



**Asia-Pacific
Economic Cooperation**

2013/FTMM/028
Day 2 Dialogue Session

The Forestry Sector in Mexico

Purpose: Information
Submitted by: Mexico



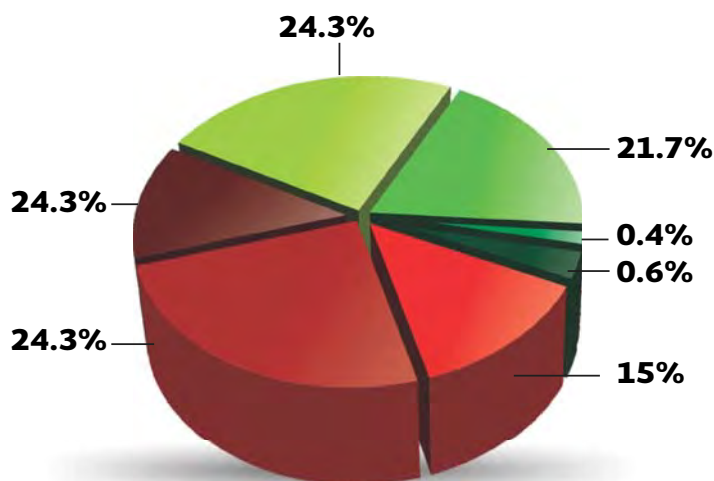
2nd Meeting of Ministers Responsible for Forestry
Cusco, Peru
14-16 August 2013

THE FORESTRY SECTOR IN MEXICO



BACKGROUND

Mexico has **138 million** hectares of forest vegetation



- Temperate forests
- Tropical forests
- Other forest types
- Mangrove
- Semi-arid vegetation
- Arid vegetation
- Other forest lands (non-tree forest types)



11 million people

inhabit forest areas with high poverty index

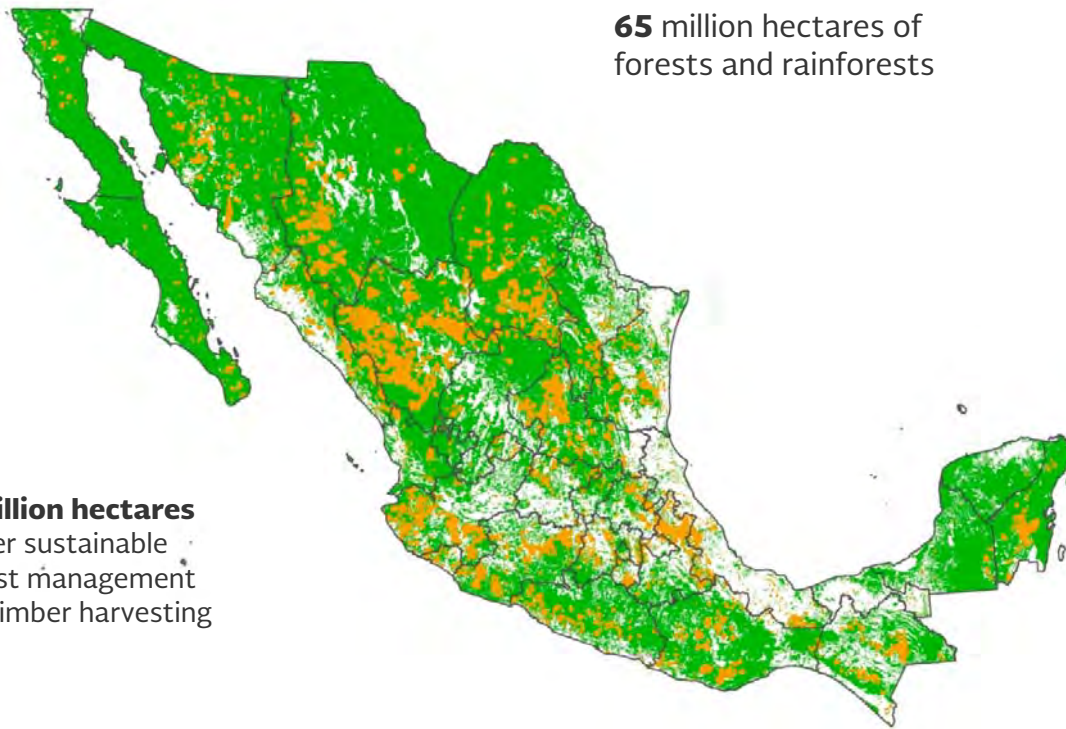
Land tenure¹:

(million hectares)

- Ejidos and communities: **53** (38%)
- Private property: **46**
- National property: **5**
- Unidentified property : **34**



¹With information of the National Agrarian Registry (2009), Historical rural Cadastre from 1982-1988 and INEGI (2007) Land use and vegetation map, series IV.

BACKGROUND



65 million hectares of forests and rainforests

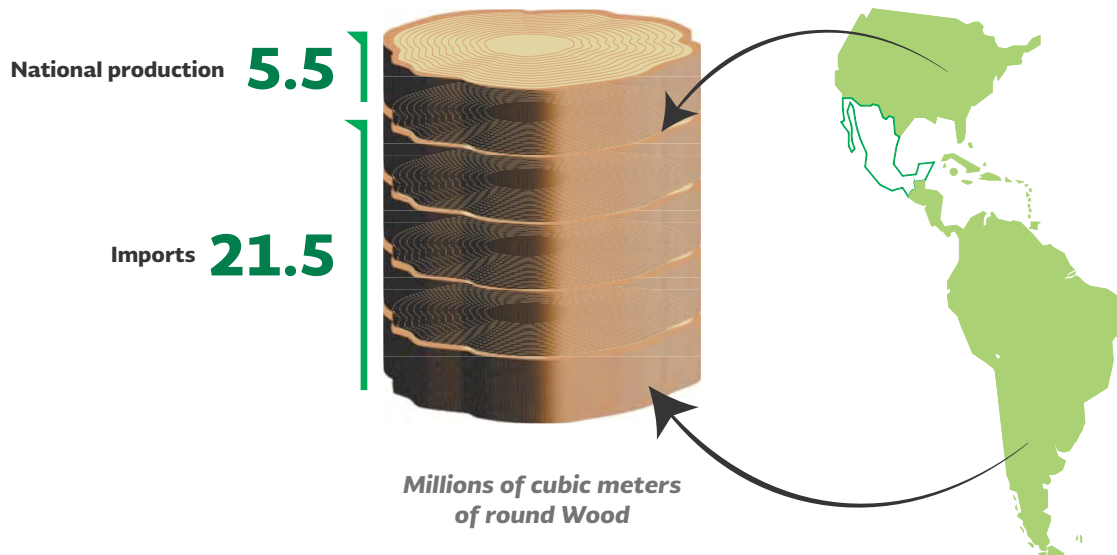
8 million hectares under sustainable forest management for timber harvesting

- Symbology**
-  Areas with timber harvesting
 -  Area with forest vegetation (all types)



BACKGROUND

Apparent consumption of round wood = **27** Millions cubic meters per year



Deficit is covered with imports from USA and Latin America



BACKGROUND



2013

794,000 hectares



2018

2.4 million hectares

Forest certification ensures compliance of timber harvesting with environmental, social and economic safeguards.

NATIONAL FORESTRY PROGRAM

Guiding principles:



- ▶ Consolidation of the National Forest Inventory.
- ▶ 32 State Forest Inventories.



- ▶ Sustainable management of forest resources.



- ▶ Commercial forest plantations.



NATIONAL FORESTRY PROGRAM

Guiding principles:



- ▶ Integrated Restoration in priority micro watersheds to ensure a higher survival rate.



- ▶ Strengthening Payment for Environmental Services Program.



- ▶ Reducing deforestation and forest degradation.
- ▶ Formulation of the National REDD + Strategy.



INCREASED PRODUCTION AND FOREST PRODUCTIVITY

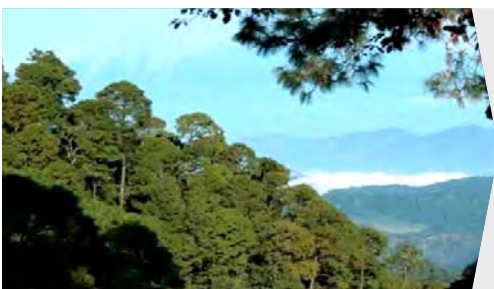
Goal
(2013 – 2018)



Increase timber production from **5.5** to **11 millions cubic meters per year.**



Improve silvicultural practices in **8 million hectares**



Incorporate forests to sustainable forest management in **3 million hectares**



Biodiversity conservation

INCREASED PRODUCTION AND FOREST PRODUCTIVITY

Goal
(2013 – 2018)



Increase timber production from **5.5** to **11 millions cubic meters per year.**



Strengthening social capital and governance in **750 ejidos and communities**



Creation of the National Forest Certification System



COMPONENTS OF THE STRATEGY



Permanent Assistance from CONAFOR, State Governments and Local Technical Agents.

CONCLUSIONS

- As part of the National System for the Crusade Against Hunger jobs will be generated in forest regions through increased timber production, contributing to poverty alleviation.
- With sustainable forest management, carbon stocks will be enhanced, biodiversity will be preserved and environmental services will be improved; annual timber production will reach 11 million cubic meters per year.



CONCLUSIONS

- Strengthening social capital and economic development of forestry enterprises based on the lessons learned from Community Forestry.
- Developing integrated schemes for planning sustainable forest management, involving stakeholders in a collaborative way.



CONCLUSIONS

- Mexico will reduce national deforestation and forest degradation rates during the period 2013-2018.
- Compensation mechanisms will be designed and promoted for environmental services linked to territories where the Strategy for Increasing Production is implemented, to create complementary local economies.
- Strengthening the National Forest Inventory with the State Forest Inventories will support planning of timber harvesting and the monitoring, reporting and verification for REDD +.



THANK YOU VERY MUCH



ING. JORGE RESCALA PÉREZ

Director General of the National
Forestry Commission

Mexico

directorgeneral@conafor.gob.mx





**Asia-Pacific
Economic Cooperation**

2013/FTMM/029
Day 2 Session 3

International Cooperation to Strengthen Forest Governance for Sustainable Forest Management: United States' Approaches and Experiences

Purpose: Information
Submitted by: United States



2nd Meeting of Ministers Responsible for Forestry
Cusco, Peru
14-16 August 2013



**International Cooperation to
Strengthen Forest Governance for
Sustainable Forest Management:
U.S. Approaches and Experiences**

2nd APEC Meeting of Ministers Responsible for Forestry
August 14-16, 2013
Cusco, Peru

Dr. Charles V. Barber
Forest Chief
U.S. Department of State



The World's Forests



A world map showing the distribution of forests. Dark green areas indicate forested regions, which are most prominent in North America, Europe, and parts of Asia and South America. Lighter green areas indicate forested regions with lower density or different types of forests. The map is presented in a two-hemisphere view.

The World's Forests

- 4 billion ha (31% total land area)
- Five countries account for more than 50% (Russia, Brazil, Canada, U.S., and China)
- Tropical Forests constitute 1.7 billion ha (42.5% of all forests), in 65 countries;
- Seven countries contain 62% of all tropical forests (Brazil, DRC, Indonesia, India, Peru, Mexico, Colombia)

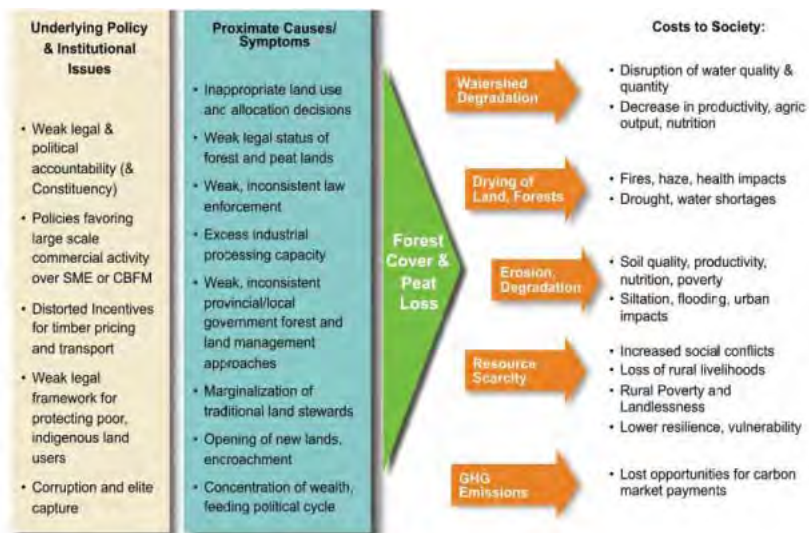
Forests and Forestry: U.S. Foreign Policy Interests

- Economic development, trade, income & jobs.
- Livelihoods and cultures of indigenous and forest dependent communities.
- Ecosystem services: Water, carbon, climate adaptation, soils, etc. (Climate change and "REDD+" currently a high priority.)
- Biodiversity: Most of it (terrestrial) lies within the remaining natural tropical forests.

Agents of Deforestation

- Industrial agriculture (soybeans, oil palm, livestock, etc.)
- Small-holder agriculture and settlements
- Infrastructure development (roads, mining, dams, etc.)
- Logging (legal and illegal)
- Fuelwood collection

Drivers of Deforestation



The U.S. Approach

- Value and take account of **multiple goods and services** of forest ecosystems;
- Address **underlying causes** of deforestation (e.g. tenure, corruption, perverse incentives);
- Support **participatory approaches**;
- Base policy on the best available **science**;
- Strengthen transparency and accountability in the international **trade in forest products**.

Recent Developments

- **Forests and Climate Change:** Attention to the role of deforestation as a source of GHG emissions has grown and the political profile of forest issues has increased.
- **Illegal Logging and Associated Trade:** 2008 Lacey Act amendment, similar EU and Australian legislation, have made illegal logging a priority for both the U.S. and major forest products trading partners such as China, Indonesia Peru and Vietnam.
- **Forests and U.S. Strategic Bilateral Dialogues, Partnerships and Free Trade Agreements:** Forest issues are a growing issue in our bilateral dialogues and trade relations with many countries, including China, Indonesia, and Peru. This is a major change from even five years ago

Key Goals & Priorities

- Slow loss and degradation of ***natural forest ecosystems***, to maintain high-biodiversity areas and key ecosystem services.
- Improve the sustainability of ***forest resource use across the broader production and supply chain***, to provide goods and ecosystem services for improving human well-being.
- ***Reforest degraded areas*** to serve production and livelihood needs, enhance food security, maintain ecosystem services, and bolster conservation of natural forests.

Key Strategies

- Identify and address the drivers of deforestation and degradation (market and policy failures, tenure, spatial planning, corruption, law enforcement)
- Establish, reform, or strengthen the political, legal and institutional structures and capacities to address forest conservation and management challenges.

Key Strategies

- Strengthen the scientific, information and analytical basis for policy and management on the ground.
- Create enabling conditions for mobilizing and effectively using forest finance, from all sources.
- Strengthen local community property rights, participation, and benefits.

How We Engage

- **Multilateral negotiations & institutions:** UN conventions and processes (UNFF, UNFCCC, CBD, UNCCD, CITES); MDBs (and their specialized climate/environment funds); specialized UN agencies such as the FAO; and the International Tropical Timber Organization (ITTO).
- **Regional processes and dialogues:** APEC; Congo Basin Forest Partnership; FAO regional forestry commissions.

How We Engage

- **Bilateral relations:** Formal MOUs and technical cooperation to combat illegal logging; inclusion of forests in strategic dialogue processes; and inclusion of forest governance concerns in trade relations and agreements.
- **Focus countries:** *Asia:* China, Indonesia, Burma, Lower Mekong countries; *Africa:* Congo Basin; *Latin America:* Peru, Brazil; *Russia*





**Asia-Pacific
Economic Cooperation**

2013/FTMM/030
Day 2 Session 3

Indonesian Forest Management and Policy

Purpose: Information
Submitted by: Indonesia



2nd Meeting of Ministers Responsible for Forestry
Cusco, Peru
14-16 August 2013



MINISTRY OF FORESTRY
REPUBLIC OF INDONESIA

INDONESIAN FOREST MANAGEMENT AND POLICY

1

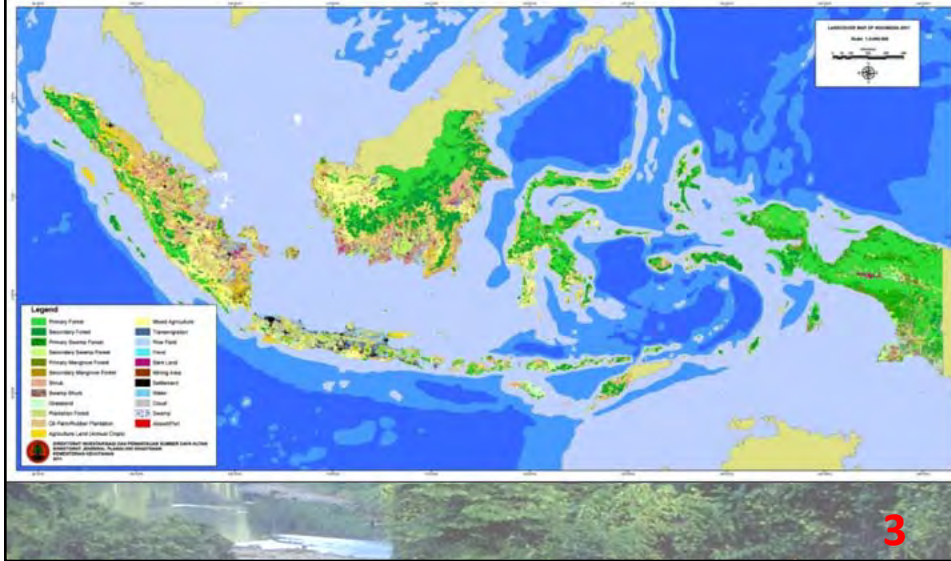


OUTLINE

- Indonesia Forests
- Indonesia's Sustainable Forest Management (SFM)
- Forest Management Challenges
- Strategic Policy:
 - Forest management
 - Forest Resource Conservation
 - Land Rehabilitation
- The Future We Want

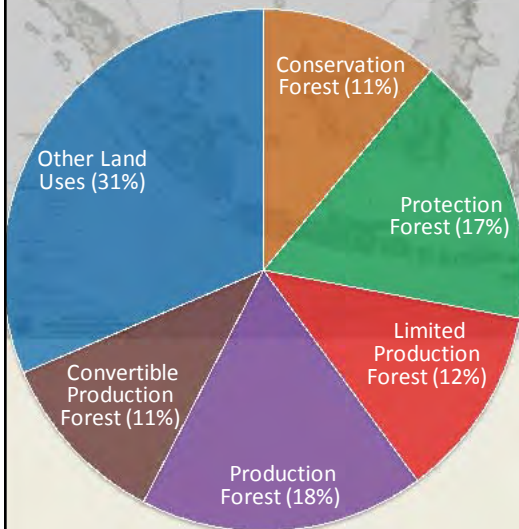
2

Indonesian Archipelago



Indonesia Land Area

Total 190.47 jt Ha



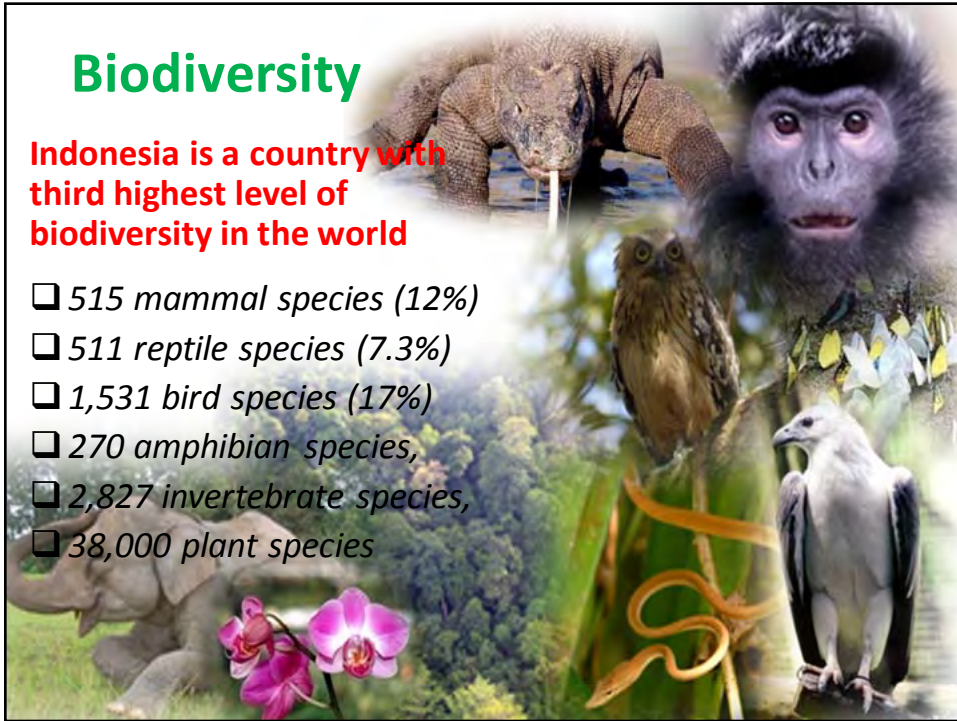
1	Conservation Forest	21,17
2	Protection Forest	32,06
3	Limited Production Forest	22,82
4	Production Forest	33,68
5	Convertible Production Forest	20,88
	State Forest Land	130,61
6	Other Land Use	59,86
	TOTAL INDONESIAN LAND	190,47

Source: Ministry of Forestry, 2012

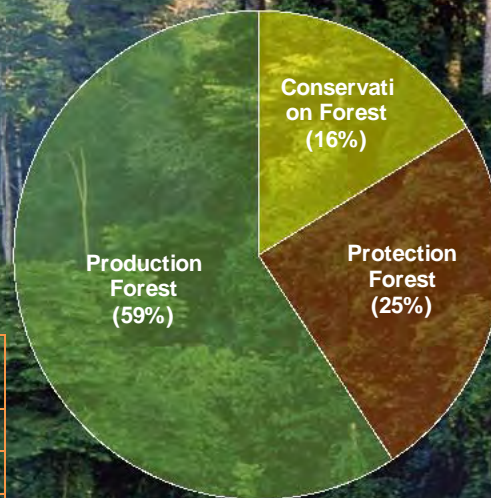
Biodiversity

Indonesia is a country with third highest level of biodiversity in the world

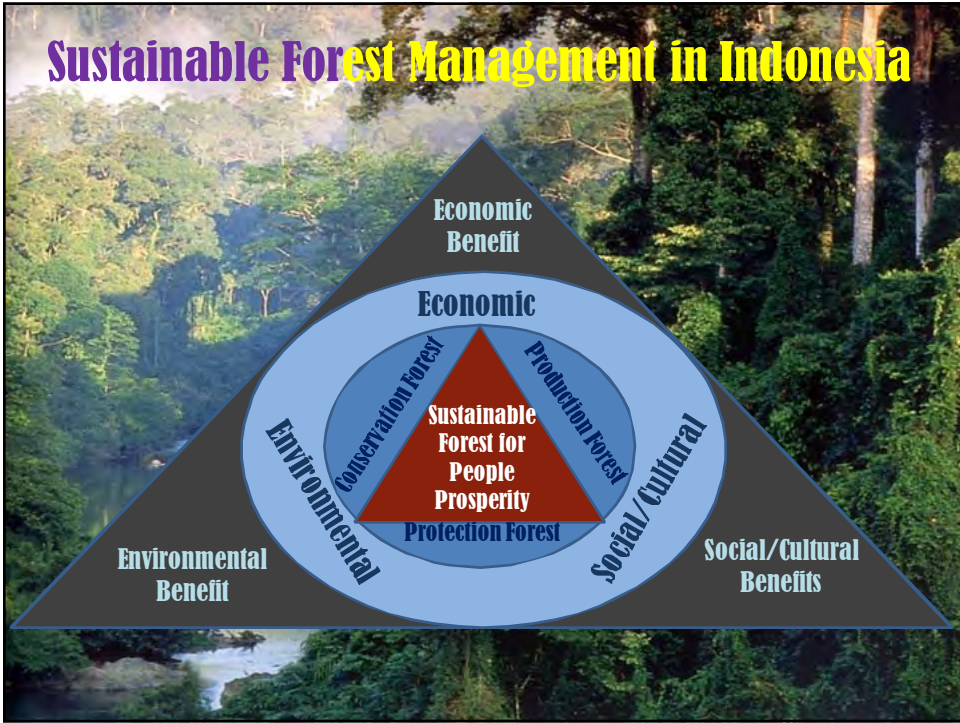
- ❑ 515 mammal species (12%)
- ❑ 511 reptile species (7.3%)
- ❑ 1,531 bird species (17%)
- ❑ 270 amphibian species,
- ❑ 2,827 invertebrate species,
- ❑ 38,000 plant species



NATIONAL FOREST AREAS (130.6 million Ha)



1	Conservation Forest	21.17
2	Protection Forest	32.06
3	Production Forest	77.37
Total		130.60



CONSERVATION FOREST MANAGEMENT

BIODIVERSITY

LIVELIHOOD

TANGIBLE AND INTANGIBLE PRODUCTS

Conservation Forests

Emphasis: Conservation of Forest Resources

Living resources, including:

- *Ecosystem*
- *Species*
- *Genetic*

Gazettment and effective management of conservation areas (50 National Parks, 247 Nature Reserves, 77 Wildlife Sanctuaries)

Protection and sustainable use of species

Increased and equitable access to the utilization of genetic resources



Some Dominant Ecosystems



Mountain Ecosystem at Bromo Tengger NP



Peat Ecosystem at Berbak NP



Marine Ecosystem, Bunaken NP



Trop. Rainforest Ecosystem at Gunung Palung NP

Some Protected Plant and Animal Species



Utilization of Genetic Resources







Management Schemes for **Production** Forests

- 1. Natural Forests**
 - Selective cutting with enrichment planting
- 2. Forest Plantations**
 - Industrial scale Forest plantation
 - Private Small Holder Forest plantations, Community Forests
- 3. Ecosystem Restoration**

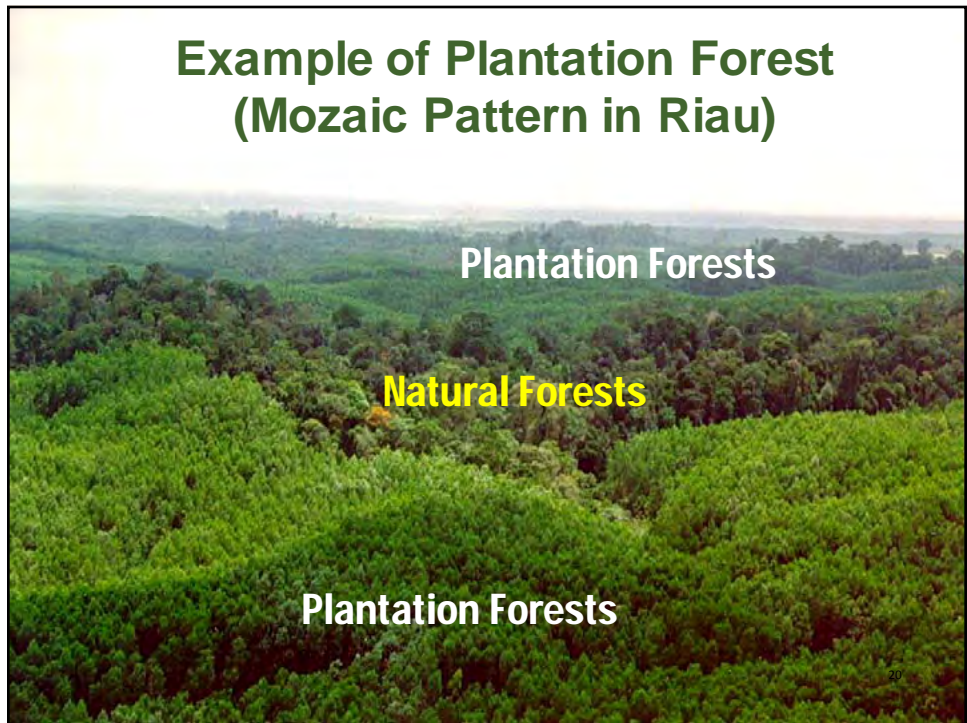
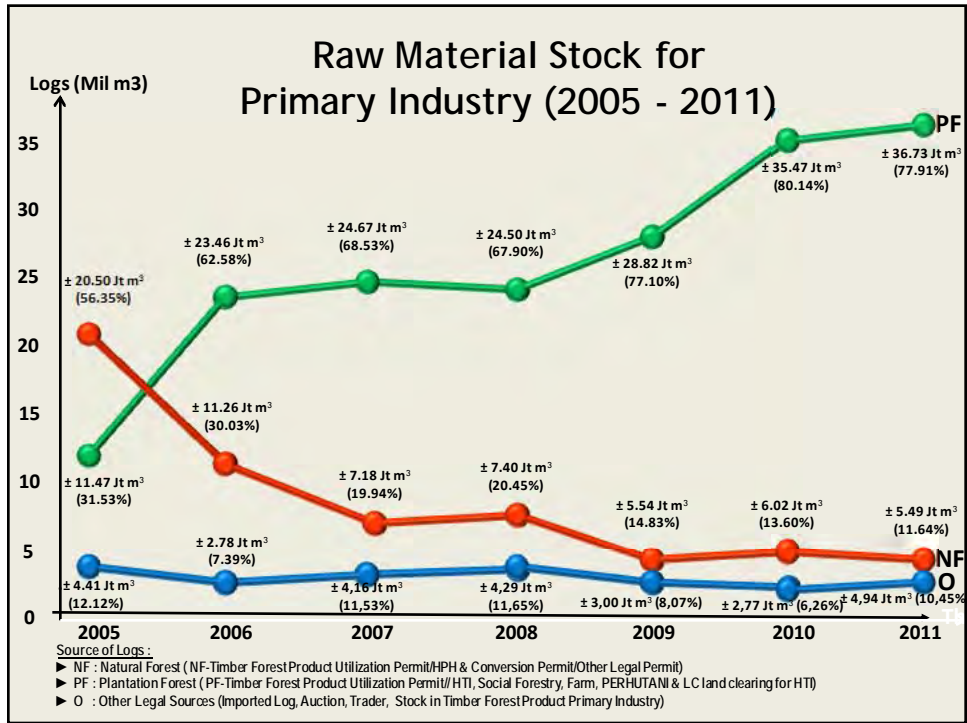
Objective: recover the ecosystem function of production forests

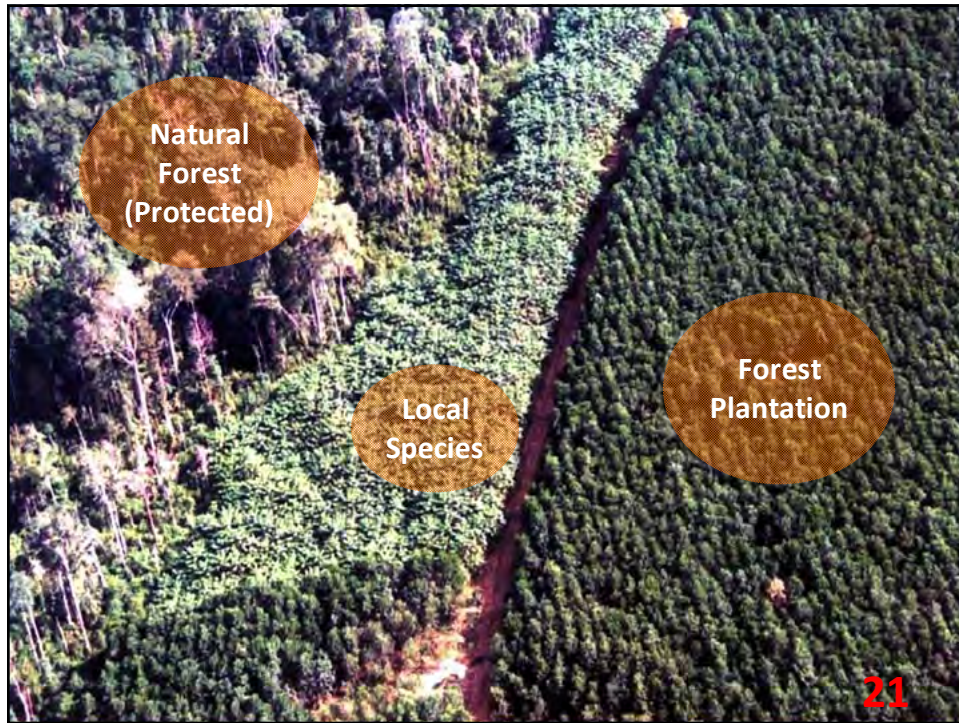
Utilization Permit Units in Production Forest

No.	Utilization Permits	Unit	Area (x 1000 ha)
1.	Natural Forest-Timber Forest Product Utilization Permit (IUPHHK-HA)	295	23,600
2.	Plantation Forest-Timber Forest Product Utilization Permit (IUPHHK-HTI)	247	10,000
3.	Ecosystem Restoration-Timber Forest Product Utilization Permit (IUPHHK-RE)	4	199
4.	Community Based Plantation Forest-Timber Forest Product Utilization Permit (IUPHHK-HTR)	3,262	165
	Total	3,808	33,964

PLANTATION FOREST DEVELOPMENT

- TO MEET DEMAND FOR RAW MATERIAL
- TO REHABILITATE DEGRADED FORESTS
- TO INCREASE PRODUCTIVITY OF UNPRODUCTIVE PRODUCTION FORESTS





Challenges for Indonesia

35 million population in poverty

3 million Job opportunities in forestry and its related industries

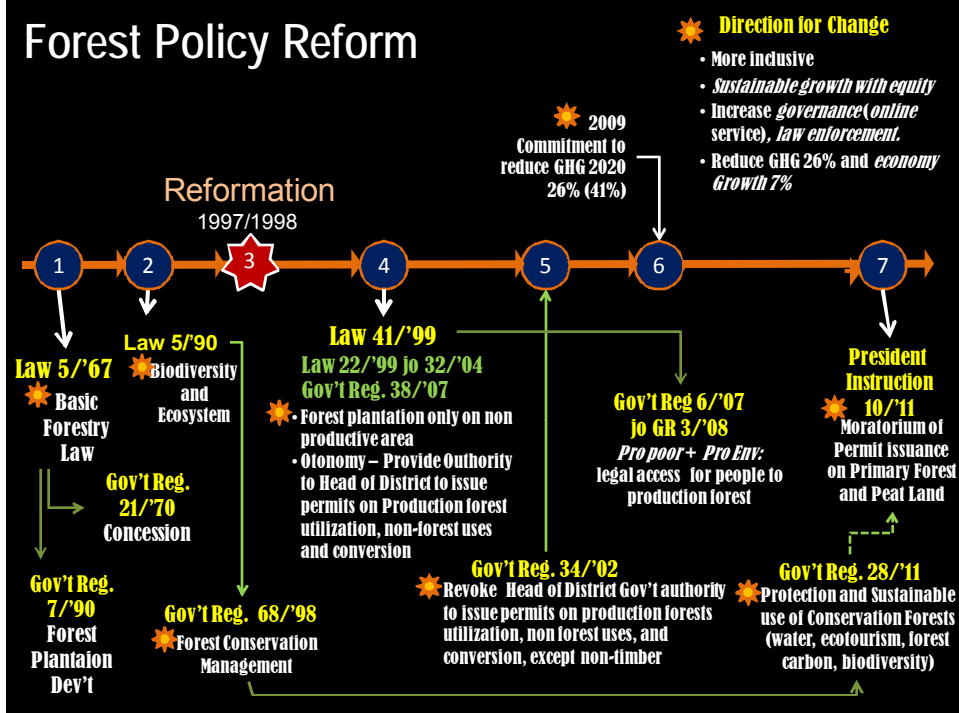
60% rural population whose livelihoods depend on forest and /or agriculture

5.5% GDP contribution by forestry and its related processing industries.

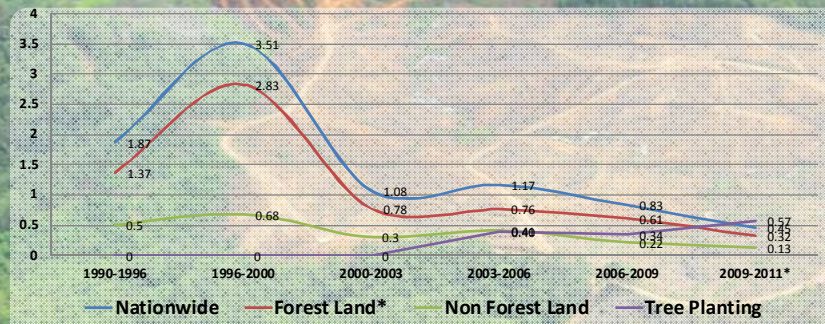
22

A photograph of a person in a forest, wearing a blue shirt and dark shorts, carrying a large woven basket on their back. The background is a dense forest with tall trees and lush greenery. The text is overlaid on a dark grey background on the right side of the image. The number '22' is in the bottom right corner.

Forest Policy Reform



Deforestation and Planting Rates (in Million Hectare)



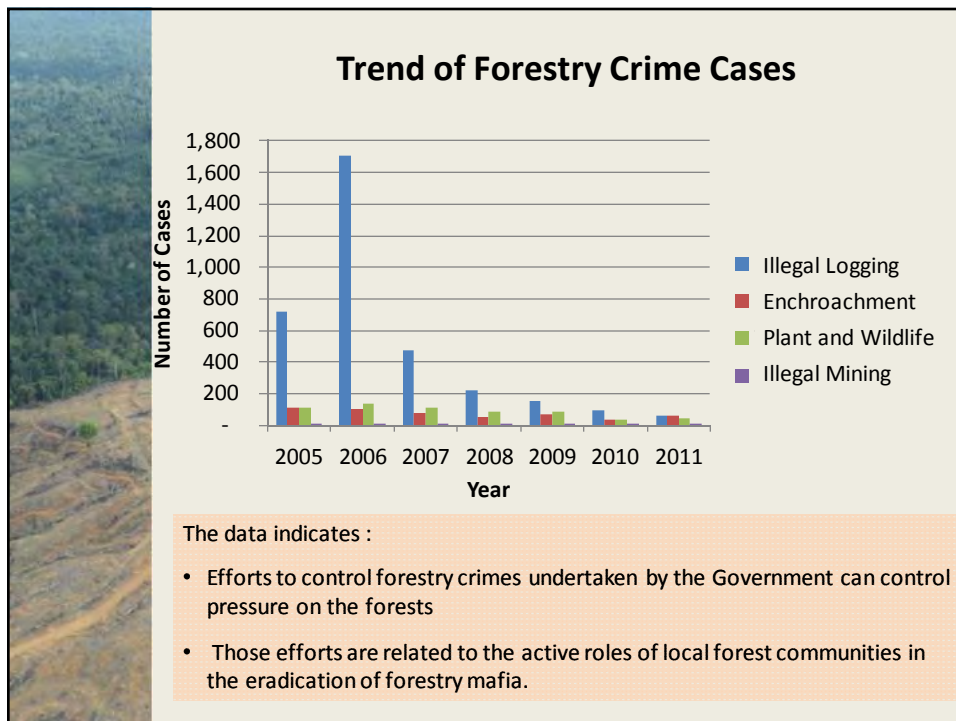
Deforestation	1990-1996	1996-2000	2000-2003	2003-2006	2006-2009	2009-2011*
Nationwide	1,87	3,51	1,08	1,17	0,83	0,45
Forest Land*	1,37	2,83	0,78	0,76	0,61	0,32
Non Forest Land	0,5	0,68	0,3	0,41	0,22	0,13
Tree Planting				0,40	0,34	0,57

**ILLEGAL LOGGING AND
ILLEGAL TRADE**

HARD APPROACH

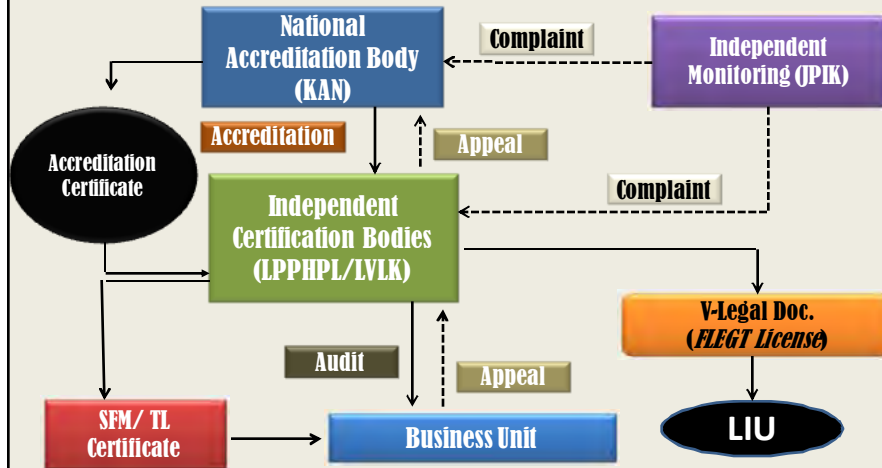
SOFT APPROACH

25



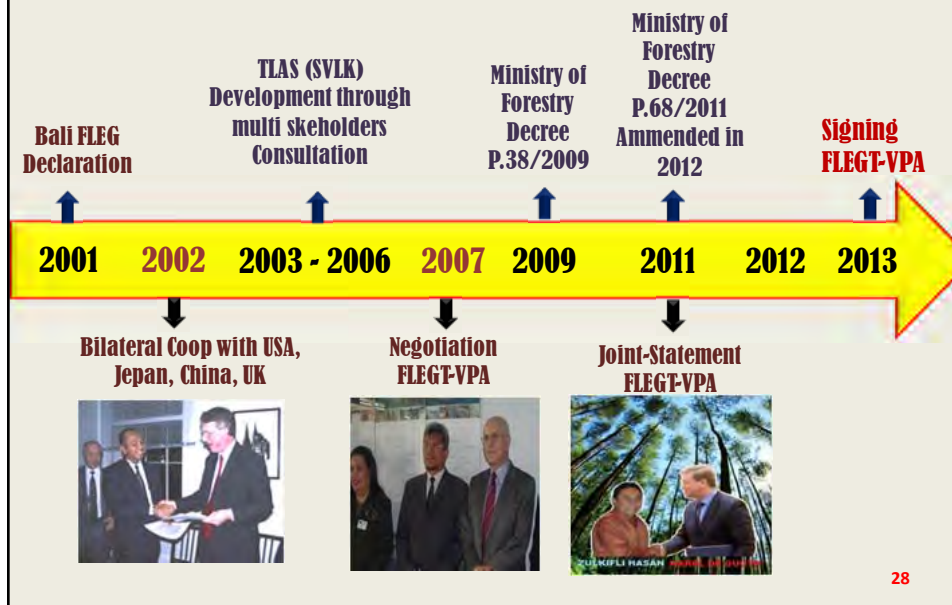
Indonesian TLAS (SVLK) Scheme

Ministry of Forestry (Regulator)



LPPHPL: Lembaga Penilai Pengelolaan Hutan Produksi Lestari/SFM Assessment Body, LVLK: Lembaga Verifikasi Legalitas Kayu/TL Verification Body, SILK: Sistem Informasi Legalitas Kayu/ Timber Legality Information System

Indonesia's TLAS (SVLK) Development and FLEGT-VPA Indonesia EU Negotiation



28

Progress of SFM and TLAS

(per January 2011, referring to P.38/2009 & P.68/2011)

	SFM		TLAS			
	Natural Forests	Plantation Forest	Natural Forests	Plantation Forest	Small Holder Forests	Industries
UNIT	40	38	12	1	7	233
Ha	4.801.262	3.475.931	924.419	350.165	3.500	

Before P.38/2009 and P.68/2011

	SFM	
	Natural Forests	Forest Plantations
UNIT	123	24
Ha	12.138.468	2.745.509

The Future We Want

1. Rehabilitation and reforestation program:

- Reclamation of ex-mining
- Rehabilitation of critical lands and forest restoration
- Development of Private Small Holder Forest Plantations

2. Low carbon development (*Green Economy*):

- Moratorium permit for primary forests and peat land (second rev. 65.282 million Ha)
- Optimizing degraded lands about 35 million ha
- Combatting illegal logging and promoting legal timber through Timber Legality Assurance System

3. Industrial Revitalization

- Development of forest plantations of 15 million Ha Nett
- Producing logs 362 mill. Cu.m per year (for Pulp & Paper, Plywood, Sawmill (Wood Working, Furniture), Bioenergy)
- Utilization of natural forests at the level of 14 million cu.m. per year from concessions of 28 million Ha (MAI 0.5)

The Future We Want

(continued)

4. **Tenurial Conflict Resolution:** Strengthening of forest areas, Development of Forest Management Units, and Community development around forest areas, and preparation of a Roadmap for Tenurial Conflict Resolution

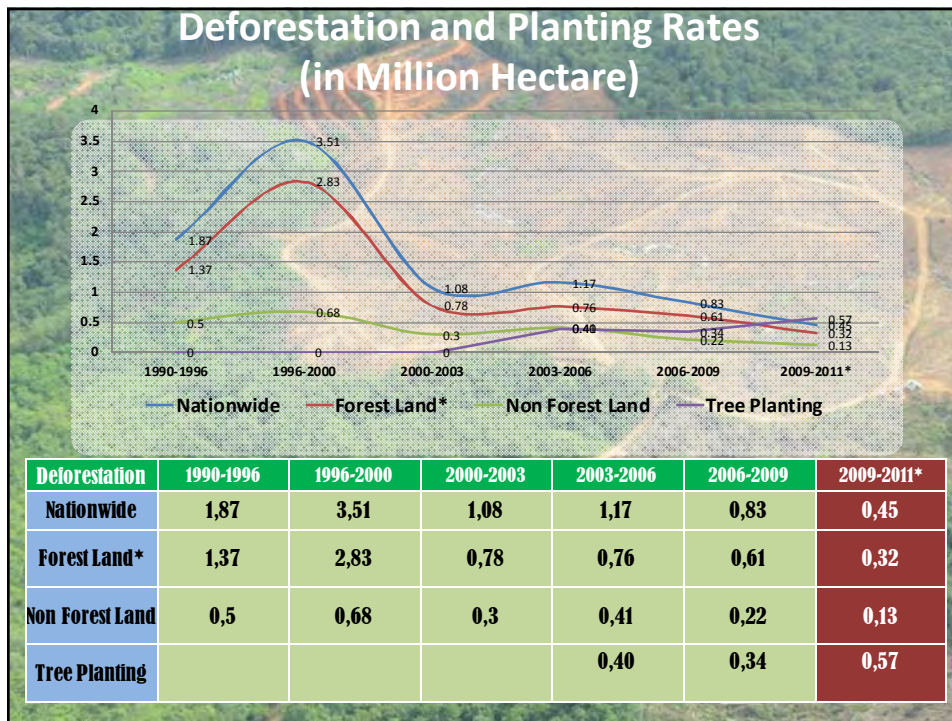


32

The Future We Want

(continued)

5. **Sustainable Utilization and Protection of Species and Genetic Resources:** Utilization of environmental services, Development of wildlife corridors, Wildlife rehabilitation and reintroduction, and habitat restoration
6. **Forestry Research and Development:** Promotion of Forest Productivity, Forest Resources Conservation, Climate Change Policy, and Integrated Research







**Asia-Pacific
Economic Cooperation**

**2013/FTMM/031
Day 2 Session 3**

China's Endeavours and Explorations in Promoting Sustainable Forest Management

Purpose: Information
Submitted by: China



**2nd Meeting of Ministers Responsible for Forestry
Cusco, Peru
14-16 August 2013**



China's Endeavors & Explorations in Promoting Sustainable Forest Management

State Forestry Administration, P. R. China

15 August 2013

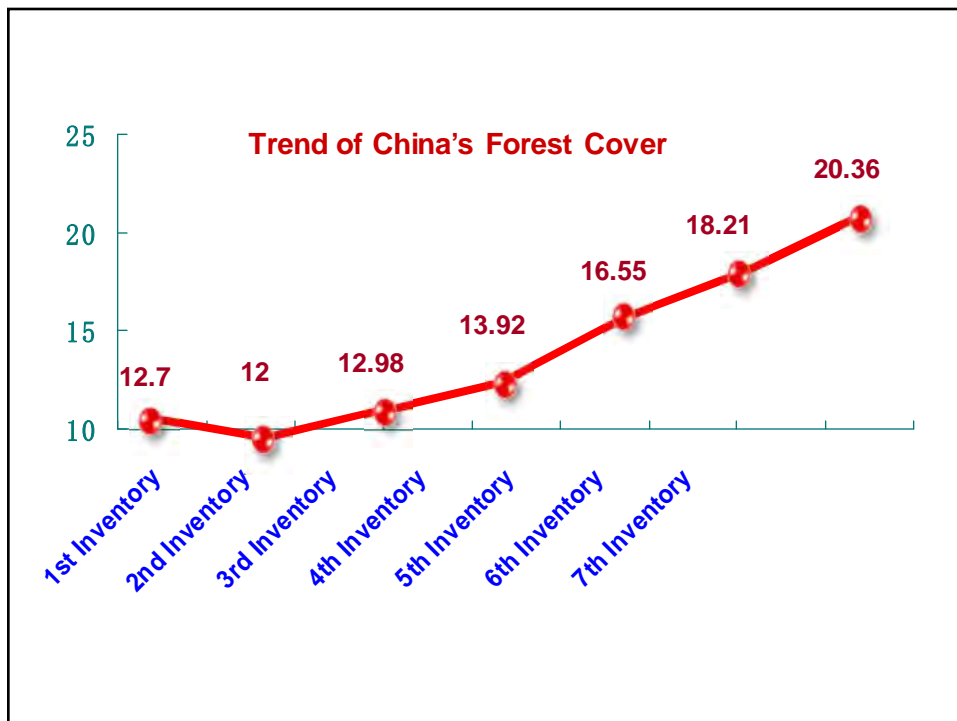
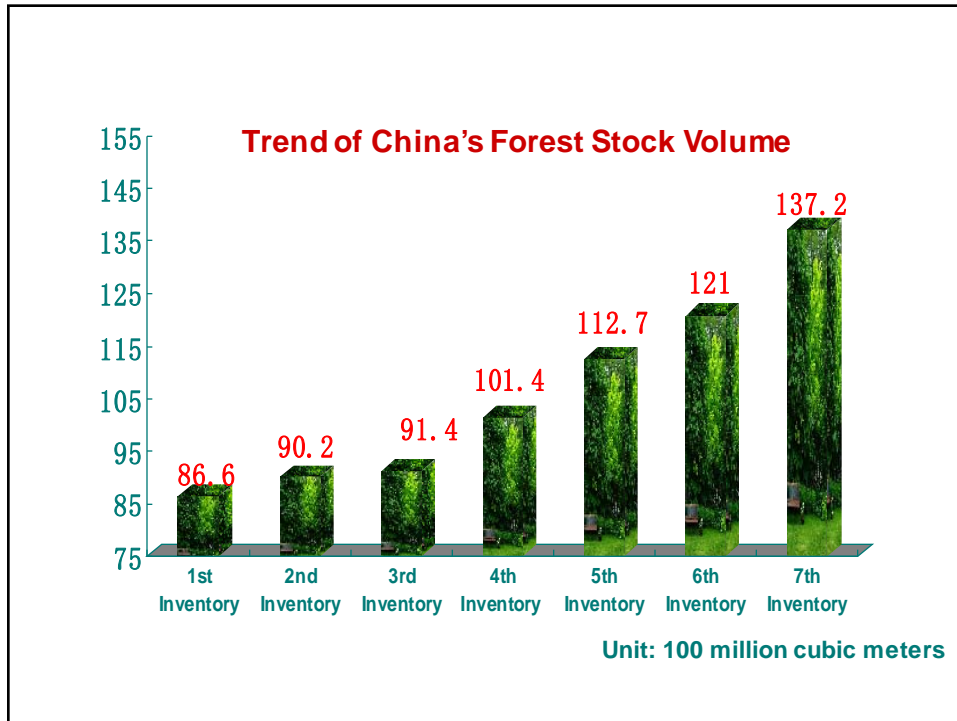
Content

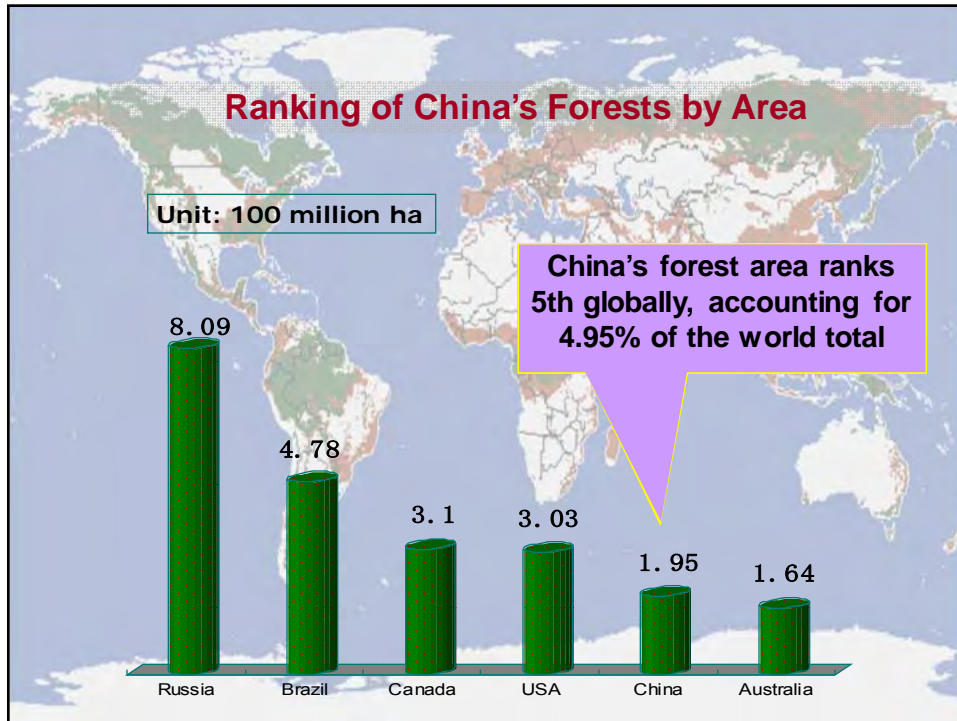
-  **Overview of China's forest resources**
-  **Domestic forest resource management system**
-  **International cooperation in forest law enforcement and governance**
-  **Explorations in Timber Legality Verification Scheme**
-  **Questions for discussion**

1. Overview of China's forest resources

- Trend of forest area
- Trend of forest stock volume
- Trend of forest cover
- Ranking of forests by area
- Ranking of forests by stock volume







2. Domestic Forest Resource Management System

- Forest land and tenure management
- Forest resource utilization management
- Developing non-timber forest economy to protect forest resources and improve local livelihoods

Forest land and tenure management

► Forest land management

According to related laws and regulations, acquisition and occupation of forest land is subject to approval. Forest land protection is an important part of the target responsibility system of forest resource protection and development, and an indicator for assessing performance of local officials.



中华人民共和国
森林法实施条例

➤ **Forest tenure management**

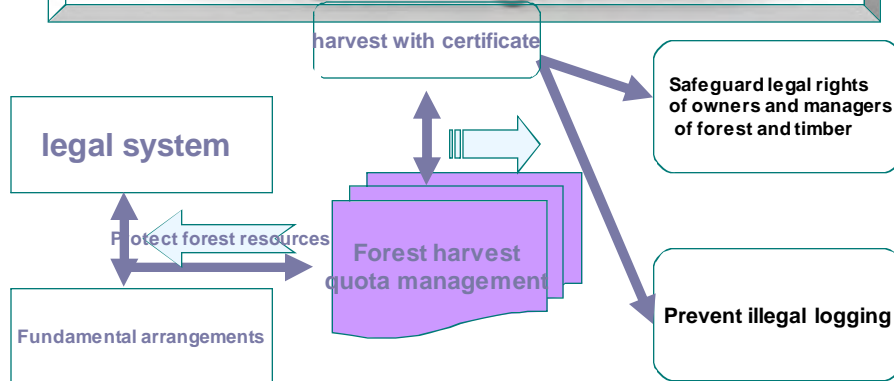


The forest tenure certificate registered, filed and issued by the government at or above county level, is the only legal document to recognize the ownership or use right of forest, timber and forest land, equally authentic with land certificate.

Forest resource utilization management


➤ **Forest harvest quota**

Forest harvest management includes: forest harvest quota management, harvest with certificate and timber yield plan management.




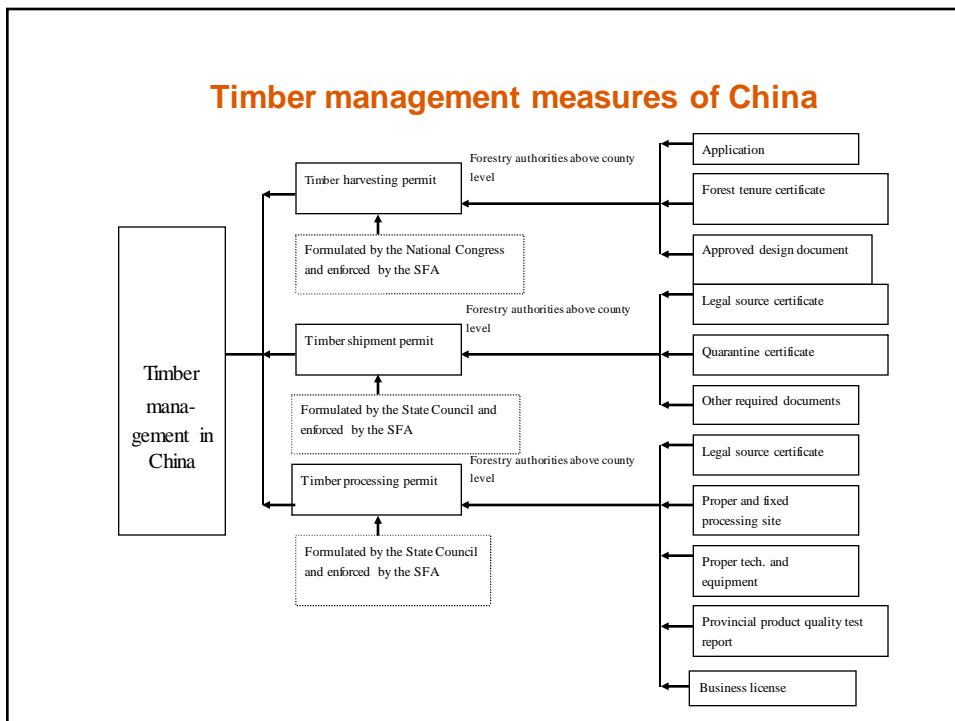
Timber transport management

Timber transport management is an important measure to maintain timber transport order and prevent illegally sourced timber entering into market.



Timber processing management

The certificate system for timber processing, harvest and transport exerts whole-process control from harvest to market circulation.

Development of non-timber forest economy to protect forest resources and improve local livelihood

林—茶模式



广西合浦县引导农民在紫檀林下种植金花茶，收到农民欢迎。

福建武平县在生态公益林林下发展种植原生态茶叶。现已发展种植面积400多亩，年产高优品质的茶叶300多公斤。“林中有茶，茶中有林”，使得种植的茶叶也一年四季长期处于露水雾气不缺的森林小气候环境下，促使基因向野生化转变；利用森林的自然平衡，还可有效防止茶叶病虫害的侵害，自然养分也可实现均衡发展。

3. International cooperation in forest law enforcement and governance

China is a major global forest product processing and trading center



Import: logs, sawn timber, panels, paper pulp and waste paper, paper and paper products, fruits and nuts



Export: furniture, paper products, wooden articles and panels



1. Broad bilateral and multilateral intergovernmental cooperation e.g. China-US Strategic Economic Dialogue, China-EU Bilateral Coordination Mechanism on FLEG, China Japan High-level Economic Dialogue etc.



China-USA



China-EU





China-Australia



China-Indonesia



APEC

2. Guidelines on Sustainable Forest Cultivation for Chinese Oversea Enterprises and Guidelines on Sustainable Forest Management and Use for Chinese Oversea Enterprises were formulated by the Chinese government in 2007 and 2009. Currently, a Guide on Sustainable Forest Product Trading and Investment is still in embryo.

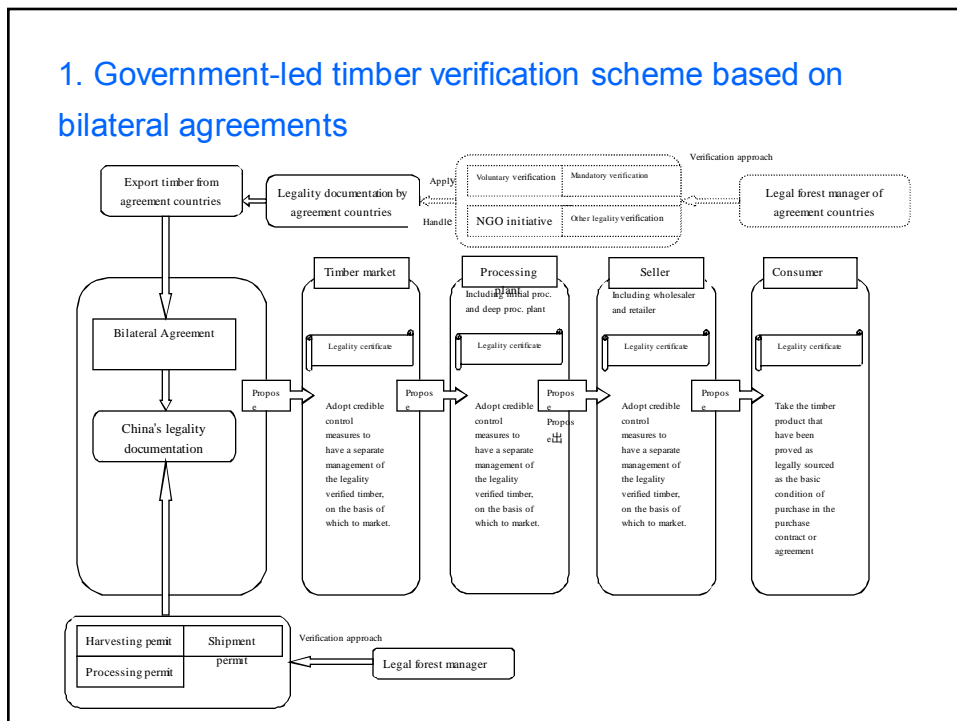




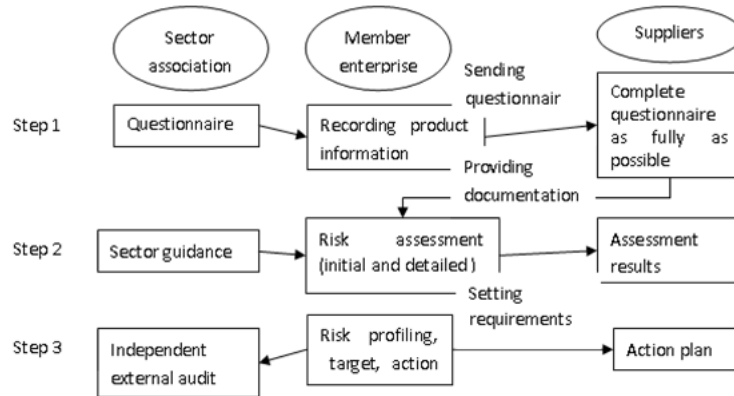
4. Capacity building and self-discipline of the private sector



4. Explorations in Timber Legality Verification Scheme



2. Industry led voluntary verification scheme for countries without bilateral agreement



5. Issues for Discussion

- Definition of Timber Legality
- Goal of Timber Legality Verification
- Cost of Verification

.....





**Asia-Pacific
Economic Cooperation**

2013/FTMM/032
Day 2 Opening Session

Statement by Papua New Guinea

Purpose: Information
Submitted by: Papua New Guinea



2nd Meeting of Ministers Responsible for Forestry
Cusco, Peru
14-16 August 2013



STATEMENT

BY

**H.E. MR ROBERT G. AISI
PERMANENT REPRESENTATIVE**

OF

PAPUA NEW GUINEA TO THE UNITED NATIONS

AT THE

SECOND APEC FORESTRY MINISTERS MEETING

15 AUGUST 2013, CUSCO PERU

On behalf of the People and the Government of Papua New Guinea I acknowledge and express our gratitude to the Government and People of Peru for hosting the Second APEC Forestry Ministers meeting here in the historic city of Cusco.

Since the last Forestry APEC meeting, held in Beijing two years ago, the statements made by Ministers for APEC member countries centred around sound management and utilization of forest and related resources through stakeholder collaboration and in connection with international processes supported by sound policies. Two years is not sufficient time to report on what has been done in response to the statements, however such biannual meetings enable APEC member countries to be reminded of managing their forests responsibly with the ultimate aim of achieving sustainable

forest management. This Statement informs the meeting on the actions Papua New Guinea (PNG) is taking in relation to the issues concerning sustainable forest management.

Mr. Chairman,

International Commitments

The government of PNG has demonstrated its commitment in support of poverty eradication, mitigating impacts of climate change, biodiversity conservation and sustainable forest management and has ratified various international conventions which includes United Nations Framework Convention on Climate Change (UNFCCC), the 1992 ratification of the United Nations Convention on Environment and Development (UNCED) and the International Tropical Timber Agreement (ITTA, 2006), among others. PNG also actively participates in the international forest policy dialogue through the United Nations Forum on Forest and the International Tropical Timber Organization (ITTO) to bolster its commitment to sustainable forest management.

The participation and involvement with international processes and ratification of the various conventions gives considerable strength to our effort in enhancing sustainable forest management.

Mr. Chairman,

Forest Policy

Papua New Guinea has a robust forest policy whose main objective is for the nation's forest resource to be managed and utilized on a sustainable basis with

income generation, employment creation, preservation and research as supportive objectives. The current Forestry Act provides the legal framework in the management and utilization of the country's forest resources. The key provision of the Forestry Act is that all relevant stakeholders must be consulted in the harvesting and management of the forest resource through the respective Provincial Forest Management Committees (PFMCs) and the National Forest Board (NFB), both established under the provisions of the Forestry Act.

Mr. Chairman,

Forest Resources and Ownership

Sixty three percent (29 million hectares) of PNG's total land mass area of 46 million hectares is under forest cover. Of this, thirty two percent (15 million hectares) is commercially accessible, while the remaining areas are either on higher slopes or within classified wetlands.

Overall, the stand density of PNG's forests of 18-25 cubic metres per hectare is much lower in comparison with neighboring forests of Indonesia and Malaysia whose stand density double or triples that of PNG.

Within our domestic broad objectives of sustainable forest management, the Papua New Guinea Forest Authority (PNGFA) is expected to manage and regulate all forests, for a broad range of commercial benefits and values for the present and future generations.

Ninety seven percent (97%) of the forest land is under private or customary ownership, and hence sustainable forest management only exist in forests areas

where timber rights have been alienated from customary ownership. The alienation of timber rights is achieved by means of negotiating and executing a forest management agreement (FMA) with the respective land owning groups.

A FMA is for a term of 50 years, and enables the PNGFA to facilitate development in the area. Based on our research modeling on growth and yields, 35 years has been adopted for now, as the basis for one cutting cycle.

Once timber resource areas have been acquired (alienated) from landowners, these are tendered out to reputable timber companies to carry out forest harvesting and management in accordance with the Forestry Act. The Forestry Act provides for timber operators to employ sound forest management practices.

For managing timber harvesting, only trees measuring 50 centimeters or more at breast height or above buttress are harvested. Trees with 49 centimeters diameter and below are marked as residual (for the next crop), and are restricted from harvesting.

Forest areas are also cleared for large scale agricultural projects following consent from the landowners and upon approval by the government.

Mr. Chairman,

Reforestation & Afforestation

PNG supports the APEC Leaders' initiative and inspirational goal of increasing forest cover in the region by at least 20 million hectares of all types of forests so as to mitigate the current and emerging challenges of resource and energy crisis, climate

change, loss of biological diversity, poverty and food security and improved management, conservation and rehabilitation of forests so that it can continue to play its role in contributing to national growth and to the livelihoods of our people. Papua New Guinea though having a huge natural forest area has a small plantation sector of about 60,000 hectares, due largely to land tenure issues. However efforts are being made in developing appropriate strategies in plantation development in Papua New Guinea. In the Medium Term Development Plan 2011 to 2020, a reforestation and forest rehabilitation target of 20,000 hectares have been set, to increase the current planted forest area to 80,000 hectares. This target is achievable with the collective efforts of the industry and various tree farming communities that are being assisted by civil societies throughout the country.

Mr. Chairman,

Benefits to the people of PNG from Forest

Like many developing countries who are members of APEC, the forest resources of PNG have a significant role to its people economically, socially and environmentally. In the last five years, the forestry sector's annual contribution to gross domestic product on average is around USD160-USD170 million in foreign exchange earnings; USD45-USD50 million in export duty, USD15-USD20 million in royalties and levies to the forest owners. In terms of jobs, the sector provides more than 8,000 permanent jobs, and about the same number for seasonal contracts and casual employments. Timber projects also provide infrastructural developments such as roads, bridges, schools and aid posts at the respective project locations.

More importantly, about 80% of the country's people live in the rural areas and therefore rely heavily on the forest resources for food, water, shelter, clothing and a

wealth of other services. Forestry therefore is often called "the super market" for the vast majority of our people.

Mr. Chairman,

Support for SFM from donor governments and organizations

Donor governments and organization over the years have provided technical and financial assistance for enhancing SFM in PNG thus complementing domestic efforts. Currently there are donor funded projects being implemented by the PNG government through the PNGFA and these include: the Remote Sensing and GIS project funded by the Japanese government, the trialing of high valued tree species funded by ITTO and the Decision Support project to enable sound decision in the management and utilization of the nations forest resources funded by the Australian government. A multi-purpose national forest inventory is currently at the preparatory stage of the implementation process, funded by the EU and the UNREDD Program to ascertain the forest and related resources base of the country to make sound planning to enhance sustainable forest management and capture and monitor carbon stock.

Mr. Chairman,

Climate Change

PNG acknowledges the serious threats posed by climate change and global warming to our people and our future plans for development and nation building. Climate change is already impacting health, agriculture and food supply, forests, biodiversity, coastal areas, water resources, and energy production in PNG. We take these threats very seriously not only because they bring with them substantial financial

implications but some 80% of our 7 million people are directly dependent on the environment for their basic daily needs.

Our commitment and dedication to combating climate change and sustaining our natural environments led to the establishment of the Office of Climate Change & Development (OCCD) about four (4) years ago and which is currently under the political leadership of Minister for Forestry and Climate Change.

Addressing the impact of climate change, development of marketing tools such as forest certification and the need to integrate forestry with agriculture for communities, requires critical look at the various aspect of forestry in the context of policy development for now and into the future. Actions are being taken to address them complemented by the broad provision of the current forest policy. At the forestry sectoral level, the PNGFA has formulated a Forestry and Climate Change Framework for Action (FCCFA) to guide climate change activities in the sector but link to the overall government's policy on its effort to contribute to mitigating the impact of climate change. The government has approved five (5) reduced emissions from deforestation and forest degradation (REDD) pilot projects; two of which are at advance stages of the implementation processes to meeting the requirement of the UNFCCC. Though there are constraints and difficulties in the implementation of the pilot projects, it is a learning curve for us.

Mr. Chairman,

Forest law Enforcement and illegality

Like other economies in the region, we are continuing to advocate and inform our critics and importantly, our importing countries that we do not promote, encourage,

or allow illegal timber harvesting and exports operations. We support any regional initiatives to eradicate illegal timber harvesting and exports across our borders. We are currently working closely with the Australian government to meet the requirements of the *Australian Illegal Logging Prohibition Act 2012*. Though there is minimal trade in terms of forest product to the EU market and the US market, we observe and support their regulatory measures such as the EU Due Diligence Regulation and the US Lacey Act.

PNG's export of forest products to our major buyers in China as is the case with logs and Australia for processed products, are from legally permitted forest resource areas. However, to prevent under valuing of logs prior to shipment and provide surveillance of log export, the Papua New Guinea Government engaged Sociéte' Ge'ne'rale de Surveillance (SGS) in 1994 to independently monitor log shipment.

Mr. Chairman,

Forest Certification

Forest certification is gaining momentum and hence a number of timber companies operating in PNG are certified under the FSC. The PNG Forest Industries Association (FIA), with technical assistance from SGS International, have developed a timber legality and verification system that is now available for use on a voluntary basis. The system is the Timber Legality, Traceability and Verification system or TLTV.

Another similar legality and verification system is being developed by the PNGFA and the SGS-Helveta consortium with funding support and assistance from ITTO. The project is nearing completion and upon its completion, the tools and processes

developed will be replicated to improve our management and monitoring capabilities of logging operations.

Mr. Chairman,

Financing for sustainable forest management

Financing for sustainable forest management has been one of the main concerns for many APEC member countries particularly, developing countries. PNG being a developing country is no exception. The forestry sector in PNG is one of the major revenue earner and a major contributor towards the socio economic development of the country. About US\$200 million is being generated annually. Much of the monies generated by the government through forest based industries are used for meeting the costs of the social sectors such as education, law and order, health, sports, infrastructure development and others. The budget appropriated to the forestry agency is very minimal. However, there are other indirect avenues where support for sustainable forest management is realized. These includes NGOs undertaking education and awareness and as well as eco tourism projects in communities and donor governments and organization providing support for enhancing sustainable forest management therefore complementing domestic efforts.

PNG looks forward to the successful outcomes of this meeting and will endeavor to work with APEC member economies on decisions and agreements reached at this meeting.

Thank You, **Mr. Chairman!**