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The Status of REDD+ in Papua New Guinea



USAID Lowering Emissions in Asia's Forests (LEAF) Program

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property created and secondly, the right of the person to deal in the item of property.

In the context of Papua New Guinea, this requires:

- Certainty of title to the trees which make up the carbon sink;
- Certainty of the quality/number of trees which make up the carbon sink; and
- Certainty of the capacity or authority to deal with the rights (whether called "carbon rights" or "carbon property rights" or any similar name).

It is important to remember that "rights" to remove carbon, while measured in relation to vegetation and dependant on it, are not part of any recognized land title. If anything, the law of Papua New Guinea, by adopting the English common law as it was found in 1975¹, may classify such rights as a "profit a prendre" – that is, at common law, a right to enter land belonging to another and take away something on or attached to the land. In other words, a right to something derived from the land, not a right to the land.

The proposed Carbon Sequestration Schemes comprise a trade in economic rights arising from a natural resource and a scientific phenomenon. While the categories of interests in land are not closed, the law of Papua New Guinea does not, at present, take account of any interest of the type of "carbon sequestration rights" which it is proposed to form the basis of these schemes.

Even if there is certainty of ownership of the land upon which trees stand vested in an identifiable party, if one is to create or alienate carbon sequestration rights arising as a result of the carbon sink created by the trees, one is separating those rights from the title to the land. This raises the issue that if a carbon sequestration right is to be of any certainty, the carbon sink upon which it is based must also be certain, verifiable and maintainable for the term of the sequestration right.

As the law stands at present, there is insufficient certainty of title to form the basis of a valid Carbon Sequestration Scheme – especially if the regime is to involve transactions in alienated, transferable and fungible rights.

To explain this assertion, it is necessary to examine the land title regime in Papua New Guinea at present. Land title consists of alienated governmental land (whether government land or leasehold land held by a private party), private freehold land and alienated customary land².

Approximately 97% of the area of Papua New Guinea is alienated customary land over which unidentified individuals of a certain customary group have

¹ Schedule 2, PNG Constitution

² Land Act 1996

³ See for example the discussion in *Tobago Land Commission v. Administration of the Territory of Papua* (2017)JC 18

⁴ Land Act 1996

⁵ Section 17, Underlying Law Act 2000

Papua New Guinea – Introduction and context for REDD+

Papua New Guinea (PNG) is a country emblematic of the challenges facing developing rainforest nations in the Global South. Despite its rich natural resources (recent surveys indicate that between 50% and 70% of the country's 46.4 million hectares remain covered with largely undisturbed lowland rainforest) and a relatively stable political climate, the country remains extremely poor, with an estimated 40% of the population living on less than \$1 a day (Allen, 2010; AusAID, 2010; Shearman et al, 2010; UNDP, 2006). A heavy reliance on extractive mining and forestry projects has historically contributed most to the nation's GDP, but has simultaneously threatened the future livelihoods of the 87% of the population who depend on natural resources for their subsistence needs (Shearman et al., 2009; WHO, 2007).

Recent papers have argued, not without controversy, that current rates of forest degradation and deforestation remain comparable to those found in the Amazon basin, with recent projections indicating that, by 2021, 83% of commercially accessible forest in PNG will have been cleared or degraded (see debate between Shearman et al. 2010 and Filer et al. 2010; PNGFA, 2011). In the context of carbon emissions, the scale of the deforestation and degradation of PNG's forest becomes clear: approximately 95% of the country's carbon emissions are generated from land-use change and forestry – with commercial logging (48.2%) and subsistence agriculture (45.6%) being the dominant drivers of deforestation, with clearing for agricultural plantations and mining only accounting for 1.6% of forest clearance (Shearman et al., 2008:4, 2009: WRI Database, 2009). Rapid population growth, increasing demand for timber from aggressive markets in China and the Far East, and generally weak forestry and Governmental governance are seen as the indirect drivers of deforestation in PNG.

The significant environmental challenges faced by PNG are further magnified when examined in light of the overwhelming complexity of the nation's cultural and political landscape, where governmental and non-governmental institutions struggle to meet the diverse needs of over 800 language and ethnic groups, in a nation where most communities remain accessible only by foot (WHO, 2007). The REDD+ mechanism is therefore of crucial interest to PNG for both its potential climate mitigation benefits, and its capacity to generate additional gains for both biodiversity conservation and sustainable development, including contributing to poverty reduction and strengthening indigenous rights (Corbera, 2005:43; Howes, 2009).

The Government of PNG therefore remains conspicuous at the forefront of global REDD discussions, and efforts to develop functioning REDD+ projects, and an effective governance system, are ongoing. The following summary report outlines the principal actors in REDD+ in Papua New Guinea, and provides a frank assessment of the current barriers to implementation and potential opportunities for engagement that exist for Winrock International, under its Lowering Emissions in Asia's Forests programme.

The REDD+ Landscape in PNG

The following section outlines the key relationships between stakeholders and key activists working on REDD+ and climate change in PNG. The aim is to give a snapshot view of the political landscape at a Governmental level at the time of writing, and the general approaches and strategies of the major NGO's working within PNG on REDD+.

REDD+ in the political landscape – Government strategy and institutional conflict

Institutional structures

REDD+ research and development in PNG is ostensibly the responsibility of the Office of Climate Change and Development (OCCD)¹, as directed by the Prime Minister. The current governance structure for all climate change related issues within the Government is shown in **Figure 1** below.

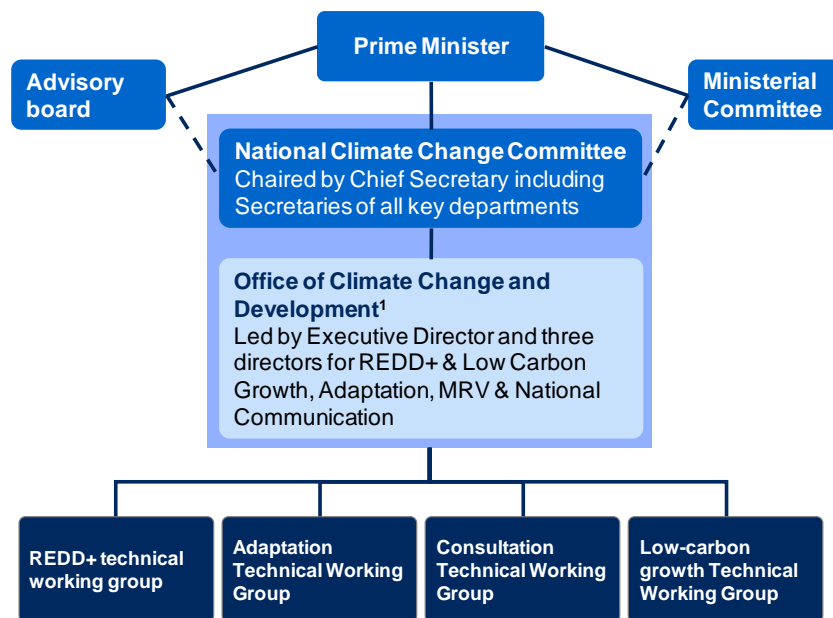


Figure 1 – Governance structure for climate change and REDD+ in Papua New Guinea

OCCD receives and asks for policy advice and/or recommendations from Technical Working Groups (TWGs), which are open to invited NGOs and other stakeholders and are chaired by the respective Directors from OCCD. TWGs meet every month. TWGs can in turn request that specific technical research is conducted by specialist sub-working groups (not shown on Figure 1) to provide feedback on certain issues. There are currently operational sub working groups for Agriculture, Forestry and MRV. The technical and policy recommendations of the sub and technical working groups are then passed to

¹ See elaborated discussion regarding OCCD and PNGFA

the National Climate Change Committee (NCCC), which meets every two to three months. The NCCC does not have legislative power, but can *request* its members perform certain functions. It can also make recommendations to the National Executive Council (NEC) (not shown in Figure 1). The NEC has the power to *demand* for actions that do not require legislation, and can propose and draft new legislation, which is then passed to Parliament for review.

Current NCCC board members include the Secretaries of the Department of Environment and Conservation, Lands and Planning, National Planning and Agriculture. McKinsey and Company consultants also attend the NCCC meetings, and receive direct advice from the Advisory Board. The Advisory Board, which includes Kevin Conrad in his position as the Ambassador for Climate Change and Special Envoy to PNG, and a Ministerial Board, and also takes direction from the PM directly.

The Office of Climate Change and Development

Despite a setting a high profile internationally at the UNFCCC and Coalition for Rainforest Nations level, PNG has been beset by a series of scandals that have damaged the legitimacy of their efforts to establish a climate policy and REDD+ projects. The current Office of Climate Change and Development (OCCD), is the Government of PNG's third attempt at building an agency with a legal mandate for climate related work (see box below).

PNG Government Climate Change Office Chronology

1. Early 2008 - The Office of Climate Change and Carbon Trading is established.
2. May 2008 – OCCT rebranded (when there were complaints that they had no mandate to trade carbon credits and name changed to Office of Climate Change and Environmental Sustainability (OCCES).
3. Early 2009 - OCCES officially disbanded due to corruption investigations. The Executive Director found to be issuing false carbon credits to logging companies and dubious carbon speculators in exchange for cash payments¹. The majority of the 60+ staff were removed and the activities of the Office were put on hold before any steps towards developing a climate policy had been made.
4. July 2009 - All activities related to climate change directed through the Department of Environment and Conservation.
5. September 2010 - new Office of Climate Change and Development was established headed by an Acting Executive Director, also Secretary of the Department of Environment and Conservation, Dr Wari Iamo.

The negative media attention PNG attracted between 2008 and 2010 had a devastating impact on the legitimacy and trust of both national and international institutions in PNG's forest and climate change work. The consequences of this are still strongly felt today with a paucity of private sector developers, and extreme caution on the part of multilateral donors.

The more streamlined OCCD (around 20 staff) is now heavily supported by Mckinsey and Company, the management consultants, who are ostensibly there at the request of the Prime Minister and Kevin Conrad to build staff capacity, and establish a climate policy and a legal framework which will cement the position of OCCD. Despite heavy investment through Mckinsey in the OCCD, little obvious progress appears to have been made in developing policy, and staff capacity remains low. The key achievements to date have been the development of the Climate Compatible Development Strategy, based on the Mckinsey cost curve analysis, and the completion of the UN-REDD National Programme Document, which was finalized in March 2011.

However, excepting these achievements, relatively little technical development work has been completed with regards to establishing a REDD+ architecture in PNG, and there remains no clear direction within the OCCD of how, or where, to move forward. Essentially, there is no coherent vision of what REDD+ might functionally look like on the ground in Papua New Guinea in the next 5, 10 or 15 years, and how the Mckinsey cost curve analysis translates into actual actions and activities. As a result there is no strategic plan of how to reach these goals.

The slowing of momentum in PNG regarding REDD+ and climate change work in general is a product of three key influencing factors. Firstly, an absence of REDD+ or environmental policy technical expertise within the Mckinsey team, on whom the Director's of the OCCD are almost completely reliant for policy advice and day to day management decisions; secondly, a corresponding lack of direction to Mckinsey/OCCD from Kevin Conrad at the UNFCCC/Coalition for Rainforest Nations level, and an increasing disconnect between what is being said at the international level and what is achievable within PNG; and thirdly, ongoing and constant conflict for ownership of REDD+ and any forestry and climate related work with PNGFA.

Additionally, the OCCD remains vulnerable politically. Although the Office is currently protected by sitting directly under the Office of The Prime Minister and receives financial and political support directly from the PM, it continues to operate in a legal grey area, unsupported by existing legislation and with no effective power to direct other Government departments. Although it is unlikely that the Office is disbanded again because of the poor message this will send to the international community, a change of leadership could well result in a repositioning of the OCCD to a less secure, and less financially supported, corner of Government.

The Executive Director of OCCD, Dr Wari Iamo is also the current Designated National Authority (DNA) under the UNFCCC for PNG.

Papua New Guinea Forestry Authority

The other major department seeking engagement in emissions reductions work is PNGFA. PNGFA are effectively playing a waiting game, trying to limit the power of the OCCD by non-cooperation while

hoping for a change of Government which might remove OCCD and place the responsibility for REDD+ under PNGFA's mandate. A Government change could happen at any time².

The crucial disagreement between the two institutions is based upon the fact that PNGFA believe that REDD+ is purely a forestry issue, which can be dealt with by their foresters and the existing legislation under the PNG Forestry Act, which, they argue, gives them the legal mandate to deal with REDD+. However, at the present time PNGFA suffers from an almost total lack of capacity with regards to REDD+ and climate change/emissions reductions issues - their understanding of both the technical requirements of REDD+ and the social, environmental and legal implications or consequences of REDD+ projects is comprehensively lacking, even at the very highest levels. In the provinces it is virtually non-existent.

In addition, instead of being proactive in developing the REDD+ debate, PNGFA have stifled the process of developing or even researching possible REDD+ projects within forest management areas (FMAs), except those that have significant political support (i.e. April Salomei). They have refused to engage with OCCD on a MOU to agree joint working practices regarding REDD+ and climate change work, and they give every impression, both to NGOs and to other Government departments, of having no willingness to engage in REDD+, or any political will or interest in reducing the rate of logging, or increasing its efficiency, over their business as usual approach.

The current concern within OCCD is that PNGFA are effectively see REDD+ as a way of attracting funds (from donors and from the market) to effectively get paid for meeting the standard of existing forestry legislation law on RIL and SFM, which they have largely failed to do since 1975. PNGFA give every impression of seeing REDD+ as a way of financing continued industrial logging, and in particular maximizing the profits from logging concessions that are of low commercial value. The potential conservation and social development co-benefits of REDD+ and how to maximise them, are not relevant to PNGFA.

² At the time of writing Prime Minister Somare is very ill and is not expected to return to politics. An election is due in any case at the beginning of next year, but may be pre-empted by his death.

Relevant Forestry Legislation

- **National Forest Policy** – this was issued in September 1991 by the National Executive Council and covers areas of forest management, the forest industry, forest research, forest training and education, and forest organization and administration.
- **Forestry Act 1991** – this was gazetted in June 1992. This Forest Act was a direct result of a 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.
- **Forestry (Amendment) Act, 1993** - this was certified in April 1993 and provided for a clear administrative function of the Board, the National Forest Service through the Managing Director and the Provincial Forest Management Committees.
- **The National Forest Development Guidelines** – these were issued by the Minister for Forests and endorsed by the National Executive Council during September 1993. The Guidelines established essentially an implementation guide for aspects covered in the new Forest Act, especially in terms of sustainable production, domestic processing, forest revenue, training and localization, review of existing projects, forest resource acquisition and allocation and sustainable development.
- **The National Forest Plan** – under the Forestry Act 1991 (as amended), the Forest Authority is required to prepare a National Forest Plan to provide a detailed statement of how the national and provincial governments intend to manage and utilise the country's forest resources. The National Forest Development Programme (NFDP) under the Plan is now under implementation.
- **The Logging Code of Practice** was finalized in February 1996 and tabled in Parliament in July 1996. The 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. Mandatory in July, 1997.
- **The 1996 Forestry Regulations**, which cover all facets of the industry procedures and control, were approved by the National Executive Council during 1996, in principle subject to some changes to be finalized soon. These Regulations provide the legal status for the implementation of many of the requirements specified under the Forestry Act 1991 (as amended).
- **The Forestry (Amendment no. 2) Act 1996** 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 six times. The first in 1993, followed by others in 1996, 2000, 2005, 2007 and 2010*

(Source: www.pngfa.gov.pg)

*A full listing of the relevant forestry acts and amendments can be found at www.fiapng.com/fia_library_acts

Policy Development and Donor Interaction

In Brief:

1. **Climate Compatible Development Strategy** for PNG. Completed late 2010. Proposes 7% annual economic growth and carbon neutrality by 2050.
2. **Interim Action Plan** for Climate Compatible Development Strategy. Completed late 2010. Outlines strategy for tackling capacity issues and governance structures.
3. **Climate policy for PNG** – under review in OCCD, June 2011.
4. **World Bank FCPF** – RPIN submitted in 2008. OCCD currently developing a Readiness Plan Proposal (RPP) for submission in mid 2011.
5. **UN-REDD** – US\$6.4m programme agreed to focus largely on MRV and awareness raising. Inception workshop planned for June 2011.
6. **JICA** – Forestry Preservation Program. In coordination with the UN-REDD program JICA is working closely with PNGFA on developing capacity for MRV.
7. **AusAID** – is providing assistance to the Government for a national carbon measuring system, and has given small grants to NGOs to develop REDD+ concepts (i.e. WCS, TNC, Live and Learn) in rural areas. Has made commitments to engage further with PNG on its International Forest Carbon Initiative, but cites poor governance as limiting factor.
8. **European Union** – active in FLEGT and its links to REDD+, and has funded PNGFA in forestry inventory techniques and mapping. Likely to fund more REDD+ work during 2011.

In late 2010 the Government of PNG's Climate Compatible Development Strategy was ratified by the NEC. The strategy is based upon the McKinsey cost curve analysis and proposes a **goal of national carbon neutrality by 2050 while maintaining an annual economic growth of 7%**. Reducing emissions for deforestation and degradation, principally through Reduced Impact Logging (RIL) and Sustainable Forest Management (SFM), is expected to make up the bulk of the projected emissions reductions (over 60%) and provide a considerable amount of the otherwise forgone capital from industrial logging. An interim action plan, released in late 2010, attempts to outline the steps that will be taken by the Government to address the current capacity limitations and improve existing institutional structures.

The strategy attracted considerable criticism throughout its development for its exclusion of transaction and implementation costs in the development of emissions reductions schemes, such as REDD+, while not giving sufficient weight to other alternative policy options. The strategy was received with widespread skepticism by civil society in PNG. Crucially, the climate compatible development strategy has not yet resulted in any legislative changes in Government and it is unclear how this document can be tied in with existing legislation, such as the PNG Forestry Act.

The REDD+ landscape: NGO perspective

The conservation NGO community in PNG is dominated by the large international conservation organisations: WWF, TNC and WCS. Much of the research on REDD+ and much of the policy advocacy is led by these three NGOs, with WWF probably having provided the greatest amount of input into Governmental processes and the development of the Office of Climate Change and Development. This is probably primarily due to the fact that until recently TNC had its entire staff based in Madang, and WCS in Goroka. They both now have small offices in Port Moresby. WWF has a large central office in Port Moresby, and until the beginning of 2011 had 1 member of staff working part time on climate change and REDD+.

WWF has a greater involvement in REDD+ issues in the Greater Mekong and Indonesia than it does in PNG. This has been due principally to lack of funding and poor support for the office regionally. They now also have a capacity issue, as their only member of staff working on REDD+ is split between at least 4 other projects, and does not have strong technical background in REDD+/climate/emissions reductions or a social forestry background. The majority of the REDD+ work WWF has been involved in since 2009 has been centred around policy advocacy and supporting other NGOs, such as Tenkile Conservation Alliance in West Sepik Province, in establishing pilot biomass sampling plots in their operational areas. WWF's approach is largely typical of the NGO stance in PNG on this issue, which amounts to a 'watch, wait and comment' strategy as the Government attempts to define a climate policy. There is a general feeling that too much investment in REDD+ at this stage may be a poor use of limited funds without clearer guidance on PNG's stance towards the voluntary vs. compliance markets issue. Despite this stance, WWF is the most engaged NGO with Government in PNG on all conservation issues, with regular attendance at working group meetings on REDD+ and Forestry, and they are considered by the Government a key stakeholder in the process – as such they have excellent access to decision makers across the board, and have the best national and regional network of any of the BINGOs.

The Nature Conservancy shares the 'watch and wait' approach of WWF towards REDD+, but are much less engaged with Government working groups or involved in policy advocacy at a high level. This appears to be a product of a less permanent presence in Port Moresby (see note above), a lower staff time allocation to REDD+ and climate change, and that local staff place are more reliant on direction from TNC regionally (Australia) for project foci. TNC also traditionally have a stronger presence in coastal and marine conservation issues in PNG than any other conservation NGO. Much of their climate change project work is currently focused on Manus Island and tends to be directed towards the impacts of climate change on coastal communities, and some payments for ecosystem services (reef usage/water) research. WWF has a small sub award from TNC to assist with this work in Manus. Their project in the Adelbert Range near Madang has focused on delineating clan boundaries, dispute resolution mechanisms, benefits sharing and community mapping in anticipation of a possible REDD+ project, rather than with any expectation of the development of a project that could produce verified emissions reductions. This also appears to be a product of the Government's uncertainty regarding a way forward for REDD+ in PNG, and its historical antipathy towards voluntary carbon projects.

Perhaps setting an even lower profile than TNC, the **Wildlife Conservation Society** is probably the least engaged in the REDD+ network in PNG, having an irregular presence at Government meetings and forums and with a small staff team mostly based outside Port Moresby. However, they have made a very valuable contribution to this area of work in the production of their '*Village REDD*' concept, which is probably the best and most adaptable project design concept for REDD+ in PNG that has yet been produced. The scoping work that resulted in this framework was conducted on Manus Island, and WCS has maintained a strong presence there³ since 2002. WCS has had a full time presence in PNG since the late 1980's, and their approach within communities has proved to be very successful, with a higher degree of perceived project success amongst the NGO community than other NGOs. It is the '*Village REDD*' concept that OCCD were advised could form a viable blueprint for REDD pilot project development in PNG. WCS have recently signed an agreement with AusAid to start their '*Strengthening the ability of vulnerable island communities in Papua New Guinea to adapt to climate change*' project, an element of which focuses on REDD+ and emissions reductions.

Historically there has been little cooperation between the international NGOs on projects, and virtually no information sharing or exchange beyond that on an informal ad hoc basis between counterparts. The most vocal and prominent PNG based environmental NGO/civil society group is the **Eco-Forestry Forum (EFF)**, which acts as a forum for conservation NGOs but is increasingly operating as an independent NGO in its own right. All of the major conservation NGOs are also members of the Eco-Forestry Forum, which acts as the principal civil society/indigenous landowner representative body for PNG and attends the main UNFCCC COP meetings and Coalition for Rainforest Nations workshops. They are quite well connected at this level.

The EFF itself has courted controversy in the past within the NGO sector by issuing aggressive (and libelous on at least one occasion) press statements attacking the Government, implying corruption and questioning the role of Kevin Conrad and McKinsey in dictating Government climate policy and approaches. These statements are issued under the banner of EFF's members, who are then forced to quickly move to disassociate themselves from the organisation to protect existing relationships with Government. The large NGOs (WWF, TNC, WCS) have all threatened to withdraw from membership of the EFF several times during 2011. EFF have no staff outside of Port Moresby, and are not an implementing NGO. They also suffer from a lack of capacity with regards to a technical understanding of REDD+, and while they are quick to criticize Government approaches they are rarely able to offer alternative development pathways for projects in PNG, or valuable technical advice or input into the development of climate policy. In attempting to fly the banner for civil society rights in REDD+ without a grasp of how important factors such as FPIC, and land tenure influence and impact on project development or policy, EFF have on occasion slowed the development of progress at a Governmental level.

³ Manus Island is popular with the NGOs as the land tenure issues are a clearer than they are in other areas in PNG, it has a lower population, and the social and geographical mapping required in communities is more manageable. The local Government is also supportive, and the infrastructure is in relatively good shape compared to other provinces.

Summary of existing REDD+ projects / REDD+ research work in PNG:

WWF: Carbon biomass sample plots established in Kikori River Basin. Network of biomass plots in Torricelli Mountains with Tenkile Conservation Alliance. Research and advocacy at high level with Government. Funded by WWF UK/WWF NL and DfID.

TNC: Adelbert Range, Madang Province. Community land use planning and dispute resolution completed. REDD+ scoping work and design options considered. Funded by AusAID

WCS: 'Village REDD' concept developed in Manus with applicability for other areas. Funded by AusAID. Plans to roll out concept within climate resilience work in Manus but on a small scale.

EFF: Numerous awareness raising workshops and some publicity material printed. Provides a resource for NGOs and community groups interested in REDD+, but has no active engagement in projects with partners. Acts as the main advocacy hub for PNG conservation activists.

PNGFA: 4 'demonstration' provinces – Milne Bay, East and West Sepik, Eastern Highlands, West New Britain. One 'pilot' project in April Salomei, East Sepik Province, within the April Salomei Forest Management Area. This is disputed. See below. No real progress in project terms within demonstration sites.

OCCD: No pilot projects, though collaboration has been sought and rejected on April Salomei with PNGFA. Focused on awareness raising in provinces and formulating policy on the back of NGO experiences at the time of writing. Seeking funding from UN-REDD and FCPF for establishing and supporting pilot projects, but ideally wants to operate through partners (i.e. NGOs)

Private Projects: April Salomei Sustainable Forestry Project – through the *Rainforest Management Alliance*, formerly *Earthsky*. Kamula Doso Improved Forest Management Carbon Project – through *Tumu Timbers* and *Nupan Trading Ltd*. Both PDD's have been submitted to Climate Community and Biodiversity Alliance for verification, late 2010. Neither have progressed beyond this stage. Numerous other 'projects' exist throughout PNG that have not progressed to this stage but have the support of small scale private developers.

The REDD+ Landscape in PNG: Private Sector Perspective

There has been very little private sector involvement in exploring investments in incentive based systems for reducing emissions for deforestation and degradation in PNG. This mirrors the generally low level of engagement between environmental NGOs and the private sector, and is likely a product of four factors; 1) the political sensitivity of REDD+ and Governmental uncertainty of applicable legislation; 2) lack of knowledge and understanding of the possible co-benefits of such schemes within industry; 3) NGO distrust of private sector limiting the drive to seek new partnerships; 4) private sector concern over reputational risk after poor precedence set by 'carbon cowboys' between 2007-2010.

Despite the low engagement between these sectors, numerous opportunities exist for civil society and private sector partnerships in this field, particularly given the high number of mineral resource extraction and forestry projects that are ongoing or are in the pipeline. Areas that deserve further investigation for possible partnerships and opportunities include the following:

Special Agricultural Business Leases

As the vast majority of PNG's land area is customarily owned, encouraging agricultural development on large scale has been difficult and expensive in PNG. To act as a stimulant to agricultural expansion on customary lands the Government instituted a 'Special Agriculture Business Lease' (SABL). The lease agreement is first negotiated between the landowners and the Government, often for a period of 99 years, who then tender the lease to private agricultural companies. Unfortunately, significant problems have arisen with the SABL. Landowners (often based in Port Moresby) negotiate leases with the Government without authority from the communities they claim to represent; tenders are granted to agricultural companies (most often oil palm companies) without checking their expertise or financial support or the feasibility of the proposed developments; forest clearance authorities (permission to clear forested areas) are granted to lease holders through the SABL process with far less rigour than is applied to logging concessionaires; and the SABL process is not transparent or accountable at any stage. These issues have effectively led to what has been termed a 'land grab' in PNG, driven by logging and oil palm operations seeking to circumvent the existing forestry legislation. Sustainable agricultural enterprise remains conspicuously absent in PNG, despite SABLs now covering 5.2 million hectares of land, and deforestation in these areas being rapid and often permanent.

In June 2011, under pressure from the UN Special Rapporteur on Indigenous Rights, the acting Prime Minister announced an intention to set up a Commission of Inquiry into the existing SABLs to ensure that they are being used for the intended purpose in the legislation. The Government intends to put all pending SABLs on hold until this process is completed and will intend to suspend the existing Forest Clearance Authorities for existing SABLs. The commencement of the Commission of Inquiry is likely to be in August/September 2011, and will take a minimum of 6 months to complete.

There may be potential opportunities for LEAF to engage with legitimate agricultural developers in codes of practice development, providing technical expertise on the Commission of Inquiry, or in exploring REDD+ in areas of forest under SABLs which are threatened by clearance.

PNG Liquefied Natural Gas

PNG LNG, as it is known, is the largest natural resource project in the Pacific, and one of the largest on stream resource projects in the world. It is owned and run by a consortium of major mining companies, including Esso, ExxonMobil, and OilSearch. The project is based in the Southern Highlands, and will run LNG pipelines down through the Kikori River catchment to the coast in Gulf Province, and sub-sea pipelines to Port Moresby, where a processing facility will be built. It is predicted that the LNG project will more than double the current GDP of the country.

PNG LNG has expressed an interest in engaging with conservation NGOs in their project areas, and they have also indicated that some funds may be available for conservation activities within PNG more broadly. To date these indications have not resulted in any partnerships with conservation NGOs, but this may be largely due to NGO hesitancy to engage. Certainly possible opportunities may exist for LEAF in exploring matching funding for project development, or in project partnership with PNG LNG on PES/REDD+ work within their project operating areas. The LEAF project contacts within the US Embassy will be of critical importance in this instance to gain access to decision makers within PNG LNG.

Xstrata Frieda River

This major copper and gold project is due to begin construction in 2012/2013, and is based in an extremely environmentally sensitive area in the Upper Sepik. Considerable potential exists for PES projects in the area. www.xstratacopper.com

PNG Sustainable Development Program

PNG SDP was established in 2002, when BHP Billiton divested its 52% shareholding in Ok Tedi Mining following an accident that released mine tailings into the Fly River catchment, and caused a major environmental disaster. PNGSDP has the task of applying the funds from this shareholding towards sustainable development programs in PNG. While historically they have had little involvement with conservation (believing it to be 'anti-development') they are increasingly exploring engagement in environmental work in Western Province and throughout PNG that can support sustainable development. There may be both funding opportunities and direct project partnership potential within SDP that is worth further exploration.

Cloudy Bay Sustainable Forestry Ltd

Cloudy Bay Sustainable Forestry Ltd are owned by PNG SDP, and run the only 100% downstream processing forestry license in PNG – all of their products are for the PNG market. The Cloudy Bay concession area is 148,900 hectares and is around 250km from Port Moresby in Abau District. They have a comparatively good track record of sustainable forest management in PNG and have been operating in the region since 2006. They may be a 'model' operator with whom to trial aspects of RIL or SFM related to REDD+, or may be willing to share their experiences with other forestry operators in PNG.

New Britain Palm Oil

NBPOL are the major palm oil producer in PNG, and the largest single employer in the country. They are members of the Round Table on Sustainable Palm Oil, and have a good reputation for incorporating sustainability concepts into their operations. A scoping visit and a series of meetings were conducted with NBPOL staff at the end of June 2011 to explore possible opportunities for partnerships on REDD+ projects with LEAF. A more comprehensive report is likely to be provided by Climate Focus, but essentially the opportunities that were on the table for discussion included: a) conducting REDD+ pilot projects in a 2000 hectare plot of primary forest not accessible to palm oil development due to its HCVF status; b) conducting REDD+ pilots in logged over secondary forest in an (approximately) 8000 hectare block outside the current area of operations but within a Forest Management Area (FMA), and within an area for possible expansion for NBPOL. In both areas considerable landowner negotiations would need to take place in order for a pilot project to be established – NBPOL themselves admitted this would take years. Work would also need to be done to confirm baselines and a rationale for additionality, not to mention negotiation with the PNGFA for access to the larger site. I was also concerned that the protection of one area from logging or further logging would, as NBPOL phrased it, allow for further expansion elsewhere, justified through their 'no net carbon loss policy' (i.e. protect two hectare of forest to develop oil palm on one hectare of degraded land). As far as I see it, this has a reputational risk element attached to it, as LEAF could be seen as providing the rationale for further expansion into forested land. However, there is scope here for further discussion about land use planning on a large

scale (not fully discussed on the visit) and I think a dialogue with NBPOL is a priority as LEAF determines its strategy in PNG.

This list of potential opportunities is far from exhaustive, and more focused research would be needed to identify possible avenues for engagement for LEAF in the private sector. It is through these private sector partnerships that the largest, most cost effective and rapid emissions reductions may be catalysed in PNG, particularly given the scale of the some of the projects under consideration. The political capital behind these projects is also high, which may also smooth the way for engagement at a Governmental level.

Existing challenges for REDD+ implementation in PNG

The following section very briefly outlines some of the key existing barriers to successful REDD+ implementation in PNG, focusing on country specific regional and national challenges that remain unaddressed at the time of writing.

Voluntary vs. Compliance Markets

The Government has released statements expressing their lack of support for any projects pursued under the voluntary market to dissuade the ‘carbon cowboy’ elements from project development in PNG. However they have no vision for how any carbon market, or any REDD+ project, will develop without significant assistance from private developers. OCCD have neither the funding nor the technical capacity (or possibly the will) to develop small scale projects across PNG that can be folded into a national system. However it is exactly this approach that is most viable in PNG. The expectation seems to be that NGOs and private developers will bear the high transaction costs of setting up projects, and then will hand them over to the Government for management and collection of money from credits. And that any private developers will conform to whatever legal constraints (as yet unknown) that the Government decides to impose on the carbon market in PNG. The idea of needing developers with expertise in REDD+ and providing incentives to offset the negative reputation and risk that they take by working in PNG has not been considered.

Legal framework

There are significant legal barriers that must be overcome to establish REDD+ in PNG. They are:

1. Carbon tenure and linkages with land rights – do the communities own the forest carbon? The National Climate Change Policy Framework (NCCPF) dictates that carbon will remain the property of the landowner, but critically that “the *development* and *sale* of carbon stock will be the responsibility of the state”. If carbon is considered a ‘forest product’ its ownership should be regulated under similar conditions to other timber products. This has several implications, not least that each forestry project should require an environmental plan in which the project developer must conduct detailed studies on the biological, social and cultural implication of the project, and must explain

how adverse impacts may be mitigated. This folds into the requirements for FPIC. The carbon tenure issue needs to be explicitly addressed and supported by law.

2. Legal validity of Forest Management Area agreements or other existing leases for conversion into REDD+ - the majority of the discussed 'pilot' projects for REDD+ in PNG are planned in existing Forest Management Areas (FMAs)⁴. Preventing logging within an area originally set aside for this purpose fulfills the additionality requirements of REDD+ (at least on the surface). However, there are issues. Some of these include:
3. The process of signing FMAs has been criticized heavily in the past for its lack of transparency and corruption - it does not fulfill FPIC requirements and would not stand up to international scrutiny.
4. The FMA structure is specifically designed to deal with logging concessions and royalty payments –FMA contracts will manage REDD+ poorly as they do not deal with benefits sharing, MRV, carbon tenure etc.
5. FMA areas do not account for traditional land boundaries, cultural boundaries or existing disputes, all of which are critical for effective management of REDD+ projects.
6. FMA areas marked for possible REDD+ are of little commercial value to industrial logging, which raises a concern over the additionality of the projects.
7. FMAs can only be established with the consensus agreement of the incorporated landowner groups (ILGs) within the area. The process of incorporating a landowner group does not require mapping of the land boundaries to which the group manages or controls. This signals future problems with benefits sharing systems and MRV as it will be difficult to decide how to allocate benefits to different ILGs.
8. REDD+ at a national scale will require new laws to support new benefits sharing and distribution mechanisms.
9. The OCCD has no legally supported mandate to lead REDD+ implementation in PNG. Significant conflict with PNGFA will stall the process until this is resolved.
10. Existing 'pilot' projects, such as April Salomei and Kamula Doso, have been described as 'legally untenable' by a lawyer employed by Dr Wari Iamo, of DEC and OCCD. See Appendices for full details.

Governance

11. As mentioned, there is confusion over which agency will have responsibility for managing and delivering or overseeing emissions reductions projects. This is a source of considerable conflict.
12. There is a lack of comprehensive land use planning in PNG. Mining leases overlap with forestry concessions and overlap with conservation areas throughout the country. The only discussed pilot REDD+ project in PNG, April Salomei, has a Forest Management Area overlapping a Wildlife Management Area, which in turn overlap various mineral resource extraction leases. At the community level, outside areas operated in by NGOs, almost no land use planning exists, even on an informal basis. Untangling the legal and

⁴ Forest Management Areas are formed when landowners sign an agreement with PNGFA which allows them to sell exploitation rights to forest products from the area to a third party, such as a logging company.

governance aspects of each of these proposed REDD+ areas provides a major challenge for a system with a poor capacity for effective governance.

13. Some proposed REDD+ developments have potentially negative implications for traditional landowners, who, in some project designs, would be barred from access to traditional land areas for subsistence farming or other activities. Concepts such as the WCS Village REDD concept, deal well with these problems, but may only work on small scales.
14. Regional governance is low. OCCD has no staff outside Port Moresby. PNGFA has regional staff, but they are poorly trained and only have knowledge of industrial logging. Local and provincial governance levels are extremely low. Most offices have intermittent phone access, and few have email access. The ability to monitor compliance with REDD+ projects, or to manage projects regionally, is currently very low.
15. An essential component of REDD legislation will be a strong mechanism for dealing with conflict resolution. REDD projects will inevitably result in increasing disputes over land title and the distribution of benefits. The current Government land dispute resolution system suffers from insufficient staff and slow turnover rates, and tends to prohibit women and poorer groups (those that cannot get to Port Moresby) from seeking and resolving disputes.
16. MRV – the Government has a limited capacity for effective MRV. While aspects of this shortfall are being addressed under the UNREDD programme, and through assistance provided by JICA, considerable further investment is needed in coordination of MRV development with national and sub-national Government agencies, and with the NGOs.

Strategic Opportunities for REDD+ Implementation in PNG

LEAF's approach to involvement in PNG will of course be dictated by the available budget for country activities, so the value of outlining personal views on a potential strategy in exhaustive detail at this stage is limited. However, it may be worth re-iterating a few points and summarizing some of the comments received during this consultation and during the scoping visit.

There are considerable opportunities for engagement with the private sector in PNG, either as funding sources for research into emissions reductions work, as project partners, or to allow access into areas managed by the company (such as forest management areas in the case of Cloudy Bay Sustainable Forestry, New Britain Palm Oil in New Britain, or the PNG LNG sites in the Southern Highlands). Working in these kinds of partnerships could provide faster, cheaper and more sustainable emissions reductions claims for LEAF than in other areas in PNG. However, achieving emissions reductions in fragment forests within a tightly controlled project area owned by a major company will always be relatively straightforward, but the lessons from these areas will be difficult if not impossible to replicate in poorly run forest management areas or on community land in other rural areas in PNG, or across the region. LEAF does not want to get drawn into a situation where they are funding a project which is essentially a

CSR opportunity for a major company to get the USAID/Winrock names on their letterheads. Despite the obvious need for caution, particularly when dealing with major logging operations like Rimbunan Hijau, there are some clear opportunities to engage on RIL work with some of the better run concessions and with the support of PNGFA. Cloudy Bay Sustainable Forestry, with its strong links to PNG SDP (see above) would be an obvious avenue for further exploration.

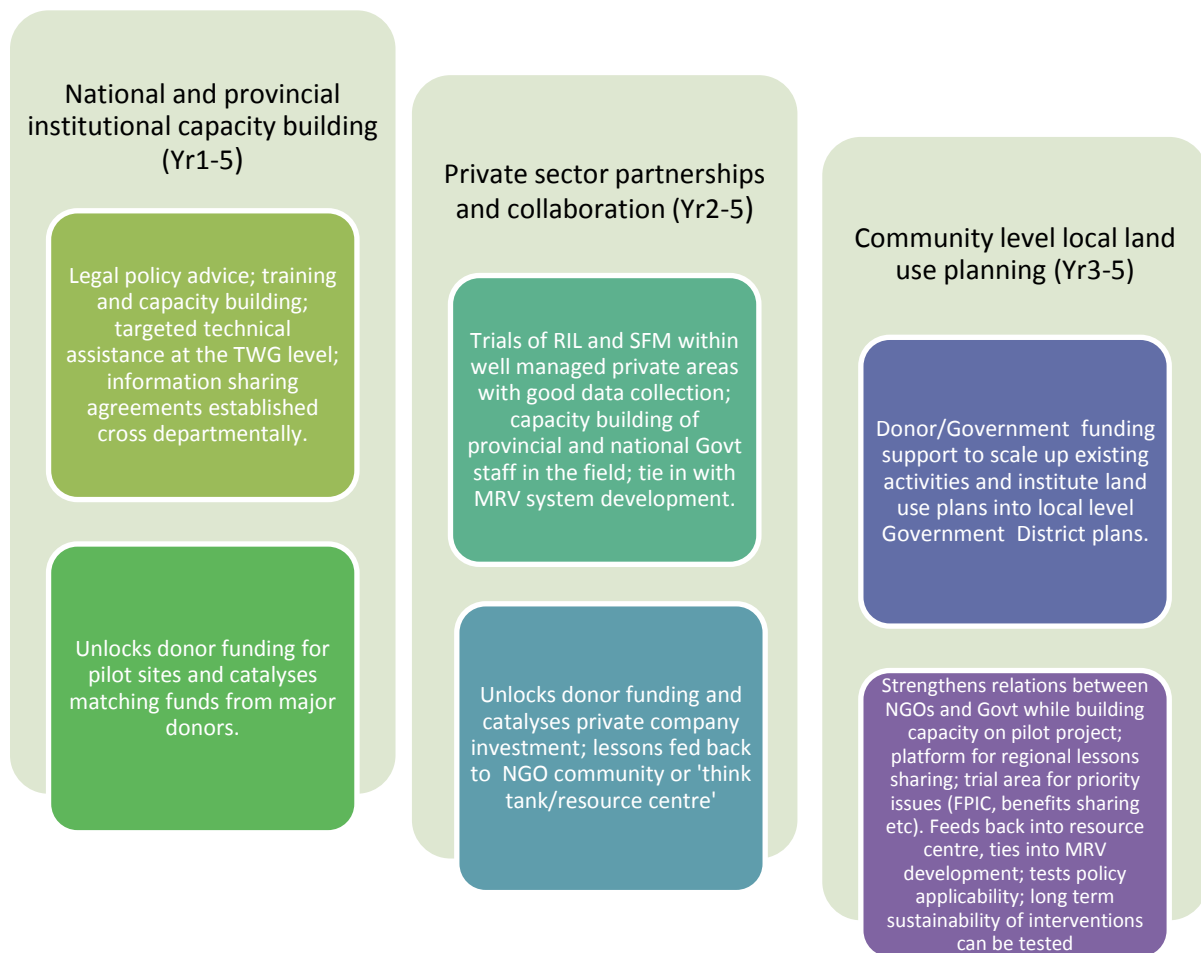
Numerous further opportunities for LEAF engagement also exist with NGOs in PNG. Community level REDD concepts exist that have yet to be trialed over larger areas and incorporated into district and local level government land use management plans. To date, most NGOs have been playing a waiting game, holding off communities with promises of better things to come, but without any real idea of where and how this might happen. TNC have been the first to attempt scaling up their land use planning models with their small project in the Adelbert Range in Madang, but this is very localized and has taken over 8 years to implement. NGOs have great experience in dealing with communities across PNG, and have the best and most reliable approaches for dealing with dispute resolutions, FPIC, social mapping, community based conservation and climate change education and awareness.

However, work in communities in PNG has to be long term in order to be successful, and is expensive and complex as it requires full time management, not just technical input, and a strong network and presence in country. The most viable community level approaches would necessarily work with tried and tested NGOs in long established areas (WCS in Manus or Ikundi, Tenkile Conservation Alliance in West Sepik, or TNC in Madang province). If some of the national level governance issues were targeted by LEAF, this may open the door for more useful site based involvement, not to mention freeing up donor funds, to assist WCS and TCA with linking their work into provincial land use planning models. In any case, partnership with a strong NGO in PNG will be vital for LEAF to gain some kudos and access to the right networks in country, and will maintain the crucial position of neutrality that was so welcomed during the scoping visit.

At the national level, Government capacity remains poor within the Office of Climate Change and the Forestry Authority and, despite assurances from both agencies that 'pilot' sites exist and trials are being implemented, these remain intentions rather than realities at this stage. The truth is that poor leadership and a lack of bigger picture planning have stifled national policy development on climate change and have created conflict within and between departments for mandate of the issues, and these factors have in turn scared away all the potential major donors from investment in this field. Despite this difficult enabling environment, relatively straightforward interventions could bring impressive and lasting gains within the 5 year LEAF program cycle. These could be in the form of technical assistance towards targeted areas of capacity weakness (such as legal expertise on policy writing, FPIC, benefits sharing agreements etc), or focused on cross departmental training and information sharing agreements between competing agencies. The idea of establishing a 'think tank' and technical resource centre for climate change and REDD was also very well received by both NGOs and Government agencies during the scoping visit. Additionally, political will is high at the level of district and local level Government and the autonomy of provincial governments sufficiently high to ensure that land use plans that facilitate and allow an enabling environment for REDD+ and emissions reductions work can be implemented,

with the support of NGOs or private sector partners. This was highlighted repeatedly during the consultation period as an avenue for development.

The way forward for LEAF in PNG is certainly not straightforward. Involvement at any level (NGO, private, national or sub nation Government) to the exclusion of the other areas will certainly limit the sustainability of the gains made over the 5 year period. However, the costs of focusing on all areas simultaneously are likely to be beyond the scope of the project. It seems feasible, in theory at least, to suggest that a staggered approach may therefore provide the best rewards, with each intervention aiming to unblock barriers that may ultimately encourage a positive cascade of impacts over the 5 year period, with an initial focus on Government and private sector partnerships, with later support provided to existing NGO site based interventions, as well as a permanent partnership with a well regarded NGO. The diagram below attempts to illustrate an idealised version of this potential cascade of benefits. See diagram below. LEAF are currently in a very well regarded position due to their approach on the scoping trip, and the fact that they are the first group in a long time who actually have a commitment to work in PNG for a reasonable length of time. There are considerable opportunities for the programme to not only make significant impacts on emissions, but through targeted and hands on interventions to move away from the REDD+ talkshops and Powerpoint presentations that have characterized donor interactions with the NGO community and Government of PNG in the past.



Logistical Considerations

At this stage it is unclear as to the structure of Winrock's engagement in PNG in terms of staffing, and to what extent this depends on the types of interventions planned. The key influencing factor is likely to be cost. Port Moresby now has the highest per diem rate under the UN system, and living costs are increasing every quarter. Hotel prices regularly top \$400 USD a night for basic hotels, and rental costs are extremely high. Other towns and cities in PNG are cheaper, though still expensive in comparison to most developed world equivalents. You do not get what you pay for – service and standards are very low. There are also security considerations in certain areas of town, and most houses and offices have their own security. The table below gives an outline of some of the costs of living

Item	PGK cost approx	USD cost approx (@0.44 USD to PGK)
2-3 bedroom flat/house in Town (the safest area)	PGK20,000 – 40,000+ per month	\$8800 – 17,600
Serviced office rental	PGK30,000 per month approx	\$13200
Utilities for flat (power and water, no aircon)	PGK300 per week	\$132
Internet charge	PGK2000 approx per month	\$880
Second hand vehicle (10 yr old Toyota)	PGK35,000 – 50,00 approx	\$15400 – 22,000
Hotel room	PGK800-1200 per night inc breakfast	\$352 - 528
Groceries (1 week standard shopping)	PGK750 a week	\$330
Petrol	PGK200 per tank	\$88
2 course meal in restaurant for 2, no wine	PGK250	\$110

Establishing an office in Port Moresby will therefore be extremely expensive. If Winrock intend to employ local staff for administration, this is also very complex and the HR laws are quite strict. The legal process to establish an office is slightly unclear, and differs depending on the Government department you talk to. The process appears to roughly follow the process described below:

Activity	Timing
Apply for NGO status through Investment Promotion Authority (IPA) registration	3
Register as an NGO or not for profit organisation through Finance and Treasury, Investment and Trade.	3
Hire tax advisors (Deloitte) to submit tax exemption forms and clear tax status.	1
Obtain clearance for NGO registration for IPA. Using this, submit working visa applications for staff	3
On clearance of visas, submit work permits for staff.	2
Find premises and commence work.	2

While some of these activities can be concurrent, the process would be slow, particularly in gaining visas and registering the NGO. Six to 8 months is the likely timescale for completion of the formalities,

without registering staff for visas, which in turn can take a further 3 months. Work could be done in the meantime with staff travelling in and out of PNG. If completing this process is a priority then it should be started ASAP. However, if partnerships are made with an NGO in country there doesn't seem to be much added value in completing this process. Staff could live and work in PNG for up to a year at a time on either a business visa (which needs to be recharged every two months by leaving the country), or on a working visa, with an accompanying work permit which could be obtained through the sponsorship of an already registered NGO or business, which entitles you to an unlimited stay. The vast majority of consultants and a large number of regular staff use the business visa model without problems. It would also be cheaper to rent a larger flat with several spare rooms that could be used for office space, than to rent an office and accommodation for staff. Alternatively, office space could be rented from NGOs in Port Moresby. Winrock would therefore sidestep issues of company taxation as they would effectively be working as a partner/contractor for an existing NGO/business, although it is recommended however that professional advice is sought on the taxation issue.

Appendices

Appendix A - Key Stakeholders: Contact Details and Activity Summary

This section aims to provide a brief background on NGO activities with regards to REDD+ and reducing emissions in PNG. Details of existing projects activities are provided. Full contact details for each NGO, are also listed with appropriate contact individuals.

Non- Governmental Organisations

World Wide Fund for Nature

CONTACT DETAILS

WWF Western Melanesia Program Office
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(+675)320 0149

Country Representative – Dr Neil Stronach:

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Conservation Director – Dr Eric Verheij:

everheij@wwfpacific.org.pg

Terrestrial Programme Manager- Ted Mamu:

tmamu@wwfpacific.org.pg

Forest Research Coordinator – Roy Banka:

rbanka@wwfpacific.org.pg

WWF has been established in PNG since the early 1990's and currently has terrestrial projects in the East Sepik (Sepik Wetlands), Western Province (the Transfly eco-region) and the Southern Highlands and Gulf Province (the Kikori River Basin). The programme also provides support to smaller NGOs in the Eastern Highlands and West Sepik Province (Tenkile Conservation Alliance). In terms of staff and project spread it is the largest of the conservation BINGOs operating in PNG.

WWF's REDD+ work has a dual focus:

1. Policy advocacy at Governmental level, primarily through involvement with technical working groups on REDD+ and Forestry organized by the OCCD, and PNGFA, with whom it has a high profile and a good working relationship.
2. Supporting REDD+ project development/practical research through partner NGOs at a community level, or targeted research in one of their existing project areas (see below).

WWF currently has had no staff members working exclusively on REDD+ and Forestry since January 2011. Roy Banka, the Forest Research Coordinator, is the current primary contact within the organisation, although REDD+ work probably represents less than 25% of his committed time. WWF has received funding from DfID for REDD+ research and project development since 2009. The majority of this funding has been sub-awarded to the Tenkile Conservation Alliance (TCA) for ongoing work within the proposed Torricelli Conservation Area, and the adjoining South West Wapei Forest Management Area (FMA). See section on TCA below. WWF is also exploring possible involvement with REDD+ education and project assistance for a community association in the Cromwell Range, Morobe Province. Although preliminary visits have been conducted, no fieldwork has been conducted to date. The community association, Cromwell Community Carbon Trade Association, has also been in discussions with the OCCD seeking support for project development. In addition, WWF has established several trial biomass plots in the Kikori Basin to test methodologies but has not attempted scaling up project development in this region due to landowner conflict with oil and gas industrial development.

The Nature Conservancy

CONTACT DETAILS

Monian Haus
3rd Floor
Boroko
Port Moresby

Conservation Director: Francis Hurahura
fhurahura@tnc.org
Adelbert Range Coordinator: Cosmas Apelis.
capelis@tnc.org

TNC have established a 'model' conservation area through partnerships with communities in the Adelbert Range, Madang province. In these areas (approx 40,000 hectares) TNC have assisted communities in writing and implementing community land use plans. The plans include conservation set-asides, as well as zones for traditional land uses and forest resource exploitation. This has taken between 6 and 8 years to establish, and has involved in depth genealogical work and social mapping in order to overcome land disputes and community conflicts. The land use plans are now enshrined in the local level government planning law, and it is hoped that the approach can be scaled up across the region. TNC have also established a Fair Trade partnership with exporters for cocoa grown in the area. A percentage of the profits from the cocoa are intended to go back to rangers who will patrol the conservation areas and enforce the land use plans. Using a similar model to the WCS Village REDD concept, TNC hopes to use REDD+ as another mechanism which could fund the protection of these areas. Apart from basic sampling of carbon biomass (methods used unknown), no direct work on investigating the applicability of REDD+ to the Adelberts site has been carried out by TNC.

TNC does not have a staff member working full time on climate change work, and has recently undergone a significant (75%) decrease in field staff. As an organisation they have good technical expertise on GIS, though little technical expertise on REDD+.

The Wildlife Conservation Society

CONTACT DETAILS

WCS Papua New Guinea Program
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Papua New Guinea
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Director: Ross Sinclair. rsinclair@wcs.org

WCS have has a presence in PNG for over 25 years. Historically they have focused on training and capacity building of foresters and conservation scientists through the PNG University system, though in the last 5 years they have moved towards more wide scale project implementation throughout the region. They have a strong partnership with the Rainforest Conservation Foundation and the Crater Mountain Conservation Area

in the Highlands, and are working on climate change adaptation projects in Manus and the islands. With regards to REDD+, they have no pilot projects on the ground, but they have written the well regarded 'village REDD' concept (funded by AusAid). Elements of this are planned for trialing through their existing projects in Manus in 2011.

The Eco-Forestry Forum

CONTACT DETAILS

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Executive Director: Thomas Paka:
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Climate Scientist: Dr Justin Onodopa –
jonodopa@ecoforestry.org.pg
Projects Officer: Senson Mark:
General email: pngeff@ecoforestry.org
Website – www.ecoforestry.org.pg

Formed in 1993 by foresters, EFF's stated role is as a forum for environmental civil society groups in PNG. They are governed by an elected board, and are primarily concerned with 4 key areas related to REDD; Governance; Benefits sharing arrangements; Land-use planning; and FPIC. EFF have conducted four regional road shows around PNG through 2009/10 to facilitate a deeper rural understanding of climate change issues and to provide regionally based landowners and NGOs with an avenue for open discussions about REDD.

Regions visited so far include Madang, POM, Highlands and Islands. EFF do not implement projects, though they do assist smaller NGOs with project implementation or expertise through their networks.

PNG Mama Graun

CONTACT DETAILS

PNG Mama Graun Conservation Trust Fund
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Nita St. Boroko.
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F:+675 3257026

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Jane Mogina – Director: moginaj@global.net.pg

PNG Mama Graun was registered in 2000. Its aim is to provide long term sustainable funding through a grant program to support the protected areas network throughout Melanesia. The organisation currently services PNG, Solomon islands, Vanuatu, Fiji, New Caledonia, and Timor Leste. Mama Graun is a private charitable trust corporation with a governing board of 12 regional and international trustees. They aim to build an endowment of USD 30 million to provide long term

sustainable funding support to conservation in the region. Currently supported by USAID, AusAID, WWF, CI and local national partnerships, TNC and the German Government. Partnerships have also been sought (so far unsuccessfully) with major extractive industries in PNG, such as PNG LNG and Oilsearch.

PNG Mama Graun has interest in REDD+ work in PNG, and has a great deal of experience in benefits sharing models and

CONTACT DETAILS

David Mitchell – Conservation Director
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Conservation International

CI has a low key presence in PNG, possibly largely due to the fallout from a series of poorly performing, and highly criticized, projects in Milne Bay province in the last 10 years. They still work in Milne Bay, but also have a presence in Morobe Province through their partners, the Tree Kangaroo Conservation Program, which is tied with

Woodland Park Zoo in Seattle. It is in this region that CI have carried out some work on REDD+ concept development (again through AusAid grants), focusing on the YUS conservation area. To date a number of carbon biomass sampling plots have been established, alongside general community consultations and conceptual studies, though little on the ground work has been done. CI are hampered by not having a full time base in PNG, with many of their staff flying in and out of Cairns. They have correspondingly poor links within Government, particularly OCCD and PNGFA, though there are signs that CI are willing to engage more at this level.

Tenkile Conservation Alliance

CONTACT DETAILS

Tenkile Conservation Alliance
PO Box 1304
Wewak
East Sepik Province

Director - Jim Thomas: jim@tenkile.com
tenkileconservationalliance@yahoo.com
Website – www.tenkile.com

TCA are based in Lumi, a remote station in West Sepik province. Predominantly a biodiversity protection and conservation NGO, TCA have conducted considerable research and community consultation on climate change and REDD for the last 5 years. Their target communities (36 village spread over the Torricelli Mountain range) all own land that harbours the extremely rare 'Tenkile' tree kangaroo (*Dendrolagus scottae*). Though conservation remains a principal focus,

TCA are also working with communities on rural water supply, alternative protein farming, health and education projects. TCA are funded in their REDD+ research largely by WWF WMPO, through money from WWF UK. The majority of WWF's gains on REDD+ have been through work conducted by TCA in the field with their funding support.

The bulk of this work has been in educating local communities about climate change threats and REDD+. Since 2010 a series of above ground carbon biomass plots have been established within the Conservation Area by TCA staff using guidelines from the Woods Hole Institute with WWF technical assistance⁵. Local clan members were trained in establishing the plots and in the collection of above ground biomass data. It is anticipated that all participating 36 communities in the TCA area will all establish plots before the end of 2011. This data is intended to contribute to a national carbon biomass baseline, and the data collected in other parts of PNG. Although the forest area is under some threat from subsistence agricultural spread driven by population growth, and lower areas and adjoining forest blocks are significantly threatened by oil palm expansion and industrial logging. The adjoining South West Wapei FMA covers approximately 120,000 hectares of forest which has already been granted as a

⁵ The author largely managed this process during employment with WWF.

logging concession. Although WWF has sought permission to establish monitoring carbon biomass plots within this zone, this request has been rejected by PNGFA. There is however considerable community/support in piloting REDD+ within the boundaries of the logging area, as well as the proposed conservation area. TCA is one of the best and most developed potential pilot areas for REDD+ within PNG.

Partners with Melanesia

CONTACT DETAILS

Partners with Melanesia
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Kenn Mondiai – Director: pwpng@global.net.pg
Website: www.pwpng.org.pg

PWM is one of the most active local NGOs, largely due to the charisma of their Director. PWM are closely allied with EFF, and their Director, Kenn Mondiai, is the former chairman of the EFF board. They have strong connections internationally, and have attended virtually all of the UNFCCC conferences and international negotiations representing civil society in PNG. They implement projects on the Managalas Plateau in the Central Highlands, and they are considering REDD+ as an option to finance protection of the forest in this region.

FORCERT

CONTACT DETAILS

FORCERT
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Project Officer – Cosmas Makamet:
cosmasmakamet@gmail.com

FORCERT are a 'not for profit' NGO that promotes sustainable forest management through providing certification and marketing services for forests and products for local small scale producers and timber yards. FORCERT use FSC certification as a management tool – linking community forests enterprises to timber yards, and combining the outputs of these yards to service overseas markets through group certification under FSC. They provide training and capacity building programmes for local sawmill owners, and have good links with similar organisations in Indonesia and South

East Asia. FORCERT are currently based in Kokopo, though they have small operations in Madang, Morobe, Milne Bay, West Sepik, New Ireland and New Britain. FORCERT have been trialing and investigating PES mechanisms for Forestry and are interested in the potential for REDD+ as a financing mechanism for small scale forestry operations.

Foundation for People and Community Development

CONTACT DETAILS

FPCD
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F: 325 2670

Executive Director – Yati Bun. yabun@datec.net.pg

www.fpcd.org.pg

FPCD's aim is to support communities to manage their own forest resources for environmental, social and economic benefits. Their work ties in closely with that of FORCERT, and their ecoforestry program includes training in forest management, portable sawmill operation, land use planning and establishing forest nurseries. All of their activities are carried out according to FSC principles. FPCD have conducted significant climate change and REDD+ awareness campaigns in rural areas.

Institute of National Affairs

CONTACT DETAILS

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Paul Barker – Executive Director
Website: www.inapng.com

Founded in 1976, INA is a privately funded non-profit policy research institute or think tank. 80 companies contribute to its running and it has some public support from institutions and foundations. INA annually host a 3 day workshop on climate change and REDD+ for NGOs and relevant organisations to draw together the current research and allow a forum for discussion and problem solving. INA publish research and disseminate

information on an annual basis, and could form the ideal home for a climate think tank/ resource pool for NGOs and Government Institutions.

Government Institutions and Government funded bodies

The Office of Climate Change and Development (OCCD)

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For a description of activities and political context see main body text.

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For a description of activities and political context see main body text.

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The FRI has the responsibility to provide through research, scientific information to aid and support the sustainable management of PNG's forests. Research activities are arranged within four programmes: sustainable forest management; planted forests; forest biology and the national botanical garden in Lae. The sustainable forests programme has most relevance to

REDD+ development in PNG. The major objective of this programme is to provide the essential data needed for forest managers to sustainably manage Papua New Guinea's natural forest resource and to develop and refine silvicultural techniques to improve the forest stand quality hence increase the value of the forest to benefit the resource owners and the nation as a whole. Presently, the three major priority projects under this programme include;

(a) Tree growth and yield studies: This project involves establishment of permanent sample plots (PSP) in recently logged over forests. In addition to a total of seventy 1 hectare plots established by the International Tropical Timber Organization (ITTO) project on "Intensification of Growth and Yield Studies", a total of 30 plots have been established in recently logged over forests throughout the country by this programme. In total 100 plots of one hectare have been established throughout the country. These are part of a nation-wide network of plots which will enable collection of growth data and will subsequently be used for yield prediction and calculation of the next harvest is information that will also be used to review existing policies.

(b) Silvicultural techniques: This project involves establishment of demonstration plots on post harvest forest management So far two 100 hectare plots have been completed in the Morobe Province and Central Provinces. Within these, silvicultural experiments have been designed to test different treatment levels and will be used to further demonstrate to landowners and forest managers the options available to them for the management of their forests after logging.

(c) Ecosystem management: This project involves investigation into diseases in both forest plantations and natural forests. Several forest plantations and natural forests have been covered. Collections of specimen have commenced and research is progressing to isolate pathogens. This project continuously monitors insect and pathogen outbreaks, investigates them and produces reports and recommendations to prevent future problems for plantation managers, resource owners and others concerned with forest management.

Industry Associations

Forest Industries Association

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The Papua New Guinea Forest Industries Association (inc.) is an incorporated association of companies involved in all levels of operation in the timber industry in Papua New Guinea. It has the following objectives.

Appendix B – Stakeholders met during the June 2011 scoping visit

Name	Organisation	Job Title	Email address and contact number
Dr Eric Verheij	WWF WMPO	Conservation Director	everheij@wwfpacific.org.pg
Dr Neil Stronach	WWF WMPO	Country Representative	nstronach@wwfpacific.org.pg
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		Trade and Governance	
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Shun Nesaki	JICA	Assistant Resident Representative	Nesaki.shun@jic.go.jp
Erik Johnson	World Bank	Rural Development and Trade	Ejohnson1@worldbank.org
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Simon Lord	New Britain Palm Oil	Director of Sustainability	slord@gsa-sustainability.com
Petra Meekers	New Britain Palm Oil	Group Head Sustainability	pmeekers@gas-sustainability.com

Appendix C – Summary of Government proposed ‘pilot’ activities and abatement levers in PNG

(Source: Mckinsey and the Forestry Sub Working Group, 2010)

REDD+ initiatives – Forestry sector



	Objective	Responsible institution	Proposed location	What it tests	Timing and next steps
Reduced Impact Logging	<ul style="list-style-type: none"> Reduce collateral damage and forest degradation by 50% 	<ul style="list-style-type: none"> PNGFA FRI 	<ul style="list-style-type: none"> Sandaun W. New Britain Milne Bay 	<ul style="list-style-type: none"> RIL Enforcement Silviculture practices MRV methodologies 	<ul style="list-style-type: none"> Engage local gov to define scope Pilot starting Sep 2010
Secondary Forest Management	<ul style="list-style-type: none"> Enhance regrowth rate of secondary forest 	<ul style="list-style-type: none"> PNGFA FRI 	<ul style="list-style-type: none"> E. Highlands Sandaun W. New Britain 	<ul style="list-style-type: none"> Biomass regeneration Silviculture practices 	<ul style="list-style-type: none"> Engage local gov to define scope Pilot starting Sep 2010
Afforestation/ Reforestation	<ul style="list-style-type: none"> Enhance carbon stock 	<ul style="list-style-type: none"> PNGFA FRI 	<ul style="list-style-type: none"> Milne Bay E. Highlands W. New Britain 	<ul style="list-style-type: none"> Spacing of trees Mix of species Monoculture 	<ul style="list-style-type: none"> Engage local gov to define scope Pilot starting Sep 2010
Forest Conservation	<ul style="list-style-type: none"> Protect forest to maintain biodiversity and provide environmental service 	<ul style="list-style-type: none"> PNGFA DEC 	<ul style="list-style-type: none"> Central Province W. New Britain Milne Bay E. Highlands 	<ul style="list-style-type: none"> Preservation of biodiversity and Ecosystem Services 	<ul style="list-style-type: none"> On going in Kokoda and WNB, others starting Sep 2010
Community REDD+ schemes	<ul style="list-style-type: none"> Test REDD+ concepts with community (i.e., Benefit Sharing mechanism) 	<ul style="list-style-type: none"> WCS WWF TNC 	<ul style="list-style-type: none"> Manus W. New Britain Adelbert Mt, Madang 	<ul style="list-style-type: none"> BSDS FPIC Carbon rights Conflict resolution mech. 	<ul style="list-style-type: none"> On going Collaborate with REDD+ pilots

SOURCE: Forestry sub working group

Appendix D – OCCD position on voluntary carbon trading

(Source: Department of Environment and Conservation, 2010)

Comment 6

Date: 25 July 2010

Sent by: Dr. Wari Lea Iamo, Executive Director Office of Climate Change and Development, PNG

Dear Sir/Madam,

I should like to convey to you that, as Executive Director of the Office of Climate Change and Development in Papua New Guinea, Papua New Guinea Government does not recognize and disavows any partnership, support, endorsement or any form of connection to the proposed April Salumei and Kamula Doso Projects.

I should reiterate what I published in the national dailies on Wednesday, 14 July, 2010, that Decision 55/2010 of the NEC sets out Government's policy very clearly that "The Government's positions (is) that voluntary trading of forest carbon is inadvisable and premature under present arrangements..."OCCD is bound by this policy. The NEC Decision 54/2010 established the OCCD and the National Climate Change Committee and empowered them to take full and exclusive responsibility of all policies and actions concerning climate change. The recently released report from the Prime Minister's Office "Climate compatible development for Papua New Guinea", sets out the framework for the OCCD's actions, and calls for REDD+ demonstration projects as part of the development of the national REDD+ capability. In essence, these projects are to be approved by the OCCD, and are not intended to benefit from the voluntary carbon credits. They must be consistent with UNFCCC, the Copenhagen Accord and vetted by the Technical Working Groups within the OCCD. The Technical Working Groups have finalized criteria and to screen and vet demonstration projects.

Based on the above policy decisions, I have asked our lawyers to review the two projects proposals. I attached the finding so of their review, which shows them to be incompatible with existing PNG laws and regulations.

Regards.

Dr. Wari Lea Iamo

Appendix E –Independent legal position on voluntary carbon projects in PNG

(Source: Government response to consultation process on April Salomei and Kamula Doso project design documents under CCBA – www.climate-standards.org)



Contact: Steven O'Brien
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Email: sobrien@obriens.com.pg
Our Ref: 100134 / 5(v1)

Your Ref:

22 July 2010

BY EMAIL TO: wariiamo@dec.gov.pg

Secretary
Department of Environment & Conservation
Somare Foundation Building
Independence Drive
WAIGANI NCD 131

Dear Sir

ATTENTION: Dr Wari Iamo

REVIEW OF THE PROPOSED CARBON SEQUESTRATION AND DEAFFORESTATION REDUCTION SCHEMES IN PAPUA NEW GUINEA AND SPECIFIC CONSIDERATION OF THE KAMULA DOSA AND APRIL SALUMEI PROJECTS

Two Projects are proposed for carbon sequestration and reduction of deforestation. These are known as the Kamula Doso and April Salumei Projects. Both proposed projects proceed through phases initially seeking soft support to reduce deforestation and subsequently to commercialise sequestration for financial consideration. In this review, we refer to these activities generically as carbon sequestration schemes (Carbon Sequestration Schemes).

1. State of Law in Papua New Guinea on Carbon Sequestration Schemes

In reviewing practical aspects raised by consideration of the project design documents for the April Salumei Project and Kamula Doso, it is necessary to consider the state of the law of Papua New Guinea as applicable to any foreshadowed Carbon Sequestration Scheme.

All Carbon Sequestration Schemes based on forest sequestration depend on natural photosynthesis by plants, creating a "carbon sink". For such schemes to take place, there must be certainty about two things – first, certainty of

property created and secondly, the right of the person to deal in the item of property.

In the context of Papua New Guinea, this requires:

- Certainty of title to the trees which make up the carbon sink;
- Certainty of the quality/number of trees which make up the carbon sink; and
- Certainty of the capacity or authority to deal with the rights (whether called "carbon rights" or "carbon property rights" or any similar name).

It is important to remember that "rights" to remove carbon, while measured in relation to vegetation and dependant on it, are not part of any recognized land title. If anything, the law of Papua New Guinea, by adopting the English common law as it was found in 1975¹, may classify such rights as a "profit a prendre" – that is, at common law, a right to enter land belonging to another and take away something on or attached to the land. In other words, a right to something derived from the land, not a right to the land.

The proposed Carbon Sequestration Schemes comprise a trade in economic rights arising from a natural resource and a scientific phenomenon. While the categories of interests in land are not closed, the law of Papua New Guinea does not, at present, take account of any interest of the type of "carbon sequestration rights" which it is proposed to form the basis of these schemes.

Even if there is certainty of ownership of the land upon which trees stand vested in an identifiable party, if one is to create or alienate carbon sequestration rights arising as a result of the carbon sink created by the trees, one is separating those rights from the title to the land. This raises the issue that if a carbon sequestration right is to be of any certainty, the carbon sink upon which it is based must also be certain, verifiable and maintainable for the term of the sequestration right.

As the law stands at present, there is insufficient certainty of title to form the basis of a valid Carbon Sequestration Scheme – especially if the regime is to involve transactions in alienated, transferable and fungible rights.

To explain this assertion, it is necessary to examine the land title regime in Papua New Guinea at present. Land title consists of alienated governmental land (whether government land or leasehold land held by a private party), private freehold land and alienated customary land².

Approximately 97% of the area of Papua New Guinea is alienated customary land over which unidentified individuals of a certain customary group have

¹ Schedule 2, PNG Constitution

² Land Act 1996

³ See for example the discussion in *Tobago Cio of Progressors v. Administration of the Territory of Papua* (2017)JC 18

² Land Act 1996

⁴ Section 17, Underlying Law Act 2000

common ownership usufructuary rights based on custom alone. These rights do not extend beyond previously recognised custom and are not capable of being alienated. Land held under one custom cannot be dealt with in any way other than under that custom. Customary rights are heritable only within the "custom holders". Custom is not uniform across all of Papua New Guinea's 700 to 800 language groups nor is it necessarily uniform within language groups.

One aspect which unalienated land holds in common with registered land is that both are subject (although under different conditions) to the overriding right of the State to grant licenses to third parties to enter and traverse the land for the exploration and development of oil, gas and minerals. Customary landowners are also capable of entering into forestry agreements with a forestry management authority or others, as well as to continue to use the trees for customary purposes - including clearing for food gardens. Any of these events would have, to a greater or lesser extent, impact on the volume of trees which make the carbon sink upon which the carbon sequestration rights are based.

The consequence of this is that, in order to be able to establish a valid scheme for creating a carbon sequestration right, and, thereby, alienable property capable of being dealt with, major legislative changes will be needed impacting both on the 3% of registered land and the 97% of unregistered land in Papua New Guinea.

At the very least, it would be necessary to provide for:

- Registration of ownership of all forest land to persons who are legally accountable for the land as owners and occupiers of it;
- The regulation of entitlements to use the forest predicated on the preservation of the forest and the relationship of such entitlements to preserve a forest with other land uses inconsistent with such preservation; and
- The establishment of legal machinery to bind future landowners/occupiers to carbon sequestration contracts made by previous landowners/occupiers.

It is beyond the scope of our instruction at this stage to examine the possible mechanisms for establishing valid property or carbon rights agreements and the regulation of any market in those rights.

2. Kamula Doso Improved Forest Management Carbon Project

We have been asked to review the aspects of the **Kamula Doso Improved Forest Management Carbon Project** and note, at the outset, that there is substantive litigation in the National Court concerning this project. On 25 September 2007 the Court made Orders:

1. *"The decision/resolutions made by the National Forest Board on or about 20 December 2005 in relation to the Kamula Doso Forest Development Project are stayed until the hearing and determination of these Substantive Judicial Review therein.*
2. *The National Forest Board is restrained from making any decision in reliance upon the Kamula Doso Forest Management Agreement in 1997 and from issuing granting or causing to be issued or granted by any relevant authority, any timber rights in relation to the Kamula Doso Forest Management Area whatsoever until the determination of this Judicial Review.*
3. *The National Forest Board is restrained from making any decision in reliance upon the "rectified" Kamula Doso Forest Management Agreement 1999 and from issuing, granting or causing to be issued or granted by any relevant authority, any timber rights in relation to the Kamula Doso Forest management Area whatsoever until the determination of this Judicial Review."*⁶

Since that time another four defendants have been joined to the proceedings and these Orders are still in place.

The project document is extremely detailed but then brings to light certain major defects with the proposal. The major ones of these include:

- (a) The project contemplates "resource allocation" to be carried out by a community development organisation. The essence of customary title is that it belongs to the custom holders and resource are not devisable or alienable outside the group. While it may be appropriate for a community development organization to allocate funds received, it is not possible for it to allocate resources held in customary title.

Especially is this so when what is contemplated as a resource to be allocated consists of a carbon sequestration right. There are 2 objections to allocation of carbon sequestration rights. First, it is an intangible asset not contemplated by any custom. Secondly, there is no custom for dealing with such a right.

- (b) The law of Papua New Guinea (see *The State v. NTN & Anor* [1992] PNGLR 1) does not recognize the right to govern, as property, intangibles not capable of ownership. The Supreme Court, in the *NTN* case, stated that it was unwise to “graft legal concepts of property and ownership in an area of activity where it seems quite out of place”.

The Court, in that case, held that there could be no ownership of the electro-magnetic spectrum, though there was a right to regulate apparatus which gave access to it. By the same reasoning, as carbon sequestration is a phenomenon of nature, there can be no ownership of “carbon sequestration” or photosynthesis, though there can be ownership of vegetation which affects the quantity of carbon dioxide in the atmosphere.

- (c) So far as the Kamula Doso Project is concerned, it proceeds on the basis that 52 Incorporated Land Groups can speak with one voice for a diverse population of at least 12 linguistic groups when no ILG can say that it is the exclusive representative of all its custom holders. So, when at page 16 the proposal speaks of a customary responsibility for “sale of carbon credit assets” it ignores the fact that it is proposing, essentially, to sell customary rights (the present and future use of customary forest) for a term of 80 years and alienate the rights of those of the custom holders (present and future) who have not agreed to this sale and, thereby, restrict their right to exercise their customary uses.
- (d) The Statement on page 22 of the project proposal that the *Land Groups Incorporation Act* means that the clan is the driver of all land use and resource allocation decisions is misleading. The Act gives power to deal with the use of land (and ancillary matters) but land which is held as customary land is not capable of alienation under the present legal system. It is held in common by the present custom holders and on behalf of future members of the same customary group.

Indeed, the *Land Group Incorporation Act* Section 13 (3) states:

“(3) No right or interest in or in relation to land that is given by an incorporation land group to a person who is a member of the group is registrable under any law relating to the registration of land or of interest in land.”

- (e) There is no right for any person to grant property interests to persons outside the group (except by way of a Forest Management Agreement and subject to the overriding power of the Independent State to issue licenses under the *Oil and Gas Act* and the *Mining Act*).

- (f) Registration of an Incorporated Land Group is statutory recognition of a corporate body which is capable of acting for the customary owners – it, of itself, is not the owner of land. It may give corporate status to a customary or similar group, but it neither adds to nor subtracts from the status of the customary holders – either as sum of the individuals members of the group or of any individual, since it is merely a vehicle of convenience through which the individuals act. It does not convey property existing in custom to the Incorporated Land Group.

- (g) The establishment of a limited liability company (Tumu Timbers Development Limited) said to be owned for or by the 52 incorporated land group does not establish any right immutable for any term to represent the human individuals subsisting on land in accordance with custom. Each such individual is free to leave an incorporated land group and to say it no longer represents his interest and as his property interest continues to exist in custom, he will continue to exercise it in common with the other participants in the custom. The very fact that there has been extensive litigation involving the forestry in this area and the Office of Climate Change and Carbon Trade shows that this proposed vehicle (consisting of 52 incorporated land groups) is impractical even if there was a legal basis for dealing with the property which give rise to a carbon sink at this time.

3. The April Salumei Project

The proposed April Salumei Project Plan is set forth in a very detailed document which obviously required extensive effort to produce. It examines in detail matters of the project design and specifies the anticipated project benefit extensively. Like the Kamula Doso Project it purports to proceed with the best intentions for human and community benefits. It seeks an alternative source of income to logging to alleviate the economic and social disadvantages of the people in the area and, at the same time, to preserve the ecological diversity and value of the area and benefit the environment as a whole. The April Salumei paper has explored questions of project design and community development, capacity building, evaluation of carbon stocks in clear and thorough detail. There are, however, two major problems with it which make this project non feasible.

- (a) The structure for dealing with customary forests involves an umbrella company, Hunstein Range Holdings, which is said to be owned by 4 landowner companies which are, themselves, said to be made up of and controlled by 163 incorporated land groups.

Our comments on the absence of proper corporate authority and probable conflicts within the organisation made in relation to the Kamula Doso Project apply also, and to a large degree, to the April Salumei Project.

- (b) The April Salumei Project also proceeds on the basis that it will be able to receive funds in return for carbon sequestration rights issued over the unalienated customary land within the project area.

We repeat our observations made above that, in the present state of the law of Papua New Guinea, there is no legal title upon which sequestration rights may be based.

We also repeat our observation made in relation to the Kamula Doso Project that, before it is possible to issue valid instruments establishing carbon sequestration capacity capable of being alienated and transferred to another person for consideration and thereby returning compensation to the customary owners of the forest, it will be necessary to have legislation in place:

- (i) Establishing the registration of ownership of all forest lands to persons legally accountable for the land as owners and occupiers of it ("land" in this instance, must include unalienated customary land, as this is 97% of the surface area of Papua New Guinea).
- (ii) Providing for the regulation of entitlements to use forests in ways designed to preserve the forest and the relationship of such an entitlement with other land uses which are inconsistent with the preservation of the forest (such as exploration and development of oil, gas, mining and forestry); and
- (iii) Establishing legal machinery to bind future landowners and occupiers to long term contracts to sequester carbon made by prior owners or occupiers of land.

4. Conclusion

In conclusion, Papua New Guinea requires extensive legislation to be passed by the Parliament before it can implement any system to commercialise carbon sequestration in the forests.

Further there is no legal or other basis for the establishment of Carbon Sequestration Schemes in Papua New Guinea such as the Kamula Doso Projects and the April Salumei Projects. Both projects are legally untenable.

Until the legal regime in Papua New Guinea establishes a foundation for such schemes they are little different to a modern day version of the false prospectus for the Port Breton Colonisation Scheme issued by the Marquis du Reys and circulated through Europe in the late 1870's⁸.

5. **Restrictions on Use of Observations**

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Should you have further queries, please do not hesitate to contact the writer.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S. O'Brien', with a large circular flourish at the end.

Steven O'Brien
O'BRIENS