

## 4.0 The Regulatory Framework

### 4.1 Government Forestry Policies

The growth of the Chilean forestry sector has been stimulated by the Chilean government since 1974, when Decree Law 710 (DL-710) was enacted establishing state subsidies and strong financial support to promote the development of the forestry sector. These subsidies in some cases cover up to 75% of the cost of new plantations (excluding the cost of the land). Special land tax exemptions are also part of DL-701. Expropriation of land dedicated to forestry production is prohibited under DL-701. The success of the program is evident from the large increase already attained in newly planted areas.

#### Santiago Declaration

##### Statement on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests

The Governments of Australia, Canada, Chile, China, Japan, Mexico, New Zealand, the Republic of Korea, the Russian Federation and the United States of America, which are participating in the Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests ("Montreal Process") and whose countries contain a significant portion of the world's temperate and boreal forests:

**Recognizing** that the sustainable management of all types of forests, including temperate and boreal forests, is an important step to implementing the Statement of Forest Principles and Agenda 21, adopted by the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in June 1992, and is relevant to the United Nations conventions on biological diversity, climate change and desertification,

**Also recognizing** the value of having an internationally accepted understanding of what constitutes sustainable management of temperate and boreal forests, and the value of agreed criteria and indicators for sustainable forest management in advancing such an understanding,

**Mindful** that the application of agreed criteria and indicators will need to take account of the wide differences among States regarding the characteristics of their forests, including planted and other forests, land ownership, population, economic development, scientific and technological capacity, and social and political structure,

**Taking note of** other international initiatives regarding the development of criteria and indicators for sustainable forest management,

**Affirming** their commitment to the conservation and sustainable management of their respective forests, and

**Having Undertaking** substantive discussions to develop agreed criteria and indicators for the conservation and sustainable management of temperate and boreal forests,

**Endorse** the non-legally binding Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests annexed to this Statement as guidelines for use by their respective policy-makers;

**Encourage** other States which have temperate and boreal forests to consider the endorsement and use of these criteria and indicators;

**Note** the ongoing nature of the discussion on these criteria and indicators and the need to update the annex, to the FAO Meeting of Ministers Responsible for Forestry, to be held in Rome, March 17-27, 1995, and the third session of the United Nations Commission on Sustainable Development, to be held in New York, April 11-28, 1995.

(Final acceptance of the annex to this statement is under consideration by Australia and Mexico)