

No. 25 of 2021.

Climate Change (Management)(Amendment) Act 2021.

Certified on : 7 FEB 2022



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Climate Change (Management)(Amendment) Act 2021,

ARRANGEMENT OF SECTIONS.

1. Amendment of Long Title.
2. Repeal and replacement of Section 3.

“3. INTERPRETATION.

“accredited climate finance entities”
“adaptation”
“anthropogenic”
“Authorised Controller”
“Authority”
“Baseline reference level”
“baseline year”
“best available science”
“biofuel”
“Board”
“carbon dioxide or “CO₂”
“carbon rights”
“carbon sink”
“climate change”
“climate change adaptation plan”
“climate change displacement” or “climate displacement”
“climate change related project agreement”
“climate change related project or activity”
“climate emergency”
“climate finance”
“Climate Finance Steering Committee”
“climate resilience”
“CMA”
“Conference of the Parties” or “COP”
“Constitution”
“Designated National Authority”
“ecosystem services”
“emissions mitigation plan”
“emissions reduction standard”
“emissions reduction unit”
“emissions trading”
“Environment Permit” or “EP”
“Environmental Impact Assessment” or “EIA”
“focal point”
“foreshore”
“forest”
“free prior and informed consent “FPIC”

“fuel standard”
 “Green Climate Fund” or “GCF”
 “hydrofluorocarbons” or “HFCs”
 “intangible property”
 “Inter-governmental Panel on Climate Change” or “IPCC”
 “international reporting practice”
 “internationally transferred mitigation outcome” or “ITMO”
 “just transition”
 “Kyoto Protocol”
 “land”
 “land holder”
 “Managing Director”
 “methane” or “CH₄”
 “Minister”
 “mitigation”
 “national forest reference level”
 “National Level Disbursement”
 “national target”
 “nationally determined contribution” or “NDC”
 “nitrous oxide” or “N₂O”
 “Papua New Guinea emissions”
 “Papua New Guinea Mitigation Outcome Unit”
 “Papua New Guinea removals”
 “Paris Agreement”
 “payments for environmental or ecosystem services” or “PES”
 “perfluorocarbons” or “PFCs”
 “PGK”
 “Public Service”
 “REDD+”
 “Registry”
 “regulated sector”
 “reservoir”
 “results-based payments”
 “sequestration”
 “sink”
 “sulphur hexafluoride” or “SF₆”
 “Sustainable Development Goals 13 Roadmap Platform Committee” or “SDG 13 Roadmap Platform Committee”
 “tangible property”
 “target”
 “targeted greenhouse gases” or “GHGs”
 “this Act”
 “tonne of carbon dioxide equivalent”
 “Trust Fund”
 “UNFCCC”
 “verification report”
 “verified carbon unit” or “VCU”
 “verifier”
 “waters of Papua New Guinea”.

3. New Section 5A.

“5A. DECLARATION OF CLIMATE EMERGENCY.”.

4. Repeal and replacement of Section 6.

“6. TERRITORIAL APPLICATION.”

5. Repeal and replacement of Section 7.

“7. INTERNATIONAL TRANSPORTATION.”

6. Repeal and replacement of Section 10.

“10. PURPOSE.”

7. Repeal and replacement of Section 11.

“11. FUNCTIONS AND POWERS OF THE AUTHORITY.”

8. Functions and powers of the Board (Amendment of Section 13).
9. New Section 13A.

“13A. CORPORATE PLAN.”

10. Committees (Amendment of Section 14).
11. New Section 14A.

“14A. CLIMATE FINANCE STEERING COMMITTEE.”

12. Delegation (Amendment of Section 15).
13. Membership of the Board (Amendment of Section 16).
14. Appointment Committee (Amendment of Section 17).
15. Screening Committee (Amendment of Section 18).
16. Qualifications for appointment (Amendment of Section 21).
17. Calling of meetings (Amendment of Section 26).
18. New Sections 26A and 26B.

“26A. SECRETARIAT.

26B. SECRETARY OF THE BOARD.”

19. Meetings of the Board (Amendment of Section 27).
20. New Section 27A.

“27A. PUBLIC REGISTER.”

21. Annual reports (Amendment of Section 34).
22. Repeal and replacement of Section 35.

“35. APPLICATION OF THE *PUBLIC FINANCES (MANAGEMENT) ACT 1995* AND *THE NATIONAL PROCUREMENT ACT 2018*.”

23. Repeal and replacement of Section 37.

“37. ESTABLISHMENT OF THE CLIMATE RESILIENCE AND GREEN GROWTH TRUST FUND.”

24. Repeal and replacement of Section 38.

“38. FUNDING LEVY ARRANGEMENT.”.

25. New Section 38A.

“38A. FEES AND CHARGES.”.

26. Repeal and replacement of Section 39.

“39. PAYMENTS INTO THE TRUST FUND.”.

27. Repeal and replacement of Section 40.

“40. PAYMENTS FROM THE TRUST FUND.”.

28. Bank accounts (Amendment of Section 41).

29. Repeal and replacement of Section 42.

“42. INVESTMENT AND BORROWING BY THE AUTHORITY.”.

30. Repeal of Section 43.

31. New Sections 42A and 42B.

“42A. INCENTIVES FOR THE PROMOTION OF CLIMATE CHANGE INITIATIVES.

42B. ACCREDITED CLIMATE FINANCE ORGANISATIONS.”.

32. The office of the Managing Director (Amendment of Section 44).

33. Amendment to the heading of Division 1 of Part IV.

34. Regulated sectors (Amendment of Section 53).

35. Measurement (Amendment of Section 54).

36. The national reference level (Amendment of Section 55).

37. Requirement for targets (Amendment of Section 56).

38. Criteria for determining and revising the targets (Amendment of Section 57).

39. National reporting (Amendment of Section 59).

40. Repeal and replacement of Section 60.

“60. NATIONAL AND INTERNATIONAL VERIFIERS TO BE REGISTERED.”.

41. Requirements for registration (Amendment of Section 61).

42. Repeal and replacement of Division 2 of Part V.

“Division 2. - Immediate emission mitigation steps.

65. EMISSIONS MITIGATION PLANS.

66. ENFORCED MITIGATION.

67. FUEL STANDARDS.

68. CLIMATE BUILDING STANDARDS.

68A. CLIMATE RESILIENT INFRASTRUCTURE.

69. OTHER DEVELOPMENT STANDARDS.”.

- 43. Sector specific consultations (Amendment of Section 70).
- 44. Making regulations regarding mitigation (Amendment of Section 71).
- 45. Climate change adaption plans (Amendment of Section 74).
- 46. New Sections 74A, 74B and 74C.

“74A. NATIONAL PLANNED RELOCATION GUIDELINES.

74B. RELOCATION OF AT-RISK COMMUNITIES.

74C. REGIONAL DISPLACEMENT IN THE PACIFIC.”.

- 47. Repeal and replacement of Section 75.

“75. ENFORCED ADAPTATION.”.

- 48. Sector specific consultations (Amendment of Section 76).
- 49. Making regulations regarding adaptation (Amendment of Section 78).
- 50. New Part VIA.

“PART VIA. - ESTABLISHMENT AND OPERATIONS OF AN EMISSIONS TRADING SCHEME.

78A. PAPUA NEW GUINEA NATIONAL REGISTRY.

78B. REDD+ TRANSACTIONS BY THE GOVERNMENT.”.

- 51. Interpretation, etc. (Amendment of Section 79).
- 52. Application of *Search Act 1977* (Amendment of Section 80).
- 53. Power to gather information (Amendment of Section 83).
- 54. Production of records (Amendment of Section 84).
- 55. New Section 85A.

“85A. OFFENCES IN RELATION TO AUTHORISED OFFICERS.”.

- 56. Obtaining consent of customary land holders (Amendment of Section 89).
- 57. Climate change related project agreement (Amendment of Section 90).
- 58. New Section 92A.

“92A. CARBON RIGHTS AND OWNERSHIP.”.

- 59. Land holder participation and benefit (Amendment of Section 93).
- 60. Annual report (Amendment of Section 94).
- 61. Penalty provision (Amendment of Section 95).
- 62. Giving of notices and service (Amendment of Section 98).
- 63. General penalty provision (Amendment of Section 101).
- 64. Authentication of documents (Amendment of Section 102).
- 65. Repeal and replacement of Section 103.

“103. FUNCTIONAL AUDIT.”.

- 66. Project audit (Amendment of Section 104).
- 67. Dispute resolution mechanism (Amendment of Section 105).
- 68. New Sections 107A and 107B.

“107A. HOME OWNERSHIP POLICY AND SCHEME.

107B. BLUE CARBON POLICY.”.

- 69. Transfer of staff and assets (Amendment of Section 108).



No. 25 of 2021.

AN ACT

entitled

Climate Change (Management)(Amendment) Act 2021,

Being an Act to amend the ***Climate Change (Management) Act 2015*** and for related purposes,

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with, the advice of the Minister.

1. AMENDMENT OF LONG TITLE.

The long title of the Principal Act is amended -

- (a) in Paragraph (b) by repealing “; and” immediately after the word “change” and inserting the following:

“, including the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement; and”; and

- (b) by repealing Paragraph (c) and replacing it with the following:

“(c) establish Papua New Guinea’s Designated National Authority or an equivalent entity for the purposes of the UNFCCC and the Paris Agreement and any such other or subsequent arrangements or agreements made under the UNFCCC and the Paris Agreement, and for related purposes.”.

2. REPEAL AND REPLACEMENT OF SECTION 3.

The Principal Act is amended by repealing Section 3 and replacing it with the following:

“3. INTERPRETATION.

In this Act, unless the contrary intention appears -

“accredited climate finance entities” means State entities or private organisations, referred to in Section 14A, that are accredited to climate funds, including but not limited to the Trust Fund, that can be recipients and administrators of public or private contributions designated to be used for the implementation of measures for mitigation and adaptation to climate change with the approval of the Authority;

“adaptation” means adjustment in natural or human systems in response to actual or expected climatic stimuli or their effects which moderates harm or exploits beneficial opportunities;

“anthropogenic” means relating to, or resulting from, the influence of human beings on the natural environment;

“Authorised Controller” means the natural person who has statutory and regulatory responsibility for the actions of an incorporated verifier;

“Authority” means the Climate Change and Development Authority established under Section 8;

“Baseline reference level” means Papua New Guinea’s reference level for emissions in the baseline year established under Section 55;

Climate Change (Management)(Amendment)

- “baseline year” means the year, specified by the Head of State, acting on the advice, of the National Executive Council, to be the baseline year for the purposes of this Act;
- “best available science” means the best available, current information, including but not limited to ecosystem-based management, climate change targets, and international best practice as defined by the UNFCCC and the Paris Agreement;
- “biofuel” means any fuel, whether solid, liquid or gas, produced from biomass;
- “Board” means the National Climate Change Board established under Section 12;
- “carbon dioxide or CO₂” means the gas having the molecular chemical compound composed of two oxygen atoms each covalently double bonded to a single carbon atom;
- “carbon rights” refer to the legal claims, verified through social and land mapping, on the benefit streams from carbon sinks as referred to in Section 92A;
- “carbon sink” means a natural or artificial reservoir or location that sequesters or stores a greater amount of carbon dioxide than it releases;
- “climate change” means a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural variability over comparable time periods;
- “climate change adaptation plan” means the climate change adaptation plans referred to in Section 74;
- “climate change displacement” or “climate displacement” means the relocation and resettlement of people internally or across international borders due to the effects of climate change, including sudden and slow-onset climatic events and processes occurring either alone or in combination with other economic, social and political factors;
- “climate change related project agreement” means an agreement between the Authority, any persons or entity related to climate change related project or activity, the customary owners of the land and forest resources and the project proponent relating to an Agreement on or other Voluntary Carbon Offset Projects and any future climate change emission reduction mechanisms agreed to by the government that will facilitate for sustainable development and reduction of greenhouse gas emissions;
- “climate change related project or activity” means any project or activity that is undertaken in response to the effects of climate change, including but not limited to mitigation and adaptation projects or activities; to ensure climate resilience and carbon neutral pathway for climate compatible development;
- “climate emergency” means a situation or event in which an existential threat to humanity is present requiring urgent action in Papua New Guinea to reduce or halt climate change and avoid potentially irreversible global environmental damage resulting from it;
- “climate finance” means local, national or transnational financing-drawn from public, private and alternative sources of financing-that seeks to support mitigation and adaptation actions that will address climate change;
- “Climate Finance Steering Committee” is the Committee set up under Section 14A of this Act;
- “climate resilience” means the capability of communities, that built environment and ecosystems to respond to, withstand and recover from the adverse impacts of climate change;
- “CMA” means the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
- “Conference of the Parties” or “COP” means the supreme decision-making body of the UNFCCC;

Climate Change (Management)(Amendment)

- “Constitution” means the *Constitution* of the Independent State of Papua New Guinea;
- “Designated National Authority” means the Authority who is recognised by the UNFCCC and Paris Agreement to be the lead agency for dealing with climate change matters in Papua New Guinea;
- “ecosystem services” means provisioning services such as food and water; regulating services such as regulation of floods, drought, land degradation and disease; supporting services such as soil formation and nutrient cycling; and cultural services such as recreational, spiritual, religious and other non-material benefits;
- “emissions mitigation plan” means the emission mitigation plan referred to in Section 65;
- “emissions reduction standard” means a standard or scheme under which emissions reduction programmes, projects and activities can be registered and generate verified emissions reductions and for which emissions reduction units are issued;
- “emissions reduction unit” means a tradable certificate or permit that represents one tonne of carbon dioxide equivalent verified emissions reductions;
- “emissions trading” means the emissions trading system established and operated under Part VIA and referred to in Section 78A;
- “Environment Permit” or “EP” has the same meaning as defined under the *Environment Act 2000*;
- “Environmental Impact Assessment” or “EIA” has the same meaning as defined under the *Environment Act 2000*;
- “focal point” means an individual or entity appointed by the Managing Director to perform a function under various International Treaties, Agreements and Conventions that the State through the Authority, is party to;
- “foreshore” means the area between the mean high-water springs level of the sea and the lowest astronomical tide;
- “forest” means land spanning more than 0.5 hectares with trees higher than five metres and a canopy cover of more than 10 percent, or trees able to reach these thresholds *in situ*, to the exclusion of land that is predominantly under agricultural or urban land use;
- “free prior and informed consent or “FPIC” means a specific right that pertains to indigenous peoples and other land holders that allows them to give or withhold consent to a project or activity that may affect them or their property;
- “fuel standard” means the fuel standard referred to in Section 67;
- “Green Climate Fund” or “GCF” is a fund established within the framework of the UNFCCC as an operating entity of the financial mechanism to assist developing countries in adaptation and mitigation practices to counter climate change;
- “hydrofluorocarbons” or “HFCs” means any of several simple gaseous compounds that contain carbon, fluorine and hydrogen;
- “intangible property” means something that has no physical properties and is not itself intrinsically valuable, but that derives its value from what it represents or evidences and may include intellectual property, including traditional knowledge and expressions of culture;
- “international reporting practice” means accepted practice in relation to reporting for the purposes of the protocols to the UNFCCC, the Paris Agreement or such other agreements or arrangements at international level as the Head of State, acting on the advice, of the National Executive Council, may specify by Regulation;
- “Inter-governmental Panel on Climate Change” or “IPCC” means the United Nations body for assessing the science related to climate change;

Climate Change (Management)(Amendment)

“internationally transferred mitigation outcome” or “ITMO” are certified emission reduction units from the new mechanism for the international emissions trading between parties to the Paris Agreement in accordance with Article 6 of the Paris Agreement and includes -

- (a) Papua New Guinea Mitigation Outcome Units transferred internationally in accordance with Section 78A; and
- (b) emissions reductions generated outside of Papua New Guinea and approved for international transfer to the Government or entities operating within Papua New Guinea in accordance with this Act and the Regulations;

“just transition” means the framework that encompasses a range of social interventions needed to secure workers’ rights and livelihoods when economies are shifting to sustainable production in order to combat climate change and protect biodiversity by restructuring such sectors as energy, manufacturing, agriculture and forestry;

“Kyoto Protocol” means the protocol under the UNFCCC adopted at Kyoto, Japan, on 11 December 1997;

“land” includes -

- (a) the surface and any ground beneath the surface of the land; and
- (b) water; and
- (c) the foreshore, being that area between the mean high water springs level of the sea and the mean low water springs level of the sea; and
- (d) the waters of Papua New Guinea area being the seabed underlying the territorial sea from the mean low water springs level of the sea to such depth as admits of exploration for or mining of minerals and any interest in land;

“land holder” means -

- (a) persons having customary rights -
 - (i) of ownership or user rights over land or sea; or
 - (ii) of ownership or user rights over flora and fauna growing on land or sea; or
 - (iii) in relation to the use of land or sea; or
- (b) a person who is in occupancy of Government land by virtue of an agreement with the State; or
- (c) a person who is the owner or lawful occupant of land other than customary land or Government land;

“Managing Director” means the Managing Director appointed and holding office pursuant to Section 45;

“methane” or “CH₄” means a colourless, odourless, flammable and gaseous hydrocarbon that is a product of decomposition of organic matter and of the carbonisation of coal;

“Minister” means the Minister designated by the Prime Minister under Section 148 of the *Constitution* to be the Minister responsible for all matters related to Climate Change;

“mitigation” means efforts that seek to prevent or slow down the increase of atmospheric greenhouse gas concentrations by limiting current or future emissions and enhancing potential sinks for greenhouse gases;

“national forest reference level” means a national forests emission reference level or forest reference level expressed as tonnes of CO₂ equivalent per year for a reference period against which the emissions and removals from a results period are compared when implementing REDD+ activities;

“National Level Disbursement” is equal to or exceeds US\$50 million;

Climate Change (Management)(Amendment)

- “national target” means the total amount for national net emissions of greenhouse gas by sources and removals by sinks, including sub-national targets, for each of the regulated sectors which are set as a percentage that may be converted into tonnes of carbon dioxide equivalents for each sector for a period determined in accordance with the UNFCCC, the Paris Agreement and the IPCC guidelines;
- “nationally determined contribution” or “NDC” means efforts undertaken by Papua New Guinea to address climate change in accordance with Article 4 of the Paris Agreement;
- “nitrous oxide” or “N₂O” means a colourless gas that is used as an anaesthetic in dentistry and as a fuel and that is an atmospheric pollutant and greenhouse gas produced by combustion;
- “Papua New Guinea emissions” can be referred to as the anthropogenic release of the targeted greenhouse gases (CO₂, CH₄, N₂O, HFCs) into the atmosphere by human activities (mining, logging, fossil fuel refining, agricultural development, tourism development, combustion of fossil fuel products, industrial processes and use of products etc.) over a specified area and period of time, referred to in Section 54;
- “Papua New Guinea Mitigation Outcome Unit” means a certified emissions reduction unit issued in accordance with this Act and having a unique serial number;
- “Papua New Guinea removals” can be referred as any anthropogenic (human driven) method and technology (reforestation, afforestation, conservation, sustainable forest management, hydro-power, biofuel, solar initiatives, wind, geothermal wave, etc.) of removing carbon dioxide and the targeted GHGs from the atmosphere and sequestering it for a period of time in accordance with the guidelines referred to in Section 54;
- “Paris Agreement” means the Paris Agreement, ratified by Papua New Guinea on September 21, 2016 and which entered into force on November 4, 2016;
- “payments for environmental or ecosystem services” or “PES”, means payments for the provision of services from ecosystems, including but not limited to carbon sequestration or storage with benefits provided to land holders in the form of compensation, incentive funds, grants, donor money and other funding derived from national and international sources.
- “perfluorocarbons” or “PFCs” means any of various hydrocarbon derivatives in which all hydrogen atoms have been replaced with fluorine and that include blood substitutes used in emulsified form;
- “PGK” means Papua New Guinea Kina;
- “Public Service” means the service engaged under the *Public Services (Management) Act 1995* and as amended from time to time;
- “REDD+” means policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries as identified by the UNFCCC described by the Conference of Parties to the UNFCCC in Decision 1/CP.16 in its sixteenth session and Decision 1/CP.21 in its twenty-first session and as amended from time to time;
- “Registry” means the Papua New Guinea National Registry established under Section 78A;
- “regulated sector” means an economic sector specified in Section 53 as a regulated sector;
- “reservoir” means a component or components of the climate system where a greenhouse gas or a precursor of a greenhouse gas is stored, as defined in the UNFCCC;
- “results-based payments” means financial incentives for developing countries for implementing REDD+ actions and achieving results estimated through the UNFCCC approved rules and reported as emissions reduction in carbon dioxide equivalent;

Climate Change (Management)(Amendment)

- “sequestration” means any artificial or natural process, activity or mechanism which removes a greenhouse gas, an aerosol or a precursor of any greenhouse gas from the atmosphere;
- “sink” means any process, activity or mechanism, including carbon sinks, which removes a greenhouse gas, an aerosol or a precursor of any greenhouse gas from the atmosphere;
- “sulphur hexafluoride” or “SF₆” means a colourless gas that is soluble in alcohol and a powerful greenhouse gas widely used in the electrical utility industry;
- “Sustainable Development Goals 13 Roadmap Platform Committee” or “SDG 13 Roadmap Platform Committee” has the meaning given to it under Section 11(1)(o);
- “tangible property” are physical articles (things) as distinguished from “incorporeal” assets such as rights, patents, copyrights and franchises that which may be felt or touched; it must necessarily be corporeal, but it may be real or personal;
- “target” means the sectoral net emission and removals by sources and by sinks of greenhouse gas, for each of the regulated sectors, within the limits of the national target, which are set as a percentage that may be converted into tonnes of carbon dioxide equivalent for a period determined in accordance with the UNFCCC, the Paris Agreement and the IPCC guidelines;
- “targeted greenhouse gases” or “GHGs” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) or any other targeted greenhouse gas declared by the Head of State, acting on the advice, of the Minister under Section 5 as a targeted greenhouse gas for the purposes of this definition;
- “this Act” refers to the ***Climate Change (Management) Act 2015***, its subsequent amendments and the Regulations made under it;
- “tonne of carbon dioxide equivalent” means one metric tonne of carbon dioxide or an amount of any other targeted greenhouse gas with an equivalent global warming potential (calculated consistently with international reporting practice);
- “Trust Fund” means the Climate Resilience and Green Growth Trust Fund established under Section 37;
- “UNFCCC” means the United Nations Framework Convention on Climate Change, ratified by Papua New Guinea on April 1994;
- “verification report” means a report, prepared by a verifier, which verifies that a quantity of emission reductions have been generated by an emissions reduction project, programme or activity that is registered under that emissions reduction standard in accordance with the guidelines under the UNFCCC, as referred to in Section 60;
- “verified carbon unit” or “VCU” is an emission reduction unit issued under the Verified Carbon Standard;
- “verifier” means a person or entity who is certified under an emissions reduction standard to verify that the quantity of emissions reduction is in accordance with the verified emissions reduction standard including the UNFCCC guidelines, the Paris Agreement, international reporting practice and the processes or procedures before issuing an emissions reduction unit as referred to in Section 60;
- “waters of Papua New Guinea” means internal waters, including river, stream, watercourse, reservoir, well, bore, tank, dam, canal, channel, lake, lagoon, swamp, open drain, surface and underground water and other waters over which Papua New Guinea exercises or claims jurisdiction or sovereign rights and includes the seabed and subsoil underlying those waters.”.

Climate Change (Management)(Amendment)

3. NEW SECTION 5A.

The Principal Act is amended by inserting immediately after Section 5, the following new section:

“5A. DECLARATION OF CLIMATE EMERGENCY.

(1) The Head of State, acting on advice, shall make a declaration of the existence of a climate emergency for the purposes of this Act.

(2) Declarations made under this section, shall be published in the National Gazette and notified to the public.

(3) The Minister shall present a report to Parliament at the next meeting of the Parliament following a Declaration.

(4) A Regulation shall prescribe the implementation of this section.

(5) For the avoidance of doubt, this Act is not an Emergency Law for the purpose of Part X of the *Constitution*.”.

4. REPEAL AND REPLACEMENT OF SECTION 6.

The Principal Act is amended by repealing Section 6 and replacing it with the following:

“6. TERRITORIAL APPLICATION.

(1) This Act applies to all things done in, on, above or below -

- (a) any land or sea boundaries of Papua New Guinea as defined by Section 2 of the *Constitution* and the *Maritime Zones Act 2015*; and
- (b) over any waters of Papua New Guinea to which Papua New Guinea exercises or claims jurisdiction or sovereign rights and includes the seabed and subsoil underlying those waters as defined under the *Maritime Zones Act 2015*.

(2) This Act applies to any person or entity who conducts business in a regulated sector within Papua New Guinea’s territory, as defined under Subsection (1).”.

5. REPEAL AND REPLACEMENT OF SECTION 7.

The Principal Act is amended by repealing Section 7 and replacing it with the following:

“7. INTERNATIONAL TRANSPORTATION.

(1) Subject to Subsection (2), emissions of greenhouse gases from international aviation or international shipping do not count as emissions from sources in Papua New Guinea for the purposes of this Act.

(2) A Regulation may prescribe emissions from international aviation and international shipping as sources of climate change to the extent that they do not interfere with any requirements under -

- (a) the *Protection of the Sea (Shipping Levy) Act 2004*; and
- (b) the *National Maritime Safety Authority Act 2003*; and
- (c) the *Merchant Shipping Authority Act 2003*; and
- (d) *Civil Aviation Act 2000*; and
- (e) any other law enacted,

for the purposes of regulating these industries.

Climate Change (Management)(Amendment)

(3) The Head of State, acting on advice of the National Executive Council, may make Regulations, (including imposition of climate change levies or environmental levies where applicable), to authorise participation in schemes to regulate emissions from international aviation or international shipping.

6. REPEAL AND REPLACEMENT OF SECTION 10.

The Principal Act is amended by repealing Section 10 and replacing it with the following:

“10. PURPOSE.

The purpose of the Authority is to -

- (a) promote and manage the climate compatible development through climate change mitigation and adaptation activities; and
- (b) implement any relevant obligations of the State -
 - (i) under the UNFCCC and the Paris Agreement; and
 - (ii) under any other relevant applicable rules of international law regarding climate change; and
 - (iii) to give effect to national commitments of Papua New Guinea, on a voluntary basis or otherwise; and
- (c) be Papua New Guinea’s Designated National Authority or equivalent entity or complementary or superseding entity and any relevant entity under the UNFCCC and the Paris Agreement; and
- (d) administer compensation or incentive funds, grants, donor money and other funding derived from national and international climate finance sources under the direction of the Board to assist in the development of climate compatible economic endeavours and climate adaptation and mitigation programs in Papua New Guinea.”.

7. REPEAL AND REPLACEMENT OF SECTION 11.

The Principal Act is amended by repealing Section 11 and replacing it with the following:

“11. FUNCTIONS AND POWERS OF THE AUTHORITY.

- (1) In the discharge of its purpose, the Authority has the following functions:
 - (a) to develop, periodically update, publish and make available to the Conference of the Parties or CMA, in accordance with the UNFCCC and the Paris Agreement, the national inventory of anthropogenic emissions by sources and removals by sinks of all targeted greenhouse gases in accordance with international reporting practice; and
 - (b) to prepare, communicate and maintain a nationally determined contribution or “NDC” that Papua New Guinea intends to achieve, in accordance with the Paris Agreement, and to formulate, implement, publish and regularly update national measures to mitigate climate change by addressing anthropogenic emissions by sources and removals by sinks of all targeted greenhouse gases and measures to facilitate adequate adaptation to climate change; and
 - (c) to provide and cooperate in the development, application and diffusion, including transfer of technologies, practices and processes that control, reduce or prevent anthropogenic emissions of targeted greenhouse gases in all relevant regulated sectors; and
 - (d) to manage and ensure the promulgation of information regarding mitigation, adaptation and implementation requirements down to the community level and to provide points of contact for communities and sub-national governments; and

Climate Change (Management)(Amendment)

- (e) to require and facilitate sustainable management and cooperation in the conservation and enhancement, as appropriate, of sinks and reservoirs of all targeted greenhouse gases, including in biomass, forests and oceans; and
- (f) to cooperate with relevant bodies or persons in preparing and implementing plans and activities for adaptation to the impacts of climate change; and
- (g) to establish appropriate administrative offices, agents or consultants in Papua New Guinea and overseas or climate change attaches; and
- (h) to facilitate and cooperate in scientific, technological, technical, socio-economic and other research, systematic observation and development of data archives related to the climate system as a precautionary measure to reduce the uncertainties regarding the causes, effects, magnitude and timing of climate change; and
- (i) to provide for and cooperate in the full, open and prompt exchange of relevant scientific, technological, technical, socio-economic and legal information related to the climate system and climate change; and
- (j) to promote, facilitate and cooperate in education, training and public awareness related to climate change and encourage wide participation from individuals, groups, public and private bodies, donors and other relevant institutions; and
- (k) to establish, coordinate and manage any emissions trading schemes, or other mechanisms for GHG mitigation, for the purpose of limiting greenhouse gas emissions or encouraging activities that reduce such emissions or remove greenhouse gas from the atmosphere; and
- (l) to establish and manage Papua New Guinea's SDG 13 Roadmap Platform Coordination Committee to ensure implementation of the Sustainable Development Goals related to Climate Change and the NDC; and
- (m) to strengthen climate observation and support research towards proved understanding, modelling and prediction of the climate system and climate impacts; and
- (n) to carry out climate risk assessments that require environment permits pursuant to the *Environment Act 2000* and its associated Regulations, and study human and ecological systems to identify options to adapt to minimise the effects of climate change; and
- (o) to coordinate planning efforts on climate change adaptation initiatives to address loss and damage associated with climate change; and
- (p) to monitor, evaluate and revise adaptation projects, policies and programs, including their effectiveness, efficiency and overall utility; and
- (q) to monitor and review climate change related activities annually to strengthen coordination, accountability, drive innovation, enforce compliance and ensure implementation; and
- (r) to promote and enforce the rights of the land holders by requiring equitable participation in the climate change related programs that affect their customary land including the coastal sea area; and
- (s) to promote, coordinate and deliver climate change projects or activities in communities; and
- (t) to promote, coordinate and deliver capacity building activities related to climate change within the regulated sectors; and

Climate Change (Management)(Amendment)

- (u) to promote and assist cross-sectoral collaboration, including cross-sectoral collaboration for enforcement of requirements under this Act through the creation of regulations as well as through direct consultations; and
- (v) to submit and update periodically an adaptation communication, which may include Papua New Guinea's priorities, implementation and support needs, plans and actions, as appropriate; and
- (w) to ensure the provision of a national inventory report of anthropogenic emissions by sources and removals by sinks of greenhouse gases; information necessary to track progress made in implementing and achieving Papua New Guinea's NDC; and information on financial, technology transfer and capacity-building support needed and received under the UNFCCC and the Paris Agreement; and
- (x) to promote environmental integrity, transparency, accuracy, completeness, comparability and consistency, and ensure the avoidance of double counting, in accounting for Papua New Guinea's NDC; and
- (y) to participate and promote Papua New Guinea's climate actions and commitments in global stock takes under the Paris Agreement; and
- (z) to promote a just transition to low-carbon and climate-resilient development in the country; and
- (aa) to coordinate, monitor, manage and address climate emergency, climate displacement and improve climate resilience in the country; and
- (ab) publish statements, reports and guidelines relating to the performance of any of its functions; and
- (ac) and to perform any other or further functions or roles imposed on the Authority by this Act or any other law.

(2) The Authority, in performance of the functions, shall consult and collaborate where necessary with other departments, instrumentalities and agencies of the State and other agencies as the Authority determines from time to time for the implementation of laws and the making and implementation of policies in accordance with law on behalf of the State.

(3) The Authority has the power to do all things necessary or convenient to be done for or in connection with or otherwise incidental to the performance of its functions and to enable it to achieve its objectives.

8. FUNCTIONS AND POWERS OF THE BOARD (AMENDMENT OF SECTION 13).

Section 13 of the Principal Act is amended -

(a) in Subsection (2) -

- (i) by repealing in Paragraph (c) the words "the Kyoto Protocol together with such amendments or any new agreement that may supersede Kyoto Protocol to which Papua New Guinea has acceded for the purpose of limiting greenhouse gas emissions as defined in this Act; and" and replacing them with the words "the Paris Agreement; and"; and
- (ii) by repealing Paragraph (e) and replacing it with the following:

“(e) oversee the receipt of donor funding (such as results-based payments from) REDD+ activities and other national or international climate finance sources, such as the Green Climate Fund and other related-climate compatible development programs and activities; and”;

Climate Change (Management)(Amendment)

- (iii) by repealing in Paragraph (f), the words “REDD and”; and
- (iv) by repealing in Paragraph (g), the words “REDD and”; and
- (v) by inserting after Paragraph (h) the following new paragraphs:

- “(i) provide the endorsement of co-financing project proposal requests for financing that exceeds the National Level Disbursement limit for Green Climate Fund program and activities and ensure that these proposals are consistent with national laws and policies; and
- “(j) to establish and manage Papua New Guinea’s SDG 13 Roadmap Platform Coordination Committee that will ensure implementation of the SDG related to climate change including the NDC, and their alignment with national development objectives on an annual basis.”; and

- (b) in Subsection (4) by repealing “.” and replacing it with “under Section 15.”; and
- (c) by repealing Subsection (5) and replacing it with the following:

“(5) The Board may furnish to the Minister a report on the previous meeting or any matter the Board considers appropriate and such report may be published as part of the public record as requested by the Minister from time to time.”.

9. NEW SECTION 13A.

The Principal Act is amended by inserting immediately after Section 13, the following new section:

“13A. CORPORATE PLAN.

(1) The Authority shall prepare a corporate plan at least once every three years and shall submit the plan to the Minister through the Board.

(2) A plan prepared under Subsection (1) shall cover a period of at least three years.

(3) The Board shall keep the Minister informed about -

- (a) significant changes to the plan; and
- (b) matters that arise that might significantly affect the achievement of the objectives of the plan.

(4) A plan prepared under this section shall include details of the following matters:

- (a) assumptions about the Authority’s operational environment; and
- (b) the Authority’s strategies; and
- (c) performance indicators for the Authority; and
- (d) review of performance against previous corporate plans; and
- (e) analysis and mitigate risk factors likely to affect climate change activities; and
- (f) human resource strategies and community engagement strategies.

(5) A plan prepared under this section shall also cover any other matters required by the Minister, which may include further details about the matters specified in Subsection (4).”.

Climate Change (Management)(Amendment)

10. COMMITTEES (AMENDMENT OF SECTION 14).

Section 14 of the Principal Act is amended in Subsection (1) by repealing Paragraph (b) and replacing it with the following:

“(b) determine the powers and functions of the Committee, in accordance with prescribed Regulations or as the Board determines.”.

11. NEW SECTION 14A.

The Principal Act is amended by inserting immediately after Section 14, the following new section:

“14A. CLIMATE FINANCE STEERING COMMITTEE.

(1) The Board shall establish a Climate Finance Steering Committee with participants from relevant Government agencies and stakeholders to oversee coordination of climate finance at the national level and ensuring that relevant accredited climate finance entities are identified to facilitate the development of project proposals that are consistent with national laws and policies.

(2) The Committee shall be established within six months of the coming into operation of this Act.

(3) A Regulation shall make further provisions for and in relation to -

- (a) the appointment of the Climate Finance Steering Committee; and
- (b) the composition of the Climate Finance Steering Committee; and
- (c) the functions of the Climate Finance Steering Committee; and
- (d) such other matters as may be appropriate.”.

12. DELEGATION (AMENDMENT OF SECTION 15).

Section 15 of the Principal Act is amended by repealing Subsection (2) and replacing it with the following:

“(2) A delegation under Subsection (1) is revocable by resolution of the Board in writing, at any time.”.

13. MEMBERSHIP OF THE BOARD (AMENDMENT OF SECTION 16).

Section 16 of the Principal Act is amended by repealing Subsection (2) and replacing it with the following:

“(2) The Board shall comprise of 11 members being -

(a) four members appointed in accordance with Section 19 where -

- (i) one member representing members of the National Council of Women of Papua New Guinea in accordance with the *National Council of Women Incorporation Act 1979*; and
- (ii) one member representing the private sector appointed amongst the members of the Papua New Guinea Chamber of Mining and Petroleum or its successor entity; and
- (iii) one member representing the National Council of Churches; and
- (iv) one member to be appointed by the Minister.

(b) seven *ex-officio* members, comprised of -

- (i) Managing Director of the Authority; and
- (ii) Secretary for the Department of Treasury; and
- (iii) Secretary for the Department of Finance; and

Climate Change (Management)(Amendment)

- (iv) Managing Director for Papua New Guinea Forest Authority; and
- (v) Secretary for the Department of Justice and Attorney-General; and
- (vi) Managing Director for Conservation and Environment Protection Authority;
and
- (vii) Secretary for the Department of National Planning and Monitoring.”.

14. APPOINTMENT COMMITTEE (AMENDMENT OF SECTION 17).

Section 17 of the Principal Act is amended -

(a) in Subsection (2) by -

- (i) repealing the words “who is” in Paragraph (a) and replacing them with the word “as”; and
- (ii) repealing Paragraph (b) and replacing it with the following:

“(b) Manager Director for Conservation and Environment Protection Authority or his alternate, as the Deputy Chairman”; and

- (iii) repealing the words “National Planning and Monitoring” in Paragraph (c) and replacing them with the words “Petroleum and Energy”; and
- (iv) repealing Paragraphs (f) and (g) and replacing them with the following:

“(f) Secretary for the Department of Provincial and Local-level Government Affairs or his alternate; and

(g) President or Chairman of Papua New Guinea Chamber of Commerce or his alternate.”; and

(b) by repealing Subsection (3) and replacing it with the following:

“(3) An alternate member under Subsection (2)(a), (b), (c), (d), (e) or (f) shall hold a senior management role at the Deputy Head level in the department or agency concerned and shall be appointed with a written consent of the head of department or agency concerned.”; and

(c) by inserting the following new subsections after Subsection (3):

“(4) The quorum for any meeting shall consist of four members and the Chairman, or in his absence the Deputy Chairman, has a deliberative vote and if there is an equal number of votes on any matter, also a casting vote.

(5) The meeting shall only be convened and chaired by the Secretary for the Department of Personnel Management, or in his absence, the Managing Director of the Conservation and Environment Protection Authority.

(6) The Appointment Committee may, through the Minister, recommend to the National Executive Council for the reappointment of the *ex officio* Board members and the Managing Director of the non *ex officio* Board members and the Managing Director meet their respective terms and conditions of appointment.”.

15. SCREENING COMMITTEE (AMENDMENT OF SECTION 18).

The Principal Act is amended by repealing Subsection (3) and replacing it with the following:

Climate Change (Management)(Amendment)

“(3) The Screening Committee shall be comprised of five members who have qualifications in human resources and occupy positions at First Assistant Secretary level or equivalent from the following agencies:

- (a) Department of Labour and Industrial Relations; and
- (b) Department of Community Development, Youth and Religion; and
- (c) Department of Personnel Management; and
- (d) Road Traffic Authority; and
- (e) the Authority,

where at least one member is a female, and all shall be selected by respective agency heads.”.

16. QUALIFICATIONS FOR APPOINTMENT (AMENDMENT OF SECTION 21).

Section 21 of the Principal Act is amended -

- (a) by inserting before the existing provision, the subsection designation “(1)” ; and
- (b) by inserting after Subsection (1), the following new subsection:

“(2) These appointments shall be merit based.”.

17. CALLING OF MEETINGS (AMENDMENT OF SECTION 26).

Section 26 of the Principal Act is amended in Subsection (1) by repealing the words “not less frequently than” and replacing them with the words “at least”.

18. NEW SECTIONS 26A AND 26B.

The Principal Act is amended by inserting immediately after Section 26, the following new sections:

“26A. SECRETARIAT.

The Authority shall establish a secretariat comprising of staff from the Authority to support the functions of the Board on such matters as the Board considers necessary.

26B. SECRETARY OF THE BOARD.

(1) There shall be a Secretary to the Board who shall be appointed in accordance with this Act.

(2) The Board shall appoint a senior employee of the Authority to be the Secretary of the Board.

(3) The Secretary is responsible for convening meetings of the Board and for recording minutes of those meetings.”.

19. MEETINGS OF THE BOARD (AMENDMENT OF SECTION 27).

Section 27 of the Principal Act is amended -

- (a) in Subsection (1) -
 - (i) by repealing the word “is” and replacing it with the words “may consist of”; and
 - (ii) by inserting after the word “Chairman”, the words “or Deputy Chairman”; and
 - (iii) by repealing the word “seven” and replacing it with the word “five”; and
- (b) in Subsection (2)(b) by inserting immediately after the word “Chairman” the following “, or in his absence, the Deputy Chairman,”; and
- (c) in Subsection (3) -
 - (i) by repealing “-” ; and
 - (ii) by inserting after the word “Chairman” the phrase twice occurring “or the Deputy Chairman”; and

Climate Change (Management)(Amendment)

- (d) in Subsection (4) by repealing the word “overseas” and replacing it with the words “outside of Papua New Guinea.”.

20. NEW SECTION 27A.

The Principal Act is amended by inserting immediately after Section 27, the following new section:

“27A. PUBLIC REGISTER.

- (1) There is established a Public Register to be kept and maintained by the Board.
- (2) The Public Register shall -
 - (a) be in the prescribed form; and
 - (b) contain such particulars as are required by this section or as are prescribed.
- (3) The Public Register shall contain -
 - (a) summaries of decisions of the Board containing brief facts and the resolutions thereto but shall not contain summaries of matters which are of a commercial-in-confidence nature or sub-judice or information which ought not to be in the public domain; and
 - (b) maps relating to climate change projects; and
 - (c) climate change project agreements.”.

21. ANNUAL REPORTS (AMENDMENT OF SECTION 34).

Section 34 of the Principal Act is amended by inserting the following new subsection after Subsection (1):

“(1A) The annual report shall contain information necessary to track progress made in implementing and achieving Papua New Guinea’s NDC and report on any support received in accordance with relevant Articles of the UNFCCC and the Paris Agreement.”.

22. REPEAL AND REPLACEMENT OF SECTION 35.

The Principal Act is amended by repealing Section 35 and replacing it with the following:

“35. APPLICATION OF THE *PUBLIC FINANCES (MANAGEMENT) ACT 1995* AND THE *NATIONAL PROCUREMENT ACT 2018*.

The *Public Finances (Management) Act 1995* and the *National Procurement Act 2018* apply to and in relation to the Authority.”.

23. REPEAL AND REPLACEMENT OF SECTION 37.

The Principal Act is amended by repealing Section 37 and replacing it with the following:

“37. ESTABLISHMENT OF THE CLIMATE RESILIENCE AND GREEN GROWTH TRUST FUND.

(1) The Climate Resilience and Green Growth Trust Fund is hereby established and vests in the Authority.

(2) The Trust Fund established under Subsection (1) shall be administered by the Authority in accordance with the *Public Finances (Management) Act 1995* and this Act.

(3) The Trust Fund established under Subsection (1) shall consist of the following trust accounts, namely:

- (a) Climate Change Main Operating Trust Account; and

Climate Change (Management)(Amendment)

- (b) Climate Change Small Grants Facility Trust Account; and
- (c) Climate Change Mitigation Trust Account; and
- (d) Climate Change Adaptation Trust Account; and
- (e) Community Relocation Trust Account; and
- (f) other related trust accounts established under law for the purpose of climate change shall be governed by the respective trust instruments.

(4) The purpose of the Trust Fund is to -

- (a) hold funding mobilised and administered from a variety of internal and external sources from resilient development initiatives related to climate disaster preparedness, response and recovery and low carbon development projects and programs in Papua New Guinea; and
- (b) finance resilient development initiatives related to natural disaster preparedness, response and recovery and low carbon development projects and programs in Papua New Guinea; and
- (c) hold moneys to provide for grant and loan funding to finance -
 - (i) any natural disaster early warning systems or emergency preparedness, response and recovery and climate resilient programs and projects and related activities; and
 - (ii) community-based grant projects that have a climate change adaptation or climate change mitigation (including REDD+) focus; and
 - (iii) any climate change adaptation or climate change mitigation (including REDD+) project that supports women, children, vulnerable and displaced persons or persons with disability; and
 - (iv) public, private, academic and civil society climate change adaptation or climate change mitigation initiatives (including internationally funded projects) that support priority climate change adaptation and mitigation (including REDD+) initiatives, projects and programs.

(5) The income from climate finance sources may be invested, disbursed as grants or loans or used to cover the Trust Fund's administrative expenses and operating costs under this Act.”.

24. REPEAL AND REPLACEMENT OF SECTION 38.

The Principal Act is amended by repealing Section 38 and replacing it with the following:

“38. FUNDING LEVY ARRANGEMENT.

(1) Subject to the approval of the National Executive Council, the Authority shall, in consultation with the departments responsible for treasury and customs matters and any relevant entities, impose or redistribute import levies on fertilizers, fuel, coal and other goods which may contribute to the emission of greenhouse gases, as may be agreed or determined by the Authority and the departments responsible for treasury and customs matters and any relevant entity from time to time.

(2) Subject to the approval of the National Executive Council, the Authority shall, in consultation with the department responsible for treasury matters and any relevant entities, impose appropriate climate levies on factories, roadstead or installations at sea or land-based operations close to sea, movement or transport of hazardous wastes into and out of Papua New Guinea or related activities which may contribute to the emission of greenhouse gases.

Climate Change (Management)(Amendment)

(3) Subject to the approval of the National Executive Council, the Authority shall, in consultation with the departments responsible for treasury and forestry matters, and any relevant entities, impose deforestation levies on logging companies in Papua New Guinea.

(4) All levies collected under this section shall be paid to the credit of the Trust Fund.

(5) A Regulation shall provide for a list of the industries and sectors for which this Section shall apply, and prescribe the requirements and procedures required to be complied with.

(6) Prior to the enforcement of the Regulation under Subsection (5), the Authority shall, for the purposes of this section, notify the relevant industries, sectors, persons or entities of the application of this section.”.

25. NEW SECTION 38A.

The Principal Act is amended by inserting immediately after Section 38, the following new section:

“38A. FEES AND CHARGES

(1) The Minister responsible for Finance matters shall, in consultation with the Minister, determine or review the activities and services for which fees and charges shall apply, and the amount of those fees and charges, in accordance with the *Public Finances (Management) Act 1995*.

(2) Unless expressly stated, all fees and charges collected under this section shall be paid to the credit of the Trust Fund.”.

26. REPEAL AND REPLACEMENT OF SECTION 39.

The Principal Act is amended by repealing Section 39 and replacing it with the following:

“39. PAYMENTS INTO THE TRUST FUND.

(1) Payments into the Trust Fund shall consist of -

- (a) monies or assets that may accrue to or vest in the Trust Fund by way of grants, subsidies, bequests, donations, gifts and subscriptions from the National Government or from a Provincial Government or from any other person; and
- (b) climate finance and other related finance; and
- (c) budgetary appropriations from the National Government, Provincial Government or Local-level Governments; and
- (d) any fees, charges, levies, taxes and fines that are specifically prescribed to the Trust Fund by law or executive orders including those provided for under Sections 38 and 38A; and
- (e) revenues from investments; and
- (f) proceeds from the sale, lease or transfer of tangible and intangible property; and
- (g) all monies appropriated by law for the purposes of the Trust Fund and for carrying out or giving effect to this Act; and
- (h) all monies or assets as may accrue to or vest in the Trust Fund, whether in the course of the exercise by the Authority of its functions or powers or otherwise; and

Climate Change (Management)(Amendment)

- (i) all monies received as a loan, grant or assistance from authorised institutions, as that is defined under Section 3 of the ***Banks and Financial Institutions Act 2000***, international agencies or organisation or foreign governments for the purposes of the Authority; and
- (j) all fines payable under this Act; and
- (k) equalisation or compensation payments to be made to Papua New Guinea by any government, supranational body, authority or person on account of national curtailment of targeted greenhouse gas emissions or its sequestration of targeted greenhouse gas emissions; and
- (l) funds drawn from or on account of REDD+, such as results-based payments, for administration of particular activities approved under those schemes; and
- (m) funds drawn from or on account of any targeted greenhouse gas reduction or mitigation or adaptation program howsoever arising where the government of Papua New Guinea has a responsibility for administration of a particular program in accordance with its terms; and
- (n) accretions on such funds; and
- (o) all funds received from donors or persons or entities nationally or internationally, except from the Government of Papua New Guinea, by any person or entity for the purposes of climate change related activities shall be declared by the Authority and 7 percent of the total monies received at any one time shall be paid to the Trust Fund under the following percentages:
 - (i) 2 percent to the Climate Change Adaptation Trust Account; and
 - (ii) 2 percent to the Climate Change Mitigation Trust Account; and
 - (iii) 2 percent to the Climate Change Small Grants Facility Trust Account; and
 - (iv) 1 percent to the Climate Change Main Operating Trust Account, as climate administration fees; and
- (p) any other sources of revenue deemed appropriate to the Authority.

- (2) A person or an entity that contravenes Subsection (1)(o), is guilty of an offence.

Penalty: A fine not exceeding K1,000,000.00 for a body corporate, or a fine of K250,000.00 or imprisonment for a term of not less than seven years or both for a natural person.

- (3) The Trust Fund shall hold monies to provide grant and loan funding to finance any climate change related activities or programs in Papua New Guinea including, but not limited to -

- (a) community-based small grant programs that have a climate change adaptation or mitigation, including REDD+ focus; and
- (b) any climate change adaptation or climate change mitigation programs (including REDD+) that supports women, children, vulnerable and displaced persons or persons with disability; and
- (c) public, private, academic and civil society climate change adaptation or mitigation initiatives including internationally funded programs through the Green Climate Fund and other funding sources, that support climate change adaptation, mitigation and REDD+ programmes; and
- (d) the establishment and operation of climate change attaché posts in diplomatic missions overseas including participation in the international climate change negotiations under the UNFCCC and Paris Agreement.”.

27. REPEAL AND REPLACEMENT OF SECTION 40.

The Principal Act is amended by repealing Section 40 and replacing it with the following:

“40. PAYMENTS FROM THE TRUST FUND.

(1) Unless expressly stated, payments from the Trust Fund shall only be approved by the Authority through the Board for -

- (a) purposes of the Trust Fund under Section 37(4); and
- (b) grant or loan funding under Section 39(2); and
- (c) the administrative expenses associated with the execution of the duties and responsibilities of the Authority and the management of the Trust Fund as approved by the Board; and
- (d) the contracting of services for the routine, periodic and emergency actions of the Authority in the performance of its duties; and
- (e) the human and technological resources required by the Authority for enforcing particular regulations regarding the national reference level and targets any other payments necessary to give effect to this Act; and
- (f) the activities listed under Section 11 of this Act.

(2) All decisions regarding payments from the Trust Fund shall have regard to any existing donor funding agreements in the process of administration of monies and disbursement of funding.

(3) If the annual income from the Trust Fund together with any surplus income brought forward from a previous year is insufficient to meet the actual or estimated expenditure and commitments from the Trust Fund, the Treasurer, with the approval of Parliament, may make advances to the Authority and such advances shall be made on such terms and conditions, whether as to repayment or otherwise, as the Treasurer may determine.”.

28. BANK ACCOUNTS (AMENDMENT OF SECTION 41).

Section 41 of the Principal Act is amended -

- (a) in Subsection (1) by -
 - (i) inserting the word “bank” immediately after the word “more”; and
 - (ii) repealing “.” and inserting “, in accordance with the *Public Finances (Management) Act 1995*.” immediately after the word “account”; and
- (b) by repealing Subsection (3).

29. REPEAL AND REPLACEMENT OF SECTION 42.

The Principal Act is amended by repealing Section 42 and replacing it with the following:

“42. INVESTMENT AND BORROWING BY THE AUTHORITY.

(1) The Authority may invest any monies standing to the credit of the Trust Fund -

- (a) in any securities of, or guaranteed by the State; or
- (b) on deposit with an approved bank or a licensed financial institution approved by the Bank of Papua New Guinea; or
- (c) in any manner authorised by the *Public Finances (Management) Act 1995* and any other law.

(2) Any balance of monies in the Trust Fund at the end of each year shall remain to the credit of the Trust Fund and shall be used only in accordance with this Act.

Climate Change (Management)(Amendment)

(3) Subject to Part VI of the *Public Finances (Management) Act 1995*, the Authority may obtain loans from a reputable financial institution or regional or multilateral organisation or any person as the Board determines for the purpose of this Act.

(4) Subject to Subsection (2), any balance of monies in the operating accounts of the Authority at the end of each year shall be placed to the credit of the Trust Accounts and be used only for the purposes of this Act.”.

30. REPEAL OF SECTION 43.

Section 43 of the Principal Act is repealed.

31. NEW SECTIONS 42A AND 42B.

The Principal Act is amended by inserting immediately after Section 42, the following new sections:

“42A. INCENTIVES FOR THE PROMOTION OF CLIMATE CHANGE INITIATIVES.

(1) The minister responsible for treasury matters, in accordance with the *Income Tax Act 1959*, grant to persons who -

- (a) encourage and put in measures for the mitigation of climate change including reduction of greenhouse emissions and use of renewable energy; and
- (b) put in place measures to adapt and improve Papua New Guinea’s resilience to climate change; and
- (c) are involved in the conduct of accredited training in programmes that are aimed at mitigating and adapting to climate change.

(2) The minister responsible for treasury matters shall, if granting incentives to persons in accordance with Subsection (1), in regulations, set out the nature of the incentives, the conditions for the grant or withdrawal of such incentives and such other matter as may be necessary for the exercise of the power conferred under Subsection (1).

(3) In granting incentives under Subsection (1), the minister responsible for treasury matters shall take into account international standards and best practice.

42B. ACCREDITED CLIMATE FINANCE ORGANISATIONS.

(1) State entities or private organisations accredited to climate funds, including but not limited to the Green Climate Fund, can be recipients and administrators of public or private contributions designated to be used for the implementation of measures for mitigation and adaption to climate change with the approval of the Authority.

(2) Administrators of the State entities or private organisations in Subsection (1) must monitor, evaluate, publish and communicate to the Minister and the minister responsible for treasury the results of their actions to address climate change and demonstrate the effectiveness and efficiency of their expenditure.

(3) The minister responsible for treasury matters shall, with the support of the Authority, establish guidelines for the use of climate finance, to be applied by the State entities or private organisations in Subsection (1), in order to ensure strategic and complementary use of the funds that will be allocated for climate finance.”.

Climate Change (Management)(Amendment)

32. THE OFFICE OF THE MANAGING DIRECTOR (AMENDMENT OF SECTION 44).

Section 44 of the Principal Act is amended in Subsection (3) by -

- (a) repealing “.” in Paragraph (e) and inserting “; and”; and
- (b) inserting the following new paragraph after Paragraph (e):

“(f) no history of prior criminal convictions or breaches to the Leadership Code.”.

33. AMENDMENT TO HEADING OF DIVISION 1 OF PART IV.

The Principal Act is amended in Part IV by -

- (a) repealing the word “National” in the heading of Division 1 and replacing it with the word “Baseline”; and
- (b) repealing the word “national” wherever occurring and replacing it with the word “baseline”.

34. REGULATED SECTORS (AMENDMENT OF SECTION 53).

Section 53 of the Principal Act is amended -

- (a) in Subsection (1) by repealing Paragraph (b) and replacing with the following:

“(b) the Minister shall establish these economic activities after consultation with relevant sectors and may base decisions on the best available science; and

(c) a regulation may, from time to time, prescribe which sectors of the national economy are regulated sectors.”; and

- (b) by inserting the following new subsections after Subsection (2):

“(3) Regulated sectors shall comply with the targets set and actively achieve them.

(4) Targets may be set as a percentage of the national target that may be converted into annual tonnes of CO₂ equivalents for each sector.

(5) The tonnes of CO₂ equivalents may be allocated to each sector as targets in line with the NDC and the Authority -

- (a) may require a specific project to produce an EIA under the *Environment Act 2000* in which the amount of CO₂ equivalents that are estimated to be emitted are disclosed; and
- (b) may assess the estimated project specific emissions and deduct from the total amount of allowable emissions for the regulated sector in question; and
- (c) may issue approval for a specific project in each regulated sector to commence or operate to meet its target.

(6) A Regulation shall provide the requirements and guidelines on the issuance of licenses or permits.

(7) A person or body corporate who contravenes this section is guilty of an offence.

Penalty: A fine not exceeding K20,000.00 or imprisonment for a term not exceeding nine months or both, for a natural person or a fine not exceeding K500,000.00 for a body corporate.”.

Climate Change (Management)(Amendment)

35. MEASUREMENT (AMENDMENT OF SECTION 54).

Section 54 of the Principal Act is amended -

(a) by repealing Subsection (2) and replacing it with the following:

“(2) The amount of Papua New Guinea emissions and Papua New Guinea removals of a greenhouse gas for a period shall be determined in accordance with international reporting practice under the UNFCCC, the Paris Agreement and the IPCC Guidelines.”; and

(b) by repealing Subsection (6) and replacing it with the following:

“(6) A Regulation may prescribe the standard format for requirements and methodologies for measurement and mandatory requirements for consultations in accordance with international reporting practice adopted and amended from time to time.

(7) All emissions shall be verified by an appropriately qualified, independent third party in accordance with Section 60.”.

36. THE NATIONAL REFERENCE LEVEL (AMENDMENT OF SECTION 55).

Section 55 of the Principal Act is amended in Subsection (2) by deleting “.” and inserting the following:

“, the Paris Agreement and IPCC Guidelines.”.

37. REQUIREMENT FOR TARGETS (AMENDMENT OF SECTION 56).

Section 56 of the Principal Act is amended -

(a) in Subsection (1) by -

- (i) repealing the words “On or before 30 June in the second calendar year after” and replacing them with the word “After” ; and
- (ii) repealing the word “second” appearing immediately before the word “anniversary” and replacing it with the word “three”; and
- (iii) deleting the word “three” and replacing it with the word “five”; and
- (iv) repealing Paragraph (I) and replacing it with the following:

“(I) such other persons or entities entitled to be consulted by law or as determined by the Board, as determined through sectoral mapping and best practice,”; and

- (v) inserting the following “, having regard to Papua New Guinea’s NDC,” immediately after the word “shall” in the last paragraph.”; and

(b) repealing Subsections (2) and (3) and replacing them with the following:

“(2) Through the prescribed mechanisms the sectors shall work together through the departments and ministers to allocate sectoral emissions targets that shall be within the limit of the national target and be completed in accordance with international reporting practice and guidance under the UNFCCC.

Climate Change (Management)(Amendment)

(3) The Head of State, acting on the advice, of the Minister, shall determine, and at set time intervals, in accordance with the UNFCCC and the Paris Agreement and any such other or subsequent arrangements or agreements made under the UNFCCC and the Paris Agreement, make a revision of the national targets for reducing emissions of carbon dioxide and targeted greenhouse gases.

(4) A determination by the Head of State, pursuant to this section shall be published in the National Gazette.

38. CRITERIA FOR DETERMINING AND REVISING THE TARGETS (AMENDMENT OF SECTION 57).

Section 57 of the Principal Act is amended by repealing Paragraphs (a), (b) and (c) and replacing them with the following:

- “(a) the best available science; and
- (b) the gross domestic product of Papua New Guinea, including levels of planned or projected changes in national gross domestic product over time; and
- (c) economic growth generally in Papua New Guinea, including levels of planned or projected changes in gross domestic product over time; and
- (d) the socio-economic and environmental development matters of Papua New Guinea; and
- (e) emission, mitigation and adaptation plans under Part V and Part VI, and further or other matters prescribed by Regulation; and
- (f) need to ensure targets be made progressively more ambitious through subsequent reporting cycles and conditional upon support as provided for under the Paris Agreement; and
- (g) when there is uncertainty, matters in Paragraph (a) may be given equal or greater weight to the other matters for consideration; and
- (h) Papua New Guinea’s current NDC and other frameworks for sustainable development; and
- (i) available climate finance to achieve a balance between mitigation and adaptation.”.

39. NATIONAL REPORTING (AMENDMENT OF SECTION 59).

Section 59 of the Principal Act is amended by -

- (a) repealing Subsection (1) and replacing it with the following:

“(1) The Managing Director shall cause to be prepared and delivered to the Board for its review any revisions to Papua New Guinea’s NDC and the national reports prescribed under Subsection (5).”; and

- (b) repealing Subsection (5) and replacing it with the following:

“(5) Papua New Guinea’s -

- (a) national inventory report; and
- (b) information required to track progress made towards Papua New Guinea’s NDC; and
- (c) information related to climate change impacts and adaptation; and
- (d) information on financial, technology transfer and capacity-building support needed and received; and
- (e) any other reporting provided for under the UNFCCC and the Paris Agreement,

shall be prepared in accordance with international reporting practice under the UNFCCC, the Paris Agreement and relevant IPCC Guidelines.”.

40. REPEAL AND REPLACEMENT OF SECTION 60.

The Principal Act is amended by repealing Section 60 and replacing it with the following:

“60. NATIONAL AND INTERNATIONAL VERIFIERS TO BE REGISTERED.

(1) Any verifier under this Division shall comply with the rules prescribed under the UNFCCC and the Paris Agreement, international reporting practice and the processes or procedures prescribed under this Act and any other relevant law.

(2) A person or an entity who performs verification report shall be registered with the Authority as a registered verifier subject to Section 61.

(3) A person registered as a verifier should be an independent third party.

(4) For purposes of projects registered to voluntary carbon markets and other emerging carbon markets not guided by the UNFCCC and the Paris Agreement, Subsections (2), (3) and (4) apply.

(5) The roles and functions of a verifier shall be prescribed in a Regulation.”.

41. REQUIREMENTS FOR REGISTRATION (AMENDMENT OF SECTION 61).

Section 61 of the Principal Act is amended by repealing Subsection (1) and replacing it with the following:

“(1) A person or an entity may apply to the Managing Director for registration as a registered verifier if the person or entity -

- (a) is a resident in Papua New Guinea or elsewhere; and
- (b) meets the verifier accreditation criteria, requirements and technical capacity under the UNFCCC and the Paris Agreement; and
- (c) has -
 - (i) provided sufficient evidence that the person or the entity has taken out professional indemnity insurance, in the amount prescribed by the Board, with an independent reputable insurance company; and
 - (ii) complied with the provisions of the *Workers’ Compensation Act 1978*; and
 - (iii) registered as a tax payer and is issued with a current certificate of compliance by the Internal Revenue Commission as required by the *Income Tax Act 1959*; and
 - (iv) registered a business name or company under the *Business Names Act 2014* or *Companies Act 1997*; and
 - (v) paid an application or registration fee approved by the Board from time to time; and
- (d) possesses qualifications appropriate to conduct verification in the relevant sector.”.

42. REPEAL AND REPLACEMENT OF DIVISION 2 OF PART V.

The Principal Act is amended by repealing Section 2 of Part V and replacing it with the following:

“Division 2. - Immediate emission mitigation steps.

65. EMISSIONS MITIGATION PLANS.

(1) As at the coming into operation of this Act and for each year, each person, organisation, group or any other such body carrying on an activity in a regulated sector shall, taking into account Papua New Guinea's NDC and the Paris Agreement's global temperature goal, prepare a mitigation plan to -

- (a) reduce its production of carbon dioxide and other targeted greenhouse gases; and
- (b) increase the capture of carbon dioxide or other targeted greenhouse gases in a sink and identify ways the person, organisation, group or any other such body might participate in climate change related activities.

(2) The Authority shall make Regulations for the following activities that contribute to GHG emissions:

- (a) Transportation; and
- (b) Agriculture; and
- (c) Forestry; and
- (d) Energy generation; and
- (e) Land use; and
- (f) Waste disposal; and
- (g) Industrial processes and product use; and
- (h) Manufacturing processes; and
- (i) any other related activities.

(3) A person or an entity which contravenes Subsection (1) is guilty of an offence.

Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding two months or both, for a natural person or a fine not exceeding K500,000.00 for a body corporate.

66. ENFORCED MITIGATION.

(1) The Head of State, acting on the advice, of the Minister shall, within 12 months, make Regulations of the type and effect specified in Sections 64 and 65.

(2) If mitigation measures and requirements based on a mandatory emissions mitigation plan are not adhered to, the Authority, in consultation with the Conservation and Environment Protection Authority, may withhold, suspend or cancel the granting of an Environment Permit as prescribed by the *Environment Act 2000* subject to compliance.

Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding two months or both, for a natural person or a fine not exceeding K500,000.00 for a body corporate.

67. FUEL STANDARDS.

(1) A Regulation to be known as the Fuel Standards Regulation shall be adopted within 12 months of the date of coming into operation of this Act to -

- (a) prescribe the standard of refining and maximum permissible content of sulphur and other targeted greenhouse gas pollutants in all fuel for use in land, sea and air transport and power generation; and
- (b) contain provisions requiring refiners and distributors of fuel to take measures to control and eliminate contamination of fuel with water, sediments and other substances which would impede the clean combustion of fuel; and

Climate Change (Management)(Amendment)

- (c) contain provisions on the use and standards of biofuel; and
- (d) provide for other technical matters necessary or convenient to give effect to mitigation of emission of carbon dioxide and other targeted greenhouse gases from use of petroleum fuels.

(2) A person who or an entity that contravenes this section is guilty of an offence.

Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding two years or both, for a natural person or a fine not exceeding K500,000.00 for a body corporate.

68. CLIMATE BUILDING STANDARDS.

(1) ~~A Regulation to be known as the Climate Building Standards Regulation shall prescribe minimum environmental standards and performance levels to apply in the construction of all new buildings and in refurbishments which require regulatory approval under Section 11 of the *Building Act 1971*.~~

(2) Without limitation, the Climate Building Standards Regulation may address the design and performance requirements for -

- (a) insulation to be used in roof and external walls; and
- (b) glazing systems; and
- (c) cooling, heating and ventilation systems; and
- (d) internal lighting and external security lighting; and
- (e) energy efficiency technology; and
- (f) certification of building designs as compliant with the Climate Building Standards Regulation,

and all other technical matters necessary or convenient to give effect to mitigation of emission of carbon dioxide and other targeted greenhouse gases from buildings.

(3) The Climate Building Standards Regulation will be complementary with the existing Building Regulations and override the Building Regulations, only to the extent of any inconsistency between the two Regulations.

(4) Where it is necessary or convenient for the purposes of any Act that a building or parts of a building or designs for a building be certified as being compliant with the Climate Building Standards Regulation, such certification may only be provided by a member of the Papua New Guinea Institute of Engineers or any other person authorised in accordance with the Climate Building Standards Regulation.

(5) A person who or an entity that contravenes this section is guilty of an offence.

Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding two years or both, for a natural person or a fine not exceeding K500,000.00 for a body corporate.

68A. CLIMATE RESILIENT INFRASTRUCTURE.

(1) In addition to Sections 66 and 69, all Ministers and other persons making decisions relating to proposals for new infrastructure must -

- (a) direct that a climate risk and resilience assessment be conducted on the proposal with reference to any integrated risk scenarios developed in accordance with this Act and other relevant risk scenarios; and

Climate Change (Management)(Amendment)

- (b) consider the climate risk and resilience assessment prepared in accordance with Paragraph (a) when deciding whether or not to approve the proposal; and
- (c) make a decision to approve or not approve the proposal that promotes and is consistent with the climate risk and resilience assessment prepared in accordance with Paragraph (a).

(2) For the avoidance of doubt, proposals for new infrastructure include proposals for infrastructure that must be replaced due to the impacts of natural disasters and the adverse impacts of climate change.

(3) A Regulation to be known as the Climate Resilient Infrastructure Standards Regulation shall prescribe minimum environmental standards and performance levels to apply to all infrastructure.

69. OTHER DEVELOPMENT STANDARDS.

(1) A person or entity, before undertaking any or more of the following developments activities:

- (a) civil works; or
- (b) mining, both land-based and seabed mining operations; or
- (c) oil and gas, both land-based and seabed extraction operations; or
- (d) agriculture and livestock; or
- (e) industrial processes and product use; or
- (f) forestry; or
- (g) fisheries, both at sea and shore-based fishing operations; or
- (h) any related activities,

shall comply with the minimum climate mitigation and compatibility standards and performance levels.

(2) Within one calendar year of the date of coming into operation of this Act, a Regulation may be developed to prescribe climate mitigation and compatibility standards and performance levels applicable under Subsection (1).

(3) A person who or an entity that contravenes this section is guilty of an offence.

Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding two years or both, for a natural person or a fine not less than K500,000.00 for a body corporate.”.

43. SECTOR SPECIFIC CONSULTATIONS (AMENDMENT OF SECTION 70).

Section 70 of the Principal Act is amended -

- (a) by repealing the heading and replacing it with the following:

“MITIGATION PLANNING COMMITTEE”; and

- (b) in Subsection (1) by -

- (i) inserting the word “mitigation” immediately after the word “a”; and
- (ii) inserting the following words immediately after the word “committee”:

“or any such existing working committee”.

Climate Change (Management)(Amendment)

44. MAKING REGULATIONS REGARDING MITIGATION (AMENDMENT OF SECTION 71).

Section 71 of the Principal Act is amended -

- (a) in Subsection (1) by -
 - (i) repealing the word “two” and replacing it with the word “one”; and
 - (ii) deleting “ -” and inserting the following:

“Papua New Guinea’s NDC, in particular its mitigation contribution to -”; and

- (iii) repealing the word “may” in Paragraph (b) and replacing it with the word “shall”; and

- (b) in Subsection (3) by repealing the word “may” and replacing it with the word “shall”.

45. CLIMATE CHANGE ADAPTATION PLANS (AMENDMENT OF SECTION 74).

Section 74 of the Principal Act is amended -

- (a) in Subsection (1) by repealing “On or before 1 January of each year,” and replacing them with the following:

“As at the coming into operation of this Act and for each year,”; and

- (b) in Paragraph (a) of Subsection (1) by inserting the following:

“identify priority areas of climate change vulnerability and risk, and to” immediately before the word “adapt”.

46. NEW SECTIONS 74A, 74B AND 74C.

The Principal Act is amended by inserting immediately after Section 74, the following new sections:

“74A. NATIONAL PLANNED RELOCATION GUIDELINES.

(1) The Authority shall prepare successive National Planned Relocation Guidelines.

(2) The Authority shall operationalise the National Planned Relocation Guidelines developed under Subsection (1) through developing Standard Operating Procedures which enable pro-active processes for addressing the risk of climate and disaster driven displacement.

(3) The Authority shall review and amend the National Planned Relocation Guidelines and the Standard Operating Procedures when necessary but at a minimum, every 5 years.

(4) A Regulation shall prescribe National Planned Relocation Guidelines under Subsection (1).

74B. RELOCATION OF AT-RISK COMMUNITIES.

(1) The Authority, in consultation and coordination with relevant state entities and bodies, may relocate and support at-risk communities in accordance with the following objectives:

- (a) to allow for the orderly, respectful and dignified relocation of affected communities; and

Climate Change (Management)(Amendment)

- (b) to provide for a minimum standard of protection and assistance to people at risk of, or affected by, disasters and climatic change; and
- (c) for permanent relocations, provide a coordination mechanism to enable all affected stakeholders to participate in decisions affecting communities; and
- (d) facilitate the use of clear, inclusive and comprehensive procedures for assessing and responding to climate risk and relocation; and
- (e) to relocate at-risk communities only when other adaptation measures as set out in the NAP have been exhausted; and
- (f) to relocate at-risk communities only with the full free and prior informed consent of the communities; and
- (g) to ensure that relocation sites -
 - (i) are on land that is capable of supporting the at-risk community and any existing or host communities; and
 - (ii) have adequate housing, infrastructure, social infrastructure and other social and financial support systems, employment opportunities and can meet the development needs of both the existing or host community and the at-risk community that is to be relocated to that site; and
- (h) if an at-risk community is relocated to land that supports existing communities, the rights and concerns of those existing or host communities are taken into account and respected; and
- (i) where possible and desirable, infrastructure is relocated from the at-risk community to the relocation site; and
- (j) relocation is to be non-discriminatory; and
- (k) the adoption of approaches which are -
 - (i) human centered including prioritising community needs from the bottom up; and
 - (ii) livelihoods based; and
 - (iii) human rights based; and
 - (iv) pre-emptive; and
- (l) requiring inclusive and gender responsive consultation and participatory processes.

(2) Prior to the Authority, in consultation and coordination with relevant state entities and bodies, making a decision on relocating at-risk communities, it may -

- (a) consult with the affected persons or communities and communicate the rights of those persons or communities, the scientific and policy justification for the proposed relocation; and
- (b) conduct a public hearing at the affected community whereby the affected persons or communities have the right to legal representation; and
- (c) take the views of the affected persons or communities, and the public hearing, into account.

(3) If the Authority, in consultation and coordination with relevant state entities and bodies, decide that the relocation of an at-risk community is necessary, the Authority with relevant state entities and bodies may take all reasonable steps to ensure the relocation takes place in accordance with the principles in Subsection (1).

(4) The Authority with relevant state entities and bodies may consider whether it is necessary to develop further legal frameworks, policies and strategies to manage climate and disaster-induced displacement with the purpose of protecting human rights and reducing long term risks.

Climate Change (Management)(Amendment)

(5) A trust account shall be established under Section 37 for the Planned Relocation of Communities in Papua New Guinea that are adversely affected by climate change.

74C. REGIONAL DISPLACEMENT IN THE PACIFIC.

(1) The Minister may, in consultation with the minister responsible for foreign affairs and immigration, and any relevant entities, facilitate the necessary approval process for the acceptance of persons from small island developing states in the Pacific who have been permanently displaced, or are at risk of being permanently displaced, as a result of the adverse impacts of climate change, including sudden and slow-onset climatic events and processes.

(2) The relevant laws in force shall apply notwithstanding Subsection (1).”.

47. REPEAL AND REPLACEMENT OF SECTION 75.

The Principal Act is amended by repealing Section 75 and replacing it with the following:

“75. ENFORCED ADAPTATION.

(1) The Head of State, acting on the advice of the Minister, shall within 12 months make Regulations of the type and effect specified in Sections 73 and 74.

(2) If a holder of a licence or permit issued under the *Environment Act 2000* contravenes adaptation measures and requirements based on a mandatory climate change adaptation plan, the holder of the licence or permit is guilty of an offence.

Penalty: A fine not exceeding K10,000.00 or imprisonment for a term not exceeding two months or both, for a natural person or a fine not exceeding K500,000.00 for a body corporate.”.

48. SECTOR SPECIFIC CONSULTATIONS (AMENDMENT OF SECTION 76).

Section 76 of the Principal Act is amended -

(a) by repealing the heading and replacing it with the following:

“ADAPTATION PLANNING COMMITTEE.” ; and

(b) by repealing Subsection (1) and replacing it with the following:

“(1) The Board shall establish an adaptation planning committee or any such existing working committee with participants from each regulated sector to plan the development of future regulatory arrangements to adapt to climate induced events and to promote the establishment, maintenance and use of eco-system friendly measures.”.

49. MAKING REGULATIONS REGARDING ADAPTATION (AMENDMENT OF SECTION 78).

Section 78 of the Principal Act is amended -

(a) in Subsection (1) by -

- (i) repealing the word “two” and replacing it with the word “one”; and
- (ii) repealing the word “may” in Paragraph (b) and replacing it with the word “shall”; and

(b) by repealing Subsection (3) and replacing it with the following:

“(3) A Regulation shall provide for -
(a) adaptation actions; and

Climate Change (Management)(Amendment)

- (b) compensation or economic allocation of the cost of such adaptation actions; and
- (c) applicable fees, enforcement and penalty mechanisms and other matter or thing necessary or reasonably required to be done to achieve adaptation in the regulated sector.”.

50. NEW PART VIA.

The Principal Act is amended by inserting immediately after Section 78 a new part:

“PART VIA. - ESTABLISHMENT AND OPERATIONS OF AN EMISSIONS TRADING SCHEME.

78A. PAPUA NEW GUINEA NATIONAL REGISTRY.

- (1) This section establishes the Papua New Guinea National Registry.
- (2) The Authority may keep and maintain the Registry by electronic and other means.
- (3) The Authority may make the Registry publicly accessible online or by other means.
- (4) The purposes of the Registry are as follows:
 - (a) to be a Registry for emissions reduction projects, programmes and activities; and
 - (b) to be a Registry for Papua New Guinea Mitigation Outcome Units; and
 - (c) to be a Registry for VCU and other emission reduction units issued under an approved international emissions reduction standard in relation to an emissions reduction project, programme or activity in Papua New Guinea; and
 - (d) to be Papua New Guinea’s National Registry for any incoming ITMOs from another country or outgoing Papua New Guinea Mitigation Outcome Units to another country.
- (5) An account kept in the name of a person is to be known as a Registry account of the person.
- (6) Each Registry account is to be identified by a unique number, to be known as the account number of the Registry account.
- (7) A Regulation shall prescribe for the operation of the Registry, including for -
 - (a) identification procedures that must be carried out by the Authority before the Authority opens a Registry account in the name of the person; and
 - (b) the voluntary closure of Registry account if requested by the person whose name the account is in; and
 - (c) the suspension of Registry accounts; and
 - (d) the unilateral closure of a Registry account by the Authority; and
 - (e) entries for Papua New Guinea Mitigation Outcome Units, ITMOs, VCUs or any other emission reduction units issued in accordance with approved international emissions reduction standards; and

Climate Change (Management)(Amendment)

- (f) the holding, surrender, cancellation or transfer of Papua New Guinea Mitigation Outcome Units or ITMOs; and
- (g) the holding of VCUs or other emission reduction units issued in accordance with approved international emissions reduction standards; and
- (h) the voluntary cancellation of Papua New Guinea Mitigation Outcome Units or ITMOs; and
- (i) correction and rectification by the Authority of clerical errors, obvious defects or unauthorised entries in the Registry; and
- (j) the publication of information relating to Papua New Guinea Mitigation Outcome Units, ITMOs, VCUs or other emission reduction units issued in accordance with approved international emissions reduction standards; and
- (k) compliance by Papua New Guinea with eligibility requirements relating to ITMOs and the international transfer of Papua New Guinea Mitigation Outcome Units under the Paris Agreement; and
- (l) any other necessary arrangements to enable operation of the Registry.

78B. REDD+ TRANSACTIONS BY THE GOVERNMENT.

(1) Where the Government participates in any transaction under international REDD+ programmes, including but not limited to the Green Climate Fund results-based payments programme, the Minister is to be taken to have the authority of the land holder to sell and transfer all carbon sequestered by the forest including in the form of emissions reductions, Papua New Guinea Mitigation Outcome Units or carbon sequestration resulting from that programme provided that -

- (a) the Minister has the free, prior and informed consent of the customary land holders and will be guided by Section 89, where relevant; and
- (b) the Government may compensate the customary land holders as PES, where relevant, and any other land holder with forest carbon included in the transaction under an approved benefits sharing plan subject to Section 93; and
- (c) the Minister has considered the market value of the emissions reductions or Papua New Guinea Mitigation Outcome Units at the time of evaluating the proposed transaction and the impact that such a transaction will have on Papua New Guinea's NDC; and
- (d) any other necessary arrangements with land holders are entered into.

(2) The Minister in consultation with the Minister responsible for forestry matters may approve a benefit sharing plan for any transaction under international REDD+ programmes.

(3) Notwithstanding any other provisions in this Act, any transaction including PES carried out in accordance with this section is to be carried out on terms agreed between the parties to the transaction, provided that any such transactions or PES are recorded and accounted for in the Registry.

(4) A Regulation shall prescribe the operations of this section.”.

51. INTERPRETATION, ETC. (AMENDMENT OF SECTION 79).

Section 79 of the Principal Act is amended by repealing Subsection (1) and replacing it with the following:

Climate Change (Management)(Amendment)

“(1) For the purposes of this Part, an “authorised officer” means an officer of the Authority duly appointed by the Authority to conduct search or obtain data or information related to all the activities that produces emissions and removals of the targeted Greenhouse Gases under Section 3 of this Act and any information related to climate change.”.

52. APPLICATION OF *SEARCH ACT 1977* (AMENDMENT OF SECTION 80).

Section 80 of the Principal Act is amended -

- (a) in Subsection (1) by repealing the words “by the Authority.” and replacing them with the words “under this Act.” ; and
- (b) by repealing Subsections (2) and (3) and replacing them with the following new subsection:

“(2) For the avoidance of doubt, an authorised officer shall not exercise search powers of police under the *Search Act 1977* other than for the purposes of this Act.”.

53. POWER TO GATHER INFORMATION (AMENDMENT OF SECTION 83).

Section 83 of the Principal Act is amended in Paragraph (a) of Subsection (1) by inserting “, including but not limited to name and address” after the word “investigation”.

54. PRODUCTION OF RECORDS (AMENDMENT OF SECTION 84).

Section 84 of the Principal Act is amended in Paragraph (f) of Subsection (1) by inserting the word “Climate” immediately before the word “Building”.

55. NEW SECTION 85A.

The Principal Act is amended by inserting immediately after Section 85, the following new section:

“85A. OFFENCES IN RELATION TO AUTHORISED OFFICERS.

A person or entity who -

- (a) hinders or obstructs an authorised officer in the execution of his duties; or
 - (b) fails to comply with a lawful requirement made by an authorised officer; or
 - (c) refuses an authorised officer entry to premises which the authorised officer may lawfully enter; or
 - (d) impersonates an authorised officer,
- is guilty of an offence.

Penalty: A fine not exceeding K10,000.00 for a natural person or imprisonment for a term not exceeding two years, or both or a fine not exceeding K500,000.00 for a body corporate.

56. OBTAINING CONSENT OF CUSTOMARY LAND HOLDERS (AMENDMENT OF SECTION 89).

Section 89 of the Principal Act is amended by repealing Subsection (2) and replacing it with the following:

Climate Change (Management)(Amendment)

“(2) Where it is impractical to give effect to the requirements of Subsection (1), a climate change related project agreement may be executed on behalf of customary groups who are customary land holders in respect of the land covered by the agreement, proven through the conduct of a social mapping and landowner identification study, provided that 85 percent of the adult members resident on the land of each such land group give consent in accordance with Section 87 to their group entering into the agreement.”.

57. CLIMATE CHANGE RELATED PROJECT AGREEMENT (AMENDMENT OF SECTION 90).

Section 90 of the Principal Act is amended -

- (a) in the sectional heading by deleting the “.” and inserting “**INCLUDING RIGHTS AND BENEFIT SHARING.**”; and
- (b) repealing Subsections (1) and (2) and replacing them with the following:

“(1) A climate change related project agreement shall -

- (a) be in writing; in both English and Tok Pisin, and in the local language if requested by the customary land holders; and
- (b) explain and define land holder, rights and benefits, including monetary or PES and other benefits, if any, to be received by the land holders, as prescribed under Part IX, in consideration for the rights granted; and
- (c) specify the nature of project in the area covered by the agreement; and
- (d) specify a term of sufficient duration in order to allow for proper project management measures to be carried out to completion to be determined based on the best available science and shall include provisions for review of the agreement appropriate for the length of the project; and
- (e) be accompanied by a map showing clearly the boundaries of the area covered by the agreement; and
- (f) specify any other climate compatible or green growth-related land use options, if any; and
- (g) be accompanied by a stakeholder engagement and awareness plan specific to the project area land holders and land holder representatives.

(2) An agreement under Subsection (1), in the prescribed format, shall be lodged with the Office of State Solicitor for necessary legal clearance before execution.” ; and

- (c) by inserting after Subsection (5), the following new subsection:

“(6) Climate change related projects shall use the updated versions of relevant Regulations or guidelines if none are available.”.

58. NEW SECTION 92A.

The Principal Act is amended by inserting immediately after Section 92, the following new section:

“92A. CARBON RIGHTS AND OWNERSHIP.

(1) The ownership of carbon rights may be identified, defined and regulated under this Act.

- (2) A Regulation may provide the safeguards, procedures and guidelines on -
 - (a) how carbon rights are defined; and
 - (b) landownership; and

Climate Change (Management)(Amendment)

(c) institutional arrangements,
taking into account the principles of natural resource ownership in Papua New Guinea.”.

59. LAND HOLDER PARTICIPATION AND BENEFIT (AMENDMENT OF SECTION 93).

Section 93 of the Principal Act is amended -

- (a) in the sectional heading by deleting “.” and inserting “**SHARING**”; and
- (b) inserting after Subsection (3), the following new subsection:

“(4) For the purposes of Section 1(3) of the ***Organic Law on Provincial Governments and Local-level Governments***, a Regulation shall prescribe the benefit sharing arrangement of revenues generated by the Authority and further define the processes and allowances for the collection of moneys for the purpose of Provincial and Local-level Governments (where necessary).”.

60. ANNUAL REPORT (AMENDMENT OF SECTION 94).

Section 94 of the Principal Act is amended -

- (a) in the sectional heading by repealing the word “ANNUAL” and replacing it with the word “PROJECT”; and
- (b) by repealing Subsection (1) and replacing it with the following:

“(1) The Authority or any person or entity who undertakes a climate change related project shall quantify the net income or net benefits (as the case may be) and present a project report at the completion of the project to the concerned land holders and the Authority and relevant provincial government.” ; and

- (c) in Subsection (3) by repealing the word “annual” and inserting the word “project” ; and
- (d) by inserting after Subsection (3), the following new subsection:

“(4) Within one calendar year of the date of coming into operation of this Act, regulations may define the procedures for this section.”.

61. PENALTY PROVISION (AMENDMENT OF SECTION 95).

Section 95 of the Principal Act is amended by repealing the word “who” and replacing it with the word “or”.

62. GIVING OF NOTICES AND SERVICE (AMENDMENT OF SECTION 98).

Section 98 of the Principal Act is amended in Subsection (2) by repealing the words “personal or Executive to Secretary” and replacing them with the words “Executive Officer”.

63. GENERAL PENALTY PROVISION (AMENDMENT OF SECTION 101).

Section 101 of the Principal Act is amended in Subsection (2) by repealing the word “Board” occurring twice and replacing it with the word “Authority”.

64. AUTHENTICATION OF DOCUMENTS (AMENDMENT OF SECTION 102).

Section 102 of the Principal Act is amended in Subsection (1) by repealing the words “and signed by the Chairman or his delegate”.

65. REPEAL AND REPLACEMENT OF SECTION 103.

The Principal Act is amended by repealing Section 103 and replacing it with the following:

“103. FUNCTIONAL AUDIT.

(1) The Authority shall, conduct a functional audit, in line with the Corporate Plan, at least once every three years and submit it to the Minister.

Climate Change (Management)(Amendment)

(2) The Authority shall engage a firm that is a Registered Company Auditor under the *Accountants Act 1996*, to conduct the functional audit and furnish to the Board a report of their findings in relation to that functional audit, within four months of being engaged.

(3) The Board shall present a copy of the report referred to in Subsection (1) to the Minister as soon as possible following receipt and the Minister shall table a copy of the report at the first sitting of the National Parliament.

(4) The Authority shall publish the report referred to in Subsection (1) within a reasonable period after the report is tabled in the National Parliament.”.

66. PROJECT AUDIT (AMENDMENT OF SECTION 104).

Section 104 of the Principal Act is amended -

- (a) in Subsection (1) by repealing the word “Board” first occurring and inserting the word “Authority”; and
- (b) in Subsection (3) by deleting “.” and inserting “in accordance with Section 94.”.

67. DISPUTE RESOLUTION MECHANISM (AMENDMENT OF SECTION 105).

Section 105 of the Principal Act is amended -

- (a) in Subsection (1) by deleting “(2)” and inserting “(3)”; and
- (b) by repealing Subsection (2) and replacing it with the following:

“(2) Any disputes on the interpretation or application of the Paris Agreement, shall be resolved through the provisions of the Paris Agreement.

(3) A Regulation shall provide for a dispute resolution process taking into account the principles of arbitration and dispute resolution practices within Papua New Guinea.”.

68. NEW SECTIONS 107A AND 107B.

The Principal Act is amended by inserting immediately after Section 107, the following new sections:

“107A. HOME OWNERSHIP POLICY AND SCHEME.

The Authority shall, at least once in each fiscal year, furnish to the Minister, for presentation to the National Executive Council, a report on any Home Ownership Policy and Scheme devised and operated by the Authority.

107B. BLUE CARBON POLICY.

The Authority is responsible for -

- (a) Papua New Guinea’s Blue Carbon Policy and Strategy; and
- (b) developing policies, procedures and safeguards for the implementation of blue carbon projects, programmes and activities; and
- (c) the development of a benefit sharing arrangement for blue carbon projects, programmes and activities; and
- (d) facilitating consultations with relevant entities, as appropriate; and
- (e) advising the Minister on the role of blue carbon in the NDC.”.

Climate Change (Management)(Amendment)

69. TRANSFER OF STAFF AND ASSETS (AMENDMENT OF SECTION 108).

Section 108 of the Principal Act is amended in Subsection (1) by inserting the word “Conservation” after the first “,”.

I hereby certify that the above is a fair print of the *Climate Change (Management)(Amendment) Act 2021*, which has been made by the National Parliament.



Clerk of the National Parliament.

7 FEB 2022

I hereby certify that the *Climate Change (Management)(Amendment) Act 2021*, was made by the National Parliament on 14 October 2021.



Speaker of the National Parliament.

7 FEB 2022