

# CIVIL SOCIETIES REJECT MINISTER'S MOU FOR CARBON CREDIT TRADING

We, the undersigned civil society organizations, renounce the signing of the MOU between Climate Change Development Authority (CCDA) and the Coalition for Rainforest Nations (CfRN), to sell all PNG's REDD+ carbon credits through the CfRN's online platform, and call on the Minister for Environment and Conservation and Climate Change, Honorable Wera Mori to clarify the serious issues and questions this decision raises.

As civil society organizations, we are actively engaged and working directly with a large number of rural communities in PNG. One of our responsibilities is to voice their concerns and ask questions to the leaders of this country, to help our customary landowner partners defend their rights and interests, and keep our leaders accountable to their people.

We commend the Minister for his initiative to progress the REDD+ activities and mechanisms at this important juncture, when leaders of the largest nations are committing themselves to support forest protection to combat climate change. However, Papua New Guinea presently has yet to formally put in place proper and complete legislation and regulations to duly and appropriately guide and govern REDD+ and Carbon Trade activities within our country, as required under the Paris Agreement. For instance, in 2018/2019 the PNG Forest Authority started a review of the Forestry Act (1991), with a/o the purpose to include REDD+ and Carbon Trade, however this process is still underway and to date there has been very little to no participation from representatives of the CCDA.

A year later, in 2019/2020 the Climate Change Management Act (2015) also went through a review; however, the revision process remains to be properly completed and stakeholders are yet to see a copy of the revised Act, thus there has not been adequate consultation on this issue. Also, essential Regulations the Act refers to have not yet been finalized and put in place. This includes REDD+ Projects and Free, Prior, Informed and Consent (FPIC) Guidelines, and most importantly a Benefit Sharing and Distribution System for REDD+. Without these vitally important regulations being finalized, the Standard Operating Procedures for the REDD+ Safeguards Information System (SIS) cannot be finalized, rendering the internationally required SIS incomplete and non-functional.

With two pieces of significant legislation (Forestry Act and Climate Change Management Act) still under review and essential regulations not in place, this begs the following pertinent questions:

1. With the Minister signing the MOU, what does this mean for the ownership of carbon credits resulting from forests/trees growing on customary land; is the ownership of these carbon credits now with the state instead of the people?
2. What FPIC process has the Minister undertaken with the customary landowning tribes and clans of PNG to mandate him to sign away their rights to benefit from the sustainable management of their forest resources to the CfRN?
3. How can PNG sign up and subscribe with a Carbon Credit Scheme that is not officially recognised by any bona fide and legitimate international authorities?
4. On what justifiable basis has the Minister agreed to Kevin Conrad, CEO of the Coalition for Rainforest Nations, to get 10% of PNG's carbon credit sales?
5. Is there a transparent and equitable benefit sharing mechanism agreed to as part of this MOU with the CfRN? If so, can the Minister please make this public and inform us how this mechanism was developed and agreed to? How and by whom would the carbon credit sales income be managed? Was the MOU sanctioned by the Justice Department and the Attorney General of PNG before it was signed?
6. How much of the USD11 per so called "REDD+ Reduction Units" that Kevin Conrad claims he will sell PNG's carbon credits for will go to our customary landowners? How much will the Government claim and what would the money be used for? What specific law or regulation provides for any benefit

sharing agreed to?

7. What are the efforts of the Government that have led to the reductions in carbon dioxide emissions from forest degradation and deforestation for the 2014-2015 period? What forest protection, sustainable management and conservation measures were put in place and enforced by the Government, that would allow it to claim these carbon credits and the right to sell them? When forests are not logged or clear-felled, who will actually guarantee that they will remain standing and be protected into the future? Is that the Government or the owners and custodians of the land on which the trees stand?
8. Why was the Climate Change Management Act revision process never properly finalised? Why did stakeholders never see an actual draft version of the revised CCMA? And what does the final draft revised CCMA now say about Carbon Rights, and how does this affect any definition of Carbon Rights in the revised Forestry Act?
9. What is the Government's position now on Voluntary Carbon Market Projects? Has the position stated in our National REDD+ Strategy on the development of the so called "nested approach", where voluntary projects are embedded in a national level REDD+ system, now all of a sudden been changed? Has the revised CCMA also been changed on this approach?
10. If PNG sells its carbon credits it must through a consultative process and to responsible buyers. Can the Minister explain how it is in the interest of our future generations to allow oil and gas companies and airlines to use carbon credits from PNG to "off-set" their businesses, while they continue to contribute to climate change?
11. Will we now be foregoing all possible international Results Bases Payments through the official international UN-REDD/UNFCCC system?
12. Will we now forego all further multilateral and bilateral funding support for the implementation of our National REDD+ Strategy?

The Minister has decided to sign over the rights to generate financial benefits from REDD+ for PNG to a individual person. We consider this as a show of lack of proper regards for the wide range of stakeholders and landowning communities that have been working with the Government to try to put in place a transparent and equitable REDD+ system for the country; and most importantly it shows a disregard to the people that own the land and the forests that generate the carbon credits, a recipe for disaster.

For PNG to play its rightful part and gain international recognition and support in the revitalised global efforts in relation to REDD+, it will be crucial to demonstrate a high level of governance and credibility for the mechanisms we establish, in particular, in the transparency, equitability and sustainability of arrangements with local resource owners. The recently launched Lowering Emissions by Accelerating Forest Finance (LEAF) coalition, in which the U.S., U.K. and Norwegian governments have committed to work together with major private companies like the largest online trading platform, such as, Amazon, pharmaceutical giants GSK and Bayer, and consumer goods multinationals Nestlé and Unilever, appears to provide a possible credible viable alternative to the CfRN online trading platform.

More importantly the Minister should have made sure that all relevant legislation and regulations as required of us by virtue of the Paris Agreement should have been duly completed and put in place. These laws and regulation are obligatory requirements to safeguard the interests and rights of our customary landowning communities, to ensure that the benefits accrued from the REDD+ activities help progress the country move to a responsible sustainable economy, while enabling the REDD+ benefits are used for direct improvement of the livelihoods of our rural population, and the owners and custodians of the land and forests, as is allowed for under our Constitution.

This Media Statement is endorsed by:

