

PAPUA NEW GUINEA INFORMAL R-PP PRESENTATION

PC 13 MEETING, BRAZZERVILLE, REPUBLIC OF CONGO

OCTOBER, 2012



**Office of Climate Change and Development
Papua New Guinea**

AGENDA

22 October, 2012

Agenda

PNG's Long Term Commitment to Climate Change

Institutional Arrangement

Climate Compatible Development and REDD+

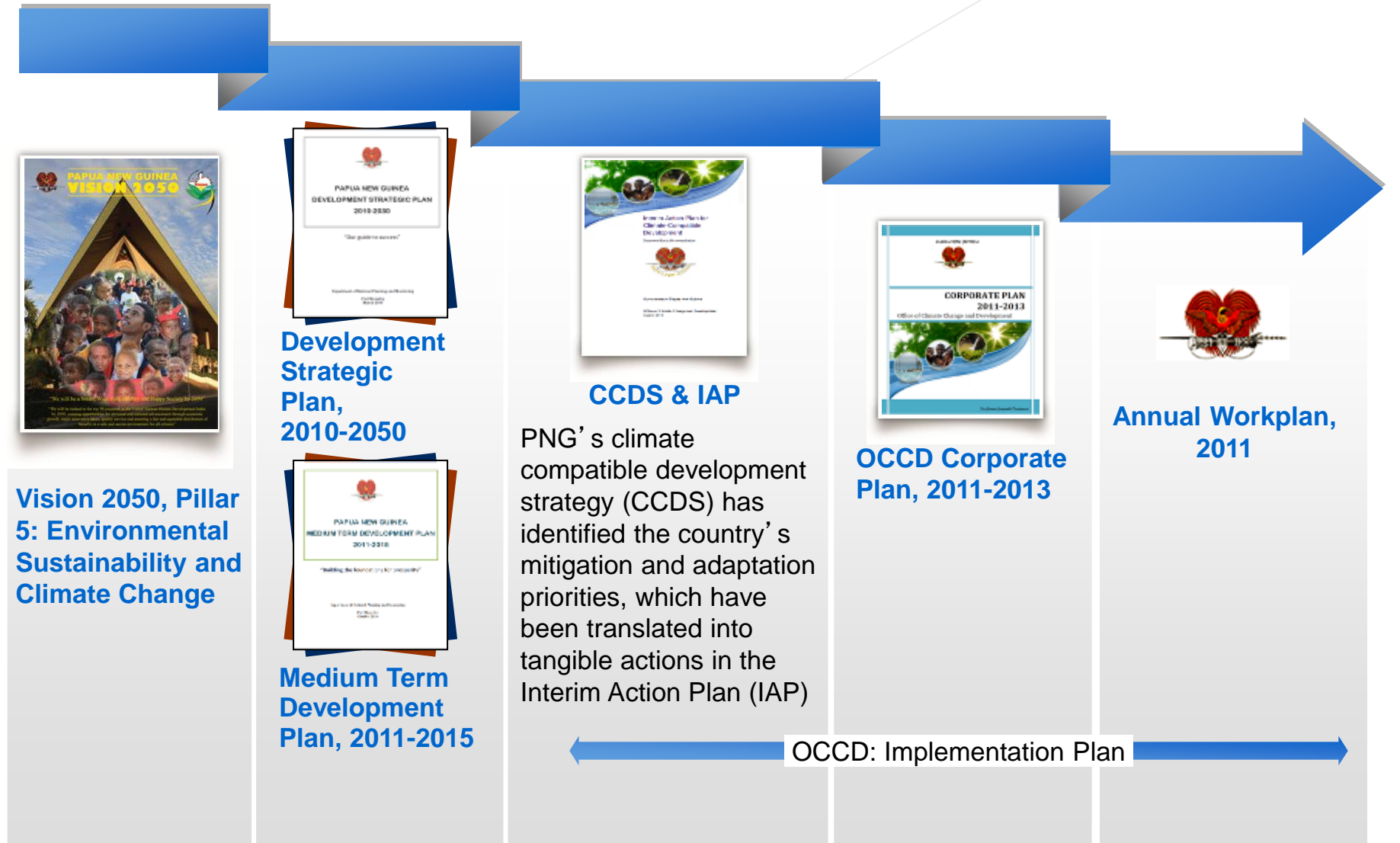
Funding

Implementation Gaps

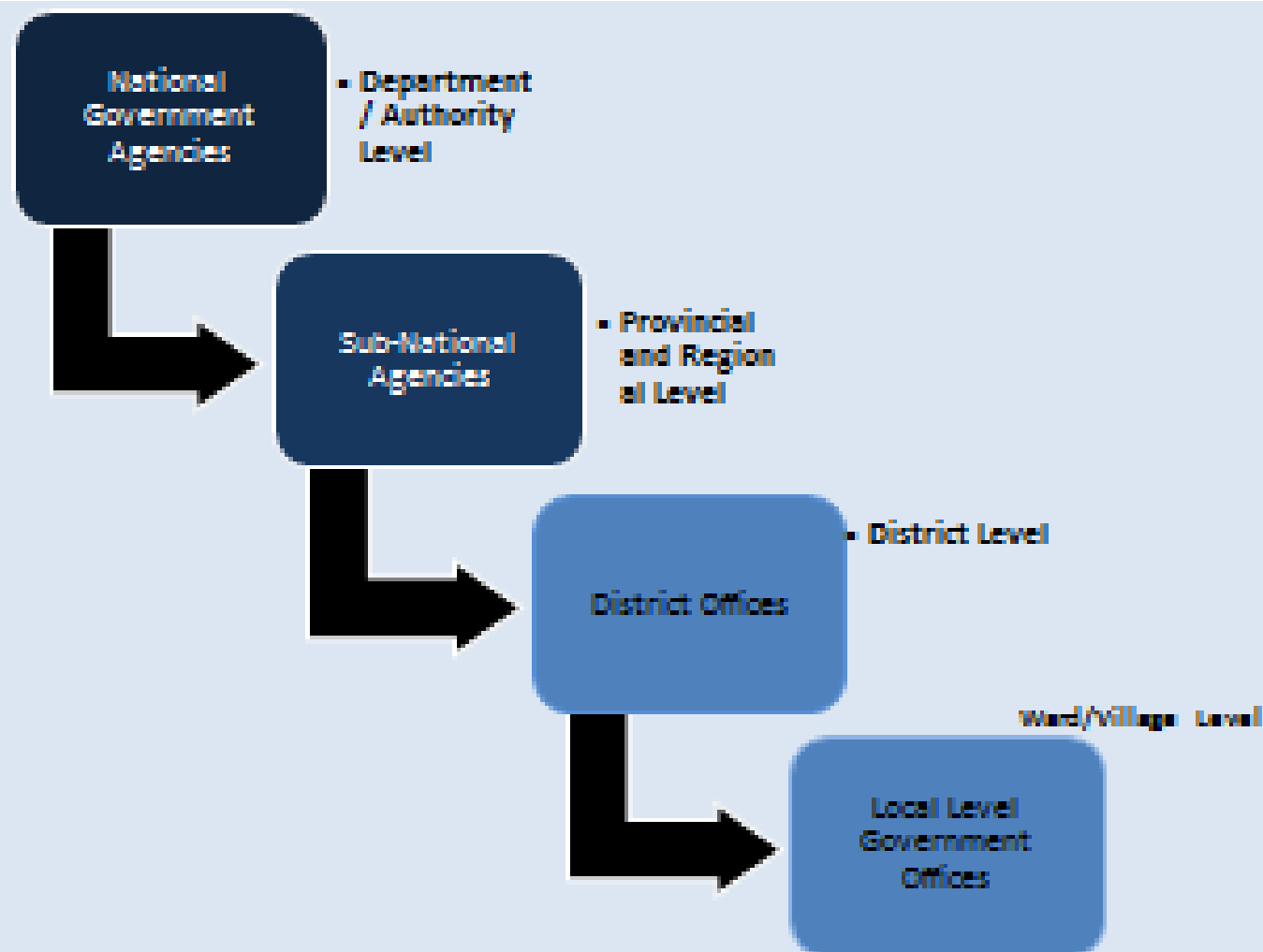
R-PP Development Process

Next Steps Forward

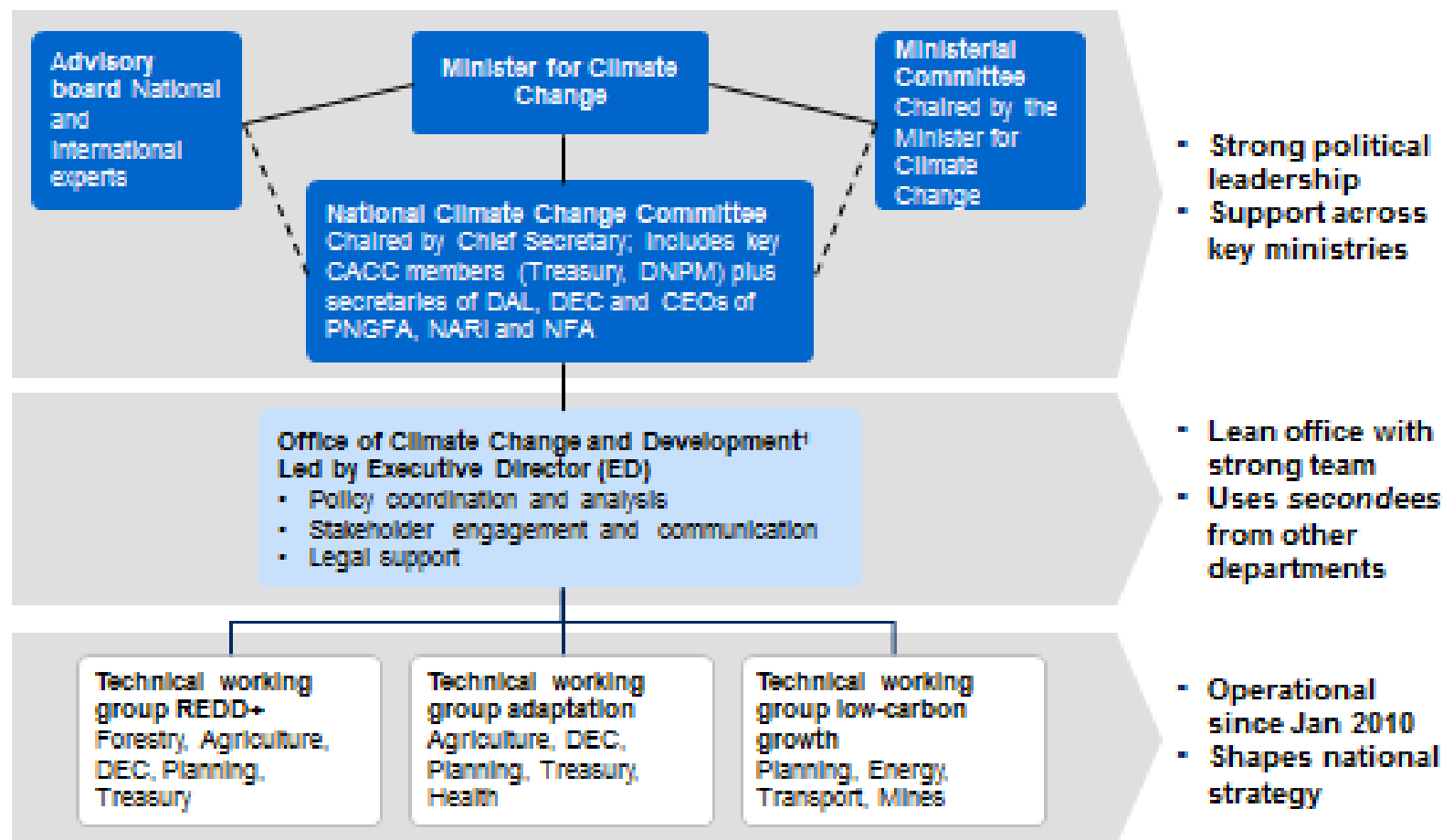
PNG's Long Term Policy Commitment to Climate Change



The Three-Tier Government System in Papua New Guinea



New institutional arrangements



¹ OOOD Executive Director reporting directly to the Minister for Climate Change

PNG's Climate-Compatible Development Strategy is an evolving document that describes economic development opportunities in alignment with Pillar 5 Vision 2050



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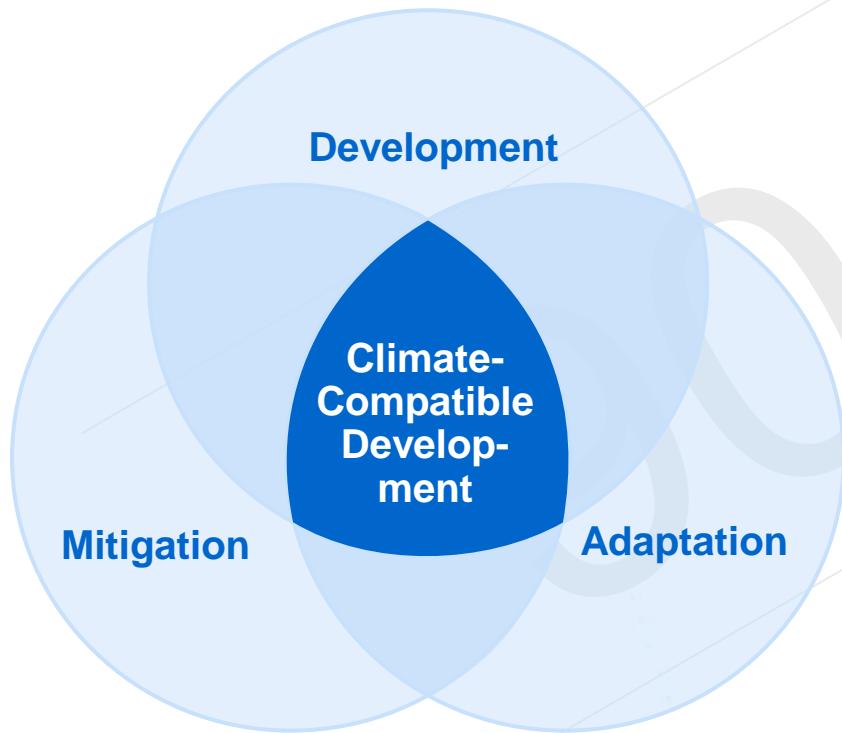
Climate-compatible development for Papua New Guinea

Second Draft – For Stakeholder Comment
Government of Papua New Guinea
March, 2010

- A reference document for PNG strategic framework of economic development, mitigation, and adaptation actions, which includes:
 - Environmentally-sustainable and low-carbon economic growth
 - Opportunities of reducing carbon emissions
 - Adaptation to climate-driven hazards
- CCDS will be improved with inputs from further stakeholder consultation, pilots and MRV learning

PNG's aspiration for climate compatible development

Strategic framework



Economic Development

- Achieve GDP per capita of USD 3,000 by 2030 as set out in our Vision 2050








Mitigation

- Reduce emissions of green-house gases, by at least 50% by 2030 driven mainly by abatement measures in land use, land-use change and forestry
- Become carbon neutral by 2050 investing into low-carbon infrastructure today

Adaptation

- Reduce vulnerability to climate change-associated risks
 - Gradual hazards (e.g., vector-borne disease)
 - Event-driven hazards (e.g., landslides, flooding)

Sources of PNG's historical greenhouse gas emissions

| Driver of emissions | | 2010 emissions ¹ Mt CO ₂ e | Description |
|--|--------------------------------------|---|--|
|  | Timber harvesting | 68-69 | <ul style="list-style-type: none"> Logging results in significant deforestation and degradation, mainly in lowlands and islands |
|  | Subsistence/ smallholder agriculture | 28-43 | <ul style="list-style-type: none"> Increasing population leads to expansion of agriculture area into forest (and shortening of rotation cycle) |
|  | Agriculture leases ² | 6 | <ul style="list-style-type: none"> Clearing of forest under 'agriculture leases' scheme to establish agricultural plantations with high risk of being abused for timber extraction |
|  | Commercial agriculture | 3 | <ul style="list-style-type: none"> Clearing of forest to establish commercial plantations, predominantly oil palm, (mainly on fertile lowland forests) with proven agricultural use |
|  | Mining, infrastructure | 4 | <ul style="list-style-type: none"> Mining has historically been biggest driver Includes forest dieback from Ok Tedi spill |
|  | Fire | 2 | <ul style="list-style-type: none"> Caused by humans (hunting, spreading from subsistence burning) and lightning Forest degradation makes fires more likely |
|  | Everything else | 4 | <ul style="list-style-type: none"> Emissions from oil and gas production Fuel for transportation and energy generation Emissions from palm oil processing |

¹ Estimate of 2010 extrapolated from 2008/09 data

² Exact emission for 2010 still to be verified

REDD+ initiatives – For implementation



| | Objective | Responsible institution | Proposed location | Proposed budget ¹ (USD) | 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"> 2010: 0.1m 2011 onwards: tbd with provincial gov | <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"> 2010: 0.1m 2011 onwards: tbd with provincial gov | <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"> 2010: 0.1m 2011 onwards: tbd with provincial gov | <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"> 2010: 0.1m 2011 onwards: tbd with provincial gov | <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"> On going Collaborate with REDD+ pilots |

¹ 2010 budget is mostly for provincial consultation to identify scope of forestry pilot projects in certain provinces

SOURCE: Forestry sub working group

FUNDING SOURCES



PNG is seeking medium-term funding from multilateral programs, however hardly any funds have been disbursed so far

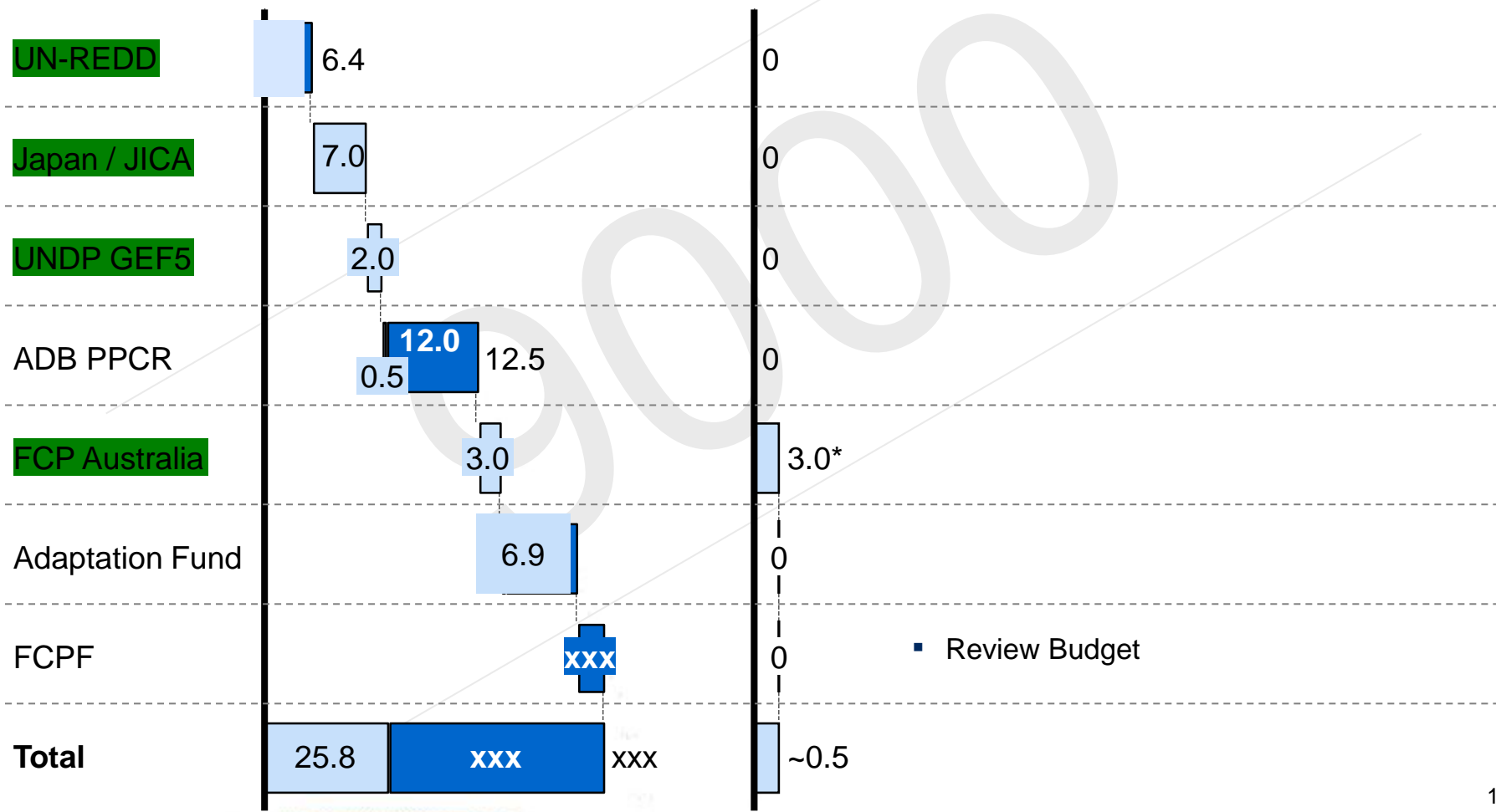
Approved
Not approved yet

USD million

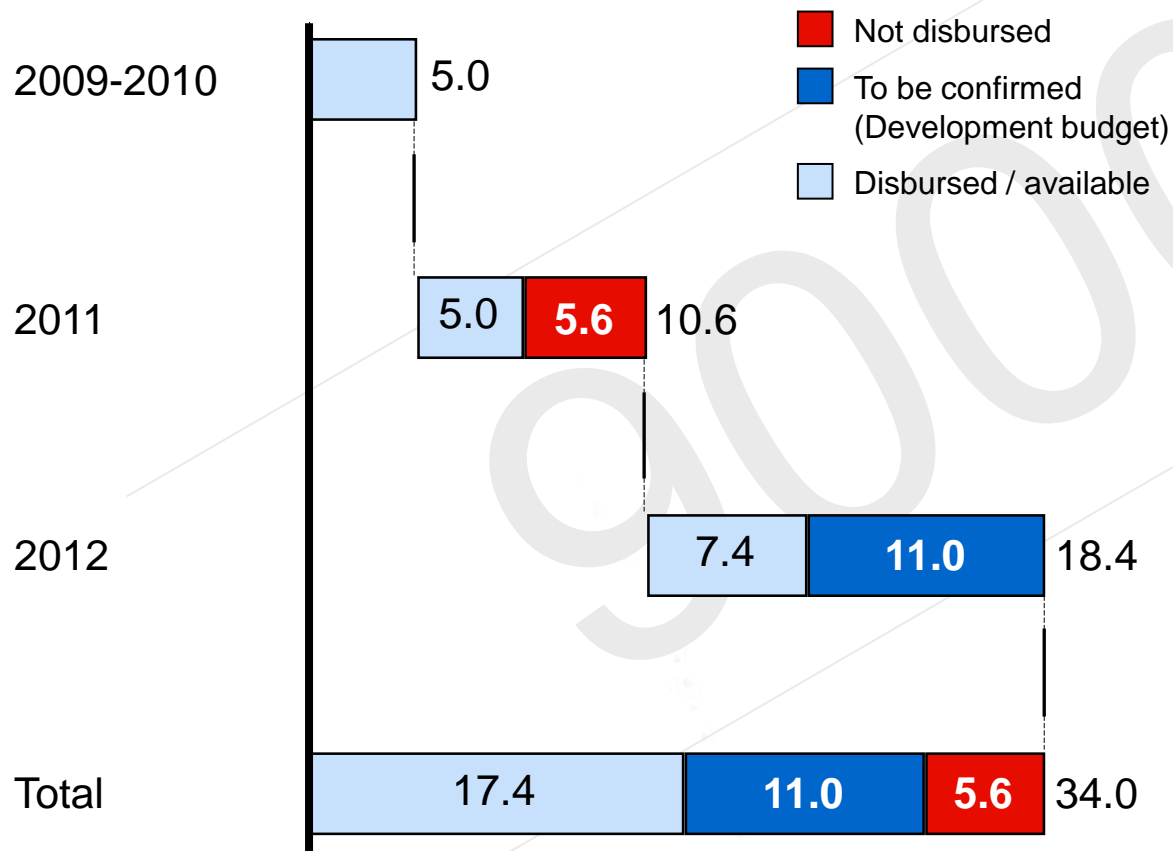
Current sources of medium-term funding for PNG's climate change activities

Funds disbursed

Status update



GoPNG funding for OCCD in Kina million



Sources of Funding Avenues : Scope of Funding Disbursement

Government
Commitment at
the Domestic
Front

- Support to all levels of government

National
Govt.
Agencies

Provincial
Governments

District
Governments

Existing Donor
Support

- JICA
- AUSAID
- US AID/LEAF
- EU
- GIZ
- (Support is open and flexible)

**FLEXIBLE
ENVIRONMENT**

UNREDD

Proposal orientated

FCPF Funding

Overview of some of the Readiness Activities under support

✓ Progressive
✗ Outstanding

Readiness activities

Leading Stakeholder

- | | |
|--|--------------------------------------|
| ▪ Design of overall strategy including REDD+, Adaptation and Low carbon growth | ✓ GoPNG |
| ▪ Design of climate change institution | ✓ GoPNG |
| — OCCD & NCCC | ✓ GoPNG |
| — Technical Working Groups | ✓ GoPNG |
| — National Legislation and Policy (CC) | ✓ GoPNG and UNDP |
| — Sub-National Institutions | ✗ |
| ▪ Capacity building | ✓ GoPNG and fragmented donor support |
| ▪ MRV design & implementation (incl. reference levels) | ✓ UN-REDD & JICA +EU* and AU* |
| ▪ Stakeholder consultation | ✓ Partially funded (GoPNG) |
| ▪ National REDD+ Strategy | ✓ GoPNG |
| ▪ Safeguard Studies and REDD+ Training | ✓ GoPNG and UNREDD |
| ▪ Other related Policies and legislative frameworks | ✗ GoPNG and Others |
| ▪ Intensive Nationwide Consultation (REDD+) | ✗ Partially funded (GoPNG) |

Note: Non-exhaustive

SOURCE: OCCD

Some progressive work on the REDD+ activities

✓ Funding Commitment
 ✓ Key Gaps

Activities and pilots for REDD+

Funding status

REDD+

Adaptation

Low-carbon
Growth

- | | |
|--|-----------------------------|
| ▪ Review of agricultural lease (SABL) | ✓ Gov PNG |
| ▪ Commercial plantation on non-forest land | ✓ Private Sector |
| ▪ Forest conservation | ✓ GEF (biodiversity) |
| ▪ Demonstrate: Agricultural extension program | ✓ Private Sector |
| ▪ Demonstrate : Reduced impact logging | ✓ Gov PNG |
| ▪ Demonstrate : Secondary forest management | ✓ Gov PNG, Private Sector |
| ▪ Demonstrate : Afforestation/Reforestation | ✓ Gov PNG, Private Sector |
| ▪ Community demonstrations | NGOs , AUSAID, |
| ▪ Safeguards (Carbon Rights, FPIC, BSDS, Grievance Mechanisms) | UNREDD, GovPNG, AusAID, GIZ |
| ▪ Sub-National Institutional Arrangements | Partially funded by GoPNG |
| ▪ REDD+ Training and Community Consultations | ✓ UNREDD |

1. Review of the Activity Gaps under the UNREDD Programme

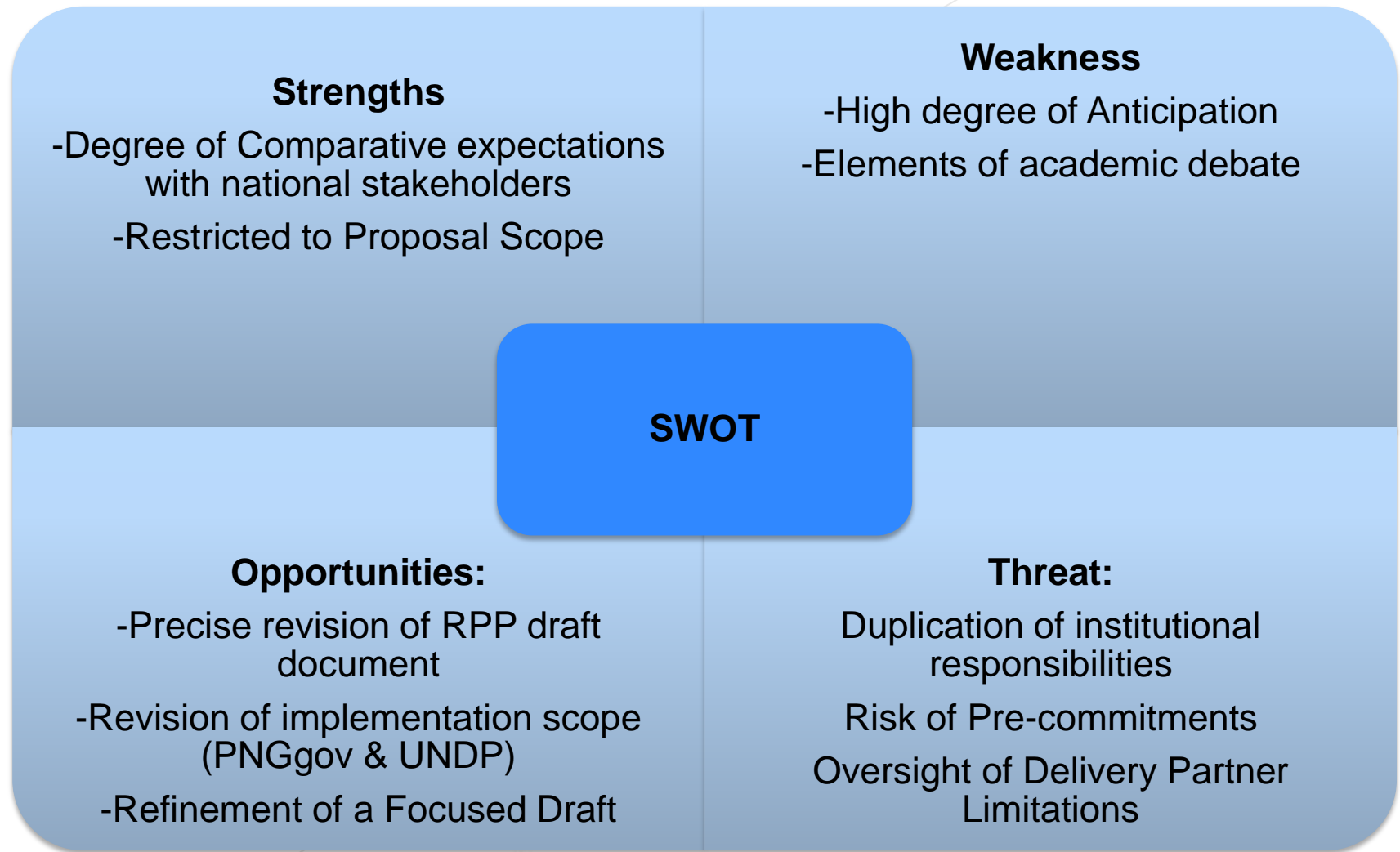
2. Submission of Zero-Draft to World Bank in September, 2012

3. One-on-one Stakeholder Consultation with key Key REDD+ Implementation Partners

4. October Resubmission of Revised Version incorporating Stakeholder Comments

5. Consultation Period still open (In-Country)

SWOT analysis of initial reaction to the Comments received:



A. Way Forward : Outstanding Areas that still needs adressing in the draft R-PP

1. Roles and Responsibilities
2. Clarity on Achievements and Gaps under the UNREDD Programme
3. Clarity on the importance of adressing the Key Gaps in parallel with existing REDD+ country driven work
4. Completion of remaining components
5. Review of Budget ceiling as well as activity scope, with a view to other existing funding sources

B. The approach to TAP and PC Review

- Consider Delivery Partner Limitations (No-Risk Approach)
- Consider Budget Limitations
- Consider Pre-Commitment Risks
- Consider the impact of pre-assumption risks
- Stakeholder Workshop to adress both PC and TAP comments before a final submission before PC14
- Responds Matrix attached with the Revised Version

