



Work Plan
under the
Papua New Guinea –
Australia Forest Carbon Partnership

Background

The Papua New Guinea – Australia Forest Carbon Partnership is a response to our countries' shared interest in combating the global challenge of climate change, and reducing emissions from deforestation and forest degradation in developing countries in particular. This issue, known as REDD, is gaining momentum for inclusion in a post-2012 global climate change agreement, in part because of Papua New Guinea's valuable leadership in promoting REDD. Papua New Guinea and Australia played an active role at the December 2007 Bali Climate Change Conference where, for the first time, countries agreed to work toward including REDD in a post-2012 global climate change agreement.

Deforestation accounts for approximately 18 per cent of global greenhouse gas emissions, with around 13 million hectares of the world's forests being cleared each year. Clearly, REDD has the potential to be a key measure to mitigate greenhouse gas emissions whilst providing new economic opportunities for countries such as Papua New Guinea.

Papua New Guinea's rainforests contribute to global climate stability and are an important part of our global ecosystem. Nearly two thirds of Papua New Guinea's land area is forested, hosting some of the richest flora and fauna in the world and more than seven percent of the planet's biodiversity. This is one of the world's four remaining significant tropical rainforest wildernesses - more than 29 million hectares - providing livelihoods for many Papua New Guinea communities.

This creates a unique challenge to achieve economic development and defeat poverty, while being responsible stewards of a unique and irreplaceable part of global biodiversity and contributing toward protection of the global climate system.

Papua New Guinea and Australia believe that REDD can and should make a significant contribution to the global mitigation of climate change. In support of this, the Papua New Guinea - Australia Forest Carbon Partnership aims to ensure that future international carbon markets provide incentives for REDD, and that Papua New Guinea and Australia can fully participate in these markets.

In particular, Papua New Guinea and Australia have agreed to work in the following areas:

- Strategic policy dialogue on reducing emissions from deforestation and forest degradation in developing countries (REDD);
- Strategic, scientific, technical and analytical support to assist PNG develop its own national carbon accounting system; and
- Incentive-based REDD activities to demonstrate PNG's readiness to participate in international carbon markets and to provide lessons to inform the international climate change negotiations.

At the Australia – Papua New Guinea Ministerial Forum in April 2008 in Madang, Minister for Climate Change and Water, Senator the Hon Penny Wong, announced an initial contribution under the Papua New Guinea – Australia Forest Carbon Partnership of AUD3 million. This is intended to progress whole-of-government policy development and planning and capacity building on carbon accounting and monitoring.

Utilising the AUD3 million, Papua New Guinea and Australia subsequently agreed a package of initial support. This support aims to:

- increase the capacity of Papua New Guinea's relevant institutions to articulate and implement national REDD policies that enable effective participation in a post-2012 international carbon market that includes forest carbon credits;
- increase the capacity of Papua New Guinea's relevant institutions to articulate requirements for a robust national carbon accounting and monitoring system; and
- assist Papua New Guinea's continuing engagement in the international negotiations on REDD via the provision of high quality strategic advice.

This initial package of support will link with Papua New Guinea's 'Roadmap for REDD' in a carefully staged and flexible format to respond to an evolving institutional and policy context, and will be coordinated with other donor support as it is developed..

Direct support for Papua New Guinea's REDD institutions through the Papua New Guinea – Australia Forest Carbon Partnership will be complemented by support for NGOs and capacity building for relevant technical agencies through the Asia-Pacific Forestry Skills and Capacity Building Program. Like the Forest Carbon Partnership, these two activities are part of Australia's AUD200 million International Forest Carbon Initiative.

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This Work Plan is a high-level framework to guide Papua New Guinea's and Australia's current and future engagement on the Forest Carbon Partnership. The Work Plan will be supported by officials-level agreement on a detailed list of activities to be finalised upon approval of the Work Plan.

The successful implementation of the Work Plan will strengthen and inform the development and evolution of Papua New Guinea's and Australia's future cooperation on REDD, and climate change more broadly including on adaptation initiatives.

The Work Plan consists of three main components:

1. *To provide a framework on which Papua New Guinea and Australia can expedite the provision of already agreed activities under the Papua New Guinea – Australia Forest Carbon Partnership.*

Australia's initial package of support focuses on a number of key areas: capacity building and corporate support; REDD policy development and planning; carbon accounting and monitoring capacity building; and whole-of-government policy development and planning. The provision of this support will be undertaken by placement of a number of advisors into relevant Papua New Guinea agencies. The advisors will work for and to Papua New Guinea.

Papua New Guinea and Australia recognise that Papua New Guinea's relevant agencies require the provision of advisors in a staged manner to ensure they are utilised as effectively as possible. Therefore, Papua New Guinea and Australia agree to the following timeframes for the provision of advisors:

- Starting provision of the REDD policy advisor by mid-June 2009 and placed by end-July 2009.

- Starting provision of the carbon measurement and monitoring systems advisor by end-July 2009 and placed by mid-September 2009.
2. *Provide a clear framework for engagement on new or ongoing requests which could be supported under the Forest Carbon Partnership.*

Papua New Guinea agrees to provide Australia with a document highlighting specific items, such as the proposed regional climate change workshop hosted by Papua New Guinea and proposed legislative drafting assistance, for potential cooperation with Australia. Papua New Guinea further agrees to provide this document by mid-June 2009. Australia agrees to provide a written response to Papua New Guinea within a month of receipt of this document.

Australia further agrees to work with Papua New Guinea on items of potential cooperation from the earliest possible stage to facilitate clear lines of communication and provide Australia with the time necessary to mobilise any required resources.

3. *Confirm a program of future work under the Forest Carbon Partnership on key issues.*

Papua New Guinea and Australia are committed to the Forest Carbon Partnership over the long term. Therefore, the focus of cooperation under the Partnership will evolve and mature over that period.

Papua New Guinea and Australia agree that a primary focus of future work on the Forest Carbon Partnership could be capacity building for Papua New Guinea to establish its own carbon accounting and monitoring systems. This future work was initially informed by the May 2009 mission to Port Moresby involving Papua New Guinea, Australia and the United Nations Collaborative Programme on REDD. This mission involved initial scoping of Papua New Guinea's capabilities on carbon accounting and monitoring and initial discussion of the key policy decisions that would need to be made by Papua New Guinea to identify its needs in this area.

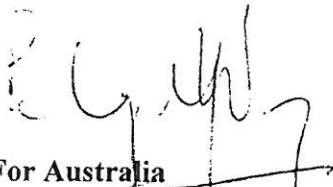
The May 2009 mission provided a useful starting point for Papua New Guinea and Australia to discuss cooperation on carbon accounting and monitoring. Papua New Guinea and Australia therefore agree to commence an informal dialogue on possible areas for future cooperation, including on carbon accounting and monitoring. Papua New Guinea and Australia further agree to proceed to a more formal dialogue upon placement of the carbon measurement and monitoring systems advisor in mid-September 2009. Papua New Guinea and Australia further agree that the following options would be useful to progress carbon accounting and monitoring cooperation on the Forest Carbon Partnership:

- An in-country workshop on carbon accounting and monitoring, involving Australia, other donor partners and involving all relevant international organisations (including the United Nations Collaborative Programme on REDD), countries and experts.
- A workshop, hosted by Australia, for senior Papua New Guinea decision-makers. This workshop will be the beginning of a government-to-government policy dialogue on carbon accounting and monitoring to enable Papua New Guinea to develop the policy, institutional and technical parameters to inform the development of a carbon accounting and monitoring system that is specific to Papua New Guinea's needs.

To build and maintain momentum under the Forest Carbon Partnership, Papua New Guinea and Australia agree to progressively discuss additional options for collaboration under the Forest Carbon Partnership over the coming months.

Papua New Guinea and Australia agree to the Work Plan under the Papua New Guinea – Australia Forest Carbon Partnership as a sign of our ongoing commitment to cooperation on the issue of reducing emissions from deforestation and forest degradation in developing countries.

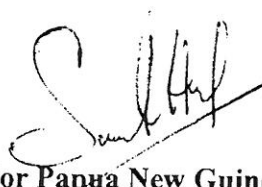
SIGNED



For Australia
Senator the Hon Penny Wong

Minister for Climate Change and Water

SIGNED



For Papua New Guinea
Hon Sam Abal MP

**Minister for Foreign Affairs, Trade and
Immigration**

On this day, 10th June 2009.