relevance to document
The Mining Act 2014, Part I, Section 4	Promotes the rights of stakeholder participation despite land disputes
The Mining Act 2014, Part II, Section 5	Emphasizes that state owns all minerals existing on, in or below the surface of the land or water. No mention of elements in the air like Carbon

The Forestry Act 1991 (as amended)	Defines what forest is in PNG and highlights the importance of forestry in the context of climate change, ownership and user rights
Lands Act 1996	Defines customary land, customary rights over use of water or land (no mention of air)
Land Dispute Settlement Act	Grievance redress related to land boundaries ownership and rights
Environmental Act 2000	Conservation and biodiversity permit evaluation process dealing with land demarcation, forest conservation efforts

Appendix 4: Indicative List of Relevant International Agreements for UNFCCC REDD+ Safeguards

1. International Instruments

- Convention on Biological Diversity (CBD) (1992)
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (1973)
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) (1979)
- Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women (OPCEDAW) (1999)
- UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage (1972)
- United Nations Convention Against Corruption (UNCAC)(2005)
- United Nations Convention to Combat Desertification (UNCCD) (1994)
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) (2007)
- United Nations World Charter for Nature (1982) - Universal Declaration of Human Rights (UDHR) (1948)

Appendix 5: Templates of Documents for REDD+ Project Implementation

i. Project Concept Note

PROJECT CONCEPT NOTE

Instructions for completing each section of this concept note is in [italics] under each section. All section instructions should be deleted from the final document.

*All sections must be completed in ENGLISH using Arial, 10pt size, black color, regular (non-italic) font. Sections which are not applicable may be left blank but should **NOT** be deleted from the final document. Completed document should be no more than 15 pages in length, including attachments.*

PROJECT TITLE

By [individual or entity]
To
REDD+ and Mitigation Division
Climate Change Development Authority

Date of Submission:/...../..... (day/month/year)

1. Project Description [1 \page]

- a) Location of project
 - [Name the Project, ILG, District and Province
 - Describe the major land uses and any geographic boundaries.
 - Attached Map of project area]
- b) Pre-project Conditions
 - [Describe the conditions existing prior to project initiation
 - show that the project has not been generating and will not generate GHG emissions, meaning identify any drivers of deforestation and forest degradation
 - Describe briefly the topography, the forest type and forest cover, if possible the major tree species
 - Provide land use map (can also be included in the Map of Project area)]
- c) Type of Project
 - [Briefly identify the type of project, e.g., reforestation, afforestation, preservation/conservation, agroforestry, etc...
 - What is the target area for this project? Area in Hectares]
- d) Project duration
 - [Projected project start date and duration of project in years]

- e) Population impacted by Project
[what is the current population and provide estimate in percentage on women and children involvement, also provide estimated annual population growth rate]

2. Objective [Max 300 words]

Provide a summary description of the project objective(s).

- *Most importantly to identify the benefits this project brings to global effort of reducing deforestations and*
- *How this project helps maintain or increase PNG's forest cover, and,*
- *What benefits this project brings to the forest dwelling communities both short term(5 years) and long term (during and after project life)*

3. Project Entities [1.5 pages]

a) Project Proponent/Developer (if any)

- *[Identify the Project Proponent and describe its main roles and responsibilities.*
- *Summary of the relevant experiences of the proponent (attach supporting documents)*
- *Provide examples with documentation on some of its success stories on similar projects*
- *List the Contact Name and Details (address, telephone/mobile, Fax, Email and web address if any)]*

b) Project Participant(s)

- *[Identify the Project Participant(s) normally it's the ILG Association and describe the main roles and responsibilities.*
- *Summary of the relevant experiences of the project participant (attach supporting documents) excluding customary landholders*
- *List the Contact Name(s) and Details (address, telephone/mobile, Fax, Email and web address if any) of the Project Participant(s)]*

c) Management and Operational Structure

[In a form of a flow chart, show Project Management Unit (PMU) and staff showing composition and briefly describe their roles and responsibilities]

4. Application of Methodology [1 - 2 pages]

a) Baseline Scenario

[Identify and justify the baseline scenario. What would the area look like without a project?]

b) Additionality

[Demonstrate and describe how the project fulfils additionality criteria - how the projects will look like with the project (and it should be improving the status (environment & communities/socio-economic) of the project area]

c) GHG Emission Reductions and Removals

i) Baseline and Project Emissions

[Describe the procedure for quantification of the baseline and project emissions and/or removals. Include all relevant equations]

ii) Leakage

[Describe the procedure for quantification of the leakage emissions. Include all relevant equations]

iii) Summary of GHG Emission Reductions and Removals

[Provide an ex-ante calculation (estimate) of baseline emissions/removals, project emissions/removals, leakage emissions and net emission reductions and removals. Describe the procedure for quantification of net GHG emission reductions and removals. Include key equations For Agriculture, Forestry or Other Land Use (AFOLU) projects, include net change in carbon stocks.]

5. Financial Details and Cost Estimates [1 - 1 and 1/2 pages]

a) Pre-Operational Framework

- *[Outline the main steps of the project and describe the main activities and the implementation timeframe of each activity]*
- *and estimated cost to implement each activity*

b) Source of Finance to be sought or already identified to implement the activities

Sources of Finance	
Equity	PGK... <i>Amount the community or participant is putting forward, if any</i>
Debt – Short-term	PGK.... <i>Amount the proponent will contribute in preparing the project, that is FPIC, ILG, IPA, Land Use Maps, etc..</i>
Debt- Long-term	PGK.... <i>Amount the proponent will be generating for the community under this project</i>
Sources of Carbon Finance (if you plan to participate)	Who is buying the credits (if any)? Provide the list if potential buyers that you have contacted

6. Legal Framework [1 - 2 pages]

a) Compliance with Laws, Statutes and Other Regulatory Frameworks

[Describe the project compliance with relevant local (LLG/District), regional (Province) and national laws - 1/2 page]

b) Land or Resource Ownership

[Describe the legal tenure of the project area. Provide where possible evidence of ILG status, IPA certificates, or lease title documents where relevant. Submit as attachments]

c) Consent (FPIC)

[Provide evidence of consent by local communities given to develop or implement this project. Attach necessary documents like MoA/MoU with signatories of ILG representatives, support letters from national and sub-national levels, NID certificates, meeting minutes with participants list, etc..]. Photographs of meetings held with communities can also be useful

d) Grievance Redress Mechanism (GRM)

[Clearly outline how conflicts arising from this project will be addressed, both social and environmental

(Write at least one full page)]

e) Participation under Other GHG Programs

[Indicate whether the project has been registered, or is seeking registration under any other GHG programs, for example CCBA or VCS. Where the project has been registered under any other GHG program, provide the registration number and details.]

7. Social-economic and Environmental Impacts [1 - 2 pages]

- *What social and economic effects can be attributed to the project and which would not have occurred in a comparable situation without that project?*
- *From the impacts this project will have on the population, indicate what adverse impacts will be on women and children, and people living with disabilities*
- *What are the possible direct effects (e.g. employment creation, provision of capital required)?*
- *What are the possible other effects (e.g. training/education associated with the introduction of new processes, technologies and products and/or the effects of a project on other industries)?*
- *Provide a brief description of the project's consistency with the environmental strategy and priorities of Papua New Guinea starting from local to provincial and national priorities.*

8. Benefit Sharing Arrangements

- *Briefly outline the benefit sharing mechanism of the project revenue in percentage (use the Climate Change Management Act 2015)*
- *From the benefits given to communities, describe the breakup of the benefits, in terms of how much towards developmental services and how much is cash handouts (if any).*
- *What development services or livelihood projects will be provided to the landholding communities*
- *Outline how the benefits gained from the project will be sustained after the project life span*

9. Stakeholder Comments

[Summarize relevant outcomes from stakeholder consultations and mechanisms for on-going communication. (Where relevant and available) – 1/2 - 1 page. Attach necessary documents. These can be regarded as proof of supporting project development].

10. Agreement on Content and Completion of PCN

The Project Concept Note was completed and agreed to by the *(Landowning Company/ILG Name/ ILG Reg No of Umbrella Association. IPA Reg No if any)* and *(Project Developer/Proponent/Company Name/ IPA Reg No if any)* and is an Agreement on the day and year hereinafter mentioned.

Date:...../...../..... (day/month/year)

Executed by the *(LO Company/ILG Chairman / Secretary / Manager)*
of the *(ILG Name/ REG No)*

Name: _____ Signature: _____

Witnessed by: _____
Name of the Witness and the Designation: _____

Executed by the *(Project proponent/Developer Chairman / Secretary / Manager)*
of the *(company name/ IPA Reg No)*

Name: _____ Signature: _____

Witnessed by: _____
Name of the Witness and the Designation: _____