



Pacific Islands Development Forum– Leadership, Innovation & Partnership for Green/Blue Pacific Economies.

Session 3: Private Sector Leadership in the Green/Blue Economy.

Mr. Chey Scovell, CEO, Manufacturers Council of PNG.

Nadi, Fiji. 5-7 August 2013



Manufacturers Council of PNG



- The Manufactures Council of PNG (MCPNG), is a non- profit organization formed in 1991 to promote the manufacturing and downstream processing sector within PNG.
- The Council plays an important role between the private and public sector and works closely across business sectors and government to promote and strengthen manufacturing and value added industries in PNG.
- The Council is committed to working with our government and other parties to provide the necessary supporting infrastructure to create an enabling environment for competitive and sustainable local manufacturing and downstream processing.



Understanding the Green/ Blue Economy



- What is understood by governments, regional groups and the sellers of change (loaners, aid delivery businesses) is not necessarily understood by business.
- Accepting the Science
 - Fact from Fiction
 - Outgrowing our planet
 - It sounds so bad, can we really make a change?
- Understanding the business proposition
 - A business is a business
 - Calculating and responding to risk
- Its more than economics and business practices
 - Its about the choices we make as people, what we eat, what we wear, what we build, how we travel, where we work and how many children we have.
- Is there really a commercial solution?



What do we need - *seeing beyond biblical change*



- Balancing reductions and developing energy policies
 - The reality are needs and wants require increasing amounts of energy (and faster then technology can reduce the load)
- MRV – Measurable, Reportable and Verifiable
- Accepting the situations, trusting the science
- Targets and policy need to be based on the science, not the ‘consensus’.
- Assign the roles
 - Governments, Businesses and citizens
 - Leadership and partnership
- Make it comprehensive
- Embrace and support innovation - *new technology and lessons from the past*



The role of the private sector



- A sustainable business is one which is profitable
- It seems to all be on them
 - The hard yards and dirty work, beyond commercial advantage
- What is expected of them
 - Given the enormity of the issue and the “fix”
- Making the sale
 - Selling it to business
 - Why selling it to the consumer is more important



The role of the private sector - getting the job done



- Working collectively
 - The role of business associations
 - Consensus based approaches
 - Working to whose agenda?
- Commercially viable projects
- The importance of making sustainability commercial sense
 - Needs to extend beyond niche 'premiums'.
 - Affordability is everything
- The business of selling and aiding sustainability



Cloudy Bay Sustainable Forestry Ltd.

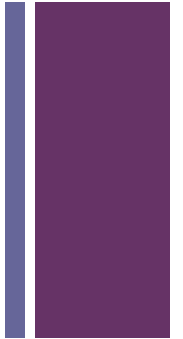
- Cloudy Bay Sustainable Forestry Ltd is a wood fibre development and processing company.
 - “Our purpose is to provide our customers with a sustainable supply of high quality products and be a leader in the responsible management of the environment under our control. This entails sustainable forestry management and ensuring the health and safety of our employees and we will assist in advancing the socio-economic welfare and development of the people within the areas in which we operate.”
- Cloudy Bay Sustainable Forestry Ltd achieved certification by the Forest Stewardship Council (FSC) for responsible forest management.





Cloudy Bay Sustainable Forestry Ltd.

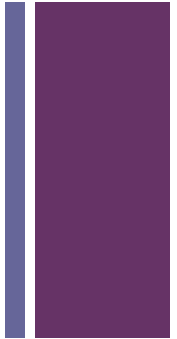
- The Project Development Agreement entered into between the company and the PNG Forest Authority requires that in addition to the normal harvesting and re-planting activities, the company will invest in a range of infrastructure development deliverables over a 20 year period. This infrastructure includes schools, teachers housing, dormitories, health centres, churches, sports facilities, a Police Station, jetties, roads, bridges and crossings. It also requires the company to actively assist in the socio-economic development of the land owners within the Forest Management Area concession. The total concession is home to some 6,000 inhabitants with six official language groups.





PNG Forestry Products

- PNG Forest Products evolved from Bulolo Gold Dredging Limited that commenced operations in large scale alluvial mining in 1932.
- The Bulolo region was at the time one of the largest gold fields in the world. A total of 7 dredges scoured the valley floor, dredging thousands of tons of high grade gold bearing ore.
- Today, PNG Forest Products is the leading producer of timber and plywood products in Papua New Guinea using only 100% plantation pine. Their products include prefabricated houses, dressed timber and mouldings, treated power poles, export high grade plywood and veneers.
- PNG Forest Products is truly a self sufficient organization with retail stores, butcher shops, bakery and a cattle farm. They currently employ more than 1250 staff, the majority of which are Papua New Guinea citizens.





PNG Forestry Products



- TLTV Accreditation - Timber Legality Traceability Verification is the internationally recognized standard by which timber exporters can prove their products are compliant with importers demands.
- As the international timber markets become more sensitive to the issue of “illegal wood” and governments move to ban any imports of timber and timber products that cannot prove their origins are legal, PNG Forest Products are working towards full accreditation to meet with the market requirements.



PNG Forestry Products



- The company also operates two hydro power stations at Baiune with a combined capacity of 5.5MW.
- At both power stations voltage is stepped up to 33,000 volts by transformers. The two stations are linked by a 33,000 volt transmission line, and another 33,000 volt transmission line connects Lower Baiune to the main substation at Bulolo.
- The Bulolo town area, Wau and Edie Creek are supplied from the Bulolo Substation.
- The Baiune hydro-electric power stations supply all the electricity consumed in the Wau and Bulolo areas.



**New Britain
Palm Oil
Limited**



- New Britain Palm Oil Ltd (NBPOL) is the world's leading producer of sustainable palm oil certified in accordance with the Roundtable on Sustainable Palm Oil (RSPO) Principles & Criteria.
- Their operations are fully vertically integrated, producing their own seed and planting, cultivating and harvesting its own land and processing and refining palm oil.
- They operate in Papua New Guinea and in the Solomon Islands, and also have a refinery and a bulking terminal.
- NBPOL built refinery in the UK– New Britain Oils, which delivers segregated, traceable and certified sustainable food ingredients.
- They are the largest domestic sugar and beef producer in Papua New Guinea and are a recognised global leader in high-quality oil palm seed production and research.



**New Britain
Palm Oil
Limited**

- “Our vision is to demonstrate that palm oil can be produced and consumed responsibly and sustainably – creating livelihoods and opportunities for tens of thousands in the provinces where we grow palm oil and nutrition for millions where we sell palm oil.”

Downloads

NBPOL Carbon Footprint Report 2011

Sustainability Report 2010-11

New Britain Palm Oil Sustainability Handbook v.3, 2009

▼ policies and positions

yield – towards 30:30

free, prior and informed consent

human rights

conserving nature and minimising environment impacts

supporting and promoting good practices among smallholders

continuous stakeholder engagement

a safe and fair workplace

business ethics

▶ sustainability structure

▶ sustainability reports

▼ certification and indices

roundtable on sustainable palm oil

ISO14001

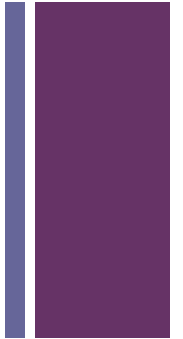
HACCP

SEDEX



**New Britain
Palm Oil
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Words meaning action



- We [NBPOL] define sustainable development as encompassing responsible resource stewardship, effective pollution prevention and the capacity to produce efficiently.
- The goal of sustainable development will be achieved by balancing the considerations for People, Planet and Prosperity in all management decisions.
- Continue to look into ways to improve sustainability performances by embedding it deeper into business processes.
- While they believe that sustainability must be integrated in both everyday operations and strategic decisions, they are also aware that they must have in place a sustainability framework and policies that allows for sharing of lessons and implementation support.
- NBPOL recognise that not everyone will be convinced of its efforts but they look forward to continued partnerships with stakeholders across the world to search for better solutions which benefit business, the environment and our communities.



Words meaning action



Latest News 1 July 2013 (Updated)

- New Britain Palm Oil partners leading NGOs and growers in new Palm Oil Innovation Group.
- NBPOL has teamed up with Greenpeace, WWF, Forest Peoples Programme, Rainforest Action Network and a handful of other progressive palm oil companies to form the Palm Oil Innovation Group (POIG) to push the boundaries of current requirements of the Roundtable on Sustainable Palm Oil (RSPO).
- The POIG aims to build on RSPO standards and commitments by both demonstrating innovation to implement RSPO existing standards but also on additional critical issues. With a focus on the three thematic areas of environmental responsibility, partnerships with communities, and corporate and product integrity, POIG members will strengthen their commitments to socially and environmentally responsible palm oil production.



Making a better PNG

Manufacturers Council of PNG



- MCPNG has responded to state of play on service delivery
- We're engaged across all levels of government and business
 - NISIT
 - National Population Council
 - Environmental Steering C'tee
 - Trade (AfT, APEC, WTO, Negotiations)
- Knowing whose who
 - A loan is a loan, we understand risk
- Supporting the most effective
 - USFTA
 - PPD's (NWG, CIMC)
 - *PIDF*



The role of Standards & Conformance



- Organisations such as the ISO and IEC have developed and published consensus-based international standards to assist industries manage their environmental foot-prints in an open and transparent way.
- Uptake of the standards by local and foreign controlled industries is very poor. Implementation of the requirements stipulated in the ISO 14000 standards through the certification process is very minimal
- Standards go from start to finish (cradle to the grave)
 - Processes, Design & Construction, Disposal, Measurements
- The recently developed standard in energy management system (ISO 50000). Adoption and implementation of this standard by industries will enable them to maintain and manage their energy needs in a sustainable manner.
- IEC has developed standards on the production of electrical energy from renewable energy sources (solar, wind).
- Standards for rural electrification
- Sustainable buildings - a new system BIM (Building Information Model)



Revisiting what we need - *seeing beyond biblical change*



- Balancing reductions and developing energy policies
 - The reality are needs and wants require increasing amounts of energy (and faster than technology can reduce the load)
 - Energy development provides the foundation for development activities in all sectors
- MRV – Measurable, Reportable and Verifiable
- Accepting the situations, trusting the science
- Targets and policy need to be based on the science, not the ‘consensus’
- Assign the roles
- Make it comprehensive
- Embrace and support innovation - *new technology and lessons from the past*
- Make it commercially viable



What next?



- Putting a price on carbon
 - Is it working? Will it work? Is it the solution

- Backing too many horses
 - Simultaneous pursuit of carbon taxes and renewal energy targets is frustrating and cumbersome for business and consumers

- What is having an impact?
 - There have been changes on many fronts, but can these be attributed to the policies?

- Forcing Changes v willingness from the bottom to the top
 - History shows nothing will work if the you forget to take the community with you
 - Understand that we're changing behaviors



What next?



- A number of initial targets set targets for 2020, with it fast approaching it seems that we're going to need radical moves to meet them.
 - Will we find a commercial , market driven response?
- Kyoto was an agreement reached by already developed economies.
 - We need a comprehensive model that includes developing nations, especially the BRIC group.
- Eating the elephant
 - Global warming, destruction of environment (land and sea), preservation and conservation, increased disease
 - Learning to have more with less?

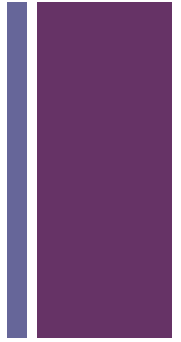


Priorities for Pacific Communities



- Manage our population growth
- Improve quality infrastructure and support services (health, education, governance)
- Create platforms conducive to business, including higher research and development
 - Common market place
 - ICT
 - Collective management (economies of scale)
- Have the world working towards our welfare
 - We are the most affecting by inactivity

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Making a better PNG



**S U P P O R T
P N G M A D E**

support our country

Tenku
Tru

Vinaka