



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

**Cover Page**

Country: Papua New Guinea

Programme Title: UN-REDD Programme – PNG Quick Start Initiative

Joint Programme Outcome(s): By 2012, rural communities in selected provinces of each region use improved sustainable livelihood practices

<p>Programme Duration: 12 months</p> <p>Anticipated start/end dates: 1 May – 30 April 2010</p> <p>Fund Management Option(s): Pass Through</p> <p>Managing or Administrative Agent: UNDP MDTF Office</p>	<p>Total estimated budget*: \$2,585,035</p> <p>Out of which:</p> <p>1. Funded Budget: \$2,585,035</p> <p>2. Unfunded budget: _____</p> <p>* Total estimated budget includes both programme costs and indirect support costs</p>
<p>Sources of funded budget:</p> <p>Donor... UN-REDD Multi-Donor Trust Fund</p>	

**Names and signatures of national counterparts and participating UN organizations**

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

<b>UN organizations</b>	<b>National Coordinating Authorities</b>
<p>Replace with:</p> <p><i>Name of Representative</i></p> <p><i>Signature</i></p> <p><i>Name of Organization</i></p> <p><i>Date &amp; Seal</i></p>	<p><i>Replace with:</i></p> <p><i>Name of Head of Partner</i></p> <p><i>Signature</i></p> <p><i>Name of Institution</i></p> <p><i>Date &amp; Seal</i></p>



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**Note**

Partner coordination has been a hallmark of the formulation of this initial phase UN-REDD National Joint Programme (NJP). The scoping mission in October 2008 was led by the Government of PNG (GoPNG), represented by the Office of Climate Change and Environmental Sustainability (OCCES), in accordance with the PNG Declaration on Aid Effectiveness. It involved team members from the Participating UN Organizations (FAO, UNDP and UNEP), the Government of Norway (the Ministry of Environment's International Climate and Forest Initiative, NORAD, and the Norwegian Embassy in Canberra, Australia with diplomatic credentials for PNG), the Government of Australia (AusAID PNG-based and Canberra-based, Department of Climate Change), the Rainforest Foundation Norway, the World Bank (PNG Office) and an international consultant funded by NORAD. Further to the mission, UNDP has been assigned by the GoPNG as the international agency for REDD coordination in PNG.

The REDD Readiness Roadmap (see page 13) that eventuated from the scoping mission benefitted from inputs and comments from the OCCES, other mission members and the World Bank's Forest Carbon Partnership Facility's (FCPF) management team. It has been designed to coordinate with other REDD initiatives in PNG, particularly the Papua New Guinea - Australia Forest Carbon Partnership (see page 11). An Integrated Initial Support Package of assistance to the GoPNG to initiate the Roadmap was then agreed with the OCCES, UNDP on behalf of the UN-REDD Programme and AusAID (see page 15 for a description of the package).

Following further consideration of the national needs and international requirements, it is recognized that the proposed carbon Monitoring, Assessment, Reporting and Verification (MARV) interventions under Outcomes 2 and 3 (see section 4) include additional interventions to those agreed in the Integrated Initial Support Package. Furthermore, due to the limited time available in submitting the initial NJP for consideration by the UN-REDD Policy Board, it has not been possible to adequately consult with all Development Partners.

Therefore, the interventions under Outcomes 2 and 3 are indicative and expected to commence after broader consultations have taken place, including coordination with Australia's Measurement and Monitoring Systems Adviser and Data Audit Adviser short-term support (or as otherwise agreed in the Development Partners Climate Change Task Force). The corresponding budget allocations have been designed to complement and coordinate with the Government of Australia's interim support and any subsequent MARV-related support Development Partners may provide to the GoPNG.

As a first step, a joint technical mission has been proposed that will involve, among others, FAO and the Government of Australia. Discussions are already underway to set dates for the mission as soon as possible.

## 1. Executive Summary

This UN-REDD National Joint Programme (NJP) aims at initiating the 'Quick Start' phase of readiness support for Reducing Emissions from Deforestation and forest Degradation (REDD) in Papua New Guinea (PNG). The NJP is in-line with the Framework Document of the UN-REDD Programme and is presented to the UN-REDD Policy Board to request an initial budget allocation of US\$2.596m, in-line with the draft UN-REDD Operational Guidelines for funding of "initial" NJPs.

The main objectives of this initial NJP are:

- To assist PNG prepare a draft National REDD Plan for consideration of Cabinet by 31 October 2009. This is in-line with National Executive Council (NEC) decision of 11 February 2009.
- To develop a full NJP that shall be re-submitted to the UN-REDD Policy Board for funding to undertake agreed Readiness components of the National REDD Plan

The emphasis is on three immediate needs identified in the REDD Readiness Roadmap that was developed by the GoPNG and its Development Partners:

- Institutional capacity support to the Office of Climate Change and Environmental Sustainability (OCCES)
- Assessment of information needs for key building blocks of REDD (i.e. MARV, opportunity cost calculations and benefit sharing mechanisms)
- Establishing stakeholder engagement processes and building awareness

The initial NJP has 5 components:

- Readiness Management Arrangements in Place
- Arrangements for Establishing a Reference Emission Level (REL) in Place
- Framework for Forest Carbon Monitoring and Reporting Developed
- REDD Costs and Fiscal Transfers
- Stakeholders Engaged in PNG's REDD Readiness Process

The initial NJP will immediately engage the following in-country positions:

- REDD Chief Technical Advisor
- Multi-Stakeholder Engagement Advisor
- Economic Analyst
- Fiscal Transfer Expert

The team will be based in the OCCES and shall coordinate national REDD activities, ensure whole-of-government responses, and integrate REDD into national development planning processes. UNDP, as the lead REDD international agency in PNG, will coordinate the joint programme under the guidance of the UN resident Coordinator.

## 2. Situation Analysis

### ***PNG Context***

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

population is forecast to grow to more than 11 million by 2050. Currently 40 per cent of the population is under the age of 18.

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

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

### ***Deforestation and Forest Degradation***

Papua New Guinea (PNG) has one of the most significant areas of largely-intact tropical forest in the world, although these forests appear to be facing acute and imminent threats. Nevertheless, reliable data on the state of the forest are limited and there is some uncertainty and much discussion on the level and causes of deforestation in the country

PNG's Forest Authority (PNGFA) estimates that approximately 60% of the total area of the country is covered by natural forests, of which 45% are considered *production forests* (for timber and other products), and 55% are for conservation (not for timber extraction due to inaccessibility or ecological constraints). These figures are not necessarily universally agreed on and adopted by other government agencies.

The drivers of forest area changes are quite different in different areas of PNG. In general it is reported that conversion of low land forest in oil palm plantations has occurred especially in the New Britain island; large-scale deforestation has occurred due to unsustainable use of fire in the mountain and in coastal regions, and that forest degradation due to logging was occurring in the internal region with lowland forests like in the Gulf and West Provinces<sup>2</sup>.

Commercial logging is generally considered a major cause of deforestation, as is subsistence agriculture, with lesser causes being fires, plantations and mining. The forestry industry is largely based on the extraction of logs for export, harvesting natural forest areas. According to official data, the current export volume is about 2.8 million m<sup>3</sup> making PNG the second largest exporter of round logs in the world. Actual harvesting levels are probably higher than those reported in log export statistics<sup>3</sup>.

There is a long history of debate regarding the forestry sector in PNG:

- [Numerous reviews and independent audits](#) of the forestry sector
- IIED 1998 [Country Study](#)
- IIED 2001 [Report](#) edited by Colin Hunt
- [Forest sector studies](#)
- PNG Forest Industry Association [analysis](#) 2006

According to the PNG Forestry Authority, eight new logging permits covering two million ha of lowland forest for so-called 'Impact Projects' have recently been issued, with two more currently

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<sup>1</sup> This section is based on the Situation Analysis in the UN Country Programme Action Plan

<sup>2</sup> From Herold, A. et al, 2008. Emissions and removals from land-use, land use change and forestry activities in a post-Kyoto regime –quantitative analysis of a framework for reducing deforestation, <http://www.umweltdaten.de/publikationen/fpdf-l/3672.pdf>

<sup>3</sup> Overseas Development Institute (ODI). Issues and opportunities for the forest sector in Papua New Guinea. January 2007.

under legal review<sup>4</sup>. According to the ODI report, in the medium-term PNG is at risk of running out of easily accessible timber resources and may lose extraction forestry as an economic sector if it continues to pursue the current levels of log exports.

### ***Forest-Dependent Communities***

Over 80% of the population is still directly dependent on the local environment for their subsistence and livelihood practicing shifting cultivation. Legitimate land ownership and the right to exploit most natural resources are vested with the people and protected by the constitution. Ownership is mainly governed by traditional law. About three per cent of the land, or about 600,000 hectares, held privately under a 99-year State Lease or is government land. Freehold Title (also known as [fee simple](#)) can only be held by Papua New Guinea citizens.

It has been argued that the land tenure system is an impediment to rural development because land is owned by clans and can neither be alienated nor used as collateral for business loans. The mobilisation of blocks of land for rural development is constrained by the fragmentation of ownership, the difficulties of identifying the “true” owners where there are disputes, and excessive “compensation” demands. However, proposals to “register” the land to facilitate development have faced vehement public opposition. At the village level, the lack of investment opportunities is a more serious constraint. Poor infrastructure, remoteness from markets, the collapse of government extension services, and the high cost or lack of credit, impede the creation of business enterprise.

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

The landowner share of logging proceeds consist of a flat royalty of K 10 per m<sup>3</sup>, but this figure is presently under review. Next to this absolute minimum, landowners negotiate separate in kind benefits and price premiums as part of the concession negotiations. These may vary considerably. The Independent Forestry Review Team<sup>5</sup> and NGOs argue that royalties and premiums are often not paid in full, are not fairly distributed and contribute little to rural welfare.

Given the land tenure system in PNG, determining the opportunity costs of logging and providing appropriate payments is difficult. Most previous efforts to provide conservation alternatives that meet the logging opportunity costs have failed<sup>6</sup>. Yet at the same time, questions have been raised about the contribution of logging in PNG<sup>7</sup>.

According to PNG’s Forest Industries Association, the timber industry provides jobs to some 9,000 people, mostly located in remote areas where few other forms of employment exist. NGOs and the Review Team, however, assert that these are generally lowly paid jobs which demand little training and contribute little to long-term welfare of the local population.

In addition to providing jobs, logging operators construct infrastructure, as well as health and education facilities, as part of the concession agreements. There is considerable debate about the quality of the infrastructure/services provided. The Review Team describes operator performance as under par, while Rimbunan Hijau has commissioned a number of reports to demonstrate the

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<sup>4</sup> The two last ones – Kamula Doso and East Awin – are currently before the courts. The Kamula Doso case was won by the Eco Forestry Forum while the Mission visited PNG and East Awin is still awaiting trial. These two consists of over 1 million ha of primary forest.

<sup>5</sup> Established by the PNG Government in 2003 to review issues surrounding a proposed World Bank loan to improve forest management. The loan was not taken and the review was not completed

<sup>6</sup> See Race for the Rainforest: Evaluating Lessons from an Integrated Conservation and Development “Experiment” in New Ireland, Papua New Guinea, by Rob McCallum and Nikhil Sekhran, UNDP, 1997.

<sup>7</sup> Drawn from [www.odifpep.org.uk/activities/environmental\\_governance/S0153/png\\_paperthree\\_issues.pdf](http://www.odifpep.org.uk/activities/environmental_governance/S0153/png_paperthree_issues.pdf)

lengths to which it goes to provide infrastructure and services to the landowners and its employees<sup>8</sup>. Under the post-1991 Forest Management Agreements, companies pay for the construction of facilities but are no longer responsible for putting them in place.

## ***Regulatory Framework***

### Forestry Sector

Over the last 20 years, forest-related laws have evolved toward increasing government control of forest areas. This change has been aimed at enhancing sustainability and overall sector efficiency. However, implementation of the laws and associated codes of conduct often has been difficult because of governance problems resulting from relationships among the industry, politicians, and officials, thereby reducing the transparency in the sector and transferring resource allocation power from land owners to the government.

Following the Forestry Commission of Inquiry (or Barnett Commission) a considerable amount of new forest policy and legislation have been introduced<sup>9</sup>. These include:

*National Forest Policy*: it was issued in September 1991 by the National Executive Council and covers the areas of forest management, forest industry, forest research, forest training and education, and forest organization and administration.

*Forestry Act, 1991*: it was gazetted in June 1992 as a direct result of the Commission of Inquiry, and provided for the establishment of the new and autonomous Forest Authority to replace the old Department of Forests. The Act provides for much tighter controls in the acquisition and allocation of land for forest development.

*Forest Regulation No. 15, 1992*: it was introduced to enable registration of forest industry participants and consultants under the Act.

*Forestry (Amendment) Act, 1993*: it was certified in April 1993 and provided for a clear administrative function of the National Forest Board, and of the National Forest Service through the Managing Director and the Provincial Forest Management Committees.

*National Forest Development Guidelines, 1993*: they were issued by the Minister for Forests and endorsed by the National Executive Council in September 1993. The Guidelines establish essentially an implementation guide for aspects covered in the new Forest Act, especially in terms of sustainable production, domestic processing, forest revenue, training and education, review of existing projects, forest resource acquisition and allocation, and sustainable development.

*National Forest Plan*: under the Forestry Act of 1991 (as amended), the Forest Authority has been required to prepare a National Forest Plan to provide a detailed statement of how the national and provincial governments intend to manage and utilize the country's forest resources. The National Forest Development Program (NFDP) under the Plan is now under implementation.

*Logging Code of Practice, 1996*: it was finalized in February 1996 and tabled in Parliament in July 1996. This PNG code is inconsistent with the Regional Code proposed at the 1995 Suva Heads of Forestry Meeting but is more specific to PNG operating conditions. It has been mandatory as of July, 1997.

*The 1996 Forestry Regulations*: they cover all facets of the industry procedures and control, and were approved by the National Executive Council in 1996, and finalized to be finalized soon after with some changes. These Regulations provide the legal status for the implementation of many of the requirements specified under the Forestry Act 1991 (as amended).

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<sup>8</sup> See [www.forestryanddevelopment.com/](http://www.forestryanddevelopment.com/)

<sup>9</sup> The text of this section is borrowed from the page "Forest laws of PNG" on the Internet site of the Forest Authority (<http://www.forestry.gov.pg>), and from the 1997 FAO document [Asia-Pacific Forestry Sector Outlook Study : Country Report - Papua New Guinea](#). (Asia-Pacific Forestry Sector Outlook Study Working Paper No: APFSOS/WP/47).

*Forestry (Amendment no. 2) Act, 1996*: it was passed by Parliament and certified on the 11 October 1996. The major amendment relates to the membership to the Board to still have eight members, including the representatives of a National Resource Owners Association and the Association of Foresters of PNG.

Since the Forestry Act was first enacted in 1991, it has been amended four times: the first one in 1993, then in 1996, 2000 and 2005.

### Service Delivery

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

Although the New Organic Law established decentralized responsibilities and authority across three levels of government in a more equitable sharing arrangement, it did not adequately address implementation issues. Central, line, provincial and local-level government agencies were left to legislate their respective administrative functions and responsibilities with respect to other government agencies. Inadequate guidance and management of this process has resulted in incomplete and open-ended arrangements, with responsibilities poorly matched to authority. Lines of authority between the three tiers of government are insufficiently developed, and it has become progressively difficult to provide basic service delivery. In reality, decentralization may have caused accountability at all levels to decrease<sup>10</sup>.

### **Forest Data Background**

PNG has a number of national spatial datasets including land-use, physical environment (e.g. soils, landform, climate etc), and forest types which have been developed over a 20-30 year period. A range of agencies develop and maintain their own datasets. While some high quality datasets exist, institutional arrangements are not conducive to collaboratively holding and maintaining datasets.

Data sources:

- PNGFA's data, including concession planning documentation
- PNG Forest Research Institute in Lae
- Available Satellite optical and radar data
- UPNG Remote Sensing Unit
- University of Melbourne (also have Joint Research Centre data)
- National Agriculture Development Plan (for future land-use plans)

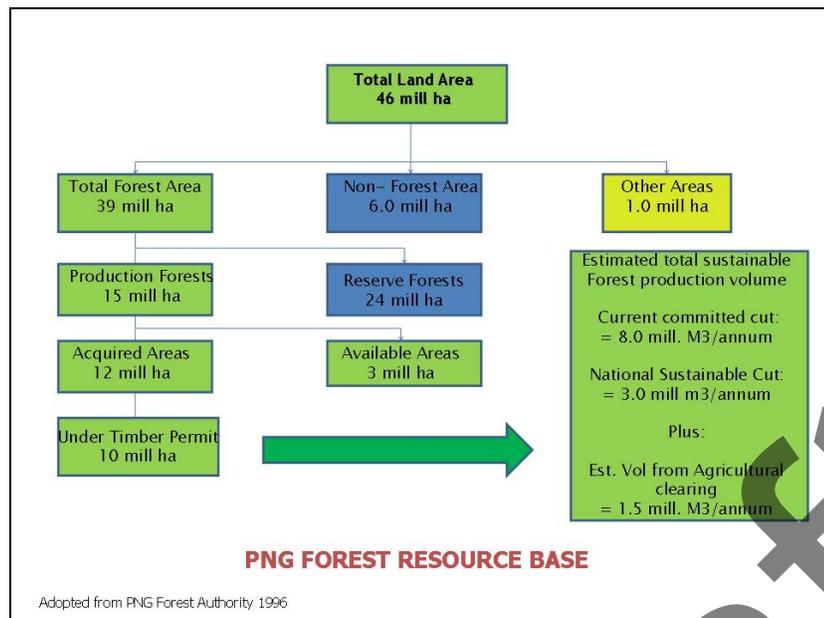
These datasets have been created using different base maps, are at different scales, were derived from different source data (e.g. aerial photography, Landsat TM etc) and many have complex polygon level attributes. Different basemaps have also been used for development of the land-use vs the forestry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

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<sup>10</sup> From [www.adb.org/Documents/Reports/CGA/CGA-PNG-2006.pdf](http://www.adb.org/Documents/Reports/CGA/CGA-PNG-2006.pdf)

A National Forest Inventory has not been done as stipulated in the National Forest Policy (1991). The 1996 National Forest Plan includes the following status of PNG's forests:

**Figure 1: Status of PNG Forest Resource Base**



Reports of PNG's forest resource base often refer to data contained in the Forest Inventory Mapping System (FIMS), which was developed with the support of the Australian government and installed as a database in the PNGFA in 1997. The system is based on a mapping and description of the nation's forest resources and other vegetation, at a scale of 1:100,000 in the years 1975 and 1996. From the 1975 data, the whole country was divided into a very large number of individual 'Forest Mapping Units' (FMUs), each of which was then allocated to one of fifty-nine 'vegetation types', of which thirty-six have been classified as 'forest types'.

The draft National Forest Plan (May 2006) summarizes several functional classification of forests<sup>11</sup>: 13.75 million hectares as *Production Forests*, 15.55 million hectares as *Reserve Forests*, 3.91 million hectares as *Salvage Forests*, 546,700 hectares as *Protection Forests*, 3.24 million hectares with *Afforestation potential* and remaining area of 9.41 million hectares classified as *Others*.

The [PNG Country Report](#) prepared for the Global Forest Resources Assessment (FRA 2005) is based on an extrapolation of 1975, 1996 and 2000 data sets.

<sup>11</sup> In the National Forest Policy (1991), forests are classified according to (i) Production Forests – identified as timber production areas in the long term; (ii) Protection Forests – by virtue of their location, topographic constraints, and ecological, cultural or environmental considerations; (iii) Reserve Forests – not yet otherwise classified, but upon which a decision will be made later; (iv) Salvage Forests – forests to be cleared for other users; (v) land suitable for afforestation.

**Figure 2: Extent of Forests (Table T1 from PNG's FRA 2005 Country Report)**

FRA 2005 Categories	Area (1000 hectares)		
	1990	2000	2005
Forest	31523	30133	29437
Other wooded land	4474	4474	4474
Other land	9289	10680	11375
...of which with tree cover	NDA	NDA	NDA
Inland water bodies <sup>1)</sup>	998	998	998
<b>TOTAL</b>	<b>46 284</b>	<b>46 284</b>	<b>46 284</b>

<sup>1)</sup> Source: FAOSTAT.

The ITTO estimates in [Status of Tropical Forest Management 2005](#) that PNG has about 10.5 million hectares of forest that might be considered permanent; these include 8.7 million hectares of forest over which timber rights have been acquired (production PFE), 1.7 million hectares allocated for protection and about 80,000 hectares of timber plantations.

The FAO and ITTO reports above report the loss of forest cover between 1990 and 2000 and between 2000 and 2005 at 0.4%-0.5% annually.

In 2007-8 the Federal Environmental Agency of Germany supported a study on "Emissions and removals from land-use, land use change and forestry activities in a post-Kyoto regime - quantitative analysis of a framework for reducing deforestation"<sup>12</sup> one of the test countries was PNG and in this case the Max Planck Institute has reported estimates for historical forest area changes similar to those submitted to FAO (fig.2) by the PNG Forest Authority.

In 2008 the [Remote Sensing Unit](#) of the University of PNG released "The State of the Forests of Papua New Guinea"<sup>13</sup>. This report stated that PNG's accessible forests were cleared or degraded at a rate of 360,000 ha a year during 1972 – 2002. The analysis is based on change detection between a forest map derived from aerial photo of 1972 and a forest map derived from Landsat ETM+ satellite data. The cumulative change (which is actually in line with the annual rate of deforestation reported by PNG to FAO) has been further elaborated with a socio-economic model to support the definition of a forest loss trend which report for 2002 a combined annual rate of deforestation and degradation of 1.41 percent.

Additional conclusions of the report include:

- Of the 1972 commercially accessible forest areas, it is estimated that by 2021, 83% will have been cleared or degraded if current trends continue;
- About 4.7 billion tonnes of carbon were stored in PNG's primary forests in 2002. This does not include carbon in forest soils; and

<sup>12</sup> The UBA report is available at <http://www.umweltdaten.de/publikationen/fpdf-l/3672.pdf>

<sup>13</sup> Shearman , P.L., Bryan, J.E., Ash, J., Hunnam, P., Mackey, B. and Lokes, B., 2008. The State of the Forests of Papua New Guinea. Mapping the extent and condition of forest cover and measuring the drivers of forest change in the period 1972-2002. University of Papua New Guinea, 2008.

- Between 1972 and 2002 deforestation resulted in the release of a net 926.5 million tonnes of carbon through logging-related forest degradation.

There are different estimates of the rate of deforestation in PNG. Annex 3 of the [State of the Forests Report](#) provides a discussion regarding FAO data. Nevertheless, the report's own implications for forest cover loss have been [questioned by Dr. Colin Filer](#) and others. The Report has attracted widespread [attention](#) in the international [media](#).

#### Forest Research Institute's Permanent Sample Plots [Background](#)

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

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

The initial ITTO Project consultant wrote the PSP Procedure Manuals and the PSP database computer program (Persyst). From 1997 to 1999, the second consultant to the ITTO Project modified the PSP database Persyst and developed a forest growth model called PINFORM for lowland tropical forests of PNG using data from these PSPs. PNGFRI national staff have managed PSP remeasurements over the last 15 years.

In 2006-7 the European Commission's [Joint Research Centre](#) and the Max-Planck Institute for Biogeochemistry undertook a feasibility study on forest area change and carbon stock change assessment. The team included Danilo Mollicone (who now works at FAO as part of the UN-REDD Programme) and worked with the PNG's National Forest Research Institute (FRI). Reports were made to [SBSTA26](#) and [COP13](#).

#### Available Satellite Data

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

The Joint Research Centre team also considered the feasibility of determining deforestation and degradation rates from available satellite data – such as the Maryland University Global Land Cover Facility archive. Reports were made to [COP12](#) and [GOFC-GOLD meetings](#).

#### ***REDD-Related Initiatives in PNG***

##### World Bank's Forest Carbon partnership Facility (FCPF)

PNG has been an active architect in the design and establishment of the World Bank's Forest Carbon Partnership Facility (FCPF). PNG's [R-PIN](#) has been accepted by the FCPF, although there is some discussion whether PNG will be a technical participant or receive Readiness funding from the FCPF. The UN-REDD Programme has coordinated closely with the FCPF. A note on technical cooperation between the two initiatives has been agreed.

## Papua New Guinea- Australia Forest Carbon Partnership

The Prime Ministers of Australia and Papua New Guinea established the Papua New Guinea-Australia Forest Carbon Partnership on 6 March 2008. Under this Partnership, Papua New Guinea and Australia have agreed to cooperate in three main areas: policy dialogue on national and international REDD policy; increase PNG capacity in forest carbon monitoring and assessment; and cooperation on participation in international carbon markets, including on REDD demonstration activities. As announced at the [PNG-Australia Madang Ministerial Forum](#), Australia is contributing up to \$3 million in initial funding which will include technical, scientific and analytical support for the design of Papua New Guinea's carbon monitoring and accounting systems. This Partnership represents one of the support windows under the Australian Government's A\$200m [International Forest Carbon Initiative](#) (IFCI). Other IFCI windows of direct relevance to PNG are:

- An allocation for NGOs to develop demonstration activities to inform the development of a national REDD framework – yet to commence in PNG
- The Asia Pacific Forestry Skills and Capacity Building Program

Australia has worked with the GoPNG to identify an initial package of assistance under the PNG-Australia Forest Carbon Partnership. This support has been developed in close coordination with the UN-REDD Programme. It aims to:

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

As part of its initial package of assistance, the Office of Climate Change and Environmental Sustainability (OCCES) has requested Australia to immediately provide a corporate planning adviser to assist in strengthening corporate and accountability systems to enable the OCCES to better perform their coordinating role.

## Government of Norway's International Climate and Forest Initiative Funding Scheme - Civil Society

The Norwegian Government has recently announced a funding window for NGOs and research institutions, to be administered through NORAD. PNG NGOs may also be eligible for support in participating in the development of PNG's national Readiness framework through this funding window. The UN-REDD Programme shall endeavor to have close coordination with any such proposals approved in PNG.

## Clinton Climate Initiative

The Clinton Climate Initiative in partnership with the Government of Australia aims to develop a global carbon monitoring system based on Australia's National Carbon Accounting System (NCAS). Australia provided \$2 million in 2007-08 to the Clinton Climate Initiative. PNG, however, is not participating in this initiative.

## Global Environment Facility (GEF) Support for Sustainable Forest Management

PNG is developing a Forestry and Protected Area Management project with the assistance of UNDP, as an element of the GEF's Pacific Alliance for Sustainability, specifically under the Forestry and Terrestrial Protected Areas component. The objective of the project will be to develop and demonstrate resource management and conservation models for landholding communities that effectively incorporate community conservation areas. The key outcome will be the extent of high conservation value terrestrial and marine area which is brought under community-based conservation at targeted sites.

### 3. Strategies, including lessons learned and the proposed joint programme

#### *PNG's REDD Framework*

##### International

PNG has played a leading role in advancing the REDD agenda in the UN Framework Convention on Climate (UNFCCC). The agenda item was first introduced by PNG and Costa Rica into the COP agenda at COP11 in 2005, leading to the COP13 decision [2/CP.13](#) in Bali in December 2007. PNG also plays a leadership role in the Coalition for Rainforest Nations. PNG has contributed its ideas for stimulating action in [submissions](#) to the UNFCCC's Subsidiary Body for Scientific and Technological Advice (SBSTA).

##### National

The Government of Papua New Guinea (GoPNG) has been moving rapidly to formulate and implement a framework for REDD in the country. An Office of Climate Change and Environmental Sustainability (OCCES) has been established under the Prime Minister's Office with the following mandate:

- Provide sound and relevant advice to the GoPNG on climate change, environment sustainability, and carbon trading;
- Devise appropriate policy frameworks consistent with Government policy and PNG's international commitments and obligations in the UNFCCC and related agreements, and ensure that such policy frameworks are fully implemented to reduce emission from deforestation and degradation, and to fully maximize the benefits derived from carbon trading;
- Work horizontally and vertically with other Government agencies in developing, employing and coordinating mitigation strategies in REDD and related areas to address climate change and environment sustainability; and
- Lead the development, commercialization and management of carbon trading rights for the Government and people of PNG, and ensure that the PNG community fully benefits from carbon trading.

On 11 February 2009, the GoPNG's National Executive Council (NEC) approved the following national climate change institutional and policy development initiatives:

- The preparation of a National Climate Change Plan, under the OCCES with assistance from the World Bank, for Cabinet consideration by 31 October 2009
- The preparation of a draft National REDD Plan and directed the Executive Director of the OCCES to work in association with UNDP as the lead international agency, for Cabinet consideration by 31 October 2009
- The establishment of a National Climate Change Trust Fund
- The preparation of a Climate Change Bill
- The creation of an International Climate Change Advisory Board
- The creation of a National Climate Change Advisory Board, including members from major stakeholder groups such as the forestry industry, landowners, and environmental NGOs
- The creation of a Technical Advisory Board

The NEC decision provides an enabling environment for the OCCES and formalises the structures for institutional and technical coordination.

## ***REDD Debate in PNG***

In addition to the actions described above, some public discussions on PNG's REDD framework have already taken place. For example:

- PNG's Institute for National Affairs [forum 2 June 2008](#), Port Moresby
- ANU [Public Seminar 18 June 2008](#), Canberra, Australia
- PNG Sustainable Development Program Company Carbon Seminar in Port Moresby on November 26 2008

However, in general, there is concern among many stakeholders that insufficient dialogue is occurring to explain what REDD is, how it will be implemented in PNG and how local landowners and forest-dependent stakeholders will be able to participate in the development of PNG's REDD framework. Private sector REDD project developers have started to scope for REDD projects in PNG and have entered into negotiations with landowner groups. A public notice was issued by the OCCES warning against project developers and/or carbon traders purported to represent the OCCES or otherwise give the impression they are authorized by the OCCES. The public notice also stated that all interested parties, NGOs, facilitators and traders must register with the OCCES. The OCCES registration process is not yet clarified.

## ***Joint Scoping Mission***

A joint mission was undertaken in October 2008. The mission was led by the GoPNG, represented by the OCCES, in accordance with PNG declarations on Aid Effectiveness. It involved representatives from the UN-REDD Programme Participating UN Organizations, delegations from Norway, Australia and the World Bank. The mission team met with a number of stakeholder representatives in Port Moresby and a mission delegation also travelled to Lae to meet with the National Forest Research Institute (FRI). The mission was requested by the GoPNG to develop a REDD Readiness Roadmap for PNG.

## ***Roadmap Process***

The mission worked from a number of available documents:

- The FCPF R-PIN, although a number of important attachments were not available
- PNG REDD Program Priorities developed by the Department of Environment and Conservation (DEC)
- Overview of PNG REDD Program (with 22 elements)
- OCCES Policy and Plan Structure document
- Draft REDD document prepared by PNG Forest Authority

However information regarding the carbon estimation study undertaken by European experts with the FRI and subsequent work on developing a monitoring system was not available.

It also followed the basic building blocks of REDD Readiness, as set out in various documents:

- UN-REDD Programme Framework Document
- October 2008 draft of the FCPF's R-Plan template
- Eliasch Report October 2008

Beyond these building blocks, the Roadmap was informed by a number of factors influencing the mission:

- The guiding principles of the UN-REDD Programme as per the Framework Document:
  - Human rights-based approach, with particular reference to the UNDG Guidelines on Indigenous Peoples' Issues

- Gender equality
- Environmental sustainability
- Results-based management
- Capacity development
- The PNG-Australia Forest Carbon Partnership and the initial support provided by Australia prior to the joint mission
- The dimensions of importance to the Norwegian delegation:
  - Governance
  - Land owner rights
  - NGO and civil society role in the REDD process
  - Benefit sharing / payment distribution
- The consultations with stakeholders during the mission and advice from the representative from Norway Rainforest Foundation
- Risks identified during the mission, especially in terms of stakeholder expectations, engagement and buy-in

Comments on the Roadmap were subsequently provided by the 3 Participating UN Organizations, AusAID and Australia's Department of Climate Change and the FCPF. The Roadmap was not distributed more widely for input and comment as it has not been formally submitted to the GoPNG. UNDP received advice to wait until after the NEC decision, which took place on 11 February 2009. However, it is included as an attachment to this initial National Joint Programme.

The draft elements for the Roadmap have the following key components:

- **Overall institutional arrangements:** This includes review of all existing legislation, notably the Forest Law and its applicability to REDD, amending legislation as required, reviewing current relevant policies to identify perverse incentives to REDD, establishing the administrative framework to operationalize its functions, developing a capacity needs assessment and implementation plan, and developing a long-term plan for the OCC, including the development of a financially self-sustained budget.
- **Reference scenario of forest emissions:** this includes developing a robust methodology to clarify historical deforestation and forest degradation emission levels and improving the data sets applied to reference scenario considerations.
- **Monitoring and reporting:** This includes defining carbon monitoring systems, undertaking national multi-disciplinary forest inventory, and developing a national carbon accounting system.
- **Forest management for REDD:** This includes assessing drivers of deforestation and degradation, assessing opportunity costs and improving/strengthening forest sector management (the OCC requested that the term Governance be avoided).
- **Benefit distribution and finance:** This includes establishing a mechanism to channel REDD finance at the national and local levels and developing an acceptable benefit sharing model.
- **Stakeholder participation:** This includes establishing stakeholder engagement processes, developing a communication and outreach plan, and establishing a conflict resolution and redress mechanism for non-performance

## ***Strategic Issues and Risk Assessment***

The scoping mission identified the following issues:

### Effective monitoring and independent verification.

A key immediate challenge for PNG is to establish an IPCC compliant reference level, i.e. baseline, taking into account the country's historical emissions rate. Baselines will change over time as information and data improve. "The State of the Forests of Papua New Guinea" report (2008) gives a good overview of the status and drivers of deforestation and degradation in the country by employing definitions relevant to the kinds of forest occurring in the country. However, the methodology and definitions used are not in conformity with IPCC Good Practice Guidelines (GPG) and the conclusions of the report have been challenged by academics. Support should be provided to PNG to establish a robust measuring and monitoring system of forest emissions reductions.

### Improved institutional capacity

PNG's governance system is generally acknowledged as weak, with limited government authority and capacity for service delivery outside the capital Port Moresby and other major towns. Strengthening and improving governance is a long-term issue and can't be dealt with within the context of REDD only. This will require concerted efforts from all stakeholders. However, REDD-related activities should be designed in such a manner that they contribute to improved governance.

The institutional capacity of national, regional and local institutions needs to be strengthened. A significant capacity constraint is the fact that the National Forest Authority has only 200 staff managing more than 11 million ha of forests.

### Commitment and willingness to address drivers of deforestation and degradation

PNG has already awarded concessions that, if fully implemented, will drastically reduce the accessible timber resources and the area of forest at risk. This will subsequently reduce the future REDD potential for the country. There is an urgent need to analyze the financial aspects of the existing logging agreements and to develop opportunity cost curves.

### Transparent and equitable benefit sharing

Ensuring adequate benefit flows to all relevant stakeholders will be essential for the effective and long-term success of REDD. The form of REDD transactions from international to national level and benefit distribution within the country, are yet to be decided in PNG and various options should be considered.

### Effective involvement of civil society is required

The freedom and strength of civil society in PNG will be a key factor in determining whether carbon will be managed for the benefit of all of the citizens. Civil society organizations need to develop their understanding of how a new deal on climate change, including forestry, will operate and develop methods, networks and processes for responding to it. Technical and financial support to civil society from the international community can help make this happen. NGOs need to be included in an active dialogue with the OCCES and other key stakeholders.

## ***Integrated Initial Support Package***

Based on the scoping mission and the draft Roadmap, an urgent need for an immediate package of support has been identified. The three main aims of the initial support are:

- Support the development of institutional capacity and coordination, in-line with the NEC decision of 11 February 2009
- Facilitate the development of robust processes for stakeholder engagement in the development of PNG's National REDD Plan
- Develop the building blocks of PNG's National REDD Plan

The initial support has been designed to respond to the immediate steps on the critical path, as identified in the Roadmap. It specifically targets the areas considered by the mission to be immediately needed to for the OCCES, other relevant institutions and stakeholders to articulate requirements for a robust national Readiness framework.

This initial National Joint Programme (NJP) represents the UN-REDD Programme's contribution to an initial integrated package of support with the Government of Australia (AusAID).

As this is only an initial NJP, it may not involve all three of the UN-REDD Programme's Participating UN Organizations. This in no way limits the potential for all three Agencies contributing to the full NJP. Moreover, all three Agencies will contribute to the support of the initial NJP through the UN-REDD Technical Secretariat and International Support Functions.

UNDP has committed to provide immediate support and necessary funding. This will be an advance on the allocation of funds to be managed by UNDP under the initial NJP.

AusAID's funding is immediately available under the PNG-Australia Forest Carbon Partnership.

In both cases, the support represents an initial commitment that may be extended and increased as progress is made along the Roadmap.

### ***Links to the UN Country Programme***

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

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

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

This NJP is one of three programmes under the Sustainable Livelihoods Programme developed to achieve the following Intermediate Outcome: *"Communities apply national policies and regulatory frameworks to implement environmentally sustainable livelihood opportunities, including community based ecotourism, non-timber forest products, sustainable agriculture and ecoforestry."* The UN-REDD NJP supports the activities required to achieve the first output, namely *"Office of Climate Change has the capacity to develop climate change policy and coordinate activities to address initiatives on climate change."*

#### 4. Results Framework

The main objectives of this initial NJP are:

- To assist PNG prepare a draft National REDD Plan for consideration of Cabinet by 31 October 2009
- To develop a full NJP that shall be re-submitted to the UN-REDD Policy Board for funding to undertake agreed Readiness components of the National REDD Plan

The initial NJP has the following Outcomes that correspond to the components of the draft Roadmap.

##### 1. Readiness Management Arrangements in Place

This component concerns the development of capacity for the management and coordination of PNG's Readiness process. It particularly focuses on the capacity of the OCCES to synthesize the outputs of the other roadmap components, as well to reach out to PNG stakeholders, ensuring there is a level of confidence in the process.

Much of the Integrated Initial Support Package from the UN-REDD Programme and Australia focuses on this component, as it represents an essential first stepping stone in the process.

The UN-REDD Programme will support the placement of a Chief Technical Advisor for REDD in the OCCES. In consultation with OCCES REDD Director, the advisor will work closely with other government counterpart agencies to assist with the development of the National REDD Plan, including the consideration of various REDD policy options. The advisor is expected to conduct analysis and provide the government officials and UN Resident Coordinator with policy advice and alternative policy options related to REDD issues. In addition, the advisor will support the OCCES to coordinate and manage the UN REDD National Joint Programme.

Activities under this component include:

- Providing policy options and strategy for the design of PNG's National REDD Plan to Government and other development actors;
- Assisting the OCCES and Participating UN Organizations with the preparation, submission and approval of the full UN-REDD National Joint Programme;
- Supporting the International Climate Change Advisory Board, the National Climate Change Advisory Board and the Technical Advisory Board
- Assisting the OCCES to coordinate and liaise with stakeholders – in particular line ministries and development partners
- Liaising with other REDD initiatives, in particular the PNG-Australia Forest Carbon Partnership and the Forest Carbon Partnership Facility

##### 2. Arrangements for Establishing a Reference Emission Level (REL) in Place

This component addresses the challenging issues of setting a reference scenario against which to compare emission reductions from deforestation and forest degradation. The roadmap component sets out the initial steps that need to be considered, although final steps will be reliant upon the REDD negotiation outcomes, and political decisions within PNG.

Needs for this component are dependent on the status of GoPNG's position on reference emission levels. Additional consultations will be required once the Integrated Initial Support Package is in place and the outcomes of PNG's carbon study.

Both the UN-REDD Programme and Australia are interested in discussing collaboration and support further. Both FAO and Australia are providing further comments on the roadmap that will be incorporated in early January 2009.

### 3. Framework for Forest Carbon Monitoring and Reporting Developed

As with Component 2, this Component represents a fundamental building block of Readiness. The ability to monitor forest carbon emissions and other benefits over time are fundamental to a REDD mechanism.

Many of the points made above for Component 2 also apply here in terms of the benefits of further coordinated discussion. Nevertheless, some immediate steps have been identified that can be addressed as part of the Integrated Initial Support Package. Australia has identified a number of immediate inputs to support this work and the comparative advantage of the UN-REDD Programme for certain elements can also be considered.

### 4. REDD Costs and Fiscal Transfers

As identified in the Roadmap, this component will focus on the analysis of REDD costs and potential Fiscal Transfer Mechanisms. Activities will include:

- Economic review and analysis of existing models that have attempted to estimate REDD costs (at global and regional) levels and assess applicability to PNG;
- Building the capacity of REDD stakeholders to understand the models and participate in the cost analysis through a series of focus group discussions with key actors such as government economic policy and decision makers, private sectors, NGOs and rural community representatives;
- Assessing short to medium term (possibly long-term) economic projections of REDD in comparison to current economic activities of GoPNG including impacts on rural communities;
- Assisting the Technical Advisory Board with the application of methodologies to estimate the costs of REDD in PNG; and
- Developing an initial REDD cost curve for PNG, plotting abatement costs (in Kina per tCO<sub>2</sub>e) against abatement potential (in MtCO<sub>2</sub>e).

This component will also provide technical support to the OCCES regarding the establishment of a National Climate Change Trust Fund, including:

- Reviewing experiences of resource allocation mechanisms in PNG, with particular attention to the mining and forestry sectors
- Undertaking a rapid literature review of fiscal decentralization reform in PNG, both in theory (legal framework) and in practice (institutions, political environment, processes)
- Assessing the extent of intergovernmental fiscal transfers, in terms of the efficiency of allocation of financial resources for decentralized public services and its impact on overall macro-stability on one side and social equity on the other side
- Identifying the risks and elements in designing a payment distribution system that is transparent, adequately compensates stakeholders that incur losses as a result of changed forest-resource use, and rewards good performance
- Considering the options for payment distribution mechanisms, within and outside existing government fiscal transfer mechanisms, and other service delivery mechanisms

### 5. Stakeholders Engaged in PNG's REDD Readiness Process

The mission identified this component as a priority, located right at the top of the critical path. The need to include landowners and civil society representatives in the development of the Readiness framework is essential. This Outcome shall be undertaken in conjunction with the first Outcome. It therefore represents a significant element of the Integrated Initial Support Package and the initial NJP. The component will develop a comprehensive National REDD Stakeholder Engagement Plan, as well as guidelines and procedures for the community participation in PNG's National REDD Plan.

The initial NJP shall seek to apply the draft UN-REDD Programme '*Operational Guidance: engagement of Indigenous Peoples & Other Forest dependent Communities*'. This guidance note shall be presented to the UN-REDD Policy Board for approval.

With the support of a Multi-Stakeholder Engagement Advisor, activities will include:

- Identifying stakeholder groups along the REDD supply chain in PNG;
- Assisting the National Climate Change Advisory Board develop a multi-stakeholder engagement process for REDD and affirm the objectives with stakeholder groups;
- Identifying community engagement approaches that are recognized as being successful in PNG and may be relevant to the National REDD Plan;
- Facilitate constructive and reciprocal dialogue between REDD stakeholders, the OCCES and the National Climate Change Advisory Board;
- Developing the processes of community engagement, community mapping (using PNG-appropriate approaches, genealogy etc), and establishment of REDD benefit recipients;
- Organizing stakeholder workshops, public events, press conferences, media release;

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**Figure 3: Results Framework**

UNDAF(or other relevant framework) Outcome: By 2012, rural communities in selected provinces of each region use improved sustainable livelihood practices						
Joint Programme Outcome (if different from UNDAF Outcome) , including corresponding indicators and baselines	<b>Output indicators</b>	<b>PMF Indicator</b>	<b>National Indicator</b>	<b>Source of Data</b>	<b>Baseline</b>	
Climate Change policy is made available		No	No	OCCES	No	
National Reduced Emissions from Deforestation and Degradation (REDD) Policy Framework is made available		No	No	OCCES	No	
3/4 of new development policies/strategies reflect/address climate change impacts		No	No	OCCES	No	
# of awareness raising workshops conducted to the general public on REDD		No	No	OCCES	No	
# of consultations conducted involving community based organization, landowners and governments to discuss on REDD implementation		No	NO	OCCES	No	
JP Outputs	UN Agency	Partner	Indicative activities for each Output	Amount US\$		
Outcome 1. Readiness Management Arrangements in Place				2009	2010	Total
1.1 Readiness Roadmap finalized and National REDD Plan developed	UNDP	OCCES	<ul style="list-style-type: none"> <li>Agree the critical path, timeline, roles and responsibilities</li> <li>Provide policy options and strategy for the design of PNG's National REDD Plan to Government and other development actors</li> </ul>	75,000	-	75,000
1.2 Institutional capacity to manage Readiness framework in place	UNDP	OCCES	<ul style="list-style-type: none"> <li>Assess institutional capacity building needs for OCCES</li> <li>Support the International Climate Change Advisory Board, the National Climate Change Advisory Board and the Technical Advisory Board</li> </ul>	25,000	50,000	75,000
1.3 National REDD Plan process launched	UNDP	OCCES	Development of the National REDD Plan to be incorporated into the National Climate Change Plan and Bill	60,000	20,000	80,000
1.4 Management arrangements between GoPNG and Development Partners strengthened	UNDP	OCCES	<ul style="list-style-type: none"> <li>Assist the OCCES and Participating UN Organizations with the preparation, submission and approval of the full UN-REDD National Joint Programme</li> <li>Liaise with other REDD initiatives, in particular the PNG-Australia Forest Carbon Partnership and the Forest Carbon Partnership Facility</li> </ul>	15,000	15,000	30,000
1.5 Technical advice to the OCCES, Advisory Boards and other relevant institutions	UNDP	OCCES	Recruitment of international CTA	177,280	88,640	265,920
1.6 Joint Programme implementation strengthened			National Joint Programme Manager and Assistant	160,000	80,000	240,000
Outcome Sub-Total				352,280	173,640	525,920

JP Outputs	UN Agency	Partner	Indicative activities for each Output	Amount US\$		
<b>Outcome 2. Arrangements for Establishing a Reference Emission Level (REL) in Place</b>				<b>2009</b>	<b>2010</b>	<b>Total</b>
2.1 Robust methodology selected to clarify historical deforestation emission levels	FAO	OCCES	Review of methodologies for establishing REL and reference scenario	50,000		50,000
	FAO	PNGFA	Compilation of data to support development of REL and reference scenario	75,000	25,000	100,000
2.2 Robust methodology selected and applied to estimate REL and reference scenario	FAO	OCCES	Development of methodological options to establish REL and reference scenario	50,000		50,000
	FAO	OCCES	Design a REL methodological approach to implement REDD at sub-national scale	50,000	50,000	100,000
	FAO	OCCES	Expert and Stakeholder consultations on REL and reference scenario methodological approach	100,000	50,000	150,000
Outcome Sub-Total				325,000	125,000	450,000
<b>Outcome 3. Framework for Forest Carbon Monitoring and Reporting Developed</b>				<b>2009</b>	<b>2010</b>	<b>Total</b>
3.1 Carbon monitoring system defined	FAO	OCCES PNGFA/ NFRI	<ul style="list-style-type: none"> <li>Review existing standards and methodologies in MARV</li> <li>Assess forest area and forest area changes</li> </ul>	75,000	75,000	150,000
3.2 Multipurpose forest survey protocols and sampling design	FAO	OCCES / NFRI PNGFA	Development of measurement protocols and sampling design for a national forest carbon survey, building on the existing permanent sampling plot system;	75,000	25,000	100,000
3.3 Adequate institutional capacity established to undertake regular forest carbon monitoring and reporting consistent with REDD information needs	FAO	OCCES	Institutional capacity needs assessment	50,000		50,000
	FAO	OCCES	Development of methods for Reporting and Verification at sub-national level, consistent with national reporting requirements;	50,000	50,000	100,000
	FAO	PNGFA/ NFRI	Training in monitoring and assessment methodology (in collaboration with INPE)	75,000	25,000	100,000
Outcome Sub-Total				325,000	175,000	500,000

JP Outputs	UN Agency	Partner	Indicative activities for each Output	Amount US\$		
<b>Outcome 4. REDD Costs and Fiscal Transfer Options Assessed</b>				<b>2009</b>	<b>2010</b>	<b>Total</b>
4.1 Economic review of drivers of deforestation and degradation assessed	UNDP	OCCES	Economic review and analysis of existing models that have attempted to estimate REDD costs (at global and regional) levels and assess applicability to PNG	75,000	25,000	100,000
4.2 Candidate activities for REDD identified	UNDP	OCCES	<ul style="list-style-type: none"> <li>Assess opportunity costs, including estimating return on investments, income flows, non-monetary benefits, macro-economic factors and discount rates for all recipients</li> <li>Develop an initial REDD cost curve for PNG</li> <li>Building the capacity of REDD stakeholders to understand the models and participate in the cost analysis</li> </ul>	180,000	90,000	270,000
4.3 Benefit sharing model agreed	UNDP	OCCES	Assessment of benefit distribution options and payment mechanisms, in particular landowner benefits. Can take into account the experience of other development sectors (e.g. mining, agriculture, forestry) in identifying cost effective and robust mechanisms for benefit distribution.	165,000	65,000	230,000
Outcome Sub-Total				420,000	180,000	600,000
<b>Outcome 5. Stakeholders Engaged in PNG's REDD Readiness Process</b>				<b>2009</b>	<b>2010</b>	<b>Total</b>
5.1 Stakeholder engagement processes functioning	UNDP	CSOs	Identify key stakeholders along the REDD supply chain to participate in the development and implementation of the Stakeholder Participation Plan	25,000		25,000
	UNDP	CSOs	<ul style="list-style-type: none"> <li>Develop and agree guidelines for national consultation process</li> <li>Organize stakeholder workshops, public events, awareness raising efforts</li> </ul>	40,000	10,000	50,000
5.2 Stakeholders engaged in all aspects of the process	UNDP	OCCES	Assist the National Climate Change Advisory Board develop a multi-stakeholder engagement process for REDD and affirm the objectives with stakeholder groups	120,000	70,000	190,000
5.3 Engagement mechanisms in place	UNDP	OCCES	Facilitate constructive and reciprocal dialogue between REDD stakeholders, the OCCES and the National Climate Change Advisory Board	25,000		25,000
5.4 Communications plan in place for Readiness	UNDP	OCCES	Appropriate mechanisms for disseminating results and progress developed, recipients of information identified	30,000	20,000	50,000
Outcome Sub-Total				240,000	100,000	340,000

JP Outputs	UN Agency	Partner	Indicative activities for each Output	Amount US\$		
FAO	Programme Cost			650,000	300,000	950,000
	Indirect Support Cost			45,500	21,000	66,500
UNDP	Programme Cost			1,012,280	453,640	1,465,920
	Indirect Support Cost			70,860	31,755	102,615
<b>Total</b>	<b>Programme Cost</b>			1,662,280	753,640	2,415,920
	<b>Indirect Support Cost</b>			116,360	52,755	169,115

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## 5. Management and Coordination Arrangements

### ***Overall Arrangements for the UN-REDD Programme***

#### Policy Board

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

#### Technical Secretariat

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

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

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

#### Participating UN Organizations' Coordination Group

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

#### Administrative Agent

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

The MDTF Office as AA will be responsible for:

- Receipt, administration and management of contributions from donors;
- Disbursement of funds to the Participating UN Organization, in accordance with the instructions of the UN-REDD Policy Board;
- Provide support to FAO, UNDP and UNEP in their reporting functions;

- Compilation of consolidated narrative and financial reports to the Policy Board through the Technical Secretariat, national steering committees and to donors.

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

### ***Management Arrangements at the National Level***

This UN-REDD NJP and the subsequent Annual Work Plan (AWP) that will be prepared at the time of signing the NJP, are an integral part of the overall UN Country Programme (UNCP) Action Plan. The UNCP Action Plan provides the overall legal framework and the relevant management arrangements, which will apply to this AWP. The Office of Climate Change and Environment Sustainability as the Implementing Partner for this AWP, takes on the responsibility to deliver the defined outputs and appropriately use all resources that are made available. To do so, OCCES obtains guidance and support from the AWP Steering Committee.

The AWP Steering Committee comprises of senior representatives of OCCES and the UN System. The decision making governing body of this AWP is the AWP steering committee. This initial phase NJP will determine and establish the management arrangements between the AWP Steering Committee and the bodies being established under the 11 February 2009 NEC decision (see page 12).

The arrangements for coordination with the development partners are set out in Annex 1.

The initial "Quick Start" phase of the National Joint Programme will immediately engage the following in-country positions:

- REDD Chief Technical Advisor
- Multi-Stakeholder Engagement Advisor
- Economic Analyst
- Fiscal Transfer Expert

The team will be based in the Office of Climate Change and Environment Sustainability and shall coordinate national REDD activities, ensure whole-of-government responses, and integrate REDD into national development planning processes. In addition, a Joint Programme Manager and Assistant will be hired to support the implementation of the Joint Programme. They will be contracted by UNDP, sitting in the office of the Resident Coordinator. Specialized service delivery costs for programme implementation may be recovered directly, in accordance with the respective Participating UN Organizations' policies. In this regard, UNDP will provide technical support and quality assurance for its component of the NJP through its Energy and Environment Group, particularly the Regional Technical Advisor, REDD (based in Bangkok) and the Senior Technical Advisor, REDD (based in New York). These positions will also ensure the linkage of the NJP to the UN-REDD Technical Secretariat.

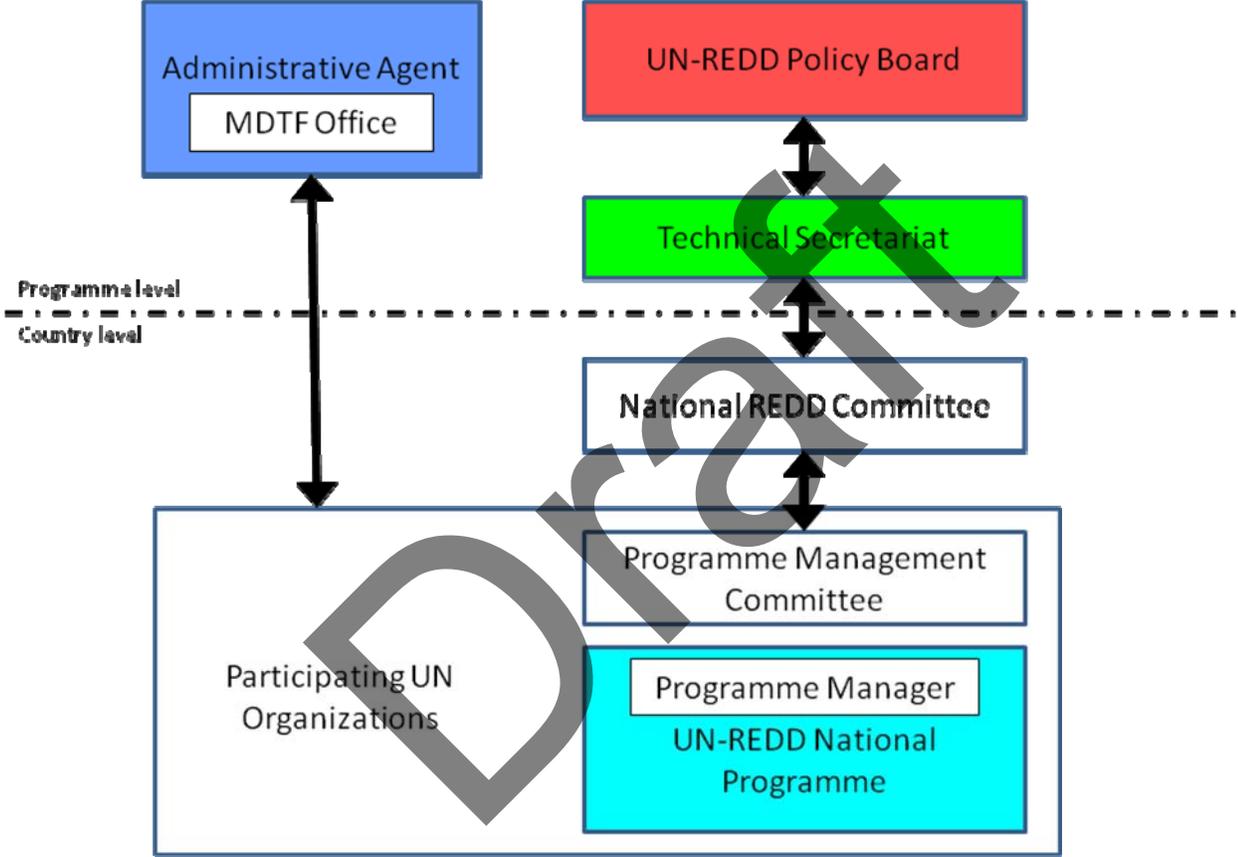
Where deemed appropriate, OCCES as the Implementing Partner can request UN to provide support services for the AWP, for which relevant details are described in the attached 'Standard Letter of Agreement for Provision of Support Services'. The cost of these services will be charged to the AWP budget according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

### **UN Resident Coordinator**

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

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

**Figure 4: UN-REDD National Management Arrangements**



**6. Fund Management Arrangements**

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

Each Participating UN Organization shall decide on the execution process with its partners and counterparts following the organization's own regulation and rules. National governments, Regional Development Banks and NGOs can receive funding through a Participating UN Organization and act as executing agencies. Participating UN Organizations shall be entitled to deduct their indirect costs on contributions received according to their own regulations and rules, taking into account the size and complexity of the particular programme. Any indirect costs will be reflected in the Joint Programme submitted to the Technical Secretariat. Indirect costs will not exceed 7 per cent of the project budget. These costs cover general oversight, management, and quality control, in accordance with its financial regulations and rules. Specialized service delivery costs for

programme and project implementation may be recovered directly, in accordance with the respective Participating UN Organizations' policies.

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

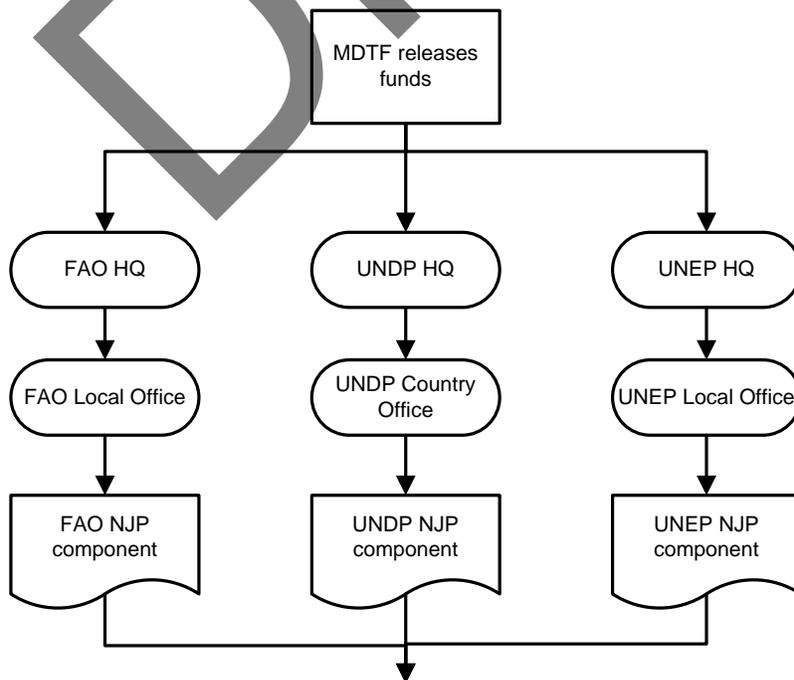
The Administrative Agent will ensure consistency of the approved Joint Programme with the applicable provisions of the Standard Administrative Arrangements (SAA) entered between donors and the Administrative Agent, and the MOU between the Participating UN Organizations and the Administrative Agent.

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

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

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

**Figure 5: Flow of Funds for National Joint Programmes**



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

As an initial step to implement HACT, OCCES is subject to a Micro Assessment conducted by a selected audit firm, for which agreement by OCCES is already obtained. By signing this AWP, OCCES reaffirms its commitment to the micro assessment and the subsequent recommendations, including decisions pertaining to the appropriate cash transfer modality and assurance activities.

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

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

## 7. Monitoring, Evaluation and Reporting

The Joint Programme Monitoring Framework will be developed during the finalisation and approval/signature of the initial NJP document. It will be cleared by the UN-REDD Technical Secretariat. Table 2 below provides the overall Monitoring Plan for the REDD Annual Work Plan (AWP) in the UN Country Programme Action Plan.

**Table 2: Joint Programme Monitoring Framework (JPMF)**

Expected Results (Outcomes & outputs)	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks & assumptions
<p><b>Outcome:</b> Communities apply national policies and regulatory frameworks to implement environmentally sustainable livelihood opportunities, including community based ecotourism, non-timber forest products, sustainable agriculture and ecoforestry.</p> <p><b>Output:</b> Office of Climate Change has the capacity to develop climate change policy and coordinate activities to address initiatives on climate change</p>	<ul style="list-style-type: none"> <li>• Climate Change policy is made available</li> <li>• National Reduced Emissions from Deforestation and Degradation (REDD) Policy Framework is made available</li> <li>• National Reduced Emissions from Deforestation and Degradation (REDD) Policy Framework is made available</li> <li>• 3/4 of new development policies/strategies reflect/address climate change impacts</li> <li>• # of awareness raising workshops conducted to the general public on REDD</li> <li>• # of consultations conducted involving community based organization, landowners and governments to discuss on REDD implementation</li> </ul>	<ul style="list-style-type: none"> <li>• GoPNG Climate Change Plan</li> <li>• GoPNG National REDD Strategy</li> <li>• Annual Steering Committee Meeting</li> <li>• Programme/Project Progress Reports</li> <li>• Stakeholder Consultation Workshop Reports</li> <li>• Mission Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Once for National Climate Change Plan and REDD Strategy</li> <li>• Annually for AWP SC</li> <li>• Quarterly for Progress Reports</li> </ul>	<p>UN – Quarterly Monitoring</p> <p>UN- Annual WorkPlan Steering Committee Meeting</p>	<ul style="list-style-type: none"> <li>• Limited technical and operational capacity of OCC to develop and coordinate GoPNG climate change initiatives.</li> <li>• Future of REDD remains uncertain until Post-Kyoto is deliberated at COP15 and could have an impact on the success and interest in moving forward the REDD agenda nationally and internationally.</li> <li>• Limited understanding of REDD and how it could work in the PNG context as well as the complexity surrounding landowner issue may slow progress and create tensions amongst differing beneficiaries.</li> </ul>

### ***Annual/Regular reviews***

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

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

### ***Evaluation***

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

### ***Reporting***

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

The Administrative Agent will provide regular updates on the financial status of the MDTF to the Policy Board, for review and action as appropriate.

Participating UN Organizations in receipt of UN-REDD resources will be required to provide the Administrative Agent with the following statements and reports:

- Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than three months after the end of the applicable reporting period;
- Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than four months after the end of the applicable reporting period;
- A final narrative report and financial report, after the completion of all Joint Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of Joint Programme activities;
- A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Project activities.

The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and

shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the Technical Secretariat.

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

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

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

## **8. Legal Context or Basis of Relationship**

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

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

The implementing partner shall:

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

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

On the part of the **FAO**, this document is consistent with the basic agreement with Government of PNG as indicated in the exchange of letters between the Government of PNG and FAO on [*insert date(s)*].

The FAO Representative shall represent the Organization in PNG, and shall be responsible within the limits of the authority delegated to him/her, for all aspects of the Organization's activities in the country. In the effective performance of his/her functions, the FAO representative shall have access to appropriate policy and planning levels of Government in the agriculture, fishery and forestry sectors of the economy, as well as, to central planning authorities. He/she shall maintain close liaison with the Government's coordinating agency for external assistance and thereby serve to keep all the appropriate Government agencies fully informed on all aspects of the policies and procedures of FAO's programme in PNG.

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

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

**9. Work plans and budgets**

The Policy Board may approve national Joint Programmes with budgets that identify the allocation of the programme and indirect costs to each Participating UN Organization. However, before funds may be released each Joint Programme must include a budget using the 2006 UNDG harmonized budget categories for each Participating UN Organization's portion of the programme.

The work plan and budget of this Joint Programme will be developed jointly by the three Participating UN Organizations and the GoPNG after the initial National Joint Programme is considered by the UN-REDD Policy Board. This process will include stakeholder consultation. At the same time, the risks and assumptions will be reassessed, indicators in the Monitoring Plan verified and a Risk Log will be developed that will be maintained during the implementation of the NJP.

An annual work plan and budget will be produced each year for each Participating UN Organization, subsequent to the decisions of the annual/regular reviews. Each work plan will be approved by the UN-REDD Technical Secretariat and signed by the implementing partners.

**Work Plan for: (Insert name of the Joint Programme/Project) \_\_\_\_\_ Period (Covered by the WP) <sup>14</sup> \_\_\_\_\_**

JP Outcome										
UN organization-specific Annual targets	UN organization	Activities	TIME FRAME				Implementing Partner	PLANNED BUDGET		
			Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
JP Output 1:										
(of UN organization 1)										
(of UN organization 2)										
(of UN organization 3)										
JP Output 2:										
(of UN										

<sup>14</sup> Annual Work plans cover not more than a 12-month period. However, usually at the start-up of the programme, these may cover less than one year. In both cases, the corresponding period should be specified.

organization 1)											
(of UN organization 2)											
<b>Total Planned Budget</b>											
Including*	<b>Total UN organization 1</b>										
	<b>Total UN organization 2</b>										
	<b>Total UN organization 3</b>										

Signatures<sup>15</sup>:

<b>UN organization(s)</b>	<b>Implementing Partner(s)</b>
<i>Replace with:</i> <i>Name of Representative</i> <i>Signature</i> <i>Name of Organization</i> <i>Date</i>	<i>Replace with:</i> <i>Name of Head of Partner</i> <i>Signature</i> <i>Name of Institution</i> <i>Date</i>

<sup>15</sup> When CSOs/NGOs are designated Implementing Partners, they do not sign this Work Plan. Each participating UN Organization will follow its own procedures in signing Work Plans with CSOs/NGOs.

## Annex 1

# Management Arrangements between the Government of Papua New Guinea and the Development Partners for the design and implementation of the PNG REDD Road Map

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The Office of Climate Change and Environment Sustainability will lead the PNG REDD process. For coordination purposes with the Development Partners, a series of mechanisms will be (are) put in place that are described below.

## GoPNG – Development Partner Climate Change Task Force - DPCCTF

The DPCCTF will have **two co-Chairs**:

1. The Executive Director of the OCC&CES – Dr. Theo Yasause
2. A representative from the Development Partners –H.E.. David Dunn, British High Commissioner

The **Secretariat** for the DPCCTF will be provided by the UNDP project in the OCC&ES.

The DPCCTF will:

- Discuss and advise on the PNG climate change strategy.
- Be the forum for the exchange of relevant information for the GoPNG and DPs on climate change, including adaptation and REDD.
- Strive to work towards joint action (programmes, projects, missions, technical assistance) on climate change.

**Membership** of the DPCCTF:

Office for Climate Change and Environment Sustainability  
Department for National Planning and Monitoring  
Department for Environment and Conservation  
National Forest Authority  
Department for Petroleum and Energy  
Department for Agriculture and Livestock  
British High Commission  
AusAID  
Japan  
European Commission  
United Nations  
World Bank

The OCC&ES does not see the need for high-level forum that specifically targets REDD and therefore proposes all REDD issues at the senior level be dealt with by the DPCCTF. On the technical level a Technical Working Group on REDD is proposed.

## Technical Working Group on Reduced Emissions from Deforestation and Degradation (TWG-REDD)

The TWG-REDD will have **two co-Chairs**:

1. The OCC&CT REDD Director – To be recruited
2. The UN-REDD Chief Technical Advisor – To be recruited

The **Secretariat** will be provided by the UN-REDD Programme team in the OCC&ES.

The TWG-REDD will:

- Maintain up to date the PNG REDD Road Map.
- Regularly report to the DPCCTF
- Agree on a REDD strategic plan (that is designed and updated as information from the action at the national and international level becomes available)
- Strive to achieve programme based approaches for joint action.

**Membership** of the TWG-REDD consists of the focal points from the following organizations:

- AusAid (Andrea Cole and Rhona McFee)
- WB (William Mandui and Marianne Grosclaude)
- UN (Gwen Maru, Tim Clairs)

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## Annex 2

### REDD National Joint Programme: PNG Quick Start Initiative

#### Civil Society Organisations' Consultation

#### Review Minutes

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#### Members Present

See attached attendance list

**Date:** 27th February 2009

**Venue:** UN Conference Room, 14<sup>th</sup> Floor-Deloitte Tower, Port Moresby, PNG

**Meeting Start:** 14:45pm

#### Agenda 1: Welcome and Introduction

- Dr. Theo Yasause, Executive Director of GoPNG's Office of Climate Change and Environment Sustainability (OCCES) chaired the Civil Society Consultative Review of the PNG Quick Start Initiative on REDD to be funded by the UN Collaborative Programme on REDD.
- All participants were welcomed by the chair who also briefed everyone on the recent developments within the OCCES.

#### Agenda 2: Introduction of the PNG UN-REDD Quick Start Initiative

- Since the launch of the UN-REDD Collaborative Programme on REDD in Development Countries, Government of Papua Guinea (GoPNG) through the Office of Climate Change and Environment Sustainability expressed their interest to participate in the programme in September 2008.
- In October 2008, a joint mission comprising representatives from OCCES, Norway, Australia, UN (FAO, UNDP, UNEP) and World Bank undertook a REDD Scoping exercise involving consultations with various public, private and civil society organisations.
- GoPNG requested from the mission team a draft PNG REDD Roadmap (see attached copy).
- The UN REDD National Joint Programme document containing initial readiness activities for PNG was designed on the basis of the PNG REDD Roadmap. The roadmap is also the basis for OCCES workplan on REDD.

#### ***Purpose of the PNG National Joint Programme on REDD***

The two major objectives of the initial PNG REDD Quick Start Initiative are:

- To assist PNG prepare a Draft National REDD Plan;
  - To develop a full NJP to under detail agreed Readiness Components of the National REDD Plan.
- The roadmap identified the following strategic issues that require in-depth study and analysis:
    - Effective Monitoring and Independent Verification;
    - Improved institutional capacity;
    - Commitment and willingness to address drivers of deforestation and degradation;
    - Transparent and Equitable Benefit Distribution;
    - Effective involvement of civil society;

#### ***Components of PNG REDD Quick Start Initiative***

- Readiness Management Arrangements;

- Develop Capacity for management and coordination of PNG's REDD Readiness Arrangements for Establishing a Reference Emission Level (REL);
- Framework for Carbon Monitoring and Reporting;
- REDD Strategies;
- Stakeholder Engagement.

***Current status of PNG REDD Quick Start Initiative***

- UN has been working closely with OCCES to begin implementation of the Roadmap;
- Submission of PNG REDD Quick Start Initiative to UN-REDD Board meeting from 9-10 March 2009 in Panama;
- Approval of PNG REDD Quick Start Initiative will begin the implementation of components of the roadmap.

**Agenda 3: Discussion on NJP: PNG REDD Quick Start Initiative**

- No objections to content of NJP PNG REDD Quick Initiative however the following issues were raised:

***Illegal Logging in PNG***

- a) The NJP captured issues of illegal logging in PNG for over a decade and REDD is only one aspect of addressing these issues and what is PNG National Forest Authority's role in UN-REDD PNG initiative.
- b) This initiative promoting sustainable forest management through REDD should not be addressed in isolation of all the current forest management issues in PNG as identified in the programme document.

***Carbon Trading Regime***

- c) NGOs have observed voluntary carbon trading currently being pursued by companies and landowners in PNG with pre-assigned credits.
- d) OCCES and PNG Forest Authority have identified six areas for pilots, however, those are afforestation projects.
- e) Before COP15, PNG hopes to contribute to the negotiation on regulated trading of REDD credits.

***Donor Collaboration***

- f) What is the status with PNG R-PIN under World Bank FCPF and UN-REDD?
- g) Implementation of PNG Readiness Activities supported by FCPF and UN-REDD will be based on each organisations' comparative advantages.

***Communication Strategy***

- h) OCCES has planned regional awareness workshop with the first for the Highlands Region planned for April 2009 in Goroka;
- i) WWF has begun a Radio Programme on Carbon Trade;
- j) OCCES must tap into various communication tools (e.g. website) for GoPNG REDD education and awareness programme to reach all Papua New Guineans at all societal levels.

### **Partnership/Stakeholder Involvement**

- k) OCCES organized consultative meetings in the past few weeks however civil society organisations find the absence of policy and legislative framework to impede swift progress on procedures and decision-making at those levels;
- l) In addition, a policy/legislative mandate for collaboration between OCCES, PNG NFA and Department of Environment and Conservation is essential to harness the work of these GoPNG agencies on REDD;
- m) OCCES is currently working on a legislative framework for Climate Change/REDD;
- n) Big International Organisations (BINGOs) in PNG including The Nature Conservancy, WWF, Conservation International, Wildlife Conservation Society are working on a unified approach on REDD lead by TNC by utilising their international experiences particularly on Monitoring and Verification, Transparent and Equitable Benefits Distribution, establishing a Carbon Trading Scheme;
- o) WWF is keen to work with GoPNG/OCCES while TNC is currently focused on Indonesia however there is possibility for work in PNG.

### **Readiness Management Arrangements**

- p) CSOs request for PNG's National REDD Programme to utilize the existing institutional arrangements such as CSOs working at the community levels including the District and Local Level government structures.

### **Capacity Building**

- q) NJP mentioned capacity building for GoPNG/OCCES. Are there any plans for trainings for national NGOs and their partner community-based organisations?

### **NJP/Roadmap Implementation**

- r) Implementation of the roadmap/NJP should focus on small and at least simpler components first such as Community Engagement and Communication/Awareness and Education

### **Agenda 7: End of Meeting**

- Meeting ended at 16:30pm

NAME	TITLE	ORGANISATION
Thomas Paka	Executive Director	PNG Eco Forestry Forum
Madeleine Arek	Journalist	The National
Zara Kanu	Reporter	Business Review
Nasayau Lurang	Journalist	FM 100
Tamalis Akus	Conservation Law Officer	Conservation International
Mary Theresa Boni	Senior Lawyer	Environmental Law Center
Lester Sere	Technical Advisor	Environmental Law Center

NAME	TITLE	ORGANISATION
Joe Pokana	Director	OCCES
Lois Nakmai	Executive Manager- Mitigation/REDD	OCCES
Senson S. Mark	CC.Officer	PNG Eco Forestry
Cassie Taso	Journalist	Business Times
Dr. Theo Yasause	Director	OCCES
Jan-Jilles van der Hoeven	Deputy Resident Representative	UNDP
Matilda Koma	Executive Director	CERD
Joyce Ding	Journalist	Business Times
Tanya Zeriga	Conservation Planning Officer	Wildlife Conservation Society
Kenn Mondiai	Chairman	PNG ECO Forestry Forum
David Melick	Programme Manager	WWF
Jane Mogina	Executive Director	Mama Graun Conservation Trust Fund
Clifford Faidarik	Media Officer	OCCES

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