



REDD+ projects guidelines

Draft for public consultation



Government of Papua New Guinea

Office of Climate Change and Development
November 2010

Announcement

The present document is a draft for consultation.

Comments and feedback are encouraged and may be submitted to Ms. Eunice Dus at eunicejd@gmail.com, or:

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The deadline for submission is: **Friday, 7th January 2010.**

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Introduction

Climate change is both a threat and an opportunity for Papua New Guinea. Our greenhouse gas emissions are high relative to our level of development especially due to emissions from land use, land-use change and forestry (LULUCF) which account for over 95% of total emissions. Reducing emissions from avoided deforestation and forest degradation plus conservation, sustainable forest management and carbon stock enhancement (REDD+) has the potential to reduce 2030 emissions by approximately 60% to 80%¹ compared to business as usual.

The purpose of these guidelines is to ensure that Government-supported REDD+ activities have real emission reduction benefits and meet high standards of environmental, social and fiduciary safeguards and that projects are assessed in a transparent manner, based on criteria that are easily accessible by all stakeholders. The safeguard criteria will determine which REDD+ pilot projects and demonstration activities receive the support of the Government.

REDD+ projects under these guidelines are defined as any activity that specifically aims to develop, test and trial mechanisms that substantially and measurably reduce greenhouse gas (GHG) emissions by actively managing processes of avoided deforestation and forest degradation, enhancing forest carbon stocks, implementing sustainable forest management, afforestation and reforestation.

These guidelines were prepared by Office of Climate Change and Development (OCCD) and endorsed by the National Climate Change Committee (NCCC) and National Executive Council (NEC), drawing heavily on input from the multi-stakeholder REDD+ Technical Working Group.

In the short term, this preliminary version of the REDD+ project guidelines will be utilised to appraise proposals for REDD+ pilot projects and demonstration activities. They are intended to guide the evaluation process of responses to specific requests for proposals for REDD+ projects that the Government will issue and other pilot activities. As such, proponents will find them a good reference when compiling a proposal for consideration.

¹ See the Government of PNG's Interim Action Plan for Climate – Compatible Development

In the medium to long term, we hope that the lessons from the pilot and demonstration activities will contribute to an updated version of the guidelines, which will form the basis for participation of projects in the envisaged national REDD+ scheme. As an evolving document, these guidelines will continue to be updated and refined based on feedback and lessons learned during implementation.

PUBLIC CONSULTATION DOCUMENT

REDD+ project approval process

This section describes how proposals for REDD+ projects submitted by proponents are assessed and approved by the Technical Working Panel, and includes explanations on required documents, Technical Review Panel and stages of the evaluation process.

DOCUMENTS FOR SUBMISSION

There are two documents that need to be submitted by the project proponent to the Technical Review Panel through the OCCD to gain final approval for a project. Initially the proponent submits a project concept note and following the proponent submits a project design document.

Project Concept Note

Proponents submit a project concept note for early feedback from the Technical Review Panel. This will help the Technical Review Panel and project proponents to review the feasibility of a project and gain an understanding of how to take project forward.

The project concept note consists of an explanation of the project background, objectives, description and potential challenges and impact and is a maximum of 10 pages. Project proponents also have to briefly explain what they will do to fulfil mandatory criteria and what potential support is needed.

Project Design Document

The project design document is a more complete version of the project concept note and is submitted for assessment to the Technical Review Panel. 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. This document consists of not more than 80 pages.

For the initial assessment, the proponent must provide all of the mandatory criteria and suggest what additional criteria are applicable. To gain final approval, the proponent must explain any additional criteria requested during the initial assessment.

TECHNICAL REVIEW PANEL

A Technical Review Panel, chaired by the REDD+ Director and/or Senior policy analyst of the OCCD, assesses all project design documents. This 10-person panel includes the following members:

- Government (four members)
 - OCCD REDD+ Director and/or Senior policy analyst (**Chair**)
 - One representative from each relevant governmental organisation (i.e., Papua New Guinea Forest Authority (PNG FA), Department of Agriculture and Livestock (DAL), Department of Environment and Conservation (DEC))
- Non-governmental organisation (two members)
 - One representative from each of two non-governmental organisations (NGOs)
- Development partner (two members)
 - One representative from each of two development partners
- Private sector or industry experts (two members)
 - One representative from each of the agriculture and forestry sectors

The members of the Technical Review Panel are appointed by the REDD+ Technical Working Group for the duration of 12 months and are endorsed by the NCCC. To avoid a potential conflict of interest, no representative can evaluate a project that comes from his/her own organisation, or that the organisation supports. For instance, an NGO representative cannot evaluate a project from his/her NGO or that is supported by that NGO.

Based on its assessment, the Technical Review Panel prepares a recommendation for the NCCC, which grants final approval for a project. The OCCD supports the Technical Review Panel in preparing its recommendation to the NCCC, by having its REDD+ analyst conduct the initial assessment.

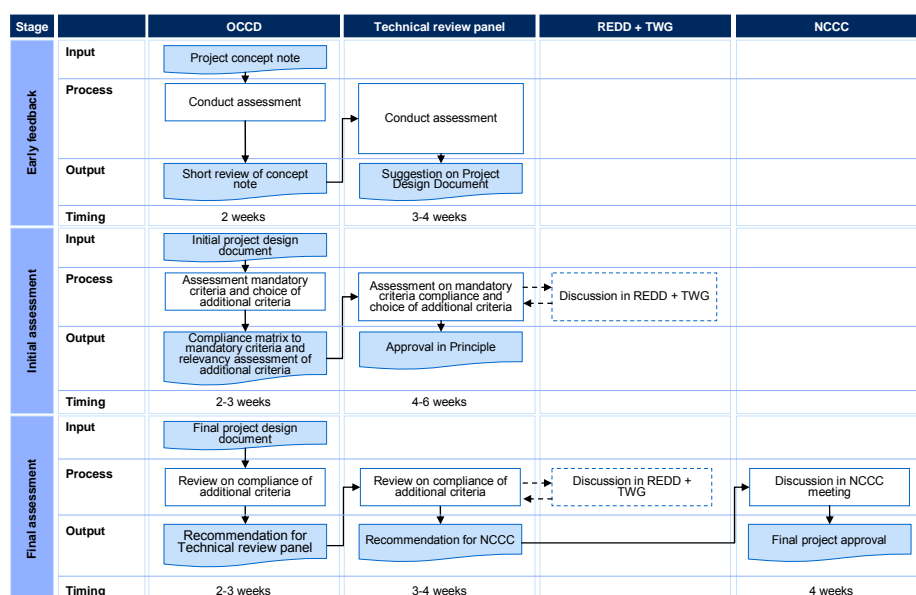
EVALUATION PROCESS

The evaluation process to assess a project's compliance with the REDD+ safeguards has three stages as shown in Exhibit 1, which are explained below.

EXHIBIT 1

REDD+ project approval process

Document Activity Optional activity



Early Feedback Stage

The early feedback stage allows proponents to receive feedback on a project concept note before submitting it formally for assessment against the safeguard criteria. Proponents can submit draft project concept notes to the OCCD for review or propose an informal meeting to discuss an idea for a project.. Proponents will be given advice on how to proceed to project design document if projects are considered good to be developed further. If not, project proponents will be asked to improve project concept note based on feedback and resubmit again.

Assessment Stage

During the assessment stage, the Technical Review Panel evaluates project concept notes and decides whether to approve projects based on the safeguard criteria. The process begins when project proponents submit project concept notes to the OCCD, following the steps outlined below.

Initial assessment

Regardless of the type and scope of the project, each proponent needs to show compliance with a set of mandatory safeguard criteria, which are uniform for

every type and scope of project. The proponent also needs to propose which additional criteria from the safeguards catalogue are most important and relevant for the scope and type of the project by deeming criteria either 'relevant' or 'not relevant' criteria will be relevant for large projects that have expansive scope. This customised list will form the basis for the final evaluation by the Technical Review Panel.

The Technical Review Panel will review the proposal's response to the mandatory criteria and the proposed categorisation of additional criteria. With the help of the OCCD, the Technical Review Panel will prepare a recommendation to the NCCC as a decision maker that will include the following:

- A compliance review for mandatory criteria including requests for additional information, where necessary
- A review and adjustment of the categorisation of safeguard criteria
- A review of the proposed process to meet 'relevant' criteria, including requests for additional information, where necessary

Based on this recommendation, the NCCC will decide whether: the project will be declined, the proponent will be asked to amend the proposal, or the project will be given 'approval in principle':

- Declined: Projects will be declined if they do not sufficiently address safeguard criteria
- Request to Amend: Proponents will be asked to amend proposals where not all mandatory criteria are met sufficiently. Proponents will be then given a period of up to four months to resubmit the proposal
- Approval In Principle: Proponents who receive Approval in Principle for a project will be expected to provide evidence for compliance with the criteria within agreed time

The status 'approval in principle' indicates to the project proponent that the project is in line with PNG's overall objectives for REDD+ and will be endorsed if and when compliance with all relevant safeguards is proven, thereby justifying the additional efforts to ensure compliance.

Project proposals that require amendments may proceed to the final assessment stage if both compliance with mandatory criteria and relevant non-mandatory criteria is demonstrated in the re-submission.

Final assessment

When projects have passed the initial assessment stage, proponents are expected to prepare additional information on the project's compliance with 'important' additional criteria before receiving final approval to begin with project implementation. This information is to be provided to the OCCD and the Technical Review Panel within the period of time specified in the original project approval, usually a period of six months.

Once received, the Technical Review Panel reviews the submission for final assessment and either approves the project or requests additional information, if the submission does not provide sufficient evidence for compliance with 'important' additional criteria. If a proponent is unable to submit a complete proposal within 18 months of receiving 'approval in principle', approval is revoked. Projects for which Approval in Principle was revoked can only be resubmitted as new concept notes for initial assessment.

In some cases, the Technical Review Panel will ask project proponents to present their project and safeguard measures to the REDD+ Technical Working Group to obtain a broader opinion.

Periodical Monitoring Stage

During project implementation, projects undergo annual compliance reviews. Project managers need to conduct measurement, reporting and verification activities at the project level and report annually to the OCCD.

REDD+ safeguard criteria


The purpose of safeguard criteria is to set standards of quality of REDD+ projects in Papua New Guinea, while meeting the following objectives:

- 1) Protect landowner rights and interests in REDD+ demonstration projects
- 2) Prepare projects for future performance-based payments from international REDD+ sources
- 3) Ensure compliance of projects with internationally accepted safeguards

The REDD+ safeguard criteria comprise 37 criteria in six categories. These criteria constitute the requirements for a REDD+ project in Papua New Guinea. Criteria are applied to proposals in stages, with different criteria and requirements at different stages, as explained in the REDD+ approval process. Exhibit 2 shows an overview of all categories and sub-categories of the criteria.

EXHIBIT 2

REDD+ demonstration activity safeguard criteria



General Information	<ul style="list-style-type: none">▪ Conditions in the project area▪ Management information▪ Community characteristic▪ Land ownership information▪ Legal status and rules compliance
Climate compatibility	<ul style="list-style-type: none">▪ Strategy alignment▪ Baseline projections▪ Positive climate impact
Measurement, reporting, and verification	<ul style="list-style-type: none">▪ Climate monitoring▪ Environment monitoring
Social safeguard	<ul style="list-style-type: none">▪ Consultation process▪ Benefit sharing▪ Poverty reduction and sustainable livelihood▪ Capacity development▪ Non-discrimination
Environmental safeguard	<ul style="list-style-type: none">▪ Baseline projections▪ Biodiversity▪ Impact on local resources
Fiduciary safeguard	<ul style="list-style-type: none">▪ Business plan metrics▪ Funding sources▪ Annual audit

The safeguard criteria fall under six main groups:

- **General information** consists of a description of the project area and its surrounding project zone, details about the project proponent(s) and community, as requested by criteria explained in following section

- **Climate compatibility** consists of all required climate-related safeguards to ensure additionality² and alignment with the national strategy.
- **Measurement, reporting, and verification (MRV)** requirements assure that project monitoring plans are sufficient and continuous monitoring will take place during project implementation.
- **Social safeguards** consist of community involvement and community-related impacts of the project. Proponents need to be able to ensure community rights are well taken care of.
- **Environmental safeguards** aim at ensuring that biodiversity and local resources are not negatively affected by the project. Projects are expected to not only achieve GHG abatement, but at the minimum also keep intact existing biodiversity and resources in the project area.
- **Fiduciary safeguards** are aimed at ensuring that financial flows of the project, such as payments for ecosystem services, REDD+ payments, or any other payments and compensation to landowners, where present, are managed in a transparent and accountable manner by the project proponent.

As explained above, criteria are divided into mandatory criteria, which each project needs to provide satisfactory information and compliance, and additional criteria for which the project proponent carries out a self-assessment of their relevance. However, some criteria might not be applied because of insufficient scale of a project. In the end, the Technical Review Panel with the input of the proponent will judge which additional criteria must be met by the proponent.

MANDATORY CRITERIA

All initial proposals, regardless of their project type and scope, will be assessed against a set of mandatory criteria as the first step in the assessment stage. These criteria must be fulfilled at the initial stage in order for the project to receive approval in principle and progress further in the approval process for REDD+ demonstration activities. Where criteria are not applicable, project proposals will clearly indicate why the mandatory criterion should not be considered.

² Additionality means that the project reduces emissions more than would have occurred in the absence of the project.

General Information on the Project

1. Conditions in the project area

- a) Characterisation of the project site's physical parameters, i.e., project area size, climate, topography using available data
- b) Clear map with coordinates of the boundaries of the project area

2. Management information

- a) Project proponent: A brief description of the lead organisation's structure, staffing and history, including evidence of Investment Promotion Authority (IPA) registration and a recent audit

3. Community characteristics

- a) A description of communities located in the project zone that describes the way in which people organise themselves socially (e.g., organisation of clans, total population by age group and gender, educational background) with a summary of basic socio-economic and cultural information

4. Land ownership

- a) Description of the legal status of land tenure, with a map showing what areas, if any, are registered, covered by Incorporated Land Group (ILG), or subject to ongoing or unresolved conflicts or disputes
- b) For projects that involve landowners, a brief description of the formal or informal organisation of landowners from the project area including ILGs; including copies of ILG certificates with appropriate social mapping and genealogy
- c) Land use plan for the project area shall conform to the district policy. This needs to be proven by submitting project area land use plan and

5. Legal status and rules compliance

- a) Evidence that the appropriate authorities, e.g., PNG Forest Authority, Department of Environment and Conservation, Department of Agriculture and Livestock, are aware of this project and have not raised any concerns with the project

Climate Compatibility

6. Strategy alignment

- a) Support of priority abatement levers outlined in PNG's Climate-Compatible Development Strategy (CCDS)

- b) Alignment with PNG Vision 2050 and the Medium Term Development Plan (MTDP)
- c) Project has to be consistent with Land Use Plans of local level government and ward councils, by explaining and if possible submitting comparison between project's plan and local level government's land use plan.

Social Safeguards

7. Consultation process

- a) Community's expression of interest in a formal letter
- b) Outline of planned FPIC (Free Prior and Informed Consent) process
- c) Evidence that at least 30% of customary landowners in the project area, half of whom must be women, have agreed to the project

8. Benefit sharing

- a) Outline of how project activities will contribute to sustainable incomes and employment opportunities that last beyond the initial setup of the project
- b) Project has to ensure local and indigenous people receive their rights and culturally appropriate social and economic benefits and do not suffer adverse effects from the projects

9. Non-discrimination

- a) Any employment opportunities generated by projects have to be filled based on equal opportunity if job requirements are met, regardless of gender, ethnicity, which is shown by employment plan

Fiduciary Safeguards

10. Business plan metrics

- a) A budget and business plan for the project's first five years (or length of total project if it is shorter than five years)

11. Funding sources

- a) Specification of the funding sources for the project (if they exist) and the amount committed per source

CATALOGUE OF ADDITIONAL SAFEGUARD CRITERIA

The catalogue of additional safeguard criteria lists all possible REDD+ project criteria, and therefore some criteria may not apply to specific projects. In the project concept note, proponents submit their own assessment of which criteria are relevant for the proposed project. The Technical Review Panel reviews this assessment according to the type and scope of the project and may require the submission of additional criteria with the project detailed design.

General Information on the Project

12. Conditions in the project area

- a) Types and condition of vegetation within the project area
- b) Existing transportation, water and electrical infrastructure

13. Management information

- a) An organisation chart of the project showing the relationships, roles and responsibilities of the project proponents, sub-national government and the local social institutions of people in the project area

14. Community characteristics

- a) Specification of locations of special significance or traditional cultural identity for the communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities)
- b) Project does not create an involuntary resettlement from project area. If very necessary, a resettlement has to be voluntary and a description of strong reasons behind it needs to be developed

15. Land ownership

- a) An outline of the process used to determine land ownership by the project proponent; the result of establishing both land tenure and access rights (e.g., genealogies) and how this will affect the distribution of benefits

Climate Compatibility

16. Baseline projections

- a) Where the project aims at increasing carbon stocks or countering the decrease of carbon stocks in a specific area, clear and accessible data on the starting point of the carbon stock value and how the data was measured

- b) Defensible and well-documented business-as-usual GHG emission pathways, based on a methodology that is aligned with the CCDS and approved by the REDD+ Technical Working Group (TWG), OCCD and NCCC

17. Positive climate impact

- a) Estimate of the positive climate impact that will be created by the project, measured in tonnes of CO₂e abated
- b) Estimate of the negative climate impact that will be created by activities of the project both on-site and off-site (project-level leakage)
- c) Positive net emissions profile of the project (projects with negative net emissions profiles will not be considered)

Measurement, Reporting and Verification

18. Climate monitoring

- a) Initial plan for selecting carbon pools and non-CO₂ GHGs to be monitored, and frequency of monitoring. Note that a full monitoring plan (including monitoring leakage) is required within six months of the project start date, and results of the monitoring have to be made publicly available
- b) Solid and well-documented methodology of leakage calculation

19. Environmental monitoring

- a) Initial plan for selecting species (animals and plants) and natural resources to be monitored; frequency of monitoring. Note that a full monitoring plan is required to be submitted within six months of the project start date and the results of monitoring have to be publicly available

Social Safeguards

20. Consultation process

- a) FPIC mechanism for conducting proper and well-documented consultation with all stakeholders that will be impacted by this project
- b) Method of providing adequate notification to communities, including evidence from all settlements in the project area that it has been done, i.e., i) public notices detailing the proposed project have been posted in both English and Tok Pisin and ii) open public meetings have been held to discuss the project
- c) Demonstration that at least 75% of customary landowners in the project zone have agreed to the project, including female members of communities

- d) Memorandum of understanding (MOU) agreed between community business groups and REDD+ partners
- e) Evidence that relevant government authorities, private sector, NGO partners and community organisations have been informed of project details
- f) Evidence that community has organised itself to facilitate a detailed Participatory Rule Appraisal (PRA)

21. Benefit sharing

- a) Description of transparent and accountable benefit-sharing mechanism with landowners and other stakeholders that is compliant with the guidelines for REDD+ Benefits Sharing Agreements (BSA)
- b) BSA that details how the project will contribute to a local development plan and directly address poverty reduction and sustainable livelihoods. It should outline the types of benefits that will be delivered, the delivery mechanism and how the success of the BSA will be measured and reviewed

22. Capacity development

- a) A training plan (including training manuals and curricula) for project employees and relevant people from the communities in the project area who need to be included
- b) A calculation of the net impact on job opportunities in the project zone. Note that this has to be positive, i.e., any loss of employment opportunities resulting from project activities must at least be offset by employment newly created as part of the project

23. Non-discrimination

- a) Pledge that any benefits and development opportunities will be filled based on equal opportunity, regardless of gender, ethnicity and certain range of ages
- b) Pledge that employment opportunities will be distributed based on equal opportunity

Environmental Safeguards

24. Biodiversity

- a) Estimate of changes in biodiversity as a result of project activities in the project zone, justification for any negative impacts and how they will be offset

25. Impact on local resources

- a) Evidence that the project will not have a negative impact on the availability and quality of water resources
- b) Evidence that the project will not negatively impact food security for the population living in the project area, or the population dependent on the project area. It should include a baseline projection for food security and explain how any reduction in the area available for gardening (or other production of subsistence food crops) or for hunting and harvesting will be offset by the project
- c) Evidence that the project does not negatively impact soil productivity

Fiduciary Safeguards

26. Business plan metrics

- a) Key financial performance indicators, e.g., breakeven value or expected tax payment every year

27. Annual audit

- a) Statement of commitment to conduct annual independent audits that will be presented to the OCCD

Appendix – List of acronyms

BSA, Benefits Sharing Agreements

CCDS, Climate Compatible Development Strategy

CO₂, carbon dioxide

DAL, Department of Agriculture and Livestock

DEC, Department of Environment and Conservation

FPIC, free prior and informed consent

GHG, greenhouse gas

ILG, Incorporated Land Group

IPA, Investment Promotion Authority

LULUCF, land use, land-use change and forestry

MOU, memorandum of understanding

MRV, Measurement, Reporting and Verification

MTDP, Medium Term Development Plan

NCCC, National Council of Climate Change

NEC, National Executive Council

NGO, non-governmental organisation

OCCD, Office of Climate Change and Development

PNG FA, Papua New Guinea Forest Authority

PRA, Participatory Rule Appraisal

REDD+, Reducing Emissions from Deforestation and forest Degradation plus conservation, sustainable forest management and carbon stock enhancement

TWG, Technical Working Group