***Prior Action 7. To prepare for impending impacts of climate change, the Recipient’s National Executive Council has endorsed the Enhanced Nationally Determined Contribution 2020, focusing on reducing carbon dioxide emissions and adapting to climate change.***

1. **Climate change presents one of the most significant risks to the economy and future of the country.** PNG is identified as one of the 10 most at-risk countries to climate and environmental hazards. Impacts of extreme weather events as well as changes in climatic patterns have the potential to be devastating to the country’s rural communities, which account for some 85 percent of the population. Risks of crop failures, saltwater inundation of farmland, flooding as well as increased risks of tropical diseases present very real risks to livelihoods and life while also significantly impacting potential for economic growth.
2. **Climate change, particularly through their impact on the frequency and intensity of natural disasters, threatens to increase the vulnerability and fragility of Papua New Guinea.** In addition to threatening livelihoods, climate change exacerbates resource scarcities and contestation and intensifies pressure on governments to meet the needs of their people. An example of natural disasters as risk multipliers for violence at the sub-national level in PNG includes the 2018 earthquake and the following upsurge of violence in Hela and Southern Highlands, which resulted in the temporary disruption of the relief operations of the government and development partners. Several global studies also indicate that climate disasters have been shown to increase gender-based violence including sexual harassment and domestic violence, which women in PNG are highly vulnerable to.
3. **The government is at the forefront of climate actions and actively participating in climate negotiations under the United Nations Framework Convention on Climate Change (UNFCCC) since 2005.** It was one of the first countries in the World to propose a mechanism on Reducing Emissions from Deforestation and Forest Degradation (REDD+). As part of the government’s commitment under the UNFCCC agreement on climate change, it has mainstreamed climate change in its development priorities, which are captured in the PNG Vision 2050, the National Development Strategy for 2010–2030, National REDD+ Strategy for 2017-2027, and the Medium-Term Development Plan III for 2018–2022. These strategies are founded on the concepts of helping to strengthen and diversify the foundations of PNG’s economic growth while taking action to both increase the country’s resilience to climate change and take steps to further mitigate CO2 emissions.
4. **The Climate Change and Development Authority (CCDA) was established in 2015 to localize the Paris Climate Agreement and serve as a lead government agency to coordinate climate actions in the country.** It has established a robust partnership with relevant government agencies, other relevant stakeholders from the civil society, and the private sector, to mainstream the climate change agenda in the national development planning process. At the sub-national level, the CCDA has commenced the establishment of Provincial Climate Change Committees, comprised of the representatives from agriculture, planning, land-use and forestry to mainstream and formally incorporate adaptation and mitigation activities into provincial, district, and local development plans. The Provincial Climate Change Committees act as the interface between national government and subnational governments and stakeholders in the provinces on climate change matters.
5. **To resolve grievances and conflicts raised out of climate and land-use change, the CCDA has developed a Grievance Redress Mechanism (GRM).** It aims to facilitate stakeholder dialogue and ensure that there is broad consensus and joint collaboration in the manner in which land and resource development is carried out so that these global and domestic climate aspirations are implemented effectively. The GRM Guidelines also intends to establish necessary forums, committees, working groups and mechanisms that review specific areas of the work carried out and the initiatives embarked on to ensure there is compliance. One of the proposed measures is to establish a GRM Unit within the CCDA and inter-agency technical working committee.
6. **At the end of 2020, the government endorsed its Enhanced Nationally Determined Contributions (NDC).** The Enhanced NDC aligns with the national strategies noted above, as well as key sector policies, plans and strategies and builds on the first NDC submitted in 2016. The Enhanced NDC identifies key sectorial targets and focus action areas to deliver these targets. The document is, in compliance with the Enhanced Transparency Framework requirements, as stipulated under the Paris Agreement. It is also supported by an NDC Implementation Plan which draws together key elements of the existing strategies to provide a more detailed outline of how targets will be approved. This remains a living document and will be updated through 2021 based on action on agriculture, forestry, and other land use and energy sector roadmaps.
7. **The government has increased its level of ambition in the Enhanced NDC.** The revised commitments provided targets for sectors which made up 38 percent of PNG’s reported net emissions in 2015.[[1]](#footnote-1) The mitigation efforts focus on two key subsectors: the energy sector and agriculture, forestry, and other land use (AFOLU). In the AFOLU sector, Papua New Guinea has pledged to reduce 860 Gg of CO2 emission from deforestation and forest degradation and to attain a total forest carbon stock value of 17.6 billion tCO2 by 2030 – 2.9 billion tCO2 higher than 2015. The energy sector comprises of electricity generation, energy efficiency and transport sub-sectors. Papua New Guinea aims to increase renewable electricity generation to 78 percent by 2030, to serve on-grid populations through geothermal, hydropower, biomass, wind, solar, and ocean wave energy technologies. It also aims to provide off-grid solar power to more than 605 thousand households. The government will also set out to introduce a regulation on minimum energy performance standards. The Enhanced NDC also laid out actionable adaptation targets that focus on four development sectors: agriculture, health, infrastructure, and transport.
8. **Going forward, PNG is committed to delivering the targets presented in the Enhanced NDC.** Presented targets are in line with key national and sector policies and strategies, as well as the emerging National Adaptation Plan and as such are fully integrated into PNG’s response to climate change. PNG will continue effective collaboration with the development partners and relevant in-country stakeholders to establish a National Climate Change Coordination Committee that will bring together key sector agencies and central government bodies to lead PNG’s response to climate change. This committee will be supported by the CCDA as part of its mandate to facilitate and collect information on emissions and the impacts of climate change as well as support sectors and subnational governments in the development of mitigation and adaptation plans and actions and their mainstreaming into core workflows. An NDC Implementation Plan was also developed to provide a more detailed outline of how targets will be achieved, and it will be against this work plan that annual progress will be monitored.
9. **The proposed DPO supports the adoption of the Enhanced NDC, to mitigate and adapt to climate change.** The results indicator looks at annual percentage change in CO2 emissions in PNG, as presented in Oxford’s Our World in Data, based on Global Carbon Project data.[[2]](#footnote-2) Currently, this data runs until 2019 due to a one-year lag in reporting. Therefore, the baseline indicator looks at the 2018-2019 period, the two last years available, when annual percentage change in CO2 emission did not exceed 4.5 percent. The target indicator will cover the next two years of reporting, targeting PNG’s annual percentage change in CO2 emissions to remain below 4.5 percent in 2020-2021. Although some attribution of the NDC is expected towards achieving this target, it may also be impacted by some other factors as well. During the targeted period of 2020-2021 the COVID-19 impacts are also expected to contribute to lower CO2 emissions due to lower economic activity.
10. **Prior action 7 could potentially benefit the poor and vulnerable as they are more likely to be adversely impacted by climate change, though some potential negative impacts cannot be ruled out.** Climate change adaption will be particularly important to the poor, while climate change mitigation policies may only impact the poor indirectly (if global emissions are reduced because of the policy). The NDC does not include actions that would cause significant impacts to people, particularly when balanced against the potential challenges caused by climate change itself. The NDC includes a commitment to ensuring a gender responsive approach to planning, programming and implementation, and specifically mentions participation by vulnerable groups. It will be important for ongoing engagement with stakeholders to be embedded in subsequent detailed implementation arrangements. Many activities that may be pursued under the NDC require access to land, which PNG’s complex land arrangements make challenging, with the potential to cause social conflict and community tension. This risk is to be mitigated through community consultation process prior to key decision making. The CCDA has developed and adopted a Free, Prior and Informed Consent (FPIC) policy as it pertains to indigenous peoples, recognized in the United Nations Declaration on the Rights of Indigenous Peoples. It allows indigenous peoples to give or withhold consent to any project that may affect them or their territories. Furthermore, this FPIC enables them to negotiate the conditions under which a project will be designed, implemented, monitored and evaluated.
11. **Prior action 7 will likely have overall positive environmental impacts through the promotion of both climate mitigation and adaptation targets and actions included in the NDC.** Potential downstream environmental risks and impacts relate to investment in: priority renewable energy projects including dams for hydropower; the downstream processing of timber; changed or increased agriculture practices relating to both climate mitigation and food security measures; and the rehabilitation and construction of roads, airports and wharves to meet climate resilient standards. These risks and impacts are expected to be primarily managed through the implementation of the Environment Act (2000) and the Forestry Act (1991).There are four levels of environmental assessment under the Environment Act. The processes commence with the Notification of project to CEPA who will determine whether the project is assessed as level 1 requiring no approval, level 2A and 2B requiring an application or level 3 requiring an application and being submitted to full Environmental Impact Assessment (EIA). Limited capacity due to a shortage of skills and funding, limit CEPA’s ability to process and review EIAs, particularly for the more complex proposals with more comprehensive EIA requirements. The Bank has ongoing investments in the infrastructure, agriculture and energy sectors and, as such, there may be opportunities to strengthen capacity through the project pipeline as well as other work being completed by institutions such as the UNDP Global Environment Facility and the Secretariat of the Pacific Regional Environment Programme who have recently supported capacity building activities within CEPA. A report completed by the International Institute for Sustainable Development notes that since their original assessment in 2017, PNG has been working to improve management of protected area through a Protected Areas Policy and Implementation Plan.
12. **Papua New Guinea’s principal forestry legislation is the Forestry Act of 1991.** This law provides for the conservation, development, and management of its forest resources. The Forestry Legality Initiative proposes that the forestry legislation in PNG consists of policies, laws, regulations and guidelines that are sufficient to ensure sustainable forest management. The PNG Forest Authority commenced its revision of the Forestry Act in the middle of 2020, which will strengthen regulation towards sustainable logging practices such as phasing out round log exports and increasing down streaming processing by applying international environmental sustainability standards.
13. **Environmental safeguards are a key part of the NDC implementation, aimed to mitigate potential environmental risks from climate actions.** During the 16th Conference of the Parties, the Seven Cancun Safeguards[[3]](#footnote-3) were adopted, to ensure that the rules and guidance for REDD+ included measures to protect those potentially at risk, mainly the landowners, local communities, and the biodiversity. This is to ensure that all climate initiatives adequately address sensitive issues such as the rights of indigenous peoples and traditional communities, social participation, preservation of natural ecosystems. The CCDA, in close consultation with government and non-government stakeholders, developed and endorsed the Summary of Information on Safeguards[[4]](#footnote-4) and Safeguards Information System[[5]](#footnote-5) (NEC Decision 343/2020) to provide information on how the Cancun Safeguards are being addressed and respected.

| **Proposed Prior Action** | **Results Indicator** | **Baseline** | **Target** |
| --- | --- | --- | --- |
| 1. To prepare for impending impacts of climate change, the Recipient’s National Executive Council has endorsed the Enhanced Nationally Determined Contribution 2020, focusing on reducing carbon dioxide emissions and adapting to climate change. | Annual percentage change in CO2 emissions (Source: Our World in Data, based on Global Carbon Project). | **2018-2019:** below 4.5% | **2020-2021:** remained below 4.5% |

1. It should be noted that the LULUCF sector in PNG makes up significantly higher levels of emissions (13,574.04 Gg CO2 equivalent in 2015) but these are offset by removals within PNG’s current approach to reporting, leaving a relatively small net emission of 1,716.46 Gg CO2 equivalent. [↑](#footnote-ref-1)
2. https://ourworldindata.org/co2-emissions [↑](#footnote-ref-2)
3. <https://redd.unfccc.int/fact-sheets/safeguards.html> [↑](#footnote-ref-3)
4. <https://redd.unfccc.int/files/4838_2_png_soi.pdf> [↑](#footnote-ref-4)
5. <https://redd.unfccc.int/uploads/4838_3_png_sis_framework.pdf> [↑](#footnote-ref-5)