

**INTERNATIONAL CLIMATE INITIATIVE**  
Regional project  
**Climate Protection through Forest Conservation**  
in Pacific Island Countries

On behalf of:



of the Federal Republic of Germany



**Proposed Benefit Sharing System for**  
**REDD+ pilot project**  
**in Central Suau / Papua New Guinea**



# Proposed Benefit Sharing System for REDD+ Pilot Project in Central Suau /Papua New Guinea

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of the Federal Republic of Germany

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## Executive Summary

The following is a Benefit Sharing Proposal for the PNGFA/OCCD/SPC/GIZ REDD+ Pilot Project in Suau District of Milne Bay Province in Papua New Guinea. Benefit-sharing is an agreed mechanism defining how monetary and/or non-monetary incentives are shared among stakeholders. Fair and equitable benefit-sharing is significantly important for the successful realization of the key objectives of this REDD+ project.

This document outlines current prospects for a Benefit Sharing mechanism that could be used with the Massim people in Central Suau REDD+ Project Area. Within the project zone, there are 110 clans within the 23 Wards. It provides a couple of unique features as recommendations for how benefits may be shared most effectively and most amicably in the Suau District.

The Suau Project Area is unlike the majority of Papua New Guinea known for being matrilineal (in particular, matrilineal land tenure) and residentially mixed. Before Independence, these 23 communities were shifted down to the coast and away from their customary forests for better access to government services. As a consequence of an emergent cash economy and the vicissitudes of gardening these communities have become more patrilineal and patriarchal than they might have been in the past. This presents special challenges to a large-scale project like this, and to identifying not just the landowners within each ILG, but the customary authorities within each ILG, which are women.

There are also an inordinate number of land disputes within the District as a consequence of population pressures. Our proposal here carves out a place for women's groups to reclaim the matrilineal authority of these communities (a feature of which the men are also notably proud) and streamline the process of benefit sharing at the same time. It is our recommendation that the BSM not include cash benefits of any kind to landowners, but focus on community-wide projects that might be identified by women in each ward and shared amongst all community members.

Our further suggestion would be that these projects be developed in coordination with the Ward Development Plans to supplement, and never supplant, the government services that should be directed to each ward. Indeed, we will make one suggestion for a community project further on in this document that would serve the wider community economy and not one or another educational or health service.

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## Abbreviations

AusAID	Australian Agency for International Development
BS	Benefit Sharing
BSA	Benefit Sharing Agreement
BSM	Benefit Sharing Mechanism
CBRM	Community Based Resource Management
CBO	Community Based Organization
CIFOR	Center for International Forestry Research
ECG	Expert Consultation Group
EFF	Eco Forestry Forum
EU	European Union
FGD	Focus Group Discussion
FORCERT	Forests for Certain: Forests for Life!
FSC	Forest Stewardship Council
FPIC	Free, Prior and Informed Consent
GCS	Global Comparative Study
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IFM	Improved Forest Management
ILG	Incorporated Landowner Group
IUCN	International Union for Conservation of Nature
JICA	Japan International Cooperation Agency
LLG	Local Level Government
LTC	Land Tenure Committee
MBPA	Milne Bay Provincial Administration
MRV	Monitoring, Reporting & Verification
NGO	Non-Government Organization
OCCD	Office of Climate Change and Development
PES	Payment for Environmental Services
PAM	Policies and Measures
PNG	Papua New Guinea
PNGFA	Papua New Guinea Forest Authority
PROFOR	Program on Forests
REDD	Reduced Emissions from Deforestation and forest Degradation
SPC	Secretariat of the Pacific Community
UNFCCC	United Nations Framework Convention on Climate Change
USAID	United States Agency for International Development
WDCC	Ward Development Council Committee



# 1 Introduction

Papua New Guinea is taking the lead in the global field of REDD+ by piloting this first, amongst several proposed, projects with the help of the Milne Bay Provincial Administration (MBPA), the Papua New Guinea Forest Authority (PNGFA), and the Office of Climate Change & Development (OCCD). This represents a learning experience for all the stakeholders, and as such, our social assessment is only for Central Suau, and should not be generalized to any other location within PNG. We find Central Suau to be well suited to this pilot REDD+ project as it is currently defined. Officers from the PNGFA at the National and Provincial level have visited the communities in the Project area and conducted REDD+ awareness. There is still a need for further awareness campaigns as the project moves into a new phase, and this is described in Chapter 5 below, but the PNGFA has already facilitated the drafting of Incorporated Land Groups (ILGs) for the 23 wards of Suau District, which is a vital first step in the process.

One of the principal institutions needed to be established now is a Benefit Sharing Mechanism. Benefit Sharing is introduced and discussed briefly in this Introduction, along with some of features of this proposal which make it uniquely suitable for Suau.

REDD+ is one form of Payment of Environment Services (PES) whereby, those who benefit from services provided by natural resources, such as good clean water, biodiversity, plants and natural landmarks make payment in return to those who maintain and protect them. Benefit Sharing in the context of REDD+ refers to how financial incentives from international donors or carbon credit markets are distributed to countries with their stakeholders involved in REDD+ programmes. It takes into account all stakeholders at all levels (resource owners, forest communities, local governments, NGOs, and Provincial and National Government) in the implementation of the REDD+ project. It must always take into account the ideals of ‘equity’, ‘justice and fair’ and ‘respect for indigenous rights’. In brief, benefit sharing must be effective, equitable and efficient (3Es) in its approach when applied in REDD+ projects.

Our analysis and suggestions derive from the reviews of the data sources presented in the table below. The layout of the ‘Information document on REDD+ Benefit Sharing system for Central Suau’, tries to address and provide explanation and description on:

- The current state on institutional gap for the Benefit Sharing Mechanism
- Identifying what is needed to ensure the system adhere to FPIC requirements
- What suitable revenue generation system could be applied in Central Suau communities
- What next steps are to be taken for an agreed benefit sharing system for the eligible Suau people.

Data Source used for Analysis	Type of Data	Validity and Credibility
1. Rapid Rural Assessment	Primary Source	First-hand information. Social Assessment among 10 of the 23 Wards in Central Suau LLG, with 78 Household surveyed and 10 Focus Group Discussion conducted
2. Initial REDD+ Consultation and Feasibility studies Reports prior to	Primary Source	First-hand information. Conference and or meeting papers, and feasibility study reports of initial REDD+ consultation process in Papua New Guinea and in Suau Project Zone
3. International Literature on Benefit Sharing mechanisms and Experiences in REDD+ Countries	Secondary Sources	Secondary information. Reports and articles of lessons learnt in other REDD+ Pilot Countries

Table 1: Sources of Data

## 1.1. Background

The Central Suau REDD+ pilot project covers about 60,000 area of land and is located within Suau and Huhu LLG in the Alotau District (see Figure 1). Altogether there are 23 Wards and 110 clans within these wards. The estimated population within the 23 Ward stands as 7,000 (2000 Census), with an estimated average of 4-5 people per household, indicated from the Household Survey from the Social Assessment conducted.

The people are mainly subsistence farmers, living through shifting cultivation gardening, fishing, and hunting. The main means of earning income is through selling cash crops like betel nut (96 %), Coconut (86 %) and through fishing (seafood) (91 %). Other resources they very much depend on include: timber to build houses, canoes and timber sales for income. Selling of surplus garden food, sago, handicrafts, mats and forest plant (orchid) are some of the important supplementary resources they use to sustain their livelihood.

Land is inherited through a flexible matrilineal system, whereby the next of kin is the daughter who inherits the land. The brothers of the women act as spokesperson on their sister's behalf and do not make decisions on the land. This however is not strictly observed today. There is shift and adaption from patrilineal system today, whereby men are making decisions on land. Currently, there are land disputes due to the changes in the traditional matrilineal land tenure system.

United Church in particular has the greatest influence with most (74%) community members being part of. Church pastors and leaders gain the greatest respect and authority. The Ward Councillors (20%) are the next influential group in the community, followed by the clan leaders.

Basic government services are available in the communities; however the entire District suffers from remoteness from the provincial capital and the poor state of transport infrastructure within and between Suau and neighbouring Districts. There are barely two poorly maintained roads and transport to market, school and aid post is therefore inefficient and expensive. Most intra-District travel is done by banana boats, where the price per litre of petrol can be as high as K9. As a consequence, although schools and aid posts have been established throughout the District, they are in need of regular maintenance.

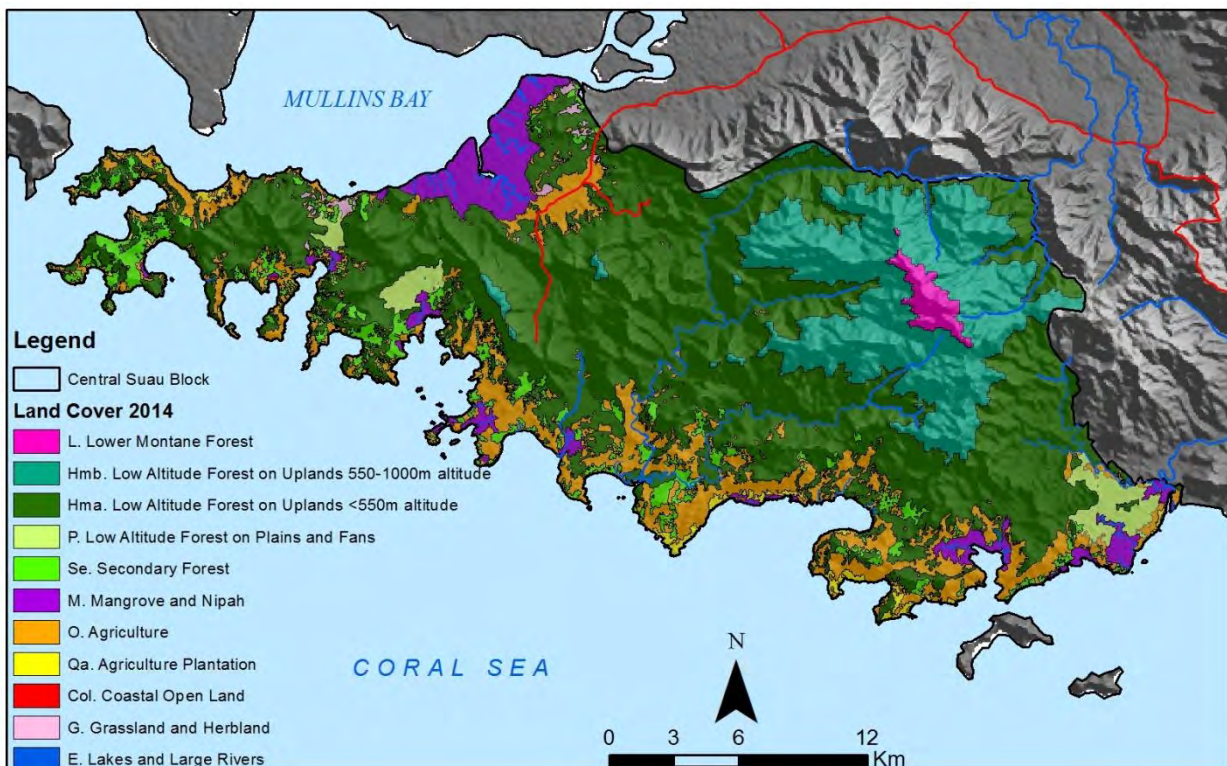


Figure 1: Land cover map for Suau District

## 1.2. The concept of benefit sharing

The term ‘Benefit Sharing’ in its simplest sense here, refers to ‘equitable benefit sharing’ of monetary benefits or non-monetary benefits that will be obtained from carbon credit payment in return for maintaining forest and taking part in activities that reduce carbon emissions. In Papua New Guinea (PNG), there is yet to be established a national framework for REDD+ to give guidance for these kinds of transactions. We therefore borrow basic tenets of our proposal from some of the most recent thinking about REDD+ Benefit Sharing by economists and environmentalists within PNG.

The Equitable Benefit Sharing Mechanism must serve the community by avoiding as many intra-familial grievances and land tenure disputes as possible. In this way, we seek to bypass the strict economic valuation of land, which is largely inappropriate for the forests in Suau (where hunting and various non-commercial values take precedence), and thus move beyond the principle espoused elsewhere that mandates “at least equal to or in excess of the opportunity cost of legal REDD+ activities to make it economically rational for stakeholders to participate in the benefit sharing mechanism” (Behr 2012:10). The CIFOR Working Paper 108 reminds us (2013:1) that implementation “REDD+ will not only generate benefits for forest stewards, but will also involve costs” (CIFOR Working Paper 108; 2013:1) and these costs are both ‘opportunity costs’ for loss of forest use, and ‘transaction costs’ for the expense of implementing REDD+. But strict formulas for compensation based on perceived ‘costs’ to landowners is a difficult concept to apply in Papua New Guinea, and would be especially contentious in the case of collectively used forests in Central Suau. Hence, we stress that when we speak of the benefits from a REDD+ scheme ‘it is the net benefits that matter’ (Luttrell et al. 2012), and that these be considered commensurate, but not necessarily economically commensurate, with the forfeiture of the forest plots.

In the Suau Project Zone, there are 23 communities participating in REDD+ where plots customarily owned land will be reserved for the duration of the project. This requires a mechanism that will provide net benefits to each community and not solely to “principal landowners” or designated ILG spokespersons of one or another clan. The benefits must also coordinate with Provincial, District and Ward Development Plans to avoid redundant investment or favouritism to any one group. What is needed is an agreement across the project area about a few basic tenets of land tenure, including flexible residence, usufruct rights, and the matrilineal inheritance strategies. Our research tells us that Suau villagers can inherit land from both or either their mother or father’s line, although full matrilineal tenure is automatically inherited, while patrilineal inheritance can range from short-term usufruct to full ownership, depending upon the parents’ participation in a system of customary feasts. The matrilineal of Suau are scattered across the District in accordance to contemporary residential and marriage arrangements, and not clustered near one or another section of customary forest. It is assumed that the ILG’s being drafted by each community reflect the customary tenure status of each family being represented, and not simply the interests of a residential unit. This is important when we seek to create a BSM that will not further undermine the matrilineal cohesion of this District by underscoring the more convenient and modern-day patrilineal residence patterns. Only by re-inscribing traditional tenure principles can a BSM for Suau avoid generating an tsunami of new land disputes and intra-familial antipathies.

It is for this reason that we further suggest the ILG matrilineal not be paid cash for their particular area of forest contributing to the project, but come together as residential communities (and wards, in this case) to share the benefits that might accrue from the project. It is important that the BSM not stress the quid-pro-quo ethos of most benefit sharing agreements, placing values on individual forest areas or percentages of those areas. Our research indicates that the forest areas identified as eligible to generate carbon credits in this project are not exclusively used as hunting grounds by the matrilineal who own them but are used collectively by each ward for hunting game. Also user rights for gardening or crash cropping may exist over parts of the identified forest areas. There are always informal agreements between hunters and landowners about sharing the game acquired in the forest, and these agreements are invoked on an ad hoc basis. It is therefore conceivable that similar cooperation between landowners can be achieved in a REDD+ Project. The principle of collective ownership prevails in these forest areas, where land has not been designated for individual use, and we believe the principle can be emphasized in a BSM that includes community-wide, rather than individually-targeted, benefits.

We do not believe that direct cash benefits to each matriline and the various families that now constitute each matriline will in any way serve the community well-being, and indeed that it may undermine the health social cohesion currently found across the area. Strict vertical benefit sharing is both impractical and potentially dangerous for being divisive. Our suggestion would be that vertical benefits devolve only as far as the ward level, within which they be shared by all community/ward members. Furthermore, with respect to customary authority and not incidentally the greater democratization of benefits, we recommend that women's groups in each ward be responsible for identifying and monitoring the kinds of community projects that may result from REDD+ benefits accrued in a provincial or national-level fund. Benefits would be shared by all Wards of Central Suau, with a suggested division of the level of benefits based on the population of each Ward. In the Suau case, where virtually all of the forest areas in the pilot are uniform in use, the most effective means of scaling benefits by community would be by population size. (Elsewhere, there are distinctions that can be made by household according to the use-value of the forest being protected, as for example, arable lands and otherwise the size of protected forest areas. These are some of the proposed draft distribution criteria proposed as part of the BSM of the Draft PES System for PNG (2014).

The horizontal pattern of Benefit Sharing is the key for community being in Suau, where the centripetal forces of matrilineality and the centrifugal patterns of residency today create a denser fabric of cohesion than most Districts elsewhere in PNG. The essence of this kind of BSM will be in creating ward-level consensus about the land and the community projects. For this reason, we highly recommend that an independent Community Organization or Facilitator be used to oversee the negotiations regarding how projects will be instituted, and how ILG's within each ward will collectively reap the benefits. In addition, there should be Community Based Resource Management (CBRM) groups established to work with the Ward Development Council Committee (WDCC) in defining appropriate benefits for the community. Ward Development Council Committees include their own 'Agriculture' and/or 'Environment and Conservation' representatives and might expand upon this to form CBRMs within the WDCCs. But the WDCCs must also include a designated women's group within the ward, whether that is associated with the church or other CBOs, to better reflect the needs of the entire community and its several families. The women's group will be selected by the entire ward as most representative of its women, and act as an advisor to the Ward Development Council Committee on PES/Benefit Sharing projects. Should there be changes or challenges to the WDCC's decisions, the women's group will retain final say on all projects. This is to ensure that women retain control while not excluding the rest of the ward, and that proposals can move forward effectively.

## **2 Institutional gaps for a benefit sharing mechanism for Central Suau and Papua New Guinea.**

'Equitable Benefit Sharing' arrangements is the key component for the REDD+ project in Central Suau to realise its ultimate goal in reducing GHG emission and sustainably improving the living standards of the communities, if well designed and implemented. This section highlights key institutional gaps that need to be well-thought-out, strengthened and improved for an effective, efficient and equitable Benefit Sharing mechanism especially at the community level.

### **2.1. Benefit sharing institution & arrangements for Central Suau people**

The National Legal Framework for the REDD+ project for PNG in commissioning the Benefit Sharing arrangement's is still a work in progress. The legal framework allows for a governing body to be solely responsible and manage the affairs of REDD+ and set up a Benefit Sharing mechanism. At this time, the Milne Bay Provincial Administration (MBPA) and PNG Forest Authority (PNGFA) have taken the initiative in piloting the project.

Guided by the Mid Term Development Strategy (2005-2010), the National Forest Policy (1991), the draft Eco Forest Policy (2004), the PNGFA Co-operate Plan, and Forestry and Climate Change Framework for Action (2009-20015), the benefit sharing for Central Suau is directed towards a multi-level stakeholder approach. This means the carbon credit payments are to be shared across different levels of partners to be involved. The disbursement of benefits is yet to be spelled out clearly at the community level, the provincial, the national level and among other international stakeholders who are to be involved in managing the process of



payments. A national legal framework and governing body is important for establishing the Benefit Sharing Mechanism, so that some insurance exists that the benefits are equitably distributed in each ward according to the consensus reached by each ward through their women's groups. Consensus at the Ward level is crucial, and fulfils the requirements of Free, Prior and Informed Consent at the level of the BSM. The Suau Project is a pilot for the Voluntary Carbon Credit Market, and the BSM approved for it will have to be articulated with an eventual national-level PES/REDD+ system.

## 2.2. Land tenure security in Central Suau

As identified from the Benefit Sharing literatures on lessons learnt and also from PNG Expert Consultation Group (ECG), the first pillar of a strong Benefits Sharing Agreement must rest on an updated consensus about land tenure in the community itself. In Papua New Guinea, land tenure is the basis of all development projects, and in Suau, these tenure laws are characterized by their flexibility. A formal system may exist as template, but like any template, variations will be thrown up by the exigencies of history. A clan is wiped out, another arrives as refugees: rights to property must be adapted to the community at hand, and sometimes this means adjusting genealogical fact to suit a given format, or warping the format to incorporate new usufruct rights, and so forth.

In Central Suau, land tenure is matrilineal, which is to say that land is inherited through the woman's line. With 60,000 hectares of land area, there are 23 Wards with 110 (matri-) clans. The REDD+ project area consists of primary forest, agricultural land and some secondary mangrove forest. (SPC/GIZ, Feasibility study, Feb 23, 2013). The Suau community consensus on customary land tenure and legal clarity is important to form the basis of all compensation mechanisms and for REDD+ benefit sharing. The current crucial gap between law and praxis is the one between the record of a Lands Board and the current distribution of ownership and usufruct customarily. We therefore propose that Ward-level Land Tenure Committees be established to confirm the ILG's currently being drafted, and ensure that the residential collective that is a ward also abides by matrilineal land tenure laws.

The PNG Forest Authority and the Lands Department have facilitated the process of establishing Incorporated Land Groups for these Central Suau communities, although some of these have yet to be finalized and/or awarded certificates. The proposed Suau Tenure Committee should work with the local women's groups to ensure that the benefits to accrue from a selected number of ILGs and matrilineal actually serve the entire residential community. The objective of this is to avoid complex social mapping and dispute resolutions that would preclude the installation of any BSM. Instead, the entire project must be represented as a community-wide benefit that comes at a relatively low cost borne by select matrilineal. This will prevent the inflation of expectations from cash benefits (and promises thereof) associated with every resource project in PNG, and endemic to every grievance a community bears once a project has been initiated. This REDD+ project must be represented by new awareness campaigns that will explain the costs-benefits in terms of a community, rather than particular landowners. It is crucial that, in light of the unpredictable nature of benefits to be made, there is no competition engendered between families and clans that can create long term divisions within the community. Indeed, with small benefit packages, the best use of any amount is going to be in collective rather than individual investments.

Reconciliation is the way forward for any tenure and benefit sharing agreement in Suau. Legal anthropologist Melissa Demian (2014b:2) explains the complexities of Suau tenure today as follows:

*'Serious disputes ... have a tendency to recur, particularly when there is ongoing conflict between families, and this normally occurs over land. Because the jurisdiction of village courts disallows them from hearing cases to do with landownership, both disputants and magistrates find other ways to handle such cases — normally by means of informal mediation, always couched in the language of land use rather than its ownership (Demian 2004). So while some aspects of a dispute settlement will have the imprimatur of the state, others will not, and the settlement may or may not be, strictly speaking, legal. These days, village court magistrates will aim in an informal mediation for a new type of outcome, referred to by the English phrase 'peace and reconciliation'.*

It is therefore imperative to establish a Central Suau Land Tenure Committee (LTC), comprised of LLG Members, and clan leaders, who can forge consensus on the terms of matrilineality in the past, and define the

terms of it for the present as well. The Stakeholder Analysis conducted at the communities during the Social Assessment, identified certain influential people in the Community that could be considered for Suau LTC.

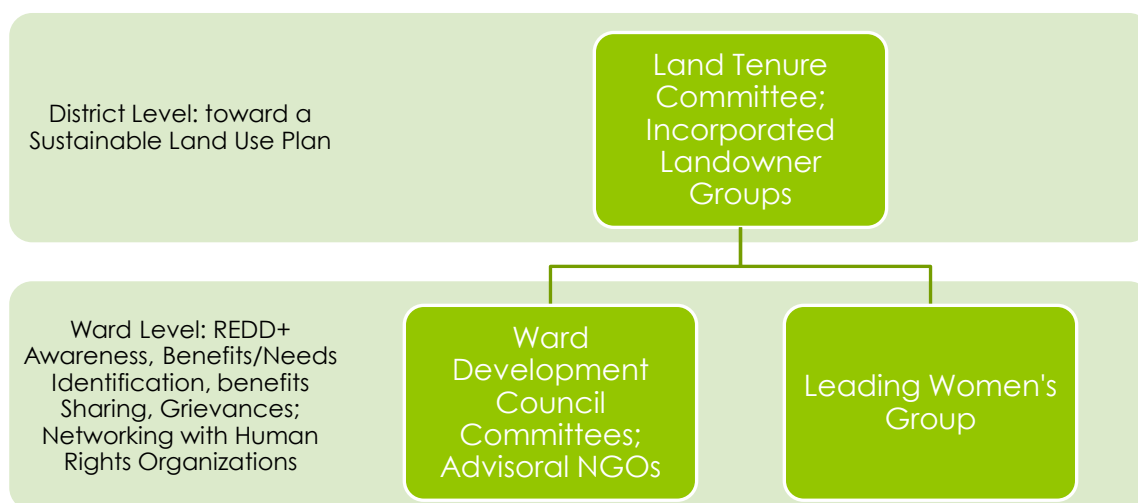


Figure 2: Hierarchy of BSM and FPIC roles

The Land Tenure Committee should be responsible for establishing the requirements of a Ward for eligibility to receive the benefits. This is also where the Incorporated Landowner Groups (already formed with the assistance of PNGFA) can contribute to a Sustainable Land Use Plan for the entire District. A Sustainable Land Use Plan would include sustainable livelihood suggestions for every ward in the District, and would identify high conservation values across the project area. With the Plan, the LTC and ILGs together can establish the basic conservation rules for the project and a system of enforcing them.

### 3 What is needed to ensure benefit sharing system in Suau follows FPIC requirements

According to International Safeguard Standards (UN REDD Social and Environmental Principles and Criteria for REDD+) a Benefit Sharing agreement at the community level should be in line with a national safeguard system. This system has yet to be established in PNG<sup>1</sup>. The recognition of the rights of Indigenous peoples to give or withhold their Free, Prior and Informed Consent (FPIC) to REDD+ activities, Benefits and Costs, and laws that apply to their customary land, is based upon the local peoples' acceptance and own decision-making processes.

According to the household survey conducted, almost all (91%) household heads surveyed have heard about the project, but did not understand well the reasons why REDD+ is initiated. Participants during the FGD had lots of questions, and generally did not see why they needed to protect their forest and land. They acknowledged that they have been maintaining the forest ever since ancestral times. Communities must be well informed and take part freely in the process in accordance with international REDD+ FPIC Guidelines addressing human rights. It is very important that the next round of awareness and FPIC occurs only after the organization and management of the project is fully clarified.

We propose the following structure:

The Suau Land Tenure Committee oversees the establishment of a Sustainable Land Use Plan and rules or bylaws for conservation within the plan. Here the ILGs will bring together land use plans derived from natural associations of clans or communities, as self-identified units of up to 15 clans with common histories or customs. These will share contiguous customary land areas, preferably with the same Land Cover Strata and therefore a shared perception of the land use for the area. Their associated ILG will work together with a

<sup>1</sup> It is acknowledged though that draft REDD+ FPIC guidelines and draft REDD+ social & environmental safeguards are available for PNG.

Suau Land Tenure Committee, which may include NGO advisors and other land tenure experts (e.g. PNGFA representatives), to draft a District-wide Sustainable Land Use Plan.

At the Ward level, the Ward Development Council Committee will apply these basic tents to each eligible ward, as a body comprised of local elites, teachers, pastors, youth and women. In addition, the WDCC will identify one Women's Group of the Ward (from the Church or elsewhere) to represent the voice of the women as landowners and community planners. This Women's Group would work in coordination with the LLG Chairman and the WDCC, with a full understanding of the Ward Development Plan. The final authorization for a project must always rest in the hands of women, as landowners, to ensure that the matrilineal component of Suau custom is observed and reaffirmed. Moreover, women as household caregivers and educators will be able to identify the non-cash projects most beneficial to their own community. Such non-cash projects will therefore provide a means of unifying the communities that are precariously balanced between customary and modern systems of power and inheritance. Indeed, this will guarantee that the men of Suau remain as proudly matrilineal in their identity as they have been in the past, and not unknowingly force a system into patrilineality.

The Ward Development Council Committee members will also be responsible in:

- Participating in conducting awareness on REDD+, Human Rights awareness (FPIC) and explaining Benefit Sharing to the local people at the community level in the local Suau language
- Raising peoples concern at community level to the REDD+ governing body if being victimized
- The committee should network, with Human Rights agencies such as Transparency International (TI) at the community level for human rights trainings and continuous assistance and advice.

It is recommended that enough time should be given to the people in Central Suau to understand well the Concept of REDD+ and the Benefits and Cost involved so they can participate fully and effectively.

Customary laws and institutions in PNG commonly exclude the interests of marginal groups –such as woman and un-initiated men, for examples---and therefore present real problems for communities entering into FPIC-based procedures (Ibid:7). In this proposal we therefore make clear the nature of community consensus for every aspect of the PES/BSA process. For example, Ward Councillors, as Local Level Government representatives, are considered to be democratically elected in each Ward, which is not the case for traditional clan Leaders who often inherit their position. By contrast, women's groups are very well attended and generally represent the widest span of community members, including their families and clans.

Public life everywhere in PNG is dominated by men, who either assume or oppress the voice of female counterparts. In Suau, however, matrilineality ensures a balance between customary and new patrilineal power bases. Importantly, matrilineality is not a gendered institution, as many matrilineal societies are nevertheless led by men. These are usually the brothers of a matriline, and their role is as important in Suau as elsewhere in Milne Bay: men speak and act in their sister's names, allowing women the safety of reticence in public life. This does not mean women cannot or will not make decisions, and nowhere is this more evident than in women's groups, which accomplish a wide range of civic chores.

## **4 What suitable revenue generation system could be applied in Central Suau communities**

### **4.1 Benefit sharing agreement**

BSA contracts are to be drafted as short-term agreements, for a maximum of 10 years, or to have provisions for review every 5-10 years, because of the high level of uncertainty in regards to climate change impacts and the consequences for land use and needs in changes. With this in mind, we stress that:

- Contracts should be very clear and contain strong conditions on non-performance or breaches for all parties involved. These contracts should be with the legal trading entity of the communities, and not with individual Incorporated Landowner Groups (ILG's).
- To avoid the danger of communities/clans misusing support for community organising from this REDD project and then using this for logging or mining, there have to be severe enough penalties on this written into the Benefits/PES contracts.

- Contracts should be consistent with community land use plans and Ward Development Plans, thereby ensuring as much long-term economic sustainability as possible. Their benefits must be identified at the ward level, by women's groups (CBO's), as the most vulnerable and farsighted members of these communities.
- The agreed-to Land Use Plan and Conservation Rules which can be made officially legal through the Organic Law can serve as the contract, with a revision every 10 years. The commitment to adhering to the Sustainable Land Use Plan and Conservation Rules forms the basis of the contract, and this should be officiated through a local customary ceremony.

## 4.2 System implementation

Tenure laws are nowhere etched in stone, therefore it is critically important that a broad concept of what these are for the entire Suau District be made known and shared by consensus before the PES/BSA process begins. A Land Tenure Review must be conducted by all LLG Members (Ward Councillors) for each participating community in the District, and a collective of experts from the LLG and Suau clans should convene to agree upon the basic tenets of these laws. The Land Tenure Review Board would take precedence to single ILGs

The priorities within each community must also be:

- Capacity building of local supporting/facilitating organisations & companies, and of community organisations. There should not just be capacity building, but also follow-up to check on correct use of the skills built.
- A Dispute Resolution system: Any land disputes will be referred to the existing system, namely a Provincial Lands Board. These complaints are to be handled at a level as close as possible to the stakeholders/parties involved in the dispute, only moving higher up if it cannot be resolved at this level.

## 4.3 Landowner organizations

Incorporated Landowner Groups have been proposed for the participant communities in Suau, with the help of the PNGFA and the Milne Bay Provincial Lands department. Importantly, these groups have not yet been certified (or they were not as yet certified during our recent survey). This creates an opportune window for a review of these ILGs by the District-wide Land Tenure Committees as described in Chapter 1.

Land ownership recognition through land groups must be determined according to local custom. Land groups with proper genealogy will be verified in the village, with involvement of all clan leaders, and this period before certification allows the proposed Land Tenure Committee to review current and recent disputes as identified by Provincial Land Mediators.

One important proscription must be observed: these ILGs cannot be made up in Port Moresby or Alotau, in isolation from the rest of the clan members. ILG's need to draft specific Constitutions that detail their functioning and dealings.

# 5 The next step to be taken for a benefit sharing mechanism

## 5.1 FPIC and community awareness

The process of community awareness and organization is essential; wrongly established ILG's and Landowner Companies will only undermine the entire project (there may also be problems with Cooperative Societies or Business Groups).

- You will have to go down to the village level, where the people themselves determine how they want to organize themselves and will establish who are the community group members at the Ward level.
- It should be made absolutely clear that benefits will arrive in non-cash projects under the direction of the Ward Development Council Committee and the ward's leading Women's Group. No special functions or benefits will be directed to the ILGs, although it is expected that commercial enterprises will develop ipso facto under these ILGs.
- Sufficient time needs to be given for this process.



## 5.2 FPIC for Suau

It was clear from our research that however many times the PNGFA had visited and conducted awareness throughout the District, there remain great numbers of people who simply do not understand the concept. In the Port Moresby Workshop, one Ward Councillor mentioned the effectiveness of ‘Train the Trainer’ programs in PNG, and this is exactly the approach that we recommend for the next stage of awareness of the Project. This would mean bringing all the Ward Councillors (alternatively, literate adults who volunteer) to Alotau for a training session on REDD+ that would involve the translation and production of written materials to be returned and circulated throughout the communities. These Suau speakers must be able to explain the tenets of the project to their communities in the Suau language as well as English. We suggest that the PNGFA’s Public Relations Department (or its equivalent) manage the production of brochures and posters for distribution. This should only be done, however, once the organization and management of the project has been clarified.

Below is an outline of steps to be undertaken for FPIC in a community, as described by the UN-REDD Programme’s 2013 ‘Guidelines on Free, Prior and Informed Consent’ (pp 32-33). In Neketel 2013, the Office of Climate Change & Development has drafted an FPIC for Papua New Guinea based upon a field visit and consequent *Mission Report: Strengthening Draft National Free, Prior and Informed Consent Guidelines for REDD+ in Papua New Guinea*. In this Revised Draft (Niketel 2013:26-29) Neketel spells out the steps necessary for implementing Free, Prior and Informed Consent in a Pilot REDD+ Project at the National, and the Provincial and District level. After scoping, informing the appropriate government officials, and conducting initial consultations with landowners, the process moves on to drafting an FPIC proposal for the project area. Only after further consultations with landowners, and the creation of a Grievance Mechanism, as well as reference to outside experts (NGOs, PNGFA), is a plan finalized for implementation. Thereafter, further consultations and reviews of the agreement should allow either corrections or a decision to cancel the project to be made (see Figure 3 below).

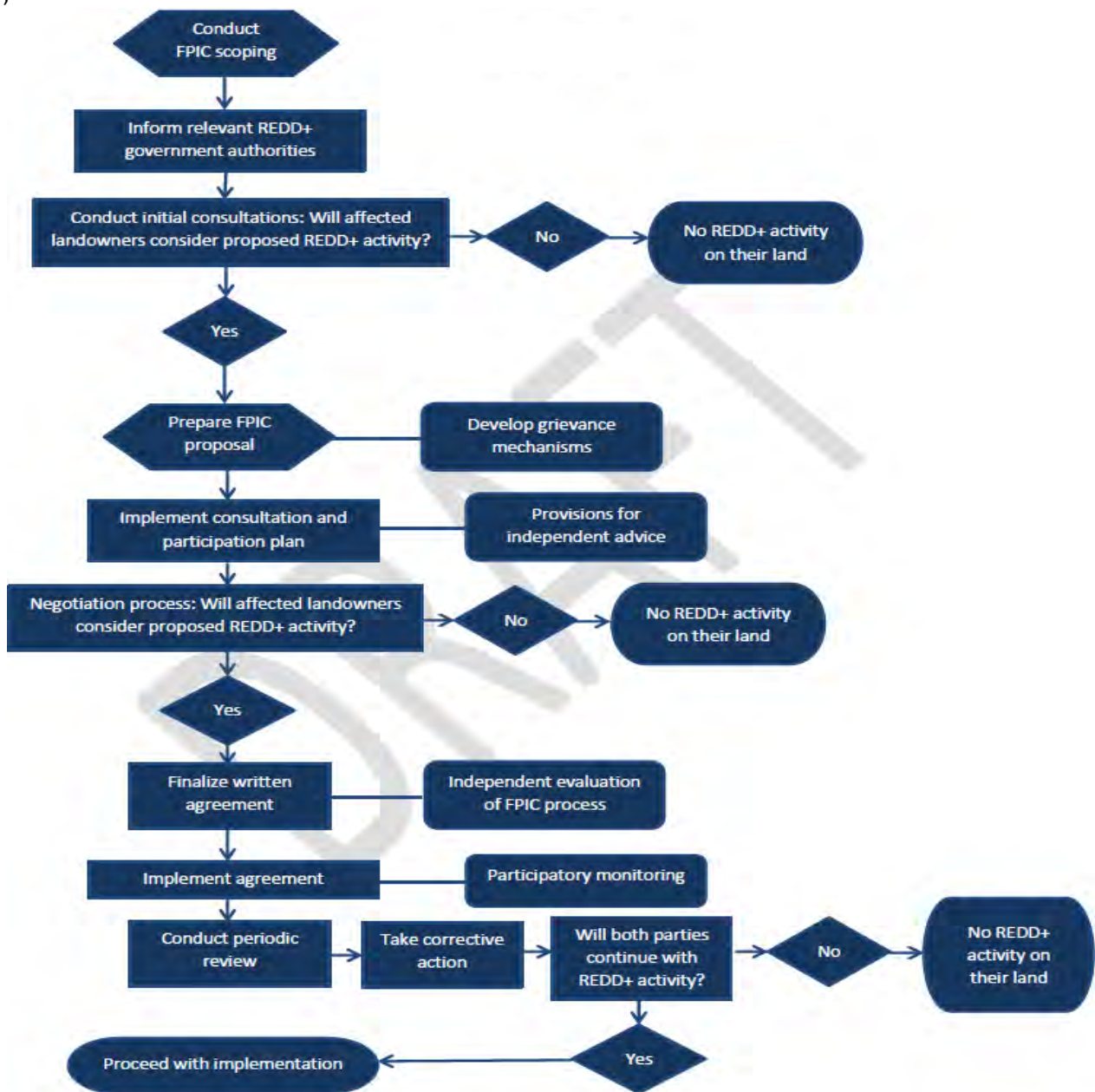


Figure 3: Steps for REDD project proponents to conduct an FPIC (from Nekitel 2013:34)

In addition, one PNGFA representative noted that video media of these discussions, or a video of the training process and complete explanation of REDD+ concepts, would be a powerful tool for awareness in the village. Generators and VCRs are found throughout the District, or may be brought in for the awareness patrol, to reach as many people as possible in each Ward. Very often those people who are disinterested in other forms of awareness will flock to a media presentation, especially if it involves people they know.

The single most important aspect of an awareness campaign at this point should be the re-framing of this Project, or any REDD+ Project, in terms of community responsibility and shared benefits. The typical quid-pro-quo approach to carbon credits follows a model of resource extraction and compensation in PNG that is dependent upon regular and sufficient cash benefits distributed evenly throughout a landowning community. REDD+ Pilot Projects will never involve every landowning group in a project region if they are strictly based on the forest areas eligible to generate carbon credits from the total pool of customary land. Nor will there be a guarantee of sufficient and regular cash benefits for their participation. It is important to stress what Suau communities already know: that any large project like this will attract government and private sector investment to the area, and will necessarily benefit all of Central Suau. The BSM will particularize the benefits each Ward can enjoy from the collective contribution to the project.

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