



OFFICE OF THE
PRIME MINISTER
PAPUA NEW GUINEA

MEMO

To : Prime Minister
Date : 12th June 2008
Subject : **COLLABORATION WITH EARTH SKY AND CLIMATE
ASSIST PNG**

Sir,

Representation was made by the above entities to partner with Climate Change and Environmental Sustainability Office to make and sell carbon credits. This group has already made representation to the National Forest Authority, the Department of Trade & Industry, National Planning and various land groups in Central, Madang, Morobe, Milne Bay, New Ireland, Eastern Highlands, Western Highlands and Southern Highlands.

The forest areas indicated in the above provinces account for 33 million metric tones of carbon credit. This could bring to the country close to \$500 million US dollars over the next three years. At current market price we would 1 credit for Euro 23 dollars per credit.

Form the discussion I have held with the above group there will be remitting close to US\$50 million per month to the Office of Climatic Change to cover for projects in the country for the preservation of loggable forest.

In terms of benefit sharing the following is the proposed formula:

- 20% Landowners
- 20% Bond (to cover for forest degradation)
- 20% Office of the Climatic Change
- 20% Future Generation Fund
- 15% Community Projects
- 5% Facilitator and Promoter (above group)

The above group is prepared to put in 10 million Australian Dollars to assist the establishment of the Office of the Climatic Change in PNG.

In order to facilitate the above arrangement, we need to issue them a certificate to go out and sell the credits. I have attached the necessary certificates in duplicate for your signature which has been counter signed by myself and the Director of the above Entity.

I would appreciate your signature to facilitate the above arrangement.

Dr. Theo Yasaue
Executive Director- Office of Climatic Change & Environment Sustainability

Ministry House, Waigani, P.O. Box 699, WAGGAI, Papua New Guinea

Telephone: (675) 327 6500 Fax: (675) 327 6600

Parliament Office, National Parliament House, WAGGAI, N.C.D., Papua

Telephone: (675) 327 1325, (675) 327 1301 Facsimile: (675) 327 1325

PETER P. SIN NZI
LLB (HONS) PNG
LAWYER & COMMISSIONER
FOR OATHS

Copy

**OFFICE OF CLIMATIC CHANGE & ENVIRONMENT
SUSTAINABILITY (OCC&ES)**

P.O. Box 854
WAIGANI
National Capital District
Papua New Guinea

Telephone: (675) 327 6098
Facsimile: (675) 327 6691
Email: occes@pna.gov.pg



20 September 2008

Mr Jackson Yagi
Chairman
Husteln Range Holdings Ltd
P O Box 879
PORT MORESBY, NCD

My dear Chairman

Re: April Salome FMA and Resolution 5/6.6.2008

I am in receipt of your landowner resolutions empowering both you and me to act on behalf of the Landowners to produce and sell carbon credits in the Forest Management Area (FMA) in April Salome area, Ambunti, East Sepik Province, Papua New Guinea.

I hereby accept the responsibility as the Designated National Authority (DNA) and will assist you with identifying an investor, in particular Earth Sky Ltd, a Company who is partnering the DNA Office to assist with this funding package.

Please contact me on regular basis to find out on the progress of when funding will be made available for projects in the area.

Your trust is very much appreciated.

Yours sincerely

Dr Theo Yasause
Executive Director & DNA

Copy : Earth Sky Ltd

PETER P. SIM'NYI
LLB (HONS) FNG
LAWYER & COMMISSIONER
FOR OATHS



OFFICE OF CLIMATE CHANGE AND CARBON TRADE
PUBLIC NOTICE
TO NGO's, AND CARBON BROKERS

It has come to this office's knowledge that certain NGO's are organizing seminars, workshops in discussing Draft Payment System for environmental services including payments for Reducing Emission from Deforestation and Degradation (REDD).

There has not been any consultation process between NGO groups and the Office of Climate Change and Carbon Trade in the development of this proposal.

The Office is currently having consultation with World Bank, UNDP, FAO and AusAid to develop policies and institutional arrangements including the development of guidelines for the payment system. Any system and process not recognized by the World Bank and UN system maybe contrary to our efforts.

It appears that there are endless groups of NGO's and Carbon Traders coming to PNG with ideas on REDD and proposal for benefit sharing. This dynamic is not constructive for either the government or the rural communities.

The Office is developing a Policy Paper in consultation with the World Bank, UNDP and other development partners to propose the payment system for sharing the benefits from Carbon Trading. The Office will undertake a consultative process with all stakeholders in the design and implementation of this system including its institutional arrangements.

It would be in the interest of parties, NGO's, and Carbon Trade Brokers to register with the Office of Climate Change and without specific written authority from the Office, no REDD carbon trading credits will receive legal recognition from the government. The government will regulate all activities dealing with REDD and eco-services.

REDD activities are part of PNG's climate change strategy guided by the United Nations Convention on Climate Change.

I seek your support and cooperation on the matter.

OFFICE OF CLIMATE CHANGE AND CARBON TRADE
PUBLIC NOTICE

This is a general notice to inform all landowner groups and interested stakeholders in PNG that the Office of Climate Change and Carbon Trade:-

- Wishes to advise the public to be aware of imposters posing to be Officers or employee representatives of the Office of Climate Change and Carbon Trade in order to acquire monies from landowners.
- Currently does not have any Officers or employee representative working in other Provincial centres.
- Currently has no established office outside Port Moresby. The Office of Climate Change and Carbon Trade is located at Gabaka Street Gordons, Port Moresby, National Capital District.
- Any matter regarding Climate Change and Carbon Trading is ONLY to be dealt with by the Head Office in Port Moresby with the authority of the Executive Director.
- All Brokers and Facilitators will first get registered with the Office to facilitate their involvement.

Imposters beware if caught you will be prosecuted

Any queries, please contact our Office on telephone number: **3239444** and Fax: **3237248**

Authorized by **Dr Theo Yasause**
Executive Director

P.O. Box 854, WAIGANI, National Capital District Phone: (675) 323 9444 Fax: (675) 323 7248

**OFFICE OF CLIMATIC CHANGE
& ENVIRONMENT
SUSTAINABILITY (OCC&ES)**



04th November 2008

Letter of Approval for "April Salome Sustainable Forest Management Project" hereafter referred to as April Salome Project.

As Executive Director of the Designated National Authority (DNA) for Papua New Guinea under the Kyoto Protocol, this Letter of Approval is issued exclusively for the purpose outlined in Article 12 of the Kyoto Protocol as a requirement before its registration with the Executive Board of the CDM and the subsequent issuance and commercialization of Emission Reductions by the Project Participant.

- 1 Papua New Guinea considers that the April Salome Project being an "avoided deforestation project" is not contemplated as an activity of agreement under CDM as considered in Article 12 of the Kyoto Protocol the Marrakech Accords including the relevant rules, decisions, guidelines, methods and procedures.
- 2 Papua New Guinea recognizes and supports the April Salome Project as a Voluntary Emissions Reduction project (VER) and confirms that it meets the Sustainable Development Objectives of Papua New Guinea. It is a project undertaken voluntarily. The project is not a consequence of regulation and undertaking the project is not a legal requirement.
- 3 I hereby confirm that Papua New Guinea duly signed the Kyoto Protocol of the United Nations Framework Convention on Climate Change 2nd March 1999 (ratified on 30th April 2002) and voluntarily participates in the CDM.

With this Approval Letter, I agree on behalf of Papua New Guinea that the "April Salome Sustainable Forest Management Project" being an avoided deforestation project contemplates the activity of a Voluntary Market Carbon Project.

Yours Sincerely

Dr. Theo Yasaue
Executive Director & Designated National Authority Papua New Guinea.



P.O. Box 854, WAIGANI,
National Capital District, Papua New Guinea

Telephone: (675) 327 6508 Facsimile: (675) 327 6630 Email: theo.yasaue@online.net.pg



PRIME MINISTER
PORT MORESBY

18 November 2008

Dr Theo Yasause
Executive Director
Office of Climate Change and Environment Sustainability
P O Box 854
WAIGANI, NCD

My dear Executive Director

Re: Support for April Salome Forest Management Area for Environmental Income from Carbon Sequestration

I make reference to series of meetings with Husein Range Landowners and Chairman and Director of April Salome Forest Management Area (FMA) project who have been waiting for payments for eco-system services since the initial discussion in 1996. They have remained in their local area patiently waiting for many years now and have not moved on from April Salome Area which is later referred to as FMA. These discussions for payments for eco-system services mainly from carbon sequestration that were entered into during November 1996 up to this current period have been crucial in the landowners decision to stop deforestation themselves directly or through third parties.

They remained supportive and continued to believe in an environmental income solution and have observed the development of the carbon market and to undertake pilot project under the Activities Implementation Jointly. I draw your attention to AII project "CARFIX" in Costa Rica whom we have historic relationship under the Coalition of Rainforest Nation which we Co-Chair. Furthermore, I draw your attention to the Energy Efficiency Project for the Solomon Islands supported by Australia that we have been observing.

The landowners have since pursued two parallel processes to either sell their carbon credits or to undertake logging themselves which they are legally entitled to do which would deforest the area for sale of logs. They have had this legal entitlement since 1996 but have voluntarily not acted despite entering into a legal case in 1998 and subsequently winning the case in 2007.

Mindful of my leadership role since 2002 under the UNFCCC process with the Coalition of Rainforest Nations as the Co-Chair along with Costa Rica and the need to undertake a pilot project for Reducing Emissions from Deforestation and Degradation using environmental eco-system services, I am directing you to look for responsible entities to assist with the release of payments for environmental eco-services in order that we can retain our carbon stocks in pursuit of our national development objectives.



I would appreciate your support for the April Salome FMA project to be a pilot project for environmental eco-services.



**M T SOMARE GCL GCMG CH CF KStJ
PRIME MINISTER**

