



Government of  
Papua New Guinea

# NATIONAL REDD+ DEVELOPMENT GUIDELINES



Healthy forest. Strong nation. Better world.





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# ABBREVIATIONS

<b>AE</b>	Accredited Entity
<b>AFOLU</b>	Agriculture Forestry and Other Land Use
<b>ART</b>	Architecture for REDD+ Transactions
<b>BCTF</b>	Biodiversity and Climate Trust Fund
<b>BSA</b>	Benefit Sharing Agreement
<b>BSD</b>	Benefits Sharing and Distribution
<b>BSP</b>	Benefit Sharing Plan
<b>CCDA</b>	Climate Change Development Authority
<b>CCMA</b>	Climate Change (Management) Act 2015 (as Amended)
<b>CEPA</b>	Conservation and Environment Protection Authority
<b>CER</b>	Certified Emission Reduction
<b>CLLC</b>	Customary Landholders and Local Communities
<b>CN</b>	Concept Note
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CoC</b>	Certificate of Consent
<b>CSO</b>	Civil Society Organisation
<b>DAL</b>	Department of Agriculture and Livestock
<b>DDA</b>	District Development Authority
<b>DJAG</b>	Department of Justice and the Attorney General
<b>DLPP</b>	Department of Lands and Physical Planning
<b>DNPM</b>	Department of National Planning and Monitoring
<b>DoF</b>	Department of Finance
<b>DPLGA</b>	Department of Provincial and Local Government Affairs
<b>EIA</b>	Environmental Impact Assessment
<b>EIS</b>	Environmental Impact Study
<b>EMIS</b>	Environmental Management Information System
<b>EOI</b>	Expression of Interest
<b>ER</b>	Emission Reductions
<b>ESG</b>	Environmental, Social and Governance
<b>FP</b>	Focal Points
<b>FPIC</b>	Free, Prior and Informed Consent
<b>FRIMS</b>	Forest Resource Information Management System
<b>FRL</b>	Forest Reference Level
<b>GCF</b>	Green Climate Fund
<b>GHG</b>	Greenhouse Gas
<b>GM</b>	General Manager
<b>GRM</b>	Grievance Redress Mechanism
<b>ILG</b>	Incorporated Land Group
<b>IPA</b>	Investment Promotion Authority
<b>IPCC</b>	Intergovernmental Panel on Climate Change

<b>LIS</b>	Land Investigation Study
<b>LLG</b>	Local Level Government
<b>MD</b>	Managing Director
<b>MRV</b>	Measurement, Reporting and Verification
<b>MRVNCD</b>	Measurement, Reporting and Verification and National Communications Division
<b>NCCB</b>	National Climate Change Board
<b>NDA</b>	National Designated Authority
<b>NDC</b>	Nationally Determined Contributions
<b>NEC</b>	National Executive Council
<b>NFMS</b>	National Forest Monitoring System
<b>NRAC</b>	National REDD+ Advisory Committee
<b>NRR</b>	National REDD+ Registry
<b>NSLUP</b>	National Sustainable Land-Use Policy
<b>OLPGLG</b>	Organic Law on Provincial Governments and Local-level Governments
<b>OSS</b>	Office of the State Solicitor
<b>PA</b>	Project Application
<b>PAG</b>	Project Agreement
<b>PaMs</b>	Policies and Measures
<b>PC</b>	Project Concept
<b>PCCC</b>	Provincial Climate Change Committee
<b>PDD</b>	Project Design Document
<b>PDP</b>	Provincial Development Plan
<b>PEC</b>	Provincial Executive Council
<b>PG</b>	Provincial Government
<b>PNG</b>	Papua New Guinea
<b>PNGFA</b>	PNG Forestry Authority
<b>RBPs</b>	Results Based Payments
<b>RCP</b>	REDD+ Communities Program
<b>RDG</b>	REDD+ Development Guidelines
<b>REDD+</b>	Reducing Emission from Deforestation and Forest Degradation and (+) the role of forest conservation, sustainable management of forest and enhancement of forest carbon stocks
<b>RMD</b>	REDD+ and Mitigation Division
<b>RSAC</b>	REDD+ Safeguards Assessment and Compliance
<b>RTWC</b>	REDD+ Technical Working Committee
<b>SIS</b>	Safeguards Information System
<b>SOI</b>	Summary of Information
<b>SLUP</b>	Sustainable Land Use Planning
<b>tCO<sub>2e</sub></b>	Tonnes of Carbon dioxide equivalent
<b>TREES</b>	The REDD+ Environmental Excellence Standard
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>VCM</b>	Voluntary Carbon Markets
<b>VCS</b>	Verified Carbon Standard
<b>VER</b>	Voluntary Emission Reduction



# GLOSSARY

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

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

"*Carbon dioxide (CO<sub>2</sub>)*" means the gas having the molecular chemical compound composed of two oxygen atoms each covalently double bonded to a single carbon atom;

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

"*Carbon Sink*" means a natural or artificial reservoir or locations that sequester or store a greater amount of carbon dioxide than they release;

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

"*Climate change related project agreement*" means an agreement between the Authority, any persons or entity related to climate change related project or activity, the customary owners of the land and forest resources and the project proponent relating to an Agreement on REDD +, CDM or other Voluntary Carbon Offset Projects and any future climate change emission reduction mechanisms agreed to by the government that will facilitate for sustainable development and reduction of greenhouse gas emissions;

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

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

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

"*Customary land*"<sup>1</sup> means land that is owned or possessed by an automatic citizen or community of automatic citizen by virtue of rights of a proprietary or possessory kind that belong to the citizen or community and arise from and are regulated by custom.

*Customary Landholders*<sup>2</sup> – means a clan, lineage, family, extended family or other group of persons who hold, or are recognised under custom as holding, rights and interests in customary land, and includes a land group incorporated under the Land Groups Incorporation Act (Chapter 147).

*Customary Rights*<sup>3</sup> – rights of a proprietary or possessory kind of relation to land that arise from and are regulated by customs.

"*Designated National Authority*" means the Authority who is recognised by the UNFCCC and *Paris Agreement* to be the lead agency for dealing with climate change matters in Papua New Guinea;

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

'*Emissions trading*' means the emissions trading system established and operated under Part VIA and referred to in Section 78A

"*Forest*" land spanning more than 1 hectare, with trees higher than 3 meters and the canopy cover of more than 10 percent (%)

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1. Land Act 1996 s 2.  
2. Land Groups Incorporated Act 2009 s 2.  
3. Land Act 1996 s 2.

"Free prior and informed consent" or "FPIC" means a specific right that pertains to indigenous people and other land holder peoples that allows them to give or withhold consent to a project or activity that may affect them or their property.

"Land" includes —

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

"Land holder" means –

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

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

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

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

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

"Paris Agreement" means the Paris Agreement, ratified by Papua New Guinea on September 21, 2016 and which entered into force on November 4, 2016;

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

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

"Registry" means the Papua New Guinea National Registry established under section 78A of the Climate Change (Management) Act 2015 (As Amended) for the Authority to keep and maintain Registry for emission reduction projects, programmes, and activities, alongside a regulation prescribing for the operation of the Registry

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





## INTRODUCTION

### 1.1. What is REDD+?

REDD stands for **R**educing **E**missions from **D**eforestation and Forest **D**egradation and the (+) sign denotes the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries. REDD+ is an international climate change mitigation financing mechanism established under the United Nations Framework Convention on Climate Change (UNFCCC) to reduce forest-related greenhouse gas (GHG) emissions<sup>5</sup>.

REDD+ is functional under two approaches, which are referenced throughout this document, namely the:

1. **National Jurisdictional Approach** whereby initiatives are created and regulated by international governing bodies such as the UNFCCC and thus, must be compliant with their rules and decisions, as well as those set by the governments of developing countries that are implementing such initiatives; and
  - 1.1 **REDD+ initiatives** are REDD+ activities and projects under the compliance mechanism and will be implemented by **REDD+ implementers**, such as the national government agencies; judicial authorities; local governments; organizations of local communities; forest users; customary landholders and local communities; civil society; private sector; academia; and any individual(s) or group(s) concerned in REDD+ implementation.
2. **Project Scale Approach** that targets the voluntary carbon market (**VCM Projects**) whereby initiatives generally operate outside the rules that govern National Approach initiatives, which enables corporations to purchase and sell carbon offsets. However, at the most recent UNFCCC Conference of Parties (COP26) in Glasgow, the rules for how the VCM operates were established to guide their implementation.

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5. PNG National REDD+ Strategy, 2017.

### 1.1.1 Paris Agreement

The Paris Agreement is an international treaty on climate change that was adopted at the UNFCCC COP21 in Paris in December 2015, bringing 194 states and the EU together to undertake ambitious efforts to combat climate change. The overarching goal of the Paris Agreement is to limit global warming to below 2 degrees Celsius, compared to pre-industrial levels. Implementation of the Paris Agreement is based on a 5-year plan of ambitious climate actions and targets that are developed and carried out by countries. These 5-year plans are known as nationally determined contributions (NDCs) and communicate the actions that countries will undertake to reduce their GHG emissions in order to achieve the goals of the Paris Agreement.

In recognition of the UNFCCC rules and the Paris Agreement, the national jurisdictional approach to REDD+ initiatives implementation is:

- regulated by mandatory national, regional or international carbon reduction regimes such as the UNFCCC, Green Climate Fund (GCF), followed by other international climate fund sources.;
- carried out in three phases, as described in [Section 2](#);
- used by companies and governments that are legally obliged to account for their GHG emissions;
- implemented at the national level by respective sector entities (as players are Govt + others) who are referred to as REDD+ implementers in this document;
- coordinated by a National Designated Authority (NDA);
- required to be implemented through the four key elements of REDD+ which are;
  - o National REDD+ Strategy (NRS)
  - o National Forest Monitoring System (NFMS)
  - o Forest Reference Level/Forest Reference Emission Level (FRL/FREL)
  - o Safeguards Information Systems/Summary of Information (SIS/SOI)
- guided by policies and measures; and
- has mandatory biennial reporting to UNFCCC currently recognized as the Biennial Transparency Report (BTR) with a Technical Annex indicating emission reduction (ER) efforts.

Voluntary carbon markets generally function outside of compliance regimes and enable companies and individuals to purchase carbon offsets on a voluntary basis with the option to use the carbon offsets for compliance purposes, yet this varies across different jurisdictions. The voluntary carbon marketplace encompasses all transactions of carbon credits that are not purchased with the intention to surrender into an active regulated jurisdictional carbon market. These credits are purchased with the intent to re-sell or retire to meet carbon neutral or other environmental claims.

Article 6 of the Paris Agreement establishes a framework for the voluntary international cooperation for countries to reduce emissions and meet their NDCs, to allow for higher ambition and to promote sustainable development and environmental integrity. Article 6 has the potential to be widely applied, as the NDCs make reference use of cooperative approaches or international markets. Some countries intend to use international carbon markets to help achieve their NDC mitigation targets, having communicated a target that reflects a sum of domestic and cooperative efforts, while others envision it as a means to generate mitigation and adaptation ambition beyond the level communicated in NDCs. There are countries with differing NDC types, and national capacities, to be able to participate in Article 6 cooperation<sup>6</sup>. Additionally, the VCM Project-Scale Approach to REDD+ is guided by the Voluntary Carbon Standards (VCS), Verra and other voluntary alliances or organisations. VCM projects are often initiated by international project developers, working with local representatives to contact and liaise with customary landholders and local communities. International or national NGO's also often work with project developers, or can be project developers themselves.

The following are characteristic of VCM Projects, which should be:

- implemented at the community level with the legitimate customary landholders and local communities (CLLCs);

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6. Christine Hood, 2019, Completing the Paris "Rule Book: Key Article 6 Issues", pgs 1-8

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- guided by standards placed by voluntary standards such as the VCS, Climate, Community and Biodiversity Standards (CCBS) and carbon credits registered on a public registry;
- developed and implemented according to project developer's desired targets outlined in contractual agreements and the relevant project documents required by the voluntary standard(s);
- developed and implemented in line with all applicable international and national laws and regulations protecting the activities as well as its stakeholders, especially the primary beneficiaries, the CLLCs;
- in compliance with international legally binding instruments and national forest related legal and regulatory frameworks
- in accordance with a monitoring and reporting schedule as per the followed voluntary standard(s) to verify operation after the project is validated and verified; and
- subject to a grievance redress process, in which official complaints submitted to the voluntary standard managing organisation will follow a fair and transparent process to ensure that the project has not compromised or breached any of the standard's requirements and/or international or national laws on REDD+

## 1.2. Purpose

The National REDD+ Development Guidelines (RDG) seeks to improve the governance and implementation of REDD+ initiatives both at the national and sub-national level, with due consideration for the international context and different market related modalities to access forest carbon finance. Consequently, this RDG aims to benefit REDD+ stakeholders, especially women, youth and vulnerable or minority groups, with the goals of maximizing monetary and non-monetary benefits, eradicating poverty, sustaining livelihoods, social stability and rural development while improving the governance and implementation of REDD+ initiatives to be consistent with PNG's constitution and environmental, natural resource and customary laws, existing obligations under international law, including human rights laws and other related instruments.

The purpose of this RDG is to:

- Ensure that all REDD+ initiatives in PNG comply with internationally recognized technical modalities as agreed under the UNFCCC and VCM standards (for instance, Verra and CCBS) to reduce emissions;
- Contribute to the improvement and development of the policy, legal and organizational frameworks regulating climate change, mitigation, REDD+, adaptation and related initiatives across all sectors;
- Enhance the transparency and improve the functioning of existing and future systems in implementing REDD+;
- Strengthen the capabilities and operations of REDD+ stakeholders and promote cooperation between these stakeholders.

## 1.3. Nature and Scope

This RDG is a mandatory reference document for all REDD+ implementers and prospective and active project developers as they carry out the design, execution, monitoring and reporting on REDD+ initiatives. The RDG can be used by implementing national government agencies; judicial authorities; local governments; organizations of local communities; forest users; customary landholders and local communities; civil society; private sector; academia; and any individual(s) or group(s) concerned or interested in REDD+ implementation.



The RDG should be interpreted and applied in accordance with existing obligations under international law, and with due regard to voluntary commitments under applicable regional and international instruments. Furthermore, the RDG should be interpreted and applied in accordance with national legal systems and their institutions that are governing aspects of REDD+ implementation such as Vision 2050, the Strategy for Responsible Sustainable Development (StaRS), the Medium Term Development Plan 2018-2022 (MTDP III), the Climate Change Management Act (CCMA) 2015 (As Amended), the National Forest Policy, National Sustainable Land Use Policy (NSLUP), the PNG Policy on Protected Areas, other related policies and measures relating to REDD+ and the National REDD+ Strategy (NRS). The NRS is the nationally approved policy document that this RDG will implement. The RDG promotes the vision statement of the NRS as noted below:

*"To catalyze transformational change within the forest and land use sector towards a new responsible economy with lower GHG emissions, stronger long term economic growth and community livelihoods and the effective conservation of biodiversity and ecosystem services while ensuring that Papua New Guinea's forest resources are used in a sustainable and equitable manner for the benefit of current and future generation."*<sup>7</sup>

Moreover, the application of the RDG demonstrates respect for the UNFCCC Cancun safeguards for REDD+ implementation. It supports, national, regional and international initiatives that address emission reduction and removals, human rights, promote transformational change, provide secure rights to land and forests, improve governance, enhance economic productivity and sustain livelihoods.

The National Government, through its NDA, shall:

- i. Recognize and respect all legitimate stakeholders in implementing REDD+ initiatives. They should take reasonable measures to identify, record and respect legitimate stakeholders, and have a stringent screening selection and registration process for project proponents and developers.
- ii. Protect customary land holders and local communities, especially women, youth and the vulnerable or minority group, of any REDD+ activity area from unauthorized project proponents and registered project developers who are not complying with this RDG and any associated regulations.
- iii. Promote and facilitate the full realization of CLLC ownership and user rights, recognising that such rights include the liberty to freely and fairly trade their natural resources and benefit from such trade through monetary and non-monetary forms.
- iv. Provide access to justice to deal with grievances related to REDD+ implementation. They will provide effective and accessible means to complainants, through judicial authorities or other approaches, to resolve disputes in REDD+ activity areas. The NDA will also provide affordable and prompt enforcement of the resolution of such disputes. They will promptly intervene to address issues where customary land holders and local communities' rights are denied and project developers fail to comply with project development agreements and national laws.
- v. Prevent land disputes, violent conflicts and corruption. The NDA will take active measures to prevent land disputes from arising and escalating into violent conflicts. They should endeavour to prevent corruption in all forms, at all levels, and in all settings.

Non-government actors, including corporations, also have a responsibility to respect the human rights of CLLCs ownership and user rights over their land and forests. Non-government actors should not compromise any existing legal, social and economic procedure outlined in this RDG for their sole benefit that jeopardises the rights of legitimate CLLCs. They should provide a non-judicial mechanism, preferably as an organisational- level grievance mechanism, to address all grievances. Where transnational corporations are involved, their home governments have a responsibility to assist both those corporations and the host governments to ensure that corporations are not involved in the abuse of human rights and violation of CLLCs land ownership and user rights. Both home and host governments should take the necessary measures to protect CLLCs from the abuses of human rights by non-government entities that are owned or controlled by the State, or that receive substantial support and service from government agencies.

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7. PNG National REDD+ Strategy, 2017.

### 1.3.1 Key Guiding Principles

These principles of implementation are essential to contribute to responsible governance of REDD+ initiatives under the National Approach (compliance regimes) and the VCM Project Approach.

#### i. Human dignity and non-discrimination

To recognize the inherent dignity and the equal and inalienable human rights of all individuals, where, no one (including women, youth and vulnerable or minority groups) should be subject to discrimination under law and policies as well as in practice.

#### ii. Gender equality, equal participation and inclusiveness

To ensure fair and equal participation by all stakeholders affected by the REDD+ activity including men, women, youth, vulnerable or minority groups. Rights of customary land holders and local communities be respected to increase community participation so that they will take ownership of the REDD+ activities.

#### iii. Transparency

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

#### iv. Accountability

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

#### v. Continuity and sustainability

To ensure sustainable development that draws balance between social, economic and environmental aspects of the REDD+ activities and secure long-term emission reductions (ER) and on-going improvements. Continuity will depend on the commitment of each of the stakeholders involved, and their willingness to take the project beyond its term. The project proponent has to ensure that continuity of the project's ER and the resulting benefits to stakeholders realised after completion of its term is clearly defined and secured. All stakeholders involved should show willingness to take the project beyond its term, the eagerness to learn and adjust and the ability to maximize benefits to empower the customary land holders and local communities. In the customary landholding context of PNG, this means any REDD+ project has to be based on participatory sustainable land use planning by all affected CLLCs that have ownership and/or user rights over the project area(s). The land involved in the sustainable land use planning has to include all community land to ensure that the community is able to collectively plan for their other land use needs, and then decide on the forest area that will be part of the (sub)national REDD+ scheme/program or VCM project. This approach guarantees the long-term sustainable management and protection of that land and forest area, which also guarantees permanence of the ER realised by the REDD+ activity. Moreover, CCDA with the contributions from all relevant stakeholders, will develop and implement a mechanism for monitoring and analysing improvements, risks and opportunities to effectively promote improvements, reduce risks and expand the opportunities.<sup>8</sup>

#### vi. Increase emission reduction and removals

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

#### vii. Partnership, involvement and local ownership

Strengthen partnership between all stakeholder including customary landholders and local communities. All stakeholders, especially project proponent(s) need to build relationship with all stakeholders and use ample time to allow them to understand the project's objectives, how the project will be implemented, each of their roles and responsibilities, and taking ownership of its failure or success. Furthermore, the most important characteristics of an effective and efficient REDD+ activity is full involvement of and ownership by the customary landholders and local communities as they hold the key to the success of the long-term permanence of the ER realised under any REDD+ project in PNG.

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8. Issues and Options Paper, FCPF

### viii. No-harm and good governance

Promote and uphold good governance and safeguards when implementing REDD+ activities so that is robust, fair, transparent and accountable causing no harm to customary landholders and local communities, no negative social and environmental impacts and must always follow a human-rights based approach. All stakeholders, in particular project proponents, have to understand and implement the recognized safeguards and regulations for REDD+ implementation in PNG.

### ix. Transformational change

There must be a long term change towards sustainable land-use activities, which leads to a transformation of the relevant sectors causing deforestation and forest degradation, i.e., a permanent reduction of the drivers of deforestation and forest degradation. Once again, this points to the need to involve the participation of all affected clans and local communities in participatory sustainable land use planning, which must also include considerations of alternative sustainable low emission livelihoods.

### x. Displacement

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

### xi. Cultural Sensitivity

To recognize, respect and uphold existing customary values, authorities, institutions, and processes, and for all stakeholders to follow culturally appropriate means of engagement.



## REDD+ LEGAL FRAMEWORK

REDD+ stakeholders (including potential VCM project developers) that are responsible for designing and implementing REDD+ initiatives must consider identifying and understanding the various international legally and non-legally binding instruments and how they align with the existing national legal framework.

### 2.1. International Policy and Legal Framework

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

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

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

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

## 2.1.1 United Nations Framework Convention on Climate Change (UNFCCC)

The overall framework under which REDD+ should be implemented is provided by UNFCCC. Decisions made by the UNFCCC are non-legally binding in nature and focus on optional requirements for REDD+ implementation depending on national circumstances.

The “REDD+ activities” identified under the UNFCCC are as follows and all or some can be implemented depending on national circumstances:<sup>9</sup>

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

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

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

REDD+ shall be implemented in three phases:

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

**Table 1 :** The three phases of REDD+ activity<sup>10</sup>

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

Parties are expected to meet UNFCCC requirements that qualify them to participate in REDD+ result-based payment. The four main elements of REDD+ implementation, which PNG has fully complied with, under the compliance market are as follows:

- **National REDD+ Strategy or Action Plan (NRS/AP)** is the strategic action plan for how REDD+ will be implemented at the national level. The NRS identifies the drivers of deforestation and the policies and measures to address these drivers. The NRS recognizes that REDD+ is not an activity, or project in itself, but a goal to be achieved as part of PNG’s approach to sustainable and responsible development. This goal will be achieved by (a) creating the enabling conditions for actions by government, civil society and the private sector, and (b) mainstreaming the concept and goals of REDD into work of sectors and developing policies and measures that drive actions at the national provincial and local level to reduce emissions and enhance PNG’s forests.

9. PNG National REDD+ Strategy, 2017.

10. Funding for forests: UK Government support for REDD+, 2011



- **National Forest Emission Reference Level and/or Forest Reference Level (FREL/FRL)** – FREL is the benchmark for emissions exclusively from deforestation and forest degradation \*REDD only), while, FRL is a benchmark for emissions from deforestation and forest degradation and removals from sustainable management of forests and enhancement of forest carbon stocks (all REDD+ activities). Setting FRLs and FRELs is one of the first steps needed to benefit from REDD+. As a key component of national forest monitoring systems, FRLs and FRELs provide baseline against which emission reductions can be measured, and subsequent results-based payments be made.<sup>11</sup>
- **National Forest Monitoring Systems (NFMS)** that is robust and transparent to monitor and report the REDD+ activities. NFMS include measurement, reporting and verification (MRV) functions and aim to produce high-quality, reliable data on forests including forest-carbon estimates, that are critical to the battle against climate change caused by among others deforestation and degradation of forests. NFMS components include (a) satellite land monitoring system (SLMS) and other data collection providing information for activity data (AD), and (b) National Forest Inventories (NFI) or other data collection providing information on emission factors (EF), and (c) National GHG Inventories which provides information on estimated emissions by source and removals by sinks.
- **Safeguards Information System (SIS)** that is user-friendly and accessible by all stakeholders showing how UNFCCC REDD+ Safeguards are being addressed and respected

### 2.1.2 Cancun Safeguards

REDD+ initiatives should be implemented according to the Warsaw Framework for REDD+, which is the enabling international framework for REDD+ implementation and is characterized by a set of nine decisions made during COP19 in 2013. The nine decisions provided closure to most of the workplan on REDD+ implementation which emphasized on institutional arrangements, methodological guidance and REDD+ finance and are detailed below:

- a. Decision 9/CP.19 - Work programme on results-based finance to progress the full implementation of the activities referred to in decision 1/CP.16, paragraph 70
- b. Decision 10/CP.19, Coordination of support for the implementation of activities in relation to mitigation actions in the forest sector by developing countries, including institutional arrangements
- c. Decision 11/CP.19, Modalities for national forest monitoring systems
- d. Decision 12/CP.19, The timing and the frequency of presentations of the summary of information on how all the safeguards referred to in decision 1/CP.16, appendix I, are being addressed and respected
- e. Decision 13/CP.19, Guidelines and procedures for the technical assessment of submissions from Parties on proposed forest reference emission levels and/or forest reference levels
- f. Decision 14/CP.19, Modalities for measuring, reporting and verifying
- g. Decision 15/CP.19, Addressing the drivers of deforestation and forest degradation

Implementation of REDD+ in developing countries is subject to the availability of adequate finance and capacity-building.

Furthermore, seven Cancun Safeguards were agreed to be addressed and respected throughout implementing REDD+ activities. The Cancun Safeguards focus on governance, rights, participation, consent, environmental and social co-benefits, permanence and leakage. These safeguards help to avoid social and environmental risks and generate positive benefits through the implementation of REDD+ activities.<sup>12</sup> The Cancun Safeguards identified during COP16 in 2010 was agreed to promote and support REDD+ actors when undertaking REDD+ activities, as described below.

- I. Safeguard A: That actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
- II. Safeguard B: Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
- III. Safeguard C: Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples

11. PNG National REDD+ Strategy, 2017.

12. UNFCCC Decision 1/CP.16, para. 70.

- IV. Safeguard D: The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities
- V. Safeguard E: That actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions referred to in paragraph 70 of this decision are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits;
- VI. Safeguard F: Actions to address the risks of reversals
- VII. Safeguard G: Actions to reduce displacement of emissions

### 2.1.3 Article 6 of the Paris Agreement

The Paris Agreement was ratified by PNG in 2015 and enforced as a national act in 2016, namely The Paris Agreement Implementation Act 2016. Recent negotiations at the COP26 in Glasgow finalized key decisions of Article 6, which provides the framework for how international carbon markets involving governments should function specifically with regards to the following that are relevant to this RDG:

- Article 6.2 focuses on bilateral actions to reduce or remove GHG emissions as it sets out guidelines that cover internationally transferred mitigation outcomes (ITMOs) between two governments that are Parties to the Paris Agreement. There are also new rules to avoid double counting, outlined in the details of corresponding adjustments, that would empower host countries to decide if they will forgo booking carbon credits within their NDCs or if they will instead sell those credits to an international government buyer.
- Article 6.4 establishes a new multilateral mechanism that replaces the previous Clean Development Mechanism (CDM). The new mechanism will comprise of a centralized project authorization system overseen by a supervisory board, a central accounting framework, a central registry and database.
- Article 6.8 sets out rules to guide non-market international cooperation among governments, which provide for both government-to-government and government-to-private sector markets.

The environmental integrity and transparency provisions in Article 6 are within the context of carbon credit measurement and ongoing verification. Therefore, projects based on Article 6 would need to include broader definitions of integrity that encompass robust environmental, social and governance (ESG) standards and safeguards to avoid socially damaging or environmentally destructive outcomes.

In recognition of Article 6, this RDG recognizes the importance of robust ESG standards and REDD+ safeguards and aims to address and ensure that they are respected in the implementation of REDD+ initiatives under both the National Approach and VCM Project Approach. Moreover, the RDG sets out the framework for regulatory oversight of transfer payments mainly from international or corporate sources into the country that are intended for customary landholders and local communities (CLLCs) who want to preserve their forests and the biodiversity and cultural values contained in them.

### 2.1.4 Voluntary Carbon Market Standards

The voluntary mechanism is outside of the UNFCCC process, however, initiatives under the voluntary approach must comply with standards set at the voluntary market level (such as Verra). The voluntary carbon markets (VCM) are governed by a number of voluntary carbon standards, with the Verified Carbon Standard (VCS), often used in combination with the Climate, Community & Biodiversity Standard (CCBS), being the largest and most widely used standard for REDD+ projects. Voluntary carbon markets allow participants to purchase carbon credits to offset their GHG emissions resulting from manufacturing processes, electricity use, transportation, etc., often as part of a longer-term company plan to achieve (net) zero GHG emissions. The VCM allows the investor to deal directly with the entity purchasing carbon credits. Carbon credits on the voluntary markets are called Verified Emission Reductions (VER).

On the voluntary carbon market (VCM), the trade of carbon credits is conducted on a voluntarily basis, and is not regulated by mandatory national, regional or international carbon reduction regimes. However, Article 6 of the Paris Agreement has provided a framework in how the VCM can have a role in the achievement of countries' NDCs, and in what manner VCM projects can be nested within a country's national approach. As recognized by Article 6 of the Paris Agreement, the compliance and the voluntary market can complement each other, and jointly work towards the overall goal of reducing greenhouse gases in the atmosphere. PNG's National REDD+ Strategy (NRS) stresses the importance of alignment of accounting systems and approaches for both compliance and voluntary

carbon market initiatives and projects. The NRS recognizes that VCM project initiatives have the potential to achieve transformational change for customary landholders and local communities.

To date, the requirements, audit and monitoring processes of the VCM standards applied in PNG, have not adequately captured the unique social context of PNG. For all VCM projects, adherence to PNG's applicable national policies, laws and regulations is a key requirement. Going forward, CCDA has the responsibility to ensure adherence to all national government-level REDD+ safeguards policy guidelines and any future regulatory instruments by VCM project proponents, partners and stakeholders.

## 2.2. National Policy and Legal Framework

The Policies, Laws and Regulations (PLRs) detailed below demonstrate how PNG has an existing legal and policy framework in ensuring that robust ESG standards and the Cancun safeguards have and are being addressed. These PLRs are complemented by the REDD+ safeguards guidelines in [section 2.2.4](#) and the [Safeguards Information System \(SIS\)](#). The SIS is a web platform that provides information on how safeguards are being addressed and respected throughout REDD+ implementation, together with the Summary of Information (SOI) report that has been submitted to the UNFCCC.

### 2.2.1 Constitution of PNG

The National Constitution, adopted on independence in 1975, provides the basis for all policy and legislation in PNG and sets clear objectives of:

- Integral human development
- Equality and participation of all
- Enhancement of national sovereignty and self-reliance
- Responsible management and use of natural resources for environmental sustainability, and
- Sharing of resources in Papua New Guinean ways for the benefit of clans, tribes and communities rather than for individual benefit.

In PNG, landowners have rights to the benefits generated from the development of natural resources on their land. The Preamble of PNG's *Constitution* sets out five National Goals, the fourth of which is for PNG's natural resources and environment to be conserved and used for the collective benefit of the people of PNG, and be replenished for the benefit of future generations.<sup>13</sup>

It is a well-accepted that forest resources are owned by customary landholders. Under customary law forest resources are generally owned by the customary owners of the relevant land. The Constitution adopts custom and recognises that custom shall be applied and enforced as part of the Underlying Law, to the extent that it is not inconsistent with a Constitutional Law or a statute, or repugnant to the general principles of humanity.<sup>14</sup> Successive development strategies, including the pioneering Vision 2050, developed in 2009 seeks to transform PNG's society and nation by reforming the country into a smart, wise, fair, healthy and happy society that engages communities in the process of building sustainable development for all. The strategy also identifies seven strategic areas for action to achieve this of which Environmental Sustainability and Climate Change is one area. The vision 2050 has been translated into more direct goals and indicators within the country's Development Strategic Plan 2010-2030 and successive Medium Term Development Plans (MTDPs) that provide more specific targets and priorities to guide sector development plans and annual budgets. The Strategy on Responsible Sustainable Development (StaRS) policy also promotes sustainable development and management of natural resources in PNG with the goal of preserving environment and biodiversity through more energy efficient (low carbon/carbon neutral) or green growth paths for key sectors and government agencies.

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13. Constitution of 1975 (PNG), Preamble s 4. In support of this goal, the Constitution calls for: The Constitution calls for:  
1. wise use to be made of PNG's natural resources and the environment in and on the land or seabed, in the sea, under the land, and in the air, in the interests of PNG's development and in trust for future generations; 2. the conservation and replenishment, for the benefit of the people of PNG and posterity, of the environment and its sacred, scenic, and historical qualities; and 3. all necessary steps to be taken to give adequate protection to PNG's valued birds, animals, fish, insects, plants and trees.

14. Constitution of the Independent State of Papua New Guinea, Schedule 2.

The Constitution and vision 2050, including sequential policies and legislative framework have formed the pillars that define current Climate Change architecture in PNG, particularly the development of the National Climate Compatible Management Policy (2014), the Climate Change Management Act 2015 (as Amended) and the National REDD+ Strategy (2017-2027), paving the building blocks that enable PNG to fulfil its commitments to the UNFCCC and importantly, coordinate REDD+ initiatives across multiple scales through pilot activities.

## 2.2.2 Climate Change (Management) Act 2015

The Climate Change (Management) Act 2015 (as Amended) (CCMA) specifies the legal requirements related to the scope of the REDD+ Development Guidelines as referred to below:

**Table 2.** Sections of the CCMA that provide for or specifically reference the development of a regulation, of which the REDD+ Development Guidelines will inform.

CCMA Reference	Description in CCMA	Application to RDG
<b>PART IV – MEASURING, REPORTING AND VERIFICATION</b>		
<b>S. 58</b> Obligation to Maintain Records and Measuring	Requires that data and information of PNG’s greenhouse gas (GHG) emissions into the atmosphere and removal of GHGs to a sink in PNG must be recorded. Entities that carry out activities must submit such records for verification by a registered verifier and then to CCDA on an annual basis. It states that a regulation may prescribe the standard format for record keeping requirements, reporting and methodologies for reporting.	RDG will inform the reporting and measuring that captured in the regulation.
<b>S. 60.</b> National and International Verifiers To Be Registered	A person or entity who produces a verification report must be registered with CCDA and be an independent third party. This applies to both verifiers operating under the Compliance and Voluntary Carbon Market. Further, a regulation will set the roles and functions of verifiers.	RDG will also inform the verification process and verifier registration process that will be captured in the regulation.
<b>PART VIA – ESTABLISHMENT AND OPERATIONS OF AN EMISSIONS TRADING SCHEME</b>		
<b>S. 78A.</b> Papua New Guinea National Registry	CCDA would maintain the National Registry and make it publicly accessible online or by other means. The purposes of the Registry are to be: a collection of emissions reduction (ER) projects, programmes and activities; a collection of PNG Mitigation Outcome Units; a collection for verified carbon units (VCUs) and other ER units issued under an approved international ER standard related to an ER project or activity in PNG; and PNG’s national registry for any incoming internationally transferred mitigation outcome (ITMO) from another country or outgoing PNG Mitigation Outcome Units to another country. This section also states that a regulation will prescribe for the operation of the Registry, namely: (a) identification procedures that must be carried out by the CCDA before a Registry account is opened; (b) the voluntary closure of a Registry account if requested by the person whose name the account is in; (c) the suspension of Registry accounts; (d) the unilateral closure of a Registry account by CCDA; (e) entries for PNG Mitigation Outcome Units, ITMOs, VCUs or any other ER units issued in accordance with approved international ER standards; (f) the holding, surrender, cancellation or transfer of PNG Mitigation Outcome Units or ITMOs; (g) the holding of VCUs or other ER units issued in accordance with approved international ER standards; (h) the voluntary cancellation of PNG Mitigation Outcome Units or ITMOs; (i) correction and rectification by CCDA of clerical errors, obvious defects or unauthorised entries in the Registry (j) the publication of information relating to PNG Mitigation Outcome Units, ITMOs, VCUs or other ER units issued in accordance with approved international ER standards; (k) compliance by PNG with eligibility requirements relating to ITMOs and the international transfer of PNG Mitigation Outcome Units under the Paris Agreement; and (l) any other necessary arrangements to enable operation of the Registry.	RDG links the development and maintenance of the REDD Registry to the regulation.

<p><b>S. 78B</b> REDD+ Transactions By The Government</p>	<p>This section states that when the Government participates in any transaction under international REDD+ programmes, the Minister has the authority of the landholder to sell and transfer all carbon sequestered by the forest including in the form of ERs, PNG Mitigation Outcome Units or carbon sequestration resulting from that programme provided that:</p> <ul style="list-style-type: none"> <li>(a) the Minister has obtained the FPIC of customary landholders, guided by Section 89 where relevant;</li> <li>(b) the Government may compensate the customary landholders under an approved benefits sharing plan subject to Section 93;</li> <li>(c) the Minister has considered the market value of the ERs or PNG Mitigation Outcome Units and the impact that such a transaction will have on PNG's NDC; and</li> <li>(d) any other necessary arrangements with landholders are entered into.</li> <li>(e) The Minister can also consult the Minister for Forestry and may approve a benefit sharing plan for any transaction under international REDD+ programmes. Moreover, a regulation will further prescribe the operations of this section.</li> </ul>	<p>RDG, supported by the REDD+ FPIC Guidelines and REDD+ BSD Guidelines, provides a strong policy basis to inform the regulation that will further prescribe the operations of this section.</p>
<b>PART VIII – RECOGNITION OF LANDHOLDER RIGHTS</b>		
<p><b>S. 87.</b> Free, Prior and Informed Consent</p>	<p>This section provides the legal basis for the development of a specific FPIC process to obtain the consent of all landholders. It states that the process shall be set out in a regulation.</p>	<p>RDG and REDD+ FPIC Guidelines will inform the prescribed process in the regulation.</p>
<p><b>S. 88</b> Customary Landholders</p>	<p>The rights of the customary landholder will be fully recognised and respected in all transactions affecting their customary land</p>	<p>RDG and the 3 complementary Guidelines (FPIC, BSD and GRM) acknowledge rights of customary landholders.</p>
<p><b>S. 89.</b> Obtaining Consent of Customary Landholders</p>	<p>When CCDA desires to enter into a climate change related project agreement over customary land, the title of the customary landholder will be:</p> <ul style="list-style-type: none"> <li>(a) assigned in a land group or land groups as identified under the <i>Land Groups Incorporation Act 2009</i>; or</li> <li>(b) registered under a law providing for the registration of title to customary land.</li> </ul> <p>If it is not feasible to perform either of the above two requirements, then a climate change related project agreement may still be executed if the customary landholders of the land covered by the agreement consent to the project. They will have to be recognised through the conduct of a social mapping and landowner identification study, which should prove that 85% of the adult members residing on the customary land of each land group give consent to their group entering into the climate change project agreement.</p> <p>Additionally, when CCDA or any entity such as a project proponent intends to enter into a climate change related project agreement, the Board will have to inform: the provincial and local-level government in which the area covered by the agreement is situated; and the member(s) of Parliament for the province and the electorate(s) in which the area covered by the agreement is situated.</p>	<p>RDG, supported by the REDD+ FPIC Guidelines, provides the policy basis to inform the regulation that will further prescribe the operations of this section and section 87.</p>
<p><b>S. 90.</b> Climate Change Related Project Agreement including Rights and Benefit Sharing</p>	<p>This section specifies the primary requirements that shall be adhered to in a climate change related project agreement (which includes REDD+ projects), such as:</p> <ul style="list-style-type: none"> <li>(a) in writing, in both English and Tok Pisin;</li> <li>(b) explain and define land holder, rights and benefits, including specify the monetary or PES and other benefits to be received by landholders;</li> <li>(c) the nature of the project;</li> <li>(d) term of duration that allows for proper project management measures to be implemented to completion, and including provisions for review of the agreement;</li> <li>(e) a map clearly indicating the boundaries of the area covered by the agreement; and</li> <li>(f) a stakeholder engagement and awareness plan for the project area landholders and landholder representatives.</li> </ul>	<p><a href="#">Section 4</a> of this RDG expands on the process and requirements described. The 3 complementary Guidelines (FPIC, BSD and GRM) and the RDG will be a reference for climate change related project agreements in the absence of a regulation. Hence, the RDG also provides a strong policy basis to inform the regulation.</p>

	A climate change project agreement will then be lodged with the Office of the State Solicitor (OSS) for legal clearance prior to execution. Once the agreement has been executed, it will then be lodged with CCDA accompanied by a copy of the legal clearance from OSS. In the absence of regulations, climate change related projects and their associated agreements will refer to the relevant guidelines.	
<b>S. 91.</b> Rights Under Climate Change Related Project Agreement	When CCDA or a project proponent enters into a climate change related project agreement, and subject to the terms and conditions of the agreement, the land-user rights may be acquired under the agreement to one or more other persons. CCDA or a project proponent may also exercise its project rights – in consultation with relevant agencies - enter on land covered by the agreement and build, maintain and use roads, wharves, bridges and other infrastructure on land covered by the agreement.	<a href="#">Section 4</a> of this RDG expands on the rights, and the process to recognize such rights, under climate change related project agreements.
<b>S. 92A.</b> Carbon Rights and Ownership	This section provides for the identification and definition of carbon rights. It also states that a regulation will address and prescribe a process on: how carbon rights are defined; landownership and the specific institutional arrangements.	This RDG, REDD+ FPIC and REDD+ BSD Guidelines reference carbon rights and provide the policy basis to inform the regulation to Address and inform the process stated in this section.
<b>PART IX – BENEFIT SHARING OR ALLOCATION OF INCENTIVES</b>		
<b>S. 93.</b> Landholder Participation and Benefit Sharing	All affected landholders will participate and benefit from the incentives of a climate change related project implemented on land or at sea, which will be provided for in a regulation that established the participation and benefit sharing or incentive allocation mechanism. Furthermore, a regulation will also set out the benefit sharing arrangement of revenues generated by CCDA, which will detail the process and allowances for the collection of moneys for the purpose of provincial and local level governments where necessary.	RDG and REDD+ BSD Guidelines will inform the prescribed process in the regulation.
<b>S.94.</b> Project Report	CCDA or a project proponent who undertakes a climate change related project must prepare a project report at the completion of the project before or by 31 <sup>st</sup> March each year. Such a project report must be presented to the concerned landholders and CCDA and the relevant provincial government. Moreover, a summary of the project report will have to be published at least twice in a daily newspaper circulated nationwide. This section also states that regulations may define the required procedures with regards to climate change project reports.	<a href="#">Section 4</a> of this RDG expands on the VCM project reporting procedures and requirements, which provide a robust basis for the development of the regulation.
<b>PART X – MISCELLANEOUS</b>		
<b>S.105.</b> Disputes Resolution Mechanism	A regulation will provide for a dispute resolution process, which will take into account the principles of arbitration and dispute resolution practices in PNG. Disputes or complaints related to a climate change related project or activities, will be resolved through the dispute resolution process outlined in the regulation. In the absence of such a regulation, the process outlined in the National REDD+ GRM Guidelines will apply as an interim measure. Any disputes on the interpretation or application of the Paris Agreement will be resolved through the provisions of the Paris Agreement.	RDG and REDD+ GRM Guidelines will inform the prescribed process in the regulation.



### 2.2.3 Applicable National PLRs

This sub-section describes the applicable laws and policies in PNG that are applicable and related to the REDD+ Development Guidelines (RDG).

#### 2.2.3.1 Recognition of Customary Land under Law

Customary land tenure in PNG recognizes the laws of custom and the related customary landownership provides its citizens with the security of the ownership and user rights of their traditional lands and its natural resources on which they depend for their subsistence and gives them their identity. The Registry of Incorporated Land Groups (ILGs) is a national public registry; registration is mandatory for all customary land that is subject to some form of commercial and business lease or natural resource development project. An ILG is established via the *Land Groups Incorporations (Amendment) Act 2009* and recognized within the *Land Act 1996*, the *Forestry Act 1991*<sup>15</sup>, the *Environment Act 2000*<sup>16</sup>, and the *CCMA*<sup>17</sup> and within the agriculture and mining sector legislation. However, the ILG Registry is not sufficient to provide the necessary forest or environmental information required to integrate into a database that would support monitoring and combating deforestation as well as environmental and economic planning. The ILG Registry needs to be coupled with the individual sector (forestry, agriculture, lands and physical planning, environment and conservation, and climate change) registries within PNG to address these issues. Each of these individual sectors' registries do not require ILGs to be registered for the environmental information to be obtained on the specific development projects taking place on the land. However, it is necessary in most cases to commence the ILG registration process before project implementation begins. Additionally, there also remains a lack of a unified approach to land-use planning across sectors which has led to challenges in overlaps between protected areas and concessions.<sup>18</sup>

The *Land Registration (Amendment) Act 2009* provides for customary landholders to voluntarily register their customary land. It enables customary landholders to release certain portions of their land for development, with the ILG becoming the landowning unit. Only an ILG can apply for registration and once the land has been registered, it ceases to be bound by customary law except for the purpose of inheritance. The phases of the demarcation procedure of the customary owned lands are defined by specific Acts of Parliament<sup>19</sup> and entail the following:

- Request for Incorporation or Voluntary registration: CLOs approach the respective ILG division within the National Department of Lands and Physical Planning (DLPP) and apply for the registration of their customary/traditional group or their land.
- Land Dispute Resolution: If there are objections to this application due to conflicts over land between rival customary/traditional groups, then this becomes the subject of a land court hearing or some form of land dispute settlement process which will need to be determined prior to continuing with the ILG and land registration.
- Land, Social and Environmental Surveys/mapping: depending on the purpose for the formation of the ILG or for voluntary registration, either anthropological, historical, land, cartographic and environmental surveys and/or studies are carried out, which form the basis for identification and delimitation of customary lands. This is a process that often occurs prior to or conjunctive to the land dispute resolution process.
- Delineation: once the ownership is determined and appropriate data is collected, this is entered into the existing land registry/systems within the DLPP.
- Approval: this is the formal approval process carried out by the ILG division of DLPP, which is then formally endorsed by the Commissioner for Customary Land and the Secretary of DLPP.
- Declaration: this comes in the form of a public gazettal that is issued by DLPP acknowledging that the process of registration is complete and formally identifying the customary land boundaries as being registered by the State. The land is marked and georeferenced as part of the DLPP information management system.
- Regulations: these customary lands are now legally subject to regulation pursuant to the respective Acts of Parliament and all other respective land legislation and regulations for all development or conservation purposes within the country.

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15. sections 54-57 of

16. sections 81-86 of

17. sections 87-89 of

18. As was the case with Special Agricultural and Business Leases.

19. Land Act 1996 and respective Regulations, Land Groups (Amendment) Incorporations Act 2009 and respective regulations, Land Dispute Settlements Act 1975 and respective regulations, Survey (Amendment) Act, 2016 and respective regulations, Land Registration (Amendment) Act 2009 and respective Regulations.

### 2.2.3.2 Conservation Areas Under Customary Land

Proposed conservation projects on customary land must be undertaken in consultation with the local landholding community. There are two main processes by which customary landholders and local communities may establish protected areas on their traditional land:

1. that which is recognised and registered by virtue of national legislation; and
2. direct contractual arrangements that are supported by sub-national government regulations and by-laws.

#### 2.2.3.2.1 National Legal Framework

The *Fauna (Protection and Control) Act 1966* empowers customary landholders and local communities (CLLCs) to themselves regulate and enforce the protection, management and harvesting of wildlife on their own land through licences called Wildlife Management Areas (WMA). Most nationally recognized protected areas are WMAs, which are often established upon the initiative of the customary landholders and local communities themselves, with support of NGOs.<sup>20</sup> The *Fauna (Protection and Control) Act 1966* provides for the formation of wildlife management committees, primarily comprising of CLLCs, to administer WMAs. However, there are some setbacks with this system: a general inadequate size of each area; lack of local resource management expertise; delays in responding to requests for WMA establishment, which can lead to weak enforcement of regulations. Landowners, usually through an ILG, submit the following to CEPA:

- the proposed boundaries (which can include both land and marine areas);
- a document recording the consent and signatures of all CLLCs;
- the proposed rules for the management of local wildlife and their habitat; and
- the constitution of the Wildlife Management Committee (WMC) that would administer the WMA rules. Upon deliberation of the proposal, CEPA may declare the establishment of the WMA, effectively approving the WMC and its rules. However, there are no adequate environmental protections for WMAs because the legislative framework does not expressly prohibit the ministers of mining, forestry or petroleum and energy from granting mining, logging or oil and gas concessions within the WMA. Furthermore, the *Fauna (Protection and Control) Act* does not prevent CLLCs or other proponents from engaging in commercial or industrial development of the WMA.

The second mechanism by which CLLCs can establish protected areas on their land is provided for by virtue of the *Conservation Areas Act 1978*. The procedure involves preparing a submission to the Minister of Conservation and Climate Change that their portion of customary land should be declared a conservation area (CA), due to its biological, historical and scientific or other special value for the current and future generations. Upon approval –and in consultation with CEPA and the National Conservation Council (NCC) –the Minister then recommends to the NEC for the gazettal of the CA. Once the CA is established, a CA management committee comprising of representatives of the local communities and sub-national government is required to submit a management plan to the Minister. No further development of the CA is permitted, except in accordance with the agreed CA management plan or ministerial direction. As with the *Fauna (Protection and Control) Act*, the *Conservation Areas Act* does not explicitly exclude the granting of mining, logging or oil and gas concessions if such concessions have been approved by both the CLLCs and the Minister. Unlike the *Fauna (Protection and Control) Act*, the *Conservation Areas Act* captures more robust environmental protections of CAs. However, the process is quite lengthy and costly and to date there are only two CAs in PNG: the YUS area in Morobe Province which was gazetted in 2009; and the recently recognized Managalas area in the Oro Province.

#### 2.2.3.2.2 Sub-National Framework for Conservation on Customary Land

Due to the administrative delays and limitations of the current national legislative framework, several CLLCs and conservation organisations have entered conservation deeds and other contractual arrangements to establish protected areas. This process is often undertaken with the support of by-laws and regulations introduced by local-level (LLGs) or provincial governments (PGs). The *Organic Law on Provincial Governments and Local-level Governments (OLPGLG)* empowers LLGs and PGs to pass legislation concerning land development, natural resources, the local environment and flora and fauna. Additionally, stakeholders in some areas have partnered with LLGs and PGs to introduce conservation by-laws and regulations the provincial or local level. For instance, CLLCs

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20. See World Wildlife Fund. 10 Steps to Establishing a Wildlife Management Area



in Madang, with support from The Nature Conservancy, worked with the Almami LLG to develop and endorse the Almami Environment and Conservation Law. This Law enables the LLG to manage a CA in the Adelbert Mountains, which is complemented by a Conservation Agreement between the CLOs and LLG who have agreed to set the land aside for conservation purposes.

It may also be possible for CLOs to create conservation areas by incorporating an ILG and registering the title to their land under the Land Registration Act. Once the title has been registered, the CLOs may then be able, via their ILG, to enter into leases or similar direct long-term financial agreements with conservation organizations for the management of the traditional land. However, it is unclear whether this lease-leaseback mechanism has been explored in the conservation context as it was generally assumed to be for the purposes of agricultural development<sup>21</sup>.

### 2.2.3.3 Other Relevant Policies and Laws

The following table details the applicable policies and laws that can be considered in the implementation of the RDG under both the National jurisdictional Approach and the Project Scale Approach:

**Table 3.** National policies and laws that are related to the design, implementation and monitoring of REDD+ initiatives and VCM projects under the national jurisdictional approach and project scale approach respectively.

Law	Description
<b>Acts of Parliament</b>	
Environment Act & Regulations 2000	Governs and regulates the protection of the environment and impacts of natural resource development activities in order to promote sustainable development of the environment and the economic, social and physical well-being of people by safeguarding the life-supporting capacity of air, water, soil and ecosystems for present and future generations and avoiding, remedying and mitigating any adverse effects of activities on the environment.
Forestry Act 1991	Governs the management of forest resources in PNG and the mechanisms for conducting forestry activities. It recognizes the need for the protection of areas of forests within logging concessions that are high in biodiversity or set aside for conservation purposes. This meets the national goal of preserving the environment, biodiversity, soil, water resources and the integrity of the climate system, for the well-being of current and future generations. <i>Forestry Act 1991</i> defines "customary owners", in relation to an area of customary land, as persons having customary rights— (a) of ownership over the land; or (b) of ownership over forest produce growing on the land; or (c) relating to the use of the land; This is supported by section 46 of the <i>Forestry Act 1991</i> , which prescribes that the rights of customary owners of forest resources are to be fully recognised and respected in all transactions affecting the resource.
Physical Planning Act 1989	Land-use planning and zoning is a requirement on all State land by virtue of this Act. The Act makes provisions for the National or Provincial Physical Planning Board to approve land development plans if they are in the best interests of the nation or province respectively. Therefore, land-use planning and zoning over customary land is a voluntary process for landowners. It is not compulsory for the government to intervene and monitor, unless ordered by either the Minister or Governor in the best interests of the country or province. Customary landowners are only required to register their land, guided by the frameworks described above, in the event of a proposed commercial or resource development project whereby the State will acquire the customary land for a specified lease period.
Environmental Planning Act 1978	Establishes mechanisms for State control over the exploitation of natural resources. It authorizes CEPA to develop and implement guidelines for developers to prepare environmental plans. Development consent is contingent on the approval of environmental plans unless exemption has been applied for and granted. The main sector environmental plans applied are reported to be the forestry sector.

21. Specifically, the Special Agriculture and Business Leases (SABLs).

<b>National Development Policies and Strategies</b>	
PNG Vision 2050 (launched in 2010)	This policy is the long-term underpinning strategy for PNG's development and all its priority sectors of development. It sets out the guiding principles or pillars for the development of all policies in PNG and establishes the concept of sustainable development in all sectors. All future medium- to long-term strategies and plans must align to this vision.
Medium Term Development Plan III (2018 – 2022)	This sets out specific indicators and targets relating to the development of PNG's resources and the delivery of its services throughout the country within the medium term. All subsequent sectoral plans/programmes must align with or be consistent with these objectives.
Strategy on Responsible Sustainable Development (StaRS) 2014	This policy promotes sustainable development and management of natural resources in PNG with the goal of preserving environment and biodiversity through more energy efficient (low carbon/carbon neutral) or green growth paths for key sectors and government agencies. The focus is to produce a green growth economy in PNG.
<b>Sector Plans and Policies</b>	
Forestry Policy 1991	Addresses the need for the sustainable management of forest resources in PNG and adopts an integrated approach to implementing this goal through administrative, research and project approaches in the forestry sector.
Forestry Plan 1996	The Forestry Plan seeks to implement the Forestry Policy through periodic and detailed planning that establishes limits on total allowable cuts for timber harvesting each year or period prescribed in the plans. The Forest Policy 1991 and Forest Plan 1996 demonstrates PNG's commitment to the sustainable management of its forests with specific conditions and requirements stipulated within Logging Codes of Practice and Timber Legality Standards that aim to limit the amount of timber harvested annually as well as to prohibit harvesting in areas with high conservation value. This also applies to the preservation of native species and trees and the limit to the introduction of foreign or exotic tree species within its forest plans and replanting programs.
National Sustainable Land Use Policy (drafted in 2012 and revised in 2014 and 2021)	The draft National Sustainable Land Use Policy (NSLUP) address the issues relating to land usage and planning in PNG, which reiterates on the country's domestic and international obligations to protect and sustain land and its natural resources. The NSLUP aims to inform aspects of the current policy framework relating to physical planning and the allocation, use and management of land in PNG, the majority of which is under customary landownership. This involves the promotion of people-centred development, participatory decision-making, "bottom-up" land-use plans at all governance levels (ward, local, urban, district, provincial, national) and improve coordination with all relevant government authorities to inform the bottom-up sustainable land-use planning process.
Climate Compatible Development Management Policy 2014	Outlines the development of information management strategies in which a national system for information gathering, monitoring and evaluation, management and reporting, including a national GHG registry, GHG inventory and monitoring, reporting and verification (MRV) on forest and land use change surveys.
National REDD+ Strategy (NRS) 2017- 2027	Recognizes the crucial role of forests in commercial and subsistence economics to PNG's development, and sets out an approach to work with and through different sectors to help strengthen their management and decision- making. It outlines the broad framework to not only reduce carbon emissions from the forest and land-use sector but also conserve PNG's biodiversity and enable tangible benefits to reach communities that work to protect, manage and sustainably utilize their forests.



## 2.2.4 Development of National Safeguards

PNG developed its national REDD+ safeguards policy guidelines through multi-stakeholder consultation and participatory process over the last five years. These safeguards policies described in the sub-section below will guide the process of implementing REDD+, and addressing and respecting the Cancun safeguards.

### 2.2.4.1 National REDD+ GRM Guidelines

The REDD+ GRM is an informal mechanism created to provide a facilitative approach towards resolving grievances that fail to be addressed as part of stakeholder dialogue and consultation between key REDD+ sectors involved in the implementation of REDD+ initiatives. It is the intermediary step between the informal and the formal measures of grievances redress available within the country, such as the courts and should only be used after initial stakeholder dialogue has been exhausted. The GRM is proposed to address contentious issues, complaints or disputes that arise throughout the implementation of REDD+ initiatives and VCM projects. It is part of a necessary national safeguards systems in PNG that will ensure that environmental, social and governance (ESG) grievances arising from REDD+ initiatives' implementation are addressed efficiently, effectively and equitably.

In the event of a complaint, the National GRM Guidelines outlines the process required to take in a referral and identifies the responsible actors in seeking redress of the complaint. The GRM will be positioned within the CCDA as part of the RSAC Unit. It is proposed for the following GRM entities to form the core systems of this mechanism:

- National GRM Entities
  - i. GRM Sub-Unit (under the RSAC Unit)
  - ii. GRM Technical Committee
- Subnational GRM Entities
  - i. GRM Focal Points
  - ii. PCCCs
- External GRMs/Entities
  - i. Judiciary/Sector Tribunals/Legal Bodies
  - ii. Ombudsman Commission
  - iii. Police
  - iv. Other government agencies at the national/subnational level (not within the REDD+ sector)

### 2.2.4.2 National REDD+ FPIC Guidelines

The National REDD+ FPIC Guidelines are aimed at:

- Assisting users to identify when FPIC is required, at what level it shall be applied, who gives consent and who seeks consent ;
- Presenting the institutional and governance arrangements for effective FPIC application; and
- Providing the procedures for FPIC application under the two main approaches specifically that of the national approach and project approach.

Although the National REDD+ FPIC Guidelines are limited to the REDD+ and VCM projects sector, they can be used as reference tool by other sectors outside of the REDD+/climate change sectors who wish to apply best practices in their community engagement and consultations.

#### 2.2.4.2.1 When is FPIC required?

An FPIC process is applicable in any REDD+ initiative or VCM projects that may have potential impacts on the lives of the customary landholders that are involved. The greater the impact of the program or activity, the greater the importance to ensure adequate provisions to seek consent are in place. For all REDD+ initiative or VCM projects that is developed on a customary land and/or directly or indirectly may affect the rights of customary landowners and/or local communities, FPIC is shall be required.

FPIC is most often applied at the community or village or clan level where the project or activity will happen. However, there may be issues related to REDD+ at the national level that may affect the rights of customary landholders, such as policies, laws or regulations related to changes in land tenure or benefit sharing. These national-level issues would require FPIC to be applied horizontally amongst national-level stakeholders.

The FPIC Guidelines also applies to stakeholders, in particular, customary landholders and local communities in or near REDD+ initiative or VCM projects areas who's free, prior and informed consent is sought for the proposed REDD+ initiative or VCM projects. Users need to be aware of the requirements of FPIC and should follow the FPIC Guidelines when implementing REDD+ initiative or VCM projects.

#### 2.2.4.2.2 Who seeks consent?

There are generally two main groups of REDD+ proponents who will be required to seek consent for NRS policies, measures or VCM projects. The first is government agencies, further categorised into national, provincial, district and local levels. The second is project developers who may be private companies, either domestic or international, NGOs or even government agencies intending to implement projects that have a direct impact at the community/village level. It is the government that is ultimately responsible for ensuring that FPIC has been implemented in any REDD+ initiative or VCM project. It is the duty and obligation of the national government and a right of the affected customary landowners and local communities (CLLCs).

#### 2.2.4.2.3 Who gives consent?

### Village/Clan Level

REDD+ initiatives or activities are expected to take place at the village or community level, mostly on customary owned land. Therefore, consent shall be given by customary landholders and/or local communities directly or indirectly affected by the REDD+ initiative. Consent has to be obtained at the clan level, as the clan is the landowning entity able to make overall land and resource use-based decisions.

The customary landholders and/or local communities have to be engaged in a culturally appropriate manner, using means and approaches for outreach that are in harmony with their customs, values, sensitivities and ways of life.

Where landholders are represented through Incorporated Land Groups (ILGs) or any other legally recognized body, the group or body shall be formed transparently, with the free and informed consent of clan members, including the free and informed consent of women. Such group must also demonstrate and describe the following:

- Genealogy of the group.
- The customary rules, norms and values that apply to land and resource rights.
- The written constitution of the group which shall reflect their customary rules and laws and may refer to general verbal agreements on these in case of low literacy rates within the group.
- The appointment of the group's dispute resolution authority.

If no ILG or other representative body exists, free, prior and informed consent has to be given by all traditionally recognised landowning groups (at the minimum at the clan level representation) through public meetings at the village level. It is important that interviews with customary landholders and local community members at village level confirm that public meetings have been held at the village level and that free, prior and informed consent was given.

Furthermore, it is understood that in PNG, about three (3) per cent of the land is privately owned while 97 percent is traditionally owned. The latter also owns resources on the land. With exception, there are minorities who do not own the land that they live or reside in, but have user-rights over the land. These minorities may include women, youth, and the marginalized and vulnerable groups.

Also, while respecting the norms, values and customs of the customary landholders and local communities involved and the consultation and decision-making methods they utilize<sup>22</sup>, it is strongly encouraged that women from the affected local communities or clans, are represented in the decision-making process. PNG's national constitution also proclaims 'Equality and Participation' as one of the country's National Goals and Directive Principles. Gender balance in participation and decision-making is declared in the country's national constitution and therefore it shall be strongly encouraged and followed by all interested parties of REDD+.

22. What is viewed as a gender imbalance is a result of the matrilineal and patrilineal societies in PNG. Being mindful not to imply that gender inequality takes precedence over decision-making, strong consideration should also be given to the local/traditional norms and customs especially within the rural areas where strong ties to customary beliefs and practices remain.

However, utmost care shall be taken by REDD+ proponents when facilitating consent from customary landholders or local communities to ensure that urban based clan/community members do not dominate or steer decision-making processes, as there are many examples of town based people using their privileged position in terms of education and access to take advantage of their own community/clan members. The preferred process is to point out the multiple benefits and risks (or pros and cons) of this possibility to the community/clan involved, who can then decide themselves on if and how their urban based community/clan members could best be included in the FPIC process.

FPIC must be always conducted in the local community (project site) for transparency. Therefore, project proponents should avoid conducting FPIC in urban centres by bringing in pre-selected community and clan leaders together to discuss on the project as this is not a fair representation of the communities, and the views of those who will be affected. On the other hand, community members with substantive rights who may be living away from the community should also be considered for initial consultations. Project proponents should also be mindful of the time they choose to carry out their FPIC processes, ensuring that ample time for the community to be notified and be available. Hence enough time shall be allowed for consultations with the affected communities to safeguard the REDD+ initiative from future potential grievances that may affect its implementation.

### National, Provincial and District Levels

In the implementation of the NRS or Provincial REDD+ strategies, it is possible that policies, laws and regulations may be introduced, revised or repealed. Some of these changes may impact the lives of many customary landholders, whose consent must be sought. One way to address this is to arrange for several neighbouring villages to meet at a central location. However, this will depend on the overall costing of the exercise, which may be impractical for the government in terms of securing the required funding and resources to completely cover all the potentially affected communities. It may not be possible or feasible to seek consent from each village or local community at one time. In this case, the key is to identify who the legitimate representatives of the customary landholders at each of these levels are, and where representation does not exist, how they will be selected in ways recognized by both the customary landholders and the government.

In practice, the government shall not only conduct good faith consultations with the identified customary landholder representatives, but also with any non-governmental organisation working in the area or field affected by the policies, laws or regulations, and with its three-tier governance system of national, provincial, district and local levels of government. Table 3 below provides a summary of “who seeks” and “who gives” consent or permission at all the levels mentioned.

**Table 4.** Summary of Who Seeks and Who Gives Consent/Permission

Level	Consent points	Key proponents responsible to seek consent	Key proponents responsible to give or withhold consent
National	Policies, laws and regulations related to REDD+ that affect CLLCs	National government through a designated agency such as CCDA, PNGFA, CEPA, DLPP, DAL, etc.	National representatives of CLLCs
Provincial	Land-use plans directly or indirectly related to REDD+ that affect the customary landowners, for example, provincial forest plan	Provincial government through a designated agency nominated by the Provincial Administrator.	Provincial representatives of affected customary landholders
District	Land-use plans directly or indirectly related to REDD+	Provincial government through a designated agency nominated by the District Administrator or District Development Authority.	Provincial and/or District representatives of affected customary landholders
Village/Clan	REDD+ activity	Project proponent	Affected Clan and Village representatives
Village/Clan	Interest to develop REDD+ activity	Village / Clan representatives	CCDA PNGFA Provincial or District Administrators All relevant NGOs

There must be a strong emphasis on collaboration and cooperation between the various sector agencies involved in REDD+ in PNG, from all levels of government, industry and civil society. Additionally, the institutional structure for FPIC oversight within CCDA is intended to be a part of the overall safeguards implementation and monitoring of the REDD+ and Mitigation Division, namely through the SIS Platform.

### 2.2.4.3 National REDD+ BSD Guidelines

The REDD+ Benefit Sharing and Distribution (BSD) Guidelines lays out the intended guidance and procedures for compliance of National, Project and Jurisdictional REDD+ results based finance and distribution of incentives (monetary and non-monetary benefits) in relation to relevant sections of the Climate Change (Management) 2015 (as Amended) (CCMA), the National REDD+ Strategy 2017-2027 and the REDD+ Finance and Investment Prospectus. The BSD Guidelines will be applied to all relevant REDD+ actors across all levels (scales) of the REDD+ benefit sharing and distribution system through a combined vertical and horizontal approach, operating within PNG. The following definitions apply throughout the REDD+ BSD Guidelines and are applicable in this document as well:

- Carbon credit benefits are monetary or non-monetary/in-kind goods, services or other benefits related to REDD+ results and/or performance based payments received under a contractual arrangement by parties to a REDD+/VCM project agreement.
- Non-carbon credit benefits are financial or in-kind benefits produced by or in relation to REDD+ implementation, other than those that directly derive from REDD+ results and/or performance-based payments for emission reductions (ERs).
- Monetary benefits sharing is the sharing of part of the monetary cash-flow that are generated by the operation of REDD+/VCM projects that is distributed to stakeholders that usually do not possess proprietorship of the project's operator.
- Non-monetary benefits are incentives and benefits that do not involve money and can be given to REDD+ stakeholders that perform well with regards to ERs and ensure engagement and success with REDD+ implementation.

As beneficiaries are identified, consideration of the form of benefits they are expected to share will be captured in a Benefit Sharing Plan (BSP), which would specify the monetary and/or non-monetary benefits. Throughout this process, the following must be considered:

- Identification of the forms of benefits that will incentivize beneficiaries to continue to support successful implementation of REDD+ initiatives;
- Outcomes of stakeholder consultations where different forms of benefits have been discussed and stakeholders have provided feedback on their expectations, preferences, and priorities;
- An understanding of the forms of benefits that stakeholders are receiving under existing Benefit Sharing and Distribution Mechanisms, such as Payment for Environmental/Ecosystem Services (PES) schemes, and their impacts; and
- Whether monetary or non-monetary benefits, or a combination, will be shared with various beneficiaries. This determination is highly context specific and will vary according to each REDD+ initiative.

#### 2.2.4.3.1 Types of Beneficiaries

Beneficiaries may include, but are not limited to: communities, civil society, and the private sector, including any nested REDD+ initiatives. Governments may also retain a certain amount of payments to cover their costs for implementing and/or managing REDD+ implementation. Only verified emission reductions in deforestation and degradation will trigger benefits to be shared between identified beneficiaries. Additionally, verified ERs from avoided deforestation and degradation can also be considered, particularly those at the sub-national or project level.

Eligibility criteria for beneficiaries should be clearly described in a Benefit Sharing Plan (BSP) so that stakeholders clearly understand whether they can potentially access monetary and/or non-monetary benefits. These criteria can include requirements related to legal status, having a bank account, submitting a report on their implementation of activities or other requirements. Care should be taken to ensure that eligibility criteria does not inadvertently exclude relevant or vulnerable stakeholders. The following are categories of the types of beneficiaries within the context of REDD+ implementation:

- Primary beneficiaries are stakeholders who play a direct role in reducing deforestation and degradation on the ground, perform vital monitoring and reporting functions and have a regulatory or legal right to the land, forests or emission reductions. For example, local communities and customary landholders of REDD+ project sites are considered to be primary beneficiaries.
- Secondary beneficiaries are stakeholders who have important roles in the implementation of REDD+ but their roles and impacts are largely indirect. For instance, some national government agencies may be considered to be secondary beneficiaries.

To ensure that BSPs can be implemented effectively, practical approaches outlined in the National REDD+ FPIC Guidelines, must be considered to overcome any exclusion of key stakeholders in any BSPs and Benefit Sharing Agreements (BSA).

#### 2.2.4.4 REDD+ Communications and Knowledge Management Strategy

The REDD+ Communications and Knowledge Management Strategy (CKMS) focuses on increasing awareness on PNG's REDD+ objectives through enhancing communications and knowledge management and building capacity among all relevant stakeholders. It also outlines the framework for developing key messages to guide REDD+ communication and information. Furthermore, this requires clearly defined messaging and/or information to be developed prior to conducting consultation events or activities that will obtain the consent of the relevant stakeholders. The CKMS also states that all communication material, particularly that which is employed at the sub-national level, should be translated into Tok Pisin and English at a minimum.



## INSTITUTIONAL FRAMEWORK

### 3.1. Key Stakeholders

Stakeholders identified in this RDG are similar to those identified in the NRS and are all important to the implementation of REDD+. Stakeholder engagement at all stages of REDD+ planning and implementation is paramount. It must be transparent and inclusive to minimize potential conflicts and unintended negative consequences, which also helps build trust between stakeholders.

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

- Minister of Environment, Conservation and Climate Change - Minister responsible for all national matters related to climate change mitigation and adaptation activities.
- Climate Change and Development Authority (CCDA) - The mandated office to coordinate all climate change mitigation and adaptation actions across all land use, land-use change and forestry sectors (LULUCF).
- Implementing agencies of REDD+ activities as described in the NRS through policies and measures are the national government institutions, which may be referred to as REDD+ Sector Agencies:
  - PNG Forest Authority-PNGFA,
  - Conservation and Environment Protection Authority -CEPA,
  - Department of Land and Physical Planning-DLPP,
  - Department of Agriculture and Livestock – DAL,
  - Department of National Planning and Monitoring – DNPM,
  - Department of Provincial and Local Government Affairs – DPLGA,
  - Department of Finance, and
  - Fresh Produce Development Agency - FPDA
- Customary Landholders and Local Communities (CLLCs)
- National Executive Council - The executive branch of the national government, which is currently performing the role of the National Climate Change Board (NCCB) in the interim as the decision- making body over the implementation of REDD+ initiatives and VCM projects.



- Non-Governmental Organizations (NGOs) and Civil Society
- Private Sector
- Development Partners
- Other key people involved in the REDD+ development process include consultants, surrounding community representatives, auditors, verifiers, or institutions, GIS analysts and other REDD+ technical experts.

Stakeholders implementing REDD+ initiatives and VCM projects at sub-national level are customary landholders and communities (CLLCs), civil society actors (CSOs), the private sector and international organizations. Government institutions and Parliament are entities that provide the policy and legal framework for implementation of REDD+ initiatives and VCM projects, and also support the overarching process of compliance with relevant laws and policies. International and regional stakeholders are referred to entities beyond borders of PNG that have an interest in participating in a specific REDD+ activity/initiative or VCM project.

### 3.1.1 Customary Landholders and Local Communities

It is important to recognize the role of the customary landholders and local communities inhabiting the forest areas as stewards of the land and forest they have managed for generations. Given that more than 75% of PNG's population depend on the land and forests to sustain their livelihoods, the impacts of deforestation, forest degradation, and any REDD+ activities on those communities are often very significant. As 97% of all land in PNG is under customary landownership, the local landholding communities make the ultimate decisions on land use, and therefore hold the key in the guarantee of any ER (to be) realised under any REDD+ initiative or VCM project. As such, it is necessary to ensure the full involvement of the customary landholders and local communities when identifying and developing any REDD+ initiative or VCM project on their customary land, and to co-design these activities with the communities to ensure ownership and long-term commitment. For this, Free, Prior and Informed Consent (FPIC) is the key component of effective stakeholder engagement. Fully informed landholders and communities will effectively participate in the decision-making process, and will take ownership of the proposed activities that will affect their livelihood, which will be key to the overall implementation and success of any REDD+ initiative or VCM project. Additionally, the National REDD+ FPIC Guidelines and [Section 4](#) further describes the process of obtaining consent of the customary landholders and local communities while ensuring that their rights are fully respected.

Customary landholders and local communities play a key role in implementing REDD+ initiatives and VCM projects, and their effective participation in decision-making processes minimizes conflicts and unnecessary delay in REDD+ implementation both at sub-national and national level. Failure to respect their rights negatively affects REDD+ implementation and endangers the permanence of ER. In addition, customary landholders and communities play an important role in accurate data collection given their local knowledge and understanding of the land and forest with its ecosystem services. Subsequently, capacity building activities with national and subnational agencies will commence as will the engagement with selected organisations or national agencies towards the arrangements for FPs. Capacity building for the CLLCs, project developers, and relevant stakeholders would be important to ensure that the guidelines are implemented effectively and efficiently. It will help to ensure that stakeholders have the necessary knowledge and skills to participate in the safeguard process. Also, to help build trust between stakeholders and ensure that the safeguards are implemented in a way that is transparent and accountable.

Legally recognized entities that represent all affected clans that have some form of ownership and/or user rights over the land area involved must be involved throughout official engagement with customary landholders and local communities. The effective participation of women is significant and essential to successful implementation of REDD+ and long-term sustainability and effectiveness of REDD+ as the primary recipients of any social agendas in the communities.<sup>23</sup> Therefore it is important that stakeholder engagement with CLLCs is inclusive of women, minorities (including old and people living with disabilities) and youth including children, who will play an active role in all phases of REDD+ initiative and VCM project implementation.

### 3.1.2 Government Institutions and Parliament

The national government plays an important role in coordinating all REDD+ initiatives and VCM projects in the country and ensuring the development and compliance of the policy and legal framework for their implementation. National government agencies can also be implementers of REDD+ initiatives, namely those in targeted sectors

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

such as forestry, lands, agriculture and conservation. These sectors are identified as implementers of REDD+ activities through the development and enforcement of policies and measures as noted in the NRS, and they support the CCDA in its function as the overall coordinating government entity serving as the National Designated Authority (NDA) to the UNFCCC. CCDA is responsible for the oversight and compliance of REDD+ initiatives and VCM projects in PNG: design, implementation, results-based payment, benefit sharing and distribution and ensuring that all safeguards are respected by stakeholders involved. Additionally, the national government is also responsible for ensuring that the rights of affected communities are respected and that all biodiversity is protected during REDD+ initiative and VCM project implementation.

Sub-national and local government are more closely involved with the customary landholders and communities. Under the new proposed National Sustainable Land Use Policy (NSLUP), LLGs play a crucial role in facilitating sustainable land-use planning by the landholding communities. Provincial, district and LLG Governments play an important role in assisting in the identification of: legitimate customary landholders and communities; the location of specific land holding communities and natural resources. They also provide data and information on forest cover and forest cover change, which helps to identify drivers of deforestation and forest degradation and the development of sectoral development plans and recognizing land ownership rights.

Legislative bodies such as the National Parliament are responsible for ensuring that enacted legislation is aligned with the Constitution and is in the best interests of PNG citizens, while supporting implementation of REDD+ initiatives and VCM projects. Furthermore, these laws must also be in line with global environmental, social and governance (ESG) standards and REDD+ safeguards and address relevant aspects such as clarity on carbon rights and clear intuitional mandates.

### 3.1.3 Non-Governmental Organizations and Civil Society

Non-governmental organizations (NGOs) and civil society organizations (CSOs) have an important role in ensuring public participation, wider and extensive awareness and consultation, supporting the quality and credibility of reporting, as well as transparency and accountability in REDD+ initiative and VCM project planning and implementation. They can scrutinize and ensure all stakeholders involved are well represented and their interest in REDD+ is recognized and respected. Women and youth groups also ensure equal gender participation.

Most NGOs are active in REDD+ related sectors such as forestry including conservation, rural development and agriculture. Such organizations can be (and often already are) key partners in maintaining forests and reducing deforestation. They can also contribute to the development and enforcement of ESG standards and safeguards to ensure that stakeholder rights, particularly of customary landholders and communities, are upheld throughout REDD+ initiative and VCM project implementation. NGOs and CSOs add value to REDD+ implementation by reducing administrative costs and providing early warning systems. They strengthen partnerships and help enhance capacities to engage in REDD+; for example, by providing information to customary landholders and local communities and other potentially vulnerable stakeholders. Some NGO's are also involved in REDD+ implementation as project proponents of VCM projects, and their experiences have provided – and continue to provide - valuable contributions towards the development of national REDD+ safeguards policies.

### 3.1.4 Private Sector

The domestic private sector plays a relevant role in improving the planning and supporting the implementation of REDD+ activities.<sup>24</sup> Some companies act as investors and fund specific initiatives related to REDD+ activities that prevent deforestation and encourage conservation. Alternatively, other companies participate by purchasing emission reductions generated by REDD+ activities. The private sector can also be involved in implementing REDD+ activities and monitoring, reporting and verification of REDD+.

Furthermore, there is a rapidly growing number of international companies involved in VCM projects. As PNG's REDD+ regulatory framework is yet to be fully developed, CCDA will continue to monitor the performance of these international companies and will respond in a transparent and timely manner to official complaints raised by any stakeholders. This RDG incorporates important elements of FPIC, GRM and BSD, and shall be used as the reference policy document to guide the oversight of processes that all domestic and international companies will need to comply with in the interim.

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24. The Role of the Private Sector in REDD+, 2013

### 3.1.5 International and Regional Organizations

International and regional organizations refer to the multilateral REDD+ initiatives such as the Forest Carbon Partnership Facility (FCPF), the Forest Investment Program (FIP), and the UN-REDD Programme. Major international financial institutions such as the World Bank and the Asian Development Bank (ADB) and United Nations agencies also perform important roles in the implementation of REDD+ initiatives. They channel funding as Accredited Entities (AEs), coordinate and implement REDD+ initiatives, and provide advice and/or building in-country capacity on REDD+. They also serve as AEs to multilateral fund mechanisms, such as the Green Climate Fund (GCF). Bilateral government donors also play an important role in REDD+ through international funding mechanisms.

## 3.2 Governance Arrangements

### 3.2.1 National Climate Change Board

The National Climate Change Board (NCCB) is established by virtue of the CCMA<sup>25</sup>, which also describes its key functions<sup>26</sup> as applicable in this context:

- Ensuring that there is a regulatory framework for the establishment, coordination and management of any emissions trading schemes under the UNFCCC and the Paris Agreement;
- Overseeing the receipt of funding (e.g. from results-based payments finance) from REDD+ activities and other national or international climate finance sources, such as the Green Climate Fund (GCF);
- Determine eligibility criteria based on standard procedures for the implementation of REDD+ activities based on national circumstances and international best practices;
- Monitor the performance and reporting of participants in REDD+ initiatives and other national or international climate compatible development programs;
- Provide endorsement and ratification of proponents and projects applying to participate in REDD+ initiatives and other national or international climate compatible development programs; and
- Provide the endorsement of co-financing project proposal requests for financing that exceeds the National Level Disbursement limit for Green Climate Fund program and activities, and ensure that these proposals are consistent with national laws and policies.

In recognition of the above provisions of the CCMA, it is apparent that the NCCB performs an important governance and oversight role in the implementation of REDD+ initiatives and VCM projects in PNG. However, as the NCCB is yet to be established, the National Executive Council (NEC) currently performs the NCCB's governance and oversight role in the policy development, implementation, compliance and monitoring of REDD+ initiatives and VCM projects in PNG.

### 3.2.2 National REDD+ Advisory Committee

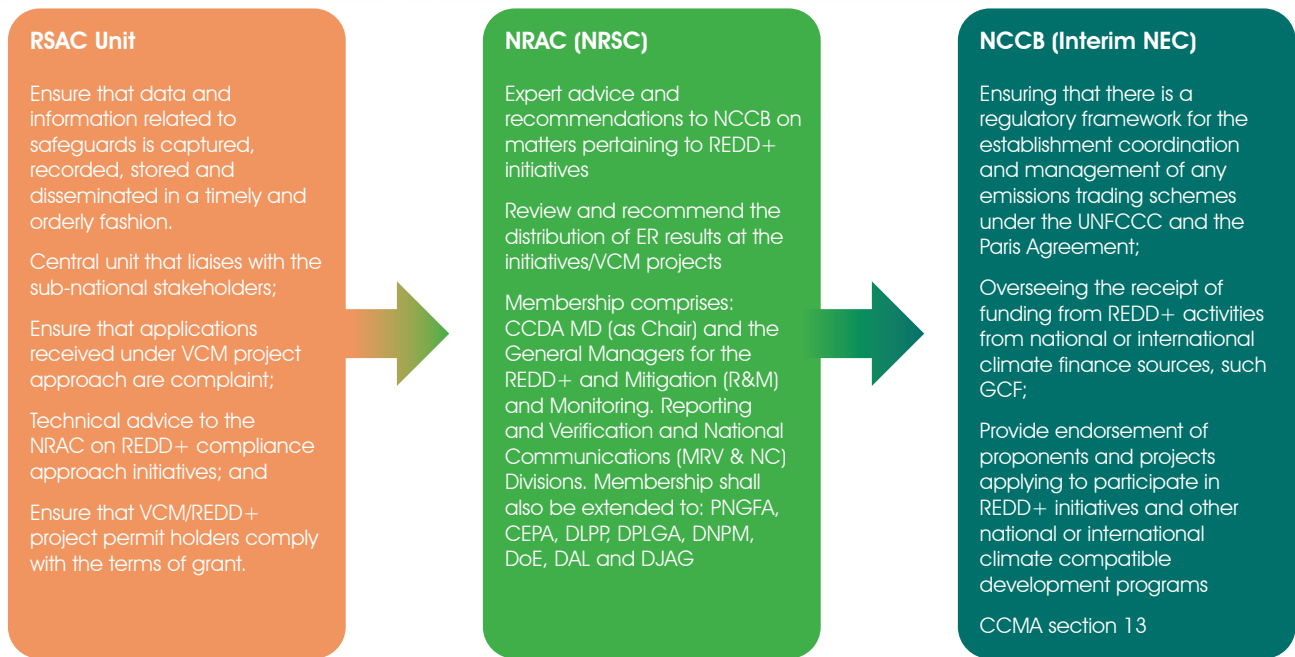
This RDG proposes the establishment of the National REDD+ Advisory Committee (NRAC). The NRAC is responsible for providing expert advice and recommendations to the NCCB on matters pertaining to REDD+ initiatives and VCM projects. The NRAC shall also review and distribute the emission reduction (ER) results of REDD+ initiatives at the national level.

Membership of the NRAC shall comprise of the CCDA MD (as Chair) and the General Managers for the REDD+ and Mitigation (R&M) and Monitoring, Reporting and Verification and National Communications (MRV & NC) Divisions. Membership will also include official representation from PNGFA, CEPA, DLPP, DNPM, DPLGA, DAL, DoF and DJAG.



25. section 12 of  
26. section 13 of

Figure 1. Governance, administration and regulatory oversight of REDD+ implementation in PNG.



### 3.3 Management and Administration

This sub-section presents the institutional structure relating to the administrative oversight and technical assessment of REDD+ initiatives and VCM projects. CCDA will be the key national government agency responsible for ensuring compliance throughout implementation of REDD+ initiatives and VCM projects. There must be a strong emphasis on collaboration and cooperation between the various sector agencies involved in REDD+ in PNG, from all levels of government, industry and civil society. Additionally, the institutional structure for administrative oversight and compliance within CCDA is intended to be a part of the overall safeguards implementation and monitoring of the REDD+ and Mitigation Division, namely through the SIS Platform. The SIS Platform is anticipated to merge the data and information relating to FPIC, GRM and the BSD system amongst its other functions.

#### 3.3.1 National Level

Due to the complexity and broad scope of REDD+ and the various national institutions and structures involved, these Guidelines aim to provide a simple and user-friendly way to differentiate and connect the various systems, processes, roles and agencies' mandates in the context of the REDD+ implementation. CCDA will be the central coordinating and regulating agency to manage and administer the processes outlined these Guidelines. The following is summary of the roles and responsibilities of institutions involved at the national level with regards to REDD+ implementation.



### 3.3.1.1 REDD+ Safeguards Assessment and Compliance Unit

These Guidelines establish the REDD+ Safeguards Assessment and Compliance Unit (RSAC Unit), which will be housed within the CCDA REDD+ and Mitigation Division. It will be the main coordinating entity for ensuring compliance and enforcement of the REDD+ policies and any regulation(s) within the scope of safeguards. The RSAC Unit will also be the chief in-country administrator of the Safeguards Information System (SIS) platform. Furthermore, the RSAC Unit will perform the following general functions below including the specific functions listed in Table 4:

- facilitate the processes that ensure that data and information related to safeguards (FPIC, BSD and GRM) is captured, recorded, stored and disseminated in a timely and orderly fashion;
- serve as the central unit that liaises with the sub-national government stakeholders such as the focal points (FPs), Provincial Climate Committees (PCCCs), District Development Authorities (DDAs) and Local Level Governments (LLGs);
- ensure that all applications received under the VCM project-scale approach meet the CCMA requirements as well as those outlined in the relevant CCMA regulation(s);
- provide technical advice to the NRAC regarding VCM project applications, based on technical assessments conducted by officers of the RSAC Unit;
- provide technical advice to the NRAC on REDD+ national jurisdictional approach initiatives; and
- ensure that VCM or REDD+ project permit holders comply with the terms of grant and support the office of the MD, GM R&M and GM MRV&NC with timely information to inform internal and external stakeholders on matters relating to the regulation of the VCM and REDD+ industry.

The RSAC Unit will be under the direction of the CCDA General Manager R&M and consist of the following staff:

- At most 4 officers in the REDD+ and Mitigation Division
- Oversight of a Unit Manager (In his/her absence there will need to be a second in command to ensure their respective roles and responsibilities are carried out in their absence)
- At most 2 officers from the MRV and National Communications Division
- Interns and part-time assistance (as and when required)



**Table 5.** Description of the key functions of the REDD+ Safeguards Assessment and Compliance (RSAC) Unit.

Key Functions	Description of Functions
1. Data and records management of all PaMs, projects and legal reviews initiated by national government (i.e. REDD+ sector agencies)	<ul style="list-style-type: none"> <li>● Include gender-disaggregated data</li> <li>● Ensure all comments and feedback provided by stakeholders is captured, stored and easily accessible</li> <li>● Document tracking system</li> </ul>
2. Identify stakeholders to be engaged during the consultation process	<ul style="list-style-type: none"> <li>● Refer to any relevant General Orders</li> <li>● Conduct searches and/or due diligence to identify legitimacy of the national representatives of affected customary landowners and local communities</li> </ul>
3. Liaison with and support to a diverse range of stakeholders to encourage meaningful participation and representation.	<ul style="list-style-type: none"> <li>● Support to government stakeholders to ensure their material is in line with these Guidelines, the CKMS and other safeguards policies (BSD, FPIC and GRM)</li> <li>● Ensuring the representation and participation of women in stakeholder consultations</li> </ul>
4. Maintain regular communication with sub-national focal points (FP)	<ul style="list-style-type: none"> <li>● Also include administrative support to the FPs in setting up their respective offices, where applicable, and also subject to the MOUs agreed to between CCDA and the FPs respective agencies</li> </ul>
5. Ensure compliance of the procedures pertaining to the VCM Project- Scale Approach	<ul style="list-style-type: none"> <li>● Refer to procedures outlined in <a href="#">Section 4.3</a> below.</li> <li>● Conduct technical and financial appraisals of applications for VCM project permits</li> <li>● Perform compliance checks of reports submitted in accordance with the terms of grant of active VCM project permits</li> <li>● Conduct field checks and compliance verifying performance of VCM projects</li> <li>● Advise VCM project developers (current and prospective) on all relevant regulatory requirements</li> </ul>
6. Facilitate training and capacity- building for FPs	<ul style="list-style-type: none"> <li>● This training will be included in the overall capacity-building package that will be delivered specifically for SIS Platform users and data managers as part of better understanding how safeguards information must be recorded.</li> <li>● SIS Platform SOP training is a key output.</li> </ul>
7. Conduct awareness on the RDG for all key REDD+ stakeholders	<ul style="list-style-type: none"> <li>● NRS stakeholders will need to be well-versed with the key components of these RD Guidelines.</li> <li>● It is important to note that general awareness of the RD Guidelines to REDD+ stakeholders is different to the specific training noted in the function no. 6 above that is targeted towards SIS Platform users.</li> </ul>
8. Provide reports to donors, stakeholders and general public on REDD+ initiatives	<ul style="list-style-type: none"> <li>● Summary of Information (SOI) every 2 years</li> <li>● Other UNFCCC reports</li> </ul>
9. Ensure compliance of the procedures pertaining to the National Jurisdictional Approach for REDD+ initiatives	<ul style="list-style-type: none"> <li>● Refer to procedures outlined in <a href="#">Section 4.2</a> below</li> </ul>
10. Manage and maintain all records related to VCM project proponents	<ul style="list-style-type: none"> <li>● Annual project reports in accordance with CCMA<sup>27</sup> requirements</li> <li>● Regular project update reports (e.g. bi-monthly, quarterly or 6-monthly).</li> </ul>

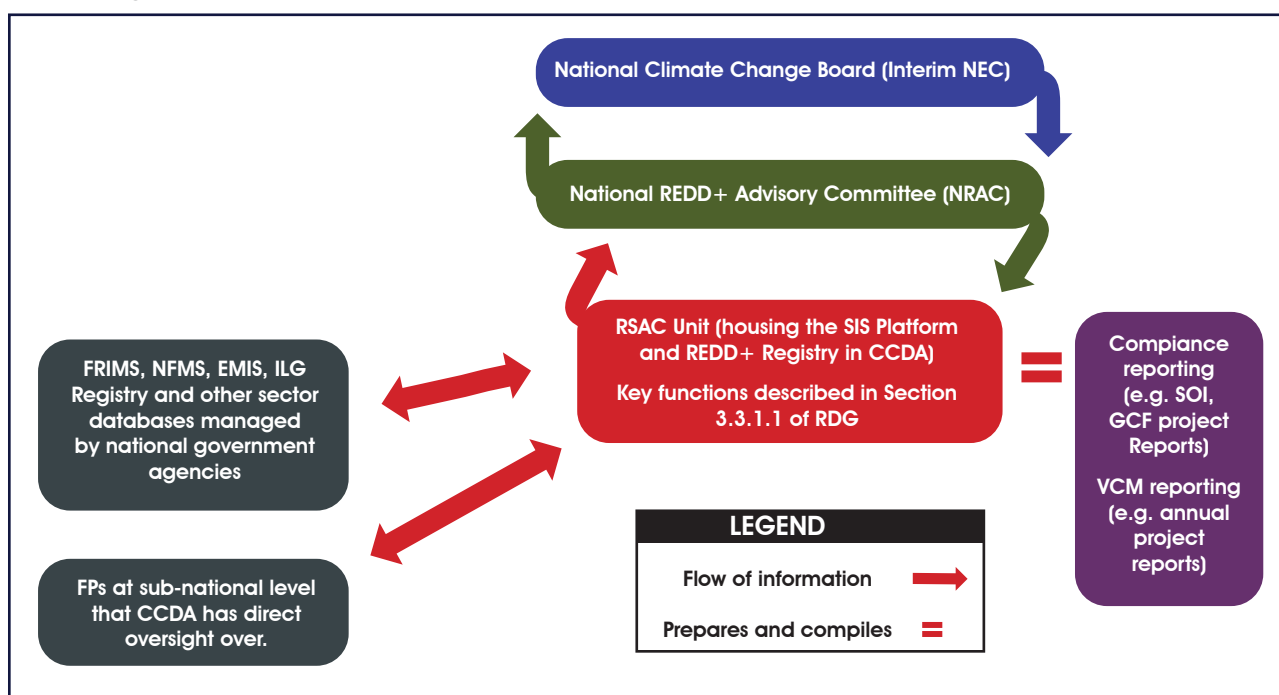


27. Section 94 of

### 3.3.1.2 Safeguards Information System Platform

The Safeguards Information System (SIS) is an online platform that will collect, store, analyse and disseminate data and information related to the Cancun safeguards as they are being addressed and respected in PNG. CCDA will have the primary oversight of the SIS Platform, which will contain the databases that capture information relevant to FPIC, GRM, BSDS and other safeguards indicators. It is important that the Safeguards Unit and users of the SIS Platform undertake the necessary training to fully understand their respective roles in ensuring the collection, recording and management of the safeguards information required for national and international reporting (e.g. the SOI). Figure 2 illustrates how data and information collected by the Safeguards Unit and other safeguards policies will be embedded in the SIS Platform to demonstrate how the Cancun safeguards are being addressed and respected in PNG. The national government, with support from development partners such as UN agencies, will provide training and capacity of focal points and the users of the SIS platform.

**Figure 2.** Institutional hierarchy, coordination responsibilities and reporting obligations of key stakeholders relevant to REDD+ governance, administration and compliance.



## 3.3.2 Subnational-Level

### 3.3.2.1 Safeguards Focal Points

The Safeguards Focal Points (FPs) are the most pivotal links between the national and the subnational level because of their:

- Position and location on the ground (i.e., within a pilot province or district);
- Legal mandate as key sector representatives (government/private/NGO) who are established at the subnational level; and
- Easy access to information/personnel who are able to assist in the FPIC process at the subnational level.

Due to their critical role, all FPs selected by the CCDA will need to have access to reliable means of communication (e.g., office landline, mobiles or internet services). Therefore, it is imperative that the entity or sector agency selected to host an FP possesses these basic requirements prior to its establishment. The selected FPs will undergo safeguards training and capacity-building that is specific to their role.

The FPs will be derived from entities which have core mandates, functions and responsibilities in each of the six (6) key REDD+ relevant sectors who are located within the provinces. They should ideally sit within government entities, however, where this is not possible or practical due to various circumstances, industry or CSOs may be considered. These unique arrangements will need to be subject to special MOU's/MOAs outlining the powers, functions and responsibilities of these organisations in these situations. A FP must not exceed more than one (1) for each REDD+ sector in any particular province.

**Table 6.** Key sector agencies to consider as sub-national Focal Points.

Sector	Potential FPs to be Considered
Forestry	<ul style="list-style-type: none"> <li>● Public sector forestry agencies, e.g., PNGFA Provincial Offices</li> <li>● Private sector/Industry agencies e.g., reliable logging companies in the province</li> <li>● Civil society Organisations e.g., NGO's/CBOs that specialize in forestry, e.g., Forcert, EFF, CELCOR</li> </ul>
Agriculture & Livestock	<ul style="list-style-type: none"> <li>● Public sector agencies e.g., Regional DAL offices, Provincial Government - Agriculture Divisions and any others which fall within this category.</li> <li>● Private sector/Industry agencies e.g., NBPOL.</li> <li>● Civil Society e.g., relevant NGO's/CBOs at the subnational level such as Farmer's Associations,</li> <li>● Women in Business Associations etc.</li> </ul>
Lands	<ul style="list-style-type: none"> <li>● Public sector agencies e.g., Provincial Government - Land Division, District Development Authorities and similar public-sector agencies at the subnational level.</li> <li>● Private sector/Industry companies dealing with community land issues, e.g., Mining companies with special community land divisions.</li> <li>● Civil Society e.g., relevant NGO's/CBOs such as EFF, CELCOR and others who assist with land development issues.</li> </ul>
Mining	<ul style="list-style-type: none"> <li>● Public sector agencies e.g., MRA Provincial Offices (if any) or any divisions of the MRA located at the provincial level.</li> <li>● Private sector agencies e.g., reliable Mining companies e.g., Exxon Mobile or any other appropriate body with community affairs office.</li> <li>● Civil Society e.g., relevant NGO's/CBOs such as CELCOR, EFF, Women in Mining or similar organisations involved in mining projects awareness and advocacy.</li> </ul>
Environment & Conservation	<ul style="list-style-type: none"> <li>● Public sector agencies e.g., Provincial Government – Environment and Conservation Divisions, CEPA counterparts at the provincial level.</li> <li>● Private sector/Industry agencies e.g., reliable companies or private organisations in the province who have conservation divisions or help fund conservation projects.</li> <li>● Civil Society e.g., NGO's/CBOs such as TNC, WCS, EFF, WWF, CELCOR, etc.</li> </ul>
Cross- Sectoral Agencies	<ul style="list-style-type: none"> <li>● Public sector agencies e.g., Provincial Offices in general or District Development Authorities (DDAs), and any others which fall within this category.</li> <li>● Community Development Department representatives at the subnational level or other Women's Organisations</li> <li>● Civil Society e.g., Churches or Faith Based Organisations (FBOs) that address REDD+ related issues, TIPNG (especially as part of its ALAC program).</li> </ul>

There should be at most two (2) staff members appointed within each province designated by the CCDA and the respective REDD+ related sector agencies. They would ideally need to have some basic understanding of REDD+ and the NRS PaMs, however, this is not a prerequisite for appointment as this will be covered by the CCDA REDD+ Division as part of the preliminary capacity building activities to be carried out. FPs are the key entry points for implementation of the safeguards practices in REDD+ initiatives and VCM Projects, as well as ensuring compliance with these Guidelines at the subnational level. Therefore, it is vital that the entity chosen to house this FP possesses the resources, capacity and competency necessary to carry out these basic functions and responsibilities. They will need to be able to effectively record, track and monitor the overall safeguards process outlined in this document and feed this information up to the RSAC Unit.



**Table 7.** Key sector agencies to consider as sub-national Focal Points.

Key Functions	Description of Functions
1. Data and records management of all PaMs, projects and legal reviews initiated at the sub-national or project level government.	<ul style="list-style-type: none"> <li>• Ensure all comments and feedback provided by stakeholders is captured, stored and easily accessible</li> <li>• Document tracking system</li> <li>• Direct information and data inputs to the SIS Platform, including gender-disaggregated data</li> </ul>
2. Identify stakeholders to be engaged during the consultation process	<ul style="list-style-type: none"> <li>• Conduct searches and/or due diligence to identify legitimacy of the sub-national representatives of affected customary landowners and local communities</li> </ul>
3. Liaison with and support to stakeholders to encourage meaningful participation and representation.	<ul style="list-style-type: none"> <li>• Support to sub-national or project level stakeholders to ensure their material is in line with these Guidelines, the CKMS and other safeguards policies (e.g. BSDS)</li> <li>• Ensuring the representation and participation of women in stakeholder consultations at the sub-national level</li> </ul>
4. Maintain regular communication with national level RSAC Unit	<ul style="list-style-type: none"> <li>• Provide advice and support to the national level RSAC Unit on developments within the province and local communities.</li> </ul>
5. Ensure compliance of the procedures pertaining to the Project-Scale Approach	<ul style="list-style-type: none"> <li>• Refer to procedures outlined in <a href="#">Section 4.3</a>, below.</li> </ul>
6. Ensure compliance of the procedures pertaining to the National Jurisdictional Approach	<ul style="list-style-type: none"> <li>• Refer to procedures outlined in <a href="#">Section 4.2</a> below.</li> </ul>

### 3.3.2.2 Provincial Climate Change Committees

Provincial Climate Change Committees (PCCCs) are located at the subnational level and situated within the main provincial towns. They are established through the National Climate Compatible Development Management Policy (NCCDMP), to ensure that there is a subnational entity to assist in overseeing the implementation of the various climate change related projects and activities that demonstrate CCDA's presence at that level. PCCCs can help to both monitor and support the FPs in the performance of their functions by adding another dimension of checks and balances at the subnational level. The PCCCs are best placed to perform this role because of their core design, consisting of representatives from the REDD+ relevant sectors who are also represented on the various TWCs within the CCDA at the national level. This provides a strong link between the national and subnational level as well as between the sectors and the different levels of government.

The PCCCs are quite comprehensive in their composition and extend beyond just the REDD+ related sector representatives, namely with members from government, private and the CSO sector. Due to this degree of representation at the subnational level it would be important to include them, as much as possible, in the overall supervision and oversight for the FPs at the subnational level. However, it is also acknowledged that many of the PCCCs that have been established so far (7 out of the anticipated 22) are not functional. Those that are functional are limited in their ability to contribute meaningfully to the CCDA's strategies, policies and programs at the subnational level due to shortage of staff, resources and financial support. It is anticipated that this gap may possibly be bridged as part of the NRS PAMs implementation and funding allocated for the NRS project sites. Additionally, a member of the PCCC may perform the role of a Safeguards FP, provided that their role as a Safeguard FP is recognized by the PCCC and CCDA and any potential conflicts of interest in their performance as Safeguards FP is declared prior to their appointment.

### 3.3.2.3 Provincial Executive Council

The main function of a Provincial Executive Council (PEC) is to implement the laws and policies adopted by the Provincial Assembly and those of the National Government that are applicable to that respective province by virtue of the Organic Law on Provincial Governments and Local-level Governments (OLPGLG).<sup>28</sup> PECs have an important role in the approval process for any REDD+ initiatives and VCM projects as outlined in [Section 4](#).

28. section 23 (5) of

### 3.3.2.4 District Development Authorities

This entity is considered as part of the formal institutional arrangements for REDD+ implementation as their role depends on the functionality of each District Development Authority (DDA) within the different provinces. It is anticipated for some of these DDA's to possibly house FPs, however, it depends on their functionality. It may be worth pursuing this option because of the peculiar advantage these institutions have in being positioned at the sub-national level, yet, without being subject to the direction of the Provincial Government unlike other district offices.<sup>29</sup> The DDA come under the direct mandate of the Department of the Prime Minister and the National Executive Council (DPM & NEC). This gives them direct access to national level support by virtue of its legal mandate which could be an advantage in linking the various levels and sectors of government as part of the implementation of REDD+ initiatives and VCM projects.

## 3.4 Verification of Safeguards Compliance

All processes, particularly those related to FPIC, related to REDD+ implementation should be designed so that they can be verified by an independent third-party auditor, if required. The purpose of independent verification is to check whether the processes, particularly those related to FPIC, has taken place in accordance with international and national requirements, and to identify any improvements which can be made to the process.

The following procedure is adopted for verifying FPIC:

- An independent audit of FPIC processes may be requested at any stage of an activity or project by government, donors or civil society groups. For example, verification may be requested to satisfy policy or legislative requirements, to meet funding conditions, or in response to community concerns.
- Requests for independent audits should be made to the National GRM Technical Committee, who will be responsible for considering the request and directing the audit to be carried out.
- If it is determined that an audit is required, an auditor will be selected by mutual agreement between the project developer and the landowner representatives. The auditor will review the documentation and interview the people concerned to determine whether free and informed consent was given.
- The costs of the audit will be met by CCDA, or by an independent third party if funding can be secured.

The results of any independent audit will be made publicly available on the CCDA REDD+ website and the SIS platform, and copies will be given to the customary landholders and local communities involved. The results must also be translated verbally into Tok Pisin or the local dialect, whichever is preferred by the customary landholders and local communities.



29. The Organic Law on Provincial Governments and Local level Governments (District Development Authority) 2013 was passed unanimously by Parliament on the 26th November 2013. The Bill was drafted to amend the Organic Law on Provincial Governments and Local level Governments to create District Development Authorities

## PROCEDURES

This section provides guidance on the overall process by which REDD+ initiatives under both the national jurisdictional approach and VCM project-scale approach will have to follow. The overall process is outlined in Table 8 below:

### 4.1. Implementation Principles

Implementation of REDD+ initiatives and VCM projects in PNG shall be guided by the following:

#### Consultation Approach

- i. REDD+ implementers and VCM project developers must undertake a community consultation approach, i.e. work with all affected customary landholders and local communities that have some form of ownership or user rights over the intended project area.
- ii. A clear and transparent benefit sharing mechanism must be developed in close consultation with the customary landholders and local communities involved in the project or REDD+ initiative in accordance with the two different approaches outlined in the National REDD+ Benefit Sharing and Distribution (BSD) Guidelines.
- iii. All stakeholders should be identified in the initial project design phase with their roles and responsibilities clearly articulated in both verbal and written form. Agreement to the inclusion or variations to the roles of specific stakeholders shall be a part of the FPIC process with the customary landholders and local communities of the project area.
- iv. At least 85% of the total adult customary land holders and local communities living on the land covered by the proposed project area must understand and give their consent to any REDD+ initiative or VCM project on their land. All information must be provided free of charge to the CLLCs and help to improve their understanding and ability to decide whether to give or withhold consent to agree to participate in a REDD+ initiative or VCM project.

#### Project Area Boundaries

- i. The project area boundaries must follow the recognized census unit/ward boundaries as much as possible. In cases where the recognized census units/wards are not followed, REDD+ implementers or VCM project developers must provide a written justification for following an alternative boundary.

## Sustainable Land-Use Planning

- i. REDD+ implementers and VCM project developers shall facilitate the development of a sustainable land use plan (SLUP) designed by the customary landholders and local communities. The SLUP may cover adjacent portions of land that are not under the approved REDD+ initiative or VCM project area boundaries. This process may involve facilitating a preliminary participatory High Conservation Value (HCV) assessment by the community, of which the results inform the SLUP process.

## Identification of Affected Group(s)

- i. All families, clans and tribal groups that own or have user rights to the customary land under consideration for a REDD+ initiative or VCM project must be identified through a participatory social mapping process. Such families, clans and tribal groups may wish to be identified and legally recognized as an incorporated land group (ILG) or a representative body that they all consent to, such as an association or a business group.
- ii. If an ILG(s) are determined by the CLLCs to be the best option for them to be legally recognized as a land group, then such an ILG(s) must also follow the relevant process to register their title claims over their portion of customary land prior to entering any project agreement as provided for in the CCMA<sup>30</sup>. This RDG recognizes that there have been varying experiences with the use of the ILG mechanism in other development sectors and recommends that an ILG comprises of multiple clans. However, the composition of an ILG – whether consisting of a single or multiple clan - must be determined by the CLLCs by virtue of their constitutional right to be governed at the local level in accordance with custom and their liberty to choose the mechanisms by which they wish to achieve self-reliance.
- iii. REDD+ implementers and VCM project developers must provide awareness and training at the community level to all customary landholders and local communities involved in the REDD+ initiative or VCM project, in a manner that is consistent the requirements specified in this RDG document and the National REDD+ FPIC Guidelines.

## Benefit Sharing Plans (BSP) and Agreements (BSA)

- i. All benefits (i.e. both monetary, non-monetary, carbon and non-carbon benefits) that are shared and disbursed in accordance with BSPs and/or BSA shall be monitored by the community, FPs and the REDD+ implementer or VCM project developer.
- ii. It is recommended that monetary benefits be distributed to various community trust funds selected by the CLLCs, which should address the identified priority needs at the community and family level. This RDG recommends that REDD+ implementers and VCM project developers limit the distribution of direct cash payment to individuals, families, clans or other community representative bodies identified in the respective BSP and/or BSAs.
- iii. Benefits generated by each project area from their carbon credits sales or through other means must be recorded separately from the benefits generated from other project areas, particularly if the project areas are on adjacent portions of land.
- iv. If proposed BSPs include the distribution of benefits to CLLCs outside the proposed project area, then the proposed BSP (and the BSA, if applicable) and its scope and projected values of the benefits must be clearly communicated to the CLLCs within the project area boundaries prior to obtaining their consent.

## Methodology

- i. REDD+ initiatives and VCM projects must clearly indicate the methods of calculation, formulae and default values used to measure GHG avoided and removed.

### 4.1.1 Social and Land Use Mapping

Identifying the existing use and users of the forest area(s) included in any REDD+ initiative or VCM project, together with the other existing land uses and future land and natural resource use needs by the users of the forests is an essential step in implementing REDD+ in PNG. A robust mapping process conducted with the full participation of CLLCs at the community level, allows the identification of all clans that have ownership and user rights. Hence, all affected families and clans with some form of recognized ownership and user rights over the land should develop their own Sustainable Land Use Plan (SLUP) at the community/Unit/Ward level. The customary land involved in the planning should include all community land, i.e. food garden, cash crop, etc. to allow the community to plan for their other land use needs, and then decide on the forest area that will be part of the REDD+ initiative or VCM project. This would guarantee that customary landholders will work together to ensure the long-term sustainable management and protection of their forest area.

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30. Section 89 of

To assist in preparing this community level process, it is also important to explore:

- Existing maps of the national or sub-national jurisdictions (for example, districts or local level government maps) and identify where forests (including natural forests) and other priority areas (e.g. areas important for biodiversity conservation) are found;
- If there are any formal recorded claims of the land or forest resources by landowner companies or private enterprises; and
- Whether there are any land disputes within the REDD+ initiative or VCM project area which are not yet resolved.

Therefore, in the context of REDD+ initiatives and VCM projects that directly generate benefits from ER on customary land, it is mandatory that an official project agreement with customary landholders of the REDD+ initiative and/or VCM project is reached in regards to the assigning of carbon rights and the associated ER results.

### 4.1.2 Stakeholder Engagement and Participation

FPIC encourages and promotes stakeholder engagement and participation, which should ensure that all stakeholders effectively participate in planning and decision-making, access timely and accurate information and access to justice. This is further described in the "Stakeholder Engagement in REDD+ Readiness"<sup>31</sup> and the National REDD+ FPIC Guidelines<sup>32</sup>, which prescribe the processes for practically implementing FPIC through active and iterative stakeholder engagement and participation, and are also applicable in this RDG.

In recognition of the above, engagement with the customary landholding communities by REDD+ initiative implementers and VCM project developers has to be with all affected clans that claim ownership of the (proposed) project area. Customary landowners and local communities have the right to determine the manner in which they organize themselves to be legally recognized prior to entering into official agreements with REDD+ implementers or VCM project developers. Considering the lessons in the other resource sectors (mining, forestry, agriculture) and in the first two VCM projects in PNG relevant to the use of single clan ILGs, CLLCs are recommended to explore alternative options. These alternative options include registering a multiple-clan ILG, an association, cooperative or business group that includes all affected families, clans and tribes in its governance framework.

### 4.1.3 Sustainability

While the issue of carbon rights is still under negotiations in the UNFCCC Conference of Parties, it may be accepted that the use of land and natural resource rights depends on the national circumstance and context. While the CCMA<sup>33</sup> cites that a regulation would provide further details on the guidelines and procedures on how carbon rights are identified, it is generally understood when taking into account the principles of natural resource ownership in PNG that carbon sequestered by the forest and on customary land is owned by customary landholders and local communities. Therefore, the basis of all REDD+ implementation in PNG has to be participatory and involving bottom-up sustainable land use planning (SLUP) by all customary landholding clans involved in a REDD+ initiative or VCM project area.

#### 4.1.3.1 Permanence and Leakage /Reversals and Displacement

One of the main concerns relevant to REDD+ is the risk of reversals, i.e. the permanence of the ER. Many REDD+ financiers and interested carbon buyers seek to invest in initiatives that demonstrate permanency. Therefore, non-permanence should be avoided and/or mitigated in order to deliver ER results. In comparison to other mitigation actions, carbon stored in forests tend to be more difficult to control even under the best management practices. For example, fire, drought and pests occur unexpectedly making it difficult to manage forests.<sup>34</sup> Hence, it is important to determine whether insurance can cover for unexpected and harmful actions such as natural disasters or illegal forest clearance. Insurance (or buffer credits) may refer to setting aside some carbon credits (as opposed to instead of selling everything) to cater for the carbon loss. Most VCM platforms, standards and registries automatically calculate insurance from total carbon issued, thus, it is advisable that all stakeholders have an existing insurance mechanism for their REDD+ activities.

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31. Draft Guidelines on Stakeholder Engagement in REDD+ Readiness, 2012

32. Section 5 of

33. Section 92A of

34. Schlamadinger et al. 2007

A key risk to ensuring permanence in PNG is the lack of involvement and ownership of the REDD+ initiatives and VCM Project activities by the customary landholding communities. This would likely cause them to make unsustainable land and resource use decisions affecting the achieved or planned ER. The only way that permanence for any ER can be guaranteed is if the customary landholding communities are fully engaged and involved in the REDD+ initiatives that generate the ER.

Another requirement that will support in ensuring permanence is the need to have a transparent and equitable benefits sharing plan (BSP) with the customary landholders and local communities involved. That BSP must be directly linked to the continued commitment by the CLLCs to maintain the ER generated by the REDD+ initiative or VCM project. If these two aspects of REDD+ implementation are followed, the long-term commitment to the realisation and maintenance of the ER by the CLLCs involved will be guaranteed. It would also disincentivise any individual(s) or minor factions within the CLLCs representative group(s) from potentially agreeing to harmful actions such as illegal logging or illegal clear-felling of forests within the REDD+ initiative or VCM project area.

Leakage and the risk of displacement of ERs from a REDD+ initiative or VCM project area is another concern when implementing REDD+. Leakage is defined as sequestered carbon that has been released in another place.<sup>35</sup> It is analogous to displacing emissions from one location to another. For instance, forest clearance that has ceased in one location causes forest clearance in another location, which does not produce emission reduction (ER) results and must be avoided. This is why CCDA will need to closely scrutinize the claimed net ERs of REDD+ initiatives and VCM projects to ascertain whether such claims to ER also consider potential leakage effects elsewhere. Such potential leakage effects must be correctly deducted from the total realised ER. Therefore, it is important to address underlying issues such as social problems and deeper political economic factors that drive illegal logging. Proper tracking of illegally-harvested timber and legally harvested timber remains a big problem in PNG that is driven by the lack of data or information gaps, laundering of permits through corrupt practices and the inconsistent data requirements for tracking forest concessions. Such systemic problems require significant regulatory and enforcement reform.

Some approaches to undertake when dealing with the risks to permanence and the avoidance of leakage include;

- When conducting a risk assessment of REDD+ initiatives or VCM projects, risks related to permanence and leakage should be identified along with management measures to avoid and reduce these risks. A risk report should be prepared during time of validation or verification for each crediting period (7 years) throughout the life of the project. Once there is evidence showing non-permanence has been reduced, then the project can apply for the buffer credits to cater for any unexpected non-permanence or leakages;
- The REDD+ initiative or VCM project should demonstrate how they would manage and mitigate unexpected events such as fire and drought, should they occur, so that these unexpected events do not significantly affect the permanence of the project;
- Certain amount of carbon credits be set aside or deposited to cater for these unexpected events (insurance or buffer credits), implying that not all carbon credits calculated in a vintage year would be sold as some carbon credits would be set aside for insurance purposes;
- If, on the other hand, credits are already issued or cancelled when an unexpected deforestation or forest degradation occurs in the project area, then the following measures are required.
  - ✓ A report must be prepared on the unexpected deforestation or forest degradation showing the amount of lost sequestered carbon (carbon stock).
  - ✓ The project proponent should demonstrate that: it is unexpected deforestation/forest degradation event; and the amount of lost carbon stock is conservatively calculated.
  - ✓ The report should be cleared by the NRAC and then submitted by the RSAC Unit to VERRA for voluntary projects or UNFCCC for the compliance market. It is best to prepare this report prior to verification of the next crediting period as evidence of non-permanence can have a drastic effect on the project's ER results and the benefits tied to such results.
  - ✓ It is important to consistently monitor changes in carbon stock of the project area if there are risks to non-permanence. These monitoring reports must be submitted to the RSAC Unit during validation or verification.
  - ✓ Any shortfall of carbon stock must be replaced by the buffer credits.
  - ✓ At the end of every crediting period, the REDD+ initiative or VCM project should revise its reference level and even if and unexpected event occurs, the approved geographical boundary of the project area must not be changed.

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35. Schlamadinger et al. 2007

- ✓ At the end of the crediting period, all buffer credits shall be cancelled in preparation of the next crediting period. In the following crediting period, the VCM project developer can set aside new buffer credits to offset unexpected deforestation and forest degradation in that crediting period.
- ✓ No further credits should be issued until the reversal that occurred due to the unexpected deforestation/ forest degradation is made up.

#### 4.1.4 Summary of National (Jurisdictional) Approach and VCM Project-Scale Approach Procedures

**Table 8.** Overview of the processes to be followed under the National jurisdictional approach and the VCM project-scale approach.

STEP/ACTION	NATIONAL (JURISDICTIONAL)	PROJECT-SCALE
<b>Stage 1: Initiation (~4 months)</b>		
1. EOI	CCDA/REDD+ sector agency prepares project EOI or similar document template and submits to the RBP funding source or relevant funding body (e.g. the proposed PNG Biodiversity and Climate Trust Fund, BCTF) that is external to the national government system.	VCM project developer writes to CCDA with interest to commence business in province/district and must provide following information <ol style="list-style-type: none"> <li>a. Location of proposed project</li> <li>b. Business profile</li> <li>c. Any information on liaisons with CLLCs to date</li> <li>d. Projected ERs to be gained, methodology</li> </ol>
2. Internal Due Diligence	N/A	CCDA conducts initial checks on the project developer pertaining to: <ol style="list-style-type: none"> <li>a. Company registration</li> <li>b. Taxation compliance</li> <li>c. Corporate social responsibility; and</li> <li>d. Any other financial or technical information related to the business dealings of the developer.</li> </ol>
3. Review and approval of EOI	Follow the prescribed process of the RBP funding source or relevant funding body (e.g. the proposed PNG Biodiversity and Climate Trust Fund, BCTF) that is external to the national government system.	<ol style="list-style-type: none"> <li>1. Upon approval from CCDA, letter to commence consultations with CLLCs. This letter must be issued within 10 working days of receiving and acknowledging receipt of the EOI in portal/registry.* A non-refundable registration fee will be imposed for administrative purposes as prescribed under the Climate Change (Management) (Carbon Market) Regulation 2022.</li> <li>2. The letter must have the following:               <ol style="list-style-type: none"> <li>a. Signed by MD or his delegate</li> <li>b. Instructions to engage with assigned FPs in the relevant province</li> <li>c. Have in copy, the PEC and/or PCCC, DDA CEO, MP and Governor</li> <li>d. Period in which the approval to commence consultations is valid</li> </ol> </li> <li>3. If there is no approval to commence consultations, CCDA must clearly state in the letter:               <ol style="list-style-type: none"> <li>a. Grounds for rejection of the EOI</li> <li>b. Provisions that are applicable in CCMA or relevant legislation, if necessary</li> <li>c. Appeals process</li> </ol> </li> </ol>
4. Initiating Consultations	<p>CCDA/REDD+ sector agency, with support from RBP funding source or relevant funding body (e.g. BCTF), may commence consultations with CLLCs if the proposed project involves field work or interactions with CLLCs.</p> <p>The form at <a href="#">Annexure 5</a> must be completed in addition to any requirements stipulated by the sector's agency policies.</p> <p>If the project primarily focuses on government level consultation then the procedures described in Section 7.2.1 of the REDD+ FPIC Guidelines shall apply. If the project primarily focuses on project level consultation then the procedures described in Section 5 and section 7.3 of the REDD+ FPIC Guidelines shall apply. The proposed benefit sharing arrangements should also be disclosed with CLLCs, which must inform the development of a BSP.</p>	<p>VCM project developer seeks permission from CLLCs to commence consultations through a public community forum. FPs can assist with liaison and coordination.</p> <ol style="list-style-type: none"> <li>a. Complete form at <a href="#">Annexure 5</a>.</li> <li>b. FPs/ RSAC shall review interaction of PD against the details of the completed Annexure 5.</li> <li>c. Upon consent granted by the CLLC's the Project Developer shall proceed to Stage 2.</li> <li>d. If consent is not granted by CLLC's, the Project Developer may choose to pursue a GRM process or may choose to discontinue the EOI.</li> </ol> <p>*No specific timeframe as if the context of each project area will vary, however it is estimated to be 2-4 months before the form at Annexure 6 is prepared and submitted.*</p>
<b>Stage 2: Project Concept (~5 months)</b>		
5. Project Concept: Provincial Endorsement	<p>Follow the prescribed and applicable process of the RBP funding source or relevant funding body.</p> <p><b>And</b></p> <p>CCDA/REDD+ sector agency must table the project EOI and its details at the next NRAC sitting for full project visibility and how it supports the implementation of the NRS. The NRAC must also write to the respective PEC, DDA and the Governor of the province to inform them of the proposed project EOI and its importance to national climate change objectives.</p>	<ol style="list-style-type: none"> <li>1. VCM project developer must submit the Project Concept to the Provincial Executive Council (PEC). It must have the following:           <ol style="list-style-type: none"> <li>a. The name of the project,</li> <li>b. REDD+ activity type and size of the project</li> <li>c. its location, land use and social settings (provide a map)</li> <li>d. the anticipated total amount of (GHG) reduction compared to a "business-as-usual" scenario</li> <li>e. the suggested crediting life time</li> <li>f. the financial structuring (indicating which parties are expected to provide initial funding)</li> <li>g. an overview of what safeguards are in place to minimize social and environmental risks and enhance social and environmental benefits.</li> <li>h. PC form at <a href="#">Annexure 5</a> completed</li> <li>i. Form at <a href="#">Annexure 4</a> completed</li> <li>j. Proposed HPLC consultation process and BSP arrangements</li> </ol> </li> <li>2. PC endorsed by PEC. The endorsement from PEC must:           <ol style="list-style-type: none"> <li>a. state that they are satisfied with the project, that FPIC was carried out to initiate consultations with community.</li> <li>b. Have the forms at Annexure 5 and 6 attached</li> </ol> </li> </ol>

		<p>3. PC not endorsed by PEC. The PEC must:</p> <ol style="list-style-type: none"> <li>state the grounds for denial of endorsement.</li> <li>The Project Developer may choose to pursue a GRM process toward rectifying the grounds for denial of endorsement.</li> </ol> <p>*This process to get PEC endorsement can take 1-3 months depending on the provincial context.*</p>
6. Project Concept: Public Consultation & Advertisement	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF).	<ol style="list-style-type: none"> <li>Upon PEC endorsement, the same PC (in step 5) will be submitted to the CCDA RSAC Unit</li> <li>The CCDA RSAC Unit shall advertise the details of the proposed project's concept note in print media for public consultation and feedback over a period of 1 month</li> <li>CCDA RSAC Unit will also be responsible for ensuring that the feedback from the public is collected at this stage.</li> </ol> <p>*CCDA to advertise the project concept within 5 working days of receiving the PEC endorsement for CN*</p> <p>*Period of consultation will be 1 calendar month*</p>
7. Review and approval of Project Concept	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF).	<ol style="list-style-type: none"> <li>Once the public notice and feedback period has expired, the RSAC Unit will compile any feedback received and submit the PC along with the public feedback to the NRAC. <ol style="list-style-type: none"> <li>*The feedback must be reviewed within 10 working days of the expiry of the public consultation period by the RSAC Unit*</li> </ol> </li> <li>NRAC reviews the PC and the feedback from the public consultation period (1 month) and either approves or rejects the PC. If approved, the NRAC issues the letter to the developer which must state its: <ol style="list-style-type: none"> <li>Approval for the developer to proceed to the next stage in the approval process, which is full consultation with the CLLCs</li> <li>recommendations following the public notice and feedback period</li> <li>timeframe in which they must submit the application (PDD) to CCDA</li> </ol> </li> <li>If denied, the NRAC issues the letter to the developer which must state its: <ol style="list-style-type: none"> <li>Grounds for denial of the PC</li> <li>Provisions that are applicable in CCMA or relevant legislation, where relevant</li> <li>Appeals process</li> </ol> </li> </ol> <p>*The letter from the NRAC should be given to the developer within 20 working days of the expiry of the public consultation period*</p>
<b>Stage 3: Consultation (~8 months)</b>		
8. Consultation Process	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF) in addition to the consultations carried out in stage 1.	<ol style="list-style-type: none"> <li>The VCM project developer must be guided by FPIC Guidelines s.5.2 and the result of this must be <ol style="list-style-type: none"> <li>LIS study issued (upon consultation and working with Provincial Lands officers)</li> <li>BSP developed, which will be a schedule to the BSA (which may be in draft form at this stage)</li> </ol> </li> <li>Other process that the VCM project developer, with support from FPs, may choose to support or facilitate are: <ol style="list-style-type: none"> <li>ILG registration</li> <li>Association registration</li> <li>Business group registration</li> </ol> </li> </ol> <p>*3-6 months approximately*</p>
9. Obtaining Consent	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF) if such a process exists.  <b>And</b> If the project primarily focuses on community level activities then the procedures described in Section 5.3 REDD+ FPIC Guidelines may apply in addition to any requirements stipulated by the sector's agency policies	<p>When all CLLCs are in agreement, their consent (85% of those identified in LIS study) must be captured in :</p> <ol style="list-style-type: none"> <li>Certificate of Consent at <a href="#">Annexure 6</a>.</li> <li>FPS/ RSAC shall review interaction of PD against the details of the completed Annexures 5 and 6.</li> <li>Upon fulfilling of all requirements for obtaining consent, the Project Developer shall proceed to Stage 4.</li> <li>If consent is not granted by CLLCs, the Project Developer may choose to pursue a GRM process.</li> </ol> <p>*1-4 weeks approximately*</p>
<b>Stage 4: Project Application (~4 months)</b>		
10. Submission of Project Application	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF).	<ol style="list-style-type: none"> <li>The application must be submitted to the RSAC Unit's database/registry and will contain the following: <ol style="list-style-type: none"> <li>Relevant application form</li> <li>PC approval whereby PEC is attached</li> <li>LIS study</li> <li>Certificate of Consent</li> <li>BSP</li> <li>Draft MOA</li> <li>Outcomes or measures the developer has taken based on the recommendations of the NRAC (issued by the NRAC under stage 2)</li> <li>PDD form Annexure 9 completed</li> </ol> </li> <li>The application must be accompanied by the prescribed fee as prescribed under the Climate Change (Management) (Carbon Market) Regulation 2022.</li> </ol>



11. Review and approval of Project Application	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF). <b>And</b> CCDA/REDD+ sector agency must table the project design approval and its details at the next NRAC sitting for full project visibility, how it supports the implementation of the NRS and any carbon credits to be transacted.	<ol style="list-style-type: none"> <li>RSAC Unit conducts final technical and financial assessments before compiling the submission to the NRAC for review *This will take approximately 1-3 calendar months*</li> <li>NRAC recommends to the NCCB (interim NEC) on whether to approve or deny the project application.</li> <li>If approved by the NCCB (interim NEC), then the NRAC will give instructions to the RSAC Unit to issue to the developer: <ol style="list-style-type: none"> <li>Project and permit file number</li> <li>Permit geo-physical details and the project area boundaries, which would be a part of the REDD+ registry or interim database</li> <li>Validity period upon execution of the MOA/project agreement</li> <li>Conditions of grant</li> <li>Draft MOA</li> </ol> </li> <li>If denied by the NCCB (interim NEC), then the NRAC will give instructions to the RSAC Unit to issue to the developer a statement that includes: <ol style="list-style-type: none"> <li>Grounds for rejection of the application</li> <li>Provisions that are applicable in CCMA or relevant legislation, where relevant</li> <li>Appeals process</li> <li>Opportunity to re-submit a new project concept or application, if feasible</li> </ol> </li> </ol>
<b>Stage 5: Execution and Implementation (~3 months)</b>		
12. Project Contract Execution	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the proposed BCTF). <b>And</b> Prior to the execution of a bilateral/ multilateral or relevant body's financing agreement, CCDA/REDD+ sector agency must obtain legal clearance from OSS. CCDA/REDD+ agency would also have to enter into a Benefit Sharing Agreement (BSA) after the overarching financing agreement is executed. The template for this BSA is at <a href="#">Annexure 7</a> . *BSA should be executed 1-4 weeks after the overarching financing agreement has been executed between CCDA/REDD+ agency and the bilateral/multilateral body*	<ol style="list-style-type: none"> <li>Once NCCB (interim NEC) approves the project application, NRAC can commence the process of obtaining legal clearance for the project agreement from OSS. <ol style="list-style-type: none"> <li>Parties to the VCM project agreement are the project developer, the main representative CLLCs body and the National Government.</li> <li>The Benefit Sharing Plan (BSP) will be included as a schedule within the project agreement to meet the provisions stated in section 90(1)(b) of the CCMA.</li> </ol> </li> <li>Upon obtaining legal clearance from OSS, a gazettal notice shall be published</li> <li>If the legal clearance is not obtained, the parties to the VCM project shall, through mutual agreement, liaise to rectify recommendations from OSS.  *Project agreement should be executed within 1-4 weeks of permit issuance*</li> </ol>
13. Enforcement and Monitoring	<ul style="list-style-type: none"> <li>This will be overseen by the RSAC Unit and supported by FPs at the regional and provincial level.</li> <li>RSAC Unit will be responsible for submitting reports (e.g. SOI) to UNFCCC</li> </ul>	<ul style="list-style-type: none"> <li>This will be overseen by the RSAC Unit, supported by the regional and/or provincial FPs, who have a crucial role in the compliance of the procedures outlined in this document.</li> <li>Project reports submitted by project developers shall be received and reviewed by the RSAC Unit.</li> </ul>
<b>Stage 6: Reporting and Verification</b>		
14. Verification	<ul style="list-style-type: none"> <li>RSAC Unit, with support and information from FPs, prepares reports and conducts the necessary compliance checks on active projects</li> <li>An independent audit of FPIC processes may be requested at any stage of an activity or project by CSOs, donors or government</li> </ul>	<ul style="list-style-type: none"> <li>RSAC Unit, with support and information from FPs, prepares reports in accordance with and conducts the necessary compliance checks on active projects in accordance with the section 94 of the CCMA.</li> <li>An independent audit of FPIC processes may be requested at any stage of an activity or project by CSOs, donors or government</li> </ul>
15. Reporting	<ul style="list-style-type: none"> <li>Requests for audits should be made to the National GRM Technical Committee, who will be responsible for considering the request and directing the audit.</li> <li>If it is determined that an audit is required, an auditor will be selected by mutual agreement between the developer and the CLLCs.</li> </ul>	<ul style="list-style-type: none"> <li>Requests for audits should be made to the National GRM Technical Committee, who will be responsible for considering the request and directing the audit.</li> <li>If it is determined that an audit is required, an auditor will be selected by mutual agreement between the developer and the CLLCs.</li> </ul>
16. GRM Process	This process will be initiated once a complaint has been lodged at any time during the project design and implementation process.	Developers should have a robust GRM mechanism in place, which should be outlined in the Project Agreement. However, if a grievance cannot be resolved in accordance with the clauses of the Project Agreement, then the National GRM process can be initiated. This means that the Complainant may lodge their grievance with the GRM Sub-Unit of the RSAC Unit if they are not satisfied with the outcome(s) of the GRM process followed in accordance with the Project Agreement.



## 4.2 National Jurisdictional Approach

Under these guidelines REDD+ initiatives are defined as any activity that aims to develop and implement mechanisms that substantially and measurably reduce greenhouse gas (GHG) emissions or enhance removals using one or more of these strategies:

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

Additionally, in order for REDD+ initiatives to meet the above strategies they must have the following criteria (in order of priority):

- The forest area of interest must have an immediate threat to drivers of deforestation and degradation, for example, commercial logging, commercial agriculture, extensive family agriculture, etc.
- The land area must have the need for reforestation over degraded land or logged over areas or areas exposed to continuous family agriculture practices.
- The forest and land has high conservation value, wildlife/biodiversity and ecosystem services, cultural heritage values, high carbon stock value (HCSV) and has the potential for ecotourism and eco-forestry.

As noted in Section 1, implementation of REDD+ under the National (Jurisdictional) Approach is governed by the UNFCCC through decisions and outcomes of the COP. Implementation is at the national level through policy and measures that are grouped into three main action areas: strengthened land-use and development planning; strong environmental management, protection and enforcement; and enhanced economic productivity and sustainable livelihoods. The NRS fully describes these action areas, policy and measures, and how the direct and underlying drivers of deforestation can be addressed.

One of the most important results to date from the implementation of the NRS is the development of the National Sustainable Land Use Policy. This Policy promotes a bottom-up participatory Sustainable Land Use Planning (SLUP) approach that starts at the community/Ward level, with higher level Sustainable Land Use Plans being amalgamated with the lower-level plans. From the top down, the Department of Lands and Physical Planning (DLPP) will work with all relevant national government departments to put together sustainable land use planning information, guidance and advice, which will be disseminated down to the provincial, district and LLG level.

When ER against the FRL have been achieved or there is an increase in the overall carbon stock through increased carbon sequestration for PNG's overall forest area at the national level for a specific time period, it is very difficult to establish which specific government policies and measures may have contributed to such ERs or increase in carbon stock. This is one of the drawbacks of the national level approach, which cannot directly attribute specific government PAMs to the ERs or increase in carbon stock during a specific time period. However, what can be established at the national level is that the expected trend of increased deforestation and forest degradation has not been occurring in recent years. This means that generally forests in PNG have been more sustainably managed and/or certain forest areas have not been clear-felled. Although the exact reason or specific PAMs is not clear at this stage, it is important that the current trend of decreased deforestation and forest degradation in PNG is maintained.

In recognition of this, it is important that the National Approach to REDD+ to continue to include initiatives that improve implementation, monitoring and enforcement of existing and newly established PLRs. Additionally, it is of equal importance that the National Approach to dedicate a larger portion of its resources to on-the-ground implementation of REDD+, which will enable customary landholders and local communities to guarantee permanence of ERs and increase carbon stock. Therefore, a National Approach REDD+ Communities Program (RCP) will be established to manage and distribute benefits to participating communities that would enable them to make and maintain decisions towards sustainable forest management. The RCP will be established and its operations overseen by the NRAC. To avoid any potential conflict of interest, a member of the NRAC cannot

evaluate a REDD+ initiative that is submitted from his/her department or agency. The following criteria will guide the NRAC on which communities will be beneficiaries from the RCP:

- a) Available arable land per family (hectares/family)
- b) Size of forest protected (hectares/community or family)
- c) Degree of threat to the forest area (opportunity costs in PGK/hectare)
- d) Community conservation efforts (rules enforcements & impact monitoring)

The NRAC and the relevant bilateral/multilateral funded-project committee shall convene on a regular basis to decide which participating customary landholding communities will be selected as beneficiaries for the RCP and/or as beneficiaries of the bilateral/multilateral funded-project. Moreover, CCDA will also work closely with CEPA as it establishes the PNG Biodiversity and Climate Trust Fund (BCTF) and will continue to do so throughout its operations and implementation.

#### 4.2.1 Procedures for National Approach

The processes under the national jurisdictional approach are subject to the source(s) of funding from RBPs and the future establishment of a trust fund mechanism. Table 9 below outlines the minimum requirements for REDD+ implementers, mainly REDD+ sector agencies, and the general steps that key stakeholders will have to follow.

**Table 9.** Step-by-step processes that REDD+ initiatives under the National Approach must comply with.

STEP/ACTION		NATIONAL (JURISDICTIONAL)
<b>Stage 1: Initiation &amp; Consultation (~4 months)</b>		
1. EOI	CCDA/REDD+ sector agency prepares project EOI or similar document template and submits to the RBP funding source or relevant funding body (e.g. PNG Biodiversity and Climate Trust Fund, BCTF) that is external to the national government system.	
2. Due Diligence	N/A	
3. Review and approval of EOI	Follow the prescribed process of the RBP funding source or relevant funding body (e.g. PNG Biodiversity and Climate Trust Fund, BCTF) that is external to the national government system.	
4. Initiating Consultations	CCDA/REDD+ sector agency, with support from RBP funding source or relevant funding body (e.g. BCTF), may commence consultations with CLLCs if the proposed project involves field work or interactions with CLLCs. The form at <a href="#">Annexure 5</a> may be completed in addition to any requirements stipulated by the sector's agency policies. If the project primarily focuses on government level consultation then the procedures described in Section 7.2.1 of the REDD+ FPIC Guidelines shall apply. If the project primarily focuses on project level consultation then the procedures described in Section 5 and section 7.3 of the REDD+ FPIC Guidelines shall apply. The proposed benefit sharing arrangements should also be disclosed with CLLCs, which must inform the development of a BSP.	
<b>Stage 2: Project Concept (~5 months)</b>		
5. Project Concept: Provincial Endorsement	Follow the prescribed and applicable process of the RBP funding source or relevant funding body. <b>And</b> CCDA/REDD+ sector agency must table the project EOI and its details at the next NRAC sitting for full project visibility and how it supports the implementation of the NRS. The NRAC must also write to the respective PEC, DDA and the Governor of the province to inform them of the proposed project EOI and its importance to national climate change objectives.	
6. Project Concept: Public Consultation & Advertisement	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF).	
7. Review and approval of Project Concept	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF).	
<b>Stage 3: Consultation (~8 months)</b>		
8. Consultation Process	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF) in addition to the consultations carried out in stage 1.	
9. Obtaining Consent of Project Area's Affected CLLCs	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF) if such a process exists. If the project primarily focuses on community level activities then the procedures described in Section 5.3 REDD+ FPIC Guidelines may apply in addition to any requirements stipulated by the sector's agency policies.	

10. Submission of National REDD+ RBP Application	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF).
11. Review and approval of National REDD+ RBP Application	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF).  <b>And</b> CCDA/REDD+ sector agency must table the National REDD+ RBP proposal and its details at the next NRAC sitting for full visibility, how it supports the implementation of the NRS and any carbon credits to be transacted.
<b>Stage 5: Execution and Implementation (~3 months)</b>	
12. Project Contract Execution	Follow the prescribed and applicable process of the RBP funding source or relevant funding body (e.g. the BCTF).  <b>And</b> Prior to the execution of a bilateral/ multilateral or relevant body's financing agreement, CCDA/REDD+ sector agency must obtain legal clearance from OSS. CCDA/REDD+ agency would also have to enter into a Benefit Sharing Agreement (BSA) after the overarching financing agreement is executed. The template for this BSA is at <a href="#">Annexure 7</a> . *BSA should be executed 1-4 weeks after the overarching financing agreement has been executed between CCDA/REDD+ agency and the bilateral/multilateral body*
13. Enforcement and Monitoring	<ul style="list-style-type: none"> <li>This will be overseen by the RSAC Unit and supported by FPs at the regional and provincial level. RSAC Unit will be responsible for submitting reports (e.g. SOI) to UNFCCC</li> </ul>
<b>Stage 6: Reporting and Verification</b>	
14. Verification	<ul style="list-style-type: none"> <li>RSAC Unit, with support and information from FPs, prepares reports and conducts the necessary compliance checks on active projects</li> <li>An independent audit of FPIC processes may be requested at any stage of an activity or project by CSOs, donors or government</li> </ul>
15. Reporting	<ul style="list-style-type: none"> <li>Requests for audits should be made to the National GRM Technical Committee, who will be responsible for considering the request and directing the audit.</li> <li>If it is determined that an audit is required, an auditor will be selected by mutual agreement between the developer and the CLLCs.</li> </ul>
16. GRM Process	This process will be initiated once a complaint has been lodged at any time during the project design and implementation process.

Figure 3 illustrates how CCDA/REDD+ sector agencies of the national government, mainly through the NRAC, will liaise with bilateral/multilateral agencies to ensure that the rights of customary landholders and local communities will be respected throughout the design, implementation and monitoring of REDD+ initiatives in PNG.

Figure 3. Flow chart of information and stakeholders involved in REDD+ initiatives under the National Approach

STAGE	BILATERAL AND MULTILATERAL FUNDING (GCF, BCTF, AE, etc.)	GOVERNMENT	LANDHOLDERS & COMMUNITIES
1. INITIATION & CONSULTATION	Call for Proposals/EOI	CCDA/REDD+ sector agency prepares EOI	ILG, Associations, women, youth, church, etc.
2. PROJECT CONCEPT	Prescribed process applies to approve EOI	CCDA/REDD+ sector agency tables the EOI/project CN at RTWC	
3. PROJECT APPLICATION	Prescribed process applies to approve project design document (PDD)	CCDA/REDD+ sector agency tables the PDD at RTWC	
4. EXECUTION & IMPLEMENTATION	Financing Agreement	CCDA/REDD+ sector agency (after OSS clearance) BSA	Representative landholder group
5. REPORTING & VERIFICATION	Technical officers, project managers, etc.	CCDA (RSACU) FPs	ILG, Associations, women, youth, church, etc.

## 4.3 Project-Scale Carbon Market Approach

**Table 10.** Step-by-step process that VCM projects must comply with under the VCM Project Approach

STEP/ACTION	PROJECT SCALE CARBON MARKET (VCM)
<b>Stage 1: Initiation (~4 months)</b>	
1. EOI	<p>VCM project developer writes to CCDA with interest to commence business in province/district and must provide following information</p> <ol style="list-style-type: none"> <li>Location of proposed project</li> <li>Business profile</li> <li>Any information on liaisons with CLLCs to date</li> <li>Projected ERs to be gained, methodology</li> </ol>
2. Due Diligence	<p>CCDA conducts initial checks on the developer pertaining to:</p> <ol style="list-style-type: none"> <li>Company registration</li> <li>Taxation compliance</li> <li>Corporate social responsibility; and</li> </ol> <p>Any other financial or technical information related to the business dealings of the developer.</p>
4. Review and approval of EOI	<ol style="list-style-type: none"> <li>Upon approval from CCDA, letter to commence consultations with CLLCs. This letter must be issued within 10 working days of receiving and acknowledging receipt of the EOI in portal/registry.*</li> <li>The letter must have the following: <ol style="list-style-type: none"> <li>Signed by MD or his delegate</li> <li>Instructions to engage with assigned FPs in the relevant province</li> <li>Have in copy, the PEC and/or PCCC, DDA CEO, MP and Governor</li> <li>Period in which the approval to commence consultations is valid</li> </ol> </li> <li>If there is no approval to commence consultations, CCDA must clearly state in the letter: <ol style="list-style-type: none"> <li>Grounds for rejection of the EOI</li> <li>Provisions that are applicable in CMMA or relevant legislation, if necessary</li> <li>Appeals process</li> </ol> </li> </ol>
4. Initiating Consultations	<p>VCM project developer seeks permission from CLLCs to commence consultations through a public community forum. FPs can assist with liaison and coordination.</p> <ol style="list-style-type: none"> <li>Complete form at <a href="#">Annexure 5</a>.</li> </ol> <p>*No specific timeframe as it the context of each project area will vary, however it is estimated to be 2-4 months before the form at Annex 6 is prepared and submitted.*</p>
<b>Stage 2: Project Concept (~5 months)</b>	
5. Project Concept: Provincial Endorsement	<ol style="list-style-type: none"> <li>VCM project developer must submit the Project Concept to the Provincial Executive Council (PEC). It must be a maximum of 15 pages and contain the following: <ol style="list-style-type: none"> <li>The name of the project,</li> <li>REDD+ activity type and size of the project</li> <li>its location, land use and social settings (provide a map)</li> <li>the anticipated total amount of (GHG) reduction compared to a "business- as-usual" scenario</li> <li>the suggested crediting life time</li> <li>the financial structuring (indicating which parties are expected to provide initial funding)</li> <li>an overview of what safeguards are in place to minimize social and environmental risks and enhance social and environmental benefits.</li> <li>PC form at <a href="#">Annexure 5</a> completed</li> <li>Proposed FPIC consultation process and BSP arrangements</li> </ol> </li> <li>PC endorsed by PEC. The endorsement from PEC must: <ol style="list-style-type: none"> <li>state that they are satisfied with the project, and that FPIC was carried out to initiate consultations with community;</li> <li>state that the project aligns with the provincial development aspirations captured in the Provincial Development Plan (PDP)</li> <li>Have the Form at <a href="#">Annexure 5</a> attached</li> </ol> <p>*This process to get PEC endorsement can take 1-3 months depending on the provincial context.*</p> </li> </ol>

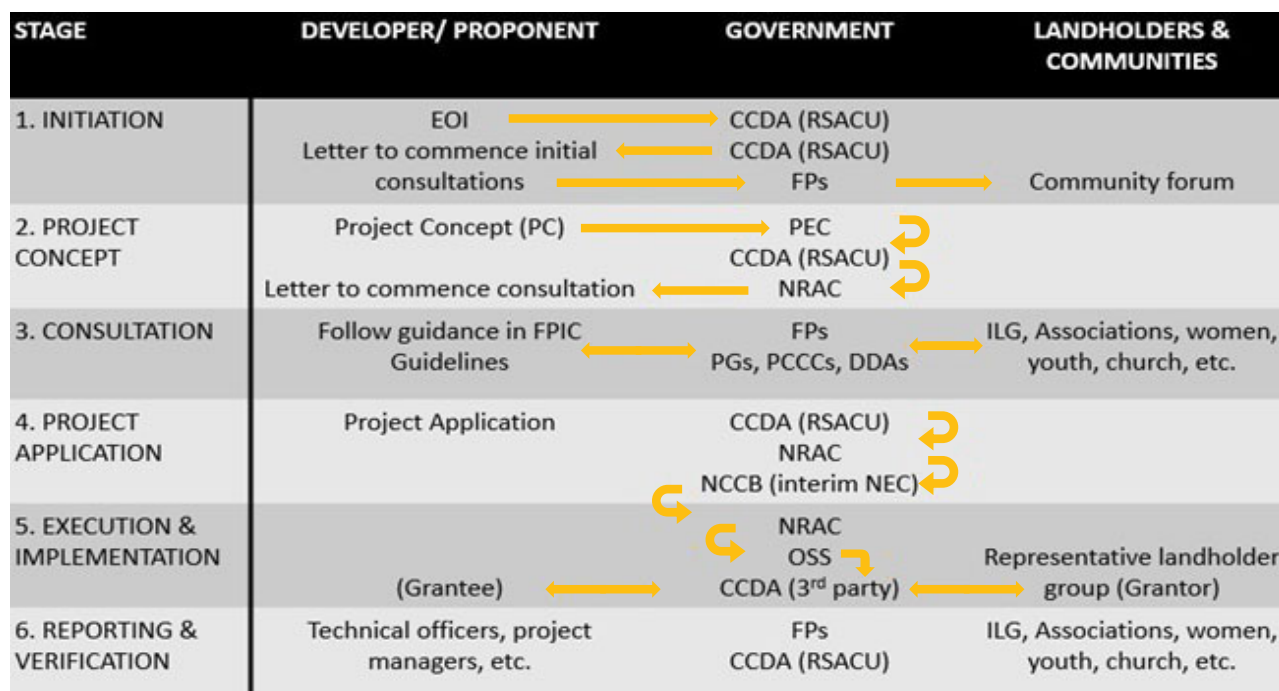
6. Project Concept: Public Consultation & Advertisement	<ol style="list-style-type: none"> <li>1. Upon PEC endorsement, the same PC (in step 5) will be submitted to the CCDA RSAC Unit</li> <li>2. The CCDA RSAC Unit shall advertise the details of the proposed project's concept note in print media (in English and tok pisin) for public consultation and feedback over a period of 1 month</li> <li>3. CCDA RSAC Unit will also be responsible for ensuring that the feedback from the public is collected at this stage.</li> </ol> <p>*CCDA to advertise the project concept within 5 working days of receiving the PEC endorsement for CN*</p> <p>*Period of consultation will be 1 calendar month*</p>
7. Review and approval of Project Concept	<ol style="list-style-type: none"> <li>1. Once the public notice and feedback period has expired, the RSAC Unit will compile any feedback received and submit the PC along with the public feedback to the NRAC. <ol style="list-style-type: none"> <li>a. *The feedback must be reviewed within 10 working days of the expiry of the public consultation period by the RSAC Unit*</li> </ol> </li> <li>2. NRAC reviews the PC and the feedback from the public consultation period (1 month) and either approves or rejects the PC. If approved, the NRAC issues the letter to the developer which must state its: <ol style="list-style-type: none"> <li>a. Approval for the developer to proceed to the next stage in the approval process, which is full consultation with the CLLCs</li> <li>b. recommendations following the public notice and feedback period</li> <li>c. timeframe in which they must submit the application (PDD) to CCDA</li> </ol> </li> <li>3. If denied, the NRAC issues the letter to the developer which must state its: <ol style="list-style-type: none"> <li>a. Grounds for denial of the PC</li> <li>b. Provisions that are applicable in CMMA or relevant legislation, where relevant</li> <li>c. Appeals process</li> </ol> </li> </ol> <p>*The letter from the NRAC should be given to the developer within 20 working days of the expiry of the public consultation period*</p>
<b>Stage 3: Consultation (~8 months)</b>	
8. Consultation Process	<ol style="list-style-type: none"> <li>1. The VCM project developer must be guided by FPIC Guidelines s.5.2 and the result of this must be: <ol style="list-style-type: none"> <li>a. LIS issued (upon consultation and working with Provincial Lands officers)</li> <li>b. BSP developed, which will be a schedule to the BSA (which may be in draft form at this stage)</li> </ol> </li> <li>2. Other process that the VCM project developer, with support from FPs, may choose to support or facilitate are: <ol style="list-style-type: none"> <li>a. ILG registration</li> <li>b. Association registration</li> <li>c. Business group registration</li> </ol> </li> </ol> <p>*3-6 months approximately*</p>
9. Obtaining Consent	<p>When all CLLCs are in agreement, their consent (85% of those identified in LIS study) must be captured in :</p> <ul style="list-style-type: none"> <li>• Certificate of Consent at <a href="#">Annexure 6</a></li> </ul> <p>*1-4 weeks approximately*</p>
<b>Stage 4: Project Application (~4 months)</b>	
10. Submission of Project Application	<ol style="list-style-type: none"> <li>1. The application must be submitted to the RSAC Unit's database/registry and will contain the following: <ol style="list-style-type: none"> <li>a. Relevant application form</li> <li>b. PC approval whereby PEC is attached</li> <li>c. LIS study</li> <li>d. Certificate of Consent</li> <li>e. BSP</li> <li>f. Draft MOA/Project Agreement <a href="#">Annexure 8</a></li> <li>g. Outcomes or measures the developer has taken based on the recommendations of the NRAC (issued by the NRAC under stage 2)</li> <li>h. PDD form completed <a href="#">Annexure 9</a></li> </ol> </li> <li>2. If a developer is unable to submit a complete application within 18 months from the date of approval of the PC (step 7 under stage 2), then the PC approval shall be cancelled.</li> </ol>
11. Review and approval of Project Application	<ol style="list-style-type: none"> <li>1. RSAC Unit conducts final technical and financial assessments before compiling the submission to the NRAC for review</li> <li>2. NRAC recommends to the NCCB (interim NEC) on whether to approve or deny the project application.</li> <li>3. If approved by the NCCB (interim NEC), then the NRAC will give instructions to the RSAC Unit to issue to the developer: <ol style="list-style-type: none"> <li>a. Project and permit file number</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>b. Permit geo-physical details and the project area boundaries, which would be a part of the REDD+ registry or interim database</li> <li>c. Validity period upon execution of the MOA/project agreement</li> <li>d. Conditions of grant</li> <li>e. Draft MOA/ project agreement</li> </ul> <p>4. If denied by the NCCB (interim NEC), then the NRAC will give instructions to the RSAC Unit to issue to the developer a statement that includes:</p> <ul style="list-style-type: none"> <li>a. Grounds for rejection of the application</li> <li>b. Provisions that are applicable in CMMA or relevant legislation, where relevant</li> <li>c. Appeals process</li> <li>d. Opportunity to re-submit a new project concept or application, if feasible</li> </ul> <p>5. The NCCB (interim NEC) may also decide to limit the number of times a VCM project developer can re-apply.</p>
<b>Stage 5: Execution and Implementation (~3 months)</b>	
12. Project Contract Execution	<p>1. Once NCCB (interim NEC) approves the project application, NRAC can commence the process of obtaining legal clearance for the project agreement from OSS.</p> <ul style="list-style-type: none"> <li>a. Parties to the VCM project agreement are the project developer, the main representative CLLCs body and the National Government.</li> <li>b. The Benefit Sharing Plan (BSP) will be included as a schedule within the project agreement to meet the provisions stated in section 90(1)(b) of the CCMA.</li> </ul> <p>*Project agreement should be executed within 1-4 weeks of permit issuance*</p>
13. Enforcement and Monitoring	<p>1 This will be overseen by the RSAC Unit, supported by the regional and/or provincial FPs, who have a crucial role in the compliance of the procedures outlined in this document.</p> <p>2 Project reports submitted by project developers shall be received and reviewed by the RSAC Unit.</p>
<b>Stage 6: Reporting and Verification</b>	
14. Verification	<p>1 RSAC Unit, with support and information from FPs, prepares reports in accordance with section 94 of the CCMA.</p> <p>2 An independent audit of FPIC processes may be requested at any stage of an activity or project by CSOs, donors or government</p> <p>3 Requests for audits should be made to the National GRM Technical Committee, who will be responsible for considering the request and directing the audit.</p>
15. Reporting	<p>4 If it is determined that an audit is required, an auditor will be selected by mutual agreement between the developer and the CLLCs.</p>
16. GRM Process	<p>Developers should have a robust GRM mechanism in place, which should be outlined in the Project Agreement. However, if a grievance cannot be resolved in accordance with the clauses of the Project Agreement, then the National GRM process can be initiated. This means that the Complainant may lodge their grievance with the GRM Sub-Unit of the RSAC Unit if they are not satisfied with the outcome(s) of the GRM process followed in accordance with the Project Agreement.</p>



Figure 4 illustrates how project developers will have to comply with government procedures in order to ensure that the rights of customary landholders and local communities will be respected throughout the design, implementation and monitoring of VCM projects in PNG.

Figure 4. Flow chart of requisite documents and relevant stakeholders involved in VCM Project Approach





## MONITORING, REPORTING AND VERIFICATION - NESTING

This section outlines the methodology applicable under the National Approach, the National REDD+ Registry, and presents the options for nesting in PNG as well as describing the monitoring, reporting and verification (MRV) responsibilities of the CCDA RSAC Unit.

### 5.1. Methodology for National Approach

The UNFCCC provides the methodological guidance for calculating REDD+ results at the national level (compliance mechanism). The IPCC methods relevant for REDD+ activities are mainly contained in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (IPCC 2006 20GL) and the IPCC Good Practice Guidance for LULUCF (IPCC GPG-LULUCF). The IPCC 2006 GL methods, intended to be used at the national level, may be adapted through the guidance provided by the IPCC GPG-LULUCF for their application at the project level.

The national REDD+ results method should overall be consistent with the national Forest Reference Level<sup>36</sup> (FRL). Both methods should use the same forest definition and land use, land use change (LULUC) classification, and share the same REDD+ activities, carbon pools, gases and scales.

#### 5.1.1 Applying the IPCC Guidance to VCM projects

The 2006 IPCC Guidelines provide best practices for building methodologies and developing projects under any carbon offset standard. The 2006 IPCC Guidelines also serve to estimate and report national inventories by dividing GHG emissions and removals into main sectors, which are groupings of related processes, sources and sinks, one of which is the agriculture, forestry and other land use (AFOLU) sector.<sup>37</sup> Each sector comprises individual categories and sub-categories. For the AFOLU sector, anthropogenic GHG emissions and removals by sinks are defined as all those occurring on 'managed land'. The 6 land use categories in the 2006 IPCC Guidelines<sup>38</sup> are:

36. [https://redd.unfccc.int/files/png\\_fri\\_submission-15.01.2017.pdf](https://redd.unfccc.int/files/png_fri_submission-15.01.2017.pdf)

37. Estrada, 2011

38. IPCC Guidelines 2006

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

Each land use category is further subdivided into land remaining in that category (e.g. 'Forest land remaining forest land') and land converted from one category to another (e.g. 'Forest land converted to cropland').

The IPCC 2006 Guidelines methods are ranked by tiers. A tier represents a level of methodological complexity: tier 1 is the basic method; tier 2 intermediate; and tier 3 is the most stringent in terms of complexity and data requirements. Tiers 2 and 3 are sometimes referred to as higher tier methods and are generally considered to be more accurate. Tier 2 and 3 methods use nationally derived data and more disaggregated approaches and (or) process models, which allow for more precise estimates of changes in carbon stocks in biomass.

For the VCM projects it is recommended to apply higher tier methods, based on field measurements or field measurements in combination with models (e.g. allometric equations, simulation models).

## 5.2 National REDD+ Registry

To effectively manage and report on REDD+ actions in line with the Paris Agreement and guidance from the UNFCCC, PNG requires a structured system for coordinating and reporting action on REDD+ and achievements in terms of emission reductions and removals. This structured system is referred to as a National REDD+ Registry (NRR). A "REDD+ registry system" is a repository for information on REDD+ actions preserving knowledge of facts, events, documents, maps, the details of ownership and value, etc. in a verifiable format. As such it is a tool that can help capture, process, store and report on all the relevant data and information related to REDD+ projects and programs in a way that is verifiable and accessible to various categories of stakeholders or end-users for decision making purposes.

CCDA has developed a prototype version of a national registry (composed of Data Management System (DMS) and Emission Reduction (ER) Transaction Registry) in 2022 and is planned to be operational by 2023 after undergoing full stakeholders' consultation processes. PNG's existing National Forest Monitoring System (NFMS) will form the basis for the national carbon registry.

The national registry will provide all the information about programs and projects in the country, such as: Entities who own the ERs titles, geographical boundaries, reference level, monitoring report on activities, safeguards and non-carbon benefits, etc.

The registry will ensure integrity and consistency in the context of NDC, GHG Inventory, PaMs and the domestic carbon market in future with meeting several international requirements. It will be important to clarify how REDD+ credits under the various carbon funds will be registered. This registry system will ensure that each ER is appropriately issued, serialized, transferred, retired, and/or cancelled; and ensure that ER are not issued, counted, or claimed by more than one entity.

The NRR registration of carbon reduction (avoidance and removals) activities, where, REDD+ projects, both voluntary carbon market projects and other ER initiatives under the NRS can be registered, monitored and reported within a national framework. This NRR system is established under the Climate Change Management Act under Section 78A, thus ensures that it is mandatory to measure and record the correct amount or volume of emissions reductions or offsetting correspond to the results-based payments or financial incentives.

Most importantly the registry system avoids double counting of emissions reductions. Penalties could also be imposed where there is intentional double counting of emissions reductions by the CCDA. This would act as a deterrent and maintain transparency and overall efficiency. Therefore, it is important that the NRR be designed in a way to ensure technical consistency across all scales of REDD+ initiatives, projects and activities.

Accurate reporting of the carbon credits accumulated over a vintage period is crucial as it enables jurisdictions to be eligible for results-based finance under the compliance/national approach (as well as the VCM project approach).<sup>39</sup> The following information must be disclosed in such reporting:

- The assessed results (tonnes CO<sub>2</sub> per year) for each relevant period;
- The assessed forest reference level (tonnes CO<sub>2</sub> per year);
- The summary of information (SOI) on how all of the REDD+ safeguards are being addressed and respected;
- A link to the REDD+ national strategy (NRS) or action plan;
- Information on the national forest monitoring system.

## 5.3 Nesting Systems

A nesting system refers to the alignment of the accounting of greenhouse gas (GHG) emission reductions and removals (ERs) from REDD+ activities across multiple scales. It is theoretically possible to 'nest' VCM projects in a UNFCCC national (compliance) framework but it is challenging in practice. Firstly, it is difficult to attribute ERs (avoidance and removals) to individual projects or policies (PaMs). It is also complicated, from a technical measurement perspective, whereby different methods for carbon accounting are used, which makes it difficult to track VCM projects' ERs under a national framework. Nevertheless, it remains a worthwhile cause to target resources towards developing a nesting system that 'nests' all efforts of emissions reductions and removals (ERs) to:

- i) Optimize REDD+ finance, that is, have access to multiple sources of climate and carbon finance, including market and non-market opportunities, which will enable private sector investment;
- ii) Align REDD+ with the Paris Agreement to avoid double counting of emission reductions and removals and optimize the contribution of REDD+ to the country's NDC;
- iii) Honor the legal system and decentralized forest management that promotes REDD+ implementation at multiple scales and equity among actors participating in forest protection, and, implement REDD+ in line with the existing land tenure and rights regimes; and
- iv) Create broad support for REDD+ where stakeholders are involved in all policy levels in the design of REDD+ policies, programs and projects, and, harness broad technical, financial and human capacity for REDD+ implementation.

PNG is aiming to develop a system that may integrate two or more approaches and will be referred to as a "hybrid nested approach". Under such a hybrid nested approach, there will be regulation of all carbon credits through close scrutiny of ER claims of VCM projects and the registration of all VCM credit issuances and RBPs to ensure double counting is avoided. This hybrid nested approach also maintains environmental integrity, accountability and transparency.

Moreover, PNG will also apply the nested approach to REDD+ benefit sharing. Nesting will allow for utilisation of the benefits of a national scale system while using factors from a project-level scale<sup>40</sup>. Differences in REDD+ initiatives, policies, frameworks and methodologies can be reconciled through a nested REDD+ system<sup>41</sup>. The hybrid nested approach would also attract VCM investors and compliance market actors (such as the GCF, ART-TREES) for performance at the national scale.

## 5.4 Monitoring and Evaluation

Monitoring and evaluation of the processes outlined in this RDG will be overseen and administered by the CCDA RSAC Unit. All VCM projects will be subject to providing annual reports to CCDA. Periodical assessments will be conducted by the RSAC Unit through site visits and consultations with customary landholders and local communities and sub-national stakeholders to ensure that there are minimal grievances and to verify that the REDD+ initiatives and VCM projects are being implemented effectively and in accordance with the terms of the BSA and Project Agreement/permit respectively.

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

40. (Crane 2015). Ward, A. (2019). A recommended REDD+ benefit sharing system for PNG. (report prepared for UNDP).

41. Pascoe 2015, REDD+ Governance in Papua New Guinea, [http://devpolicy.org/Events/2015/2015-PNG-Update/Presentations/Day-2/Agriculture-and-forests\\_paper\\_Pascoe.pdf](http://devpolicy.org/Events/2015/2015-PNG-Update/Presentations/Day-2/Agriculture-and-forests_paper_Pascoe.pdf)

The RSAC Unit's responsibilities with respect to monitoring, evaluation and reporting include:

- a) Monitoring and guiding safeguards implementation, including application of FPIC, GRM, BSD and other relevant safeguards outlined in this National RDG.
- b) Submitting reports on safeguards implementation, the SIS Platform and making reports publicly available
- c) Ensuring that the data and information related to safeguards on the REDD+ Registry is kept updated and is easily accessible
- d) Communicating and coordination with the NRAC with respect to the NRAC and NCCB's responsibilities in the broader processes described in this National RDG.
- e) Coordinating the forest monitoring information at the project level
- f) Reviewing forest monitoring reports for responsive actions at the project level
- g) Submitting monitoring reports on ERs generated for independent verification
- h) Sharing relevant official reports to the NRAC and NCCB (interim NEC), and ensuring that public reports are available to all stakeholders; and
- i) Reporting ER transactions on the REDD+ registry and nesting system.





# ANNEXURES

## **Annexure 1** Relevant Decisions and Guidelines Referenced in Section 2

### **Relevant UNFCCC decisions**

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

[http://unfccc.int/meetings/warsaw\\_nov\\_2013/session/7767/php/view/decisions.php](http://unfccc.int/meetings/warsaw_nov_2013/session/7767/php/view/decisions.php)

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

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

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

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

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

COP 11 (Montreal, 2005, where REDD was first introduced): [http://unfccc.int/meetings/montreal\\_nov\\_2005/session/6269.php](http://unfccc.int/meetings/montreal_nov_2005/session/6269.php)

### **UN-REDD Guidelines**

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

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

Forest Carbon Partnership Facility and the Forest Investment Program – World Bank World Bank's Forest Carbon Partnership Facility: [www.forestcarbonpartnership.org/](http://www.forestcarbonpartnership.org/)

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

### REDD+ SES

REDD+ Social & Environmental Standards: [http://www.redd-standards.org/files/REDDSES\\_Version\\_2/REDDSES\\_Version\\_2\\_-\\_10\\_September\\_2012.pdf](http://www.redd-standards.org/files/REDDSES_Version_2/REDDSES_Version_2_-_10_September_2012.pdf)

Guidelines for using REDD+ SES at the country level: [http://www.redd-standards.org/files/pdf/redd-docs/Standards/REDD\\_SES\\_Guidelines\\_Version\\_2\\_-\\_16\\_November\\_2012.pdf](http://www.redd-standards.org/files/pdf/redd-docs/Standards/REDD_SES_Guidelines_Version_2_-_16_November_2012.pdf)

Factsheet supporting countries to develop Safeguard Information Systems: [http://www.redd-standards.org/files/pdf/reddocs/Standards/REDD\\_SES\\_factsheet\\_November\\_2012.pdf](http://www.redd-standards.org/files/pdf/reddocs/Standards/REDD_SES_factsheet_November_2012.pdf)

## Annexure 2 Forest Definition

The NEC approved forest definition "land spanning more than 1 hectare, with trees higher than 3 meters and the canopy cover of more than 10 percent (%)".

## Annexure 3 Indicative List of Relevant International Agreements for UNFCCC REDD+ Safeguards

**Table 11.** List of reporting mechanisms to international treaties and agreements considered relevant for providing information on REDD + safeguards. (Source: PNG SOI, 2020).

Treaty or Convention	Responsible institution	Relevant to Safeguards
Convention on Biological Diversity	Conservation and Environmental Protection Authority (CEPA)	E
UN Convention on Climate Change and Desertification	CEPA	A
Convention on International Trade of Endangered Species	CEPA	E
RAMSAR Convention on Wetlands	CEPA	A
Convention on the Protection and Promotion of The Diversity of Cultural Expressions	Tourism Promotion Authority	C
United Nations Convention Against Corruption	Dept. of Justice & Attorney General (DJAG) - Public Prosecutor's Office	B
International Covenant on Economic, Social and Cultural Rights	Tourism Promotion Authority (TPA)	B, C and E
International Covenant on Civil and Political Rights	Department of Justice & Attorney General (DJAG)	B and C
Convention On The Elimination Of All Forms Of Racial Discrimination	DJAG – Public Solicitor's Office	B and C
Convention On The Elimination Of All Forms Of Discrimination Against Women	Dept. of Community Development	B

## Annexure 4 Project Concept Note Document (PCN)

### PROJECT CONCEPT NOTE

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

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

#### **PROJECT TITLE**

By *[individual or entity]*

To

**REDD+ and Mitigation Division Climate Change Development Authority**

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

#### **1. Project Description [1 \page]**

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

#### **2. Objective [Max 300 words]**

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

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



### 3. Project Entities [1.5 pages]

- a) Project Proponent/Developer (if any)
  - *[Identify the Project Proponent and describe its main roles and responsibilities.*
  - *Summary of the relevant experiences of the proponent (attach supporting documents)*
  - *Provide examples with documentation on some of its success stories on similar projects*
  - *List the Contact Name and Details (address, telephone/mobile, Fax, Email and web address if any)]*
- b) Project Participant(s)
  - *[Identify the Project Participant(s) normally it's the ILG Association and describe the main roles and responsibilities.*
  - *Summary of the relevant experiences of the project participant (attach supporting documents) excluding customary landholders*
  - *List the Contact Name(s) and Details (address, telephone/mobile, Fax, Email and web address if any) of the Project Participant(s)]*
- c) Management and Operational Structure  
*[In a form of a flow chart, show Project Management Unit (PMU) and staff showing composition and briefly describe their roles and responsibilities]*

### 4. Application of Methodology [1 - 2 pages]

- a) Baseline Scenario  
*[Identify and justify the baseline scenario. What would the area look like without a project?]*
- b) Additionality  
*[Demonstrate and describe how the project fulfills additionality criteria - how the projects will look like with the project (and it should be improving the status (environment & communities/socio-economic) of the project area]*
- c) GHG Emission Reductions and Removals
  - i) Baseline and Project Emissions  
*[Describe the procedure for quantification of the baseline and project emissions and/or removals. Include all relevant equations]*
  - ii) Leakage  
*[Describe the procedure for quantification of the leakage emissions. Include all relevant equations]*
  - iii) Summary of GHG Emission Reductions and Removals  
*[Provide an ex-ante calculation (estimate) of baseline emissions/removals, project emissions/removals, leakage emissions and net emission reductions and removals. Describe the procedure for quantification of net GHG emission reductions and removals. Include key equations For Agriculture, Forestry or Other Land Use (AFOLU) projects, include net change in carbon stocks.]*

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

- a) Pre-Operational Framework
  - *[Outline the main steps of the project and describe the main activities and the implementation timeframe of each activity*
  - *and estimated cost to implement each activity*
- b) Source of Finance to be sought or already identified to implement the activities

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

## 6. Legal Framework [1 - 2 pages]

- a) Compliance with Laws, Statutes and Other Regulatory Frameworks  
*[Describe the project compliance with relevant local (LLG/District), regional (Province) and national laws - 1/2 page]*
- b) Land or Resource Ownership  
*[Describe the legal tenure of the project area. Provide where possible evidence of ILG status, IPA certificates, or lease title documents where relevant. Submit as attachments]*
- c) Consent (FPIC)  
*[Provide evidence of consent by local communities given to develop or implement this project. Attach necessary documents like MoA/MoU with signatories of ILG representatives, support letters from national and sub- national levels, NID certificates, meeting minutes with participants list, etc..]. Photographs of meetings held with communities can also be useful*
- d) Grievance Redress Mechanism (GRM)  
*[Clearly outline how conflicts arising from this project will be addressed, both social and environmental (Write at least one full page) ]*
- e) Participation under Other GHG Programs  
*[Indicate whether the project has been registered, or is seeking registration under any other GHG programs, for example CCBA or VCS. Where the project has been registered under any other GHG program, provide the registration number and details.]*

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

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

**8. Benefit Sharing Arrangements**

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

**9. Stakeholder Comments**

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

**10. Understanding on Content and Completion of PCN**

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

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

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

Name:..... Signature:.....

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

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

Name:..... Signature:.....

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

**Annexure 5 Initial Consultation Form**

Procedures For Seeking Permission From Community To Begin NRS Activities On Land Owned Or Occupied By *[Insert Name Of Village/Peoples]*

- *[INSERT NAME OF NRS ACTIVITY OR PROJECT]*
- Name of Village 1 :.....
- Village 2 :.....
- Name of Ward :.....
- Name of LLG :.....
- Name of District :.....

**1. Community right to information, consultation and participation**

We believe that, by virtue of our significant and long-standing relationship to the lands and other natural resources on the land described below (paragraph 3), that we are entitled to make decisions regarding the use of these lands and natural resources.

We believe that these rights should be respected and set out the following procedures to secure respect for our rights in relation to any activities concerning Reduced Emissions from Deforestation and Forest Degradation (“NRS activities”).

## 2. Purpose of these procedures

These procedures:

- (a) describe our community’s expectations regarding the behaviour of those people or organizations who wish to consult with us about using, occupying or accessing any part of our land and other natural resources which are occupied or traditionally used by us; and
- (b) provide guidance to people who wish to consult with us about these matters.

## 3. Land area covered by these procedures

The land area which these procedures apply to are:

*[describe areas of land covered by this agreement].*

These areas of land are shown on the map in Attachment A *[attach map if available]*.

## 4. What these procedures apply to

These procedures apply to the entire decision-making process, including:

- the process of educating our community about REDD,
- any initial decision regarding the site of any REDD activities,
- the design of REDD activities, and
- any assessment of the social, environmental, economic or other impacts of those activities.

We must be contacted beforehand and fully informed about the potential NRS activities before any decisions are made regarding these matters. *[Insert name of NRS implementer or project proponent]* must provide additional information about their proposals in response to reasonable requests from our community.

We have the right to give or refuse consent for any NRS activities on or affecting our land, natural resources or livelihoods. Our consent must be evidenced by a Certificate of Consent *(see model certificate attached)* which is marked or signed by our authorized representatives.

## 5. Our authorized representatives

### *Authorised groups*

The following indigenous or civil society groups are appointed by us to participate in decision-making activities on REDD on our behalf:

- *[insert name of Civil Society Organisations].*  
This group is located at *[insert location of office]*, and can be contacted by *[insert how to contact: e.g. email/phone/fax/in person...]*
- *[insert name of CSO 2, (if more than one group is appointed) etc...]*  
This group is located at *[insert location of office]*, and can be contacted by *[insert how to contact...]*.

### *Authorized individuals*

The following individuals are appointed by us to participate in decision-making activities on REDD on our behalf:

- *[insert name/s of any individuals appointed, e.g. Village Chief, etc].*  
This person is located at *[insert address for contact]*, and can be contacted by *[insert how they can be contacted, e.g. in person, etc]*
- *[insert name of individual 2, if more than one person is appointed], etc...*

## 6. Languages or dialects

Engagement with our community must occur in *[insert name of language or dialect spoken in village or community]* language. All documents describing or explaining the NRS activities should be given to us in Tok Pisin and must be fully explained to the community.

## 7. Cultural requirements for engagement

The following traditions of our community must be respected:

- *[insert list of traditions, e.g. visitors to our land must contact our Village Chief first before entering the community, all visitors must dress appropriately, visitors should use a respectful means of address].*
- *[insert tradition 2, etc]*

Annexed to this form is an orientation to our community which more fully describes our people, our cultural traditions, and their significance to visitors to our community, and any proposed NRS activities. [DELETE IF NOT RELEVANT]

### 8. Timeframes

The number, location and timing of meetings must be agreed upon by our authorized representatives. It is essential that our community is given adequate time to consider and discuss any proposal for any NRS activities.

After any meetings with *[Insert name of NRS implementer or project proponent]*, our authorized representatives will seek to reach agreement with *[Insert name of NRS implementer or project proponent]* on the timeframe within which our decisions will be made.

### 9. *[Insert name of NRS implementer or project proponent]* must disclose relationships

*[Insert name of NRS implementer or project proponent]* must disclose to us its relationships with any person or any institution related to the NRS activities, including:

- *the organization or company which will be carrying out the activities,*
- *which government departments will be involved,*
- *which research institutions will be involved, and*
- *the names of any consultants.*

### 10. Evidence of consent

The only valid evidence of consent is a Certificate of Consent that is marked by our authorized representatives. No other form or evidence of consent is valid. *(Attach example of Certificate of Consent)*.

Signed by: (signature) .....

Print name: .....

At (place): .....

On (date): .....

Witnessed by:

[Witness 1].....[sign and print name]

[Witness 2].....[sign and print name]

[Witness 3].....[sign and print name]

## Annexure 6 Certificate of Consent – Village level

*[INSERT NAME OF PROJECT]*

Name of Village: .....

Name of Ward: .....

Name of LLG .....

Name of District: .....

I ... *[insert name]* ..., in my capacity as Village Chief of ... *[insert name of village]* ... Village, confirm that the aims and proposed *[insert proposed project of NRS activity]*, which are listed below, were presented to my village:*[insert below the list of activities which were presented]*

- *[description of activity]*
- *[description of activity]*
- *[description of activity]*

This/these presentation/s took place on *[insert date/s]* at *[insert place/s]*.

I also confirm that the villagers named in Annex 1 attended this/these presentation/s.



Since the presentation/s, we have had the opportunity to discuss the aims and proposed activities of the [Insert name of NRS implementer or project proponent] and we have reached the following conclusions:

The process by which the aims and proposed activities of the [Insert name of NRS implementer or project proponent] have been presented and explained to us [has been / has not been] [delete one] free from coercion, intimidation or manipulation.

The aims and proposed activities of the [Insert name of NRS implementer or project proponent] [have / have not] been [delete one] presented and explained to us before the proposed activities have started.

We [have been / have not been] [delete one] provided with sufficiently clear and complete information to allow us to reach agreement.

On the basis of this/these presentations and other information, [we do/do not] [delete one] consent to the proposed activities taking place.

Our additional comments on each of these points, and on the proposed aims and activities of the [Insert name of NRS implementer or project proponent], are provided in Annex 2 to this document.

Signed by: (signature) .....

Print name: .....

At (place): .....

On (date): .....

Witnessed by:

[Witness 1].....[sign and print name]

[Witness 2].....[sign and print name]

[Witness 3].....[sign and print name]

### Attachment 1: Participants in this agreement

Name	Age	Gender	Occupation	Signature/Mark or Thumbprint

## Attachment 2: **Additional comments**

*[leave answers blank if not relevant]*

1. The process was not free of coercion, intimidation or manipulation because (or could have been made free by...):
2. The information provided was not adequate because (or could have been improved by...):
3. We did/did not *[delete one]* have enough time to make a decision.
4. We would reconsider our decision to withhold our consent if:
5. We request the following kinds of assistance to help our community in working with the *[Insert name of NRS implementer or project proponent]* in the future (list suggestions for capacity-building):
6. We wish to make the following suggestions concerning the aims and proposed activities of the *[Insert name of NRS implementer or project proponent]*:

## **Annexure 7** **Template for Benefit Sharing Agreement**

### ***[PROJECT NAME]* BENEFITS SHARING AGREEMENT**

**Between**

**THE *(PARTY 1)***

**And**

**THE *(PARTY 2)***

**And**

**THE *(PARTY 3)*...**

This Benefits Sharing Agreement ("Agreement") is made and entered into on this [DAY] day of [MONTH] [YEAR] ("Effective Date") by and between:

[PARTY 1], a [PARTY 1 STATE OF INCORP], with an office located at [PARTY 1 ADDRESS]; and [PARTY 2], a [PARTY 2 STATE OF INCORP], with an office located at [PARTY 2 ADDRESS]; [PARTY 3], a [PARTY 3 STATE OF INCORP], with an office located at [PARTY 3 ADDRESS];..

#### **1. GENERAL**

- a) All parties see the benefits of this project, have a desire to pursue the project and have determined that each brings unique expertise and experience necessary to accomplish the objectives outlined above.
- b) [PARTY 1] has unique expertise and experience in the following areas:
- c) [PARTY 2] has unique expertise and experience in the following areas:
- d) [PARTY 3] has unique expertise and experience in the following areas

#### **2. DEFINITIONS**

In this Agreement, the following definitions apply unless the context otherwise requires:

- a) "Act" means the Climate Change Management Act 2015, as amended
- b) [continue list relevant to the project]

### 3. INTERPRETATION

The following rules of interpretation apply to this Agreement –

- a) The headings do not affect the interpretation or construction of this Agreement;
- b) References to an act or provision of an act includes the amendments to that act for the time being in force and also to any legislation or regulation passed in substitution thereof;
- c) A reference to a Party to this Agreement or Parties to this Agreement includes that Party's or Parties' successors, and permitted assigns and, where applicable, the Party's or Parties' legal personal representatives;
- d) References to a Recital, Clause, Schedule or Attachment are to a recital, clause, schedule or attachment of this Agreement;
- e) If there is any conflict between the body of this Agreement and the Schedules or Attachments, the body of this Agreement prevails to the extent of the inconsistency; and
- f) If there is any inconsistency between the provisions of this Agreement and the Act, the Act will prevail to the extent of the inconsistency.

### 4. PURPOSE AND SCOPE

The purpose of this Benefits Sharing Agreement is to set forth the terms and conditions, scope of work and responsibilities of the parties associated with their collaboration on [DESCRIBE COOPERATIVE PROJECT].

Specifically, both parties will cooperate to develop [SPECIFICS AND OBJECTIVES RELATED TO PROJECT INCLUDING REFERENCE TO THE VCM PERMIT/LICENCE(S)].

### 5. PROCESS AND REPRESENTATION

#### 5.1 Requirement of Free Prior Informed Consent

- a) The parties agree that this Agreement has been developed following a process of consultation with customary landholders in the [NAME OF PROJECT] [VCM LICENCE] areas. The process was conducted in accordance with the principles of free, prior and informed consent (FPIC) and is evidenced by the Certificate of Consent at Attachment 1.
- b) [INCLUDE OTHER RELEVANT DETAILS PERTAINING TO FPIC..]

#### 5.2 Project Area Landholders

- a) The parties acknowledge that:
  - i. The legitimate customary landholding clan/community leaders have been identified in the Landowner Identification Study undertaken by [NAME OF PROJECT DEVELOPER];
  - ii. There was at least one woman representative from each VCM licence area selected by Project Area Landowners at a meeting organised by CCDA in the respective fields and the representative is from a clan/community identified in the Landowner Identification Study undertaken by [NAME OF PROJECT DEVELOPER]

#### 5.3 Local Level Government

- a) An Local Level Government (LLG) shall be represented by its President and in his absence by an authorised nominee, accompanied by a Ward Councilor or Councilors from the VCM licence area; and
- b) The President of an LLG is authorised to sign this Agreement for and on behalf of his LLG and in the absence of a President and authorised nominee may sign.

#### 5.4 Provincial Government

The Provincial Government (PG) shall be represented by its Provincial Administrator or his delegate who shall sign on behalf of his PG.

#### 5.5 National Government

The National Government shall be represented by the Managing Director of the Climate Change and Development Authority (CCDA) or his delegate who shall sign on behalf of the National Government.



## **6. [PARTY 1] RESPONSIBILITIES**

[PARTY 1] shall undertake the following activities under this Agreement:

## **7. [PARTY 2] RESPONSIBILITIES**

[PARTY 2] shall undertake the following activities under this Agreement:

## **8. [PARTY 3] RESPONSIBILITIES**

[PARTY ] shall undertake the following activities under this Agreement:

## **9. BENEFIT PACKAGE AND DISTRIBUTION**

- a) The parties acknowledge that [NAME OF PROJECT DEVELOPER] shall provide to all other parties to this Agreement and all inclusive total benefits package ("Total Benefits Package") and its distribution among Project Area Landowners, affected LLGs and PGs (collectively known as the "Beneficiary Group") in accordance with this Clause.
- b) The benefit sharing system shall be applied in accordance with this Agreement and the Benefit Sharing Plan at Annex 2.

### **9.1 Total Benefits Package**

The Total Benefits Package consists of the following elements:

*[DESCRIBE BASED ON OR WITH REFERENCE TO THE BENEFIT SHARING PLAN]*

### **9.2 Monetary Benefits**

The Monetary Benefits consists of the following elements:

*[DESCRIBE BASED ON OR WITH REFERENCE TO THE BENEFIT SHARING PLAN]*

### **9.3 Non-Monetary Benefits**

The Non-Monetary Benefits consists of the following elements:

*[DESCRIBE BASED ON OR WITH REFERENCE TO THE BENEFIT SHARING PLAN]*

## **10. MANAGEMENT OF BENEFITS**

### **10.1 Trustee Arrangements for Monetary Benefits**

## **11. GOVERNING LAW AND JURISDICTION**

The validity and interpretation of this Agreement shall be governed by the laws of the Independent State of Papua New Guinea, and the parties hereto expressly agree to submit disputes arising hereunder to the exclusive jurisdiction of the Courts of the State.

## **12. TERMS AND CONDITIONS**

It is mutually understood and agreed by and between the parties that:

- a) Each party takes legal and financial responsibility for the actions of its respective employees, officers, agents, representatives and volunteers. Each party agrees to indemnify, defend and hold harmless the other to the fullest extent permitted by law from and against any and all demands, claims, actions, liabilities, losses, damages, and costs, including reasonable attorney's fees, arising out of or resulting from the indemnifying party's acts or omissions related to its participation under this Agreement, and each party shall bear the proportionate cost of any damages attributable to the fault of such party, its officers, agents, employees and independent contractors. It is the intention of the parties that, where fault is determined to have been contributory, principles of comparative fault will be applied.



## Annexure 8 Project Agreement Template

### Project Agreement Template

[Insert Project Name] Voluntary Carbon Market (VCM) Project Agreement

*[This VCM Project Agreement template may not be in entirety. Please fill it in to the full extent of the project's nature, circumstances and where appropriate]*

This VCM Project Agreement ("Agreement") is made and entered into on this [DAY] day of [MONTH] [YEAR] ("Effective Date") by and between:

#### **PARTIES**

[NAME OF PARTY 1], a [PARTY 1 STATE OF INCORP], with an office located at [PARTY 1 ADDRESS];

AND

[NAME OF PARTY 2], a [PARTY 2 STATE OF INCORP], with an office located at [PARTY 2 ADDRESS];

AND

[NAME OF PARTY 3], a [PARTY 2 STATE OF INCORP], with an office located at [PARTY 3 ADDRESS];

#### **RECITAL**

[WHEREAS PARTY 1...]

[WHEREAS PARTY 2...]

[WHEREAS PARTY 3...]

#### **AGREEMENT**

##### **1. DEFINITION AND INTERPRETATION**

###### 1.1. DEFINITION

[Define all terms, words, etc. used in this agreement]

The following definitions apply in this agreement unless the context otherwise requires.

###### 1.2. INTERPRETATION

[Interpret all terms, words, phrase etc. used in this agreement]

The following interpretation apply in this agreement unless the context otherwise requires.

##### **2. PURPOSE AND OBJECTIVE**

###### 2.1. PURPOSE

[State the purpose]

###### 2.2. OBJECTIVE

[State the objective]

##### **3. CONFIDENTIALITY**

[State each party's undertakings in relation to;]

- Confidentially of information (consent on disclosure of information, use of information, etc.)
- Unauthorized disclosure of information
- Disclosure of information to third party
- Use of license, trade mark, patent, copyright, intellectual property, etc.

##### **4. EXCEPTIONS**

[State obligations set out in this MOA that shall not apply to Confidentiality undertaking that is required to be disclosed by Papua New Guinea law, recognized stock exchange/carbon exchange or market, etc.]

**5. INTENTIONS/RESPONSIBILITIES OF THE PARTIES**

[State the intentions and responsibilities that provides the general framework for co-operation between the parties;]

- 5.1. Project Initiation
- 5.2. Project Concept (attached as Schedule Project Concept)
- 5.3. Project Consultations
  - 5.3.1. Obtaining Consent
    - Seeking consent with all parties involved in the VCM project especially the CLLCs (attached as Schedule Certificate of Consent)
- 5.4. Project Application (attached as Schedule Project Design Document)
- 5.5. Project Execution and Implementation
- 5.6. Project Reporting and Verification
- 5.7. Project Benefit Sharing Arrangements (attached as Schedule Benefit Sharing Agreement)
- 5.8. Project Grievance Redress Arrangements (attached as Schedule Project Grievance Redress Process)
- 5.9. Sale of Carbon (VCU)

**6. ENDEAVORS, LIABILITY AND RECOURSE**

[State adherence to obligation, liability, damage or loss, etc.]

**7. NO REPRESENTATION AND NATURE OF RELATIONSHIP**

[State no representation in terms of parties making representation, warranty, purchases, sales, liability, partnership, etc.]

**8. DUE DILIGENCE**

[State each parties liberty to perform due diligence each may deem necessary]

**9. TERM OF AGREEMENT**

[State the term/duration of this MOA's force and application period. Indicate review period if applicable]

**10. TERMINATION**

[State the reason for termination]

**11. CONTINUITY**

[State reasons as oppose to termination]

**12. SETTLEMENT OF DISPUTE**

[State how dispute shall be settled when disputes, differences arises in the operation of this MOA]

**13. THIRD PARTY RIGHTS**

[State reason for involvement or non-involvement of third party to this MOA]

**14. AMENDMENTS**

[State reason for changes to this MOA]

**15. ASSIGNMENT AND SUCCESSION**

[Binding obligations and legal successor]

**16. NOTICES**

[Operation/channel of communication (written) between parties]

**17. EXECUTION**

The Parties have signed the MOA the day and year first above written.

**SIGNED FOR AND ON BEHALF** [PARTY 1 NAME]

by its duly Authorized Representative

**WITNESSED BY:** .....

.....

[insert title]

**Print Name:** .....

**SIGNED FOR AND ON BEHALF** [PARTY 2 NAME]  
by its duly Authorized Representative

**WITNESSED BY:** ..... [Insert title]

**Print Name:** .....

**SIGNED FOR AND ON BEHALF** [PARTY 3 NAME]  
by its duly Authorized Representative

**WITNESSED BY:** ..... [Insert title]

**Print Name:** .....

## **Annexure 9** Project Design Document (PDD) Template

### Project Design Document Template

Project Design Document (PDD) is a more complete version of the project concept note and is submitted for assessment to the National REDD+ Advisory Committee (NRAC). In this document, project proponents are expected to provide a comprehensive picture of the project design as developed based on the feedback received on the project concept note. The PDD, unlike the PCN, are not presented in a form version, however a format is presented to guide the project proponent.

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

All sections must be completed in ENGLISH using Calibri, 10 pt size, black color, regular (non-italic) font. Sections which are not applicable may be left blank but should NOT be deleted from the final document.

#### PROJECT TITLE

Document Prepared By (individual or entity)

Logo (optional)

To

**REDD+ and Mitigation Division**  
**Climate Change Development Authority**

<b>Project Title</b>	<i>Name of project</i>
<b>Version</b>	<i>Version number of this document</i>
<b>Date of Issue</b>	<i>Date of submission (DD-MM-YYYY)</i>
<b>Prepared By</b>	<i>Individual or entity that prepared this PDD</i>
<b>Contact</b>	<i>Physical address, postal address, telephone, email, website of the primary project proponent</i>
<b>Project Location</b>	<i>Province, District, LLG, Ward</i>
<b>Project Lifetime</b>	<i>Duration over which the proposed activities are to be implemented (MM YYYY - MM YYYY). Give total number of years.</i>

## 1. Project Summary

Provide a summary description of the including the location, technologies, and measures to be implemented, and how the project will generate greenhouse gas (GHG) emission reductions or removals. It should also describe the scenario prior to the project's implementation.

Provide information about the sectoral scope, AFOLU project category and activity type (if applicable), and whether the project is grouped. The project must indicate whether it involves a single installation or multiple project activity instances, or if it's a grouped project.

Provide also the project start date, the crediting period, project scale, and estimated emission reductions or removals.

## 2. Project Zone Details

Provide information regarding the project in detail:

- A. Original Project Zone Conditions
- B. Baseline Projections
- C. Management Capacity and Best Practices
- D. Legal Status and Property Rights

### A. Original Project Zone Conditions

Provide a description of the project zone, containing all the following information:

- General Information, that is, describe the location, physical parameters, vegetation, project area and zone. Maps must be provided with main global positioning (GPS) coordinates.
- Climate Information, that is, estimate and provide calculation or methodology of how much carbon is stored or can be stored in the vegetation/land.
- Community Information, that is, describe the community zone/boundary, social, economic and cultural practices and diversity. Also describe the current land use and customary and legal property rights.
- Biodiversity Information, that is, provide a description of the current biodiversity and threats, identify any High Conservation Values (HCVs) and describe its qualifying attributes.

### B. Baseline Projections

Give a description on the baseline projections. A baseline projection is a description of the expected conditions in the project zone in the absence of project activities (or, how the area would look without the project). This is called the 'without project' scenario. The project impacts will be measured against the without-project scenario.

### C. Management Capacity

The success of a project depends upon the competence of the implementing management team. Projects that include a significant capacity-building (training, skill building, etc.) component are more likely to sustain the positive outcomes generated by the project and have them replicated elsewhere. Best practices for project management include: local stakeholder employment, worker rights, worker safety and a clear process for handling grievances and must adhere to the National REDD+ Grievance Redress Mechanism Guidelines (GRM).

### D. Legal Status

The project must satisfy applicable planning and regulatory requirements, and proponents must communicate early on with relevant local, regional and national authorities. The project should comply with all relevant laws and statutes. The project should also outline a conflict resolution model, following the GRM Guideline ideally one that has been trialed successfully elsewhere in PNG, and describe how this will be applied within the project zone. There must be evidence of proper free, prior and informed consent process carried out by the project proponent adhering to the National REDD+ Free, Prior and Informed Consent Guidelines in the project zone.

### 3. Climate Compatibility

#### A - Net Positive Climate Impacts

The project must generate net positive impacts on atmospheric concentrations of greenhouse gases (GHGs) over the project lifetime from land use changes within the project boundaries.

#### B - Offsite Climate Impacts ('Leakage')

The project proponents must attempt to quantify increased GHG emissions that occur outside the project area that are caused by project activities (commonly known as 'leakage'). Where leakage may occur, the proponents must describe a plan for mitigating this risk.

#### C - Climate Impact Monitoring

Project proponents must have a monitoring plan to quantify and document changes in the project zone in project-related carbon pools, project emissions, and non-CO2 GHG emissions if appropriate. The plan must identify the types of measurements taken, the methods used to sample, and the frequency of sampling.

### 4. Community (or Social) Safeguards

#### A - Net Positive Community Impacts

Project proponents must demonstrate that the project design will lead to net positive impacts on the social and economic well-being of communities within the project zone. The proponents must also ensure that a plan is outlined to ensure costs and benefits are equitably shared between landowners adhering to the National REDD+ Benefit Sharing and Distribution Guidelines during the project lifetime. Projects must also maintain or enhance the High Conservation Values in the project zone that are of particular importance to the landowners' livelihoods or well-being.

#### B - Offsite Stakeholder Impacts

The project proponents must describe and demonstrate that the project will 'do no harm' to the social and economic well-being of communities and landowners outside the project zone. The project design must seek to mitigate identified offsite impacts.

#### C - Community Impact Monitoring

The project proponents must produce a monitoring plan that quantifies and documents changes (positive or negative) in the social and economic well-being of communities within the project zone resulting from the project. The plan must state what is being monitored, how monitoring will be conducted (methodology) and the frequency of monitoring.

#### D. - Stakeholder Participation

Describes the mechanisms or approaches that the project will use for the stakeholder will use to provide opportunities for stakeholders to participate in REDD+ design, implementation and monitoring

### 5. Environment Safeguards

#### A - Net Positive Environmental Impacts

The project must demonstrate net positive impacts on the environment within the project zone and within the project lifetime, measured against the baseline conditions. The project should also maintain or enhance any High Conservation Values present identified in the project zone that are of importance in conserving globally, regionally or nationally significant biodiversity. Invasive species populations must not increase as a result of the project, either through direct use or indirectly as a result of project activities.

If the project is required to carry out an EIA or EIS according to the regulations of PNG, the project should be required to carry out an EIA or EIS.

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#### *Indicators*

#### B - Offsite Environmental Impacts

The project proponents must evaluate and mitigate likely negative impacts on biodiversity and ecosystem services

outside the project zone resulting from project activities.

#### Indicators

#### **C - Environmental Impact Monitoring**

Project proponents must produce an initial monitoring plan to quantify and document the environmental changes resulting, directly or indirectly, from project activities (within and outside the project boundaries). The plan must identify what will be measured, how measurements will be taken (methodology), and the frequency of measurement.

#### **D - Stakeholder Participation**

Describes the mechanisms approaches that the project will use for the stakeholder to provide opportunities for stakeholders to participate in REDD+ design, implementation and monitoring.

### **6. Nationally Determined Contribution**

The project proponent is required to provide details on how the proposed activities in the project zone will contribute to meeting the nationally determined contribution. Refer to the Papua New Guinea's Enhanced Nationally Determined Contribution for further guide.

### **7. Safeguards**

Provide in detail how the project proponent will meet the requirements of the National Safeguards Guidelines (REDD+ Development Guidelines, Free Prior and Informed Consent Guidelines, Benefit Sharing and Distribution Guidelines and the Grievance Redress Mechanism Guidelines). Refer to the mentioned guidelines for further guide.

Provide also how the Cancun Safeguards under the UNFCCC will be addressed and respected. Refer to the Safeguard Information System and the Safeguard Summary of Information for guide.

### **8. Methodology**

The National REDD+ Strategy (NRS) approach require any projects targeting the voluntary carbon market to follow guidelines linked to the national REDD+ development process and UNFCCC guidance. In particular projects will be required to ensure that methodologies used for calculating their project scale FRL are in line with those used at the national level and that data can support the national systems.

Hence, the project proponent is required to provide details on the application of the methodology on;

- *title, version number of the methodology or methodologies applied to the project. Include any tool applied by the project*
- *show and provide reasoning for how the project activities meet all the relevant applicability conditions of the methodology or tools applied, where applicable*
- *specify the project boundary and identify the relevant sources, sinks, and reservoirs of greenhouse gas (GHG) emissions for both the project and baseline scenarios. If applicable, it should also include information on any potential leakage*
- *identify and provide reasoning for the chosen baseline scenario, following the procedure outlined in the methodology and any relevant tools used. If the methodology involves multiple steps, each step should be described, and the outcome of each step should be clearly documented*
- *should demonstrate and evaluate the additionality of the project, following the methodology and relevant tools used. This should include a description of how each step in the methodology or tool is applied, along with documented outcomes*
- *describe and provide reasoning for any deviations from the methodology used. This should include evidence demonstrating that the deviation will not have a negative impact on the accuracy of quantifying GHG emission reductions or removals*

### **9. GHG Emission Reductions and Removals**

The project proponent must provide information on the quantification of the GHG Emission reductions and removals based on;

- **Baseline Emission:** *describe the process for quantifying the amount of baseline GHG emissions and/ or removals in accordance with the methodology used. This should include any relevant equations and a clear explanation and justification of the methodological choices made, such as the selection of emission factors and default values*



- **Project Emission:** describe the process for quantifying the amount of project GHG emissions and /or removals in accordance with the methodology used. This should include any relevant equations and a clear explanation and justification of the methodological choices made, such as the selection of emission factors and default values
- **Leakage:** describe the process for quantifying the amount of leakage emissions and /or removals in accordance with the methodology used. This should include any relevant equations and a clear explanation and justification of the methodological choices made, such as the selection of emission factors and default values
- **Net GHG Emission Reduction and Removals:** Describe the process used to quantify the net GHG emission reductions and removals, along with relevant equations. If the project falls under the AFOLU category, provide the equations for calculating the net change in carbon stocks.

Use the table below as example to provide estimated GHG emission or removals for the Baseline, Project, Leakage and Net GHG emission or removals. Provide sample calculations for all essential equations to enable replication of the estimated net GHG emission reductions or removals calculation

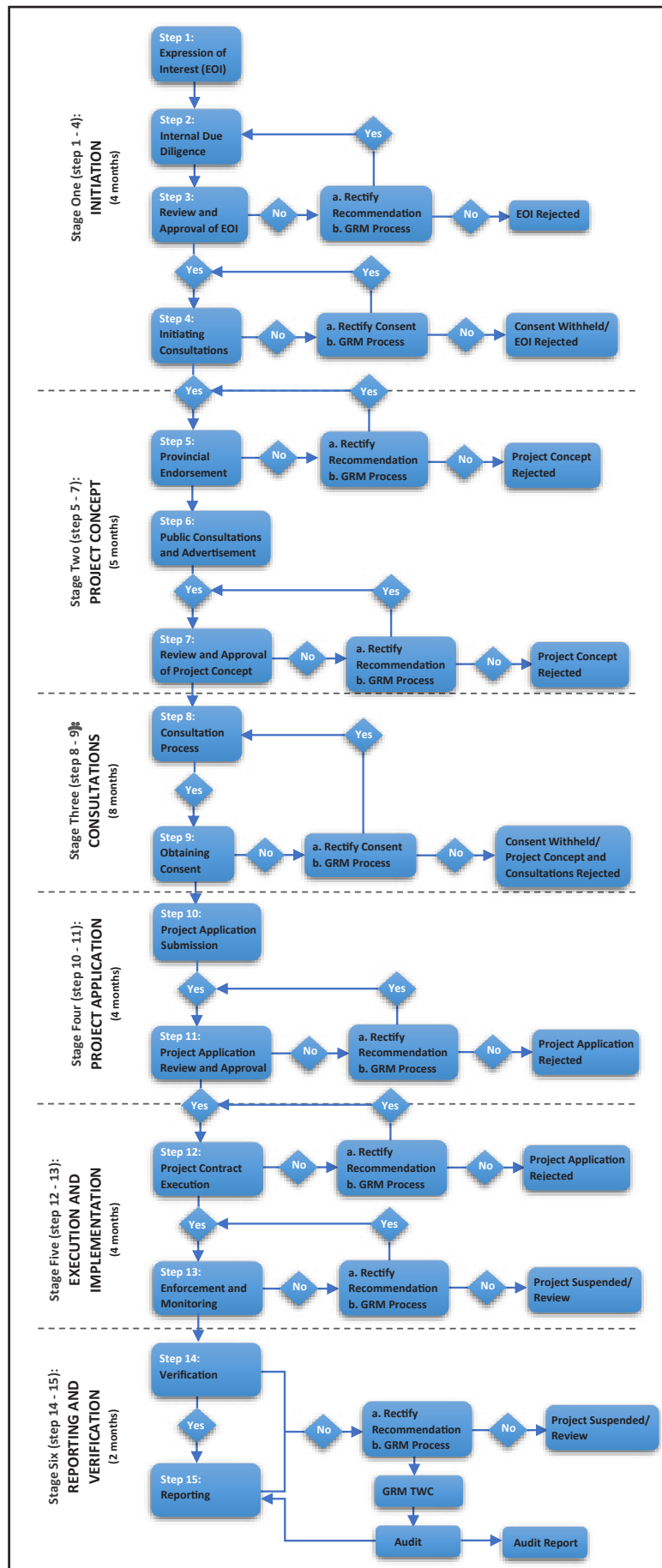
Year	Estimated baseline emissions or removals (TCO2e)	Estimated project emissions or removals (TCO2e)	Estimated leakage emissions or removals (TCO2e)	Estimated net GHG emissions or removals (TCO2e)
Year 1				
Year 2				
Total				

## 10. Monitoring

The project proponent is required to provide a detail monitoring plan for all the listed project activities including monitoring of GHG emissions and/or removals. All GHG emissions and/or removals data parameters must be described.



# Annexure 10 VCM Project-Scale Approval Process Stage 1 to 6







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Thanks to our development partners, for their financial and technical support towards the development of the National REDD+ Development Guidelines.

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