

EXPERIENCE OF PNG WITH FOREST GOVERNANCE AND TRACKING TECHNOLOGIES

WORKSHOP ON TRACKING
TECHNOLOGIES FOR FOREST
GOVERNANCE

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BACKGROUND

FOREST GOVERNANCE IN PNG

- Legal framework for forestry in PNG is relatively complex
- This is due to changes to the legislative requirements over past 30 years
- All forestry operations governed under current legal framework but majority were *developed* under older legislation
- PNG has a comprehensive set of legal requirements for
 - registration of forest industry participants;
 - acquisition of forestry rights from customary landowners;
 - operation licence for forestry operations;
 - planning, operation and monitoring of harvesting and management;
 - environmental management of forestry areas.



FOREST GOVERNANCE IN PNG (II)

- Acquisition of timber rights from customary owners has been contested by NGOs
- It is important to note that under current arrangements:
 - The Government acquires forestry rights from customary owners;
 - Forestry operators negotiate with the Government to gain harvesting/management rights;
 - The customary ownership of the land does not change



EXPORT MONITORING

- PNG has used SGS to monitor log exports since 1994
- All log exports are monitored through 40 export ports
- Conducts physical checks for species, size and quantity
- Conducts checks of shipping and commercial documentation
- Information is entered into a central database reported monthly to the Forest Authority, Internal Revenue Commission, Bank of PNG, Departments of Finance and Planning



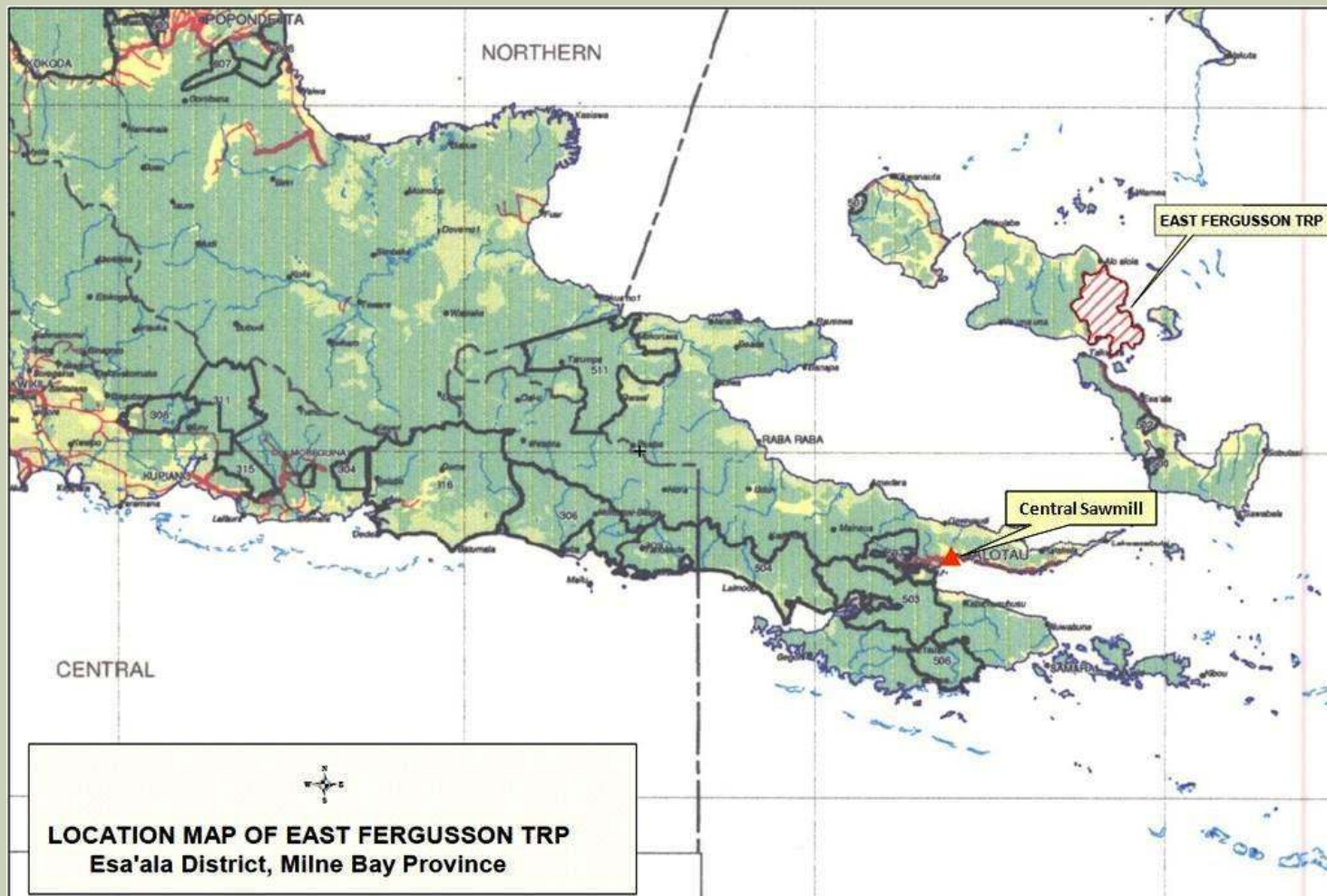
2008 TLTV PILOT

ITTO SGS TLTV PILOT PROJECT

- 2008 Project titled “Using SGS TLTV Program to demonstrate legality of timber product exports from PNG to Australia”
- Project component of ITTO’s Initiative on timber tracking for private sector companies
- Saban Enterprises Limited, PNG, participated as private company



PROJECT AREA



ABOUT SABAN

- Saban (subsidiary of Rimbunan Hijau (RH)) undertakes
 - Log harvesting from East Fergusson TRP
 - Processing of timber at Alotau Sawmill, Milne Bay Province, PNG
 - Sale and transport of timber products to domestic and export markets
- Total area for Timber Right Purchase – 31,340ha
- Log harvest – 50,000 m³ / year (approved harvesting quota is 50,000 m³ / year)
- Timber production – 12,000 – 13,000 m³ / year
- Sales -- 30% domestic, 70% export (Australia, Korea, Japan, Malaysia, Singapore & Taiwan)



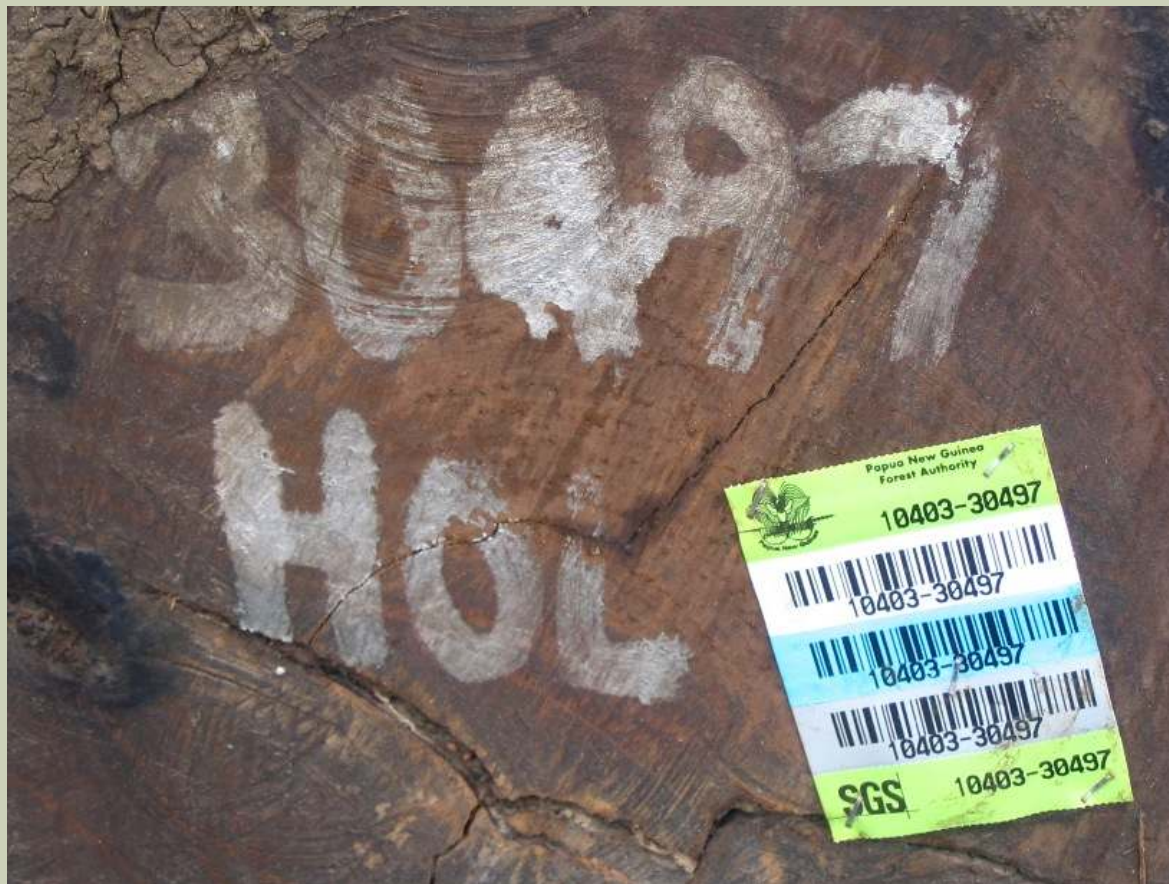
LOG MERCHANDISING



HARVESTING



SCALING



TRANSPORT



PROCESSING



SHIPPING



PROJECT OBJECTIVES/GOALS

- Trial implementation of SGS's TLTV system for PNG
- Test legality of Saban's timber exports to Australia, benchmarked against:
 - SGS TLTV system
 - PNG laws and policies
 - Policy direction of Australian importers
 - Policy direction of Australian illegal logging legislation
- Cost effectiveness of implementing wood tracking systems
- Provide model case study for future roll-out of CoC system for the business group



PROJECT ACTIVITIES

1. Project Steering Committee
2. Evaluation of Saban's current tracking framework
 - Identification of CoC requirements
 - Assessment of compliance
 - Findings
3. Cost-benefit evaluation
4. Implementation of pilot CoC system
 - Training
 - Specification of CoC management framework
 - CoC Manual
 - SGS TLTV pre-assessment



PROJECT OUTCOMES

1. Comprehensive CoC Manual for Saban
2. Learning experience and skill development for Saban staff through initial compliance check
3. Costs and Benefits Analysis of implementing TLTV and CoC
4. Implementation of pilot CoC system for Saban
 - Training of Saban staff
 - CoC management framework
5. Saban received SGS Statements for Legality of Production (LP) and Legally Verified (LV) Timber (SGS-TLTV/LP-0010) and (SGS-TLTV/COC-0018)



TRAINING SABAN



OBSERVATIONS AND LESSONS

1. Provide a formal framework to enhance management systems and skills of staff.
2. Pilot very useful in demonstrating the benefits of legality compliance for Saban and downstream customers
3. Useful step in preparing for future forest certification
4. ITTO pilot project provides underpinning of future projects in the Pacific Islands Region
5. Useful input to governments developing policies to address illegal logging



THANK YOU