Presentation given at the Southeast Asia Katoomba meeting

Katoomba XVII Taking the Lead: Payments for Ecosystem Services in Southeast Asia

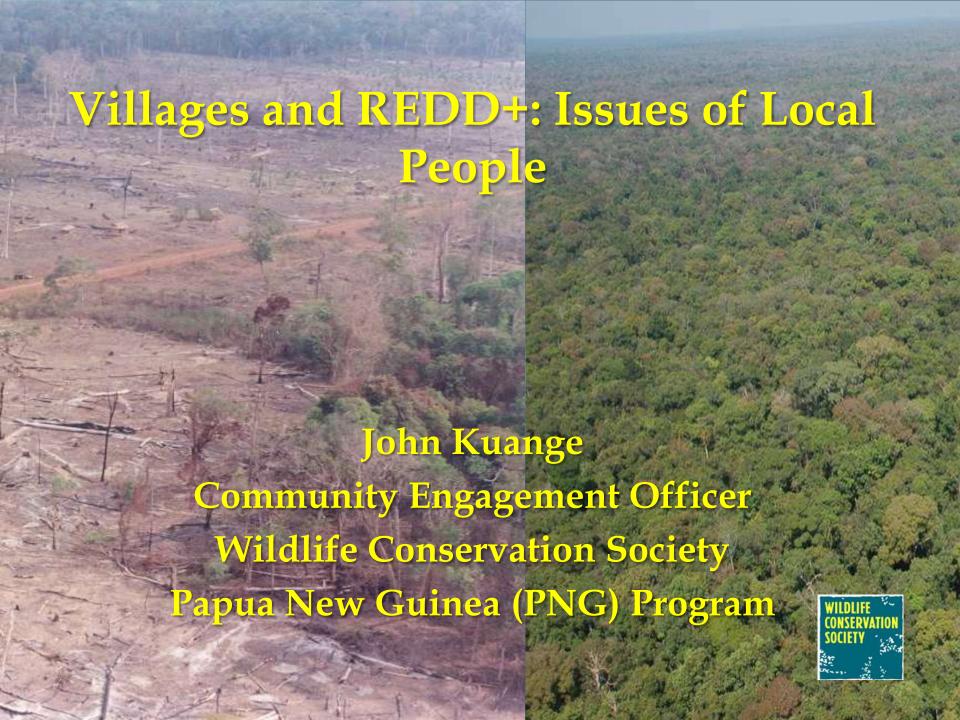
June 23-24, 2010 Hanoi, Vietnam

Hosted by:

Forest Trends, the Katoomba Group, Ministry of Agriculture and Rural Development (MARD), Ministry of Natural Resources and Environment (MONRE), United States Agency for International Development (USAID) and Winrock International



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New Guinea

- · North of Australia
- Largest & highest tropical island
- High diversity & endemism
 (eg 341 mammals with
 74% endemic)



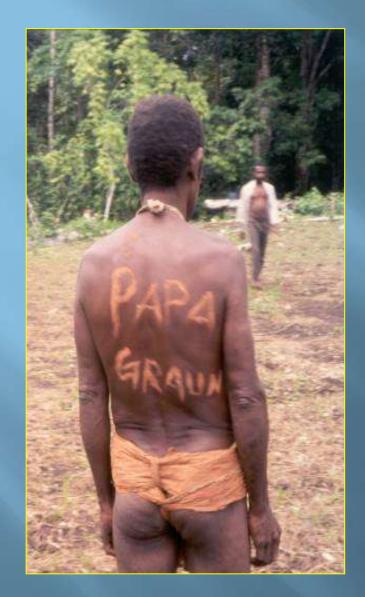


Papua New Guinea (PNG)

- · Eastern half New Guinea
- Large = $463,000 \text{ km}^2$
- 8% of Global species
- Democracy 6.7 million
- Free press
- Independent judiciary
- 149th HDI
- 154th Corruption rank







Papa Graun = "father of the
ground" = landowner

Customary Land Tenure

- >97% land in customary ownership
- Landowners are the managers
- Landowning groups are families, extended families & clans
- No purchasing of land
- No network of large parks
- Landowners decide



PNG forests

Vegetation Type	Area (Million ha)	PNG % SE Asia
TOTAL Forest	33	21 %
Rainforest	28.2	20%
(Montane)	(9.6)	(37%)
Mangrove Forest	0.56	14%
Swamp Forest	4.4	37%



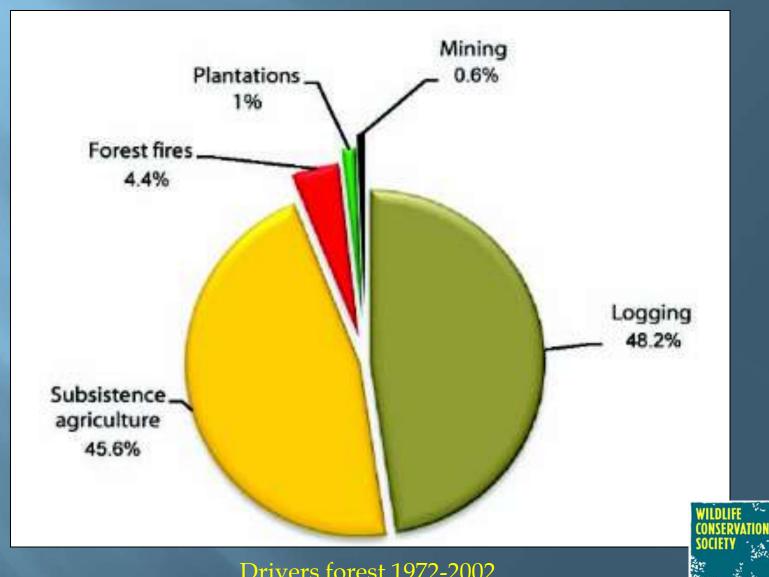
Importance of Forests - Co-benefits

- >75 % people live in rural areas
- 85 % people use wildlife & forest for food
- Forests provide building materials, fire wood, medicine
- REDD+ Activity = food security for forest dependant communities





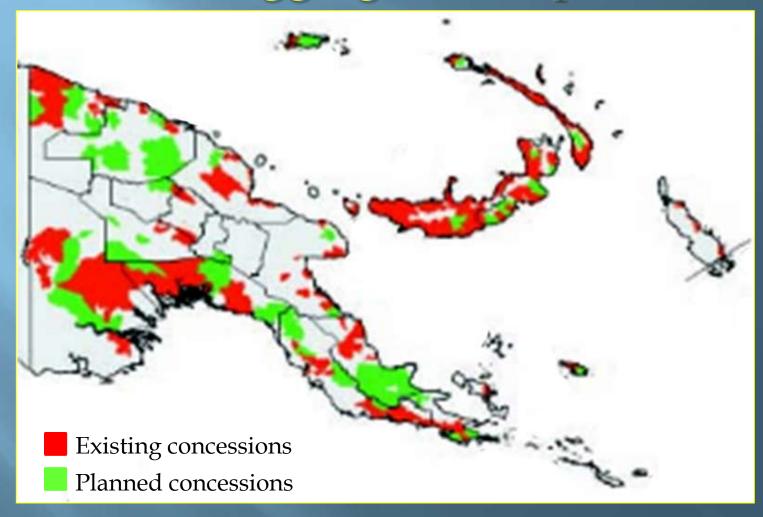
Threats to forests



Drivers forest 1972-2002

Sherman et al. (2008)

Industrial logging and oil palm

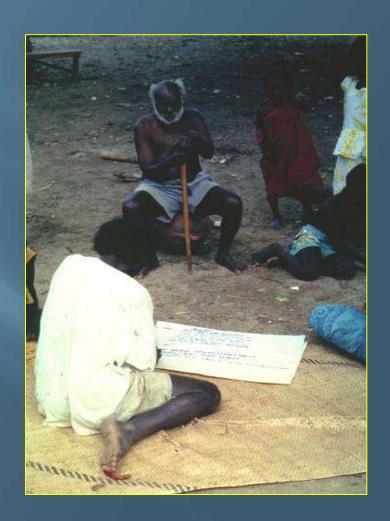






Information informing the approach

- Developed REDD+ concept
- Data from two provinces but applicable
- Discussions with almost 600 (incl. 500 locals villages)
- 20+ years experience in PNG





What people want from development

- Concern that resources are declining
- Have seen & heard about damages done by extractive industries
- Want low-impact forest development:
 - Small-scale logging
 - Small-scale agricultural like cocoa
 - Forest left alone
- Development priorities are consistent with REDD+



What people want from development

- >90% people interviewed want REDD+ activity because;
 - The environment will not be affected/destroyed
 - Will generate improved infrastructure and service
 - Will generate monetary income





Conditions for successful REDD+ activity

- Awareness raising needed:
 - Climate Change
 - REDD+ Activity
 - Incorporated Land Group
 - Customary Land Registrations
 - Financial benefits
 - Issues of Permanence





Conditions for successful REDD+ activity

Relationship between local people, their leaders & government agencies poor:

- Lack of proper communication
- Government agencies
 officers visit villages rarely
- when they do they spent less time in the village





Benefits from REDD+ Activity

- Personal Benefits:
 - Housing (85%)
 - Increased cash income (35%)
 - School fees





Benefits from REDD+ Activity

- Community Benefits
 - School (58%)
 - Health Facilities (47%)
 - Transport infrastructures
 - Increased cash income



 Overall, local people want better services & infrastructure from REDD+; cash is not top priority



Community Organisation

- Trusted people to distribute benefits are clan leader through individual clan/family
- Trusted group to represent interest in REDD+ activity are family/clan groups
- Community Leaders they need;
 - Funding (39%)
 - Training (33%)
 - Improve communications (17%)



Disputes arising from REDD+ Activity

- Landowner disputes considered major risk (48%)
- Dispute resolution mechanisms are critical
- Customary & village court systems:
 - Use existing & familiar laws
 - mediators locals who understand background to problem



WCS-PNG Recommends

- Awareness on climate change, REDD, legal issues covering land
- 10 step community organisation
- Communication betweens partners transparent & information flow smoothly
- Local benefits sharing agreements developed slowly, involving all partners



Interest in non-extractive development? Step 1 - Empowerment of local people (Province, NGO) Step 2 - A village or LLG development plan (VPC, WDC, NGO) **REDD** as development priority? Step 3 - Discussion of the potential costs and benefits of a REDD project (Province, NGO) Step 4 – Outlining the process for developing a REDD project (Province, NGO Want to develop a REDD Project? Step 5 - Agreement between local people an agency or organisation to design a REDD (NGO, Province, OCCES) Step 6 - ILGs, land registration, land deeds (Facilitating organisation - FO) Agree on tenure, boundaries? Step 7 - Discussion and awareness on options for local Benefit Sharing Agreements (LBSA) Step 8 -Discussion on dispute resolution mechanisms Step 9 - Drafting of a LBSA (FO, Public Solicitors, NGO Agreement on local BSA Step 10 - Signing the LBSA (NGO, LLG, Prov.)

10-Step community organisation

 Empower local people to make transparent & informed decisions

- Each step involves
 - broad participation
 - Full understanding



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10-Step community organisation

- Local Benefit Sharing Agreements
 - Benefits towards local development plan
- Consistent with local government development plans & processes



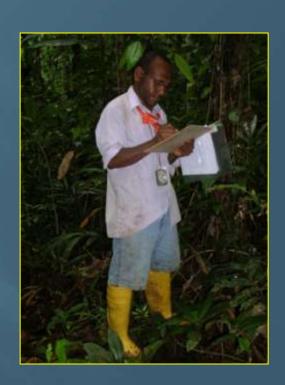
Sub-national Carbon Credit Pool (CCP)

- Bundling of land holdings that on their own would not be commercially viable for a REDD activity:
 - Reduces overhead costs commercialising carbon
 - Reduces risk to potential buyers
- Operates at sub-national scale
- Reduces start-up & operations costs
- Enables many small landowner groups to participate
- Provide economy of scale for technical activities



Carbon Credit Pool (continued)

- Not-for profit & profit models
- A trust (statutory trust model used later)
- Pool Reference Emission (REL) Levels feed into national carbon accounting
- Pool can address sub-national leakage
- Pools could be replicated across PNG





Structure of a carbon pool

Social/landowner group(s) A (e.g. 5,000 ha Primary Forest - a WDC partnering with District) Social/landowner group(s) B (e.g. 1,000 ha Secondary Forest - single 'clan' with NGO partner)

Group C (1,500 ha PF)

Group D (8,500 ha PF)

Group E (2,000 ha SF) Group F (5,000 ha SF)





Multiple Participating Groups





The Carbon Pool

- Trust with deed & managed by a board
- Landowners as beneficiaries
- Board independent of landowners
- Operate at level of district or province
- Ultimately statutory trusts under an Act

Board of Directors:

Government, civil society, donors, landowners (excl. contributors), churches, auditor, reputable C brokers



Carbon Pool Functions



Internal Functions (Control over activities/funds)

Pool & trust management

Project carbon accounting:

- Reference Emission Levels
- Monitoring, Reporting, & Verification
- Project documents
- Sale of carbon credits

Partner support services:

 Technical/management support/capacity building to groups & local govt External Functions (No control over activities/funds)

On behalf of social groups:

- Hold carbon credit Buffer
- Hold funds from credit sales pending distribution according to benefit sharing agreements
- Contract out management of trust funds.



Take Home Messages

- Complicated landownership and cultural systems
- Local people:
 - heavily depend on forests
 - want low-impact development for forested lands
 - want services and infrastructure not cash
 - trust their immediate family/social group



Take Home Messages (continued)

- Full engagement of community in planning and design:
 - Local development plan
 - Benefits Sharing Agreements
 - Dispute resolution mechanisms
- Bundling of many social groups into a Carbon Credit Pool
- The world can learn from the people-first forest management in PNG!



Acknowledgements

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