



The West Papua Forest Carbon Program

Public Private Partnership and REDD

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We need to reduce emissions to combat climate change

REDD - is a way of achieving this by paying to reduce emissions from deforestation and degradation - a payment for ecosystem services

West Papua presents an amazing opportunity for REDD

- One of worlds largest contiguous tracks of old growth forest - 8+ million ha
- Still remarkably well preserved and unexplored
- Hugely rich in bio-diversity and cultural tradition
- Has not yet seen the large scale devastation of other parts of Indonesia and South East Asia but it is on the near horizon - threat of palm oil and agricultural conversion, increasing demand for timber, mining and infrastructure development
- The province wants to see economic growth but are equally passionate about finding ways to preserve there forest heritage - have an official conservation agenda
- Intervening now through redd means scope for real significant climate change benefit

The catch - you must compete against other land use options

The forest is a hugely valuable resource - timber, agricultural land etc.

The payment for the ecosystem service must therefore be competitive with other development opportunities

West Papua has recognized this

Also understands that they must link there local needs for development with global demands for large scale verifiable emission reductions

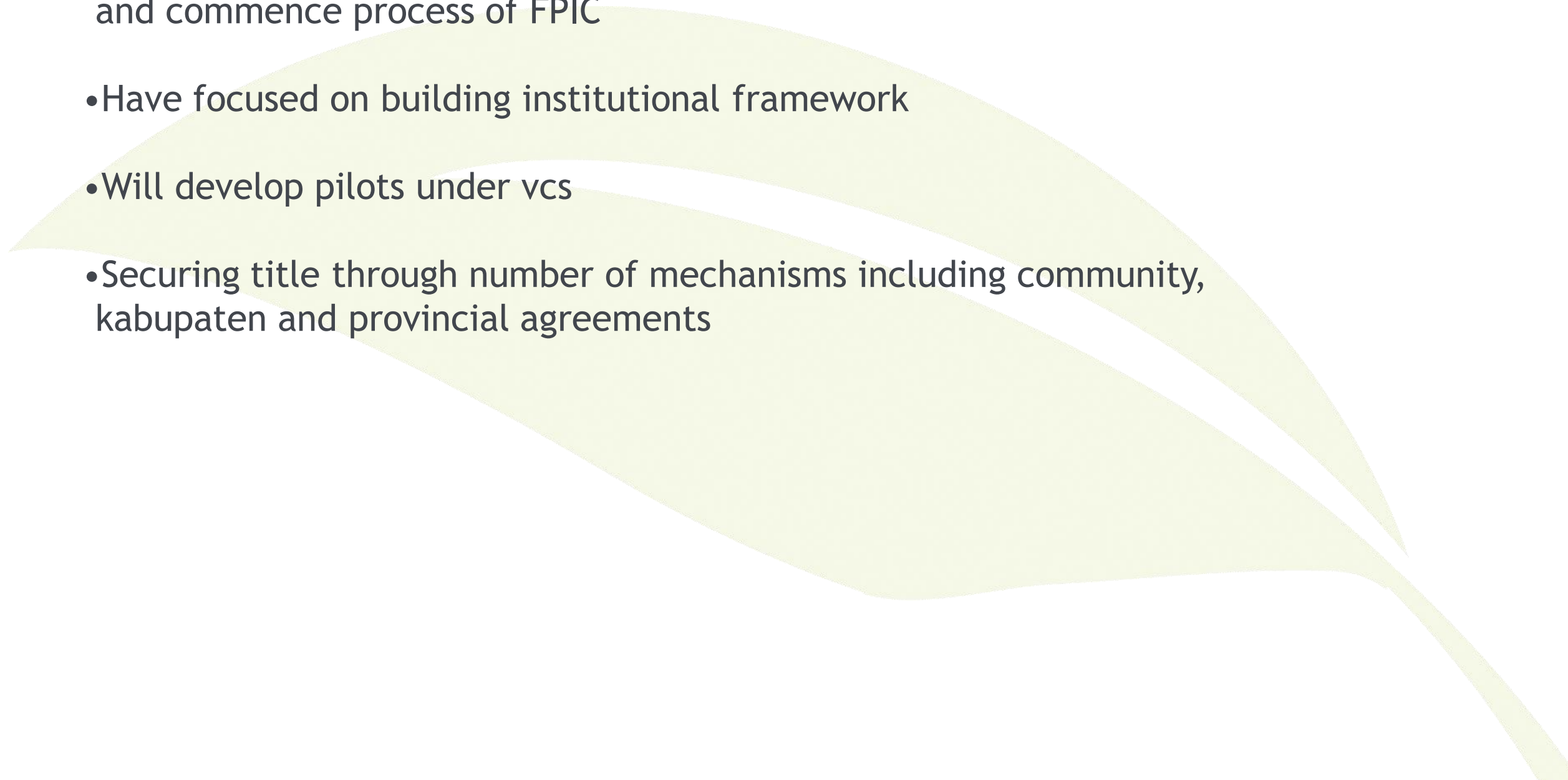
West Papua have developed the West Papua Forest Carbon Program through a public private partnership to take advantage of the opportunity of REDD

- Approach specifically conceived to match local needs with global demands
- Has utilized the strengths of public private partnership to develop and institutionalise a province wide forest carbon program that can satisfy community need for local autonomy in negotiating payments for ecosystem services whilst providing a provincial level monitoring and reporting approach that can nest within national and subregional MRV systems
- Has adopted an aggregation and distribution approach that will allow program to absorb large scale finance in return for large scale climate benefit, but manage distribution through traditional community pathways - allows for transparency, flexibility and outcome driven investment


How it works

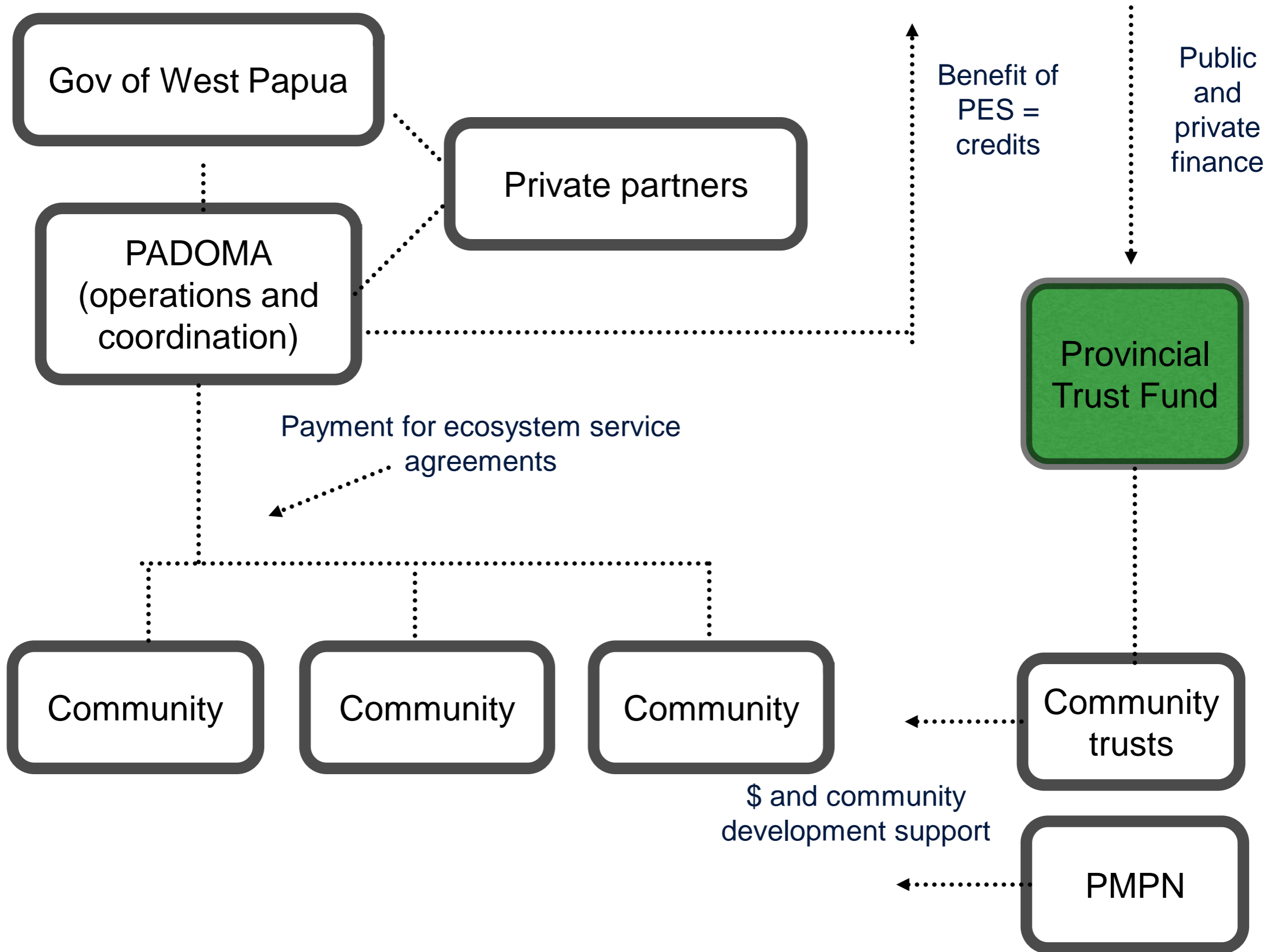
- At provincial level governance, monitoring and financial structures put in place with government owned company at centre of operations - it is here that aggregation of climate benefit takes place and where finance is received
- PADOMA negotiates payment for ecosystem services agreements with kabupatens and communities - fees in return for guarantees
- Also creates jobs in form of forest protection, monitoring and data collection
- Agreements also allow for other forest resource use within defined parameters
- Benefit of ecosystem services - including credits flow up and aggregated
- Funds flow down through community trusts and mechanisms such as PMPN

How it works

- Initial focus has been on institution development and pilot areas
 - Identified 16 concession areas at immediate risk from logging or forest conversion - in excess of 1 million ha. And with provincial government engaged kabupaten and communities to establish interest in participation and commence process of FPIC
 - Have focused on building institutional framework
 - Will develop pilots under vcs
 - Securing title through number of mechanisms including community, kabupaten and provincial agreements
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Public Private Partnership brings best of both worlds

- Strength of program is the PPP
 - Ensures political will to carry commitments through
 - Ensures institutional structure needed to sustain
 - Ensures transparency and safe guards
 - Allows for blending of public and private finance
 - At same time is able to bring best in global skills and ideas
 - Flexibility and responsiveness of private capital
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Mechanism provides for long term sustainability - can absorb large scale finance and through trust manage funds for future

But the immediate gap is - no one is yet paying for the ecosystem service at the scale required

Public finance that is available and pledged is paying for enabling and readiness environment but not the actual ecosystem services