



Fiji Forest Policy Statement

November 2007



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Government of the Republic of Fiji Islands

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Abbreviations

AAC	Annual Allowable Cut
ACP	Africa, Caribbean and Pacific (States, in co-operation with the EU)
CBD	Convention on Biological Diversity
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
DOE	Department of Environment
DLT	Diameter Limit Table
EIA	Environmental Impact Assessment
EPA	Economic Partnership Agreement
EPS	Endangered and Protected Species Act
EU	European Union
FAB	Fijian Affairs Board
FAO	Food and Agriculture Organization of the United Nations
FD	Forestry Department of the Republic of the Fiji Islands
FFHCOP	Fiji Forest Harvesting Code of Practice
FHCL	Fiji Hardwoods Corporation Limited
FIA	Forestry Industries Association
FIRCA	Fiji Islands Revenue and Customs Authority
FMP	Forest Management Plan
FMU	Forest Management Unit
FOB	Free on Board
FPL	Fiji Pine Limited
FTC	Forestry Training Centre
FTIB	Fiji Trade and Investment Bureau
GATT	General Agreement on Tariffs and Trade
GEF	Global Environment Facility (of the United Nations)
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH (German Technical Cooperation)
IFF	Intergovernmental Forum on Forests
IPF	Intergovernmental Panel on Forests
ITTO	International Tropical Timber Organization
IUCN	International Union for the Conservation of Nature – The World Conservation Union
LRD	Land Resources Division (SPC)
LUP	Land Use Planning
MDG	Millennium Development Goals
MOU	Memorandum of Understanding
NBSAP	National Biodiversity Strategy and Action Plan
NFI	National Forest Inventory
NFP	National Forest Programme
NGO	Non-Governmental Organization
NLTB	Native Land Trust Board (Fiji)
NTFP	Non-timber Forest Products
NZAID	New Zealand's International Aid and Development Agency
PACER	Pacific Agreement on Closer Economic Relations
PFE	Permanent Forest Estate
PGRFP	SPC/GTZ Pacific–German Regional Forestry Project
PHI	Pre-Harvest Inventory
PICTA	Pacific Island Countries Trade Agreement

RIL	Reduced Impact Logging
SCARF	Seed Capital Revolving Fund
SDP	Fiji National Strategic Development Plan
SFM	Sustainable Forest Management
SLIMF	Small and Low Intensity Forest Management
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPC	Secretariat of the Pacific Community (formerly South Pacific Commission)
SPREP	Secretariat of the Pacific Regional Environment Programme
TITC	Timber Industry Training Centre (Fiji)
TPAF	Training Productivity Authority of Fiji
UNCCD	United Nations Convention to Combat Desertification
UNCED	United Nations Conference on Environment and Development
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFF	United Nations Forum on Forests
WTO	World Trade Organization

PREFACE

The first Forest Policy for Fiji was approved by the Legislative Assembly in 1950. Subsequently, the Forest Act was endorsed in 1953 to give legal effect to this policy. In 1988, the Government of Fiji initiated a Forest Sector Review with a comprehensive analysis of the sector and reformulated sectoral objectives, strategies and development programmes as a basis for the development of the forest sector. Although the Review did not result in the formulation of a new forest policy, it initiated changes in forestry legislation. The Forest Act was reviewed in early 1990; and in 1992 replaced by the Forest Decree, which simplifies, clarifies and updates its preceding legislation taking into account the need for sustainable forest management and changes in the policy environment.

Since the elaboration of the first forest policy, the perspectives on the role of forest for society have changed and broadened considerably as a consequence of social, economic, environmental, cultural and political changes. In addition, as a result of the international forest-related discussion initiated by the 1992 UNCED conference in Rio and continued by the Intergovernmental Panel on Forests (IPF) and Intergovernmental Forum on Forests (IFF) and its successor, the United Nations Forum on Forests (UNFF), the contribution of forests to international conservation has become an important part of the national policy discussions globally.

New demands, such as the use of forests as carbon sinks, illustrate that the social meaning of forests is a dynamic one. It can be subject to rapid and unpredicted changes.

There is a growing pressure on forest resources because of the increased demand for timber and other forest products and the ongoing conversion of forest land for other uses. With Government support for forest industry development, timber has become an important export commodity. On the other hand, resource owners' aspirations for increased benefits from the use of their land needs to be taken into account as well as the potential of forestry activities for improved livelihoods predominantly in the rural areas. Faced with these challenges today, the management of Fiji's forest resources as part of national heritage in an integrated and sustainable manner to optimise environmental, economic, social and cultural values has become an urgent necessity.

In 2003, the Forestry Department stated the need to "redefine forest policy to reflect the adoption of appropriate sustainable forest management system to ensure the full and successful implementation of current strategic directions and landowner aspiration on the management of their resources" (DOF 2003).

This need has been addressed by the elaboration of the new forest policy in a process that involved wide stakeholder consultation at the national and decentralised level. With endorsement of the Rural Land Use Policy by Cabinet in 2005, the new Fiji Forest Policy can be put into an adequate policy framework for sustainable land use and elaborate on details to be addressed by a comprehensive sectoral policy. The Interim Cabinet at its meeting of 06 November 2007 approved the new Forest Policy. A copy of the Cabinet Decision is attached for ease of reference.

The formulation of the Fiji Forest Policy is an important step in the continuous development of a National Forest Programme that strives at achieving a consensus of all stakeholders on policies and implementation measures towards conservation and sustainable management of the Nation's forest resources, aiming at maintaining multiple values for the benefit of present and future generations alike.

A handwritten signature in dark ink, appearing to read 'Joketani Cokanasiga', with a long horizontal line extending from the end of the signature.

Joketani Cokanasiga
(Minister for Fisheries and Forests)

CP(2007): 21st Meeting

Date: 06/11/07

CABINET DECISION


Extract from Minutes of Meeting Held on Tuesday 6th November, 2007 at 9.00am

515. New Fiji Forest Policy - F.9115

IGCP(07)415

Cabinet:

- (i) approved the new Forest policy; and
- (ii) approved the revision of the Forest Decree 1992.


[Viniana Namosimalua (Mrs)]
for Secretary to the Cabinet

1 NATIONAL FRAMEWORK FOR FOREST POLICY

The first National Forest Policy for Fiji was adopted in 1950 and gave rise to the 1953 Forest Act, which together viewed forestry primarily in the context of forest management for timber production. The Forest Act was replaced in 1992 by the Forest Decree which simplified the preceding legislation and made an initial attempt to address several decades of changing and broadening requirements of the forestry sector to take into account social, economic, environmental, cultural and political developments. In the 21st century, forestry's policy environment continues to change with a sharpened focus on sustainable forest management, increased landowner aspirations, climate change and globalization.

Due to the changes in the operating environment the need to reform Fiji's general forest policy has become more acute, not only by the recent development of the forestry sector and the latest results from Fiji's forestry and environment review, but also because of global concern for the environment.

1.1 Macro-economic context

Economic performance in Fiji over the past years has been relatively subdued with growth in the GDP averaging at 3% from 1970 to 2000 (Waqabaca 2004). Since Fiji's independence, economic policies have been directed towards promotion of import substitution and self sufficiency where it was generally assumed that protecting the local industries from foreign competition would afford them the opportunity to grow. In the early 1980s, the economy started to show signs of serious decline due to a series of natural disasters which led to the stagnation of the sugar industry, manifested by increasing unemployment and decline of real incomes of sugarcane growers. Development Plan 9 (1986–1990) focused economic policies on diversification, increasing efficiency and competitiveness of exports (Prasad 2004) through employment creation in rural agriculture and forestry (Qalo 1996). The 1987 coup resulted in radical policy changes focusing on stabilisation and reforms that saw two devaluations of the Fiji dollar and the establishment of tax free zones to promote exports.

The domestic economy in Fiji is anticipated to grow at 3.4% in 2006, lower than the 3.6% projected prior to 5 December 2006 (Economic Review March 2007). The economy is also envisaged to contract by 2.5% with the decline in GDP resulting from downturn in tourist arrivals, reduction in building and construction sector and

the overall reduction in Government's operating expenditure. Employment creation is also on the decline as credit growth continues to fall from its peak in May 2006. Imports continue to grow strongly at 5.7% while exports remain dismal. Coupled with high profit remittance and migrant transfer outflows, Fiji's balance of trade is under sustained pressure as foreign reserves continue to be low. Inflation rates continue to show an upward trend as consumer prices rose by 1.3% in the first quarter of 2007. Although the agriculture, forestry, fisheries and subsistence sectors are forecast to register positive outcomes in 2007, it will not be sufficient to offset the overall decline in GDP.

Fiji became signatory to the General Agreement on Tariffs and Trade (GATT) in 1993, and acceded to the World Trade Organization (WTO) in 1996. Fiji has also pursued bilateral and multilateral trade agreements with neighbouring countries through the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) with Australia and New Zealand in the late 1980s. Fiji became a part of the Melanesian Spearhead Group with Papua New Guinea, Vanuatu and the Solomon Islands in 1998; entered into the Pacific Agreement on Closer Economic Relations (PACER) in 2002; and the Pacific Island Countries Trade Agreement (PICTA) in 2003. Fiji is currently negotiating an Economic Partnership Agreement (EPA) to replace the Cotonou Agreement (2000) among ACP countries; this is anticipated to enable Fiji to diversify from sugar to include other agro-based commodities. As a result, Fiji's Trade Openness Index increased from 55% in 1986 to 73% in 2001 (Prasad 2004).

The Fiji national Strategic Development Plan (SDP) 2005–2007 emphasises social and economic goals, particularly in the area of enhancing security and stabilizing the economy. The eight Goals within the MDG are incorporated into the Government's planning process and good progress is being achieved in six areas including the two main areas addressed in forestry: sustainable forest management; and poverty alleviation. The passing of the Environment Management Act (2005), Endangered and Protected Species Act (2002) and the Rural Land use Policy in 2005 are all indications of Government efforts to ensure a balance between development and sustainability.

The forest sector embraced policies of import substitution and self-sufficiency to the extent that Fiji has become self-sufficient in timber products, with imports allowed only for specialised commodities. Despite the forest sector's adoption of macro-economic policies outlined previously, the sector's competitiveness is reported to

show no improvement for the period 1998–2002 (Prasad 2004). The lack of improvement in timber industry competitiveness can be attributed to several domestic factors such as the high maintenance cost of heavy machinery and equipment; high transportation and freight costs; lack of suitable infrastructure to access forest areas (Prasad 2004), as well as insecurity in effecting efficient supply chain mechanisms that ensures the flow of raw material from the forest to processing plants (Tuisese 2006).

The Forest Sector has good potential for further growth through more efficient use of the existing resource. However, the sector has performed below capacity since 2000, largely due to fluctuation in harvesting of indigenous logs, bad weather conditions affecting harvesting operations and the closure of several Vanua Levu Mills. The sector is anticipated to perform strongly in the medium term through increased mahogany and pine harvesting once the Wairiki Bua Port is completed.

In pursuit of better services and deliveries, Government continues to push for reforms in public enterprises. Along this line, the commercialization of the two major plantation resources has been implemented with strong Government support to ensure the effective economic participation of land owners is integrated into this process.

1.2 Environmental context

1.2.1 International conventions

Fiji is a signatory to international and regional environmental conventions, such as the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Convention on Conservation of Nature in the South Pacific (Apia Convention), the Convention for the Protection of Natural Resources and Environment of the South Pacific Region (Nouméa Convention or SPREP Convention), all of which recognize a nation's endemic biodiversity and provide undertakings for its effective conservation. They guide the development of forest policy with regard to conservation of biodiversity in natural forests and in all forest management activities that can have an impact on aquatic and marine biodiversity. Fiji participates actively with the Secretariat of the Pacific Regional Environment Programme (SPREP), the Pacific region's major inter-governmental organization charged with protecting and managing the environment and natural resources.

Fiji is also signatory to the United Nations Framework Convention on Climate Change (UNFCCC) and the United Nations Convention to Combat Desertification (UNCCD). There are obligations and opportunities for the forestry sector under these conventions in areas such as carbon sequestration and trading in carbon credits where existing forests are conserved or deforested lands are re-forested. In the area of adaptation, the forestry sector has a role to play in safeguarding against the impacts of natural disasters; the conservation and planting of mangroves and other forest species as a response to coastal erosion and sea-level rise; and the conversion to tree crops owing to the need to change crop husbandry practices because of the increased frequency and duration of extreme weather patterns such as droughts and floods. Fiji is obligated to formulate a National Climate Change Policy under the UNFCCC and UNCCD.

1.2.2 National conservation and nature protection strategies

The country's major instruments for conservation and environment are the National Environment Strategy (NES) and the National Biodiversity Strategy and Action Plan (FBSAP), which outlines the implementation of commitments under CBD. The NES and FBSAP have been endorsed by Cabinet and set the framework for conservation of biological diversity in Fiji's natural forests. According to FBSAP, conservation and sustainable management of Fiji's natural forests is the single most important means of conserving the vast majority of Fiji's endemic fauna and flora. It provides further directives for the establishment of a comprehensive and representative system of forest reserves and conservation areas, and emphasizes the role of resource owners and local communities in conservation and sustainable management of natural forests.

The Environment Management Act 2005 regulates the application of principles of sustainable use and development of natural resources. It provides, *inter alia*, requirements for natural resources management and environmental impact assessments.

The Rural Land Use Policy, as endorsed by Cabinet in 2005, provides the umbrella framework for forest policy with regard to forest land use planning and sustainable use of forest resources. It stresses the need for a sound forest land use classification, based on a comprehensive national forest programme and appropriate legislation, and proposes a national forest inventory and the designation of a permanent forest area that also provides for forest conservation. The Rural

Land Use Policy makes specific reference to protection, rehabilitation and sustainable management of natural forests as well as the sustainable use of forest plantations with regard to maintaining site quality. It touches upon sound forest land use that prevents land degradation and emphasizes soil and watershed conservation.

Domestic and international compliance with biosecurity and quarantine regulations is important to protect our natural forests and plantations from invasive species (e.g. African tulip tree, *Spathodea campanulata*; *vaivai*, *Leucaena leucocephala*), as well as compliance with the regional and national policies and strategies for the handling and storage of chemicals and the management of waste.

1.3 Social framework

More than 80% of the Fiji's forest resources are located on indigenous land, in rural areas. Therefore, the forest sector is an important, rural-based component of Fiji's economy.

The Government of Fiji recognised the multiplier effect of developing the sector, and the forest policy and strategies are driven towards the sustainable management of the forest resources for the benefit of the rural community, in particular the land and resource owner. The need to create awareness about the management of forest resources in a realistic and sustainable manner was highlighted by Qalo (1996). He emphasised the need to disseminate "the relevant knowledge and making ethnic Fijians understand that any desire for development must be realistic, affordable, qualitative and achievable" (p. 4).

Qalo (1996) undertook a socioeconomic analysis of the people of the Drawa Project, sponsored by the SPC/GTZ Pacific–German Regional Forestry Project and noted that the people are "very aware and concerned about their natural resource" (Qalo 1996, p. 17), and that forest resources are seen as the main cash earners and provider of road access through the construction of logging roads. There are also high expectations of job creation, electricity, piped water, housing and transportation. The study further indicates that people support the concept of sustainable management of forest resources in perpetuity, for the purpose of gaining regular cash benefits as well as for environmental reasons.

The alleviation of poverty is high on the Government's agenda, and strategies are in place to effectively address the issue. One of the key areas of the Government

focus is to ensure effective and meaningful participation of forest resource owners in the social and economic development of their forest resource. Under the Government's affirmative action programme, various forms of assistance are channelled through several Government agencies and financial institutions, to ensure economic participation of forest owners in this regard. For instance, the development of community-based forest management projects; non-timber forest products cottage industry; sustainable forest management techniques in which community participation is vital, as well as ecotourism opportunities. Other areas of Government assistance include family assistance schemes; poverty alleviation programmes to fund business enterprises; and education assistance to rural schools.

2 MAIN SECTORAL ISSUES, PROBLEMS & OPPORTUNITIES

2.1 Assets and opportunities of the forestry sector

2.1.1 Forest resources

Of Fiji's landmass of 1.8 million hectares, approximately 51% has some form of forest cover, where 42% is native forest and the remaining 9% is exotic pine and mahogany plantations (Forestry Department Annual Report, 2005). The 1973 Fiji Forest Inventory (Berry & Howard) conducted by the Land Resources Division of the Foreign and Commonwealth Office (United Kingdom) estimated the area of natural forest on Viti Levu, Vanua Levu and Kadavu at 838,750 ha. The 1992 NFI estimated a forest area of 827,120 ha for the islands of Viti Levu, Vanua Levu and Kadavu, 764,530 ha of native forest and 93,000 ha of forest plantations. Approximately 45,000 ha of the plantation area is pine plantation, located in the drier zones of Viti Levu and Vanua Levu. The plantings of tropical pine, mainly *Pinus caribaea* began on a small scale around 1950 and were extended by 1972 with the "expanded pine scheme". The plantation programme for mahogany (*Swietenia macrophylla*) also began in the early 1950s and it is estimated it will cover an area of 60,000 ha by the end of 2005, of which about 10,000 ha are occupied by other species such as Kadamba (*Anthocephalus chinensis*), Cordia (*Cordia alliodora*), Maesopsis (the 'umbrella tree', *Maesopsis eminii*), Eucalyptus (*Eucalyptus deglupta* and *E. citridora*). Pine plantations have for the most part been established on degraded grassland to improve land use and increase the forest cover; hardwood plantations, on the other hand, are established on logged over natural forest land in order to stabilise and enrich the exploited stands.

The management of productive plantations and their extension has a significant potential for high value timber supply and rural development. Development of plantation areas, however, meets constraints in financing and bears environmental risks, especially if expansion goes ahead at the expense of natural forests. It should be in line with an integrated land use planning and focus to expand the plantation resource base into the Talasiga land and degraded forest areas.

Despite the 51% of forest cover, the extent of deforestation (forest and vegetation clearing) and its impact on the surrounding environment remains a serious concern. Pressure towards further deforestation includes population growth and the demand for new settlement areas, and greater agricultural production for food security. The

impact becomes more pronounced, with high incidence of soil erosion, siltation and subsequent flooding of low-lying areas.

Fiji's forested area is variously classified as Production Forest, Protection Forest, and Non-Commercial Forest in the 1973 NFI (Berry & Howard). These were later re-classified as Multiple-Use Forests, Protection Forests (on slopes >30 degrees and other erosion-prone sites) and Preserved Forests (nature reserves, etc.) in the 1992 NFI. In view of the implementation of sustainable environment management and conservation strategies it will be critical to design areas for permanent forest use and determine the various functions according to the results of the recent forest inventory and the objectives of the National Biodiversity Strategy and Action Plan (FBSAP).

2.1.2 Forest products

The annual rate of cut of the native forest is indicated as being around 200,000 m³ for the period 1970–1989, reducing to 100,000 m³ for the period 1999–2005. The annual cut in 2005 was reported as being 104,000 m³ and the cut for 2004 was about 102,000 m³ (Annual Report 2005).

Pine plantations in 2005 supplied a total of about 446,000 m³ of logs, the bulk of it being supplied by Fiji Pine Limited (FPL), with some 153,000 m³ generated from private pine woodlots.

The harvesting of mature mahogany plantations commenced in 2003 by the Fiji Hardwood Corporation Ltd (FHCL) and has escalated rapidly since then. An estimated production of approximately 60,000 m³ has been forecast by FHCL, and the potential future production is expected to be sustained at 100,000 m³ log volume. The Waivunu Sawmill (FHCL) has a recovery rate of 48%, with the total sawn timber production estimated to be around 35,000 m³ annually.

The decline over recent years (2001–2006) in log production from native forests has been continual. This decline has been attributed mostly to a dwindling resource base and increasing inaccessibility of the resource as the more accessible forests are logged over; partly also to a reduction in the number of logging licences issued and a decline in the number of sawmills operating since the introduction of band saws in 1995.

Non-timber forest products are of great importance to rural communities. Many plants are used as foods, medicines, construction and roofing materials, dyes, artisanal products, and in ceremonials and rituals. Bush meat, especially pigs, is a valuable food item. Mud crabs, lobster and shellfish are harvested from the mangrove. Stems of tree ferns are collected from forest areas and made into ornamental posts (*balabala*) which are widely used. Some plants, such as *yaqona* (*Piper methysticum*), from which kava is made, are now largely cultivated and others, collected from the wild, are being over-harvested. Few products are marketed except noni (*Morinda citrifolia*) and sandalwood (*Santalum yasi*), which has a certain economic potential, especially for village-based production. The challenge is to develop this potential while managing the existing resource sustainably.

2.1.3 Wood processing

Wood is currently processed into sawn timber, veneer and plywood, blockboard, core board, mouldings, poles and posts – of which a large portion is placed on the Australian and New Zealand market – and pine chips, which are exported solely to Japan. Solid products, especially plywood and blockboard are in demand in the Pacific region, but in comparatively small volumes. The American market takes about 40% of veneer products. In addition, there has been encouragement for the establishment in Fiji of a valuable furniture industry and other value-adding processes in order to provide higher value return.

2.1.4 Valuation of forest products and services

The total export earnings from wood products has been estimated by the FD to average FJD 38.1 million per year. Pine woodchips accounted for 52% of export earnings, with sawn timber and plywood export earnings comprising 29% and 9% respectively, and other assorted products 10% in 2006.

Revenue from forestry does not comprise a high percentage of GDP, but is expected to remain a significant driver of growth in the future. The importance of forests lies in the rural sector, by providing employment opportunities and supporting living standards. Despite urban drift and the decline in the rural population over the past decade, some 54% of Fiji's population still live in rural areas. Additionally, the value of the environmental services of forests, that is, the important functions forests perform in respect of biodiversity, soil and water conservation, and for future development of (eco-) tourism cannot be overrated.

Government policies to foster an increased but sustainable forestry production, along with other primary industries, are being taken to alleviate poverty of forest-dependent communities. Given that close to 90% of the lands are communally and privately owned, the effective participation of landowners in the development of their own forests will also be a vital step towards the sustainable management of Fiji's forests.

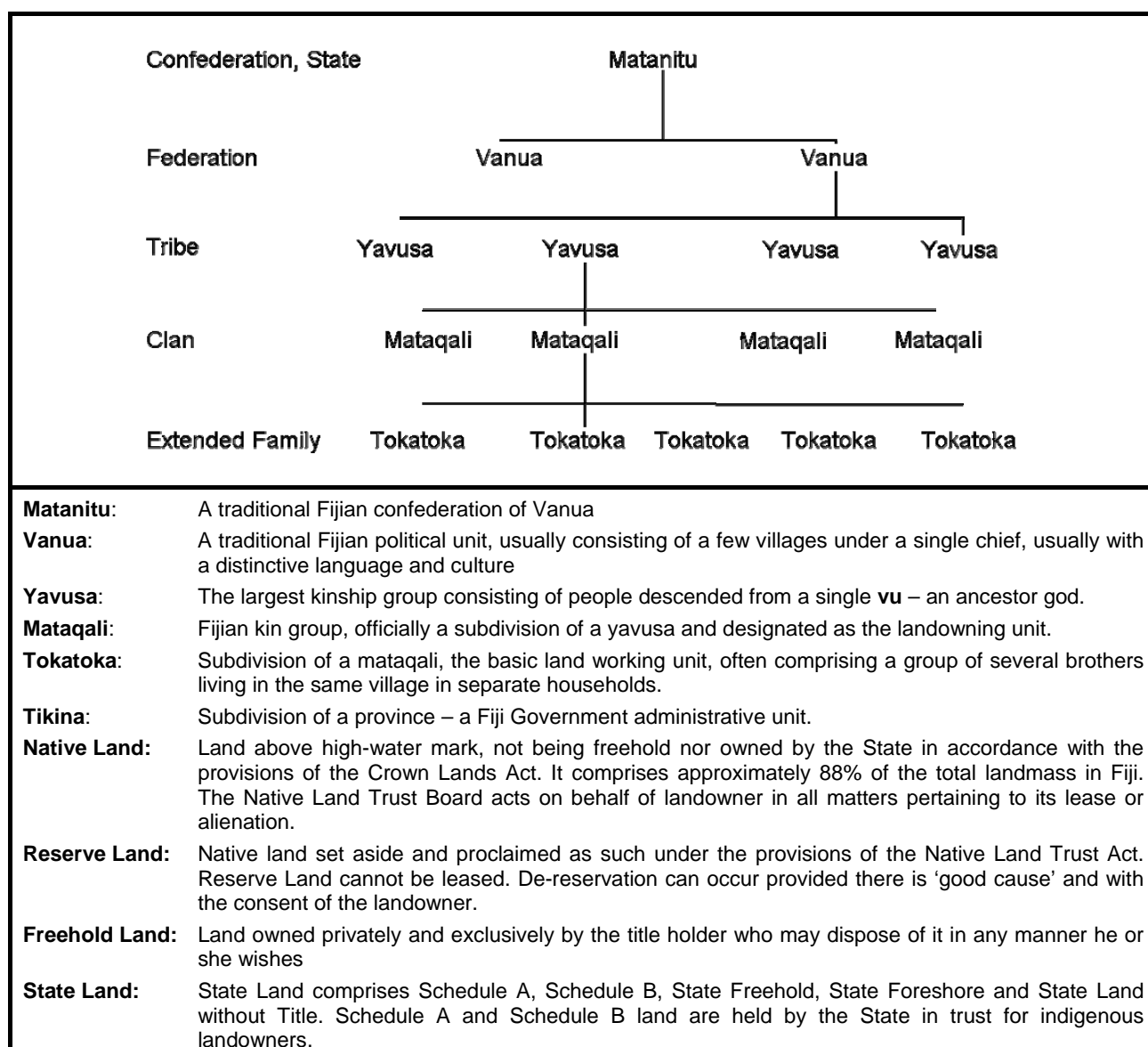
Forest sector investments generally show low financial but high economic rates of return. Non-monetary benefits are not reflected in the national or sectoral accounting system. A valuation of environmental services of forests would provide differing results. According to an assessment in 1994, the total value of Fiji's forests' ecosystem services for biodiversity, soil and water conservation, and for future development of (eco-)tourism was estimated at FJD 445 million. This amount represents around 20% of the 1994 Fiji GDP of \$2,312 million (NBSAP 2007).

2.2 Forest resources management

2.2.1 Land tenure

In Fiji, land belongs to the *tokatoka*, *mataqali* or *yavusa*, the communal land owning units recognised by law. Fijian landowners may lease land to specified users through the NLTB, which is also responsible for the collection of rentals and other payments as well as distribution of funds to landowner groups. Landowners, in consultation with the NLTB, may cancel leases in case of dispute. Production forest under lease is effectively secure only until it is logged. Once logged, the land reverts to the *tokatoka*, *mataqali* or *yavusa*, and may be re-logged under one-year licence or converted to other uses. In the absence of comprehensive national and regional land use plans, there is no clear process for identifying and securing forest areas for different uses, which constitutes a major constraint to sustainable forest management. Landowners need to be encouraged to put their forest land under some form of land use planning that ensures maintenance of the forest area and its productivity and provision of environmental and social functions. The new Rural Land Use Policy paves the way to initiate such a process.

Box 1: The land tenure system in Fiji and how it relates to the Fijian hierarchy



2.2.2 Knowledge of the forest resources

Inadequate knowledge on Fiji's forest resources hampers the development of sustainable forest management. The National Forest Inventory of 1991–1992 covered only natural forest, and its results were never fully used for sound planning and monitoring of the forest resource; with more than a decade passing by, they have become outdated. There is an urgent need to re-assess the status of Fiji's forests, to acquire reliable information that will allow better decisions to be made on effective management of the resource. FD therefore implemented a national forest inventory in 2006 to be completed in 2007. Besides sound information on the forest resource, the 2006 NFI will also provide a reclassification of forests according to

forest functions, the designation of protected areas and adequate planning of supply and demand of forest products.

2.2.3 Forest utilization

There is hardly any planned forest management in natural forests. Management plans are non-existent and the harvesting plans that have to be submitted by Forest Management licensees are rarely based on sound resource inventories. In addition, the existing licensing system with a preference by landowners for short-term timber licences discourages longer-term planning for forestry operations and investment in sustainable forest management and industry development. The awareness of resource owners on the benefits of long-term arrangements for SFM is still to be developed. However, there are promising trials for community-based management of natural forests in Drawa, Vanua Levu, that can provide the basis for more involvement of resource owners in participatory approaches to SFM.

Despite the existence of a Fiji Forest Harvesting Code of Practice (FFHCOP), that describes minimum standards for harvesting operations, including soil and water conservation and post-harvesting measures, over-cutting and unsound logging practices result in forest degradation and considerable damage to soils, waterways and remaining forests. There is a lack of monitoring and enforcement of the Code due to inadequate training and availability of resources. Rehabilitation measures are rarely applied, and silvicultural treatment of logged-over forests is largely unknown.

Plantation management is still sub-standard. For example, reforestation of harvested mahogany areas is neglected; there is no proper silvicultural treatment to improve quality of stands and to ensure a viable second crop. Forest health and protection against fire are also posing problems in plantations. The expansion of plantations in natural forests threatens biodiversity values. Land use planning is needed to identify suitable plantation areas while conserving the environment. Timber plantations, especially mahogany, have a significant potential for supply of high quality raw material for Fiji's forest industries. The increased involvement of landowners in plantation establishment could provide employment and income opportunities for an improved rural economy. Certification of sustainable management of forest plantations could open new and lucrative markets.

Careful planning and management of the use of Fiji's forests are important to ensure that the values supplied by forests are not jeopardised by the equally

important need for development. Balancing needs for environmental protection and industrial development can only be achieved through sustainable forest management principles and practices appropriate to Fiji which will be determined in the revision of the Code of Practice. The certification of sustainable management of forest and forest plantations could consolidate the transformation process to a sustainable forest management, and open new marketing opportunities at international level.

2.3 Timber industry

According to the ITTO Mission Report of 2004, the Fiji timber industry is characterized by fragmentation, small-scale structure, and weaknesses in the workforce and management. Generally, the industry is characterized by overcapitalization and high levels of inefficiency at all stages of the supply chain (Tuisese 2006).

In 2004, there were 26 licensed sawmills, less than half the number existing 10 years earlier, when only 18 were in operation. The fall in numbers is attributed to implementation of the sawmilling policy requiring mills to install band rather than circular saws – a move that forced the closure of many small mills. There are two veneer and plywood mills, both integrated with sawmills, and one large wood chip plant integrated with the largest sawmill in Fiji. The combined log intake (native, hardwoods and softwoods) by the industry in 2004 is recorded at 0.43 million m³, a decline of 32% compared to the production level in 1994 estimated at 0.64 million m³.

Compared to world standards, the size of the timber industry is small. There is a concentration process under the Fiji Pine Ltd (FPL) through the creation of holding companies including Tropik Wood Industries Ltd, Tropik Wood Products Ltd, Fiji Forest Industries Ltd, and a power generation enterprise. Fiji Hardwood Corporation Ltd (FHCL) has also established a sawmill. Therefore, an important share of the timber industry is managed under the status of the public (Government) enterprises regime. The representatives of public agencies on the different boards have significant stake in and responsibility for determining policies and strategies to safeguard the implementation of forest policy and the sustainable development goals.

In view of the above, the present structure of the timber industry is in dire need of major reforms to provide enabling conditions for a high-quality export-driven

strategy on which the financing of SFM could rely. Most of the existing sawmills are too small for rational export-oriented production and the predominant macroeconomic environment over the last few decades has not provided the necessary incentives for increased investment and greater technology transfer in the forest sector. In addition, the industry's workforce is too small, lacking the necessary level of skills and management to harvest according to SFM or to turn out products of the quality required for the export market.

Being largely focused on the domestic market and on exports of basic timber products to associated firms in Australia and New Zealand, the main characteristics of the forest industry are internal competition for resources and market segments. There is a severe lack of coordination at all levels of the industry resulting in disjointed efforts towards achieving national goals in line with economic development while sustaining the forest resource base. Restructure of the timber industry is urgently required in the area of human resources development, particularly in terms of comprehensive technical and management skills. In addition, there is dire need to allocate and distribute the resource base to processing plants and downstream processing, targeting high-level marketing. Forest and wood products' certification could be an instrument to combine SFM objectives with economic interests by opening new export markets. Given the size of the forest industry in Fiji, without Government intervention, forest certification may not be achieved by market forces alone.

2.4 Environment and nature conservation

The Fiji Islands are rich in biodiversity. Natural forests host unique communities of plants and animals of which many species are endemic. However, such biodiversity is critically threatened by over-exploitation of resources, and the fragmentation of ecosystems and habitat destruction as a result of human activities and the impact of invasive species. Destructive natural events also play a role; at the same time, new and potential threats such as those posed by genetically modified organisms are anticipated. Coastal resources are affected by the negative impacts of upstream activities such as poor agricultural and logging practices, and land clearing for settlements, infrastructure and other economic activities. The degradation of coral reefs by siltation is just one example of the indirect impact of unsound logging practices that may have severe consequences for the tourism industry, an increasingly important factor in the national economy.

The root causes of these problems reflect a complex combination of socioeconomic factors that includes smallness, geographic isolation and narrow resource bases to start with, compounded by high population growth, lack of technical capacity to deal with issues, and ineffective coordination amongst agencies with mandates to deal with resources and conservation.

The National Biodiversity Strategy and Action Plan (NBSAP) emphasizes the conservation and sustainable management of Fiji's natural forests as the single most important means to conserving the vast majority of Fiji's endemic fauna and flora. It includes detailed measures to address forest biodiversity conservation while meeting local needs. However, at present, there is no effective protection of forests from biodiversity loss. The system of protected forest areas needs review, being insufficient in size and too scattered to provide for effective conservation. Despite legal restrictions there are incidences of logging in protected forests.

The current administrative framework for environmental management in Fiji is poorly developed with ill-defined responsibilities, a lack of capacity and severe funding constraints. Government policies and planning among Government agencies need to be better coordinated for conservation and environmental protection. Public awareness on environment and conservation is still low, and there is little knowledge by resource owners of sustainable resource management. Since significant forest resources are communally owned, supportive Government policies are needed to encourage resource owners' and communities' direct involvement in sustainable forest management, and the building of their capacities to do this.

One of the major issues facing the designation and maintenance of protected areas in Fiji is the cost involved in compensating resource owners for loss of income that would have been derived from forestry, mining or other industries based on use of the resource owners' assets. Innovative approaches are being developed to meet this challenge.

2.5 Landowner and community involvement

A major policy objective of the Government is to improve the economic development of Fijians, Rotumans, and other economically disadvantaged ethnic groups. To provide the legal backing for this, the Social Justice Bill was enacted by Parliament in 2001, creating the necessary framework for the Government to initiate appropriate affirmative action programmes, which, among others, assist in the effective involvement of resource owners in the commercial harvesting of their own

forests. Programmes implemented by FD include a low interest financing facility to support Fijians to establish their forest-based enterprises, including logging, sawmilling and secondary processing. Effective participation of resource owners will be an important determining factor in the country's move towards implementing SFM. Active Government support, in addition to this financing facility, needs to be provided to resource owners to ensure their success. Proper targeting of this affirmative action programme is required to ensure that support and assistance is provided to the people who need it most.

2.6 Institutional framework, human and financial resources

There is an uncoordinated institutional framework in the forest sector. Although forestry legislation has been revised with the Forest Decree of 1992, the regulations of the former Forest Act are still valid. The Forest Decree 1992 does not refer to all aspects of sustainable forest management, and parts of it are inconsistent with recent developments in policy and administration of the forest sector. The forestry legislation needs to be further harmonised with other more recent relevant land use (e.g. Rural Land Use Policy 2005) and environmental legislation (for instance, the Environment Management Act 2005).

In forest administration, unclear responsibilities hamper effective decision-making and implementation. A lack of coordination among FD, FPL and FHCL with regard to management and administration of forest resources prevents effective management of the forest resources and ensured raw material supply. Budgetary allocations to the FD and its staffing are too limited to ensure that the Department can fulfil its responsibilities for planning, monitoring and regulation of forest management.

There is a need to re-focus FD's activities to concentrate on its core responsibilities, and to devolve functions that could be effectively implemented by others, including the resource owners. Structure, skills, procedures and funding of the forest administration need to be improved, especially with regard to sustainable management of natural forest.

The FD is heavily dependent on funds allocated by the Ministry of Finance, National Planning and Sugar Reform. All revenue earned by the FD goes directly to the Fiji Government. Over the last five years, FD has been allocated on average of FJD 2 million for operating expenses, while capital investment has fluctuated from year to year depending on capital projects that support the overall development strategy of

the Government. Revenue earned by the Forestry Department includes scaling fees, earnings from user pay services such as entry to forest parks, mapping and volume assessment, sales of seeds, sales of joinery from workshop, laboratory analysis, and ripping of round logs at the Nasinu sawmill. The FD earned an average of FJD 3.5 million per annum over the last five years from scaling of the log production in native forest. With the inclusion of log production from plantation estates, FD would generate an estimated revenue of at least FJD 9 million per annum.

There is no financing strategy on how to improve the financing situation of the Department, and to develop an appropriate revenue system for the sector that complies with financing needs for SFM.

Clearly defined policies, guidelines and procedures for forest businesses are needed to attract and secure domestic and international investors in the sector. Bureaucratic processes in the FD, NLTB, and other Government departments need to be more simplified, coordinated and decentralised to create a favourable environment for investment in the forest sector.

Inadequate **research** hampers the development of adequate approaches to improved management of the forest resource. Originally, the main focus of research was on silviculture management and utilization of wood. Later, research focused on the sustainable management of forests. Results indicate that natural forest is best managed under a selection silvicultural system. There is a need to continue the research programme systematically in order to fine-tune the silvicultural system and to better understand the dynamics of the ecological processes in natural forests, to develop minimum impact logging techniques and silvicultural measures for the rehabilitation and improvement of forest stands. Another area that requires attention is the productivity of plantations and their protection against forest pests. Quarantine inspections are insufficient to effectively prevent the spread of imported diseases and invasive species.

There is a need for comprehensive **skills training** for the forestry industry to improve knowledge of forest utilization, the FFHCOP and environmental protection practices, log conversion, timber preservation, quality assurance and marketing processes. The FD places high priority on the provision of this training, and has invested a considerable amount in training facilities. Better training is needed to develop a highly skilled work force and sufficient professional staff for the sector,

especially in the field of forest extension, silviculture, forest management, harvesting and utilization. Specific attention needs to be given to training of resource owners in implementing and monitoring forest operations. The challenge is to establish an operational efficiency and financially sound base to offer the appropriate training, and to find best options to share the tasks between the Timber Industry Training Centre at Nasinu (TITC), the Forestry Training Centre at Colo-i-Suva (FTC) and specialised training providers outside the FD.

In the course of development of this forest policy, the Government has initiated a **broad-based consultative process** with involvement of all stakeholders that can provide a good starting point for the development of a National Forest Programme as a comprehensive framework for sector policy development, planning and implementation towards sustainable forest management.

A VISION FOR THE FOREST SECTOR

Broad Vision: “**SUSTAINABLE WELLBEING AND PROSPERITY FROM DIVERSIFIED FORESTS**”

The future development of the forest sector in Fiji must be based firmly upon the sustainable utilization of natural resources and preservation of a healthy environment. To be able to contribute to Fiji’s sustainable development, the forest sector must be based on sustainable forest management principles and direct its prime attention to improving the livelihoods of rural resource owners. There is an urgent need to overcome the sector’s current focus on timber production and to widen the perspective to a balanced attention to the multiple economic, ecological and social values of Fiji’s forest resources.

Consequently, the **vision** for the future forest sector comprises:

- a permanent forest cover, including a protected forest area network, that provides the full range of ecological, economic and social functions at the local, national and global level;
- forest management practices that provide high value goods and services by effective planning and utilization techniques, while soil erosion and siltation in vulnerable watersheds are substantially reduced, ensuring balanced water supply, pollution avoided and valuable biodiversity preserved;
- a thriving forest industry that provides stable employment and contributes significantly to national economic development by value-added processing and export of quality products;
- greatly improved rural livelihoods by substantial involvement of resource owners and communities in sustainable management of their forest land and in forest - based industries; and
- an institutional framework that monitors and ensures the implementation of sustainable forest resources management and encourages investment in sustainable forest management and forest industries, with a forest administration that combines with this role as leading agency and delivers high quality services that correspond to the needs of the clients.

To achieve this vision, the nation is obliged to address the following policy areas:

- incorporation of the forest sector planning in an integrated land use and development planning;
- protecting the integrity of forest ecosystems and biodiversity;
- multifunctional, sustainable forest management that balances social, economic and ecological needs of the society;
- fostering the involvement of resource owners in the management and utilization of their own forests;
- promotion of a forest industry aimed to the production and marketing of better wood and wood-based products, to stimulate rural development and to export high quality ecological and socially responsible products;
- establishment of an enabling administrative and regulatory environment to promote the sustainable management of forest resources and ensure its successful implementation.

4 POLICY GOAL AND OBJECTIVES

4.1 Policy Goal

The **national goal** for the forest sector is:

Sustainable management of Fiji's forests to maintain their natural potential and to achieve greater social, economic and environmental benefits for current and future generations.

Definition: Sustainable forest management is the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and their potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national, and global levels, and that does not cause damage to other ecosystems (UNFF).

4.2 Policy Objectives

1. **Ensured ecosystem stability through conservation of forest biodiversity, water catchments and soil fertility.**

Under the Constitution of Fiji, landowners have the inalienable right to manage their land according to their aspirations, provided that land use is in accordance with the wider interests of the nation. The Rural Land Use Policy of Fiji emphasizes that land resources need to be managed in a sustainable way, such that all land users and the community have a responsibility for preventing and mitigating land degradation. Therefore the right of landowners to manage their land has to be interpreted also as a responsibility for the nation's collective perspectives for sustainable development. In this context, the right to forest land use needs to be newly defined within the confines of landowners' responsibility for collective well-being.

As part of overall land use planning, forest areas will be classified according to their functions, whereby areas of ecological significance, critical importance for biodiversity, soil and water conservation or for social and cultural heritage will be set aside for protection, and forests for production purposes will be managed in a sustainable way for fair and increased benefits of resource owners and communities.

- 2. Ensured sustainable supply of forest products and services by maintaining a sufficiently large permanent forest area under efficient and effective management.**

Sustainable management of forest resources is an important element of sound land use. Given the fact that it is in the interest of all Fijians to maintain a natural forest cover that is in a position to provide the full range of economic, ecological and social functions for present and future generations, the Government, in collaboration with all stakeholders, will establish a Permanent Forest Estate that can ensure these functions in the future. This is a major precondition to maintain the quality of forests and their potential for enhanced development of the nation and the wellbeing of its citizens. Major awareness-building among resource owners will be required to achieve consensus to this end.

- 3. Increased engagement by landowners and communities in sustainable forest management and an equitable distribution of benefits from forest products and processes including ensured protection of intellectual property rights.**

Forests for production purposes will be managed in a sustainable way for fair and increased benefits on behalf of landowners and communities. The Government will encourage landowners and forest resource users to adopt sustainable forest management principles for the management of natural forest and plantations as well as monitoring adherence to these principles. Specific attention will be given to rehabilitation of degraded forest areas, regeneration of logged over forests and sustained productivity of plantations and their expansion, where ecologically unobjectionable and economically viable.

- 4. Increased employment in the forestry sector, sufficient supply of domestic markets and increased foreign exchange earnings through sustainable forest-based industry development and trade.**

The forest sector's contribution to the economy will be enhanced through the provision of a favourable environment for investment in sustainable and value-adding production. The policy gives priority to rural-based forest product development projects where the raw material supply is ensured by natural forest and plantations managed according to the principles of sustainability.

The Government will promote engagement of potential partners in the forestry sector by setting an enabling investment environment and reducing the risks associated with investments in the forestry sector.

5. Enhanced national capacity to manage and develop the forest sector in a collaborative approach with involvement of all stakeholders.

Successful forest resources management depends heavily upon progress in the reform and adoption of the administration set-up and the organisational structure of the forest sector. The institutional changes are already initiated in the course of the general administration reform. The launch of the forest policy statement should be taken as opportunity to define the roles and responsibilities of institutions that are, or need to be, involved in the forest resources management.

The Government will initiate a National Forest Programme as a broad-based societal dialogue process including all major stakeholders to achieve consensus on the details for the reorientation of the forest policy towards the above goals, formulate the required legislative changes and institutional reforms and necessary implementation measures. This process will be conducted in line with the internationally agreed concept of national forest programmes, principles and elements, as defined by the Intergovernmental Panel on Forests (IPF).

4.3 Guiding Principles

1. Conservation and sustainable use of Fiji's forest resources is the foundation for all development in the forest sector and for ensuring intergenerational equity.
2. Conservation and sustainable use of forest resources is a collective responsibility of all levels of government, the private sector, resources' user and landowners.
3. To ensure sustainable forest management and taking into account the multiple role of the forest, a sufficient area must be determined as Permanent Forest Estate (PFE).
4. Conservation and sustainable management of Fiji's natural forests are the most important means of conserving the vast majority of Fiji's endemic fauna and flora, therefore the establishment of a comprehensive system of reserves and conservation areas at the national and local level is an integral part of the national forest policy.
5. Forest management should be implemented in a way that local communities are actively involved in its planning, implementation, monitoring and evaluation.

6. Through active participation in the administration and implementation of sustainable forest management, the resource owner should receive stable income from forest products and diversified employment opportunities.
7. The Government will develop guidelines and a scheme for compensation of landowners dedicating their land for protection and conservation purposes.
8. Sustainable forest management is anchored in an adequate information and knowledge base. Decision-making towards sustainable forest management will be based on scientific research and systematic monitoring.
9. The paradigm shift of management focus from timber production to the conservation and sustainable management of the forest resources needs extensive promotion through information and awareness campaigns for both the resource owner and civil society.
10. The intellectual property rights are recognised. An appropriate mechanism will be adopted at national and regional level to ensure that local knowledge is conserved and valorised.

5 POLICIES AND STRATEGIES

5.1 Conservation of forests and biological resources

Covering more than 50 % of the national territory, Fiji's forests are the key elements in the conservation and sustainable management of the natural resources. All forestry planning and activity has to take into account society's demands for goods and services from forest and the forest sector. Forests are expected to provide timber, to protect watersheds and soils and provide shelter from natural disasters as well as to host a wide range of unique species of fauna and flora. New demands, such as the use of forests as carbon sinks, illustrate that the social meaning of forests is a dynamic one that can be subject to changes. Sustainable forest management is one option among several land use alternatives. This means that there is competition between maintaining or expanding the forest cover and land clearing, and between the forestry sector and other sectors of the economy.

A fundamental ingredient for sustainable land use planning and the management of the natural resources is an integrated approach. It has immediate and far-reaching consequences for the status and use of different categories of forest land. Nature and landscape policy, for instance, increasingly demands that forest management be subject to review and assessment with regard to ecological criteria. It establishes the need for participation of user and conservation groups in the decision-making process. Ecological and landscape inventories become an important source of information for planning and monitoring of forestry activities. It follows that forest owners and managers as well as public forest services have to consider ecological and protection aspects more intensively than in the past. This calls for broad and consistent consultation processes among public and private stakeholders, with explicit coordination among governmental agencies that have competencies in forestry matters, environmental protection, land use planning and rural development.

Objective: Ensured ecosystem stability through conservation of forest biodiversity, water catchments and soil fertility.

Key focus areas:

- 1. Establish the Permanent Forest Estate based on forest functions derived from the National Forest Inventory in line with the National Rural Land Use Policy and stakeholder interest.**

2. Establish and manage protected area system for the conservation of representative sites of Fiji's indigenous forest types with their typical flora and fauna.
3. Establish adequate information and knowledge based on forest and timber resources for improved decision-making towards sustainable forest management.
4. Utilize forests in a manner which causes the least disturbance to the environment and conserves ecosystems.
5. Contribute towards the development of a national carbon trading policy.
6. Incorporate watershed management and soil conservation in the management of all forest types.
7. Encourage communities to adopt management practices to minimise soil erosion and rehabilitate existing eroded areas.
8. Raise awareness of the environmental value of forests.
9. Incorporate environmental impact assessments in forest management plans and mitigate environmental impacts in harvesting operations.
10. Conserve mangrove ecosystems and manage the harvest of non-timber forest products in a sustainable way.
11. Protect and conserve biological diversity (including gene conservation areas), ecological and environmental forest values for the benefit of present and future generations.
12. Establish and manage conservation areas with the full participation of resource owners.

Policy Fields

5.1.1 Land use planning and forest classification

The Forestry Department, with the Ministry of Agriculture, will develop and implement proper land use planning processes involving all stakeholders in accordance with the Rural Land Use Policy and the National Forest Inventory.

The various functions (production, protection of watersheds, erosion control, biodiversity conservation, recreation, ecotourism, social/cultural aspects) will determine the use of forests. In consultation with all stakeholders a Permanent Forest Estate will be established as an area designated for sustainable forest management, which shall not be converted to other land uses. Forests with high biological diversity and environmental values such as water supply, soil conservation, cultural / historical significance, or scenic appeal will be set aside for protection within a national protected area system, taking into account provisions of the National Biodiversity Strategy and Action Plan. The Forest Function Map will be revised accordingly.

Actions

1. Prepare land use plans at the national, provincial and district levels (*vanua / tikina / yavusa / mataqali / tokatoka*). As part of these processes the Government will identify areas of land which are best suited for long term; high-value forest production; afforestation and land rehabilitation; forest protection and conservation.
2. Elaborate and issue a Forest Function Map, based on forest functions, ecological differences and management criteria; four categories of forest will be identified:

(i) Multiple use forests

Multiple use forests are indigenous forest to be maintained under forest cover for the production of timber and non-timber forest products, catchments protection, wildlife habitat, recreation values, and amenity uses. This category includes

- natural forest areas,
- declared forest reserves,
- forest areas suitable for regeneration, enrichment planting or reforestation.

(ii) Protection forest categories

This category applies where the forest's biological diversity and ecological integrity together with values such as water supply, soil conservation, cultural or historical significance, or scenic appeal will be protected. Forest use will be restricted to harvesting of non-timber forest products, ecotourism and research. This category includes

- soil and water protection forest with a slope >30 degrees, above 650 m elevation
- designated watershed,
- primary forests, cloud montane forests, declared nature reserves, conservation areas, and important

Permanent Forest Estate

The cornerstone of Fiji's forestry management policy is the establishment of Permanent Forest Estate (PFE) to ensure sustainable forest management.

Commercial logging on a rotational cycle is permitted in the production forest of the PFE. The annual felling rate will be based on resource availability and on the understanding that the forest is managed as a renewable resource.

The PFE will be classified into one or more of the following functional classes to promote sustainable forest management and taking into account the role of the forest for environment protection and biodiversity conservation for (i) multiple use forests, (ii) protection forests, (iii) forest plantations.

The objectives of the PFE are:

1. maintain and manage in a sustainable way a Permanent Forest Estate that comprises both areas of native forest managed on a sustainable basis and forest plantations to secure a forest resource basis and associated economic, nature conservation, ecosystem services, scenic, cultural and amenity values;
2. ensure that the conservation status of forest communities is maintained or enhanced;
3. provide for reasonable aspirations of the Fijian community for sustainable economic development; and
4. ensure that landowners continue to be able to manage native and plantation forest on their land on a sustainable basis.

Flexible measures, awareness programmes and incentives will be applied to secure stakeholders agreement in principle on the scope of the envisaged PFE and its implementation.

- biodiversity areas,
- declared cultural and historical sites,
- recreation forest.

(iii) Forest plantations

Land under established plantation with forest species or any land identified for afforestation to provide forest products for sustainable development under a Land Use Plan.

(iv) Mangroves

Mangroves are defined as a separate category in view of its ecological, economical and social importance.

3. Develop and disseminate effective programmes to raise landowner awareness using appropriate participatory tools that ensures active and meaningful contribution of resource owners to land use planning and forest classification.

5.1.2 Forest inventory

The FD will establish acceptable standards for forest inventories and will systematically maintain and improve the knowledge on Fiji's forest resource base.

The FD will undertake a detailed national forest inventory periodically, to elaborate adequate information for sustainable management and conservation of forest resources and for supply of timber on a sustainable basis as well as to monitor the development of the forest resources.

Based on the results of the National Forest Inventory, all licence holders for natural forest areas will be required to undertake forest inventories to a standard approved by the FD before timber harvesting commences. In addition, all owners of commercial plantation resources will be obliged to undertake periodic forest inventories.

Actions

1. FD will conduct a National Forest Inventory (NFI) that covers natural forests and plantations. The inventory will look at the entire forest ecosystem, and beside trees, assess biodiversity, environmental values and non-timber forest products.
2. The FD will develop, maintain and, on a periodic basis of 10 years, update a National Forest Inventory database, giving priority to those areas where logging is occurring or anticipated, and within those areas where the current resource information is considered to be least reliable.
3. The results of the NFI will be made public by FD. Specific data and information will be accessible for interested parties on request. To encourage cross-sectoral

planning, FD will make the information available to other Government agencies e.g. for the National Land Use Policy 2005.

4. Forest inventory at forest management unit level will be required for the elaboration of forest management plans. Procedures will be established to ensure that the information obtained from timber harvesting operations, from either native or plantation forest, is incorporated into the NFI database as a means of verifying the accuracy of the forest inventories.
5. Resource owners and timber company personnel will be trained in basic forest inventory techniques. Resource owners will be encouraged to get actively involved in forest inventory processes as part of inventory teams.

5.1.3 Biodiversity conservation

The FD will support biodiversity conservation in accordance with the FBSAP and through the ongoing identification of important biodiversity sites, gene conservation areas and programmes for conserving the biodiversity of Fiji's natural forests as far as resources will allow.

With the Permanent Forest Estate, a network of forest conservation areas will be established to protect and manage representative examples of all distinct forest communities of Fiji with adequate size to maintain their typical composition of indigenous plants and animals and to allow for possible changes due to expected impacts of climate change. Biodiversity conservation will be incorporated in the management of natural forests and plantations.

Actions

1. The FD will lead the work with resource owners, NLTB, Ministry of Environment, National Trust for Fiji, the private sector and other stakeholders towards establishing a system of conservation areas to protect biodiversity and landscape values and will assist resource owners with the proper management of these areas consistent with local needs, taking into account the provisions of the National Biodiversity Strategy and Action Plan.
2. Biodiversity conservation will be incorporated in the management regimes of natural and plantation forests.
3. Conservation of mangrove ecosystems to maintain their ecological values will be a priority.
4. Forest management will be based on multifunctional approaches including areas for ecotourism that will be created in forest management units, where appropriate.

5. The FD will work with Department of Environment and NGOs to deliver environmental awareness programmes to resource owners and resource users and assist interested resource owners to protect forests with significant environmental values.

5.1.4 Watershed management and soil conservation

The Government will clarify the role of departments and agencies and coordinate their efforts in effective watershed management for assuring water yield and water quality, and designate Watershed Management Areas (WMA) to protect domestic water supplies and to maintain the ecology of freshwater and marine areas. FD will issue guidelines for forest management in designated watershed management areas in the forest estate. The prescriptions of the FFHCOP with regard to protection of streams will be enforced.

The FD will work with resource owners, communities and logging operators to promote soil conservation, to limit any practices which contribute to soil erosion and to rehabilitate severely eroded areas.

Actions

1. FD will liaise closely with organisations and communities concerned with watershed management in the identification and management of watershed areas.
2. FD in collaboration with stakeholders will develop guidelines for forest management in designated watershed management areas.
3. Watershed management and soil conservation will be included in forest management plans.
4. Reduced impact logging will be promoted to avoid soil erosion as a consequence of harvesting operations. Logging will follow the FFHCOP with specific emphasis on protection of streams and waterways, and restrictions for road-making and skidding in steep areas. Plantation management will observe requirements for protection of streams and water quality.
5. FD will assist communities to establish soil conservation projects and to implement rehabilitation works on severely eroded sites.

5.1.5 Mangrove management

The Government will consult with its departments and agencies involved in mangrove management and with qoliqoli owners and other stakeholders with a view to introduce an effective mangrove regulatory and management framework.

The Government will consult widely and draw up guidelines or a plan to replace the current Mangrove Management Plan for Fiji (Phases 1 & 2 – 1985, 1986).

Actions

1. FD will contribute actively to a Government review of mangrove management and will undertake the role assigned to it following the review.
2. FD will advocate permanent conservation of mangroves to provide for sustainable customary uses, the sustenance of coastal fisheries, the protection of shorelines, and as an adaptation measure against climate change impacts. Commercial harvesting of mangrove trees will be prohibited.

5.1.6 Forestry and international agreements

Numerous international agreements relating to environment and nature protection including the Convention on Biological Diversity, the Convention on Wetlands of International Importance, the United Nations Convention to Combat Desertification, the World Heritage Convention, and the United Nations Framework Convention on Climate Change provide opportunities to improve governance of Fiji's forest resources and generate an enabling environment to promote sustainable resource management. The Government will create the capacities required to respond to persistent and emerging challenges including access to global financing mechanisms.

Actions

1. The FD will strengthen its internal capacity through awareness programmes referring to the scope and importance of the conventions and agreements at national and global level as opportunities arise to foster sustainable management of forest resources.
2. The FD will ensure that the National Climate Change Policy devised by the Department of Environment takes into consideration forest-related issues.
3. The FD will cooperate with other public agencies, national and international NGOs related to natural resource management in attracting bilateral and multilateral assistance for partnership projects within the framework of climate change mitigation and adaptation schemes.

5.2 Integrated forest resources management

The principle of sustainable land use and management of the natural resource base in an integrated manner leads to new approaches in regulating forest uses, management

requirements and current forestry practices. More specific provisions relating to inventories, planning procedures and classification regulations has to be established, allowing a more integrative use of forest resources balancing economic and environmental requirements.

The allocation of timber harvesting and forest management rights through licences or forest utilization contracts also needs further improvement. This refers in particular to the definition of procedures and criteria that govern the granting of licences, specifying the process of how to award contracts in order to create greater transparency and accountability, establish equal conditions among competing firms and ensure that technical specialists are involved in the decision-making process.

Particularly, the frequent use of short-term, i.e. annual licences, and the fragmented nature of forest ownership are a barrier to the long-term sustainable development of the sector, which will require security of supplies and economies of scale.

Objective: Ensured sustainable supply of forest products and services by maintaining a permanent forest area under effective management that promotes the extension of forest areas.

Key focus areas:

- 1. Protect and manage the nation's forest resources for biodiversity, conservation and production values by adopting principles of sustainable forest management.**
- 2. Maintain and expand the Permanent Forest Estate.**
- 3. Manage existing forest plantations and expand plantation area for commercial timber production as well as for landscape rehabilitation according to the national and local land use policy.**
- 4. Incorporate environmental assessments in forest management plans and mitigate environmental impacts in harvesting operations.**

Policy Fields

5.2.1 Delimitation of management units for sustainable forest management (SFMU)

For the purposes of forest management, Fiji will be divided into geographic planning areas known as forest management units. These management units are managed by the resources owners themselves or individual forest companies under a Forest Management Licence. The licence holder as well as the landowners are responsible for carrying out the

activities of forest management planning, harvest, access road construction, forest renewal and maintenance, monitoring and reporting, subject to FD regulations and approvals. Before any forestry activities can take place in a management unit, there must be an approved forest management plan in place for each management unit.

Action

1. The FD will develop criteria for the delimitation of permanent management units for sustainable forest management taking into account the geographical and ecological conditions, the availability of forest resources, the socioeconomic situation of the landowners, and the existing or potential capacities for the utilization of forest products, their processing and commercialisation.
2. FD will encourage resource owners to collaborate with neighbouring landowning groups forming forest management units (FMU) with a size suitable for effective forest management. The area of forest management units will be delineated in collaboration with resource owners.

5.2.2 Management plans

The Government recognizes the need for proper strategic and operational forest management plans to achieve sustainable forest management. As a long-term objective, the FD will require strategic forest management plans for each Forest Management Unit, and aggregate these to the national level.

All forest management licensees will be required to prepare annual strategic harvesting plans together with detailed harvesting plans for each coupes, consistent with the Fiji Forest Harvesting Code of Practice and comply with the principles of sustainable forest management.

Actions

1. All native and plantation forest management units require a management plan.
2. FD will, in collaboration with key stakeholders, develop guidelines for the preparation of Management Plans.
3. Resource owners will be involved in the development of forest management plans to guide all forest protection and development measures and the preparation of harvesting plans. Management plans will be based on proper forest inventory and define the annual allowable cut for the FMU area. They will cover a period of 10 years with a review after five years. The Management Plans will be assessed and approved by the FD.

4. Forest management licensees will be required to prepare a strategic harvesting plan each year showing the locations of proposed road-making and harvesting operations for the next two years.
5. All plans must comply with provisions in the Environmental Management Act 2005.

5.2.3 Forest management systems

The forest resources will be managed under different forest management systems according to the biological potential and the forest functions in order to maintain and improve the production potential while maintaining their genetic diversity and resilience against natural disasters and impacts of climate change. Silvicultural research will be conducted to improve knowledge about natural regeneration, growth processes, and management of indigenous trees and NTFPs.

5.2.3.1 Natural forest management

Natural forests will be managed under a selection silvicultural system with careful protection of younger age class trees during harvesting operations and keeping of sufficient numbers of seed trees.

Actions

1. The FD will issue the regulations concerning the selection silvicultural system including the establishment of minimum cutting diameters by species and standards for protection of larger seed trees for different species and forest types based on existing research and considering provisions on threatened and endangered species. Penalties will be introduced on cutting of undersized trees or those protected from logging.
2. The FD will foster the introduction of RIL techniques in natural forest to minimize damage in the logging and extraction process to the soil, residual stand, and natural regeneration.
3. The FD will encourage the development of cooperative silvicultural research programmes in natural forest in cooperation between the FD, forest management licensees, aid donors and research organizations, including participatory monitoring schemes.

5.2.3.2 Silvicultural treatments in natural forest

The Government will encourage the regeneration of natural forests. Priority will be given to the protection of natural regeneration during harvesting operations through the application of reduced impact logging (RIL) techniques and to keeping a sufficient number

of seed trees to maintain regeneration potential of all important tree species. The stimulation of growth rates, the regulation of species composition, and the need for regeneration and rehabilitation may require additional silvicultural measures during the production cycles. The kind, extent and the responsibilities for the implementation of such measures will be part of the management plan and approval subject to guarantees for their execution.

Actions

1. The FD will develop and issue guidelines and standards for silvicultural treatments in natural forest.
2. Management plans must include the assessment of the needs for silvicultural treatment measures and specifications of methods and techniques to be applied under the different stand conditions.
3. Management plans and strategic harvesting plans can only be approved by the FD when the implementation of the silvicultural treatments is secured by guarantees such as bank guarantees, bonds or payment of fees.

5.2.3.3 Plantations

Existing forest plantations will be managed effectively with the objective of providing a sustainable yield of high quality timber while conserving site quality. Certification for sustainable management of forest plantations will be encouraged and monitored by FD.

The Government will encourage plantation development by the private sector and greater investment of resource owners in their own future resource base by providing extension and technical support. Plantations will be expanded only on areas designated for plantation forestry under a National Land Use Plan.

Actions

1. Forest plantation and woodlot owners, managers and operators shall establish forest management plans for plantation areas that ensure the sustainable management of existing plantations and the successful establishment of future tree crops. Remnants of natural forests in plantation areas should be protected and managed in a sustainable way.
2. Plantation areas will be confined to existing plantation areas or areas identified suitable for forest plantations such as in degraded forests, on abandoned agricultural lands and on grasslands.

3. Plantation establishment with mixed indigenous or exotic timber species will be promoted subject to compliance with quarantine requirements and are proven to have no adverse social and environmental impacts. Species diversification for higher economic returns and for better resilience of plantations against pests will be encouraged.
4. The measures needed to ensure the sustainability of the resource base (reforestation, regeneration) will be specified in the licences taking into account the specific conditions for long-term forest management licences and short-term special harvesting licences. The attachment to the licences specifies further the responsibilities for the execution of the restitution measures as well as the obligations and modalities for the provision of guarantees.
5. The FD will provide technical advice to industry and landowners for planning plantation establishment programmes, for proper plantation management, for appropriate enrichment plantings in natural forest, and for forest certification.
6. The FD will undertake activities, which support reforestation, including seed collection, nursery production, tree breeding, and silvicultural, management and forest protection and research.

5.2.4 Fiji Forest Harvesting Code of Practice

The Government will ensure that the forest sector complies with the Fiji Forest Harvesting Code of Practice, which sets minimum standards for logging, extraction and associated activities.

The Government will give priority to the regular revision of the FFHCOP with the incorporation of silvicultural and reduced impact logging standards. All organizations, companies and persons involved in forestry operations will be required to comply with the FFHCOP.

Actions

1. The FFHCOP will be revised to conform with the Rural Land Use Policy and the Environmental Management Act 2005. The revised FFHCOP will include silvicultural and reduced impact logging standards and standards for regeneration management.
2. Regular revision of the FFHCOP will involve consultation with key stakeholders such as harvesting contractors and FD.
3. Requirement for compliance with the FFHCOP will be written into an amended forest legislation, with the standards and specifications of the Code capable of

alteration by Forestry Orders made by the Minister on the recommendation of the Conservator of Forests.

4. Compliance with the FFHCOP will be monitored and enforced by the FD in conjunction with resource owners and communities. Independent audits of the monitoring and enforcement of the FFHCOP will be conducted.
5. All supervisors, chainsaw and machinery operators working in forestry operations must be trained and certified in the principles of the FFHCOP as part of their mandatory licensing process.
6. The FD will encourage the adoption of the standards specified in the FFHCOP by all Government departments and agencies for any other land-based operation, including road-making.
7. The FD will establish a Steering Committee to drive the implementation, monitoring and review of the FFHCOP.

5.2.5 Forest Certification Standard

Good forest management and proof of it (certification) is an increasingly important factor in marketing and trade of forest products, especially from tropical forests. The Government will address this issue by supporting the development of national standards for forest management and their implementation.

Actions

1. The Standard for forest certification of native and plantation forests will include; adherence to domestic and international laws and agreements; tenure and use rights and responsibilities; indigenous peoples' rights; community relations and worker's rights; benefits from the forest (wood and non-wood products); environmental impact; management plan; monitoring and assessment; and maintenance of high conservation value forests.
2. The Standard will be developed along internationally accepted guidelines to be used in forest management for the purpose of audits.
3. The Government will endorse the Standard.
4. The FD will actively support landowners and the forest industry to implement sustainable forest management according to certification standards and in marketing of certified forest products.
5. The Government will revise the Fiji Forest Certification Standard every 10 years.

5.2.6 Forest licences

Any company or person who carries out commercial forestry wood utilization operation will require an appropriate licence from the FD. All licences must comply with the required standards set the FD.

Actions

1. The FD will introduce a new licensing system to promote a long-term sustainable approach to the utilization of Fiji's forest resource to the mutual benefit of key stakeholders.
2. The FD will charge appropriate fees for processing and monitoring of all licences.
3. The licensing system will include various types of managing, harvesting and milling licences.

(i) Forest management and harvesting licences

Forest Management Licence

The concept of the Forest Management Licence aims at providing greater security for all forest stakeholders and fostering capital investment in forest management, silvicultural treatment and harvesting operations.

The management of licensed areas will be according to agreed standards; and all harvesting activities will be compliant with existing regulations and codes of practices.

The Forest Management Licence will be issued to landowner organizations or to companies which can demonstrate commitment to sustainable forest management. The duration of a Forest Management Licence is in line with the term of legal tenure. The Forest Management License will contain conditions that are agreed to by all key stakeholders and monitored by FD.

Special Harvesting Licence

A Special Harvesting Licence includes casual or prepayment, domestic, firewood and annual license. All harvesting activities will be compliant with the Fiji Forest Harvesting Code of Practice (FFHCOP), as applicable. The Conservator of Forests may grant these licences for up to five years, subject to monitoring, annual inspection and approval.

(ii) Mill licences

Portable Sawmill Licence

The granting of approval to import portable sawmills lies with the FD.

The Fiji Islands Revenue and Customs Authority (FIRCA) will require any person(s) wanting to import sawmill(s) to provide a portable sawmill licence from the FD before the machinery is released from the port.

The licence to operate portable sawmills will be issued solely by the FD for community development in line with a sustainable forest management scheme. The assessment will be based on consideration of project viability, resource allocation, and occupational health and safety.

Static Mill Licence

The Static Mill Licence will be issued by the Conservator of Forest for up to 10 years, subject to annual compliance inspection.

All harvesting and milling licences will be subject to the payment of a bond/bank guarantee, prescribed fees, conditions and guidelines designed to foster sustainable forest management. All harvesting/milling licences shall not be sold or transferred without the consent of the Conservator of Forests.

4. FD will conduct a periodic review of performance and compliance with the stipulated licence conditions.

5.2.7 Log scaling

The Government will maintain and update production statistics from all forest areas. All logs extracted from native and plantation forests for commercial purpose will be measured as approved by the Conservator of Forests, at the processing plant, by people trained and licensed by the FD.

Actions

1. The FD will train and licence all log scalers and encourage resource owners to be trained in log scaling procedures and to scale logs to be removed from their land.

2. Except where licensed log scalers are not available, the FD shall cease to use forestry staff for scaling logs and will engage people trained and licensed by the FD for that purpose.
3. The FD will use its own trained staff as log scale checkers, who will randomly check logs measured by licensed log scalers.
4. New regulations will be introduced to the forest legislation to govern the measurement of logs such as weighbridges for plantation resources, as well as to stipulate the conditions under which logs may be measured other than in the forest. The regulation will also stipulate monitoring requirements to ensure compliance, and penalties for fraudulent log scaling.

5.2.8 Forest protection

The Government will take all efforts to protect natural and plantation forests and their biodiversity from forest fires, pests, natural disasters and invasive species.

The Government will ensure that commercialized forest entities take all reasonable steps to reduce the occurrence of unplanned fire in plantations and minimize damage from wildfire. Resource owners and cane farmers will be encouraged to use fire safely.

The Government will ensure that commercialized forest entities take all reasonable steps to plan for mitigation of impacts of natural disasters such as cyclones and outbreaks of disease, pests or invasive species.

Actions

1. The FD will develop appropriate measures to protect forests from fire, pests and pathogens, including preventive forest health and quarantine measures.
2. The FD will develop fire protection protocols for pine and mahogany plantations, and request FPL and FHCL to develop fire management systems that ensure effective fire prevention and management in their plantation areas.
3. The FD will prepare extension materials on fire prevention and management, conduct awareness and education campaigns, and encourage community cooperation in the implementation of fire prevention and fire management programmes.

5.2.9 Environmental standards in forest management and environmental impact assessments

The Government will work with all stakeholders to establish a baseline of environmental conditions (physical and biotic aspects) with monitoring and evaluation procedures.

Environmental standards for forestry operations should be incorporated in all forest management plans. Specific programmes would be delivered to build the awareness of resource owners and forest users and to raise capacities for environmental protection in forest management.

EIAs will be incorporated into forest planning and decision-making processes in order to ensure in advance that unnecessary damage to the environment is avoided and possible mitigation measures are identified.

Actions

1. The FD shall in consultation with the Department of Environment and environmental NGOs, SPC, SPREP, NLTB, FAB and other stakeholders, review the Fiji Forest Harvesting Code of Practice which will set the minimum environmental standards required for all forestry operations.
2. The scope for EIAs in the forest sector will be defined and guidelines will be prepared in accordance with requirements of the Environment Management Act 2005.
3. The FD will train managers and harvesting licensees about their environmental responsibilities under the Fiji Forest Harvesting Code of Practice and enforce the application of the Code. Harvesting licensees will be held responsible for environmental damage resulting from breaches of the FFHCOP.
4. The FD will train resource owners on the environmental requirements of the FFHCOP and any other environmental protection requirements stipulated in the management and harvesting licences and, where possible, engage these trained resource owners to monitor environmental standards.
5. The FD shall in consultation with the Department of Environment and environmental NGOs, SPC, NLTB, FAB and other stakeholders, establish the Fiji Forest Certification Standard which will apply for all operations seeking forest certification
6. The FD shall participate in the international discourse and progress on certification standards for “Small and Low Intensity Forest Management” (SLIMF), to reflect the small landholding forest areas of Fiji’s resource owners.

5.2.10 Non-timber forest products

The Government will encourage the production, harvesting and use of non-timber forest products, traditional medicines and items of cultural significance on a sustainable basis.

Investment in non-timber forest products industry, product research, development and marketing will be promoted in order to utilize their full potential for enhancing livelihoods, especially in rural areas and on outer islands.

Actions

1. Resource assessment of non-timber forest products will be incorporated in forest inventories, research and resource assessments for forest management planning.
2. The FD will prepare and implement a strategic development plan to encourage and facilitate the sustainable use of non-timber forest products by resource owners, communities, and private investors. *Mataqali*, villages and private investors will be encouraged to promote NTFPs as a source of income.
3. The FD will support the sustainable production of high value multiple purpose species, or the harvest of non-timber forest products and items of cultural significance through the provision of extension advice, technical services, and market information to villages and communal groups.
4. Private sector investments will be promoted in order to utilize the full potential as well as to domesticate and commercialize products with high demand.
5. Non-timber forest products should be protected during harvesting operations in consultation with resource owners.

5.3 Resource owners and community involvement in sustainable forest management

It is integral part of the forest policy to provide for more opportunities of local stakeholders to intervene and participate in forest management planning. The promotion of local management arrangements includes mechanisms for the devolution of forest management to local communities or user groups in order to facilitate co-management agreements.

It is necessary to support and strengthen the involvement of the landowner through awareness programmes and ensure its continuation in close cooperation with the other public agencies and the NGOs working with the local communities. At the same time, the Government will develop guidelines and a scheme for the compensation of landowners dedicating their land for protection and conservation purposes.

Objective: The resource owners and resource users to sustainably manage their forest resources. Total engagement of resource owners and communities in sustainable forest management to derive optimal benefits for improved livelihoods.

Key focus areas:

1. Encourage total participation of resource owners and resource users in all aspects of the forestry sector.
2. Improve knowledge and raise awareness of resource owners and resource users on forest ecosystem values and sustainable forest management.
3. Raise awareness of resource owners and resource users to optimise tangible and intangible benefits from sustainable forest management.
4. Train resource owners in technical and planning aspects of sustainable forest management.
5. Resource owners ensure sustainable management of their forest resources.

Policy fields

5.3.1 Community forestry

The Government will provide increased support for community-based management of natural forests and the establishment of community plantations.

Community forestry ventures with timber, wood fibre and non-timber products will continue to be promoted as an effective means of increasing local participation in forestry enterprises to the economic and social benefit of the local community.

Actions

1. The FD will support community-based management of natural forests and foster the active cooperation and support of forest management licensees in such management activity, based on equitable and fair benefit-sharing arrangements.
2. The FD will encourage the development of community forestry plantation projects with adequate attention to ecological, economic and marketing aspects.
3. The FD will provide extension and technical support to resource owners and communities for planning, implementation and monitoring of sustainable forest management.
4. Community-based forest industries for value added production will be promoted.

5.3.2 Agroforestry

The Government will promote and provide support to the development of agroforestry systems as a means to enhance food and forest production on areas cultivated for crop production by way of planting and integrating suitable forest trees into their existing farming system.

Actions

1. The FD will conduct research and studies to identify/develop appropriate and reliable agroforestry systems suitable for local environments and that will provide regular returns to the communities involved.
2. The FD will take the initiative to establish agroforestry farm models in cooperation with other public agencies and NGOs and ensure that new and appropriate technologies are applied.
3. The FD will provide appropriate advice, assistance and technologies to communities in order to improve and sustain their livelihoods, and to strengthen and promote their socioeconomic, environmental and cultural values.
4. The FD will conduct awareness and education campaigns for landowners/resource owners to emphasize the importance of agroforestry for the improved socioeconomic wellbeing of the communities.

5.3.3 Participation

The Government will facilitate and support opportunities for more participation of resource owners in forest utilization and encourage effective participation of landowner business enterprises in the forestry sector. The development of joint ventures for logging, forest management, and timber processing between incorporated landowner groups and both domestic and foreign investment partners will be strongly encouraged.

Actions

1. The Government will encourage establishment of forest associations to promote more effective participation of all stakeholders in forest utilization.
2. The FD will promote training in business management and sustainable use of forests for resource owners with forestry businesses.
3. The Government will encourage the development of forestry businesses owned by the resource owners themselves. Resource owner groups will be encouraged to invest in approved portable sawmills and processing plants, especially through joint ventures with existing commercial forest companies. Training and capacity building for workers in forest industries will be promoted.

4. The Government will periodically review the operation of forestry assistance programmes, joint venture forestry enterprises and other mechanisms for their effectiveness in promoting local participation, and will facilitate the establishment of successful ventures within Fiji.

5.3.4 Awareness and training

The Government will develop and implement an awareness raising programme for resource owners and communities on sustainable forest management and environmental values to raise their capacity for informed decision-making on forest use. Increased training opportunities will be provided for resource owners involved in the forestry sector.

Actions

1. The FD with community groups, statutory bodies and NGOs will conduct forestry awareness programmes in the relevant areas before new timber licences are approved. The awareness programmes will cover alternative options for land use, the conditions of the timber licence and their monitoring. Discussion on licence conditions will include effective contract negotiations for equitable and fair benefit-sharing, the FFHCOP, monitoring and protection of environmental values, importance of protecting regeneration, and encouraging landowner involvement in reforestation and sustainable forest management.
2. The FD will strengthen and implement awareness programme formulated with the assistance of ITTO.
3. The FD will work closely with the forest industries to provide technical training to all people working in the forestry sector.

5.3.5 Compensation payments

Resource owners will be compensated from forest utilization licensees when harvesting operations cause damage to their assets, environment, or archaeological or cultural sites.

In accordance with landowners, NLTB, Ministry of Environment, National Trust for Fiji, the private sector and other stakeholders, the Government will take steps forwards to establish a financing scheme for environmental services or compensation for forgone income options due to the integration of forest land in the national system of conservation areas.

Actions

1. The Government will amend the Forest Decree 1992 to provide for compensation payments to resource owners when logging causes specific damage.
2. The Government will develop clear guidelines and mechanisms for conflict resolution and for compensation assessment.
3. The FD will work with DOE, statutory bodies and NGOs to deliver environmental awareness programmes to resource owners and resource users, and assist interested resource owners to protect forests with significant environmental values.
4. The Government will develop and establish financial instruments and mechanisms for the payment of environmental services of the forests and the compensation for forgone income due to protection and conservation measures.

5.3.6 Indigenous Intellectual Property Rights

The intellectual property rights to genetic resources, biodiversity and knowledge about biodiversity will be recognized and appropriate mechanisms adopted to ensure equitable remuneration or other benefits are received by local communities.

Resource owners will be eligible for equitable benefits when indigenous knowledge, forest products as well as by-products and services are utilized from their land.

Action

1. The FD in cooperation with the DOE will develop legislation and guidelines for bio-prospecting and economic use of genetic material and products which incorporate fair provision for traditional knowledge and ownership. Government will amend the Forest Decree to provide for recognition of Indigenous Intellectual Property Rights.
2. The FD will encourage collaborative research and exploration for economic use of genetic materials and products.
3. The FD will develop guidelines for all research activities and will ensure that resource owners and associated communities understand and approve research objectives and anticipated outcomes.

5.4 Upgrading the forest industries and promotion of high quality products

In economic significance, the forest sector in Fiji ranks as the fourth main support to the economy and third in terms of foreign exchange. Forest resources have much greater potential in view of the plantation forest resource base.

Improvement in the performance of the timber industry is the main lever to generate necessary income that is needed to implement sustainable forest management. The sustainable forest management and an export-driven wood production strategy must be promoted simultaneously. This involves long-term security of log supply, investment in efficient logging equipment, sawmills and technology for further processing plants, market research and development, and quality assurance.

Fiji Pine Limited (FPL) and the Fiji Hardwood Corporation Limited (FHCL) play a dominant role in the development of the sector. At present, these enterprises have deficiencies in institutional and operational aspects which must be addressed in order to achieve restructuring objectives.

Objective: Increased employment in the forest sector, sufficient supply of domestic markets and increased foreign exchange earnings through sustainable forest-based industry and trade development.

Key focus areas:

- 1. Utilize Fiji's forest resources to provide economic growth and employment.**
- 2. To promote efficient, profitable and internally competitive forest industries.**
- 3. To promote certification as one of the main tools for sustainable forest management.**
- 4. Establish a favourable investment climate and coordination mechanisms to promote efficient, profitable and internationally competitive forest industries.**
- 5. Promote certification of sustainable forest management and chain of custody to ensure sustainable use of forest resources and to access markets.**
- 6. Increase value-added processing of timber and non-timber forest products.**
- 7. Develop highly skilled workforce for the forestry sector.**
- 8. Expand export capacity for value-added forest products.**
- 9. Support greater landowner participation in forest utilization.**
- 10. Diversify and expand new product lines.**

5.4.1 Industry development and investment for value added processing

The Government will create an environment, which will attract investment and foster the development of internationally competitive forest industries that are committed to sustainable forest management. The forest industry will be encouraged to coordinate its activities for improved raw material supply, processing and marketing of products.

The Government will encourage expanded value-added processing of timber by both large-scale processing plants and portable sawmills. Foreign investment priorities will be for high technology, capital intensive, value-added processes and for the establishment of commercial plantations on land already cleared.

Actions

1. The Government will work with forest industries to improve coordination of planning, development, and optimization of the wood flow from the forest to export markets, and on expansion, upgrade harvesting and production facilities and marketing.
2. The Government will seek to overcome disincentives which constrain investment in the forestry sector, including investment security, financial and administrative constraints.
3. The Government will support investment in the development of value-added timber processing and furniture manufacturing industries, by considering granting exemption from duty for imports of equipment, machinery and materials to be used for value-added processing, and by introducing export tax rebates for value-added timber products.
4. The Government will encourage the development of local value-adding industries for high value non-timber forest products, especially in a village or community forestry context.
5. The Government will promote domestic and overseas market development for high value-added forest products.

5.4.2 Certification

Certification is a voluntary, market driven mechanism which provides legality and transparency. The chain of custody certification follows the wood from forest to product and allows forest product manufacturers and traders to exclude illegally harvested

material in their supply chain. This then allows retailers and other major forest product users to avoid illegal wood in their own purchasing.

In view of the export orientation of the timber industry the certification of the chain of custody can be an efficient instrument for expanding market opportunities and improving competitiveness in view of the increasing requirement for forest certification in international trade. In line with the international fight against illegal logging and trade of illegally sourced forest products, and to improve the competitiveness of the timber industry, the Government will promote sustainable forest management and chain of custody certification.

Actions

1. The FD will actively support resource owners and the forest industry to implement sustainable forest management according to certification standards and in marketing of certified forest products.
2. The Government will support the tracking of products from certified forests as they are processed by various companies.
3. Certification of forest management units and chain of custody will remain voluntary, and forest management companies wanting to gain an internationally recognized certification label would make their own arrangements to do so at any time.
4. The Government will support Certification of Wood Packaging material in accordance with internationally accepted standards.

5.4.3 Export and import controls

The Government intends to develop downstream industries for processing and value-adding of timber. It will maintain its ban on the export of logs and flitches and will permit the import of logs and flitches only where the processing capacity of any company exceeds its licensed log allocation and the availability of logs in Fiji.

The Government will provide and promote better coordination amongst line ministries for the issue of export licences and will ensure that appropriate mechanisms are in place to monitor export grading and provide statistical records.

Actions

1. The importation of logs and flitches will continue to be subject to strict quarantine control, and will be free of import duty if they are to be processed into value-added products for export.
2. The Government will review current export and import procedures to strengthen biosecurity control in compliance to domestic and international standards.
3. The Government will collaborate with international partners and trade partners to establish or join voluntary agreements on verification of legality for imported timber.

5.4.4 Employment and training

The Government will seek to increase employment in the forest sector through supporting plantation development and utilization as well as supporting landowner participation in the management and utilization of their forest resources through increased value-added domestic processing. FD will promote the development and maintenance of a skilled work force through provision of appropriate training at all levels, particularly at technical, supervisory, and skilled artisan levels. The Government will explore and implement the best options to provide training, through its Timber Industry Training Centre (TITC) or Forest Training Centre (FTC) or through specialised training providers outside the FD.

Actions

1. The FD will promote apprenticeship training in collaboration with industry players.
2. The FD will provide training for the forestry industry and allied workers at FTC and TITC or through recognized training providers. FD will accredit courses and programmes delivered through external training providers and, in particular, TPAF to ensure the retrieval of training levy paid by the sector to TPAF.

5.4.5 Species classes

The FD will regularly review classification of species into Royalty Classes in consultation with relevant stakeholders. Future classification will be based on current market demand and on ecological considerations with regard to threatened species.

Actions

1. The First Schedule Amendment to the Forest (Amendment) Regulations 1990 under the repealed Forest Act Cap 150 will be further amended with respect to the listings of Species of Timber Tree in each Class.
2. Classification will be based on actual market value.

5.4.6 Timber utilization, product development and marketing

The Government will seek to support sustainably sourced domestic timber processing and value-adding by promoting the use of domestic product in local construction. FD will support the development of new products for which there is a demand and viable for domestic and international markets

The FD will closely cooperate with the Fiji Trade and Investment Bureau (FTIB) to integrate forest products in the national export strategies. FD will provide market information to domestic stakeholders, and to promote forest products and services domestically and internationally.

Actions

1. The FD shall provide research information as well as support the industry in developing new products as demanded by viable market segments and supported by sustainable resource base.
2. The FD will coordinate with relevant line ministries to regularly revise the Building Code to give greater recognition to the use of sustainably sourced domestic timber in construction. The Building Code should emphasize the use of treated domestic timber in house construction rather than imported building materials.
3. The FD will revise the standards for seasoning and grading by species and end-use in consultation with the forest industries, and prepare new regulations for timber, seasoning and grading. One consistent set of grading rules shall apply for timber from natural forests and plantations.
4. The FD will monitor timber preservation standards, and ensure training is provided for industry personnel in the proper use of preservation plants.
5. The FD will closely cooperate with the Fiji Trade and Investment Bureau and market information relevant to forest-based commodities domestically manufactured and processed.

5.5 Institutional Framework, and Human Resources

The focus in the reform of the institutional framework within the forest sector will be based on more explicit coordination among the governmental agencies that have competencies in forest related matters. The FD will concentrate its activities on its core responsibilities and devolve functions that could be effectively implemented by others, including the landowners.

The new policies are intended to become more proactive and rely more widely on incentive and monitoring measures. Effective reforms need to correspond with the capacity and willingness of governments and other private and public actors to implement new regulations and commitments.

The way in which governments interact with civil society on matters such as awarding forestry concessions, or monitoring environmental compliance will be based on participation in decision-making, access to information, transparency and accountability.

Objective: Enhanced national capacity to manage and develop the forest sector in a collaborative approach with involvement of all stakeholders.

Key focus areas:

1. Establish a multi-stakeholder National Forest Programme as a comprehensive framework to guide forest sector policy development, planning and implementation.
2. Revise legislation to provide the legal and administrative framework for sustainable management of forests and development of the forestry sector.
3. Strengthen the capacity of FD to improve its sector management, administration, policy analysis, strategic planning and coordinated implementation towards sustainable forest management.
4. Establish mechanisms to provide sound advice to Government on forest policy and forest land use.
5. Promote the establishment of forest industry and resource owners' associations for effective representation of their interests.
6. Develop effective research, extension and training programmes for the sustainable management of natural forest and plantations and processing of forest products.
7. Elaborate a strategy to ensure long-term financing for sustainable forest management and conservation, and investment in forestry development.
8. Enhance regional and international cooperation on sustainable forest management.
9. Promote the domestic and international marketing of forest products.

5.5.1 Framework for forest policy, planning and coordination

Successful forest resource management, based on the active involvement of communities and civil society, is dependent upon progress in reforming institutional structures. The revised organisational structure will strengthen policy analysis capacity within the forest sector with emphasis on strategic planning and coordination for sustainable forest management and improvement of livelihood.

A multi-stakeholder dialogue process will be conducted for the formulation and implementation of a National Forest Programme (NFP) for Fiji. A broad-based consultative group with advisory functions will be established to provide guidance on policy-related, cross-sectoral issues.

Actions

1. The institutional reform will be based on the concept of stewardship and defines the roles and responsibilities of stakeholders in managing the forest resources.
2. The Forestry Board will be strengthened to represent stakeholders fairly, taking into account existing institutional structures that would provide advice to the Minister responsible for the forest sector on policy issues, development and administration of the sector to promote cross-sector and inter-agency coordination.
3. A strategically focused National Forest Programme process will be established to guide the Forestry Board on further policy development, and outline strategic planning and implementation of policy instruments, based on multi-stakeholder involvement and according to internationally agreed principles.
4. The outcome of the National Forest Programme process would, *inter alia*, include a revised Forest Act, a Forest Sector Master Plan, and a Forest Sector Financing Strategy.

5.5.2 Forestry legislation

The national legal regime will be revised in order to remove the present deficiencies in scope and quality and create an enabling legal base with proactive and stimulating instruments and guidelines. The review will consider the laws that directly govern the forest sector, land use and tenure, conflict resolution and access to information, and other laws related to incentives and other issues that may have an impact on the forest sector. Special attention will be given to the development and adoption of national criteria and indicators for sustainable forest management, and to the guidelines for the management of different forest types.

Actions

1. The Government will revise the Forest Law and Regulations, and ensure the legislation is consistent with other natural resources, land use and environmental legislation as well as with the financial and economic regulations
2. The FD will make efforts to raise public awareness on forest legislation, rules and regulations as part of its public education programme on forests and environment.
3. Awareness will be in the three official languages of Fiji.

5.5.3 Forest administration

The role of the forest administration will focus on policy development, regulation, monitoring and facilitation of sustainable forest management. The FD shall have the regulatory authority for the sustainable management of all forest resources of Fiji. It has the administrative responsibility for the natural forest areas and regulatory functions with regard to plantation management. The FD will ensure the sustainable management and conservation of Fiji's natural forests and will provide forest policy advice to the Government on plantation development.

The mandate, structure, functions and resources of the FD will be reviewed and developed in accordance with the requirements of the approved forest policy. The services provided by FD will be strengthened through organizational and human resources' development where relevant programmes will ensure better self-financing of FD in the long run. Coordination of the activities of FD and all stakeholders will be improved for effective management of natural forest and plantations under SFM principles.

Actions

1. The FD shall provide advice to the Minister responsible for forestry on forest policy, legislative matters, and sustainable forest management and will administer and enforce forest legislation, regulations and ordinances.
2. The FD will station officers in each Division in proportion to the level of forestry activity in that Division and ensure adequate infrastructure, transportation and operational funds for the Division to effectively undertake its responsibilities. FD will also develop mechanisms to share these responsibilities with industry and resource owners.

3. The Government will review the FD's mandate and activities, its structure, roles of staff, administrative and financial arrangements to ensure that the Department can efficiently discharge its responsibilities in line with the approved forest policy.
4. The roles and responsibilities of FD and NLTB with regard to natural forest will be clarified. Cross-sectoral coordination between FD and other Government institutions will be promoted at all levels. Effective coordination of the activities of FD, FPL and FHCL with regard to forest management will be ensured.
5. The capacity of the FD to regulate, monitor and facilitate the implementation of sustainable forest management will be strengthened by organizational development and provision of adequate resources. To ensure professional and technical competence of the personnel, in-service and further training programmes will be conducted.
6. The Government will seek assistance from international or regional development agencies to review the structure, administrative procedures, resources and revenue stream of the FD.

5.5.4 Association

The Government will promote and encourage the participation of a wider range of private sector and civil society organizations in the sustainable management of the forest resources including non-traditional fields such as ecotourism and bio-prospecting. The FD will promote the establishment of stakeholders' associations, develop and establish adequate regulatory framework to regulate and facilitate greater engagement of different partners in the development of the forest sector.

Actions

1. The FD shall assist the establishment of a Forest Industries Association, which the Government will recognize as the legitimate body representing the forestry industries of Fiji. Membership would include sawmillers, logging contractors and forest industry representatives.
2. The FD shall assist the establishment of a Resource Owners' or Forest Owners' Association, which the Government will recognize as the legitimate association representing the interests of resource owners and communities with regard to sustainable forest management.
3. The FD shall assist the establishment of a forest professionals' association which will focus on human resources development and setting of professional standards for the execution of the different management functions

5.5.5 Extension

The improvement of the livelihoods of forest-dependent communities and their access to development opportunities are strategic pillars of the forest policy. The FD in partnership with resource owners will develop and promote agroforestry and silvipastoral systems, particularly where resource owners wish to rehabilitate degraded land, or to improve the mix of income and other benefits from their land. The forestry extension programmes will focus on sustainable management of natural forests.

The FD will improve coordination between government departments related to the rural development and elaborate extension packages for dissemination of effective forestry and agroforestry information which shall be used by the public service and non-governmental development agencies.

Actions

1. The FD will work closely with the Fijian Affairs Board, Native Land Trust Board, Ministry of Agriculture, and Rural Development staff to form domestic integrated extension teams. Cross-sectoral coordination will be promoted through integrated extension planning; increased input of forestry extension in other services through in-service training of extension staff.
2. Forest extension programmes will be targeted in all forest areas with a need and potential for sustainable forest management or plantation development, and in areas with high conservation values.
3. The forestry extension curriculum will be revised towards sustainable forest management. Extension packages for different ecological zones will be developed in close collaboration with the respective users.
4. Forestry extension programmes to promote tree planting programmes by schools and youth groups will be undertaken to help educate students on the value and utility of trees.
5. The FD will phase out its subsidised production of nursery seedlings to charge the full commercial price and thereby assist the financially viable production of nursery stock by the private sector and resource owners.

5.5.6 Forestry research

The Government recognizes the importance of research in achieving sustainable forest management and in maintaining a competitive forest industry and the sharing of products and processes derived from forestry research. Applied research to meet priority needs of conservation and sustainable management of natural forest, reforestation and the forest industries will be encouraged. The FD will review its research priorities in consultation with

users. Financial resources for problem-oriented research and development programmes will be provided through cost-sharing mechanisms and establishment of research funds.

Actions

1. Forestry research priorities will be revised based on the principle of demand-driven research. Research focusing on improved forest and tree management, chemical compounds and processes especially from indigenous species, and development of plantations and competitive industry will be promoted.
2. FD will develop close linkages with research users through information exchange, seminars, and joint development of demand-oriented research programmes.
3. Collaborative forest research with NGOs, forest industry, and international and regional research cooperation will be promoted by development of partnership programmes.
4. The FD will undertake research on behalf of the private forest industry, including plantation forestry, on a fee for service basis.

5.5.7 Forestry training and education

The Government will support professional and technical forestry training programmes, both in-country and at overseas institutions, to ensure that there are adequate numbers of professional, technical and specialist staff to meet the needs of sustainable forest management. Specialised training will be offered to industry personnel and resource owners to increase the skills base for sustainable forest management and value-added processing.

To facilitate human resources development for the forest sector, regular demand-driven training needs assessment, curricula review and training planning will be conducted. The FD will explore cooperation and outsourcing opportunities with forest training facilities at the regional and national level, and define the roles and responsibilities of institutions that need to be involved in the overall reorientation of educational training in order to have access to the collective knowledge on forestry in the region, to reduce costs and to avoid overlapping responsibilities.

Actions

1. Based on a training needs assessment with the forest industries and other relevant stakeholders, the FD together with relevant training institutions will develop demand-oriented curricula and training programmes. Adequate attention will be given to technical and vocational training.

2. The Government will review the viability of the training centres and give further consideration to their development and operation as regional Pacific centres of training excellence, staffed by outsourced specialist forestry training providers.
3. FD will coordinate a forestry scholarship scheme and will assist students, staff and industry personnel to undertake professional forestry and management training to meet the needs of sustainable forest management.
4. The FD will have training courses conducted for forestry personnel and resource owners in all aspects of sustainable forest management, timber utilization principles and practices, log scaling, and protection of environmental values.
5. The Government in collaboration with the media, NGOs and other stakeholders will conduct national awareness programmes for public education on forest values and the need for conservation and sustainable forest management. Introduction of environment and natural resources education in primary and secondary schools will be promoted.

5.5.8 International and regional forestry cooperation

To foster governance of forest resources and promote sustainable forest management, the international community has launched the Forest Principles at the United Nations Conference on Environment and Development in Rio de Janeiro, 1992, and reinforced them in the world Summit on Sustainable Development in Johannesburg, 2002, which addresses global biodiversity conservation priorities and sustainable resource management. Fiji will participate in the international and regional forest-related processes, initiatives and programmes in order to represent national interests, to ensure implementation of international commitments, and to attract assistance to achieve national and global goals.

Actions

1. Fiji will actively participate in regional programmes such as the Secretariat for the Pacific Community, the Secretariat for the Pacific Regional Environment Programme and the South Pacific Regional Initiative on Forest Genetic Resources.
2. Fiji will actively participate in the international forest policy dialogue and other forest-related international processes and instruments to represent national interests and to ensure effective implementation and information exchange.
3. The Government will seek international, bilateral and multilateral assistance for development of the forest sector and implementation of the National Forest Programme and related priority measures towards sustainable forest management.

4. Effective coordination of international assistance will be ensured in the context of overall sector coordination involving government departments with mandate for natural resource management as well public–private sector partnerships involving local and national level stakeholders.

6 FINANCING

6.1 Financial strategy

The Government recognizes that its principal role in the development of the forestry sector is the setting of forest policy that provides medium- to long-term vision for the sector, in which sustainable management of the forest resources and poverty reduction, social development, and environmental protection are well integrated. To ensure implementation of such policy, the Government has to ensure that the required funding will be available. The resource mobilisation is not necessarily limited to public funds, but can address the private sector, communities, as well as national and international development agencies.

The Government will review current financing mechanisms and develop a financing strategy to ensure long-term financing for sustainable forest management and a viable forest industry as part of the National Forest Programme. The Financing Strategy will aim at ensuring self sufficiency in the development of the forest sector in the long term through financing mechanisms targeted at funding part of the programmes and activities of the FD, contribute to financing forest sector development, as well as contributions to macro-economic development and national budgetary policies.

Actions

1. The FD will work with all stakeholders to assess current financing mechanisms and fiscal instruments in the forest sector, to define options for improvement and innovative approaches. For example, a National Sustainable Forest Management Trust Fund.
2. As part of the process to consolidate a National Forest Programme, a financing strategy will be outlined to ensure long-term financing for sustainable forest management, related Government services and macro-economic development of the sector geared towards value-adding and downstream processing.
3. The financial strategy will be part of the Government's Financial Management Reform.

6.2 Forestry Department revenue

The FD reorganisation will also provide instruments and mechanisms to overcome fiscal and budgetary constraints which impede the institutional strengthening and restructuring process. Meanwhile the administration of "forest authority functions" that only Government can and should perform will be guaranteed through the national budget; "service

functions“ should be delivered on a cost-recovery basis with appropriate pricing methods, taking competitiveness in the market as well as social and development aspects into account.

The Government will undertake a full review of the fee system separately applied by the NLTB with a view to reducing the number and overall level of fees, as well as simplifying the unnecessarily complex administrative process that now applies

Actions

1. The Government will review the system of fees in order to create a transparent and simple system that (i) generates adequate revenue to ensure funding of the services provided by FD and forest-related Government tasks; and (ii) stimulates investment in sustainable forest management and processing.
2. The revenues generated through the revised system of fees will be acknowledged as agency revenues of the FD and the financial management will be the responsibility of the FD under its own account.
3. The FD will commission a study on the efficiency of the current system to attribute forest products' utilization licences, the roles of FD and NLTB with a focus on a clear definition of the roles and responsibilities of both institutions, and a transparent and equitable distribution of the licence fees based on the real amount of allocated resources by both institutions.
4. The FD will offer its services to the private sector on a cost-recovery basis. Commercialisation of some research activities will be promoted so as to increase self-financing.
5. New mechanisms for cost-sharing of training expenses by different users, and development of commercial activities by training institutions for increased self-financing will be promoted. Cost-sharing mechanisms will also be promoted to improve the sustainability of the forestry extension services.

6.3 Forest Sector Development Fund

The new forest policy is intended to promote proactive involvement of stakeholders in the development of the forestry sector by offering more participation in the decision-making processes and using a wider range of instruments to encourage investments in human resources, infrastructures, technology, and systems to compensate forest owners for intangible benefits they provide such as environmental services.

The establishment of the Forest Sector Development Fund would provide an efficient instrument to promote the transition from exploitation to sustainable forest management.

The Fund aims to support stakeholders' investments in a wide range of forest-related activities. These may include sustainable forest management, rehabilitation of degraded forests, reforestation and afforestation, agroforestry systems, changes in technology, new forest utilization techniques, industrialization of forest products and marketing, and development and establishment of payment system for environmental services.

The Forest Sector Development Fund should be set up as an independent institution outside the public administration. The leading body will consist of a Board of Directors which represents the stakeholder in the forest sector. The operational management will be the responsibility of a management unit headed by the Executive Director.

The Forest Sector Development Fund is conceived as an open system which can mobilize and absorb financial means from different sources including: contributions from national budget; loans and grants from international agencies; monies from taxes and levies; contributions from stakeholders; and revenues generated through the marketing of environmental services.

Actions

1. The FD will commission a study to evaluate the options and feasibility for the creation of the Forest Sector Development Fund including the precise description of the organisational and administrative structure, the decision-making bodies, and the supply and allocation of financial means.
2. Parallel to the feasibility study, potential sources of funding should be identified, such as the "classic" sources like financial contributions from the national budget, fees for reforestation, compensation payments for environmental damages in the context of logging operations, or levies on export of timber products; and innovative instruments such as the introduction of payment schemes for environmental services of the forest or the commercialization of carbon sequestration certificates.

6.4 Trade and commercialisation measures

The new sectoral financing mechanisms should be embedded in the national trade and commerce, investment, taxation and finance policies, and are subject to Fiji's commitments resulting from participation in regional and international trade and economic agreements. The proposed measures address taxation and levies as well as the promotion of the further industrialization of forest products, and the development of new approaches, such as the establishment of payments schemes for environment services.

The series of measures will be fixed in consultation with the forest industries and with the consent of the national taxation, trade and customs authorities.

Actions

1. Export levy on forest produce will be based on a decreasing scale according the amount of value-added processing undertaken in Fiji. Such funds will be used to provide assistance to the industry for market research, product development, forest certification and can be channelled through the Forest Sector Development Fund.
2. In consultation with the industry, tariffs on the importation of logs and flitches will be removed to support investments in domestic processing where there is a shortage in domestic supply to meet processing plant capacity.
3. Financial incentives in plantation development such as tax deductions for investment in the forest plantation sector or preferential tax rebates encouraging investment will be revised and further developed.
4. The feasibility of payment for environmental services to generate financing for sustainable forest management will be investigated, for example, a user-pay system whereby water consumers contribute to the management costs of watersheds.

6.5 Financing conservation and protection measures

The National Trust for Fiji has the mandate for biodiversity conservation and protection measures, but insufficient funding and limited human and technical resources. The lack of adequate strategic plans hamper and will continue to hinder effective conservation area establishment. To overcome the structural and operational deficiencies, various initiatives have been taken by national and international NGOs in cooperation with the Department of Environment and the FD seeking new approaches which involve the local communities in the establishment of a protected area and its management. The FD will continue to support this approach and strengthen the cooperation rather than to create a separate Forest Conservation Fund

Actions

1. The Government will investigate the use of existing National Trust for Fiji or Fiji Heritage Trust mechanisms to support the establishment of forest conservation areas and scrutinise the opportunities for national, regional and international funding.
2. The FD will investigate mechanisms for funding forest conservation on an ongoing basis including compensation payments for ecological damages resulting from

inadequate forest utilization practices, licences for bio-prospecting and use of local intellectual property rights

6.6 Financing through international and regional forestry cooperation

Among the numerous multilateral agreements relevant to sustainable development, several are of special importance to the implementation of the forest policy. Under the Kyoto Protocol, afforestation and reforestation are included in the activities that are eligible under the Clean Development Mechanism. However, the application procedures are complicated and some practical, technical, and institutional issues are yet to be addressed before it can be applied on a large scale. Discussions are ongoing at the international level with regard to the extent of the post-2012 commitment period; in particular, whether avoided deforestation and the restoration of grasslands should be included in the catalogue of acknowledged measures. In the context of policies referring to climate change mitigation and adaptation, the potential of forests for addressing catastrophic events can be valorised.

The Convention of Biological Diversity, through the Global Environmental Facility (GEF), offers financial mechanisms to integrate biodiversity concerns in forest sector strategies, plans and management.

Comprehensive capacity building is needed to master the policies, institutional and administrative issues in the context of international agreements and related financial mechanisms as well as an open dialogue among the public and private agencies to join partnership agreements and generate synergies.

Actions

1. The Government will strengthen the capacities to facilitate access to international financing mechanisms such as opportunities in the context of the United Nations Framework Convention on Climate Change (UNFCCC).
2. The FD will address biodiversity conservation priorities, assist and cooperate with other relevant public agencies and NGOs in preparing project proposals in the context of the Global Environmental Facility (GEF).
3. The FD recognises the predominant role of forest ecosystems in the mitigation and adaptation of the impacts of climate change and will closely follow potential acquisition of funds emerging in the context of the international debate on these issues such as through the Clean Development Mechanism.

7 IMPLEMENTATION

7.1 Implementation procedures

The new forest policy statement is expected to result in higher quality decision making, fewer implementation problems and more result-focused impact. During the implementation, stakeholders' participation will be encouraged to ensure that the activities are consistent with local needs and that the benefits are equitably distributed.

The new forest policy will require major changes in the way Fiji manages its forest resources. This implies changes in management practices in the wider context of land use, forest utilization and in the institutional framework that supports the coherent development of the forest sector. The commitment of all stakeholders will be required to make the necessary changes that would ensure the utilization of the forest sector for national development; while ensuring forests maintain their roles and functions to support prosperous livelihoods for present and future generations.

The more holistic, integrated view of the forest sector means pursuing an area-based, local needs-oriented approach. In this, the development of the forest sector and other sectors should be based on a comprehensive land use plan or at least land use vision at regional and local level. This cross-sector approach is seen as more efficient since it stimulates the collaboration among the public agencies, and between public and private stakeholders and the communities. The dialogue and coordination reduces the duplication of efforts and enables the focus to be on activities that are really needed.

The second pillar is the changes in the traditional role of participants in the forest sector development, the change of paradigm from resource owner, user and controller, to partners in sustainable forest resource management. Partners may include individual households, groups of land- or resource owners, forest enterprises, community organisations, NGOs and public authorities. Key factors to be addressed include tenure security, knowledge about the forest resources and value of forests, equitable distribution of benefits and responsibilities, and enabling framework of assistance and monitoring.

The success of the new approach depends largely on input in the institutional reforms and awareness and capacity building measures. A clear acknowledgement of the timeframe of reforms and the financial implications for all stakeholders is needed as well as the political commitment to meet the challenges.

7.2 Implementation modalities

7.2.1 Communicating the forest policy

All stakeholders such as land and forest resource owners, logging companies and forest industries, related natural resource management agencies in the public and civil societies, the national and international development agencies, and society in general should become acquainted with new forest policy statement. Material should be prepared explaining the new approach to sectoral development and be widely disseminated through conventional means such as extension services, as well as the creation and maintenance of an FD web site.

The National Forest Programme initiative will provide the platform through wide consultation with stakeholders and the new constituted Forestry Board will ensure the appropriate support.

7.2.2 Monitoring and evaluation of the forest policy

The implementation of the forest policy should be accompanied right from the beginning with a serious monitoring and evaluation scheme. The criteria include:

- Progress in the policy implementation;
- Incorporation of the forest policy in the relevant natural resources' management and environmental policies;
- Allocation of financial, human, technical and logistical resources;
- Performance data regarding forest conservation and utilization, forest products industrialization as well as commercialization's impact on rural livelihoods.

The Fiji Forest Policy will need to be reviewed regularly in parallel with the preparation of the National Development Plan. A regular review will ensure harmony between the forest policy and other sectoral / macro-policies of the Government and national strategic planning. It will also take into account changes and developments at the regional and global level.

7.3 Implementation priorities

7.3.1 Integrated natural resource management and conservation of forests and biological resources

The holistic and integrated approach in the management of land, water, forest and biological resources is the main challenge for the transition to more sustainable development options. Forest resources are currently not sufficiently defined in terms of

their contribution to ecosystem conservation, forest sector and rural development. Therefore, the following steps are required:

1. Implementation of forest land use policy within the approved National Rural Land Use Policy 2005;
2. Ensure the availability of updated forest resource inventory with determination of sustainable yields for utilization of the natural forests, as well as the revision of forest classification and designated protected areas;
3. Facilitation of a process with NLTB, resource owners and relevant stakeholders to establish a Permanent Forest Estate with forest management units and a permanent protected forest area network;
4. Facilitate the management of designated protected area networks.

7.3.2 Transition from timber exploitation to sustainable forest resource management

Forests can play an important role in rural development with the objective of achieving sustainable supply of forest products and environmental protection. The forest policy aims to set the basic regulations by:

1. Ensuring the maintenance and expansion of the Permanent Forest Estate;
2. Implementation of licensing policies and forest revenue policies;
3. Mandatory application and enforcement of the Fiji Forest Harvesting Code of Practice.

7.3.3 Shift to landowner involvement and community based sustainable forest management

Although more than 80% of Fiji's forests are located on indigenous land, the rural communities have not adequately benefited from forest sector development in terms of regular income, access to employment opportunities, rural infrastructure improvement, or through the processing and marketing of forest products. To put greater emphasis on capturing the benefits that forests can provide for the improvement of rural livelihoods, the priorities are:

1. Support community-based management of forest resources through strengthening of the FD's extension and technical support services which provide awareness, training and capacity building for the planning and implementation of sustainable forest management principles.
2. Support capacity building for communities to ensure forest resources are managed sustainably.

3. Initiate discussion on mechanisms and guidelines for indemnity bonds that would compensate for damage caused by forest operations and ensures rehabilitation of logged-over forests.
4. Appoint Forest Wardens to assist in the policing of Forest Laws.

7.3.4 Upgrading the forest industries and supply of high quality forest products

The contribution of the forest sector to economic growth in Fiji has been declining in spite of the increasing harvesting potential of pine and hardwood plantations. The reason for the decline lies in the shrinking resource base of the supply of logs from natural forests, but they are also due to structural shortcomings in the timber industry and serious market distortions. In view of the objective to revive and develop a vibrant forest industry that would ensure the financing and adoption of a sustainable forest management system in Fiji, the following steps are critical:

1. Facilitate capacity building in sustainable forest management and forest products utilization planning and implementation;
2. Facilitate programmes to increase the skills level of all stakeholders which would contribute to increased levels of efficiency and the production of high quality, high value products;
3. Facilitate discussions on mechanisms and guidelines that would encourage, control and monitor the introduction of portable sawmills.

7.3.5 Institutional framework

The development of the forest sector should be based on an appropriate institutional framework which would be the foundation for its development. This requires clear definitions and a sound legal base that would support reforms of the FD, and human resource development that keeps pace with changing needs. The roles and responsibilities of institutions involved in forest resource management have to be clarified to create an enabling environment for the promotion of the sector's development and the monitoring of its performance. The priorities in this area are:

1. Revision of forest legislation and regulations to support policy guidelines advocated herein.
2. Establish a multi-stakeholder National Forest Programme as a comprehensive framework to guide the planning and implementation of policies herein.
3. Establishment of mechanisms for improved coordination between FD and all forest stakeholders.

7.4 Role of stakeholders

The following section describes the roles of key actors in the implementation of the Fiji Forest Policy.

7.4.1 National Government

The National Government will establish forest policy and determine how the forests should be managed. It will enact forestry legislation and issue licences for forestry enterprises. It shall ensure the provision of adequate resources to implement the Fiji Forest Policy.

7.4.2 Forestry Department

The FD will guide the implementation process of the Fiji Forest Policy and administer forestry legislation. It will coordinate closely with all stakeholders to promote the sustainable management and conservation of forest resources for both timber and non-timber benefits. It will approve utilization operations' agreements, forest management and harvesting plans in all forest types, both natural and planted, and ensure that the Forest Management Standard and the Fiji Forest Harvesting Code of Practice is implemented. It will collect information about forest resources, conduct forest research, provide extension services and training, foster sustainable management of natural forests and the conservation of Protected Areas, facilitate the development of plantations and agroforestry systems, and promote value-added processing. In all these endeavours, the FD will keep the social, economic and environmental impacts of forestry operations of resource owners to the fore.

7.4.3 Other National Government institutions

The FD will co-operate with other Government ministries and authorities, to implement the various land use planning, agroforestry and conservation strategies contained in this forest policy; for example, the Ministry of Environment, Ministry of Agriculture. The forest sector will be supported by the Department of Finance, Fiji Islands Revenue and Customs Authority, and the Ministry of Commerce, Business Development and Investment.

7.4.4 Resource owners

Resource owners will manage their forest resources in compliance with the Forest Management Standard, via forest management companies, with the assistance of the FD, the NLTB and the FAB. They will assist the FD with scaling logs. They will be involved in harvesting and processing their trees and will be responsible for rehabilitating forest areas. Landowner groups will be encouraged to take equity in commercial forest developments and to become engaged in community forestry approaches.

7.4.5 Forest industry

The forest industry may include big and small forest management companies, harvesting and processing entities as well as retail outlets.

The forest industry will coordinate its activities towards improved raw material supply, processing and marketing of forest products. It will negotiate through the NLTB and FAB as well as with resource owners for the harvesting of timber and, where appropriate, for plantation development and reforestation activities. The industry will carry out pre-harvest inventories, prepare harvesting plans and implement the plans approved by the FD in accordance with the Fiji Forest Harvesting Code of Practice. The industry will work with Government to develop rural infrastructure where required, and will develop a skilled rural workforce. It will develop value-adding wood processing facilities that meet international expectations, and in partnership with the FD seek niche overseas markets for Fiji wood products, particularly those that are sourced from certified, well-managed forests.

7.4.6 NGOs and aid donors

NGOs, international donors and aid organizations will be invited to work closely with the FD to promote sustainable forest management, the shift toward community-based natural resource management, the development of landowner forestry enterprises, and the promotion of an export-oriented timber industry.

The Government will seek to aggregate the engagement of the donor agencies in the conservation and sustainable use of natural resources under the umbrella of the new forest policy statement and to support the development of the National Forest Programme.

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9 GLOSSARY

Afforestation	Establishing forest where there has not been any forest for at least 50 years
Agroforestry	A land-use system in which woody perennials (trees, shrubs, palms, bamboos) are deliberately used on the same land management unit as agricultural crops (woody or not), animals or both, either in some form of spatial arrangement or temporal sequence. In agroforestry systems, there are both ecological and economic interactions between the different components. (Source: ICRAF)
Bank guarantee	A bank guarantee is a one-way contract between a bank as the guarantor and a beneficiary as the party to whom a guarantee is made (USB Bank)
Biodiversity	The variety of life forms, the different plants, animals and micro-organisms, the genes they contain, and the ecosystems they form. It is usually considered at three levels: genetic diversity, species diversity and ecosystem diversity. (NBSAP, 2007)
Certification	<p>Forest certification is a voluntary, market-driven mechanism, which provides an independent, third party assurance that the forest products have been produced according to a set of pre-agreed standards. Some certification schemes are operational throughout the world including the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Certification Scheme (PEFC). Others are national in scope. Certification relieves forest administrations from the burden of controlling compliance with the law as monitoring is conducted by independent third parties.</p> <p>There are two types of certification:</p> <ul style="list-style-type: none">• Forest management certification ensures that forestry operations meet specified standards;• Chain of custody certification, which tracks the chain of custody and follows the wood through the chain of custody.
Chain of custody	Chain of custody is a legal term that refers to the ability to guarantee the identity of a product from harvesting through all states of further processing. It is also a process used to maintain and document the chronology of the processing of a product
Community forestry	At a time when national forest management systems around the world are going through a historic period of change, community forest management represents a cost-effective approach to conserve threatened forest ecosystems while responding to rural livelihood needs in a socially-just manner. CFI aspires not only to contribute to forest restoration and conservation; it strives to encourage the protection of indigenous, forest-oriented cultures and societies. (Community Forestry International / CFI, 2007)
Conversion of forests	The conversion of natural forest to planted forest stands (coniferous, hardwoods) or agricultural use. The conversion causes ecological changes and affects the further carbon balances of the forests.

Degraded forest or deforested land:	Forest that delivers a reduced supply of goods and services from a given site and maintains only limited biological diversity. It has lost the structure, function, species composition and/or productivity normally associated with the natural forest type expected at that site. (ITTO, 2002)
Environmental Impact Assessment	An Environmental Impact Assessment (EIA) is an assessment of the likely influence a project may have on the environment. "Environmental Impact Assessment can be defined as: The process of identifying, predicting, evaluating and mitigating the biophysical, social, and other relevant effects of development proposals prior to major decisions being taken and commitments made." (IAIA 1999). The purpose of the assessment is to ensure that decision-makers consider environmental impacts before deciding whether to proceed with new projects.
Established plantation species:	Caribbean pine (<i>Pinus caribaea</i>) & mahogany (<i>Swietenia macrophylla</i>), Cadamba (<i>Anthocephalus chinensis</i>), Cordia (<i>Cordia alliodora</i>), Maesopsis (<i>Maesopsis eminii</i>), Eucalyptus (<i>Eucalyptus deglupta</i> and <i>E. citridora</i>).
Exotic plant species	Plant species not native in Fiji
Fees	<p>Scaling Fee: the Forestry Department collects a scaling fee on every cubic metre of roundwood that is harvested. This fee does not vary by species or location and is supposed to cover the Forestry Department's costs of production monitoring and control.</p> <p>Map Fee: the Forestry Department also charges for the production of a harvesting map and plan, which is a necessary part of any licence. The charge does not reflect the cost of production and is generally quite small.</p> <p>Application, renewal and processing fees: these fees are charged by NLTB to cover their administrative costs of processing and approving licences.</p>
Forest Management Licence	Forest Management Licence is a long-term agreement that not only grants the right to harvest forest products, but aims to promote a sustainable management of the forest resources. It will provide greater security for both, the resource owner and the licensee, in the decision making and fostering capital investment in forest management, silvicultural treatment and harvesting operations
Forest Management Unit	Area of forests for the sustainable management of the forest resources (Unit for planning, management, implementation, and monitoring of forestry operations)
Forest Management Standards	The management standards describe the level of performance expected in the execution of range of management functions and operational activities. They comprise the ethical, social, ecological, and economic dimension of sustainable forest management.
Forest reserves	Forest land dedicated by the owner as forest reserve, so that the land may be kept under proper forest cover. Forest reserves should consist of (a) land dedicated in whole or in part by the owner on terms to be agreed between the owner and the Forestry Board; (b) all Crown Land which it is considered should be maintained under forest or should be reforested; (c) any land which the Forestry Board recommends to maintain forest cover

High Conservation Value Forests	<p>High Conservation Value Forests are those that possess one or more of the following attributes:</p> <ul style="list-style-type: none"> a) forest areas containing globally, regionally or nationally significant concentrations of biodiversity values; b) forest areas that are in or contain rare, threatened or endangered ecosystems; c) forest areas that provide basic services of nature in critical situations; d) forest areas fundamental to meeting basic needs of local communities.
Landowners	Landowners are usually the native/indigenous people of Fiji, the Fijians that traditionally hold most land titles in Fiji.
Local communities	Communities that live in the vicinity of the FMU, but do not always own the land that the FMU is situated upon.
Log delivery cost	All cost involved in felling, forwarding & haulage to mill gate.
Mataqali	Fijian clan landowning unit.
NLTB	<p>Native Land Trust Board (NLTB) established in 1940 as is Board of Trustee under the Native Land Trust Act (NLTA) Cap. 134. The control of all native land is vested in the Board and all such land shall be administered by the Board for the benefit of the Fijian landowners. Native land shall not be alienated by Fijian owners whether by sale, grant, transfer, or exchange except to the State. The Board grants leases or licences of portions of native land outside native reserve land to any bona-fide interested party.</p> <p>Native reserve land is land set aside for the use, maintenance and support of the native landowners. This native reserve land can only be leased to a native Fijian. The Board may, upon good cause being shown and with the consent in writing of the landowners exclude either permanently or for a specified period portion native reserve land to be leased by someone other than a native Fijian.</p> <p>The Native Land Trust Board provides leasing arrangements and licences for all types of land use with terms ranging from annual tenancies to ninety nine (99) years.</p> <p>The NLTB now controls around 90% of the total land in Fiji.</p>
Protected area	Zone wherein use is restricted as mandated by an official act to conserve biodiversity and to protect the area's special cultural or biological significance
Stakeholders	A stakeholder is a party who affect, or can be affected, by actions. In the forest sector the main stakeholders are: National Government, Forestry Department, other national government institutions, resource owners, forest industry, national and international NGOs.
Stumpage:	Stumpage is the price charged by the landowner to operators for the right to harvest timber on that land. It applies to plantations (Mill gate price – log delivery cost = Stumpage). The distribution is as follows: Paid by the sawmills to the Forest Management Unit, % paid to Forest Manager and % paid to Landowners/NLTB; NLTB share is 10% of the Stumpage paid to the Landowners.

Sustainable forest Management	Management system that maintains a forest's critical ecological functions and biological diversity, and minimizes the adverse impacts of human activities so as to ensure availability of forest goods and services in perpetuity for use of present and future generations
Reforestation	Planting trees in a harvested forest or re-establishing forest in a harvested area.
Royalties	Royalties are official charges that are fixed by Ministerial Decree and are charged per cubic metre. For the purpose of fixing the royalties, Fiji is currently divided into three zones to reflect the differences in operating costs between the different islands. Royalties are also divided into four species classes to reflect the different qualities and values of products that can be manufactured from each species.
Value adding/ downstream industries	Value added refers to the additional value created at a particular stage of production, to raise the value of a product and corresponds to the incomes received by the owners of these factors. Value added is shared between the factors of production (capital, labour, also human capital), giving rise to issues of distribution. (Wikipedia)

