



Papua New Guinea - Australia Forest Carbon Partnership

As close friends and neighbours, the Government of Papua New Guinea and the Government of Australia have today mutually consented to long term cooperation on reducing greenhouse gas emissions from deforestation and forest degradation.

Rainforests contribute to global climate stability and underpin 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 breath-taking natural beauty and cultural diversity creates a unique challenge to achieve economic development and defeat poverty, while being responsible stewards of a unique and irreplaceable part of the global biodiversity and contributing toward protection of the global climate system.

The Papua New Guinea - Australia Forest Carbon Partnership aims to address this challenge by reducing greenhouse gas emissions from deforestation and forest degradation, improving livelihoods for forest-dependent communities and promoting biodiversity protection. International carbon markets will be important in providing the necessary investment to significantly reduce emissions from deforestation and forest degradation, and this Partnership will support our participation in these emerging markets.

Our exchange of views and experiences on reducing emissions from deforestation and forest degradation will inform Papua New Guinea's national action plans on climate change and reducing emissions from deforestation and forest degradation, which are currently in preparation. It will complement Papua New Guinea's efforts to promote sustainable forest management and conserve globally significant biodiversity.

Papua New Guinea has played a valuable leadership role in promoting international discussions on reducing emissions from deforestation and forest degradation. Australia and Papua New Guinea supported the December 2007 Bali Climate Change Conference mandate that reducing emissions from deforestation and forest degradation in developing countries should be part of a future international climate change framework.

Australia and Papua New Guinea will support efforts under the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol to ensure that a future international agreement on climate change fully incorporates efforts to reduce emissions from deforestation and forest degradation. Our ultimate aim is to ensure that future international carbon markets provide incentives for reducing emissions from deforestation and forest degradation, and that Papua New Guinea and Australia can fully participate.

Initial Areas for Australia – Papua New Guinea Collaboration

1. Policy Dialogue

Papua New Guinea and Australia will engage in a strategic policy dialogue on climate change, and in particular reducing emissions from deforestation and forest degradation (REDD). The aim of this dialogue will be to support negotiations on the development of market based incentives for developing countries to reduce emissions from deforestation and forest degradation under the UNFCCC and Kyoto Protocol, and to ensure that Papua New Guinea and Australia can participate in these markets. We will also discuss the development of our respective national climate change and REDD policies and programmes.

2. Forest carbon monitoring and measurement

Recognising that a fundamental requirement for participation in global carbon markets will be the ability to measure change in forest carbon stocks over time, Papua New Guinea and Australia will work actively together to increase Papua New Guinea's capacity in forest carbon monitoring and assessment.

Building on Australia's experience in national carbon accounting and measurement, Australia will provide scientific, technical and analytical support to inform Papua New Guinea's development of its own national carbon accounting system.

The outcome will underpin Papua New Guinea's participation in global carbon markets and sustainable management of its forest estate, and will support Australia and Papua New Guinea's efforts to protect the Owen Stanley Ranges and Kokoda Track region.

3. Participation in global carbon markets

Papua New Guinea is developing a REDD policy and necessary enabling frameworks to generate REDD carbon credits for the international market. The Government of Australia has committed to developing an Australian Emissions Trading Scheme, and will explore the options of linking to other international systems. Australia and Papua New Guinea will exchange experience and expertise that will support Papua New Guinea's and Australia's participation in international carbon markets.

Australia will support Papua New Guinea in identifying and implementing incentive-based REDD demonstration activities. Details of future activities will also be determined during this initial period of collaboration, including addressing technical and methodological issues and the potential involvement of additional partners. Future REDD activities in Papua New Guinea will demonstrate Papua New Guinea's readiness to participate in international carbon markets.

Australia and Papua New Guinea believe that REDD demonstration activities in Papua New Guinea will provide valuable lessons to inform international negotiations on market based incentives for developing countries to reduce emissions from deforestation and forest degradation under the UNFCCC and Kyoto Protocol.

SIGNED

SIGNED

For Australia

**The Hon Kevin Rudd
Prime Minister**

For Papua New Guinea

**The Rt Hon Grand Chief Sir Michael Somare
Prime Minister**

On this day, 6th March 2008.