

Inception Report for the review of PNG's Forestry Act (with revised Terms of Reference (ToR))

DRAFT

Core KPMG Team

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Background:

The Government of Papua New Guinea (GoPNG) in conjunction with Vision 2050, has set ambitious goals for strengthening and changing the nature of this industry including: a ban on all round log exports by 2020 and the expansion of planted forests to cover 800,000 ha by 2050.

These are to be achieved while also increasing the contribution of commercial logging to the domestic economy. Efforts to achieve these targets will need to address significant challenges linked to the availability of land and the level of private sector interest in investing in either area.

At the same time the government of PNG, through the PNG Forestry Authority implemented the Forest Carbon Partnership Facility. Together, the Climate Change and Developed Authority, has developed a National REDD+ Strategy (NRS) to guide the country's approach to addressing greenhouse gas (GHG) emissions from deforestation and forest degradation – over 75% of which historically come from commercial logging. Through these initiatives it was identified that there needs further focus on updating the PNG Forestry Act to align to the growth and development of the Forestry sector, Land use sector and other intersecting legislation.

The current assignment is intended to work with PNGFA and other key stakeholders to review the Forestry Act in line with PNG's government medium term targets while also helping to reduce deforestation and forest degradation.

For this purpose, UNDP FCPF REDD+ Readiness Project is seeking an Independent Firm to support PNGFA in the review of PNG's Forestry Act, 1991 (as amended) and develop a set of policy recommendations to amend the Act through a policy submission to the National Executive Council.

Points for consideration during the review of the Forestry Act

- The Subject Matter Experts (SMEs) will shed light on the importance of PNG's forests to local livelihoods, national economic development and global climate change mitigation and adaptation.
- The core team of SMEs and KPMG consultants shall ensure that the findings and recommendations of the assignments, provide guidance for the implementation of forestry related activities at the provincial levels.

Revised Objectives of the Assignment:

Reviewing the Forestry Act, 1991 (as amended) in line with Government priorities and assistance provided to PNGFA in the preparation of a policy submission to the National Executive Council (NEC) for review and further endorsement.

The PNG Forestry Act Review is structured as follows:

- Undertake a review and analysis of PNG's forest legal framework and policy
- Develop a Legal Policy Analysis Matrix, Identifying limitations and strengths (SWOT) in the legal and policy framework and its application
- Provide recommendations and actions to address these limitations
- Undertake a complete revision of the PNG Forestry Act, to produce a revised version.

Approach:

To achieve the objective of this review the Core KPMG team will need to work closely with the PNGFA, National and sub-National level Governments, the Technical Working Committee (TWC) on Redd+, Civil Society Organisations (CSOs) and other key agencies (i.e. CCMA, CEPA, DAL, DLPP, Mining, etc) within the context of reviewing the PNG Forestry Act.

This approach has 2 phases further broken down into sections, and sub-sections:

Phase 1:

A. Inception Report

B. Legal Policy Matrix

- i. Develop the Legal Policy Analysis Matrix:
- ii. Post-submission of [V1] Legal Matrix to Core Group by PNGFA
- iii. Template development
- iv. Post-submission of V2 to NTS by PNGFA
- v. National Technical Stakeholder Workshop
- vi. Post-NTS [V3] Workshop.
- vii. Regional Workshop #1
- viii. Regional Workshop #2
- ix. Regional Workshop #3
- x. Post-Regional Workshops: Finalise Legal Matrix

Phase 2:

A. Revised PNG Forestry Act

- i. 1st revision of PNG Forestry Act
- ii. Post-submission of [RVFA1] 1st draft to Core Group by PNG FA Template development
- iii. Post-submission of RVFA2 to NTS by PNGFA
- iv. Post-submission of RVFA3 to Regional Stakeholders by PNGFA
- v. Post-National Validation Workshop: Finalise revised Forestry Act
- vi. 2-pager for State Solicitor

Phase 1

A. Inception Report

The inception phase had an inception mission meeting which agreed on the following:

- Project deliverables
- Reporting structure/consultation plans
- Project timeline
- Definitions for groups involved in project:
 - KPMG Core Team – KPMG team members, Subject Matter Experts, PNGFA participants, UNDP
 - Core Group Stakeholders – CCMA, CCDA, CEPA, DAL, DLPP, Mining, etc

During this phase the KPMG Core Team and the SMEs conducted the following:

- Liaised with the National First Legislative Council to collect certified copies of the following Acts/guidelines (and other associated Regulations and Amendments).
 - PNG Forestry Act
 - Climate Change Management Act
 - Interpretation Act
 - Papua New Guinea Act
 - National Forestry Policy
 - Land Act
 - Logging Code of Practice
 - National Forestry Guideline
 - Conservation Act
- Consulted with the PNGFA to draft an inception report, incorporating reporting timelines, work plan and a structure of deliverables, and any other supporting items appropriate
- Conducted preliminary stakeholder interviews on the key issues with regards to the current PNG Forestry policy and legislation to assess existing limitations in the legal and policy framework. These discussions have assisted in the relevant outlining of the Legislative review of PNG's Forestry Act.
- Finalised and present the inception report to UNDP for feedback and approval.

Deliverables:

- Inception report
- Certified copies of the PNG Forestry Act and other associated Acts/guidelines (as listed above).

Due date:

- 19th October 2018.

Meeting scheduling (please see Appendix 1 for work plan-timeline chart):

Agreed to hold meetings every Tuesday (and Friday if needed) between KPMG Core Team and SMEs at the PNGFA office.

Date	Tasks
24 th September	Kick off meeting : scope and timeline finalisation
25 th Sept – 1 st Oct.	Secure all related certified copies of legislative material
2-15 nd October	Approved Work plan/timeline/Inception report with SMEs and commence draft inception report
15-18 th October	Drafting and finalisation of Inception report
19th October	Present final Inception report to UNDP

B. Legal Policy Analysis Matrix

During this phase the Core KPMG team will perform the following:

- i. **Develop the 1st Draft Legal Policy Analysis Matrix:**
 - **Description:** Core KPMG Team to meet every Tuesday to focus on the key relevant challenges observed with the current forestry sector law and policies. A SWOT analysis shall be conducted along with a comparison with comparable Acts. These discussions will assist in the documentation and creation of the Legal Policy Analysis Matrix. This version [V1] will then be submitted to PNGFA for their recommendations and insights. Once those recommendations have been made and captured in the draft V1, PNGFA will forward the draft to the Core Group of Stakeholders for their recommendations and insights
 - **Deliverable:** Legal Policy Analysis Matrix [V1]
 - **Commencement:** 20th October 2018
 - **Due date:** 3rd December 2018
- ii. **Post-submission of [V1] Legal Matrix to Core Group by PNGFA**
 - **Description:** After PNGFA receives the recommendations from the Core Group of Stakeholders, KPMG Core Team will then incorporate those suggestions creating a new version [V2]. This version [V2] will then be submitted to PNGFA to be further forwarded to the National Technical Stakeholders for their recommendations
 - **Deliverable:** Legal Policy Analysis Matrix [V2]
 - **Commencement:** 7th January 2019
 - **Due date:** 20th January 2019
- iii. **Template development**
 - **Description:** KPMG Core team will develop all relevant template material required for stakeholder interviews, workshops etc.
 - **Deliverable:** Templates (various)
 - **Commencement:** 4th December 2018
 - **Due date:** 6th December 2018
- iv. **Post-submission of [V2] to NTS by PNGFA**
 - **Description:** After PNGFA receives the recommendations from the National Technical Stakeholders, KPMG Core team will then incorporate those suggestions creating a new version [V3].
 - **Deliverable:** Legal Policy Analysis Matrix [V3]
 - **Commencement:** 21st January 2019
 - **Due date:** 15th February 2019
- v. **National Technical Stakeholder Workshop**
 - **Description:** KPMG Core team to assist PNGFA to conduct a National Technical Stakeholder Workshop to review and further discuss [V3] of the Legal Policy Analysis Matrix.
 - **Deliverable:** One 2-day National Technical Stakeholder Workshop
 - **Commencement:** 17th March 2019
 - **Due date:** 19th March 2019
- vi. **Post-NTS [V3] Workshop.**
 - **Description:** After the National Technical Stakeholder Workshop, KPMG Core team to incorporate all relevant feedback and suggestions creating a new version [V4]. This version [V4]

will then be submitted to PNGFA to be further forwarded to the Regional Stakeholders for their recommendations

- **Deliverable:** Legal Policy Analysis Matrix [V4]
- **Commencement:** 20th March 2019
- **Due date:** 26th March 2019

vii. **Regional Workshop #1: Lae**

- **Description:** KPMG Core to provide only admin support to PNGFA for this part of the engagement.
- **Deliverable:** N/A - KPMG to only provide admin support
- **Commencement:** 2nd April 2019
- **Due date:** 3rd April 2019

viii. **Regional Workshop #2: Kokopo**

- **Description:** KPMG Core to provide only admin support to PNGFA for this part of the engagement.
- **Deliverable:** N/A - KPMG to only provide admin support
- **Commencement:** 9th April 2019
- **Due date:** 10th April 2019

ix. **Regional Workshop #3: Port Moresby**

- **Description:** KPMG Core to provide only admin support to PNGFA for this part of the engagement.
- **Deliverable:** N/A - KPMG to only provide admin support
- **Commencement:** 16th April 2019
- **Due date:** 17th April 2019

x. **Post-Regional Workshops: Finalise Legal Matrix**

- **Description:** After the Regional Workshops, KPMG Core Team to incorporate all relevant feedback and suggestions creating a final version [V5] of the Legal Policy Analysis Matrix and to forward to PNGFA for clearance.
- **Deliverable:** Version 5 of the Legal Policy Analysis Matrix [V5]
- **Commencement:** 18th April 2019
- **Due date:** 14th May 2019

Meeting scheduling (please see Appendix 1 for work plan-timeline chart):

Agreed to hold meetings every Tuesday (and Friday, if necessary) between KPMG Core Team and SMEs at the PNGFA office.

(*review of supplemental acts i.e. Forestry Act, Climate Change Management Act, Interpretation Act, PNG Act, National forestry policy, land act, logging code of practice, National Forestry guideline, Conservation act in conjunction to the PNG Forestry Act review)

Phase 2:

A. Revising the Forestry Act

During this phase the KPMG Core Team and the SMEs will perform the following:

i. **1st revision of PNG Forestry Act**

- **Description:** Core KPMG Team to focus on the key relevant changes to be incorporated and/or amended in the existing PNG Forestry Act. The final cleared Legal Policy Analysis Matrix shall

provide the direction for the changes to be made. The first revised version of the Forestry Act [RVFA1] will then be submitted to PNGFA to be further forwarded to the Core Group of Stakeholders for their recommendations.

- **Deliverables:** Revised Forestry Act [RVFA1]
- **Commencement:** 24th May 2019
- **Due date:** 9th July 2019

ii. **Post-submission of [RVFA1] 1st draft to Core Group by PNGFA**

- **Description:** After PNGFA receives the recommendations from the Core Group of Stakeholders, KPMG Core team will then incorporate those suggestions creating a new version [RVFA2]. This version [RVFA2] will then be submitted to PNGFA to be further forwarded to the National Technical Stakeholders for their recommendations
- **Deliverable:** Revised Forestry Act [RVFA2]
- **Commencement:** 10th July 2019
- **Due date:** 31st July 2019

iii. **Post-submission of RVFA2 to NTS by PNGFA**

- **Description:** After PNGFA receives the recommendations from the National Technical Stakeholders, KPMG Core team will then incorporate those suggestions creating a new version [RVFA3]. This version [RVFA3] will then be submitted to PNGFA to be further forwarded to the Regional Stakeholders for their recommendations
- **Deliverables:** Revised Forestry Act [RVFA3]
- **Commencement:** 1st August 2019
- **Due date:** 22nd August 2019

iv. **Post-submission of RVFA3 to Regional Stakeholders by PNGFA**

- **Description:** After PNGFA receives the recommendations from the Regional Stakeholders, KPMG core to incorporate all relevant feedback and suggestions creating a new version [RVFA4]. This version [RVFA4] will then be submitted to PNGFA required for the National Validation Workshop.
- **Deliverable:** Revised Forestry Act [RVFA4]
- **Commencement:** 23rd August 2019
- **Due date:** 12th September 2019

v. **Post-National Validation Workshop: Finalise revised Forestry Act**

- **Description:** After the Regional Workshops, KPMG core to incorporate all relevant feedback and suggestions creating a final revised version [RVFA5] of the Forestry Act and to forward to PNGFA for clearance.
- **Deliverable:** Final Forestry Act [RVFA5]
- **Commencement:** 13th September 2019
- **Due date:** 21st October 2019

vi. **2-pager for State Solicitor**

- **Description:** KPMG Core to develop a 2-page report for the State Solicitor indicating issues found and relevant recommendations made.
- **Deliverable:** 2-page report for State Solicitor.
- **Commencement:** 22nd September 2019
- **Due date:** 28th October 2019

Meeting scheduling (please see Appendix 1 for work plan-timeline chart):

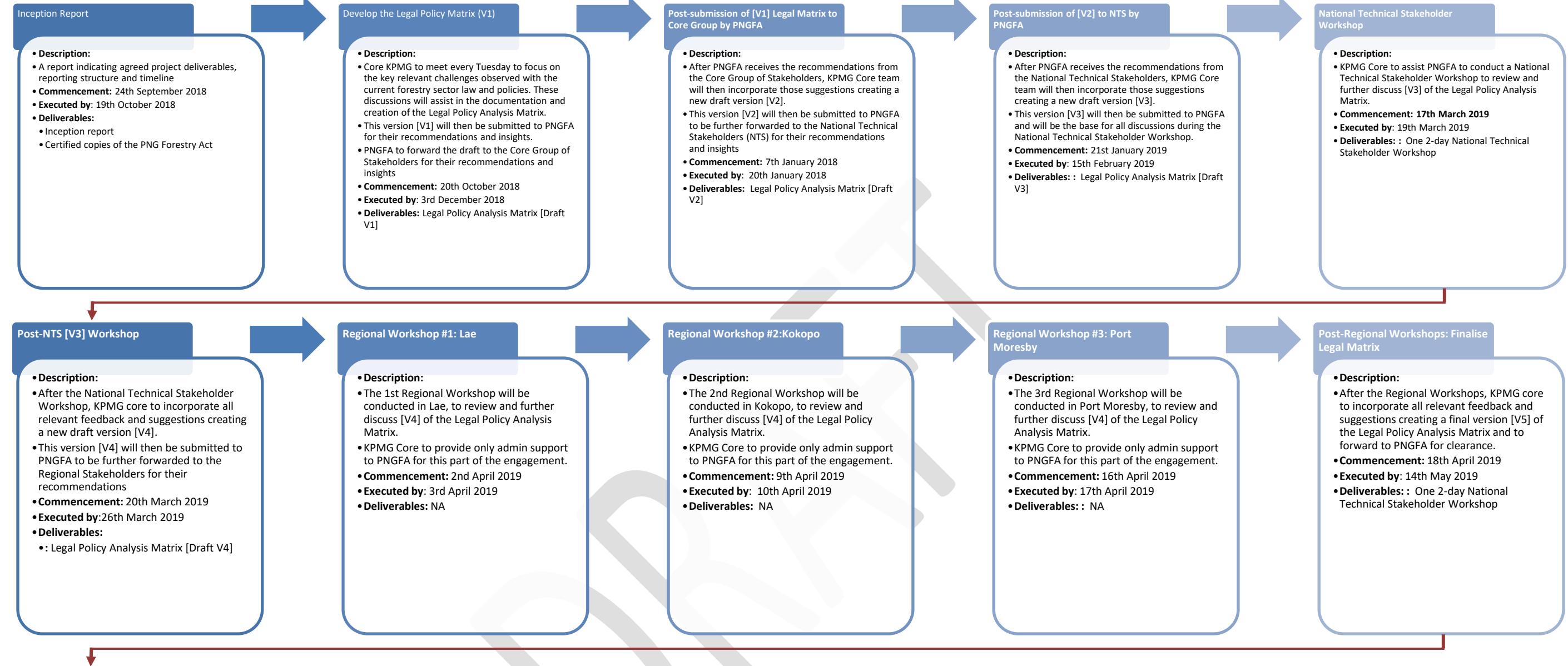
Meeting frequency will be determined closer to the date of this phase.

Appendix 1: Timeline

	Se pt 20 18	Oct 201 8	No v 201 8	De c 201 8	Jan 201 9	Feb 201 9	Ma rch 201 9	April 2019	May 2019	June 2019	July 2019	Aug 2019	Sept. 2019	Oct. 2019
Phase 1: A) Inception Report														
Kick off meeting : scope and timeline finalisation	◆													
Secure all related certified copies of legislative material	■													
Approved Workplan/timeline/Inception report with SMEs and commence draft inception report		■												
Submit draft Inception report to UNDP for feedback			◆											
Final Inception report			◆											
Phase 1: B) Legal Policy Analysis Matrix														
Develop the Legal Policy Analysis Matrix		■	■	■										
Post-submission of V1 Legal Matrix to Core Group by PNG FA; Creation of V2				■										
Template Development				■										
Post-submission of V2 Legal Matrix to NTS by PNG FA; Creation of V3					■									
Planning and conducting National Technical Stakeholder Workshop						■								
Post-NTS [V3] Workshop; Creation of V4							■							
Regional Workshop #1								■						
Regional Workshop #2									■					
Regional Workshop #3										■				
Regional Workshop #4											■			
Post Regional Workshops: Finalise legal matrix and submit to PNGFA [V5]									■	■				
Phase 2: A) Revising the Forestry Act														
1st revision of PNG Forestry Act [RVFA1]										■	■			
Post-submission of RVFA1 to Core Group by PNG FA; Creation of RVFA2												■		
Post-submission of RVFA2 to NTS by PNG FA ; Creation of RVFA3													■	
Post-submission of RVFA3 to Regional Stakeholders by PNGFA [RVFA4]														■
Post National Validation Workshop: Finalise revised Forestry Act														■
2 pager for State solicitor														◆

Appendix 2: Process/Work- Flow

Phase 1: Inception report & Developing the Legal Policy Analysis Matrix:



Phase 2: Revising the PNG Forestry Act

