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Papua New Guinea Joint Programme

Progress since the first Policy Board meeting





Key Events



- Climate Change Civil Society Conferences in 4 regions (April-May)
- Joint mission with the Australian government (May 19-23rd)
- Discussions between GoPNG and Gov. of Australia on MRV and implementation arrangements (May)
- Finalization of work plan, update of budget allocation, and risk analysis





Key Results



- Increased input to JPD by CSOs, with specific suggestions for modification (e.g. NGOs conducting awareness raising)
- Agreement on respective roles of UN-REDD and Gov. of Australia on MRV and other issues
- Agreement on process to develop full JPD, incorporating initial support
- Agreement on implementation arrangements



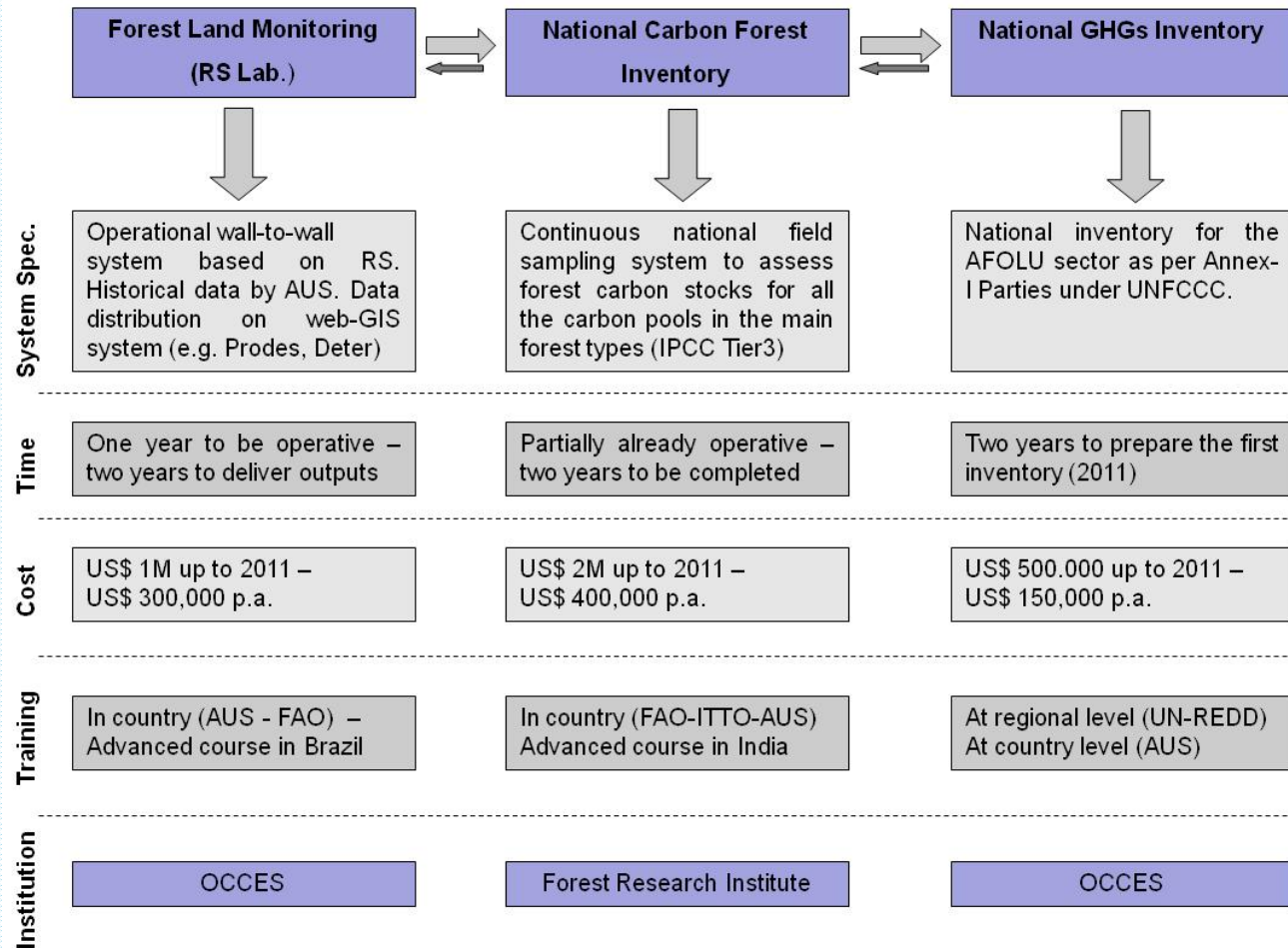


MRV Plan Update



MRV Road Map

Ver.1 - 21st may 2009





Economics Update



- **REDD Costs**
 - Drivers, Opportunity Costs, Income Flows, etc.
 - Develop Comprehensive (short and long term.)
 - Engender stakeholder buy-in for economic models
- **Alternative Economic Development**
 - Livelihoods (agriculture, energy, forestry, etc.)
 - Capital Investments (institutions, infrastructure, social, etc.)
 - Budgetary Implications (recurring, investments, returns, etc.)
- **Fiscal Transfers & Benefit Sharing**
 - International Best-Practice Review
 - Evaluate PNG Situation (institutions, governance, resource trusts, payment mechanisms, etc.)
 - Develops Options Framework

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Budget Update



Outcome	FAO	UNDP	UNEP	McK	Total
1. Readiness Management Arrangements in Place		0.55			0.55
2. Arrangements for Establishing a REL	0.43				0.43
3. Forest Carbon Monitoring & Reporting (\$0.5)	0.85				0.85
4. Costs, Alternative Devlp. & Fiscal Transfers (\$0.6)		0.50		1.00	1.50
5. Stakeholders Engaged in REDD Readiness		0.35			0.35
<i>Sub-Total</i>	1.28	1.20		1.20	3.68
<i>Indirect Costs (7%)</i>	0.09	0.08	-	0.08	0.26
Total	1.37	1.28		1.28	3.94

Note Rounding Errors

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Challenges



- Uncertain UNFCCC Framework
- Significant Funding Gap (WG-IFR / G8)
- Managing Agencies & Donors
- Political Grabs at Revenue Streams
- Allegations of Voluntary Credits Issued
- Carbon Cowboys exploiting landowners
- Expectation Management





Carbon Credits?



Investigation by PM

- Allegations of Credits Issued by OCC
- Many Misspellings
- Technically Incorrect REDD vs. Sinks
- Opposition Parties
- International Media

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Revenue Distribution?



Elements of Governors 'Resolution'

6. OCCCT to operate only on a fixed Budget approved and appropriated by the National Parliament and not be permitted to collect revenue. All revenue received is to be paid to Consolidated Revenue.
7. OCCCT on behalf of the State to negotiate and enter commercial Agreements with Provincial Governments to permit benefit sharing with the Provinces.
8. The proposed three tier Board arrangement be abandoned in favour of one Board of Trustees based in Papua New Guinea and comprising eminent citizens trained and experienced as Trustees which will act as an independent protector of the rights of landowners.
9. OCCCT engage in a better, fuller and simpler education process for Landowners.
10. The Governors and Provincial Governments be consulted and involved in the drawing of legislation controlling all facets of the proposed Carbon Trade.





Considerations



- Go slow!
- Revise PR Strategy before Consultations
- Speed up LCDP and REDD Drafting (McKinsey)
- No REDD Policy Until UNFCCC Clarity
- Do Not Allow Hostage Taking
- Establishment of Investigative Process
- Manage Funding Through Agencies (Interim)





Next steps



- Initial JPD reviewed by GoPNG agencies and signed (June)
- Scoping for full JPD (June-July)
- Preparation of draft full JPD for review by UN agencies and technical reviewer (June-July)
- Recruitment of JP CTA (June-July)
- Recruitment of other JP staff (July-August)
- Organization of UN-REDD inception workshop (August or September)

