

REDD + ANNUAL COUNTRY PROGRESS REPORTING

(with semi-annual update)

COUNTRY: Papua New Guinea

PERIOD: July 2015-June 2016

Background: This country reporting framework has been developed following the structure of the FCPF Monitoring and Evaluation Framework, its logical framework and Performance Measurement Framework (PMF), so as to facilitate and systematize the data analysis. The semi-annual country reporting should provide the FCPF's Facility Management Team (FMT) with indications of REDD+ countries' progress towards the achievement of their readiness activities and the implementation of their Emission Reductions programs overtime, in a way that data are easily consolidated and provide indications on the level of achievement of the FCPF output, outcome and impact indicators as defined in the FCPF M&E Framework.

Report preparation: Submitted country reports should draw upon the country M&E system for REDD + (component 6 of R-PP) and should be prepared in consultation with members of REDD task force or equivalent body. Inputs from stakeholders including IPs and CSOs should be integrated into national reporting, and divergent views indicative of lack of consensus on specific issues should be recorded in the country report.

Reporting schedule: It is expected that the annual progress country reporting will be submitted to the FMT by August 15th each year. The reporting should be based on a self-assessment of progress. An update of this country reporting will also be submitted by March 15th each year.

1. SUMMARY OF REPORT

This section should provide a short description of FCPF support in country (bullets on FCPF-financed activities only). Information should summarize progress, key achievements with a focus on higher level results and important issues/problems that arose during the reporting period. Highlights of next steps in following period should also be provided (key bullets only).

SUMMARY:

The FCPF project is now progressing well with full PMU established. A number of key activities have been initiated to date, which are outlined below.

OUTCOME 1. CAPACITIES EXIST FOR EFFECTIVE AND EFFICIENT MANAGEMENT OF REDD+, INCLUDING FULL AND EFFECTIVE PARTICIPATION OF ALL RELEVANT STAKEHOLDERS

1.1. National REDD+ Management Arrangements

- **Climate Change and Development Authority's transition support:** In November 2015, in accordance with the Climate Change (Management) Act (Gazettal Notice No. G777) the Office of Climate Change and Development became a full statutory authority known as the Climate Change and Development Authority (CCDA). The CCDA deems it critical to strengthen its effectiveness by managing an orderly transition from its current structure to a new structure

supported by appropriate systems and staffing to enable full implementation of its assigned role in a non-disruptive and responsive manner.

The Climate Change (Management) Act (Annex A), approved by Parliament on 26 November 2015, mandates the new Authority to provide a regulatory framework to promote and manage climate-compatible development through climate change mitigation and adaptation activities in the country. The CCDA is defined as a National Designated Authority (NDA) for the Green Climate Fund and the Focal Point under the UNFCCC/REDD+.

To meet these challenges, the Acting Managing Director of CCDA has approached FCPF project to assist in developing a clear strategic plan and support for an institutional restructuring process to facilitate effective and efficient delivery of the Authority's mission and mandate. Since, the given scope of work is in line with management arrangements of the FCPF project, International and National consultants to design and develop a long-term strategic plan and support for an institutional restructuring process of CCDA have been recruited. In this regard, analysis and stocktaking, stakeholders' consultation meetings to define CCDA's strategic positioning based on the Climate Change (Management) Act, Government priorities and expectations of development partners have currently been conducting.

It is therefore anticipated that the new structure will only differ from its current arrangement where this is essential to materially improve performance and/or respond to the demands created by the Climate Change (Management) Act 2015 (CCMA), and the core functions that this bestows on CCDA. An immediate priority is to align the structure with the Paris Agreement, and ensure that this positions CCDA to adequately focus on International Negotiations.

- **A Series of REDD+ Expert Training Events:** Within the context of the FCPF REDD+ Readiness Project a series of multi-day Expert Training Programmes outside of Port Moresby have been conducted in order to: a) increase the understanding of key stakeholders of REDD+ concepts and their relevance to PNG; b) strengthen links between key national stakeholders to facilitate future work on REDD+; and c) identify and discuss Issues and Options paper, including tentative Policies and Measures to accelerate the development of a National REDD+ Strategy;

During the reporting period the following REDD+ training events have been carried out:

- November 9-10, 2015. Madang province, where 29 representatives from different government departments, private sector and civil society organizations attended, of which about 40% of the participants previously took part in Alotau training in June 2015.
- March 23-25, 2015. Kimbe, West New Britain province, where 40 representatives from different government departments, private sector and civil society organizations attended, of which about 30% of the participants previously took part in previous trainings in Madang and Alotau;

It has to be emphasized that keeping the same participants throughout the series of trainings is critical in order to have a strong understanding of what REDD+ is and the different elements that go into developing and implementing a national approach to REDD+. Furthermore, it ensures to create a pool of national experts on REDD+ implementation that indicates not only the level of participation, but also taking a lead of the trainings sessions by stakeholders in the future.

- **REDD+ Technical Working Group Support:** The FCPF project has been supporting REDD+ Technical Working Group in order to encourage engagement by key organizational stakeholders in the technical development and implementation of the National REDD+ Strategy in PNG. The main role of the TWG is to develop decision support for proposals and options for technical choices in their area of expertise, by taking into account relevant and available information and guidance.

Since July 2015, three REDD+ Technical Working Groups have been conducted. During the first meeting in August 2015, the representatives of relevant government departments, civil society and private sector were approached to discuss REDD+ related policy and new Climate Change Management Act endorsed by PNG Parliament. The TWG members have made inputs into the Act before it went through the National Executive Council for approval in November 2015. The second REDD+ TWG meeting was initiated in March 2016 in order to discuss lessons learned from UNREDD Programme for the period of 2011-2015 and FCPF progress as well as preparation of the Third National Communication (TNC) and Biannual Update Report (BUR). This particular meeting outputs has resulted in country's progress on Intended Nationally Determined Contributions (INDC) under the UNFCCC. The third REDD+ TWG was convened in May 2016 where key stakeholders have discussed REDD+ Website and communication strategy.

The FCPF project continues support REDD+ TWG through active engagement of relevant stakeholders, development, strengthening inter-governmental coordination and revision of specific Terms of References that could help in the elaboration of National REDD+ Strategy.

1.2. Communications and Information Sharing systems:

- **REDD+ Communication Strategy:** The communications and information sharing is an important output to secure awareness raising and stakeholder engagement activities on REDD+ implementation in PNG. For this reason, in March 2016, the FCPF Project has recruited Communications Officer for Project Management Unit (PMU) in order to lead and provide guidance on implementation, and update a communication, consultation and participation strategy for the PNG REDD+ programme. In close collaboration and support of CCDA and PNGFA, a core communication group has been established. During the reporting period, a draft REDD+ Communication Strategy has been developed and shared amongst key stakeholders. The main goal of the communication strategy is to support Papua New Guinea's REDD+ Readiness objectives by enhancing communication and knowledge with all relevant stakeholders on the four elements of REDD+ under the UNFCCC and related issues; and enhance capacity to implement REDD+. The strategy will cover the period from 2016-2018. There are three main objectives outlined in the strategy;
 - Increase awareness raising and image building,
 - Promote and enhance communications and knowledge management, and
 - Build capacity and knowledge among all relevant stakeholder groups.
- As an important part of communication strategy, in agreement with all stakeholders, REDD+ branding including logo have been developed and endorsed by all stakeholders. Another key achievement to date is a draft REDD+ website to increase awareness and knowledge sharing that will be released in October 2016.

Moving forward, the core group is scheduled to meet in August 2016 to finalize the draft communications strategy. It will then be shared more broadly for inputs with relevant stakeholders and presented for discussions at the next scheduled REDD+ Technical Working Group meeting in September 2016.

1.3. Consultation and Participation:

- **Stakeholders' engagement and consultation:** In 2015, one of the fundamental gaps identified during the consultation and participation process in PNG was the sustainability of the process at the community level. For example, often women within the country, given existing customary law and cultural barriers, have very limited rights over land and limited ability to control income and other resources, face other legal barriers, as well as face exclusion from decision-making and violence directed against them. Thus, the consultation and participation process can only be effective if there are mechanisms established at the national level and within the provinces to ensure its sustainability, wherein men, women and youth are equitably involved.

As such, in 2015, an assessment of gender responsive and inclusive consultative and participatory REDD+ mechanisms have been initiated by the project and ongoing. These mechanisms inform the implementation of the draft national REDD+ policy, including the design of an implementation plan for demonstration activities in pilot sites. Both these areas ultimately provide lessons during the drafting of the national REDD+ strategy. Moreover, it ensures that gender responsive and inclusive consultative and participatory REDD+ mechanisms are in place, while gender aspects are clearly articulated and mainstreamed into the draft REDD+ Policy. In turn, this will assist the future design of a national REDD+ strategy that reflects both national priorities as well as concerns of key stakeholders, including men, women and youth at the provincial levels.

On a related note, as of July 2016, several multi-stakeholder consultations have been conducted in order to review existing national REDD+ related guidelines such Free, Prior and Informed Consent, Social and Environmental Safeguards as well as Benefit Sharing Distribution Mechanisms. These outputs will help achieve the two outcomes of the project, and pave the way for the institutionalization of formal consultation and participation mechanisms for REDD+ implementation.

Currently, development of recommendations that ensures gender inclusiveness and participation in REDD+ policy are underway and it is expected to consider these recommendations while developing a National REDD+ Strategy by the mid of September 2016.

- **Partnership:** Although the FCPF project is only focused on two of the REDD+ design elements, National Strategies/Action Plans and Safeguards and Safeguards Information Systems, it has also been significantly contributing into two other design elements: Forest Reference Emissions Level and National Forest Monitoring System. This has been achieved through close collaboration with UNREDD/FAO project staff who is based at the PNGFA. The FCPF project has effectively setup information sharing and cooperation mechanism with partners on a daily basis.

OUTCOME 2. NATIONAL REDD+ STRATEGY

2.1. Assessment of Land Use, Land Use Change, Forest Law, Policy and Governance:

- **Assessment of forest law and land-use policy:** The PNG's forests are central to the livelihoods of its rapidly growing population, 80% of which live in rural areas and are dependent on forests either directly through collection of forest products or indirectly through the regulatory services forest provide to local climate, water and soil systems. At the national level forest industries provide significant revenues to government and local landowners (estimated at \$120 million pa in 2014) as well as generating foreign currency through exports. This central role in both subsistence and development economies is, however, putting the country's forests at risk with deforestation and forest degradation occurring at a rapid rate and set to increase with increasing population.

For this reason, a team of consultants were hired to review, assess and strengthen the legal framework for forest management has been identified. The current assignment is intended to address this need and to work closely with the ongoing process of developing PNG's National REDD+ Strategy in 2016.

Moreover, during the reporting period the stakeholders' consultation processes followed an outline process of a full REDD+ development and implementation process, utilizing existing information on direct and indirect drivers of deforestation and forest degradation based on the study on the National Circumstances undertaken by WCS to initiate proposals on policies and measures (PAM). The stakeholders were invited to think about where and how PAMs can be tested, who would be the key stakeholders to be engaged, what safeguards would be relevant, what cost implications the process would have, and what key benefits and challenges would become available to the forest owners. The different sessions built towards a common understanding of REDD+ development initiative in the country. The presentations were alternated with Q&A and group discussions and exercises.

- **Financial flows and economic values assessment:** Another significant gap is a shortage of reliable information on the economic values and financing flows in PNG's forestry sector. Therefore, in order to help policy makers and REDD+ implementers on this area, a team of International and National experts has been recruited to build the knowledge base on land use-related economic values and financial flows. This assignment is currently underway and will significantly contribute to the preparation of a National REDD+ Strategy and subsequently inform the review and finalization of the current draft of PNG's national REDD+ Policy.

2.2. REDD+ Strategy Options:

- **Development of Issues and Options Paper:** Given that land is owned and managed by the forest owners in PNG, as well as heavily deforested for subsistence farming, strategy options can only become tangible, implementable outcomes with the full engagement of forest-dependent communities. In this regard, FCPF project has commissioned work to look at the key 'issues and options' for implementing REDD+ in PNG. The scope of work being performed by a team of experts is focused on bringing together existing research and REDD+ knowledge within PNG to

identify key issues and options (including: potential areas for REDD+ development, data gaps, institutional strengths and challenges and work to address these) for development of the country's National REDD+ Strategy or Action plan. This process considers the key strategic elements of REDD+ development, the scope of REDD+, the scale of REDD+, what drivers of deforestation and forest degradation or barriers to '+' activities should be addressed, and the existing and potential challenges to implementation of REDD+-related policies, laws and measures.

As of today, the 'Issues and Options' paper has been developed in close consultation with key stakeholders that marks the first step towards the development of PNG's National REDD+ Strategy, a process that is being centrally coordinated by the CCDA. The paper also sets out proposals for the overall framework for REDD+ in PNG (the vision, scope and scale of REDD+) and aims to initiate discussion on priority Policies and Measures (PAMs) to address the drivers of forest cover change.

Since, Issues and Options paper lays a basis for a National REDD+ Strategy, it is expected to have a national level event with participation of decision makers to obtain their endorsement on the approach and outcomes of the assessment. Later on, once it is widely accepted by all counterparts, it will be incorporated into the National REDD+ Strategy.

- **Social and Environmental Impacts addressed, including grievance mechanism:** A Social and Environmental Screening Assessment was undertaken as part of the project development and inception process and in line with the Common Approach, with the project being identified as medium risk. Actions identified within the assessment have been undertaken including development of a capacity development plan for key stakeholders and the development of work on REDD+ safeguards to include both the development of a national safeguards framework and the building of capacity for stakeholders to both implement the framework and claim their rights within it.

In 2015, the FCPF project hired a team of consultants to review and stocktaking of REDD+ safeguards/SIS progress, identification of information needs and relevant national and international, as relevant, information systems/sources; development of a monitoring, assessment and dissemination plan for the information on each indicator. This assignment is currently ongoing, however, the following results have been achieved so far:

- REDD+ Safeguards gap analysis and road map was developed and endorsed by CCDA. The document provides a clear conceptual overview and outline a stepwise process for a country approach to safeguards for PNG. This approach aims to meet applicable international safeguard requirements, notably those of the UNFCCC and FCPF;
- Safeguards Information Assessment has been conducted. It provides information that is accessible by all relevant stakeholders to demonstrate that the seven Cancun safeguards are being addressed and respected throughout REDD+ implementation. Reliable safeguards information is important not only for achieving REDD+ in a sustainable manner, but can serve possible broader sustainable development and other national policy, goals (as well as other international reporting obligations);

- Safeguards Legal Assessment was successfully completed and set of recommendations on Policies, Laws and Regulations (PLRs) have been developed, presented and accepted by all stakeholders during the consultation meetings.
- A Preliminary Identification of Information needs assessment associated with the demonstrating how safeguards are being addressed and respected in PNG was carried out. It is directed to offer a preliminary identification of information needs with regards to demonstrating how the safeguards are being 'respected'. That is, determining what type of information is to be provided to demonstrate the relevant governance arrangements (e.g. Policies Laws and Regulations) are being applied and are working in practice, together with the resultant outcomes of their implementation. Put another way, this document aims to determine what type of information could be provided to demonstrate how effective PNG's governance arrangements (e.g. Policies Laws and Regulations) have been in implementing the country-specific safeguards. This initial draft identification of information needs serves as an essential input to be able to 'assess' to what extent existing information systems and sources can be used to provide information on the application of the country-specific safeguards, and to determine what recommendations are appropriate.
- Social and Environmental Safeguards Technical Working Group comprised of representatives from different government departments, civil society organizations and private sectors was established. The objective of the TWG is to meet the need for PNG to respond to the multiple international safeguard requirements, in particular those under the UNFCCC (Cancun safeguards) and the FCPF [Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF)], through the adoption of a country approach to safeguards (CAS).

Overall, the entire assignment on safeguards is effectively ongoing and as a way forward to comply with the multiple international safeguard requirements under the UNFCCC and the FCPF, the project will continue to initiate discussion of safeguards with the Government of PNG to endorse its Country Approach to Safeguards (CAS).

2. MAIN ACHIEVEMENTS AND RESULTS DURING THE PERIOD

The section below should provide qualitative and quantitative data on the progress towards expected results along the following subsections. Information is to be provided cumulatively. If the information requested is not available or not relevant at the time of the reporting, mention “does not apply – n/a”.

- **Sustainable Agricultural Commodities Assessment:** In 2016, FCPF project commissioned the assignment on assessing the business case for enacting a set of policies and measures to reduce the future impact of key agricultural commodities on forest cover in Papua New Guinea, while allowing for ongoing growth within these sectors. It finds that while PNG has ambitious plans to increase agriculture production through a combination of increased productivity (by 60%) and increase land under cultivation (by 180%) the balance of these approaches vary by commodity. Developments within the cocoa and coffee sectors are focused on improvements in productivity while the palm oil sector is focused on increasing production through expansion of the area under cultivation and represents the most significant threat to levels of forest cover. Indeed, the area under cultivation estimated at 150,000 ha is already set to more than double in the short term based on expansion of existing projects and increase by 10-fold to 1.5 million ha by 2030 according to government plans.

This expansion is not in line with the same internationally recognized sustainability standards currently applied by palm oil producers within the country. and presents a potential reputational risk to the entire PNG palm oil sector. The global industry is under significant public scrutiny and is moving increasingly towards internationally recognized standards as a norm. Indeed companies responsible for 90% of global palm oil trade have committed to zero net deforestation within their supply chains by 2020. The Netherlands, UK and Germany, the largest purchasers of palm oil products from PNG have also recently signed the Amsterdam Declaration to ensure that by 2020, 100% of palm oil entering their countries is from sustainable sources.

To reduce the risk to forests, ensure the profitability of the sector and its long-term sustainability it is recommended that PNG position itself as a global leader for sustainable palm oil production. This is fully aligned with government long-term strategy expressed in STaRS and its associated Green Growth Framework and could provide strong benefits for PNG's people, economy and the environment. This will also facilitate access to REDD+ financing.

Two key recommendations are proposed in this context:

- A National Policy for Sustainable Palm Oil is developed and supported by mapping of appropriate areas for expansion and off limits areas to help guide future expansion.
- A Multi-stakeholder Palm Oil Platform is established to strengthen coordination in the sector and help to both develop and oversee policy implementation.

Amount of non-FCPF investments received under R-PP process (FCPF M&E Framework Indicator I.2.B.i.):

Source: Under the UNREDD programme, FAO has been implementing National Forest Monitoring System in PNG, particularly development of a WEB-GIS interface, capacity building on forest land monitoring methodology and reviewing methodologies for establishment of Reference Emissions Levels (REL) and national reference emission levels.

Amount provided: N/A

Source: The Japan International Cooperation Agency (JICA) has been supporting PNGFA implementing the Project “Capacity Development Project for Operationalization of PNG Forest Resource Information Management System (NFRIMS) for Addressing Climate Change”. The project aims to reinvigorate the capacity of PNGFA so that it can fully operationalise the NFRIMS, including capacities to update and manage forest coverage and stocks on GIS, efficient forest monitoring system, improvement of inter-agency coordination and technical capacity for REDD+ reporting, and development of appropriate training programs.
<http://www.jica.go.jp/png/english/activities/activity12.html>

Amount provided: N/A

Source: The European Union has been supporting PNGFA to implement National Forest Inventory project as part of a National Forest Monitoring System that will fulfil the UNFCCC Cancun and Copenhagen decision requests. The duration of the project is three years (January 2015 – September 2017).

Amount provided: N/A

Amount of non-FCPF investments received for implementation of activities relevant to ER Programs (e.g. FIP, bilateral donors, private sector), if relevant (FCPF M&E Framework Indicator I.2.B.i.):

Source: N/A

Amount provided: N/A

Source: N/A

Amount provided: N/A

Source: N/A

Amount provided: N/A

Describe how stakeholders are participating and engaging in REDD+ decision making processes (FCPF M&E Framework Indicator I.3.A):

Provide examples of how IPs and CSOs are represented in institutional arrangements for REDD at the national level.

The FCPF project has been supporting REDD+ Technical Working Group in order to encourage engagement by key organizational stakeholders in the technical development and implementation of the National REDD+ Strategy in PNG. The main role of the TWG is to develop decision support for proposals and options for technical choices in their area of expertise, by taking into account relevant and available information and guidance.

For example, since July 2015, three REDD+ Technical Working Groups have been conducted. During the first meeting in August 2015, the representatives of relevant government departments, civil society and private sector were approached to discuss REDD+ related policy and new Climate Change Management Act endorsed by PNG Parliament. The TWG members have made inputs into the Act before it went through the National Executive Council for approval in November 2015. The second REDD+ TWG meeting was initiated in March 2016 in order to discuss lessons learned from UNREDD Programme for the period of 2011-2015 and FCPF progress as well as preparation of the Third National Communication (TNC) and Biannual Update Report (BUR). This particular meeting outputs has resulted in country's progress on Intended Nationally Determined Contributions (INDC) under the UNFCCC. The third REDD+ TWG was convened in May 2016 where key stakeholders have discussed REDD+ Website and communication strategy.

Examples of stakeholder engagement platforms in country which meet regularly to discuss and provide inputs to the REDD+ readiness process (FCPF M&E Framework 3.2.a.):

<p><u>Frequency:</u></p> <p><i>Quarterly</i></p>	<ul style="list-style-type: none"> <i>The REDD+ Technical Working Group (TWG), Safeguards TWG and MRV TWG meet quarterly. FCPF continues to provide support to these meetings.</i>
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Examples of resources made available to enable active participation of IPs, CSOs and local communities in national REDD+ readiness.

- The expenses incurred by IPs and CSOs to participate in meetings of the TWGs are currently met by the FCPF.*

Number and type of policy reforms initiated, completed or underway complying with REDD+ standards, if any (*FCPF M&E Framework Indicator I.3.B.*):

Number of policy reforms during the reporting period that are:

Underway:

Through a consultative process, an issues and options paper as a precursor to PNG's National REDD+ Strategy or Action Plan that sets out the key existing REDD+ related information (data/policy) and information gaps, as well as recommendations on priority actions and strategic decisions to be taken by relevant stakeholders. The study considers the scope of REDD+ (in terms of activities to be undertaken), the scale at which REDD+ can be developed, and the institutional arrangements needed to undertake these approaches. In developing these proposals priority drivers of deforestation and forest degradation be considered along with existing capacity levels, to identify both potential opportunities and challenges associated with different approaches to REDD+ implementation.

Work is underway to collate data and information on the drivers of emissions from deforestation and forest degradation and the assessment of policy, legal and regulatory frameworks for addressing drivers and barriers. Work is also being carried out to identify issues and options relevant to the implementation of REDD+ in PNG, to inform decision-makers and other key stakeholders about the development of PNG's National REDD+ Strategy.

FCPF project has also successfully completed the assignment on assessing the business case for enacting a set of policies and measures to reduce the future impact of key agricultural commodities on forest cover in Papua New Guinea, while allowing for ongoing growth within these sectors. It finds that while PNG has ambitious plans to increase agriculture production through a combination of increased productivity (by 60%) and increase land under cultivation (by 180%) the balance of these approaches vary by commodity. Developments within the cocoa and coffee sectors are focused on improvements in productivity while the palm oil sector is focused on increasing production through expansion of the area under cultivation and represents the most significant threat to levels of forest cover. Indeed, the area under cultivation estimated at 150,000 ha is already set to more than double in the short term based on expansion of existing projects and increase by 10-fold to 1.5 million ha by 2030 according to government plans.

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Two key recommendations are proposed in this context:

- A National Policy for Sustainable Palm Oil is developed and supported by mapping of appropriate areas for expansion and off limits areas to help guide future expansion.

- A Multi-stakeholder Palm Oil Platform is established to strengthen coordination in the sector and help to both develop and oversee policy implementation.

Completed:

N/A

Please describe these policy reforms:

Design of national REDD+ Strategies addresses indicators for enhancement of livelihoods of local communities and for biodiversity conservation(*FCPF M&E Framework Indicator 3.B.*):

Provide examples of how national REDD Strategies address livelihoods of local communities and biodiversity conservation.

The FCPF project has been collaborating with the National Agricultural Research Institute to undertake a survey to assess the current status of small scale agriculture in PNG and its role in rural livelihoods compared with other livelihood (including land use) options; provide a quantitative indication of the potential impacts of ongoing expansion of small-scale agriculture in PNG on forest areas and rural livelihoods, and identify potential ‘hotspot’ areas vulnerable to rapid expansion; provide recommendations on actions that can be taken to help incentivize sustainable land use planning and management practices while also strengthening community food security and rural livelihoods within forest areas. The current assignment is planned to be initiated in September 2016.

3. PROGRESS AT R-PP sub component level

3.1. REDD Readiness Progress

As a synthesis of the following output level assessments, please briefly describe here the progress made during the reporting period in developing the country Readiness Package (*FCPF M&E Framework Indicator 1.A.*): up to 300 words, if applicable

Progress made during the reporting period in developing the country Readiness Package:

















Different assignments including gender responsive and participatory approach and stakeholder analysis, development of Safeguards Information Systems, Sustainable Agricultural Commodity studies, Land Use Sector Financing Flows and Economic Values, and Identification of Issues and Option paper are currently being undertaken by teams of consultants. The findings will help build a body of information to inform the development of PNG's National REDD+ Strategy. The Government of PNG's aims to have a draft National REDD+ Strategy ready by the end of 2016.

The continued support to the REDD+ and other technical working groups, coupled with REDD+ expert training events, provided key decision makers with a clear overview of the requirements for REDD+ implementation and built capacity in understanding the elements of a National REDD+ Strategy – and the associated design process.

Please indicate which of your country R-PP components and sub-components have received support from FCPF through the Readiness Preparation Grant (>3.4 million USD)

Components	Sub-components	Support from FCPF (Yes/No)
1. Readiness Organization and Consultation	1a. National REDD+ Management Arrangements	Yes
	1b. Consultation, Participation, and Outreach	Yes
2. REDD+ Strategy Preparation	2a. Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance	Yes
	2b. REDD+ Strategy Options	Yes
	2c. Implementation Framework	Yes
	2d. Social and Environmental Impacts	Yes
3. Reference Emissions Level/Reference Levels		No
4. Monitoring Systems for Forests and Safeguards	4a. National Forest Monitoring System	No
	4b. Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	Yes

Level of overall achievement of planned milestones according to approved FCPF-financed Readiness Fund Grant (>3.4 million USD) (FCPF M&E Framework 1.3.b.):









<p><u>Planned Milestones:</u> National REDD+ Strategy</p>	<p><u>Level of Achievement</u>¹:  An issues and options paper for PNG's National REDD+ Strategy is being developed. The document will identify key areas in which decisions need to be made and what information and options currently exists within these areas.</p>	<p><u>Tracking</u>²:</p> <table border="1" data-bbox="987 310 1464 638"> <tr> <td></td> <td></td> <td><i>Significant progress</i></td> </tr> <tr> <td></td> <td>X</td> <td><i>Progressing well, further development required</i></td> </tr> <tr> <td></td> <td></td> <td><i>Further development required</i></td> </tr> <tr> <td></td> <td></td> <td><i>Not yet demonstrating progress</i></td> </tr> <tr> <td></td> <td></td> <td><i>Non Applicable</i></td> </tr> </table> <p><i>Please explain why:</i> an I&O consultant team was hired and the report will be ready by early September; and that a draft Strategy is expected to be ready by the end of 2016</p>			<i>Significant progress</i>		X	<i>Progressing well, further development required</i>			<i>Further development required</i>			<i>Not yet demonstrating progress</i>			<i>Non Applicable</i>
		<i>Significant progress</i>															
	X	<i>Progressing well, further development required</i>															
		<i>Further development required</i>															
		<i>Not yet demonstrating progress</i>															
		<i>Non Applicable</i>															

¹Countries are expected to provide data on the overall level of achievement of planned milestones as defined in their Readiness Preparation Grant Agreement, and, if applicable, on their Supplementary Grant Agreement for an additional grant of up to \$5 million. For instance, under their Preparation Readiness Grant Agreement (>3.4 million USD), Countries should provide data on (i) the support to the Coordination of the REDD+ Readiness Process and Multi-Stakeholder Consultations; (ii) the contribution to the Design of a National REDD+ Strategy; and (iii) the preparation of a National Reference Scenario for REDD+













²The level of achievement of planned milestones according to approved RF grant will be summarized through progress scores related to the synthesis of an overall achievement, qualitatively expressed on a four-color 'traffic light' scale and then explained. In case the assessment is not applicable, a fifth color scale "Non Applicable" can be selected.







This 'traffic light' scale is based on the system contained in the R-Package Assessment Framework









Degree of achievement of planned milestones per R-PP component and sub-component (FCPF M&E Framework 1.3.c.).
Countries are expected to rate progress toward the implementation of R-PP sub-component only once a year, as part of the reporting submitted by August 15th each year
















	Sub-component	Progress against annual targets		Tracking ³ (Please select your light rating)		
		Planned milestones	Achievements			
R-PP Component 1 – Readiness Organization and Consultation	<p>Sub-Component 1a – National REDD+ Management Arrangements</p> <p><i>Purpose: setting-up national readiness management arrangements to manage and coordinate the REDD-plus readiness activities whilst mainstreaming REDD-plus into broader strategies</i></p> <p><i>Country Self-Assessment Criteria:</i>(i) <i>accountability and transparency;</i> (ii) <i>operating mandate and budget;</i> (iii) <i>multi-sector coordination mechanisms and cross-sector collaboration;</i> (iv) <i>technical supervision capacity;</i> (v) <i>funds management capacity;</i> (vi) <i>feedback and grievance redress mechanism</i></p>	<p><i>Note: Annual milestones in project document milestones are taken from 2016 workplan.</i></p> <p>-National REDD+ Steering Committee Established.</p> <p>-Continue support to the REDD+ TWG and its activities</p> <p>-Training events for TWG members and provincial authorities</p>	<p> ToR developed, No progress to date, pending transition of OCCD into Authority (Climate Change and Development Authority).</p> <p> Continued support for REDD+ TWG. ToR has been reviewed for wider comments.</p> <p> Trainings conducted and will continue to provide to key stakeholders</p>			Significant progress
					X	Progressing well, further development required
						Further development required
						Not yet demonstrating progress
						Non Applicable
				<p><i>Please explain why:</i></p> <p>FCPF is supporting CCDA in its transition as an authority and hence, a team of experts were hired to help with the development of a long term strategy.</p>		







³The level of achievement of planned milestones per R-PP component should be self-assessed and reported, as well as summarized through progress scores related to the synthesis of this overall achievement, qualitatively expressed on a four-color 'traffic light' scale and then briefly explained. In case the assessment is not applicable, a fifth color scale 'Non Applicable' can be selected. This 'traffic light' scale is based on the system contained in the R-Package Assessment Framework, The R-Package assessment criteria are included to assist countries identify, plan and track their readiness preparations progress with the core aspects and desired outcomes of readiness preparation activities as contained in R-Package Assessment Framework.













	Sub-component	Progress against annual targets		Tracking ³ (Please select your light rating)		
		Planned milestones	Achievements			
	<p>Sub-Component 1b – Consultation, Participation, and Outreach</p> <p><i>Purpose: broad consultation with and participation of key stakeholders for future REDD+ programs, to ensure participation of different social groups, transparency and accountability of decision-making</i></p> <p><i>Country Self-Assessment Criteria: (i) participation and engagement of key stakeholders; (ii) consultation processes; (iii) information sharing and accessibility of information; (iv) implementation and public disclosure of consultation outcomes</i></p>	Stakeholder mapping and situation analysis and recommendations for improving gender inclusiveness and participation in national REDD+ Policies.	 The draft stakeholder mapping and situational analysis has been developed. Further work is required to map out key stakeholders' participation in national REDD+ Policies.			Significant progress
					X	Progressing well, further development required
						Further development required
						Not yet demonstrating progress
						Non Applicable
				Please explain why:		
R-PP Component 2 – REDD+ Strategy Preparation	<p>Subcomponent 2a: Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance</p> <p><i>Purpose: identification of key drivers of deforestation and/or forest degradation, as well as activities concerning conservation, sustainable management of forests, and enhancement of forest carbon stocks</i></p> <p><i>Country Self-Assessment Criteria: (i) assessment and analysis; (ii) prioritization of direct and indirect drivers/barriers to forest enhancement; (iii) links between drivers/barriers and REDD+ activities; (iv) actions plans to address natural resource right, land tenure, governance; (v) implications for forest law and policy</i></p>	Refine work on national circumstances undertaken under UN-REDD which is now taken on board by FCPF. The final draft report in progress after wider stakeholders consultations. Final PNGFA and CCDA accepted the report, and build on where gaps are identified.	 Forest Law, Policy and Governance study is commissioned.			Significant progress
					X	Progressing well, further development required
						Further development required
						Not yet demonstrating progress
						Non Applicable
				Please explain why:		

Sub-component	Progress against annual targets		Tracking ³ (Please select your light rating)		
	Planned milestones	Achievements			
<p>Subcomponent 2b: REDD+ Strategy Options</p> <p><i>Purpose: Develop a set of policies and programs for addressing the drivers of deforestation and/or forest degradation</i></p> <p><i>Country Self-Assessment Criteria: (i) selection and prioritization of REDD+ strategy options; (ii) feasibility assessment; (iii) implications for strategy options on existing sectoral policies.</i></p>	Development of Roadmap for REDD+ strategy development	 National Strategy Issues and Options paper in its consultation process.			Significant progress
				X	Progressing well, further development required
					Further development required
					Not yet demonstrating progress
					Non Applicable

Sub-component	Progress against annual targets		Tracking ³ (Please select your light rating)		
	Planned milestones	Achievements			
<p>Subcomponent 2c: Implementation Framework</p> <p><i>Purpose: Set out credible and transparent institutional, economic, legal and governance arrangements necessary to implement REDD+ strategy options</i></p> <p><i>Country Self-Assessment Criteria: (i) adoption and implementation of legislation/regulations; (ii) guidelines for implementation; (iii) benefit sharing mechanism; (iv) national REDD+ registry and system monitoring REDD+ activities</i></p>	GAP analysis of existing legal framework on safeguards draft report is available.	 Progressing well, further development required			Significant progress
				X	Progressing well, further development required
	Development of proposals for a benefit distribution system (BDS)	 Climate Change Management Bill provides mechanism to establish climate action based trust funds.			Further development required
	Review options for REDD+ fund	 No action taken on assessing structure for REDD+ financing.			Not yet demonstrating progress
					Non Applicable
			<p><i>Please explain why:</i> Currently, under the I&O paper, PAMs are being developed and design of the BDS and fund will depend on the PAMs that PNG chooses to implement, therefore work could not proceed on these topics yet, but that it will go ahead once the PAMs are clearly articulated in the Strategy</p>		

	<p>Subcomponent 2d: Social and Environmental Impacts</p> <p><i>Purpose: Ensure compliance with the Common Approach and prepare a country specific Environmental and Social Management Framework (ESMF)</i></p> <p><i>Country Self- Assessment Criteria:</i> <i>(i) analysis of social and environmental safeguard issues; (ii) REDD+ strategy design with respect to impacts; (iii) Environmental and Social Management Framework</i></p>	<p>Roadmap and stakeholder capacity building tool kit on safeguards developed.</p>	<ul style="list-style-type: none"> ⚠ REDD+ Safeguards gap analysis and road map was developed and endorsed by CCDA ⚠ Safeguards Information Assessment has been conducted ⚠ Safeguards Legal Assessment was successfully completed and set of recommendations on Policies, Laws and Regulations (PLRs) have been developed ⚠ A Preliminary Identification of Information needs assessment associated with the demonstrating how safeguards are being addressed and respected in PNG was carried out ⚠ Social and Environmental Safeguards Technical Working Group comprised of representatives from different government departments, civil society organizations 	<table border="1" data-bbox="1520 220 1936 646"> <tr> <td style="text-align: center;"></td> <td></td> <td>Significant progress</td> </tr> <tr> <td style="text-align: center;"></td> <td style="text-align: center;">X</td> <td>Progressing well, further development required</td> </tr> <tr> <td style="text-align: center;"></td> <td></td> <td>Further development required</td> </tr> <tr> <td style="text-align: center;"></td> <td></td> <td>Not yet demonstrating progress</td> </tr> <tr> <td style="text-align: center;"></td> <td></td> <td>Non Applicable</td> </tr> </table> <p><i>Please explain why:</i></p>			Significant progress		X	Progressing well, further development required			Further development required			Not yet demonstrating progress			Non Applicable
		Significant progress																	
	X	Progressing well, further development required																	
		Further development required																	
		Not yet demonstrating progress																	
		Non Applicable																	

	Sub-component	Progress against annual targets		Tracking ³ (Please select your light rating)		
		Planned milestones	Achievements			
			and private sectors was established			
R-PP Component 3 – Reference Emissions Level/Reference Levels	R-PP Component 3 - Reference Emissions Level/Reference Levels <i>Purpose: Development of the general approach to establish a REL/RL</i> <i>Country Self-Assessment Criteria: (i) demonstration of methodology; (ii) use of historical data, and adjusted for national circumstances; (iii) technical feasibility of the methodological approach, and consistency with UNFCCC/IPCC guidance and guidelines</i>	N/A	 Not included under FCPF grant activities			Significant progress
						Progressing well, further development required
						Further development
						Not yet demonstrating progress
					X	Non Applicable
And explain why:						

	Sub-component	Progress against annual targets		Tracking ³ (Please select your light rating)		
		Planned milestones	Achievements			
R-PP Component 4: Monitoring Systems for Forests and Safeguards	<p>Subcomponent 4a: National Forest Monitoring System</p> <p><i>Purpose: Design and develop an operational forest monitoring system and describe the approach to enhance the system over time</i></p> <p><i>Country Self-Assessment Criteria: (i) documentation of monitoring approach; (ii) demonstration of early implementation; (iii) institutional arrangements and capacities- Forests</i></p>	N/A	 Not included in FCPF grant			Significant progress
						Progressing well, further development required
						Further development required
						Not yet demonstrating progress
					X	Non Applicable
				And explain why:		
	<p>Subcomponent 4b: Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards</p> <p><i>Purpose: Specify the non-carbon aspects prioritized for monitoring by the country</i></p> <p><i>Country Self-Assessment Criteria: (i) identification of relevant non-carbon aspects, and social and environmental issues; (ii) monitoring, reporting and information sharing; (iii) Institutional arrangements and capacities – Safeguards</i></p>	Roadmap for safeguards and stakeholder capacity building tool kit developed.	 Work initiated and progressing well.			Significant progress
					X	Progressing well, further development required
						Further development required
						Not yet demonstrating progress
						Non Applicable
				And explain why:		

Disbursement rate of FCPF-financed Readiness Fund Grant (>3.4 million USD), in percentage (FCPF M&E Framework 1.3.d.):																	
	Rate	Tracking															
RF Grant - disbursement rate vs. planned disbursements	8.5%	<p><i>Please select your rating:</i></p> <table border="1"> <tr> <td></td> <td>X</td> <td>Up to 10% variance with plans</td> </tr> <tr> <td></td> <td></td> <td>Between 10-25% variance with plans</td> </tr> <tr> <td></td> <td></td> <td>Between 25-40% variance with plans</td> </tr> <tr> <td></td> <td></td> <td>More than 40% variance</td> </tr> <tr> <td></td> <td></td> <td>Non Applicable</td> </tr> </table>		X	Up to 10% variance with plans			Between 10-25% variance with plans			Between 25-40% variance with plans			More than 40% variance			Non Applicable
	X	Up to 10% variance with plans															
		Between 10-25% variance with plans															
		Between 25-40% variance with plans															
		More than 40% variance															
		Non Applicable															

Disbursement rate of Total R-PP Budget in percentage (FCPF M&E Framework 1.3.d.):																	
	Rate	Tracking															
Total Budget in R-PP - disbursement rate vs. planned disbursements (including other funding sources and FCPF Readiness Grant)	8.5%	<p><i>Please select your rating:</i></p> <table border="1"> <tr> <td></td> <td>X</td> <td>Up to 10% variance with plans</td> </tr> <tr> <td></td> <td></td> <td>Between 10-25% variance with plans</td> </tr> <tr> <td></td> <td></td> <td>Between 25-40% variance with plans</td> </tr> <tr> <td></td> <td></td> <td>More than 40% variance</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		X	Up to 10% variance with plans			Between 10-25% variance with plans			Between 25-40% variance with plans			More than 40% variance			
	X	Up to 10% variance with plans															
		Between 10-25% variance with plans															
		Between 25-40% variance with plans															
		More than 40% variance															

3.2. Engagement of stakeholders within the approach to REDD +

Examples of actions/activities where IPs, CSOs, and local communities participate actively, if relevant (FCPF M&E Framework 3.1.a.):	
<u>Action/activity:</u>	<u>Describe IP, CSO, and local community participation:</u>
<ul style="list-style-type: none"> National REDD+ training workshops conducted. 	<p>Key decision makers from government, NGOs and the private sector attended the REDD+ trainings in November in Madang 2015, March in Kimbe 2016,</p>
<p>Number of IP and REDD country CSO representatives (men/women) having been successfully trained by FCPF training programs (FCPF M&E Framework 3.1.b.):</p>	

<u>Please list the training conducted:</u>	<u>Duration (# of days)</u>	<u># of participants # of men / # of women</u>		X	<i>Targets in terms of number of men and women to be trained by country to be defined</i>
National REDD+ Expert Training in Madang	3	11 women and 17 men			
National REDD+ Expert Training in Kimbe	3	9 women and 27 men			

3.3. Knowledge sharing

Has your country developed and published REDD+ knowledge products with FCPF support:	
<u>Yes/No:</u> No	<u>Please provide the list of published REDD+ knowledge products, if any during reporting period:</u> Currently the FCPF project has been developing policy briefs on Issues and Options Paper to inform key stakeholders on REDD+ implementation process. Apart from this, during the REDD+ trainings, all presentations of the sessions were distributed to all participants in FCPF logo labelled flash drives. Development of fact sheets on safeguards and SIS is also in process.

How many people have been reached by these knowledge products, if any:
<u>Overall number by product:</u> N/A <u># of Men:</u> N/A <u># of Women:</u> N/A

Have some experts of your country participated in any South-south learning activities? If yes, how many (men and women)?		
<u>YES/No:</u> No	<u>List the South-South learning activities:</u> N/A	<u># of men:</u> (IP/CSO representatives, private sector representatives) <u># of women:</u> (IP/CSO representatives, private sector representatives)

4. ISSUES, CHALLENGES AND RISKS

This section should present any problems, difficulties or constraints faced by the country in making progress towards the intended REDD+ results (outputs, outcomes and possible impacts), the main causes and their expected effect on the work plan. Actions that have been taken to overcome or manage these constraints/flaws/problems identified should be stated. Each problem/constraint should be stated as a separate point, along with associated proposed changes in work planning for the next six month/year to address it, as relevant.

It is expected that the country monitors any changes in the assumptions that underpin the logic of intervention of FCPF at the national level and other significant risks that may arise. This section should explain through a narrative any changes in the level of risk associated with the different assumptions, or describe new risks that may have emerged and have a significant bearing on the national work-planning with respect to FCPF support for the next year and beyond, along with the associated measures required to address this change.

Constraint/Problem:

- CCDA management/board of management appointments and recent changes of acting Managing Director will have some impact on the progress of the project delivery, particularly discussing REDD+ issues and policy at the national level.

Main causes:

- Delay in establishing National REDD+ Steering committee at the national level to coordinate REDD+ implementation at the national level.
- Delay by national appointing committee to nominate NRSC

Expected Effect

- Delay in establishing NRSC by CCDA appointment committee (board) could slow National REDD+ Strategy/ other REDD+ related policy deliberations and endorsement process.

Action Undertaking

- We are planning an alternative option to seek legal advice and clearance from State solicitor's office. State Solicitor can take up this through Central Agency Coordinating Committee (CACC) which is made up of department of Finance, Treasury, Planning etc, to vet it and then have NEC endorsement.

Risk

N/A

5. MAIN LESSONS LEARNED

This section should be used to provide information on important lessons learned since the beginning of the readiness process. It is expected that this section will be fairly substantial, making reference to different lessons learned, analysis documents developed, and/or experiences made in dealing with issues of particular interest to REDD+.

- In order to support the effective national implementation of REDD+ in PNG, it is important to learn lessons from the past four years of UN-REDD Programme implementation. This includes assessing the activities and achievements to date, including capacity built, tools developed and support delivered by multiple partners. To assess this progress, the FCPF project supported the organization and delivery of a national REDD+ lessons learned workshop in Port Moresby, from the 4-5 of November 2015. The aim of this two-day event was to take stock of the status of REDD+ readiness in PNG against the overall international framework under which REDD+ is

operating, identify the achievements to date in PNG, and collectively determine the next steps that will be undertaken. Lessons learned would feed into next steps that the country will take towards REDD+ implementation.

- The key lessons related to National Strategy or Action Plan and Safeguards and Safeguard Information Systems are as follow:

National Strategy or Action Plan

- Awareness has been raised successfully among a certain contingent as shown by the results of the lessons learned workshop 2015 survey – but more needs to be done to reach and engage more (diverse) stakeholders, particularly as PNG develops its NS and accompanying PAMs;
- An online PNG REDD+ resource (i.e. national REDD+ website) is needed that holds all materials for access by interested stakeholders;
- A clear, budgeted communication strategy on REDD+ should be articulated including which stakeholders will be target and how;
- Further and improved information dissemination on REDD+ is needed;
- Cross-sectoral coordination and engagement must be improved and strengthened, particularly as PNG moves towards developing its national REDD+ strategy;
- PNG's national REDD+ strategy should follow a similarly participatory approach as was taken to develop the FPIC guidelines;
- PNG should start work on the development of its REDD+ Strategy, which will set out PNG's vision for REDD+ implementation in the context of the country's unique national circumstances.

Safeguards and Safeguard Information Systems

- Further work is required on REDD+ safeguards, to be carried out in close coordination with the development of policies and measures for REDD+ implementation;
- The National Guidelines on FPIC for REDD+ which are up for endorsement by NEC should be followed by the its integration in policies;
- Further work on PNG's Benefit Sharing and Distribution System (BSDS) needs to be carried out in close coordination with the development of PNG's REDD+ policies and measures as these will set out what activities will be carried out, their geographical scale and the actors to be involved in their implementation, among other things;
- More respect for the structures of the traditional chieftaincy system while recognizing the government system such as the Ward Councillors to legitimate representation;
- It must be made very clear if and when consent is needed and what consent is needed for and who should give it;
- Efforts should be made to ensure all members of affected communities go through the FPIC process.

Moreover, it is also important to consider lessons learned related to **Institutional arrangements:**

- Greater use should be made of TWGs, including ones on REDD+, safeguards and MRV, to generate information and policy proposals for consideration by broader groups of stakeholders. Specific TORs should be developed and membership should be limited as much as possible to subject experts who can provide technical inputs. PNG should move away from the model of

using TWG members as awareness raising events and instead aim to discuss and reach consensus on substantive technical and policy issues, to be taken up to higher levels of decision making;

- A clearer message regarding how REDD+ can contribute to other sectors and government agencies beyond forestry is also urgently needed such as the Mineral Resources Authority to ensure focus on the mining sector, which is a driver of deforestation;
- Institutional arrangements for REDD+ coordination and implementation should be concretized and articulated in PNG's National REDD+ Strategy;
- There is a need for a REDD+ office/unit within the provincial administration office/structure;
- There is a need for a stronger ownership and continued commitment of the leading government agencies;
- A shift is needed from donor-driven to government-driven REDD+ implementation, with stronger ownership and continued high-level commitment of the leading government agencies and ministries.