



Rarakau Programme: Overview Report

Final Report for Phase 3 of the Project Entitled: Voluntary Carbon Market Opportunities for Maori Owners of Pre-1990 Indigenous Forest



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“A goal of the management and shareholders of the Rowallan-Alton Incorporation is to develop a sustainable revenue stream from our indigenous forest resource. We want to use these revenues to enhance the quality and diversity of the forest by ongoing pest management, so that we, and our as yet unborn mokopuna can forever enjoy the sounds of the Tui, the Kaka, the Kiwi and maybe even the Kakapo. A further goal is to demonstrate by example, responsible sustainable management of “The Land” passed down to us by our ancestors who, through the actions of the Crown, found themselves recorded forever as the Landless Natives of the South Island.”

Ken McAnergney, May 2008.



Rarakau Programme Overview

This report summarizes the outputs arising from the project entitled: 'Voluntary Carbon Market Opportunities for Maori Owners of Pre-1990 Indigenous Forest.' Te Puni Kokiri and Carbon Partnership Ltd funded this project.

PROJECT PURPOSE

The purpose of this project was to develop a forest carbon-crediting programme for Maori owners of pre-1990 indigenous forest. The intention was to provide a carbon-crediting opportunity for Maori-owned forests that are ineligible for carbon crediting under the NZ ETS or the Kyoto Protocol because such forests were established prior to 1990 (the base year for New Zealand's forestry sector commitments under the Kyoto Protocol). The goal was to produce carbon credits for sale in the international voluntary (non-Kyoto) carbon markets using international voluntary carbon market standards and infrastructures.

PROJECT OUTCOME

The outcome of this project is the completion of the design and development of the Rarakau Programme – a fair-trade type forest carbon-crediting programme for Maori owners of pre-1990 indigenous forest. The Rarakau Programme has been validated to the ISO14064-2 Carbon Standard with elements validated to the Verified Carbon Standard (VCS).

The proof-of-concept for the Rarakau Programme is the Rarakau Forest Carbon Project, which is the first project in the Rarakau Programme. The Rarakau Forest Carbon Project has been validated and verified by a third party international carbon market auditor (the same auditor that validated the Rarakau Programme - DNV). The verification audit confirms the issuance of the first batch of credits to the Rarakau Forest Carbon Project.

Outcome Summary:

Outcome	Description
Outcome 1	The Rarakau Programme Methodology validated to the ISO14064-2 carbon standard, with several elements validated to the Verified Carbon Standard (VCS).
Outcome 2	The Rarakau Forest Carbon Project validated to the ISO14064-2 carbon standard, with several elements validated to the Verified Carbon Standard (VCS).
Outcome 3	The First Monitoring Report of the Rarakau Forest Carbon Project verified to the ISO14064-2 carbon standard, with several elements validated to the Verified Carbon Standard (VCS).
Outcome 4	Registration of the Rarakau Programme with Markit Environmental Registry in London.
Outcome 5	The issuance of the first batch of carbon credits to the Rarakau Forest Carbon Project and the Rarakau Programme as a proof of concept.



OUTCOME INTERPRETATION

The outcomes produced from this project mean that we now have a nation-wide forest carbon-crediting programme for Maori owners of pre-1990 indigenous forests¹. The Rarakau Programme is named after the first (pilot) project in the Programme entitled ‘Rarakau Forest Carbon Project’ located at Rarakau (in western Southland) on SILNA land owned by the Rowallan Alton Incorporation. Credits have been issued to the Rarakau Forest Carbon Project but have yet to be purchased by a third party buyer. The first third party purchase of credits from the Rarakau Programme will provide a test of carbon prices. Rather than rush to sell the first batch of credits, the intention is to undertake a marketing exercise to generate favourable prices.

DOCUMENTATION

The documentation of the Rarakau Programme listed as follows:

Reports Arising From The Rarakau Programme		
Report	Report Title & Reference	
Rarakau Programme Methodology	Weaver, S.A. Payton, I, Fahey, G. 2012. Rarakau Programme Methodology V1.0. An Improved Forest Management – Logged to Protected Forest Grouped Project Methodology For New Zealand Indigenous Forest. Rarakau Programme Report D2.1 v1.0, 15 May 2012.	Electronic copy provided
Rarakau Forest Carbon Project Proposal	Weaver, S.A. Hewitt, T., and Fahey, G. 2012. Rarakau Forest Carbon Project: Project Description Documentation. IFM-LtPF Inception Project For the Rarakau Programme. Rarakau Programme Report D3.P1.1 v1.0, 15 May 2012.	Electronic copy provided
Rarakau Forest Carbon Project Monitoring Report	Weaver, S.A. 2012 Rarakau Forest Carbon Project Monitoring Report Number 1. Rarakau Forest Carbon Project: IFM-LtPF Inception Project for the Rarakau Programme. Rarakau Monitoring Report D3.P1.13 v1.0 15 May 2012	Electronic copy provided
Combined Validation & Verification Report	DNV Climate Change Services AS 2012. Combined Validation & Verification Report. Rarakau Forest Carbon Project: IFM-LtPF Inception Project For The Rarakau Programme. Report No. 2012-9535 Revision No 01. PRJC-361480-2012-CCS-AUS, Det Norske Veritas, Oslo, Norway.	Electronic copy provided
Rarakau Forest Carbon Project Dispute Resolution Framework	Weaver, S.A., and Gibbs, M. 2012. Rarakau Forest Carbon Project: Dispute Resolution Framework D3.P15 v1.0, 15 May 2012	Electronic copy provided
Rarakau Forest Carbon Project Standard Operating Procedures	Weaver, S.A. 2012. Rarakau Forest Carbon Project: Standard Operating Procedures D3.P17 v1.0, 15 May 2012	Electronic copy provided
Rarakau Forest Carbon Project Standard Operating Procedures (first Verification)	Weaver, S.A. 2012. Rarakau Forest Carbon Project: Standard Operating Procedures for First Verification, 15 May 2012	Electronic copy provided

¹ Note that the Rarakau Programme Methodology is also be applicable to non-Maori forests.



FUNDING

Te Puni Kokiri and Carbon Partnership have funded this project through three phases starting in August 2007.

Funding summary:

Phase	Description	Outcome	Funding		
			TPK	CP	Totals
Phase 1	Pre-feasibility	Delivered in 2008	\$38,960	\$7,000	\$45,960
Phase 2	Feasibility study	Delivered in 2010	\$75,000	\$10,000	\$85,000
Phase 3	Implementation	Delivered in 2012	\$91,000	\$53,000	\$144,000
Subtotals			\$204,960	\$70,000	\$274,960
TOTAL					\$274,960

TPK: Te Puni Kokiri; CP: Carbon Partnership

Note that Phase 3 funding ran out in March 2012 – early in the validation and verification audit process. This was well short of the completed outcome (completed in November 2012). Carbon Partnership stepped in and funded the remainder of the work to get the Rarakau Programme and the Rarakau Forest Carbon Project across the line. The additional work funded by Carbon Partnership in Phase 3 included

- Revisions required to get each core element through the validation and verification audit process
- Establishing a charitable trust as the Programme Operator
- Rarakau Programme trademark registration
- Programme and project registration and credit issuance.

DETAILED SUMMARY – RARAKAU FOREST CARBON PROJECT

The table below presents the vital statistics for the Rarakau Forest Carbon Project:

Rarakau Forest Carbon Project PIN	
Grouped Project	Rarakau Programme
Methodology	Rarakau Programme Methodology D2.1 v1.0, 15 May 2012
Scope	Baseline and project activities encompass forest-remaining-as-forest activities in forests classified as Kyoto Protocol Article 3.4 forest land. Accounting for LULUCF emissions and removals.
Standard	ISO 14064-2 (and Verified Carbon Standard for certain elements)
Registry	Markit Environmental Registry
Product	Ex post VERs. Issued by Markit Registry. Owned by Project Owner.
Benefits	Avoided LULUCF emissions from avoided timber harvesting; enhanced removals from forest protection.
Co-Benefits	<ul style="list-style-type: none"> • New Zealand indigenous biodiversity benefits arising from the protection of indigenous forests in the Project Activity (New Zealand is a biodiversity hot-spot particularly for forest birds)



	<ul style="list-style-type: none"> Maori cultural benefits arising from the retention of indigenous forest cultural resources for Maori owners of the Project Area forests.
Validator/verifier	Det Norske Veritas (DNV)
Project Period	50 years from 1 January 2009 to 31 December 2058 but with an indefinite option to roll over for subsequent Project Periods.
Crediting Period/ Monitoring Period	5 yearly starting 1 January 2009
Activity Type	Improved Forest Management – Logged to Protected Forest (IFM-LtPF) in New Zealand indigenous forest.
Project Name	Rarakau Forest Carbon Project
Status in Grouped Project	Inception Project
Project Owner	Rowallan Alton Incorporation
Project Developer	Carbon Partnership Limited
Programme Operator	Ekos (a charitable trust)
Project Location	Te Waewae Bay, Western Southland, New Zealand.
Project Area	1,367 ha made up of 11 land parcels
Forest Area	738 ha made up of 11 land parcels
Eligible Forest Area	738 ha made up of 11 land parcels
Original condition	Logged forest
Baseline Activity	Legally sanctioned timber and fuelwood harvesting
Project Activity	Forest protection by means of a legal covenant for duration of Project Period.
Legal Protection	Memorandum of Encumbrance under the Property Law Act 2007. The legal protection applies for the duration of the Project Period.
Co-Benefits	<ul style="list-style-type: none"> Community co-benefits derived from project consultation protocol. Not quality assured under a separate standard but with option to do so in future. Biodiversity co-benefits derived from protecting indigenous forest ecosystems. Not quality assured under a separate standard but with option to do so in future.
Validation	<ul style="list-style-type: none"> Carbon elements of Project Description Documentation validated under the ISO 14064-2 Standard Option in future to validate co-benefits under the Climate Community and Biodiversity Standard.
Verification	<ul style="list-style-type: none"> GHG assertion verified under ISO 14064-2 Standard.
Net Project Benefits	2,730 tCO ₂ per annum starting 1 January 2009
Buffer	11% of Net Carbon Benefits: 317 credits for year 1, and 300 credits for years 2-50 annually deposited into pooled buffer account starting 1 January 2009.
Owner/manager of pooled buffer account	Ekos (a charitable trust)
Net Carbon Credits	2,565 ex post VERs for Year 1; 2,430 ex post VERs annually for years 2-50



NEXT STEPS

The Rarakau Programme now exists as a fair-trade type forest carbon-crediting programme for Maori owners of pre-1990 indigenous forest. The Programme Operator of the Rarakau Programme is Ekos – a charitable trust established to safeguard the environmental integrity of the programme.

Ekos provides an additional layer of quality controls and safeguards for the Rarakau Programme, in addition to the comprehensive quality controls and safeguards embedded in the Rarakau Programme methodology.

The next phase of the Rarakau Programme is to consolidate the Rarakau Forest Carbon Project implementation (focused around project monitoring activities), and make the programme available to other forest owners around the country. Ekos will seek additional funding to facilitate the participation of other Maori forest owners in the Rarakau Programme going forward.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank Te Puni Kokiri for funding this complicated and challenging project. In particular, I wish to extend my gratitude to David Ormsby and Tamai Sinclair of TPK Te Wai Pounamu office, who took on Phases 1 and 2 of this initiative. I am also very grateful to Jamie Te Hiwi of TPK national office, who supported this project through Phase 3 and showed great patience as the international audit process dragged on and on.

Invaluable technical support was received from Ian Payton (Landcare Research), Tim Hewitt (Sinclair Knight Merz), Greg Fahey (Venture Partners), Joanna Silver (Markit Environmental Registry), Murray Ward, Alex Hannant, and Kathy Olsen (Ekos), Misheck Kapambwe, Noim Uddin, and Noel Peters (Det Norske Veritas).

Warm gratitude to the management committee of the Rowallan Alton Incorporation (RAI) for their unyielding support since 2007, and who agreed to move this initiative forward as a pilot project. I would like to thank each of the RAI management committee members Harold Thomas (Chairman), Doug Hauraki (Secretary), Ken McAnergney, Jim Hume, Mike Gibbs, and Darcy Warren for their perseverance since we first met as a group in 2008.

And finally a very special “thank you” to Ken McAnergney (RAI) for his friendship and support over these years and more. I phoned Ken in 2007 asking if he wanted to collaborate to protect some indigenous forests using the international voluntary carbon market. He and the RAI management committee obliged, and now the indigenous forest at Rarakau is protected by a covenant, and the birds are earning their keep in real money as well as seed dispersal and morning song. My own personal and professional goal was to weave a net to catch money for Maori forest owners, so they could get paid to protect their mature indigenous forests. The net is made, and now it is time to go fishing.

