



THE PAPUA NEW GUINEA ECO-FORESTRY FORUM

P.O. Box 3217 Boroko, National Capital District, Papua New Guinea

Telephone: 675 323 9050 Facsimile: 675 325 4610 Email: teff@global.net.pg Website: www.ecoforestry.org.pg

Position Paper on **Reduced Emissions from Deforestation (REDD)** in Papua New Guinea

Principles of Equitable Carbon Financing

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"...Our ancient animistic belief is that everything has a spirit. While this belief should not frighten us from 'subduing the earth' for our collective benefit, it should remind us that blind destruction of the environment will lead not only to pollution but to the 'death of the earth' which is vital to our Nation ..."

Report of Papua New Guinea's Constitutional Planning Committee, 1975

The "Death of the Earth" is now more imminent than it was in 1975. The impacts of climate change are evident in many parts of the world and Papua New Guinea (PNG) has just experienced an unprecedented cyclone, which has already claimed many lives and wiped out an uncountable number of homes. Scientific evidence on future potential future impacts is overwhelming with an environmental catastrophe predicted by the IPCC unless drastic actions are taken to reduce greenhouse gas emissions and to contain global temperature rise to within the 2^o C threshold for dangerous climate change.

PNG Eco-Forestry Forum (PNG EFF) views this 13th Meeting of the Conference of Parties (CoP13) to the UN Framework Convention on Climate Change (UNFCCC), and 3rd Meeting of the Parties to the Kyoto Protocol (MoP3) as extremely important. We urge Parties when considering further steps under the UNFCCC related to reducing greenhouse gas emissions from deforestation in developing countries, such as PNG, to consider the implications of including logging activities and broad-scale, agriculture-driven land clearing in mechanisms for addressing deforestation.

Background

Since independence, many different development ideas and reform plans have been tried in PNG. They have often been designed and developed by foreign consultants paid by overseas donors and lenders with very little indigenous input. All of the plans and ideas promise to take our resource rich island nation into a more 'developed' stage.

More than three decades later, our nation is plagued with corruption, declining services, many social and health problems and mismanagement of our natural resources. Now the global fear of climate change and the desperate need internationally to reduce carbon dioxide emissions into the atmosphere are driving a strong push to offset carbon pollution from industrialised nations and to protect forests.

The Papua New Guinea Eco-Forestry Forum supports integrated rural community development and sustainable resource use through a viable and sustainable eco-forestry industry

PNG forms part of the largest continuous tract of intact tropical rainforest in Asia-Pacific and the third largest in the world. Inevitably, PNG is a key target both for carbon offsets and forests protection.

The PNG government is leading the Coalition of Rainforest Nations to campaign for industrialized rich nations to pay to keep our forests. This is noble and commendable as forest protection and sustainable development have always been our key objectives. The carbon finance due to PNG can potentially be used for infrastructure development, which can benefit our communities. However, our country's governance track record and the many external vested interests suggest that carbon financing could potentially add to our current problems.

PNG is unique in that an estimated 97% of the land is owned communally through customary land tenure systems. Forests are not owned by the State but the people. Fair and effective carbon financing requires sophisticated financial accounting and accountability as well as a highly efficient legal system and well resourced independent controls. These are currently not the norm in PNG.

Any carbon finance payments to Papua New Guinea must be prefaced by industrialised nations setting effective targets to reduce their own greenhouse emissions to avoid dangerous climate change, which threatens the survival of life on earth and especially those who are most vulnerable and least able to respond to natural disasters.

To avoid adding problems and further undermining governance through carbon financing, a set of Principles have been developed by non-government organisations involved in environmental and community development issues in Papua New Guinea. These Principles have been developed to help ensure any carbon financing flows into PNG truly contribute to the protection of forests and long-term sustainable development that do not undermine our national goals and directive principles enshrined in our Constitution.

In particular, PNGEFF recommends:

Consent

- Transparent and participatory processes should take place with all stakeholders at all stages of the financing process
- There must be free prior informed consent from not less than 75% of owners of any forest resources
- Agreements should only be negotiated and settled with legitimate resource owners who have been identified through a genuinely participatory process recognised by the respective custom of the area

Governance

- Any financing scheme must be consistent with PNG's Constitution and Laws
- An independent Ombudsman with the necessary power and resources to investigate schemes and protect individual and collective rights must be established to oversee all aspects of carbon financing
- There should be no political discretion in decision making relating to carbon financing schemes

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- All key stakeholders should be involved in the development and implementation of any scheme and there must be oversight by a multi-stakeholder steering committee at the National Level.
- There must be clear governance and transparent structures with democratic and transparent representation of relevant landowning communities to ensure equitable benefit sharing.
- Existing mechanism and law enforcement system should be strengthened and resourced to ensure more effective forestry governance and forest protection

Benefits

- PNG should not be incurring any debt to finance the setting up of new infrastructure or systems to facilitate any carbon financing scheme, trading and offset.
- Both the benefits and limitations of carbon financing and trading must be comprehensively explained to resource owners to avoid confusion and unrealistic expectations
- There must be fair and transparent distribution of benefits and these must be sustainable over the lifetime of any scheme
- Any infrastructure development flowing from the scheme should firstly address the needs, welfare and security of local communities and other traditional forest users and should also be in a partnership with local levels of government.
- Any scheme or mechanism should preference and enhance local capacity
- Any scheme must be designed and implemented to minimize both it's onsite and offsite ecological footprint.
- The carbon credit purchasing parties or the organizations they represent shall themselves minimise their ecological footprint as much as possible, and only use carbon offsets as a last additional option to achieve a climate neutral or climate positive status
- Land registration must NOT be a precondition to participation in any carbon-financing scheme nor should it at any time advocated or included in the scheme.

Sustainable Land Use

- Only forested areas should be included in any scheme - with a focus on intact forest landscapes and carbon rich areas such as peat swamp forest, as well as secondary forests that have High Conservation Values.
- No carbon financing should be permitted for monoculture tree plantations, agro-forestry projects on land converted from natural forests, or for large-scale industrial logging.
- All current and proposed industrial logging rights should be cancelled before the introduction of any carbon financing scheme in PNG
- Medium scale industrial logging may only take place to supply existing local processing industry, and any permit issued for this purpose shall also consider the option of carbon forestry for that area prior to permit approval.

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