

UN-REDD  
PROGRAMME



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# Solomon Islands: REDD+ Background Document

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## Summary

This document provides a background analysis of the forest sector within the Solomon Islands (SI). It assesses the national context, levels of forest and land-use change, key policies and strategies and key stakeholders before looking at existing drivers of deforestation and forest degradation and the existing strategies to address them. A final section discussed potential drivers of change and future strategies that may form part of a REDD+ framework. The document is a living one and will be updated and adjusted through consultation with key stakeholders as well as being used as a basis for the development of policy briefs and documents more appropriate for public consumption. Due to the paucity of directly REDD+ related information the document does not focus on specific REDD+ issues only bringing in analysis where information exists.

### Overview of Geography, Population and Economy

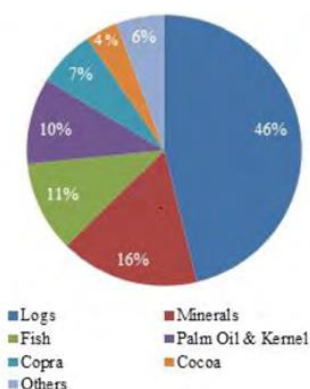
The SI is a nation of immense natural beauty with high levels of both biological and cultural diversity. Spread over more than 900 islands the nations terrestrial biodiversity is surpassed by only Papua New Guinea, within the Pacific region. Of over 5,500 species there are a significant number of endemic or threatened species including 69 species of bird found nowhere else. The islands' geography is characterised by steep hills with high levels of forest cover ranging from coastal and estuarine forests, through lowland forest to hill and montane forest with hill forest making up the majority of cover. These terrestrial habitats are closely linked to the marine environments that surround them with marine biodiversity being some of the best in the world forming part of the Coral Triangle an area described as the Amazon of the seas.

The country's growing population estimated at 552,300 in 2012 is also spread across a vast area covering some 350 islands and over 5,000 villages with the only urban center being Honiara the country's capital. This highly dispersed population combined with the difficulties of transport have resulted in high levels of cultural diversity with over 80 different languages spoken across the country. Within this context traditional authorities continue to play a key role in the social, political and economic lives of rural people. This situation is further strengthened by high levels of customary land ownership (some 87% of the country) and the limited reach of state institutions.

SI has one of the fastest growing populations within the Pacific estimated at 2.9% per annum

Economically the country has rebounded strongly after a period of social unrest, referred to as the tensions, at the turn of the century. This period led to the near collapse of the central state institutions as well as the majority of large scale economic activities and only came to an end with the arrival of the Regional Assistance Missions to the Solomon Islands (RAMSI), an international peacekeeping and development force that has worked closely with the government and national police force to rebuild their capacity and legitimacy since 2003. The economic rebound has been based around significant external support and improved financial management combined with strong commodity prices allowing the country to grow on the back of logging revenues, palm oil, fisheries, copra, cocoa and over the past two years gold and silver mining which reopened in 2011 after closing during the tensions.

SI Exports 2011  
(CBSI 2011)



The collapse of the central state and economic activity reinforced linkages between the rural population (over 85% of the population) and their environment with most rural communities relying on a mixture of subsistence agriculture and fishing and some local trade to sustain their livelihoods. While growth has helped rejuvenate the economy concerns exist that it has yet to provide an effective link between these subsistence communities and those earning significant sums from the export and sale of natural resources.

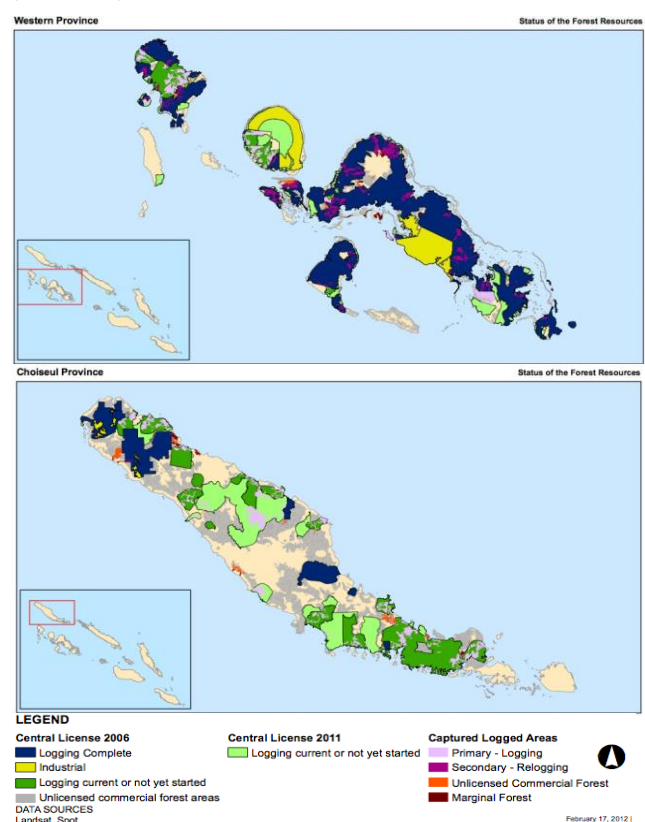
## Forest Cover and Land-use Change

Patterns of forest cover and land-use change have been strongly influenced by patterns in land ownership although accurate information remains limited and difficult to access. The SI are heavily forested with hill forest accounting for the vast majority, estimated at approximately 80% of the natural forest cover. The majority of these forests are situated on customary land and are divided into commercial and non-commercial areas, with timber companies required to gain landowner consent prior to applying for a licence to harvest. Commercial forest is estimated to account for only 30% of total forest cover falling mainly in areas of hill forest. Restrictions placed on logging above 400m elevation or on slopes over 30° combined with commercial viability ruling out much of the country's forest area. These areas are predominantly on the larger most populated islands. The areas have also under gone extensive logging with over 50% of the estimate 836,100ha of commercial forest being cut pre 2011 with a high proportion of this occurring in the past decade. Increases in the value of timber and shifts in species of economic value have also led to some re-entry logging to areas cut within the last decade. This practice has the potential to cause significant habitat degradation and to affect the potential for natural recovery.

Outside of commercial areas changes of forest cover have been more site specific. Some areas have been allocated for commercial logging following issuing of discretionary permits by the Ministry of Forestry and Research (MoFR) (16,800ha since 2005) or have been cut outside of legal concession boundaries (36,100ha since 2005). Other areas have been cleared for domestic agricultural practices, mainly custom gardening. While limited data is available on the current scale of these practices increased population pressure is reported to be increasing levels of clearance as well as shortening fallow cycles. Similarly cutting for firewood and domestic use have also caused localised reductions in density of forest cover although limited levels of deforestation.

A number of areas of state land also exist that have been historically cleared with a small number of timber and oil palm plantations developed on these sites. The two most significant timber

Existing and Past Logging in Selected Provinces 2011 (SKM 2011)



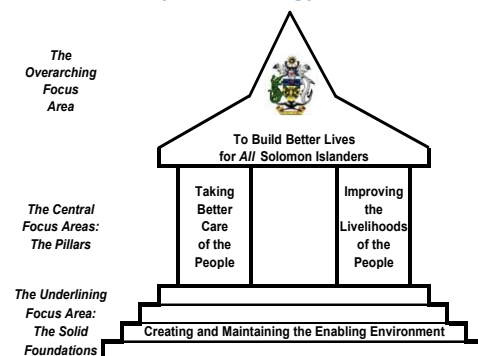
plantations are in Western province and account for approximately 80%, of the total 35,600ha of plantation, with the remainder held by smallholders. Efforts to increase levels of plantation forestry have been slowed by difficulties in securing land ownership agreements for expansion of large-scale plantations and the slow uptake of communities to efforts by the MoFR to support smallholder plantation development. The latter has been attributed to capacity constraints within the ministry, confusion over policy on support to smallholders, and a lack of long term vision within the communities. Similar challenges have been faced by efforts to increase the areas of commercial agricultural production with the Ministry of Agriculture and Livestock (MAL) being unable to secure land tenure for planned expansions (doubling) of the existing 6,320ha of oil palm plantation.

The strong culture of customary land-ownership that has made expansion of such agricultural projects difficult is also responsible for development of a large number of small protected areas. While not yet officially recognised by law this patchwork of culturally or environmentally significant sights cover approximately 5% of the country's area with some also supported by international NGOs. Passing of a Protected Areas Act in 2010 provides an opportunity for these sites to gain full legal recognition.

## National Development Frameworks and Key Stakeholders

The SI have been working to re-establish an effective national planning structure since the end of the tensions. The National Development Strategy 2011-20 was completed in 2011 and provides a guiding framework for planning and is supported by medium term development plans more closely linked to government priorities and the three-year corporate plans of line ministries. Throughout the most recent versions of these plans there is a strong focus on the need for improved natural resource and forest management as well as improvements in the way that revenue from natural resource extraction is distributed amongst the population.

National Development Strategy 2011-20



The country has also made significant progress in efforts to develop reports, plans and strategies related to climate change. The island's first national communication was submitted in 2004 and a second is currently under development, a National Adaptation Plan of Action was developed in 2008 and a full National Climate Change Policy 2012-17 was recently launched. The country has also made progress in developing other documents related to regional and international agreements with particular regard to the Rio conventions with a National Biodiversity Strategy Action plan agreed in 2009.

The country also signed up to a Regional REDD+ Policy Framework in 2012. Developed through the Secretariat of the Pacific Community (SPC) the document promotes a 'no regrets' approach and provides a guiding framework on how REDD+ can be approached while providing few restrictions with regard to specific approaches.

Implementation of these policies is, however, challenged by limited capacity of key agencies, conflicting policy priorities and political influence. Initial analysis of the main stakeholder groups notes significant limitations in capacity as well as capacity gaps between national, provincial and local groups with a limited number of actors/organisations able to effectively span all levels.

The national government has made significant strides to regain capacity and increase functionality since the tensions with core ministries in particular having increased effectiveness. Limited staff numbers and capacity combined with limited resources and poor practices, however, continue to cause significant challenges. The recent growth of the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) to include disaster management does provide some increased potential for policy coherence across climate change adaptation, mitigation and disaster management work. Establishment of the landowners' advocacy and legal support unit (LALSU) within the Public Solicitors Office also provides a key location for linking national state functions with landowners.

State capacity at national and provincial and local level has been supported by a number of civil society groups. Traditional authorities continue to play a key role at local level providing leadership and guidance on customary law including disputes over land. In many places these groups merge and are supplemented by more modern, Christian, church structures who provide both community leadership and services such as schools and health centers. High variations in local customs and low levels of coordination between these groups has, however limited, the capacity of these authorities to link effectively at national level. International and national NGOs have played an important role particularly in the rise of conservation. These groups have in many cases focused on the local and provincial scale with the challenges of working with a national government still in recovery from the tensions proving ineffective in their view.

The private sector despite its small size exerts significant influence within the country with logging in particular playing a key economic and political role. The industry represented by the Solomon Island Forestry Association (SIFA) is made up of a mixture of large international firms, small freelance logging groups with international origins and national groups based around landowner groups either focused on subcontracting timber extraction or on the cutting and milling of their own timber for sale and export. The industry has been able to effectively lobby against changes in the forestry law as well as other legislative changes and with close links to landowners is able to exert significant political pressure. Agricultural firms conversely have had far less impact and through development partner support to increase access to markets and improve standards there has been a shift to firms with higher international reputations although risks continue particularly within areas such as oil palm where past investments have proved to be exploitative.

Developments within the mining sector provide one of the most significant areas for future growth with a number of firms currently under taking prospecting and one firm Sumitomo Mining seeking permission to commence operations on a significant project. Wary of the risks that may come with increased mining operations the country has joined the Extractive Industries Transparency Initiative (EITI) and is making efforts to revise mining legislation.

Many of the recent developments within the country have been supported by the small number of development partners. The Australian supported RAMSI will be phasing out from 2013 shifting much of its development support to AusAid. Other key development partners include UNDP, Japan, the European Commission with the country also working closely with regional and international development banks at both the project and national finance levels. Support is also received through regional bodies including SPC with GIZ and other development partners working closely with these groups to deliver regional programmes that also have activities within the SI such as the "*Climate Protection through Forest Conservation in the Pacific Island Countries*" and "*Pacific-German Regional Programme on Adaptation to Climate Change*".

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## Land and Forest Governance in the Solomon Islands

The SI has a system of legal pluralism with both national legislation and traditional customs recognised under law. Key national level legislation with reference to land-use and forest governance includes:

- The Land and Titles Act
- Forest Resource Timber Utilisation Act 1969
- Environment Act 1998
- Wildlife Protection Act 1998
- Protected Areas Act of 2010

Many of these acts are outdated, contradictory, or have only recently had regulations added to allow them to be enforced. These challenges combined with limited state capacity have constrained oversight of the forest and natural resource sector leaving it prone to poor practices. This has been accentuated on traditional lands where weaknesses in the links between traditional customs and national law, particularly in the allocation of timber rights, have allowed a small number of stakeholders to hold power over and gain significant rents from extraction of natural resources, in particular the logging of natural forests. Efforts have been made to improve this situation but revised forest bills have failed to pass through parliament or to be gazetted following lobbying from the timber industry. Progress has been made in other areas with the development of Environment Impact Statement legislation and a Protected Areas Act. Conflicts between legislation and a lack of capacity have limited the scale of implementation of these acts although some success has been had in mounting direct legal challenges against specific logging firms.

## Drivers of Deforestation and Forest Degradation

Deforestation and forest degradation is driven by a number of direct and indirect factors within the SI. The below table provides an outline of the key drivers:

	Within Sector	Outside Sector
<b>Direct</b>	<ul style="list-style-type: none"> <li>- Logging</li> </ul>	<ul style="list-style-type: none"> <li>- Clearance of agriculture               <ul style="list-style-type: none"> <li>○ Commercial Agriculture</li> <li>○ Subsistence agriculture</li> </ul> </li> </ul>
<b>Indirect</b>	<ul style="list-style-type: none"> <li>- Limited institutional capacity</li> <li>- Out-dated legislation</li> <li>- Weak enforcement and control</li> <li>- High international demand for timber</li> <li>- Lack of information among communities and local producers on rights and markets</li> <li>- High level of importance of logging revenues to economic stability</li> <li>- Limited coordination across ministries</li> <li>- Limited political will</li> </ul>	<ul style="list-style-type: none"> <li>- Low agricultural yields</li> <li>- Increased incomes and expectations for resource use</li> <li>- Corruption and political patronage</li> <li>- High cost of legal proceedings</li> <li>- Uneven application of the rule of law</li> <li>- Limited coordination and cooperation between traditional authorities</li> <li>- Population increase</li> </ul>



Logging remains the principle direct driver of forest degradation and with the rise of re-entry logging may also cause deforestation over time. This logging is predominantly done on a legal basis but concern exists that with a dwindling legal timber stock and existing levels of governance increases in cutting outside the existing commercial area may occur either through further issuing of discretionary licences or through rises in illegal cutting.

Expansion of commercial agriculture has had a limited impact on current levels of deforestation due to difficulties in securing land tenure for commercial operations but plans remain to increase these areas. Subsistence agriculture is expanding along with population pressure and has the potential to cause long-term degradation of ecosystems with increasing levels of disturbance and shorter fallow periods.

The impact of these direct drivers are currently exacerbated and compounded by a number of indirect drivers primarily related to the country's position as a less developed country, challenges in sector governance and the continued need for national growth and development. Key elements within this include:

- Weak and outdated legislation covering forestry as well as the broader legislative environment which make enforcement difficult and provide a number of opportunities for bad practices and illegality
- Limited human, financial and technical capacity within key ministries making enforcement of existing legislation difficult
- A lack of accurate information creating an environment in which it is extremely difficult for perpetrators to be held to account

Structural issues such as geography, population growth and the broader political structure also play important roles and must be considered in any efforts to address the drivers.

## Existing Strategies

The SIs have been taking measures to reduce rates of deforestation and forest degradation for several years with mixed success. Development Partner projects supporting the sector as well as other key ministries have struggled to fully integrate developments into institutional structures and cultures and as such have been unable to deliver long-term changes. Similarly domestic policies and strategies have struggled to make significant impacts with efforts at reforestation failing to reach proposed targets. Recent policy and legislative developments relating to environmental regulations and establishment of protected areas provide some promise but will require ongoing capacity development and further political will to become fully effective.

## Potential Drivers and Strategies

In order to further strengthen efforts to address deforestation and forest degradation it is important to consider potential drivers of change that can be utilised to help fast track change. Potential drivers of change include:

- Collapse of the timber supply
- Economic and social stability
- Climate change adaptation and disaster risk reduction
- Improved awareness at community / local level

The first two of these drivers relate to the need recognised within the central ministries to plan for a collapsing timber supply, which is anticipated to decline steeply to a point of full exhaustion over the coming 30 years under a business as usual scenario, and its impact on the economy including jobs and incomes at community levels. This situation may increase a push from a central level to improve reforms within the sector and gain higher levels of income from extraction by focusing on higher value markets for sawn timber products as opposed to round log exports.

There is also national interest in the concepts of disaster risk reduction and climate change adaptation as well as development partner resources to support efforts in these areas. Effective forest cover and natural resource management will play a key role in any such strategy and thus provide an opportunity for linkages between different initiatives particularly at local and provincial level where the need to differentiate between the origins of different strategies may be less appropriate.

The final driver should come through increased awareness of legislation and rights at a local level. Initial progress has been seen in this area through the work of LALSU as well as some NGOs who have been able to support a number of groups in defining their rights when engaging with logging and mining companies.

In order to capitalise on these drivers a number of strategies need to be developed that will both address them directly and utilise their broader impacts to support changes that will create a better enabling environment to address deforestation and forest degradation. Potential strategies include but are not limited to:

- Increasing public awareness
- Legislative reform
- Capacity support and improvements in data availability
- Support to Enrichment planting and plantation development
- Support to increased protected areas coverage
- Close linkages between adaptation / disaster risk reduction and REDD+

No single strategy will be sufficient to address the drivers of deforestation and forest degradation and it will require coordination across multiple approaches to deliver change. Strategies should also be linked to provide both a coherent narrative of multiple benefits to decision makers and communities as well as providing a mechanism for cost effective implementation of key strategies.

Further work is required to assess the potential of the above strategies as well as identify key policies questions that will need to be addressed prior to development of a national strategy on REDD+.



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## Table of Acronyms

ADB	–	Asian Development Bank
ALCP	–	Agriculture and Livestock Corporate Plan
CDF	–	Constituency Development Fund
CDO	–	Constituency Development Officer
COLP	–	Code of Logging Practice
CROP	–	Council of Regional Organizations in the Pacific
DVS	–	Determined Value Schedule
EC	–	European Commission
EITI	–	Extractive Industries Transparency Initiative
EPPL	–	Eagon Pacific Plantation Limited
FAO	–	Food and Agriculture Organisation
FLEGT	–	Forest Law Enforcement Governance and Trade
FLEGT VPA	–	Forest Law Enforcement Governance and Trade Voluntary Partnership Agreement
FRA	–	Forest Resource Assessment
FRTU	–	Forest Resource and Timber Utilisation Act
FSC	–	Forest Stewardship Council
GDP	–	Gross Domestic Product
GEF	–	Global Environment Fund
GPPOL	–	Guadalcanal Plains Palm Oil Ltd.
ICDF	–	International Cooperation and Development Fund
JICA	–	Japanese International Cooperation Agency
KFPL	–	Kolombangara Forest Products Limited
KIBCA	–	Kolombangara Island Biodiversity and Conservation Organisation
LALSU	–	Landowners Advocacy Legal Support Unit
LLCTC	–	The Lauru Land Conference of Tribal Communities (
MDPAC	–	Ministry of Development Planning and Aid Coordination
MECDM	–	Ministry of Environment, Climate Change, Disaster Management and Meteorology
MFEC	–	Ministry of Forestry and Environmental Conservation
MMERE	–	Ministry of Mines, Energy and Rural Electrification
MoFR	–	Ministry of Forestry and Research
MoLHS	–	Ministry of Lands, Housing and Survey
MP	–	Member of Parliament
MRD	–	Ministry of Rural Development
MWR	–	Ministry of Water Resources
NCCS	–	National Climate Change Strategy
NCRA	–	National Coalition for Reform and Advancement
NDS	–	National Development Strategy
NFDS	–	National Forest Development Strategy
NRDF	–	Natural Resource Development Foundation
ODA	–	Overseas Development Assistance
PASO	–	Pacific Aviation Safety Office

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PIDP	–	Pacific Islands Development Programme
PIFFA	–	Pacific Islands Forum Fisheries Agency
PMO	–	Prime Minister’s Office
PPA	–	Pacific Power Association
PSO	–	Public Solicitor’s Office
RAMSI	–	Regional Assistance Mission to the Solomon Islands
RSIPF	–	Royal Solomon Island Police Force
SI	–	Solomon Islands
SICAP	–	Solomon Islands Climate Change Assistance Programme
SICCP	–	The Solomon Islands Community Conservation Partnership
SIDT	–	Solomon Island Development Trust
SIFA	–	Solomon Island Forestry Association
SIIPHRAA	–	The Solomon Islands Indigenous Peoples Human Rights Advocacy Association
SPC	–	Secretariat for the Pacific Community
SPC	–	Secretariat of Pacific Community
SPREP	–	Secretariat of the Pacific Regional Environment Programme
SPTO	–	South Pacific Tourism Organisation
TDA	–	Tetepare Descendants Association
USP	–	University of the South Pacific
VATA	–	Value Added Timber Association
WB	–	World Bank

## Section 1: Overview of Geography, Population and Economy

- The SI is a developing country with a rapidly growing and high-dispersed population
- The islands and surrounding seas have high levels of internationally significant biodiversity including high number of endemic species.
- A history of colonial rule combined with limited infrastructure and a dispersed population have left a weak central state, a high level of cultural and social diversity and strong reliance on traditional social and governance structures
- Land is predominantly under customary ownership and is tightly linked with social and cultural practices as well as acting as a social safety net to communities with limited opportunities to access the cash economy
- Social tensions resulted in a period of civil unrest in between 1999 and 2003 that further weakened the central state
- Support from the Regional Assistance Mission to the Solomon Islands (RAMSI) an international support mission have helped to re-establish the central state and strengthen its functions although capacity gaps still exist and a highly diverse political structure leads to regular political changes
- International assistance combined with high prices for natural resource commodities have allowed for strong growth since 2006 although the economy is heavily dependent on primary products with logging, fishing, mining and agriculture.
- Logging is the most significant economic sector bringing in close to 50% of foreign exchange earnings and approximately 17% of government revenues
- Benefits from the cash economy are not widely distributed with the majority of the communities still rely on subsistence agriculture and fishing as their central livelihood strategy
- The value of existing ecosystem services is well recognised by communities but is yet to be recognised by existing state economic models

### Geography and Population

The Solomon Islands consist of over 900 different islands totalling approximately 28,785sq km of land. These islands are, however, spread over a much larger geographical area with the country spreading along a north west to south east axis of over 1,400km and maintaining an Exclusive Economic Zone of 1.34million km<sup>2</sup> (GoSI 2006). The majority of the land area is made up of a double chain of six islands Choiseul, New Georgia, Isabel, Malaita, Guadalcanal, and Makira that lie in the nation's north west just a few kilometres from Bourgainville. The Santa Cruz Islands form the eastern extremity of the country lying almost due north of Vanuatu.

The country's population, estimated at 552,300 in (WDI 2013), is spread across over 5,000 villages on 350 of the country's islands. The capital Honiara represents the only significant urban development with populations outside of the capital being almost entirely rural or peri-urban (see Table 1: Population by Province and Percentage Rural) (UNICEF 2010). This highly dispersed

population combined with limited transport options has allowed high levels of social and cultural diversity to be maintained with 80 distinct languages and a wide range of customary practices in existence (Gray 2009). These conditions are further supported by a high level of customary landownership (87%) with land playing a critical role in the social and cultural lives of the majority of islanders as well as acting as an important social safety net (Gray 2009).

A rapidly increasing population, of 2.9% per annum for period 2000-2009 one of the highest in the Pacific (UNICEF 2009), is however increasing population density and movement towards urban areas. These increases along with other social factors are leading to increased pressure on natural resources, subsistence farming and fishing practices, demand for jobs and increased migration to Honiara with population growth estimated at 4.7% growth within peri-urban areas around the city (UNHABITAT 2012).

**Table 1: Population by Province and Percentage Rural**  
CLGF (2012) SI Local Government Profile

Region	Number of councils	Population (Census 2009)*	% rural
Honiara City	1	64,602	0
Central Province	0	26,051	100
Choiseul Province	0	26,379	100
Guadalcanal Province (excluding Honiara)	0	93,613	100
Isabel Province	0	26,158	100
Makira and Ulawa Province	0	40,419	99
Malaita Province	0	137,596	95
Rennell and Bellona Province	0	3,041	100
Temotu Province	0	21,362	99
Western Province	0	76,649	96
<b>TOTAL</b>	<b>1</b>	<b>515,870*</b>	<b>85.5**</b>

\*provisional \*\* estimated Source: Solomon Islands National Statistics Office, please note many localities were not included in the census.

## Environment

The SI have exceptional levels of biodiversity and are recognized globally for the quality and diversity of their terrestrial and marine habitats. Within the Pacific the SI are only surpassed only by Papua New Guinea for its terrestrial biodiversity (Morrison et al., 2007) with the SI Rainforest Terrestrial Ecoregion AA01191 (Olsen et al., 2001 quoted in Peterson et al 2012) having high vertebrate endemism, including single-island endemics, restricted-range mammals, and 69 bird species found nowhere else in the world (Kool et al 2010). The islands are also estimated to have 5,599 described species including: 2,597 described plant species, 245 birds, 75 mammals, 87 reptiles, 19 amphibians, 777 fish and 1,799 invertebrate species (IUCN, 2008 quoted in Kool et al 2010). The forest ecosystems are a key element of this diversity with over 4,500 species of plants of which 3,200 are known to be native or indigenous. Of these 16 fall within IUCN's red list data criteria, with several tree species including rosewood rattan and some palms being threatened and ebony critically endangered (SIG 2009).

The nations marine habitats are equally diverse forming part of the Coral Triangle commonly described as the Amazon of the Seas (GoSI 2009). The Coral Triangle comprises 76% of the world's corals and 37% of the world's coral reef fish species in an area that covers less than 2% of the planet's oceans (Veron et al., 2009 quoted in Kool et al 2010). These environments are heavily



dependent on the terrestrial habitats they surround with areas of reef being strongly influenced by changes in water sediment or nutrient levels due to changes in terrestrial land use and subsequent run off.

## Political Structure

The SI are a constitutional monarchy and have a Westminster parliamentary system of government. The parliamentary system is based on single member constituencies' representatives who sit within the 50 member parliament for four year terms. A cabinet of 26 members is selected from the ruling government and each ministry is headed by a member of cabinet, who is assisted by a permanent secretary<sup>1</sup>. The existence of a large number of parties (there were 19 parties during the 2010 elections of which 12 had not contested the 2006 election) and independent politicians (18 of the 50 member parliament following 2010 election) means that one party rarely gains a majority and coalition governments need to be formed. Historically these coalitions have limited stability, with votes of no confidence frequent along with changes in government leadership making it not uncommon for several changes of government to occur during a single parliamentary sitting of 4 years (Makaki 2012a).

Sub-national government consists of nine provincial governments (provincial assemblies), established under the Provincial Government Act (PGA) (1997) and Honiara City Council, established under the Honiara City Act (1999), which, administers Honiara city as a separate entity from the Guadalcanal province in which it is situated. Provincial government has been identified as an important level of government for future development and has been a target for development partner support<sup>2</sup> but remains weak with limited staff numbers and capacity as well as falling between the more powerful national government/MPs and the traditional customary governance structures.

Legal provision is made for the establishment of local councils, which, may be established by the Minister for Home Affairs under the Local Government Act (1996), as yet, however, none have been established<sup>3</sup>. There is further provision for the establishment of Area councils, which may be constituted by provincial assemblies under the PGA and area committees, which may be appointed by local councils under the LGA. Similarly, however, none of these structures have been established to date (CLGFP 2012).

Weak links between national and provincial government and from there to communities have been identified as a critical issue to the development of effective governance systems within the SI. With the majority of technical capacity remaining within national government agencies, provincial governments are regularly left out of planning and implementation processes at the local level. Recent shifts in policy have also seen a significant rise in the role of constituent MPs in the budget

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<sup>1</sup> Use of ministerial positions as a bargaining chip within the political process has led to the establishment of a high number of ministries with the country currently supporting 23 ministries (Makaki 2012).

<sup>2</sup> UNDP's Provincial Government Strengthening Programme (PGSP) has been providing support to local government since 2008

<sup>3</sup> The previous local government body for Honiara, Honiara Town Council, was established under the LGA (and dissolved when the HCA came into force). Some local government structures did exist but were abolished in the 1990s.

dispersal to the local level with central agency funds being either assigned through the Ministry of Rural Development (MRD) into constituency development funds which MPs’ constituency development officers (CDOs) are then responsible for dispersing with the support of line agencies, or being allocated on a constituency basis with MPs and their staff being responsible for applying to line agencies for the funds.

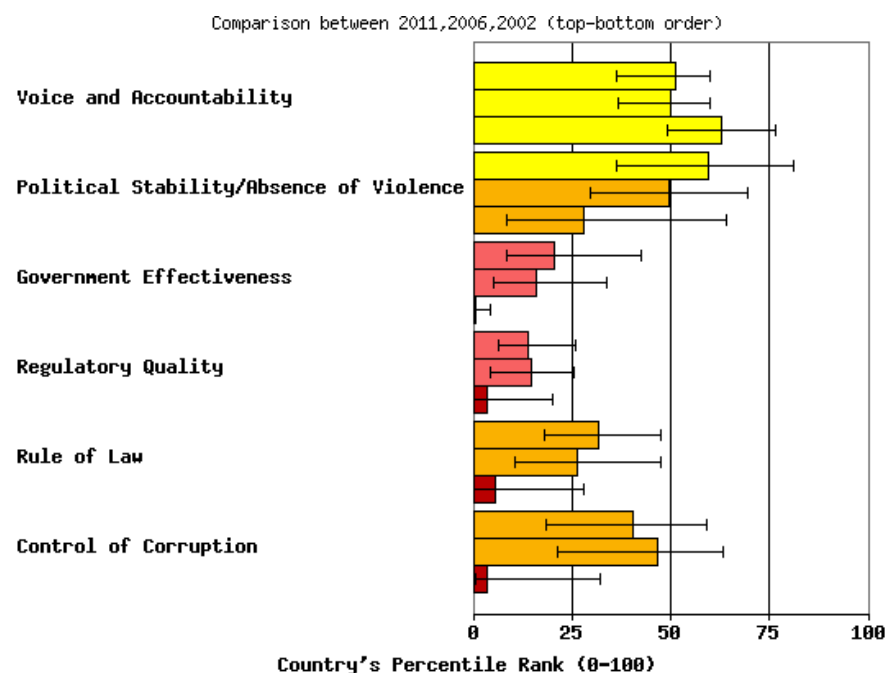
The historical limits of state reach and service delivery have led to a strong role for religious groups and traditional authorities in the provision of services and the maintenance of social order. Indeed traditional governance and leadership and customary practices remains strong within most rural areas and is the main basis for relations with land, community organisation, leadership, interaction with other groups, dispute resolution and social harmony (Cox 2004). In RAMSI’s annual People’s Survey 2011 over 60% of respondents noted that they seek help from local chief to resolve disputes within their community or family, with only 15% utilising the Royal Solomon Island Police Force (RSIPF) (RAMSI 2012).

Many customary practices have also evolved to encompass new ideas, with Christian beliefs and values being integrated into and combined with cultural beliefs. In many communities this has led to two strong local governance units linked to traditional authorities and local church structures with the later also filling the gap left in local service delivery through provision of schools and health clinics (Live and Learn 2011).

A period of civil unrest from 1999 – 2003 commonly referred to as the tensions (see Box 1) also played a significant role in maintaining these structures of governance. Unrest in and around Honiara resulted in the effective collapse of formal national governance structures. In the absence of these structures the mainly rural population strengthened their relationship with traditional authorities and religious bodies at the local level as well as relying more heavily on traditional livelihood strategies associated with customary land and sea areas as well as local level trade relationships.

Figure 1: SI Governance Indicators

Over the past 10 years governance indicators for the SI have improved markedly with progress in almost all areas (see Figure 1). These achievements must, however, be seen against a comparatively low base with many indicators only now returning to levels seen pre 1990s.



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), The Worldwide Governance Indicators Methodology and Analytical Issues

**Box 1: The Tensions**

The ‘tensions’ cover a period of social unrest between 1998 and 2003. During this time significant social unrest occurred principally on Guadalcanal and around Honiara but also spread to Western Province and other areas of the country.

There was no single spark to the conflict but simmering tensions resulting from historical and current disputes over land, political power and historic oppression of indigenous communities provided a base narrative for conflict and were key to the demands laid out in the Honiara Peace accord in 1999.

Guadalcanal provided a center point for these issues with areas of alienated state land being used for commercial practices, development of logging and mining contracts and the presence of an increasingly powerful Malaitan political and business class in Honiara. Violence between the ‘Guadalcanal Revolutionary Army’, later called Isatabu Freedom Movement (IFM) and the [Malaita Eagle Force](#) (MEF) descended into a state of banditry and lawlessness with the RSIPF splitting along ethnic lines and unable to maintain security for basic state functions or its citizens.

This decline in security led to a crash in the national economy, a breakdown of the central state and increased tensions between different ethnic groups within the country. This situation culminated in a unanimous request from parliament for external assistance. In 2003 this assistance came in the form of the Australian led Regional Assistance Mission to the Solomon Islands (RAMSI).

The mission, agreed by the Pacific Island Forum, bought in over 2,000 security, operational and advisory personnel from ten Pacific countries to the Solomon Islands in mid 2003 with Australia and New Zealand providing the most significant numbers. The overarching goal of the mission was and remains for the a peaceful, well-governed and prosperous Solomon Islands. This goal is being pursued over the long-term through a mutual commitment with the Solomon Islands Government, which supports RAMSI’s mandate to:

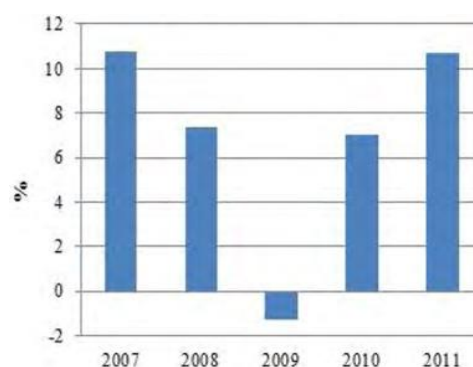
- Ensure the safety and security of Solomon Islands.
- Repair and reform the machinery of government, improve government accountability and improve the delivery of services in urban and provincial areas.
- Improve economic governance and strengthen the government’s financial systems.
- Help rebuild the economy and encourage sustainable broad-based growth.
- Build strong and peaceful communities.

The mission entered a period of transition in 2011 with gradual withdrawal of military and security personnel. An ongoing commitment remains to work with the RSIPF until 2017 with other forms of development support being channelled through traditional development partners (mainly Australia and New Zealand) from mid 2013 (RAMSI 2013).

**Economy**

The SI economy has made a significant recovery from the early years of 2000, with growth rates of over 6% for 4 of the last 5 years to 2011<sup>4</sup> and exceeding 10% in 2011 (CBSI 2012). It had also been able to maintain a budget surplus of between 5-10% between 2003 and 2010 (CBSI 2010) with the government supported by RAMSI prioritising economic management as part of the recovery process. Progress must also be measured against a low base with ODA making up over 61% of GDP in 2006 (Gray 2009).

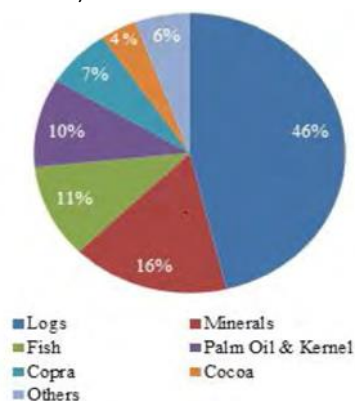
**Figure 2: SI Real GDP Growth**  
(CBSI 2012)



<sup>4</sup> The only year that has not reached this level was 2009 at the height of the financial crisis. Growth during this year was negative at close to -1% (CBSI 2012).

Much of the country's growth and economic stability is also closely related to production and export of primary materials with timber and minerals contributing significantly to the economy and growth<sup>5</sup>. Logging in particular forms a significant mainstay of the economy contributing 4.5% of the 10.7% growth as well as 17% of Government revenues and close to 50% of exports by value in 2011 (CBSI 2012). This high level of dependency reflects weaknesses in other sectors as well as historic factors including most recently the 'tensions' during which the logging industry was one of the few to maintain significant levels production.

**Figure 3: Commodity Export Share 2011**  
(CBSI 2011)

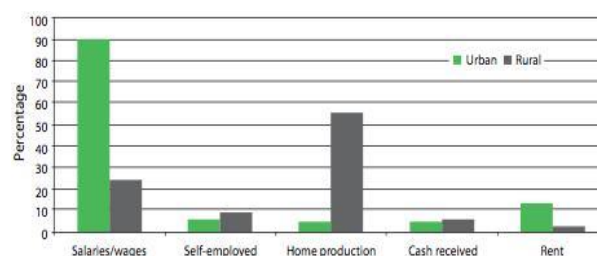


Other key industries are mining, fishing, palm oil, copra and coconut oil and cocoa with a small level of coffee production also contributing to foreign exchange earnings (see Figure 3). Of these mining has the most significant potential impact on the economy. Large-scale mining resumed in 2011 following the tensions and contributed 16% in export revenues in 2011 (CBSI 2011). Further prospecting is occurring with the most promising finds being related to nickel reserves in Choiseul and Isabela with a Japanese company negotiating with government and landholders on development of a mining facility with a predicted production of US\$300million pa (Gray 2009). This equates to approximately 75% of current GDP (Gray 2009). Current reviews of the existing mining tax as well as customs and excise tax are also occurring in an

effort to broaden the state's tax base and increase income from key expanding sectors such as mining (IMF 2012).

Significant earnings emerging from natural resource extraction have, however, allowed the development of a two-tiered economy. The first is the traditional and informal economy centered around subsistence agriculture, fishing and collection of forest products. This economy remains only partially cash based and is central to the lives of the majority of the population in rural areas – it is estimated that this economy could represent as much as 60% of the formal economy. Its continuation is closely linked with access to land and resources as well as limited provision of state services and poor access to markets.

**Figure 4: Annual Income by major source and area**  
(HIES 2006 quoted in Gray 2009)



The second tier is a fully cash based economy driven primarily by revenue from the extraction of resources, but supporting an emerging service industry. Services account for 57.4% of GDP (with approx. half being Government services), agriculture 33.4% (not including subsistence) and industry 9.3% (CIA 2013). Despite strong growth within this economy it remains unable to provide sufficient employment to meet an ever-increasing demand linked to both an increasing population and an increasing desire to raise standards of living through purchase of consumer goods. It is estimated that in rural areas on average less than 10% of rural population has access to formal employment

<sup>5</sup> The CBSI estimate that in 2011 4.5% of growth in the economy was related to the logging industry and 1.7% to the mining sector (which resulted from the resumption in operations of the Goldridge mine) (CBSI 2012).

(GoSI 2007 p4) while in Honiara unemployment within 15-24 year olds is estimated at 80% (WB 2013).

An increasing gap between those who are within formal employment and those outside it combined with communities that are seeing limited long term benefits from natural resource extraction on their land, be it logging or mining, represent a significant challenge to the future growth and stability of the islands. Perceived disparities in gains from natural resource extraction, land use and other economic activities were central to the social unrest at the turn of the century with assessments noting that an exacerbation of inequality may revive such grievances (UNDP 2004).

## Value of Ecosystem Services

The SI rely heavily on natural resources for both economic growth and subsistence. While income from the extraction of timber and minerals as well as the commercial fishing sector is easily quantified the value of natural resources at the local level and in the maintenance of an environment appropriate for continued (sustainable) logging and fishing have been less well studied. Those assessments that have been undertaken point to the significant value of these resources, values that would not be easily replaced through domestic trade and would be catastrophic to the country should all such resources need to be imported.

A study of subsistence income generation in Nukiki village in 1991 estimated the value of selected forest goods and services to each village household to be approximately SI\$10,512 per annum. More recent studies have identified similar findings with assessments conducted by the NGO Live and Learn identifying the value of forest goods and services as being between SBD13,345 and SBD47,046 per family with significant variation between values identified by men (higher) and women (Live and Learn 2012)<sup>6</sup>.

A study by World Fish focused more directly on the role of mangroves in the provision of ecosystem services (and carbon storage) provided estimates of value per family per annual of SBD2,500-10,700 for mangrove fruits and timber (including construction and fuelwood), and an additional SBD5,500-12,100 for small fish and crustaceans harvested from within the mangroves (Albert et al 2012).

This figures are again significant within a country where per capita income in 2011 is estimated at US\$1,578 (IMF 2012) indicating that replacement of these goods and services through cash based purchases would be impossible. Equally should these figures be scaled up to the community or province level in almost all cases the value of the environmental services is in excess of existing provincial revenue. Indeed Mataka et al (2013) notes that if this is done using only figures from 1991 and it is applied to the number of households in Choiseul the value is 42 times higher than estimated provincial revenue. He also references a 1993 study by Cassells also using the 1991 figures which noted that within a community (Kuku village) whose forests had been logged the

<sup>6</sup> Values were also significantly affected by the addition of pigs to the list of goods obtained from the forest, with each pig being valued at SBD16,000.

figures could be used to show that each household had lost SBD7,545 per annum (Mataki et al 2013).

It should also be noted that these assessments do not taken into account the cultural and social values derived from ecosystems in a country where over 80% of the population remains tightly linked to the land for economic, cultural and social values. Nor do they consider key ecological functions such as maintaining clean water run off into reef areas (from which the majority of the population fish and derive their main source of protein), or protection of topsoil. Finally considerations of the value of key ecosystems for disaster disk reduction and climate change mitigation are also still to be considered something that is only occurring now with the expansion of adaptations activities.

## Section 2: Forest Cover and Land-use Change

- Information on levels of land use cover and land-use change is of limited availability and accuracy, the below points summarise existing data that has been made available
- SI is characterised by high levels of forest cover estimated at 76%
- Forest cover is divided into six main ecological types with hill forest
  - *Grassland and other non-forest areas* (2%)
  - *Saline swamp forests* (2%)
  - *Freshwater swamp and riverine forests* (4%)
  - *Lowland rainforests* (7%)
  - *Hill forests* (80%)
  - *Montane forests* (1%)
- Of the natural forest forested area approximately 30% has been identified as commercially viable forest of which over half had been harvested by 2011 with some areas being subject to secondary short cycle harvesting, the majority of the remaining areas are also under concessions
- The remainder is classified as non-commercial either as a resulting from it being outside the geographical criteria of the Forest Resource and Timber Utilisation (FRTU) Act (elevation over 400m slope angle in excess of 30o) or due to a lack of commercial viability
- Timber plantations cover an area of 35,600ha with two commercial plantations in Western Province making up close to 80% of this area with the remainder being smallholder plantations
- The area under agricultural cultivation is estimated to approximately 86,000ha or 3% of the land area
- Protected areas are almost exclusively small and based on customary approaches to protection with total areas estimated at 5%

### Current Vegetation types and cover

Vegetation cover within the SI is divided into six main types: lowland rainforest, hill forests, montane forests, freshwater swamp and riverine forests, saline swamp forests, and grassland and other non-forest areas (MFEC 1995 quoted in Pauku 2009). These are described as:

- *Grassland and other non-forest areas*: comprise predominantly non-tree species, mainly herbaceous species. Predominant species include *Imperata cylindrica*, *Dicranoptera linearis* and *Themeda australis*. Examples of commonly occurring species are *Mimosa invisa*, *Morinda citrifolia*, *Saccharum spontaneum*, *Polygala paniculata* and *Timonius timon*. Some of these species (e.g. *M. invisa*) are very common in disturbed areas.
- *Saline swamp forests*: are subject to tidal influence as they are found in estuaries and foreshores. Examples of species comprising this vegetation include *Barringtonia asiatica*, *Calophyllum inophyllum*, *Casuarina equisetifolia*, *Terminalia catappa*, *Intsia bijuga*, *Inocarpus fagifer*, *Pandanus* spp., *Barringtonia racemosa* and species of mangroves. This group of species is also known as the 'Indo-Pacific Strand Flora' (Whitmore 1966).
- *Freshwater swamp and riverine forests*: are commonly found in poorly drained land at low altitudes with little micro-relief. Species such as *Inocarpus fagifer*, *Mextroxylon salomonense*,



*M. sagu*, *Barringtonia racemosa* are found here, although some important timber species are also present (e.g. *Terminalia brassii* and *Dillenia salomonensis*).

- **Lowland rainforests:** include forests at altitudes up to 5-70 m, often with complex structure due to greater number of species from upper or hill forest and patches of freshwater swamp forest. Occasional cyclones and human activities often disturb this forest type as evident in a high incidence of re-growth and secondary species. Species predominant in this vegetation include timber species such as *Camptosperma brevipetiolata*, *Dillenia salomonensis*, *Endospermum medullosum*, *Parinari salomonensis*, *Terminalia calamansanai*, *Schizomeria serrata*, *Maranthes corymbosa*, *Pometia pinnata*, *Gmelina moluccana*, *Elaeocarpus sphaericus* and *Vitex cofasus*. Most indigenous fruit trees are also found in this forest including *Canarium* spp, *Syzygium malaccensis*, *Magnifera minor*, *Spondius dulce*, *Barringtonia procera*, *B. edulis*, *Artocarpus altilis*, *Gnetum gnemon*, and *Burkella obovata*.
- **Hill forests:** occur at altitudes of 400–600 m and on well-drained soils and exhibit complex structure with varying tree heights and canopy density. Some species in the lowland forest are also present here, as well as those species commonly found in the montane forest. Species forming this forest include *Pometia pinnata*, *Gmelina moluccana*, *Elaeocarpus sphaericus*, *Camptosperma brevipetiolata*, *Dillenia salomonensis*, *Endospermum medullosum*, *Parinari salomonensis*, *Terminalia calamansanai*, *Schizomeria serrata*, *Maranthes corymbosa*, and *Vitex cofasus*. Fruit tree species such as *Canarium* spp., *Gnetum gnemon* and *Artocarpus altilis* are also present.
- **Montane forests:** refer to forests found generally above 600 m, on ridge tops and mountain summits, but can be found in lower elevations under harsher conditions. These are characterised by a dense and compact canopy with small lighter tree crowns. Species in this forest type include *Callophyllum kajewskii*, *Callophyllum pseudovitiense*, *Eugenia* spp., *Dacrydium* spp., *Pandanus* spp., *Racembambos scandens* and ferns.

(adapted from Pauku 2009).

Natural forest cover within the SI was estimated at 2.6mill ha<sup>7</sup> or 76% in 2009 having declined from 80% during the 1990s (Pauku 2009) with vegetation cover being divided across the nine provinces is provided in Table 2 below (MFREC 1995).

**Table 2: Vegetation type and land cover by province**  
(Pauku (2009) Forest Outlook Study)

Vegetation type	Area	Total	Guada-canal	Central	Malaita	Choiseul	Isabel	Western	Makira	Renbele	Temotu
Montane	Total	102,618	51,204	174	6,612	704	10,164	22,044	11,204	0	512
	%	4	10	0	2	0	3	4	3	0	1
Hill	Total	2,104,302	401,936	38,765	354,544	286,868	325,667	351,436	265,466	23,120	56,500
	%	80	75.00	61.30	84.90	87.00	78.70	69.90	80.40	33.10	65.30
Lowland	Total	192,862	58,844	13,546	20,144	5,932	17,812	53,312	14,996	2,200	6,076
	%	7	11.00	21.40	4.80	1.80	4.30	10.60	4.50	3.10	7.00

<sup>7</sup> The total area does not exactly agree with the gross area of the country as not all islands are surveyed and different methods are used (FRIS-ERM-S). \*Excludes Rob Roy and Vaghena islands (approximately 15,500 ha). (Source: MFEC 1995.)

<b>Freshwater and Riverine</b>	Total	108,945	10,100	2,700	10,705	10,760	25,216	39,888	9,096	280	200
	%	4	1.90	4.30	2.50	3.30	6.10	7.90	2.80	0.40	0.20
<b>Saline Swamp</b>	Total	50,577	1,328	3,112	9,992	4,144	17,852	10,544	908	188	2,509
	%	2	0.20	4.90	2.40	1.30	4.30	2.10	0.30	0.30	2.90
<b>Grassland and Non-forest</b>	Total	65,447	10,020	2	4,016	7,128	8,215	18,756	8,610	528	8,172
	%	2	2.00	0.30	1.00	2.20	2.00	3.70	2.60	0.80	9.40

## Forest Cover By Use

In relation to commercial forestry the above forest can be divided into four main areas:

- **Commercial forests** – productive forest areas located in accessible terrain and more than 1 km from a village – estimated at 836,100ha (SKM 2011)
- **Non commercial forests** – forests of marginal productivity, with poor access, located within a 1 km radius of a village, above 400 m in elevation and/or growing on slopes exceeding 30° - estimated at 1,837,300ha (SKM 2011)
- **Commercial Plantation forest** – mainly located on alienated land in Western Province – (26,354ha in Western Province – KFPL and EPPL, 3,191 in Choiseul (ERDC)) (MoFR 2011)
- **Small-holder plantation forest** – small scale plantations run by family or community groups – estimated to be in the region of 6,318ha (CBSI 2011)

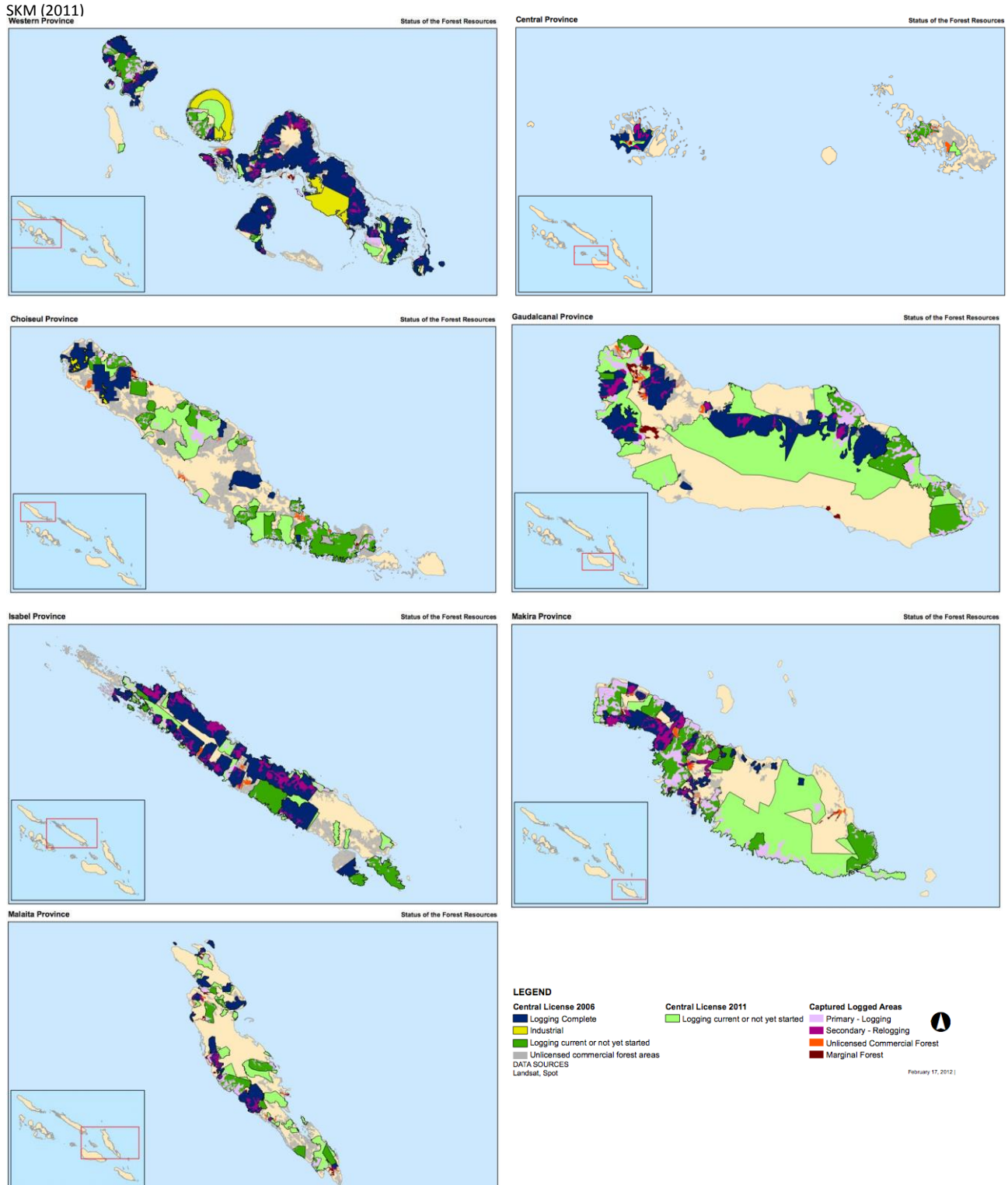
## Commercial forest

Despite its high level of forest cover the SI is estimated to have only 30% commercially viable forest cover with the remainder either not commercially viable, not permitted under the COLP or historically cleared land (SKM 2011). Data on this figure has, however, been evolving over time with changes in areas that are considered commercially viable due to changing timber preferences and increased world prices. Assessments conducted by URS in 2003 and 2006 identified the total commercially viable forest area as 600,000ha (URS 2006). This figure has since been revised in 2011 by a Forest Resource Assessment (FRA) update study, which included semi-commercial areas within their calculations (areas with slope greater than 15° but less than the 30° restricted by the logging code). In revising this estimate they present a classification of 'effective area' which equates to the area that would be available once reduce yields on slopes are accounted for – i.e. the figure represents what the area would be if all areas were below 15° – the total area is actually in excess of this. Under this analysis the area of commercially viable forest has increased to 800,500ha (SKM 2011). The commercial forest is not evenly distributed across provinces with less than 20% of Guadalcanal, Makira and Malaita provinces supporting commercial forests. While over 40% of Choiseul, Isabel and Western provinces' land area supports commercial forests (SKM 2011).

The updated FRA notes that over half of the nation's primary commercial forest resource has already been subject to timber production (475,800 ha of 800,500 ha) (SKM 2011). Historically this logging has occurred on Western and Isabel provinces (158,900 ha and 95,800 ha of primary forest logged, respectively). Post 2005 timber production activities have been concentrated in these

provinces and Guadalcanal, Makira and Choiseul provinces with the majority of remaining undisturbed primary commercial forests located in Choiseul, and Isabel provinces (ibid).

Figure 5: Levels of Logging and Concessions



### Non-Commercial Forest

Non-commercial forest areas include areas of mangrove stand, historically cleared areas, tree crop plantation areas. They also include areas that would be of commercial viability but are ruled out for

cultural reasons such as Tambu sites, or their proximity to waterways or villages, slope angle or altitude as laid out in the COLP, or have been identified as protected areas.

The impact of this latter category is, however, remains unclear. The 2011 FRA states that there are no known conservation areas that formally protect natural forest from timber production (SKM 2011). Mataki (2012a), however, notes that there are over 113 protected, covering 5.34% of the country. The discrepancy between these figures could relate to differences between areas that have been established by communities/customary groups and may be developing a formal management plan and undertaking the process for full registration (accounting for 5% of the area) and those that are formally designated no fully functioning areas.

As many non-commercial forest areas may be of commercial viability they are also not immune to commercial interest and can be harvested legally through gaining of an exemption to the code through the Commissioner of Forests and completing standard procedures for the acquisition of a licence. Equally due to limited information on boundaries of concessions and weak monitoring many areas may also be encroached illegally by logging companies. SKM (2011) note that both situations have occurred since 2005 with 16,800ha being assigned as licences 36,100ha cut outside of existing concessions (and thus illegally) (SKM 2011).

Information on levels of mangrove forest also indicate a rapid decline with FAO (2010) reporting the area in 2010 at 37,700ha a 5,300ha decline from 1990 levels.

### **Agricultural Land**

Information on the total area of land under agricultural production is limited with estimates in 2009 indicating that the figure was just 3% of total land area or just over 86,000ha (WB 2013). This is well below the East Asia and Pacific average of just below 50% (ibid). Of this land approximately 60% has been identified as permanent cropland with the remainder representing shifting cultivation (ibid).

Information on existing levels of commercial agricultural plantations indicates that these make up a relatively small proportion of this area with oil palm plantations, one of the largest commercial agricultural sectors, making up approximately 6,320ha (CBSI 2011). Efforts to increase these levels of cover have been hampered by difficulties in securing land tenure for significant agricultural investments.

### **Commercial Timber Plantation**

Industrial timber plantations are estimated to account for close to 80% of the SI 35,600has of plantation. The majority of these areas are run by Eagon Pacific Plantation Limited (EPPL) and Kolombangara Forest Products Limited (KFPL) who operate industrial plantations on SIG-land in Western Province under long term lease arrangements. Both of these operators hold Forest Stewardship Council Certification (FSC) for sustainable forest management.

Under-developed estates on also exist on Isabela Island (ex-Allardyce Tract, now Isabela Provincial Government responsibility) and MoFR estates in Temotu and Western Province, and represent an additional 7,000 ha of potentially commercial forestry plantation. The Allardyce Tract plantations were logged in the early part of the decade and have not been replanted. Older MoFR estates in Temotu and Shortlands have not been actively managed over the past decade and their current suitability for commercial production is unknown (SKM 2011).

The dominant industrial plantation species are *Eucalyptus deglupta* and *Gmelina arborea*, which are used for plywood and other relatively low value industrial applications. There are also small areas of Teak (*Tectona grandis*) and Mahogany (*Swietenia macrophylla*) plantations, which are suitable for higher-value uses (SKM 2011).

Challenges with obtaining secure land tenure have restricted the potential expansion of the plantation sector. The latest FRA identifies the situation as being so critical as to prevent any further large-scale investment thus reducing the potential contribution of the sector to the economy.

### Village Timber Plantations

Small-scale village plantations have increased in number during the 2000's in line with government efforts to increase the productivity of this sector. Expansion in this area has not been significant since 2003 at which point 2,500ha were planted, with more recent years seeing planting levels between 200 and 300ha (Pauku 2009 and MoFR 2012). The main species established have been the potentially high value species, Teak and Mahogany. Total smallholder plantation levels are currently estimated at 6,055ha.

### Estimated Carbon Values

Information on the existing carbon content of the SI forests is highly limited with some initial studies occurring at present.

An initial assessment of mangrove areas by World Fish indicated that the above ground biomass is likely to contain 190 to 430 Mg carbon ha<sup>-1</sup> (Albert et al 2012). In addition to this the carbon stored within soils and roots may account for as much as 350 to 2100 Mg carbon ha<sup>-1</sup>(ibid). Within areas of harvested mangrove above ground levels of biomass were calculated to reduce by between 40 and 200 Mg carbon ha<sup>-1</sup>(ibid).

## Capacity to Measure and Monitor Forest Cover and Land-use Change

Current capacity to manage and monitor levels of forest cover and changes in land-use are limited within the SI. Key ministries including the Ministry of Forestry and Research (MoFR), the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) and the Ministry of Lands, Housing and Survey (MoLHS) have limited technological and human capacity. Within both MECDM and MoFR land-use mapping and data management are handled by staff who also have other duties and with only a small number of computers capable of processing images and storing sufficient data (MECDM and MoFR per comms). The MoLHS has a larger team of 4 staff two of who have university level training in GIS and remote sensing. Software used is primarily Mapinfo with data coming from LANSAT images at 50 and 100m resolution, with staff experiencing some challenges when working with other ministries utilising other software such as Arcview.

As a result the majority of information on forest cover and landuse change is taken from third party and consultancy reports developed with limited capacity building of government staff.

## Section 3: National Development Frameworks and Key Stakeholders

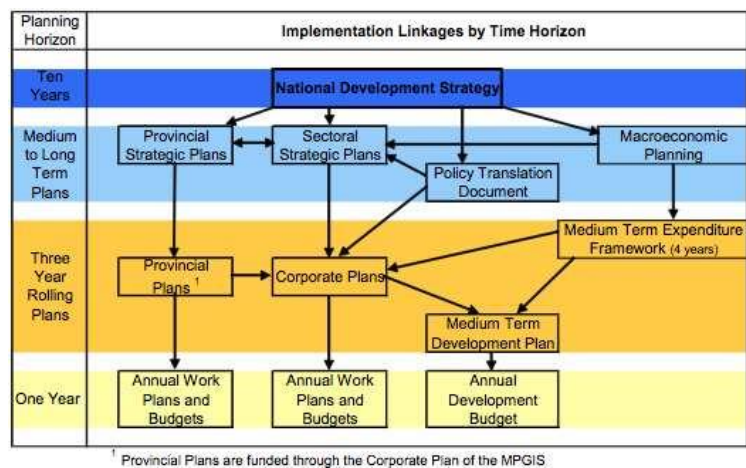
### Summary

- National development planning has been progressing over the past 6 years following the tensions
- A National Development Strategy for 2011-20 now exists and is supported by government policy statements and line agency strategic plans as well as on a three yearly basis by:
  - Medium term development plans,
  - Line ministry corporate plans
  - Provincial plans
- Specific thematic strategies and policies have also been developed for Climate change related planning including a National Climate Change Strategy finalised in 2012
- Government priorities have identified key goals around improvements in environmental governance, actions to address climate change and improved revenue distribution from natural resource exploitation – many of these goals have been similar over the past 10years
- Linkages between different policies and strategies and across sectors, however, remains limited.
- At the international level SI have committed to a significant number of conventions and agreements and have made efforts to address these. Transition between signing of international agreements and full establishment of relevant policies or laws at the national level, however, remains challenging and has been seen to take several years
- Weak linkages and implementation have resulted from limited capacity within key government agencies with limited staff numbers, and resources to fully implement policies
- Private sector groups have been highly influential in affecting policy particularly within the forest sector. Challenges in operating within the country have also limited more sustainable long term private sector engagement
- Civil society has a limited capacity to link local, national and international issues and relies heavily on international support in many areas. At the local level social organisation has the potential to be strong although disputes between and within tribal groups have resulted in a complex situation for coherent advocacy and made groups vulnerable to exploitation by outside actors
- There are a relatively small number of development partners operating within the country with a reasonable level of coordination
- Recent support to the country has focused on governance and core sectors of health and education and infrastructure. RAMSI's phasing out will increase focus on AusAid as a lead donor.



Many areas of public policy may impact upon forests and forestry (Broadhead and Dubé, 2002). The SI have been continuing to re-establish an effective framework for development planning following the period of the tensions with the first National Development Strategy (NDS) produced in 2011. This strategy provides the overarching framework for development of Provincial, Sector and medium term development plans as shown in Figure 6: Structure of Development Planning Process.

Figure 6: Structure of Development Planning Process

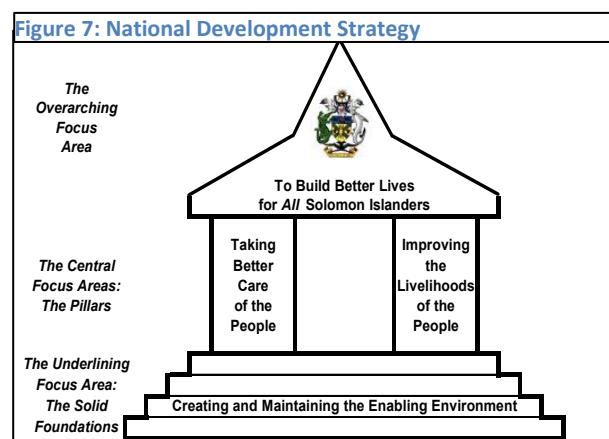


### The National Development strategy 2011-2020

The strategy was developed in 2011 following a period of consultation at national and provincial level. The strategy sets out the 'National Objectives reflecting the Peoples Priorities' but also recognises that 'development spending will be funded predominantly by development partners for the foreseeable future' (GoSI 2011 p1). The NDS also draws on the development priorities of the previous three governments in an effort to present a holistic framework for development within which all current and future governments will be able to work.

The strategy puts a strong emphasis on the need for development to be an inclusive and intergenerational process noting the need for self-reliance and the equitable sharing of benefits. These overarching elements are included within a broad structure shown in Figure 7.

Within this structure eight objectives are identified:



#### The Overarching Focus Area

- Objective 1: To Alleviate Poverty and Provide Greater Benefits and Opportunities to Improve the Lives of Solomon Islanders in a Peaceful and Stable Society

#### The Central Focus Areas

##### Taking Better Care of the People

- Objective 2: To Provide Support to the Vulnerable.
- Objective 3: To Ensure that all Solomon Islanders have Access to Quality Health Care and to Combat Malaria, HIV, Non-communicable and Other Diseases



- Objective 4: To Ensure that all Solomon Islanders have Access to Quality Education and for the Country to Adequately and Sustainably Meet its Manpower Needs.

#### Improving the Livelihoods of the People

- Objective 5: To Increase the Rate of Economic Growth and Equitably Distribute the Benefits of Employment and Higher Incomes Amongst all the Provinces and People of the Solomon Islands
- Objective 6: To Build and Upgrade Physical Infrastructure and Utilities to ensure that all Solomon Islanders have Access to Essential Services and to Markets.

#### **The Underlying Focus Areas**

- Objective 7: To Effectively Manage and Protect the Environment and Ecosystems and Protect Solomon Islanders from Natural Disasters
- Objective 8: To Improve Governance and Order at National, Provincial and Community Levels and Strengthen Links between Them

Within these objectives a number of policy areas, focus areas and strategies are identified. Within the focus areas the role of rural livelihoods, natural resource based livelihoods, small and medium enterprises based natural resource based livelihoods, the role of resource owners and the importance of rural infrastructure, in achieving with objectives 1, 5 and 7 is recognised.

The ten-year NDS is intended to guide a “generation” of plans through at least parts of 3 Parliaments and at least 3 Governments. Within the ten years, a range of plans will be made, including:

- (i) Government Policy Frameworks and Translation Documents (PTD) and
- (ii) Strategic Plans and Programmes for Provinces and Sectors / Line Ministries.

On a three year rolling basis plans will also be made at the Provincial Level, the Corporate (line ministry level) and across government in the form of the Medium Term development Plan (see Figure 6: Structure of Development Planning Process).

#### **Government Policy Frameworks**

The NRA Government elected in 2010 identified the following priorities for their time in office:

- I. Active participation by Solomon Islanders in the determination of their political, economic and social development;
- II. Provide safety and security for all citizens;
- III. Encourage partnerships amongst all stakeholders in prioritized national development;
- IV. Respect and promote our common cultures and recognise our indigenous culture as a distinct industry;
- V. Protect and advance the interests and integrity of Solomon Islands internationally through co-operative partnerships;
- VI. The government shall endeavour to ensure that every citizen has the right to physical, mental, social and spiritual well being.
- VII. Provide equitable access to quality and relevant education.
- VIII. Alleviate poverty in Solomon Islands through decisive national actions and international cooperation;

- IX. Ensure Solomon Islanders receive a fair reward in the exploitation and utilization of their natural resources through appropriate reform mechanisms;
- X. Facilitate and foster a dynamic private sector driven economy through active involvement, and participation by stakeholders in both the rural and urban economy;
- XI. Assist Solomon Islanders to participate in private sector development;
- XII. Recognise, acknowledge and strengthen the role of traditional leaders and chiefs.

These policy priorities sit within the framework of the NDS and will inform the development of three-year corporate plans for line ministries as well as the medium term development plans. These line agency plans will also be further informed by sector specific policy statements, which are covered below.

## Sector based Plans

### The Forest Sector

#### *NRA Government Priorities*

With specific reference to the forest sector the NRA has expressed concern about the current unsustainable levels of forest exploitation and presented 10 commitments:

- a) *Enactment of the current draft Forestry Bill to ensure a holistic management and transparent approach to the country's forests and to control the activities of the logging industry, and achieve a better balance in the pecuniary and social benefits received from the sector;*
- b) *Suspend the issuance of new logging license and review all non-operational licences;*
- c) *Review the current logging taxation regime and ensure both customary landowners and the government equally share the 40.0% royalty on log exports;*
- d) *Assist forestry research institutions so that they could identify and regulate the use of appropriate endemic species in reforestation projects, and to develop and supply improved planting materials of proven tree species for reforestation to smallholders;*
- e) *Make available technical advice and other forestry services to rural communities to assist them in managing the commercial use of the resource, as well as to transfer skills and technologies to them;*
- f) *Liaise with other sector ministries and relevant expert stakeholders to explore a mechanism for Solomon Islands to participate in and benefit from carbon trade opportunities from its forest resource;*
- g) *Promote a country-wide production and marketing system of eco-timber for both local use and export by the local sawmill owners. Ensure only indigenous Solomon Islanders are involved in the production and export of eco-timber in the country;*
- h) *Promote non timber forestry products such as pharmaceutical products;*
- i) *Promote reforestation in rural areas throughout the country.*

#### *National Forest Sector Development Strategy 2012-15*

The NFSDS developed by the MoFR identifies four main strategies for development over the period 2012-15, these priorities are closely linked to those laid out by the former government as well as

those identified by the current NRA government (listed above). Each strategy is supported by a number of programmes as shown in the Table 3: MoFR Corporate Plan 2012-15 Strategies and Programmes below.

**Table 3: MoFR Corporate Plan 2012-15 Strategies and Programmes**

No	Development Strategies	Programs (Medium Term Development Strategies MTDS)
1	Sustainable Forestry Development Strategy	<ul style="list-style-type: none"> <li>National Forest Plantation Development Program</li> <li>National Forest Legislation, Regulation, Standards Review Program</li> </ul>
2	Sustainable Forest Utilisation and Downstream Processing Strategy	<ul style="list-style-type: none"> <li>Forest Milling and Downstream Processing Program</li> <li>Forest Monitoring operation</li> <li>Outsourcing Log Export Monitoring</li> </ul>
3	Institutional Strengthening and Capacity Building Strategy	<ul style="list-style-type: none"> <li>Institutional Strengthening and Capacity Building Program</li> <li>Forestry Infrastructure Development Program</li> <li>Forestry Information Technology System program</li> </ul>
4	Forest Conservation Integration Management Strategy	<ul style="list-style-type: none"> <li>Redevelopment of National Herbarium and Botanical Garden Facilities</li> <li>Non Timber Forest Product Research Program</li> <li>Investigation into Carbon and Environmental Services Rent</li> <li>National Forest Inventory Program</li> </ul>

## Agriculture and Livestock

### NRA Government Priorities

With reference to the agriculture sector the NRA government has noted the need for increased investment and development of the sector and set out a significant number (16) of priorities:

- Pursue national rice programme with the aim to develop commercial rice farming.*
- Facilitate and support the development of Auluta Basin and Waisisi Oil palm projects on Malaita, and the East Choiseul Oil Palm and Vangunu Oil Palm Projects in the Western Province.*
- Rehabilitate the cattle industry.*
- Establishment of more copra milling facilities in rural areas to facilitate the production of coconut oil, bio-fuel, animal feed and other down-stream products for export.*
- Provide assistance to rehabilitate cocoa, coconut, honey, tea and local fruit species through use of subsidy funding for specific interventions that will directly improve people's livelihood in both subsistence and income streams.*
- Improve domestic and export marketing infrastructure (outlets, storage, accessibility, facilities, information and management) for agricultural products produced by smallholder farmers;*
- Upgrade Quarantine services and facilities to comply with international requirements and to facilitate importation of improved animal stocks, crop planting materials and export of local products to overseas market;*
- Revive the Solomon Islands National Agriculture Research Institute (NATI) and revitalise field research capacity.*
- Overhaul, restructure and reform agricultural extension services to ensure they are effective and robust in providing appropriate technical advice to farmers.*

- j. *The government will assist farmers to establish spice farms for domestic consumption and export.*
- k. *Promote both the rehabilitation and re-planting of both coconut and cocoa trees and consider the possibility of processing cocoa domestically into chocolates and other products. Establish a special financial support scheme to enhance the production of cocoa to double the volume of cocoa production in the next 5-10 years;*
- l. *Contain, control and eradicate exotic pests and diseases through legislation and in collaboration with the private sector, neighbouring countries and international organizations.*
- m. *Ensure there is a pool of trained agriculturists available to meet the changing national demands in the formal, private and non-formal sector.*
- n. *Promote the development and export of kava.*
- o. *Encourage animal husbandry/small livestock industry especially in piggery and poultry.*
- p. *Promote agriculture opportunity areas in the provinces.*

### **Agriculture and Livestock Corporate Plan 2007-12**

The ALCP 2007-2010 set out five ministerial strategies shown in Table 4 below. A more recent corporate plan has been developed but has yet to be shared with the team although strategies are anticipated to be broadly similar.

**Table 4: MoAL Corporate Plan 2007-12 Strategies**

<p><b>Strategy A. Enhancing food security and alleviating rural poverty.</b></p> <ul style="list-style-type: none"> <li>➤ Active on-farm participatory research responding to day-to-day problems encountered by farmers.</li> <li>➤ Conduct active Farming Systems Research.</li> <li>➤ Preparedness to respond to food emergency needs.</li> <li>➤ Importation, testing, bulking and distribution of improved crop varieties.</li> <li>➤ Promotion of indigenous animal / plant biodiversity for food production.</li> <li>➤ Promotion of organic / environmentally farming practices.</li> </ul>	<p><b>Strategy B. Promoting, developing and reinforcing policy and regulatory framework for food production.</b></p> <ul style="list-style-type: none"> <li>➤ Exchange of international information to enhance food production.</li> <li>➤ Strengthening national food production policy in response to national food requirements.</li> </ul>
<p><b>Strategy C. Creating sustainable increase in the supply and availability of food and other crops, and livestock.</b></p> <ul style="list-style-type: none"> <li>➤ To pursue efficiency and adaptability in production, processing and marketing to meet the changing needs of the producers and consumers.</li> <li>➤ To adopt appropriate technologies to enhance food productions.</li> </ul>	<p><b>Strategy D. Supporting the conservation, improvement and sustainable use of natural resources for food and agriculture.</b></p> <ul style="list-style-type: none"> <li>➤ Pursue Integrated Agriculture development</li> <li>➤ Conserve and rehabilitate environment to support agriculture and food production.</li> <li>➤ Establish and pursue proper Land Use Planning strategies.</li> </ul>
<p style="text-align: center;"><b>Strategy E. Improving decision making through the provision of information.</b></p> <ul style="list-style-type: none"> <li>➤ Resurrecting and having an active Agriculture Information Unit (AIU).</li> <li>➤ Establish and have an active Marketing Information Service (MIS)</li> <li>➤ Strengthen the Agriculture and Land Use planning unit in MAL.</li> <li>➤ Strengthen the bottom-up approach to planning coupled by a strong Community Based development planning model</li> </ul>	

## Environment Conservation and Climate Change

Environment, conservation and climate change have seen rapid developments over recent years at both international and national levels and the NRA government has stressed the need to strengthen progress in these areas including in the promotion of cross sector linkages. Priority points identified by the government include:

- a. *Increase awareness on the principles of Adaptation and Mitigation on climate change;*
- b. *Promote Carbon Trading;*
- c. *Increase awareness to all rural communities on the importance of conserving resources and becoming responsible custodians of the natural environment;*
- d. *Devise appropriate control mechanisms to control, reduce and monitor adverse effects of climate change on the environment and people. A nationwide relocation program shall be annually funded by the government;*
- e. *Ensure the Meteorology Services has necessary and adequate equipment to enable timely forecast and warning on weather patterns;*
- f. *Give priority recognition to sustainable management of the country's environment since it directly supports the subsistence and formal economy of the country;*
- g. *Ensure environmental issues are integrated into other sectors such as development planning, agriculture, fisheries, mining, tourism, education and health so that adequate understanding about environmental issues of a cross-cutting nature is present amongst staff in these sectors;*
- h. *Introduce legislation to protect and manage the country's biodiversity including the flora, fauna and eco-systems;*
- i. *Strengthen capacity of National Disaster management Office to improve disaster preparedness and risk management plans in the country.*

## MECDM Strategic and Corporate Plan 2012-14

The MECDM SCP identifies the strategic results areas as being synonymous with MECDM's core area of business. Within each of these areas four target issues are also identified a number of target issues that these divisions should focus on (these are shown in Table 5 below)

Table 5: MECDM Corporate Plan 2012-14 Strategies

<p><b>Strategic Area 1 Conservation and Management of Sis' Environment</b></p> <ul style="list-style-type: none"> <li>• Conservation and management of biodiversity</li> <li>• Protected areas network</li> <li>• Waste management and pollution control</li> <li>• Development control</li> <li>• Environment Training</li> </ul>	<p><b>Strategic Area 2 Climate Change</b></p> <ul style="list-style-type: none"> <li>• Policy and legislative framework</li> <li>• Mitigation strategies</li> <li>• Adaptation strategies</li> <li>• International representation</li> </ul>
<p><b>Strategic Area 3 Meteorology</b></p> <ul style="list-style-type: none"> <li>• Policy and Legislative review</li> <li>• Meteorological Forecasting, operations and monitoring</li> <li>• Early Warnings (tsunamis and extreme events)</li> <li>• Quality management systems</li> <li>• Data &amp; Information management system</li> <li>• Research</li> </ul>	<p><b>Strategic Area 4 Disaster Management and Risk Reduction</b></p> <ul style="list-style-type: none"> <li>• Governance and Institutional Framework</li> <li>• Operational effectiveness and capacities</li> <li>• Public awareness and village disaster risk planning</li> <li>• NDMO capacity and capability</li> </ul>
<p style="text-align: center;"><b>Strategic Area 5 Corporate Services</b></p> <ul style="list-style-type: none"> <li>• Management Teamwork, direction and coordination</li> <li>• Performance management</li> <li>• Communication and information flows</li> <li>• Staff development and skills upgrading</li> <li>• Trainings, selection and recruitments</li> <li>• Logistics and asset management</li> <li>• Financial Planning and management</li> <li>• Corporate planning and reporting</li> </ul>	

## National Climate Change strategy

The NCCS 2012-17 was developed in 2011 by the MECDRM. The document identifies existing climate conditions, predicted future conditions and as well as identifying linkages with national and international policies and legislation in particular objectives 7 and 8 of the NDS 2011-20

- Objective 7: Effectively Respond to Climate Change and Manage the Environment and Risks of Natural Disasters.
- Objective 8: Improve Governance and Order at National, Provincial and Community Levels and Strengthen Links at all levels.

It states the vision for SI work on climate change is to achieve:

*A resilient, secure and sustainable Solomon Islands responding to climate change.*

Within this vision its stated objectives are to develop a guiding framework to:

- *Integrate climate considerations and support the implementation and achievement of SI NDS and other regional and international policies and frameworks*
- *To guide the government and its partners efforts in ensuring that;*
  - *The people, natural environment and economy of the country are resilient and able to adapt to the predicted impacts of climate change;*
  - *The country benefits from clean and renewable energy, energy efficiency and mitigation technologies that improves people's livelihoods and the national economy, is environmentally sustainable and contributes to global efforts to reduce GHG emissions and global warming.*

As a starting point for guiding the government and partners it lays out a set of broad policy commitments and guiding principles that are intended to guide all climate related policy development. These commitments can be seen as highly applicable to the development of national approaches to REDD+ and provide a starting point for the development of REDD+ specific principles and commitments.

### Box 2: National Climate Change Policy 2012-17 Policy Commitments and Guiding Principles

#### **Broad Policy Commitments**

The government of Solomon Islands:

- I. Recognises the authoritative scientific assessments of the Intergovernmental Panel on Climate Change (IPCC)...
- II. Shall address and mainstream climate change as an integral part of its national sustainable development strategy and programs.
- III. Recognises the key significance and applicability of local evidence based scientific monitoring.....
- IV. Shall develop the capacity of its people, institutions and communities to reduce climate change disaster risks and adapt to the effects of climate change and shall implement measures to contribute to global efforts in mitigating the causes of climate change.
- V. Maintains its commitments as a Party to the UNFCCC, the successor instrument to the Kyoto Protocol, the Hyogo Framework on Risk Management, the PIFACC and other international and regional sustainable development and environmental agreements and targets.
- VI. Shall forge and maintain partnerships and seek the support of its development partners through programs, projects, budget support mechanisms and innovative financing mechanisms for the implementation of this national Climate Change Policy.

#### **Principles**

- Alignment with and guidance from the Solomon Islands national constitution.
- Stakeholder participation and collaboration - activities shall promote and ensure the active participation of all.
- Holistic and multi-disciplinary approach
- Precautionary principle and no regrets approach
- Respect for culture and rights of indigenous people
- Gender equity and involvement of youth, children and people with special needs.
- Mainstreaming and integration
- Integration of climate change adaptation and disaster risk reduction

*Text adapted from National Climate Change Policy 2012-17 p14-15*



The document is also more specific identifying 10 policy directives that should be developed. Of these directive 4 is the most focused on REDD+ stating:

*Solomon Islands government will continue to exhort Annex-1 countries to reduce their GHG emissions. On its part the government is committed to carrying out its own inventory of emissions and pursue nationally appropriate mitigation actions (NAMAs) to reduce its own GHG emissions through use of renewable energy and other mitigation technologies that brings benefits to the country's economy, environment and improves the livelihoods of its people. To achieve this the government shall:*

- a) *Build capacity of Government, private sector and other relevant institutions to undertake regular inventory of GHG emissions and sinks (removals), monitor emissions and removals, establish the national carbon balance and prioritize emission reduction strategies and actions.*
- b) *Develop a Nationally Appropriate Mitigation Actions (NAMAs) strategy at National, Provincial and Honiara City Council and other urban areas that can contribute to the achievement of a Low Carbon Development. The NAMA will include clear measurable targets and include the following sectors and themes:*
  - i. *Renewable energy and energy efficiency*
  - ii. *Reducing emissions from the forest sector through sustainable forest management, CDM projects, REDD+ projects and voluntary carbon trading mechanisms.*
  - iii. *...*
- e) *Establish and strengthen governance and capacity for carbon trade through CDM, REDD+ and Voluntary Carbon Trading including establishment of carbon trading legislation.*
- f) *Ensure resource owners maximize benefits from carbon trading arrangements by immediately raising awareness on carbon trade in the forest sector and establish procedures for assessing investors and carbon trading arrangements between investors and communities as an interim measure, prior to the enactment of carbon trading legislation and regulatory framework.*
- g) *Strengthen capacity of Ministry of Forest and Research to support forest resource owners implement sustainable forest management and forest carbon assessments for effective monitoring, reporting and verification under carbon trading regimes.*

.....

p23 NCCP (2012)

In addition to this policy directives are also issued on 'ensuring an effective enabling environment and institutional arrangement to plan, implement and coordinate an integrated multi-stakeholder participatory approach (Policy Directive 1 p17); building the capacity of 'national, provincial and community organizations' to engage with mechanism on climate change through communication and education (Policy directive 7 p26); and commits to ensuring *that technical assistance and financial resources to support climate change programs and projects in the country are mobilized, managed and accounted for in an efficient, participatory, and transparent manner* (Policy Directive 8 p27 NCCP (2012))

## International Commitments

The SI are signatories to a significant number of international treaties and agreements relating to environment, sustainable development and indigenous rights. Transition of these agreements into national strategies or legislation has, however, often taken a significant number of years. A list of international commitments is shown in Annex 1 with the below section covering key documents emerging from these processes.



### First National Communication

The first national communication was developed in 2001 but not formally submitted until 2004. Within the national greenhouse gas inventory the document identifies emissions from different sectors based on consumption of fossil fuels and provides aggregated figures for the agriculture, forestry and fisheries sector.

With regard to adaptation the document notes SI vulnerabilities to changes in climate given its reliance on subsistence agriculture and exposure to extreme weather events. The role of ecosystems such as mangroves in helping to reduce risks from extreme weather events is also noted.

With regard to mitigation notes that there is currently no policy in place to develop mitigation activities but draws attention to policy statements that express a national interest to “...develop its renewable energy potential...”, “...start phasing out large-scale logging operations...” and establish “... A scheme ... to assist resource owners carry out reforestation in logged areas.” (GoSI 2001).

A second national communication is currently under development with support from GEF and UNDP. A draft version developed identified the logging sector as being responsible for 5,688 gigagrams of CO<sub>2</sub> equivalent, which amounted to approximately 91% of all GHG emissions in 2007 (MECDM 2011 quoted in Mataki et al 2013).

### The National Adaptation Plan of Action (NAPA)

The SI National Adaptation Plan of Action was agreed in November 2008 and notes the vulnerability of the SI to potential changes in climate including sea level rise and more extreme weather events. It also stresses the potentially damaging impact that natural resource degradation has had on the adaptive capacity of the country noting:

*‘A major environmental concern has been the impact of forest degradation through large scale logging at the rate of about one million cubic meters in the last three years (2005 – 2007) and land clearing for subsistence agriculture as result of the rapid growth of the country’s population.’p22*

The document identifies a number of strategies to help the SI adapt to climate change. Strategies that are of particular interest to REDD+ approaches relate to the importance of forest areas in the maintenance of watersheds and reductions in sediment flowing into coastal systems and the protection of Mangrove forests. Specific strategies include Strategy 5.5 Outcome 3 Establish coastal buffer zones and rehabilitate mangrove forests.

The document was primarily developed based on reviews of existing literature and consultations with key stakeholders within Honiara. A two-week period of consultation was conducted across six different islands and reaching over 1,000 individuals through focus group discussions. Consultations provided an outline of what the NAPA and climate change were synthesizing key findings to date and going input from communities.

### National Biodiversity Strategic Action Plan

The NBSAP was agreed in 2009 in response to commitments made in 1995. The plan notes the high value of biodiversity within the SI and its surrounding waters as well as identifying existing threats and potential strategies to address these.

Key threats that the document identifies include: Logging, inappropriate land use practices and over exploitation of natural resources compounded by natural disasters, population increase,

invasive species, pollution and climate change. It also notes that efforts to address these threats are inhibited by a number of barriers including: insufficient financial support, insufficient institutional capacity, conflicts created by the system of land tenure, lack of adequate and sufficient awareness campaigns, insufficient and weak legislation and political instability (GoSI 2009).

In response to these the document outlines an action plan to address them with a mission: *To protect, conserve and promote SI unique and endemic biological diversity through sustainable management and utilisation for better livelihood and prosperity of all Solomon Islanders.*

In order to achieve this twelve themes are identified along with thirteen project briefs that could be implemented. Some of these projects have been supported by further implementation while others remain at the proposal level.

### Box 3: Progress Against Rio Objectives

A recent review of SI progress on the commitments made under the Rio Conventions provided the following conclusions:

- Progress towards Sustainable Development (SD) and elimination of poverty is low and fell short of meeting commitments made in the international SD process originating from the Earth Summit in 1992.
- Concepts of SD and Green Economy (GE) overlay a milieu of sectoral legislations, policies, strategies and plans, national development plans, and a development context unique to the SI but can be considered as frameworks to rationalise and organise the milieu
- A variety of barriers stand to affect GE implementation and they need to be removed through the implementation of the removal strategies.
- The basic institutional structures (government and non-government) for SD are already in place, but are fragmented and do not see themselves as functional units with a common goal of achieving SD.
- Improved integration and coordination of legislations, policies, strategies and programmes (projects) amongst national and sub-national institutions, and also with non-government institutions is needed.
- The capacity needs to implement UNCSD outcomes are numerous, although the SI already has a certain level of capacity to implement UNCSD outcomes with gaps needing to be addressed in a coordinated manner.

*Adapted from Mataki (2011b)*

## Regional Agreements

The SI are also party to a number of regional forums and agreements. The most recent regional framework, which, the country has endorsed is the Regional REDD+ Policy Framework.

### *Regional REDD+ Policy Framework*

This Pacific Islands Regional Policy Framework for REDD+ is designed to provide options to guide national REDD+ programme development in the four larger Melanesian countries (Fiji, Papua New Guinea, Solomon Islands and Vanuatu), which are preparing themselves to receive performance-based payments from national-scale accounted emission reductions.

It supports a 'no regrets' approach to REDD+ that keeps options open to engage with possible future global instruments currently in development, whilst taking advantage of mechanisms already available. Smaller PICs could benefit from such a project-based, site-specific approach to REDD+.

The framework puts few restrictions on the approach that an individual country can take but provides some guidance on key areas of REDD+ development.

## Key stakeholders in the Forest Sector

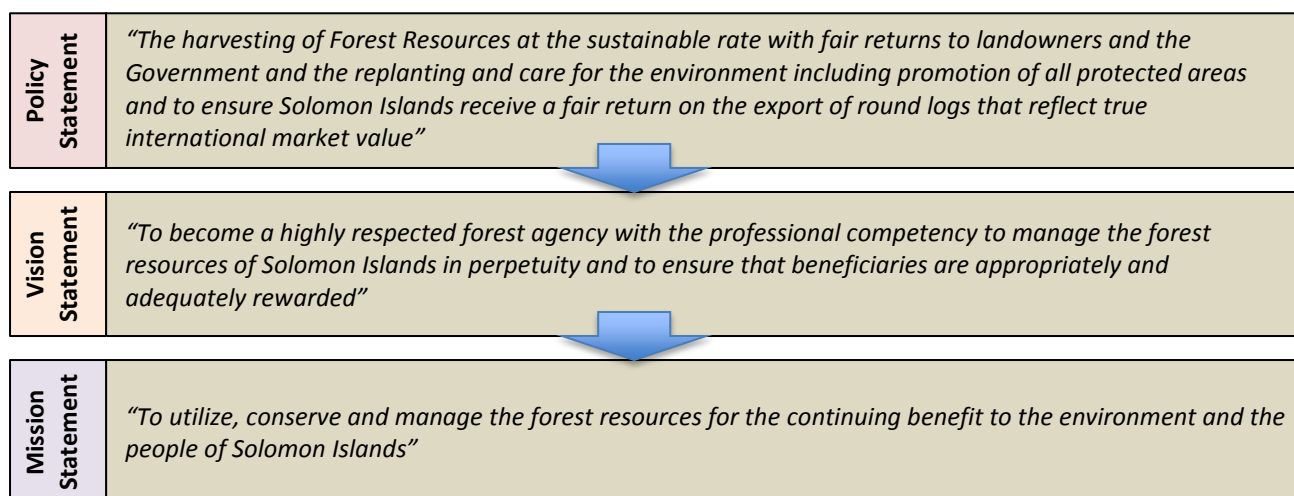
### Government

Government agencies in the SI are characterised by limited capacity and resources. Significant international support has been provided since the Tensions to help rebuild capacity. This has increasingly focused in the central ministries and agencies with support to line ministries reducing in recent years. International support programmes have also been criticised for running parallel processes, which, have failed to deliver sustainable change within institutions. In many ministries access to budgets, absenteeism, staff capacity and record keeping all remain issues and the capacity of individual ministries to convert policy to practice remains limited. This situation has been exacerbated by increased allocations of funding through the constituency system as well as the existing logistical and financial challenges.

### *The Ministry of Forestry and Research*

Formally known as the Ministry of Forestry, Environment and Conservation, the Ministry of Forestry and Research was created by the Coalition for National Unity and Rural Advancement (CNURA) Government in January 2008. The functions of environment and conservation were removed from the Ministry with the stated object of giving recognition to forestry as a leading economic sector (Gray 2009). The MoFR is guided by the central forest policy statement, and strategic visions and missions developed within its Corporate Plan (Figure 8).

Figure 8: MoFR Policy, Vision and Mission

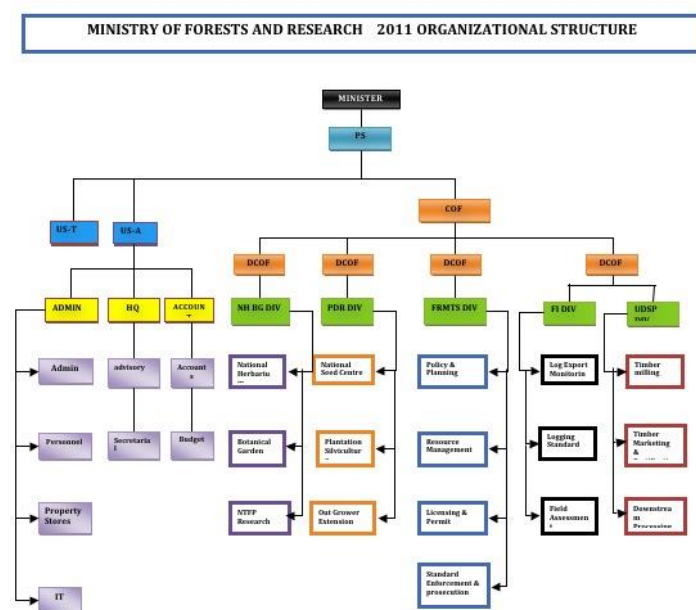


Assessments made by the CNURA government noted that the MoFR has been unable to achieve its objectives in the past due to limitations in human and financial capacity have been met by a concerted effort to increase staffing and budget (Gray 2009). The staff team has increased from 74 in 2005 to 93 in 2008 and 183 in 2011 with 42 vacancies still remaining<sup>8</sup>. Of these 47% are based in Guadalcanal/Honiara where the MoFR is based and 22% in Western Province leaving just 31% of the total staff to cover the other six provinces<sup>9</sup>.

<sup>8</sup> Figures for 2005 and 2008 taken from Gray 2009, 2011 figures gained from MoFR.

<sup>9</sup> It should be noted that figures provided for staff distribution within the MoFR annual report in 2011 do not match with those given for total staffing with the total for staff identified by provinces coming to only 153 which is less than the total number assigned and more than the total number of staff positions filled it is reasonable to expect however that proportional staff allocation may be correct.

Figure 9: MoFR Organisational Structure and Staff Numbers



Division	Total	Units	No	Vacant	Filled
Corporate Services	15	MoFR HQ	7	0	7
		Admin	5	1	4
		Account	3	1	2
Forestry HQ	1	Commissioner	1	0	1
NHBGD	9	Directorate	3	0	3
		Nat. Herb	3	1	2
		Botany	3	0	3
FRMTS	13	Directorate	2	0	2
		Policy Planning	4	1	3
		Licensing	4	0	4
		Enforcement	3	0	3
FIUD	56	Directorate	1	0	1
		Operations	45	7	38
		Utilization	7	0	7
		Economics	3	0	3
FPDRD	59	Directorate	2	0	2
		Hon	9	1	8
		Provinces	48	5	43
		Village based Extension	19	19	0
<b>Sub Total</b>	<b>172</b>		<b>172</b>	<b>36</b>	<b>136</b>
NON - EST	11	HQ Hon	11	6	5
<b>Grand Total</b>	<b>183</b>		<b>183</b>	<b>42</b>	<b>141</b>

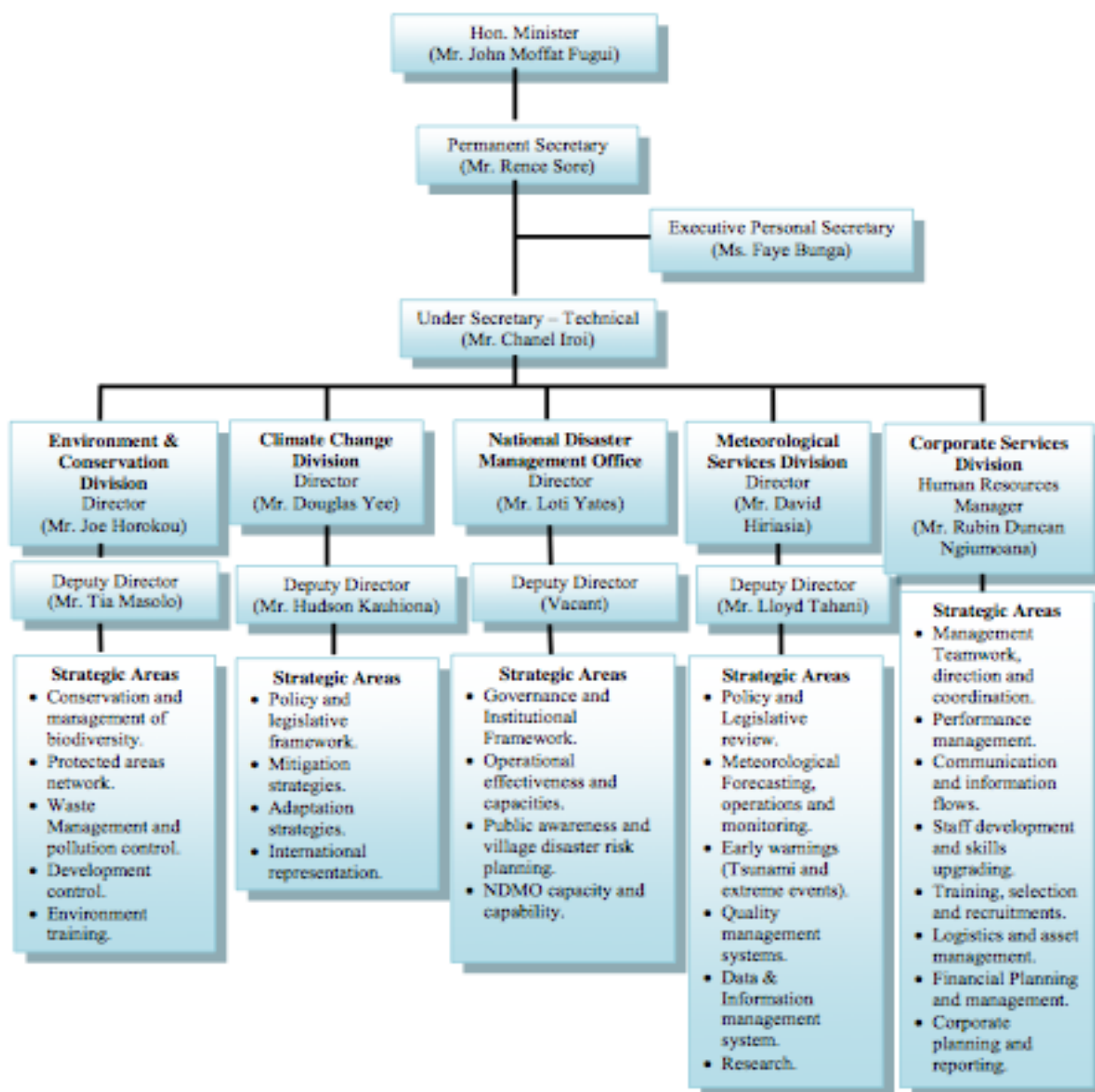
### Ministry of Environment, Climate Change, Disaster Management and Meteorology

The Ministry of Environment Climate Change, Disaster Management and Meteorology (MECDM) has seen a rapid increase in its mandate since its formation as the Ministry of Environment, Conservation and Meteorology (MECM) in December 2007. This initial formation was a merger and upgrading of the Solomon Islands Meteorological Service and Environment and Conservation Division of the Ministry of Forestry. Soon after this merger the establishment of a Climate Change Department within the ministry was also endorsed and in 2010 the ministry obtained its now full title following the addition of the department of disaster management. The increased remit of the ministry has presented a potential central point for policy and programme coherence on the mainstreaming of and utilisation of linkages between elements of climate change adaptation, mitigation and disaster risk reduction elements, key areas for the SI as a low lying island nation highly reliant on its natural resources.

The mandate for the ministry with relevance to the forest sector is guided by the Environment Act and the Wildlife Protection Act both from 1998 and their corresponding regulations, issued in 2008, as well as the Protected Areas Act of 2010. The Ministry has five strategic objectives which correspond with its five divisions as shown in Figure 10 below. Staffing across the divisions is however highly varied with the following levels being reported in 2011.

Division	Staff	Vacancies	Total
PS, US and Secretary	3	0	3
Environment and Conservation	12	1	13
Climate Change	4	2	6
National Disaster Management Division	No Data	No Data	No Data
Meteorological Services Division	52	9	61
Cooperate Services Division	7	1	8
<b>Total</b>	<b>78</b>	<b>13</b>	<b>91</b>

Figure 10: MECDM Organisational Structure



### Ministry of Agriculture and Livestock Development

Established in the 1950's the MAL is one of the oldest ministries and has played a key role in the development of the country. It's levels of capacity have, however, shifted significantly over time with staff numbers reducing from over 400 in the late 1990's to 169 in 2007 (GoSI 2007, MAL 2007). With over 80% of the population still relying on subsistence agriculture as a key element of their livelihood strategy and improvement in levels of small-scale agricultural production being identified as a key area for national growth<sup>10</sup> the ministry has a significant remit.

The MAL is currently subdivided into four departments, each with its own director:

<sup>10</sup> WB (2010) Sources of Growth

- **The Livestock and Quarantine department** aims to formulate and regulate policies; provide livestock development and extensions services in the provinces; breed and distribute livestock and disseminate information; conduct research into indigenous animal species; manage and develop the Government-owned farm at Tenavatu.
- **Extensions and Training Department:** The department's staff are supposed to work directly with villagers in rural areas. Around 100 extension staff are planned for the provinces, mostly men, with up to 10 in each province except Western Province and Malaita, which will have 20 each. In many cases, the majority of staff are based in the provincial capital.
- **Research Department:** In the past the research division, based at Dodo Creek, played a major role in the delivery of services, both directly to farmers via on-farm field trials and demonstration plots at its field stations, and via technical support to the extensions and training division. With the destruction of the research station and the displacement of research staff, the department is unable to function effectively.
- **Planning and Management Department:** The department includes the land use planning unit, which is largely defunct, and has a general role in co-ordinating the activity and policy of the other MAL departments.

Challenges do occur, however, with overlap between the remit of the MAL and the Ministry of Rural Development. A joint strategy developed in 2007 identified core areas of work for both ministries with the MAL focusing on the following key programmes between 2009-10. In order to achieve these objectives a number of programmes were identified for implementation between 2008-10 including:

1. Smallholder Commercial Tree Crops Program: covering primarily cocoa, coffee and copra processing.
2. Food Security Program: covering basic food crops and livestock production; marketing, including the establishment of wholesale markets; research and development, including food processing; infrastructure development, including the establishment of farmers groups and associations.
3. Exotic and Indigenous Crops Program: covering crop selection and testing, root crop and kava development, ornamental crop development, and other crops considered commercially viable.
4. Palm Oil Development Program: covers activities under the National Oil Palm Program including the development of proposed projects on Auluta, Waisis, Vangunu and Choiseul, together with out grower scheme development generally and in co-operation with GPPOL.
5. Livestock Development Program: covers poultry, pigs, honey development; cattle and small ruminant development; the establishment of slaughterhouse facilities in Honiara and rural areas.

The MAL's estimated development budget for 2008 at SBD28.4m, while over double that of 2007 (SBD13.05m), is inadequate to make much impact on policy priorities under the MTDS (Gray 2009).

Implementation of these activities was to be supported by the Transitional Support to Agriculture Project (TSAP). More recent development programmes have continued to support the sector with a focus on increasing market access for SI goods through, increases in quality of products, increases in market information and improvements in mechanisms for trading. It should be noted however that past efforts to develop state supported marketing boards for products have had limited success.

It has not be possible to gain access to a version of the subsequent corporate plan although through personal communications many of the key activity areas remain the same.



### Ministry of Rural Development

The MRD was created in October 2007 to complement the rural orientation of development programs of other ministries, particularly the MAL. The ministry has particular responsibility for addressing rural livelihoods, social infrastructure and inequalities, in the provinces by promoting indigenous business, including non-farm activities, in the provinces.

The MRD's central work has increasingly revolved around the role of constituency development funds and the officers that manage them. These funds are linked to constituency development plans and cover areas of Health, Income Generation, Social Development, Water and Sanitation. The budget allocation for these funds has gone up significantly since the establishment of the ministry with the budget increasing from \$50mill in 2008, to \$145m in 2010 and \$170mill in 2013. The ministry's capacity to manage these funds is also still evolving with monitoring of expenditure only occurring in 50% of constituencies in 2012. Efforts are however being made to further increase funding levels – budget held within other line ministries is already being allocated on a constituency and being used by Constituency development Officers (CDOs) with the MRD working on a development of a bill that will allow these budget allocations to flow directly to the CDFs as a lump sum that can then be used as desired by communities within the constituency.

Detractors from this approach note that placing such significant resources within funds closely linked to MPs presents a high risk of political interference and may risk undermining elements of the democratic process. It is also noted that the remit of the ministry has significant overlaps with the MAL presenting a more complex institutional structure and increasing operational costs (Gray 2009).

### Ministry of Lands, Housing and Survey

The complex task of administering this land lies with the Ministry of Lands, Housing and Survey. The land administration system was inherited from the colonial period, well before independence in 1980, and although the system was broadly sound more than 20 years of poor governance and a lack of funds meant it had become run down (Larden and Sullivan 2008).

Efforts to support the development of the MLHS have been ongoing since 1999 with support from Ausaid's *Solomon Islands Institutional Strengthening of Land Administration Project (SIISLAP)*, which ran from 1999 to 2007. Capacity in the ministry remains limited, however, with much of the capacity supported by the SIISLAP leaving with the departure of the project. The Land Reform programme that had been based in the ministry has also been removed and placed within the PMO.

### Ministry of Development Planning and Aid Coordination

The Ministry of Development Planning and Aid Coordination was created from the former Department of National Reform and Planning in the mid 2000. DNPAC is responsible for:

- The preparation and subsequent monitoring of implementation of the national development plan. The current plan is the National Development Strategy 2011-20.
  - The preparation and formulation of the annual Development Budget Estimates. The Government prepares two budgets each year, the recurrent budget and the development budget.
  - Aid coordination. MDPAC is responsible for coordinating development partner activities and for securing donor funding for new projects/programmes. This is a critical aspect of successful preparation of the annual Development Budget. Aid coordination also includes frequent liaison
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with aid donor representatives and for the organisation of high level talks with some development partners. They are responsible for the Development Assistance Database: [dad.synisys.com/slb](http://dad.synisys.com/slb)

### Ministry of Finance and Treasury

The Ministry of Finance and Treasury is responsible for facilitating the provision of sound advice on monetary, budget and fiscal policy to the Solomon Island Government. Ministry services include statistics and economic management to support Government decision-making processes and the implementation of good governance practice. Core tasks of the Ministry include financial reporting, revenue collection, border protection, government payments, preparing and managing the annual recurrent budget and advising the Government on a range of financial policies including economic reforms.

To achieve its mission the Ministry delivers services through its Divisions and Units

- The Customs and Excise Division
- The Inland Revenue Division
- The Budget Unit
- The Economic Reform Unit
- The Debt Management Unit
- Statistics,
- Internal Audit,
- Corporate Services

*The mission of the Ministry is to provide leadership to the Solomon Islands community in financial matters and the delivery of high quality, professional financial and economic services to the Minister for Finance and Treasury, the Government, and other Ministries and the wider community.*

### The Prime Minister's Office (PMO)

The PMO works to develop and implement key national strategies and identifies key priorities for the government on an annual basis. The PMO has expressed interest in approaches to carbon trading and held a meeting in early 2013 on the development of a green economy in the SI with support from GIZ and IUCN.

### Public Solicitor's Office

The Public Solicitor's Office (PSO) is an independent public office established under the Constitution to provide legal aid, advice and assistance to people in need. The PSO has offices in Honiara, Gizo and Auki.

Of particular interest to those working on landuse, forests and other natural resources is the **Landowner's Advocacy and Legal Support Unit (LALSU)**. The unit, established in 2009 and initially supported by the EU, is dedicated to:

- Educating customary landowners about their rights under environmental and resource law (including laws about logging and mining);
- Strategic environmental litigation; and
- Reforming environmental and resource law in the Solomon Islands

As well as providing information and advice to landowners it has pursued a number of court cases including a successful challenge to logging in Kolombangara by the Kolombangara Island Biodiversity and Conservation Organisation (KIBCA).



### Other Ministries Departments and Agencies (MDAs)

A number of other government ministries or agencies are also relevant to the management of natural resources and changes within the forest sector including:

- **Ministry of Mines, Energy and Rural Electrification** – responsible for all existing and new mining projects as well as proposed hydro-electric projects the ministry has experience of dealing with land acquisition processes as well as supporting work on royalty payments from mining projects. The ministry is also responsible for all water ways and ensuring sustainable use of water resources through the Water Resources Division.
- **Ministry of Fisheries and Marine Resources** – the ministry has been responsible for developing and overseeing the fisheries sector within the SI. It has experience of working on marine conservation areas and also has an interest in maintaining the quality of the marine environment through reducing negative inputs from terrestrial run off caused by improper land use.
- **Ministry of Commerce** – responsible for commercial development and oversight of operations, it includes the Foreign Investment Division
- **Central Bank of the Solomon Islands** – Responsible for monetary policy and to exercise discretionary control over the monetary system.

The **National Parliament** and **Cabinet** are also seen as a key forums. Within a relatively small country such as the SI the opportunity for key issues to be raised at this level exists and can be utilised in the form of Cabinet papers and briefings. The highly diverse nature of parliament and the key role that these actors have in any form of policy reform also mean that buy in on a broad scale for any revisions should be developed from as earlier point as possible.

### Principle Dispute Resolution Mechanisms

The plurality of the SI legal system means that customary and a central legal system are linked in many areas, with claimants able to seek resolution within both customary and state systems. One of the most complex of these is over land where under the Land and Titles Act disputes over land ownership should be decided by traditional Chiefs. A party dissatisfied with their decision may then lodge a claim with the Local Court. Dissatisfaction with this judgement can be raised with the Customary Land Appeal Courts, which is comprised of local chiefs. These courts often do not manage to resolve disputes, perhaps due to the consensual nature of decision-making found in customary negotiations, leading to a large number of civil actions being taken back into the court system at the level of the High Court (Gray 2009). Should stakeholders be unsatisfied with the decision at this level they have one final chance for appeal within the Appeals Court.

Gray (2009) notes that it has been suggested special courts to deal with land disputes should be created with greater flexibility than the normal courts, this has however not yet happened. Customary courts can also be utilised during discussions on the allocation of timber rights with the court being called on to discuss the validity of claims to land ownership (Corrin 2012).

### Private Sector

The private sector has played an important role in the forestry sector and will remain a key driver of development within the SI. The timber lobby in particular has had a historic hold over public policy in the sector and has been influential in the failure of revised versions of the Forest Bill to

pass. The Solomon Island Forestry Association (SIFA) (a representative body for the industry) has played an important role in this process and representing the interests of the industry. Individual relations between specific MPs, landowners and private sector operators are also critical. Initial stakeholder assessment noted the power of many of these actors to influence both political process and operations, with increased capacity to raise legal issues and challenge government official. Stakeholders also noted the complexity of many elements of the timber industry with landowners, licences, logging companies, millers and exports and international buyers all engaged. It is also important to note that while some international firms are vulnerable to reputational risk<sup>11</sup> from engagement in poor practices the majority of actors operating within the SI do not fall within this category. A number of firms have, however, worked to develop more sustainable business practices and have made progress towards gaining certification for good practices. Key challenges for these enterprises include maintaining standards while working with local communities and maintaining an effective levels of supply and demand. Upcoming changes in regulations within Australia may also challenge these business models with increasingly strict standards.

Within the agricultural sector the private sector has had a mixed impact some key firms have delivered significant support and promoted high standards, while others have taken advantage of land owners – this dichotomy is most clearly exemplified within the Palm oil sector.

Within both agriculture and forestry efforts to improve market access for small-scale enterprises has been seeing progress in recent years.

Key stakeholder groups and individual firms that have been identified during public consultation include:

- Ecotourism / tourism Operators – Tetapare Descendants Association
- Timber operators - SIFA (representative network), ITTS, (processing / marketing), Lagoon eco-timber suppliers, Timal Timber, Top Timber, Leona Greengold Forest product, Kongu cola Forest products.
- Omex (forestry/wood processing), Middle Island, Success Company, Golden Spring
- Plantation developers – KFPL, Eagon
- Small-scale timber harvesters – VATA (representative network)
- Timber Export – ABBA, VATA, Lagoon Eco-timber
- Construction – Lamana construction, Fletcher Kwaimani
- Agribusiness – GPPOL (work with Land owners association), RIPEL
- Mining - Sumitomo, Omex, Allied Gold, Pacific Phorfry
- Financial Institutions - BSP, Westpac, BM, ANZ
- Media - Including papers and Radio, SIBC, Sol Star

Stakeholders also identified regional trade groups as a potentially important stakeholder for future engagement and also noted increasing levels of interest from private sector carbon developers although limited information on these organisations was available.

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<sup>11</sup> The international banks within the SI have come under repeated attack within the Australian media for handling funds associated with the timber industry and illegal logging. Most recently Westpac was associated with providing loans for companies accused of illegal logging and have since committed to stop providing financing to timber firms in SI <http://www.abc.net.au/news/2012-08-13/an-sols-westpac-logging/4195674>

## Civil Society

There are a wide range of civil society groups active within the SI with many organisations characterised by their geographical specificity resulting from difficulties in travel and the diverse range of social and cultural groups. As such critical groups within these are those that are able to span the gap between national discussions and local level implementation. A number of national and international NGOs have managed to achieve this and in some cases delivered successful projects and programmes including supporting efforts at forest conservation. The strength of landowners position with regard to land use make them a powerful constituency when they can be effectively supported by civil society groups.

Key limitations to these groups identified by stakeholders, however, was limited capacity with regard to people and finance and limited understanding of existing and new national level and international issues (such as trade agreements and climate change initiatives). In many cases national organisations relied heavily on the support of international organisations to deliver projects and programmes.

While a broad range of these will need to be engaged during the process of REDD+ development a number of key groups were identified that may play an early role in REDD+ development based on existing programmes they are engaged with, experience of forest management and working with local communities and their locations with respect to the forest resource. These include:

- INGOs – Environmental – The Nature Conservancy, Live and Learn Environmental Education, World Fish
- INGOs – Governance – Transparency International
- National NGOs – Environmental – KIBCA, Panahima association, Natural Resource Development Foundation (NRDF), SICCP
- National NGOs – Development – Solomon Island Development Trust (SIDT), SIARTC, ADRA
- National NGOs – Special Interests – National Council of Women
- Community based groups – Tetepare Descendants Association
- Traditional Authorities – Council of Chiefs, LLCTC

A profile of some of these organisations is provided below:

**Live & Learn**, is an Australian NGO, working on environmental education issues as a means to reduce poverty. Their work is largely focused in 4 provinces: Isabel, Rennel and Bellona, Makira-Ulawa, and some islands in Western Province, where they work through community facilitators. They have also gained support in collaboration with NRDF to work on REDD+ demonstration sites in Padezaka Tribal Land in Choiseul Province, funded by ABD and SPC.

**The Nature Conservancy (TNC)**, which has focused much of its work on Choiseul Province, where they have adopted a biological conservation planning approach to promote sustainable management of the entire province. The organization have also conducted similar work in Isabela.

**The Solomon Islands Community Conservation Partnership (SICCP)**, which is working at 6 high-value conservation sites in the Solomons, mostly in Western Province. The most prominent of these is Tetepare, a 12,000 hectare island that was formerly inhabited, but abandoned in the 19<sup>th</sup> century due to head-hunting and disease. The Tetepare Descendants Association (TDA), consisting of customary owners of land on Tetepare, now mostly resident on neighboring Rendova, have a

constitution upholding conservation and improvement of livelihoods. With support from the SICCP, they have a number of livelihood improvement initiatives, including an eco-lodge. Proposals for a voluntary market carbon conservation project are currently under development.

**The Solomon Islands Indigenous Peoples Human Rights Advocacy Association (SIIPHRAA)**, which promotes human rights awareness through networking in all 50 parliamentary constituencies.

**The Lauru Land Conference of Tribal Communities (LLCTC)** represents all customary land-holders in Choiseul province and is one of the only situations in which a central organization represents a broad number of landowners. The organization established in 1981, has proven an effective body in promoting conservation and resisting logging, although some timber licenses have been issued in the province and a significant mining project is now also planned.

### Development Partners

There are a limited number of development partners within the SI and coordination has traditionally been effective. Since the establishment of RAMSI the body has been critical to development partner activities although with the mission phasing out increased focus is turning to individual partners. Much of existing support is focused around improved governance and financial management as well as more direct support with health, infrastructure and education. Support in the agricultural sector has increasingly focused on access to markets while the forestry sector has received more limited support in recent years following the withdrawal of AusAid.

### Donor Coordination

Donor coordination occurs through a Joint Donor Government Coordination hosted by MDPAC on a quarterly basis. Further coordination amongst development partners occurs on a monthly basis through a donor coordination meeting chaired by the UN. A database is also used to support information on development partner funding.

### Development Partners<sup>12</sup>

#### *The Asian Development Bank (ADB)*

The ADB jointly established a Development Coordination Office in Honiara in 2008 with the World Bank. In addition to the Ministry of Finance and Treasury, ADB works closely with the Ministry of Infrastructure Development for transport infrastructure; the Ministry of Commerce, Industry, and Employment for private sector development; and the Ministry of National Development Planning and Aid Coordination on the development strategy.

In 2012, ADB endorsed a new country partnership strategy (CPS) for 2012–2016. The CPS will continue to align with the government's development priorities as set out in the National Development Strategy (NDS) 2011–2020. Building on technical assistance supporting NDS formulation, ADB will continue to assist key central ministries in implementing the NDS with a focus on support to the transport sector and is currently supporting a programme assessing safeguards within the sector.

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<sup>12</sup> Text within this section draws strongly on information in Pauku (2009) and UNREDD Initial National Programme Document

### **The Food and Agriculture Organisation (FAO)**

FAO has a joint programme with the European Union, focused on capacity building for sustainable rural development. A recently-approved ACP/FLEGT project entitled *“Improving Forest Governance in the Solomon Islands through the Development of a Multi-stakeholder Action Plan Process”*, has also been agreed but is on a small scale. Plans have also been developed to implement a significant project supporting integrated forest management in the SI.

### **GIZ**

GIZ in partnership with the Secretariat for the Pacific Community (SPC) is implementing the *“Climate Protection through Forest Conservation in the Pacific Island Countries”* and *“Pacific-German Regional Programme on Adaptation to Climate Change”* programs. These two initiatives aim to support countries in the region including the Solomon Islands in sustainable management of their natural resources and conservation of their forest ecosystems, while linking these activities to climate change mitigation and adaptation outcomes. At present efforts within this area are focused on engagement within Choiseul province and the development of a harmonized approach to climate change at the provincial level.

### **JICA**

The JICA has been engaged in the country for several years as bilateral development aid implementation agency of the Government of Japan. Environmental Conservation is one of the current Priority Areas of Japan’s Country Assistance Policy for the Solomon Islands. A JICA Volunteer has been assigned to support afforestation activities in the Western Province of the Solomon Islands.

The Embassy of Japan, is an observer of the UNREDD PEB and acts as a point of communication for other Japanese funding including support to the World Bank (Increased Resilience to Climate Change and Natural Hazards) and ADB (Safeguards in Transport).

### **UNDP**

UNDP has a country office in Honiara and has been providing support through a range of programmes working with the MECDM and MoFR. Recent programmes include the *“Strengthening Environmental Management and Reducing the Impact of Climate Change in Solomon Islands”* project, with USD2.13 million of TRAC funds. This 3 year ended in 2012, having provided support predominantly to MECDM.

UNDP, with support from SPREP, and funding from the GEF, also produced the ‘National Environmental & Capacity Development Action Plan [NECDAP], published in 2008. Goal 1 of the NECDAP is *“Good Governance & Environmental stewardship at national & provincial level”*. Goal 2 is *“Strengthen research, development & monitoring capacity to address priority environmental issues & international obligations”*; while Goal 5 is *“International, regional & national environmental agenda effectively managed & implemented”*; all of these being relevant for REDD+ readiness.

In addition, the UNDP Asia-Pacific Regional Centre implements a Tier Two UN-REDD Programme initiative, funded by the UNDP-Japan Partnership Fund, to support a group of countries in the

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Pacific region including the Solomon Islands in REDD+ readiness. The initiative in particular will work on partnership development and promotion of a regional REDD+ approach in the Pacific.

### *The Government of Australia and AusAid*

Australian aid to Solomon Islands is delivered through a bilateral program and the Regional Assistance Mission to Solomon Islands (RAMSI). In 2012-13 it is anticipated to provide \$81.8m in support through AusAid and support to regional programmes.

RAMSI is a partnership between the people and Government of Solomon Islands and fifteen [contributing countries](#) of the Pacific region, helping the Solomon Islands to lay the foundations for long-term stability, security and prosperity. RAMSI's mandate includes: *"improve economic governance and strengthen the government's financial systems"*; and *"help rebuild the economy and encourage sustainable broad-based growth"*. RAMSI will be phasing out its support during 2013 with an increased focus on bilateral aid managed by AusAid.

Bilateral support is provided through the Solomon Islands–Australia Partnership for Development, which includes joint commitments for four Priority Outcomes, one of which is *"improve economic livelihoods by working to create long-term economic opportunities and livelihood security for Solomon Islanders, particularly those living in rural areas through more productive and sustainable utilization of agricultural land, forests and marine resources, and the improved operation of markets."*

AusAID has previously funded two phases of a Forest Management Programme (2000-2004; and 2005-2009), now terminated. A major new initiative is the Rural Livelihoods Programme, which is being initiated with a comprehensive communications and education initiative. Previously, as part of the Solomon Islands Forestry Management Project II, the Queensland University of Technology identified effective strategies for communication in the Solomon Islands, particularly with rural populations.

### *The European Commission*

The main focus of EC development cooperation since the 1990s has been on sustainable rural development and human resource development. A sector-wide approach is being adopted to sustainable rural development, supplementing on-going and future activities in agriculture, forestry, fisheries and transport. A community-driven approach is also being taken, with emphasis on strengthening local and national institutions. The EU has supported sustainable forestry projects in all nine provinces. Examples include forest conservation, reforestation and FSC certification in Kolombangara, and provision of funding for a WWF small-grants projects, and support to the SICCP (see above). The EU is also supporting the development of a climate policy for the Solomon Islands. A call for proposals for a small-grants programme related to FLEGT and REDD+ recently took place, with submissions due in May 2012. The EC have also conducted a feasibility study for the development of a FLEGT agreements with the SI although this report concluded that there was currently little leverage for engaging the government stakeholders in a dialogue on a FLEGT VPA. Currently their Solomon Islands Climate Change Assistance Programme (SICAP) is providing support to MECDM through a budget support mechanism.

The current development framework runs to the end of 2013 and includes integrated budget support on environmental issues. A future agreement is currently being negotiated.

### ***World Bank***

The SI has received a number of loans and grants from the World Bank, totaling USD63.4 million. These projects have assisted governments with work in numerous fields including education, rural development, health, and energy. In November 2008, the World Bank Group established a permanent office in Honiara together with the Asian Development Bank. Current programmes include the Rural Development Programme, and the Increasing Resilience to Climate Change and Natural Hazards. The WB are also supporting work in the Mining Sector and have been supporting the review of legislation and the country's engagement in the Extractive Industries Transparency Initiative (EITI).

### ***Republic of China (Taiwan)***

The RoC has been providing increasing support to the SI through loans, particularly for infrastructure, and development assistance. Technical assistance is provided through the International Cooperation and Development Fund (ICDF), which runs a number of projects focused on improving agricultural productivity.

## **Regional**

### ***Council of Regional Organizations in the Pacific (CROP)***

CROP, chaired the Pacific Islands Forum Secretariat (PIFS), include SPC and Secretariat of the Pacific Regional Environment Programme (SPREP) among seven other main agencies. These agencies have certain programmes that encompass key components of good governance and environmental benchmarks that are relevant to REDD+ implementation. The CROP offers important regional frameworks for cooperation, capacity development and knowledge management in the areas of environmental governance and law enforcement, and therefore, the work of the CROP would be highly relevant for REDD+ readiness in the Solomon Islands.

Key institutions within this include:

- [Pacific Islands Forum Fisheries Agency](#) (PIFFA)
- [Pacific Islands Development Programme](#) (PIDP)
- [Secretariat for the Pacific Community](#) (SPC)
- [Secretariat of the Pacific Regional Environment Programme](#) (SPREP)
- [South Pacific Tourism Organisation](#) (SPTO)
- [University of the South Pacific](#) (USP)
- [Pacific Power Association](#) (PPA)
- [Pacific Aviation Safety Office](#) (PASO)



## Land and Forest Governance in the Solomon Islands

- The SI has a system of legal pluralism with both national legislation and traditional customs
- Key national level legislation with reference to land use and forest governance includes:
  - The Land and Titles Act
  - Forest Resource Timber Utilisation Act 1969
  - Environment Act 1998
  - Wildlife Protection Act 1998
  - Protected Areas Act of 2010
- Many of these acts are, however, outdated, contradictory, or have only recently had regulations added to allow them to be enforced
- These challenges combined with limited state capacity mean regulation and oversight of the forest sector and natural resource sector is weak and prone to poor practices
- This combined with 87% of land still under customary ownership means that custom practices for decisions on land ownership and use remain highly relevant
- Difficulties with competing land claims and the importance of land ownership within the SI culture have, however, resulted in significant challenges to any form of large scale investment that relies on land ownership
- Timber extraction and prospecting for minerals have managed to bypass these issues through issuing only rights of use or rights of access
- Within the timber rights allocation process significant challenges remain in the way the allocation process is managed, contracts are negotiated, and implementation is monitored
- Monitoring and enforcement of timber licenses is limited at the point of timber cutting, extraction and export.

### Forest and Land

The legal framework of the SI is pluralistic recognising both national legislation and customary law (Live and Learn 2011). The Constitution of the Solomon Islands declares that the natural resources of the SI are vested in the people and the government of the SI. Land law also recognises customary ownership for lands not registered under the Lands and Titles Act (this accounts for approximately 87% of the land) and the relevance of customary laws in the management of these areas as long as it does not contradict the Land and Titles Act. Within these areas land is collectively owned and plays a critical social, cultural and economic role in communities both strengthening social ties and acting as a social safety net for communities (Gray 2009).

#### Box 4: Customs Recognition Act 2000

Provides for: 'ascertainment of the existence of any customary law and the nature of such customary law in relation to a matter, and its application in, or relevance to a matter, and its application in, or relevance to, any particular circumstances; specifies facts that are relevant when customary right, usage or practice is in question and concerns proof and recognition of custom. Custom may generally be taken into account only in relation to:

- a) the ownership by custom of rights in, over, or in conjunction with, customary land. This includes: (i) anything in, or on, customary land; or (ii) the produce of customary land, including rights of hunting or gathering;
- b) the ownership by custom of rights in, over or in connection with, the sea or a reef, or in or on the bed of the sea, or of a river or lake, including rights of fishing;
- c) the ownership by custom of water, or of rights in, or over water;
- d) the devolution of customary land or of rights in, over, or in connection with, customary land; or
- e) trespass by animals'.

With such a high proportion of land held under customary ownership it is the legal framework for accessing rights to use or transfer land or the resources on it that are critical to forest governance within the SI. Key items of legislation relevant to the governance of forest resources within the SI include:

- The Land and Titles Act
- The Forest Resource and Timber Utilisation Act 1969
- The Environment Act 1998
- The Wildlife Protection Act 1998
- The Protected Areas Act of 2010

These acts provide mandates for the Ministry of Forestry and Research (MoFR) and the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) and the Ministry of Lands and Housing to support and oversee the management, transfer and utilisation of natural resources held on both registered and unregistered customary land.

## Land

Prior to the SI being declared a protectorate by the British in 1893, customary law regulated land tenure. Since 1893, land policy has been a blend of foreign concepts as well as local principles, which makes land policy more complex than in most other countries. The *Land and Titles Act* is the current principle form of land legislation within the SI and divides land in two separate categories:

- unregistered land (which is mostly customary land but also includes significant areas of public or government land<sup>13</sup>) accounting for approximately 87% of the land area, and
- registered land on the other.

While customary land is recognised by the law it maintains a peculiar relationship, with customary land at one point being able to be registered as such while at others being seen as no longer customary land once registered a point that has been supported by case law (Unpublished 2010). Despite these inconsistencies there remains a clear role for customary practices in guiding the use, holding and disposing<sup>14</sup> of customary land. Indeed given the limited reach of the state customary practices prevail in the majority of land management issues at the local level<sup>15</sup>. Land within the traditional customs of the SI is seen as far more than a commodity. It is collectively owned by a tribe, social group or community with rights of use bestowed based on birth and membership of these groups. Within this context land plays a complex and integral role involving concepts of kinship, family system, beliefs in spiritual power of the soil and a whole range of social relationships, as well as acting as a critical safety net for the large number of people without access to formal employment (Gray 2009). Given these levels of importance there has been a reluctance amongst many groups to formally register their lands under the Land Titles Act due to concerns that the process will lead to a simple commodification of land and its eventual fragmentation and sale. Further efforts to promote registration utilizing the Customary Land Recording Act have also had limited impact although some success in registering lands within Aluta have led to a revival of the process now led from the Prime Ministers Office (PMO). Limited staff capacity within the office

<sup>13</sup> "Public land" has two meanings - under the Land and Titles Act it effectively means registered government land, but under the Land Act it means all land that is not native land (defined as land owned by natives or subject to the exercise by natives of customary rights) or private land (land owned by non-natives). It is in the latter sense that "public land" may be used in connection with unregistered land.

<sup>14</sup> Unless the land is being disposed of to a foreigner. In this case the Land and Titles act holds primary jurisdiction limiting transfer of lands to a native Solomon Islander or one who is or has been married to a Solomon Islander.

<sup>15</sup> A survey by RAMSI in 2011 found that over 60% of people relies on traditional authorities for the majority of dispute resolution over land and other issues at the local level.

and a lack of widespread interest in the recording process have, however, resulted in significant delays in the development of this process (MoLH pers coms). One significant change with customary land registration also relates to primary and customary rights with primary ones referring to land ownership while secondary rights may refer to rights of passage or usage for specific purposes (for example grazing or cutting of a specific tree for boat building).

#### Box 5: Customary Land Recording Act

The *Customary Land Recording Act* supplements the *Land and Titles Act* but the focus is on customary land in a Provincial register. The act provides an intermediary step for customary landholders allowing for land to establish clear boundaries and user rights to land without registering it fully under the Land Titles Act. This step reduces the potential of land to be further subdivided at individual level, a key concern of many communities, but also provides a clear basis for land management as well as investment within the land (Sullivan 2007). The process requiring:

- description of tribal genealogy;
  - primary and secondary inheritance or conferred rights must be defined;
  - boundaries of primary and secondary rights must be surveyed;
  - governance arrangements must be determined including representation and manner of appointment
- As well as the demarcation of boundaries with Recording Officers is both lengthy and costly and requires capacity above that of many communities making it unlikely to occur without the potential of imminent investment within the land, something for which registration would be preferred.

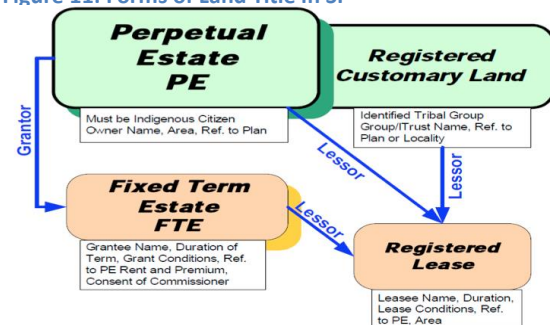
*Text adapted from McDonnell and Foukona (2012)*

Land that has been registered under the *Land and Titles Act* (Cap 133) can either be registered as:

- government land;
- land held under a perpetual estate (similar to a freehold estate where owner has exclusive rights to hold or dispose of land) or
- land held under a fixed term estate (a lease usually for a 50 -75 year period)

The majority of this land was alienated during the colonial period for the development of plantations, predominantly by British companies (Gray 2009). The colonial administration signed a treaty of ownership with local landowners based on some form of agreement. Land would subsequently be leased to a trader under a fixed term estate for 75-99 years (ibid). Upon independence in 1978 all land titles held by foreigners were converted to 75 year leases with an expectation amongst many islanders that once past the title for the land would return to traditional ownership (ibid).

Figure 11: Forms of Land Title in SI



Source: Little (2005)

Given the high levels of complexity within customary ownership including primary and secondary rights and location specific variations, most large scale investors seeking to establish long term site specific operations seek to deal directly with the state through the process of land registration by the state and subsequent lease to private firms, or transfer to a nationally registered company.

Firms seeking to gain access to land for prospecting for minerals or logging of natural forests, however, have more frequently sought rights to access land or timber through the Minerals Act and the Timber Utilisation Act of 1969. The more recent Protected areas Act of 2010 is now also being utilized, predominantly with the support of NGOs, to provide a formal recognition of land use without formal registration.

**Box 6: Land Law and Carbon Rights**

Two recent studies have been conducted to review the implications of existing land tenure for future REDD+ projects. Initial conclusions from these studies include:

*McDonnell and Foukona (2012) Land Law and REDD+ implication in the Solomon Islands: A briefing paper prepared by Live and Learn*

There are two major options around land tenure arrangements for a REDD+ project. These options are based on a policy decision about whether a REDD+ pilot project requires land to be held in perpetuity (for all time), or whether a lease arrangement (for 50-75 years) is a sufficient legal basis for operating a REDD+ pilot project. If it is decided that a REDD+ scheme requires land to be held in perpetuity then there are three options for securing land tenure arrangements:

- a) Compulsory acquisition by the State of land from customary landowners. An option they strongly advise against.
- b) The creation of a perpetual estate for the purpose of the operation of the project. Again this is not recommended due to the compulsory acquisition of customary land.
- c) Customary land recorded and then registered as a perpetual estate. The *Customary Land Recording Act* supplements the *Land and Titles Act* but the focus is on customary land in a Provincial register. This provides the most promising option, with REDD+ projects potentially able to fund the time consuming and costly recording and registration process.

The second option is a lease arrangement under a fixed term estate (for a maximum of 75 years). This may be an appropriate option for a re-forestation project. Should this option be taken it is proposed that customary land parcels that have registered under tribal groups (such as former plantations or land registered under the land settlement scheme) could provide areas in which programmes could be started.

*Corrin J (2012) REDD+ and Forest Carbon Rights In the Solomon Islands: Background Legal Analysis*

Corrin summarized the current context as:

- Customary land is governed by customary laws, which differ by location and are not written down.
- Customary land and interests in customary land are inalienable, except to Solomon Islanders, and in other very limited circumstances.
- Those entitled to deal with customary land, as 'owners', and as holders of various interests in the land and its natural resources, are not readily identifiable.
- The boundaries of customary land are unclear as they are not surveyed and are often disputed.
- There is no suitable mechanism for customary land 'owner' groups to join together as a legally recognised entity (e.g. a Sellers Entity) to hold and manage forest carbon, and to distribute benefits in an open and transparent way.

In order to address these issues Corrin identifies a number of options and steps that could be undertaken to allow for the allocation and sale of forest carbon rights.

The first step she identifies is the need to define forest carbon rights in legislation. She notes that an amendment of the definition of 'land' in the *Land and Titles Act* to include 'forest carbon rights' would make it clear that they are held by public land 'owners'. On customary land further steps would, however, be necessary. She identifies two options including identification of ownership through the process of customary land recording under the *Customary Land Recording Act*, or the allocation of carbon rights in the same way as forest timber rights are currently allocated, requiring an amendment to the *Forest Resource and Timber Utilisation Act*. She then addresses the mechanism for land 'owners' to sell verified emission reductions suggesting a further amendment to the *Land and Titles Act* to allow these user rights to be sold, with the alternative option to use the same system of allocation of third party rights to the resource that is currently used for timber rights allocations. She concludes by proposing the following for customary land:

- That forest carbon rights are recorded under the Customary Land Records Act.
- That landowners enter into a REDD+ agreement with a project developer to sell their verified emission reductions and removals (through an amendment to the Land and Titles Act as opposed to through a process such as the timber rights allocation process).
- Landowners consent to a conservation covenant of some description over the forest to be protected, with sufficient flexibility to manage the forest sustainably.

## Forest and Timber Utilisation

Rights to commercial use of forest resources within the Solomon Islands are guided through:

- The Forest Resource and Timber Utilisation Act

The 1969 Forestry Resource and Timber Utilisation (FRTU) Act remains the main legislation guiding forest management with repeated efforts to revise the act either not passing through parliament or failing to be gazetted (as was the case for the 1999 Forest Act). The Act assigns responsibility for managing the felling and milling of trees for commercial use to the Commissioner of Forests (within the Ministry of Forestry and Research).

Section 4 (1) establishes that it is an offence<sup>16</sup> to fell trees or remove timber for sale except if it is:

- under and in accordance with the terms and conditions of a valid licence;
- for a purpose declared by notice of the Minister to be exempt from a valid licence; or
- other purposes not applicable to the Project such as use for firewood or under the authorisation granted to a licenced mill.

Section 4 (2) of the FRTU Act provides that "*any person who fells trees or removes timber from any land shall, until the contrary is proved, be presumed to have felled that tree or removed that timber for the purpose of sale*". These clauses do not provide clear guidance on the felling of trees in preparation of a commercial venture but experience from the development of the Goldridge mine indicates that in current statutory regime such felling is also considered to require a licence.

**Figure 12: Timber Rights Allocation Process**

(LALSU Timber Rights Allocation Process for Land Owners)



While eight amendments to the act have occurred along with a number of additional regulations it remains out-dated and principally focused on the role of the MoFR in licencing and monitoring the logging industry focusing on the allocation of rights and licences to fell and mill trees. Even in this area it has significant weaknesses including provisions for high levels of discretionary power by forest and tax officials, and limited guidance on levels of licence allocation and best practices for timber harvesting.

The act covers both state forest and forest on customary land with any licensee required to have entered into an agreement with the landowner of the plot(s) on which the trees are situated<sup>17</sup>. This requires an agreement of the allocation of timber rights to be obtained from all groups with rights over the land. This process is straightforward on alienated lands but becomes more complex on unregistered customary land where rights holders must first be identified and sufficient time be allocated for rights to be contested. The process for acquisition of

timber rights is shown in Figure 12. While the steps in the process are clearly defined there is limited guidance on the support or information that needs to be provided to landowners resulting

<sup>16</sup> Punishable by a fine of three thousand dollars or by up to two years of imprisonment or by both.

<sup>17</sup> A number of other stipulations are also required including a significant financial bond of SI\$250,000 but these two stipulations relate most closely to authorization from landowners.



in significant gaps in knowledge and information between companies/ intermediaries and landowners. Weaknesses in monitoring the process, combined with logistical and communication challenges at the local level have also led to poor implementation of the process with limited consultation and rights being allocated by individuals or groups with limited genuine claims to the lands on which the rights are being allocated. Difficulties in applying this process have led to a number of legal challenges to timber rights as well as disputes among customary landholders as to the way rights have been issued and the agreements for subsequent benefits assigned to land holders made.

#### Box 7: Structures for Managing Resource Revenue

McDonnell and Foukona (2012) provide an initial assessment of existing structures utilised to manage cooperative natural resource management and royalties as part of an assessment of potential structures for REDD+. They focus on Charitable Trusts, and Cooperative Societies.

- The *Charitable Trust Act* is currently the main mechanism used to manage group benefits received from forestry resources in the Solomon Islands. The effect of the *Charitable Trust Act* is to create a registered corporate body with a board of trustees, which has the power to act, and have the legal liability, of a corporate body. This includes the capacity to sue and be sued and, to 'hold real and personal property'. Where the requirements of an appropriately operating Charitable Trust are not met the Registrar of Companies has the power to cancel the incorporation of the board of trustees. This governance structure has significant potential in situations where the board is made up of representative groups but has suffered from significant abuse where its membership has been limited to a small number of key stakeholders. Critical to these abuses are the lack of specific requirements under the *Charitable Trust Act* that require the preparation of statements of account for each financial year that are audited and provided to either the auditor general or registrar (as is the case in other legislative schemes in the SI).
- The Cooperative Societies Act has been used infrequently in the SIs to set up, for example, Cooperatives for local fishermen but it is unclear whether this has been used to manage forestry resources. In order to register certain information must be provided such as: name of the society, list of members, capital subscribed by each member, name and address of the committee and name and address of the society. The application for registration must also include the bylaws for the society, which in a REDD+ context could include the ongoing management of the resources. Cooperative societies exist in perpetuity and have broad legal powers to hold property, enter into contracts, institute legal proceedings and do all things necessary to give effect to its Constitution. These powers are exercised on behalf of the society by a committee elected at its Annual General Meeting. The Cooperative Societies Act allows for a distribution of profits, by way of dividend, amongst members after a quarter of profits have been placed into a reserve fund. This distribution of profits must be based on audits, so this may fit well with the monitoring requirements of the REDD+ scheme.

*Text adapted from McDonnell and Foukona (2012)*

Discussions are also currently ongoing with regard to royalty payments for the Goldridge mine although information on structures used within this case have not yet been made available. Similarly a number of micro-finance groups are also working at community and domestic industry level and further assessment of the mechanism used by them to manage community based finance will be required.

## A Code of Practice and Revision of the Forest Act

In recognition of weaknesses in the existing legal structure a code of practice for the logging industry was introduced in 1996 and was further revised 2002. The code incorporates best practices within the forest industry and promotes high environmental standards. The scope of the COLP is to define practices and provide guidelines that:

- Protect the environment and promote forest development consistent with the principles of sustainable development
- Recognise and respect the rights and knowledge of resource owners
- Protect sites of cultural, historical, archaeological, geomorphological, biological or spiritual significance
- Promote conservation measures for flora and fauna
- Maintain forest regenerative capacity and species diversity
- Promote the growth of merchantable timber
- Ensure that all harvested merchantable timber is accurately scaled, removed and accounted for
- Ensure the health and safety of forest workers
- Optimises the economic return from the forest
- Ensure that forest owners receive a fair return from the harvesting of their resources

The code was revised in 2002 with focus on key priority standards including: location of roads and landings, width of roadlines, rules for roading, landing size, felling and skidding within buffers, temporary crossings, rules for skidding, maximising log value and avoiding timber waste, weather restrictions, decommissioning of skid tracks, landings and log ponds, and monitoring of logging operations (Pauku 2009).

With limited legal standing and weak enforcement capacity within the MoFR the code has struggled to gain traction. Elements of it have been included within updated versions of a forest bill including the 1999 – which provides for the conservation of forests and the improved management of forest resources, control of timber harvesting, encouragement and facilitation of sustainable forestry activities, establishment of plantations, and domestic processing of timber. Despite being passed in Parliament the 1999 Forest Act 1999 was not gazette and thus it cannot be enforced. A further reviewed act building on the 2002 revisions to the code of practice was produced in the form of the Forests Bill 2004 but this failed to pass through Parliament. Further revisions are planned but are yet to be approved.

### Box 8: Corruption Risks in SI Forestry

TI Solomons utilised TI's global Forest Governance Integrity Framework tool to conducted an assessment of the sector within the SI. The assessment looks at sector using a number of chains including the regulatory chain, the timber supply chain, the revenue chain, the reporting chain and the enforcement chain. It identified high risks of corruption in the following areas:

The high corruption risk areas identified were:

- 1) Undue influence and bribery to delay or not make changes to improve forestry laws
- 2) Intermediaries bribing resource owners to allow logging activity on community land
- 3) Bribing forestry officers to award licenses without due consideration of the process
- 4) Bribing forestry officials to act favorably on illegal logging operations
- 5) Bribing forestry officers not to properly scale to measure log exports
- 6) Failure to make payments of fees, taxes and charges

It concludes that there are significant gaps within the legislation at present increasing risk of poor practice as well as identifying weaknesses in its implementation.



## Forest Conservation

Official forest conservation has had a low profile in the SI. The National Parks Act is highly outdated with the only park established through the act during colonial rule – the Queen Elizabeth the II park existing now on paper only (SPREP 2003).

The new Protected Areas Act (2010) and its regulations gazetted in 2012 does present a new approach to development of terrestrial protected areas within the country. The objectives of the Act are: –

- a) *to establish a system of protected areas or areas where special measures need to be taken to conserve biological diversity;*
- b) *to develop, where necessary, guidelines for the selection, establishment and management of protected areas or areas where special measures need to be taken to conserve biological diversity;*
- c) *to regulate or manage biological resources important for the conservation of biological diversity whether within or outside protected areas, with a view to ensuring their conservation and sustainable use;*
- d) *to promote the protection of ecosystems, natural habitats and the maintenance of viable populations of species in natural surroundings;*
- e) *to promote environmentally sound and sustainable development in areas adjacent to protected areas with a view to furthering protection of the protected areas; and*
- f) *to rehabilitate and restore degraded ecosystems and promote the recovery of threatened species, such as, through the development and implementation of plans or other management strategies.*

The Act provides the opportunity for responsibility for establishment of Protected Areas (PA's) to be devolved to communities and provides a mechanism for community-based management efforts to be recognised under national legislation. This approach does not affect landownership and provides some further legal support to communities wishing to protect a specific area, critically providing recognition of an already agreed use for the land which would make the allocation of other rights (for example timber or mineral rights) difficult to allow. A management plan for these areas is, however, required before they can be formally recognized.

## The Minerals Act

Mining exploration has been a significant business in the SI and access to land for minerals exploitation a highly political issue. The Minerals Act, extensively amended in 1996 provides the legal framework for the mining sector and covers all minerals (defined and any substance naturally found in the earth). The act mandates the Minister of Mines to issue permits reconnaissance permits, prospecting licences, mining leases, alluvial mining, gold dealing and building materials permits.

For a reconnaissance permit mining companies only have to request access to land from landowners with no formal written document or process required. Once prospecting is initiated a surface access agreement must be obtained (through a similar process to the Timber rights allocation process). As noted above due to challenges with maintaining claims on customary land companies looking to then move to extraction have traditionally sought for land to be alienated by the state with agreements for its use then signed between state and company and with customary landowners engaging in a further separate agreement related to any benefit sharing activities.

Mining is not allowed on tambu sites, villages, burial sites, or on areas of houses, gardens or crops, towns, or state forest (LALSU 2011).

## The Environment Act

The Environment Act of 1998 and its subsequent regulations (finalized in 2008) for the basis of environmental protection within the SI. The Act established the Department of Conservation and Environment, which, now sits within the MECDM. The objects of the Act are as follows:

- a) *to provide for and establish integrated systems of development control, environmental impact assessment and pollution control;*
- b) *to prevent, control and monitor pollution;*
- c) *to reduce risks to human health and prevent the degradation of the environment by all practical means, including the following -*
  - a. *regulating the discharge of pollutants to the air, water or land;*
  - b. *regulating the transport, collection, treatment, storage and disposal of wastes;*
  - c. *promoting recycling, re-use and recovery of materials in an economically viable manner; and*
- d) *to comply with and give effect to regional and international conventions and obligations relating to the environment.*

Key elements of the act with regard to use of forest resources include the requirements for environmental and social impact assessments to be carried out on all projects on both customary and registered land. While this regulation is binding it is not well reflected in older legislation, such as the FRTU Act and with only two officers responsible for ESIA oversight it is not stringently enforced or monitored. The act also mandates the Ministry to comply with regional and international conventions to which it is a signatory with SI, of which there are a number – listed in Annex 2.

## Wildlife Protection Act 1998

The Wildlife Protection Act was also established in 1998 but has taken a further 10 years to be fully enacted. The Act focuses on the protection and conservation of the wild flora and fauna of SI by regulating -

- a) *the export of specimens that are, or derived from, native Solomon Islands animals or native Solomon Islands plants;*
- b) *the export and import of specimens that are, or are derived from animals, or plants of a kind that are threatened with extinction;*
- c) *the export and import of specimens that are, or are derived from, animals, or plants, of a kind that require, or may require, special protection by regulation of international trade in such specimens;*
- d) *the import of animal specimen or plants specimen which could have an adverse effect on the habitats of native Solomon Islands animals or native Solomon Islands plants; and*
- e) *the management of flora and fauna to ensure sustainable uses of these resources for the benefit of Solomon Islands.*

While amendments have been added to the Timber Utilisation Act to cover restricted species of timber this act provides a secondary layer of legislation regulating both the export and excessive cutting of key species.

## Provincial Ordinances

In addition to state level legislation, provincial governments can also issues ordinances that are relevant to the province. These must not contradict national legislation but can provide additional province specific regulations or details. A number of these have been issued with the majority occurring in the 1990s. With respect to forest governance the majority refer to specific location based protection orders as well as the Western Province Resource Management Ordinance 1994 which gives customary landholding groups the power to issue their own policies for resource management. The full implementation of many of these ordinances is however not clear.

## Existing Drivers of Deforestation and Forest Degradation

- Logging is the principle direct driver of forest degradation – this logging is predominantly done on a legal basis.
- Existing logging practices characterised by high levels of exploitation, and clearing as well as short rotation logging with re-entry into recently logged sites present cause risks of long term habitat damage leading to forest degradation and potential deforestation
- Expansion of commercial agriculture has had a limited impact on current levels of deforestation due to difficulties in securing land tenure for commercial operations but plans exist to expand the area and the country has been vulnerable to exploitation by illegitimate actors
- Localised evidence exists of subsistence agriculture placing increasing pressure on land clearance but limited information is available on the scale of the problem at the national level
- Weak and outdated legislation covering forestry as well as the broader legislative environment have make enforcement difficult and provide a number of opportunities for bad practices and illegality
- Limited human, financial and technical capacity within key ministries have made enforcement of existing legislation difficult
- A lack of accurate information has created an environment in which it is extremely difficult for perpetrators to be held to account
- The capacity of other groups to take significant action on drivers is severely hampered
- These drivers are further compounded by a number of cross cutting drivers including:
  - Population increase
  - Broader political context
  - Rule of law
  - Land tenure
  - Geographical and social context

Deforestation and forest degradation is driven by a broad range of activities and issues. These drivers can be obvious and direct – such as clearance for agriculture but may also be more subtle and less obvious creating an environment in which deforestation and forest degradation can occur. The Regional Policy Framework on REDD+ identifies the major drivers of deforestation and forest degradation in the Pacific Islands as planned and unplanned timber harvesting and agricultural expansion with lesser drivers including infrastructure expansion and mining and quarrying. These drivers are influenced by:

- a) *Demand for economic development both locally and nationally*
- b) *Demand for logs and timber outside the region*
- c) *Demand for land for food security and agricultural development*

The below analysis builds on these as well as assessments made in other studies on environment, conservation, trade and development within the SI. It makes an initial division between Direct and Indirect drivers and between those within and outside the sector. The table below provides a summary of the main drivers with Annex 3 providing a more comprehensive list.

	Within Sector	Outside Sector
<b>Direct</b>	- Logging	- Clearance of agriculture <ul style="list-style-type: none"> <li>○ Commercial Agriculture</li> <li>○ Subsistence agriculture</li> </ul>
<b>Indirect</b>	- Limited institutional capacity - Out-dated legislation - Weak enforcement and control - High international demand for timber - Lack of information among communities and local producers on rights and markets - High level of importance of logging revenues to economic stability - Limited coordination across ministries - Limited political will	- Low agricultural yields - Increased incomes and expectations for resource use - Corruption and political patronage - High cost of legal proceedings - Uneven application of the rule of law - Limited coordination and cooperation between traditional authorities - Population increase

The below text provides a narrative assessment of these issues framed within the context of four main areas:

- Demand for Wood
- Demand for land
- Natural events
- Social and political context

## Demand for Wood

Demand for wood need not result in high levels of deforestation or indeed forest degradation. Within the SI high levels of demand are, however, combined with indirect factors to drive high levels for forest degradation and in places deforestation. Demand for wood comes through international and domestic demand, which, is serviced by the logging and plantations industry, the below section will cover these points sequentially.

### *International Demand for Timber*

In 2011 the CBSI reported that log export levels were at 1.9million m<sup>3</sup> with only 85,000m<sup>3</sup> coming from plantations (CBSI 2012). This level of extraction is well beyond the estimated sustainable yield of 250,000m<sup>3</sup> proposed by the 2006 Forest Resource Assessment (URS 2006) and does not include timber cut for domestic supply. Such high levels of production are, linked to high international demand and prices with increases in production over recent years following increasing international timber prices (with the exception of 2009) see Figure 13.

Figure 13: Log Production and World Prices

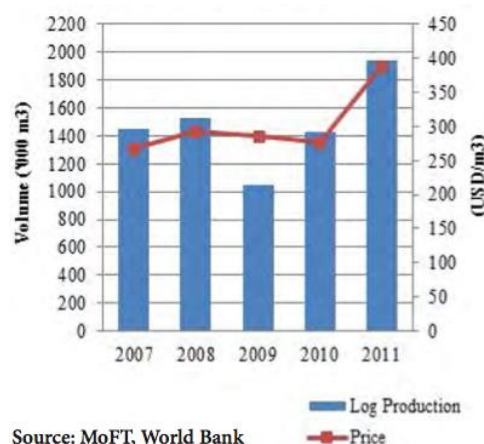
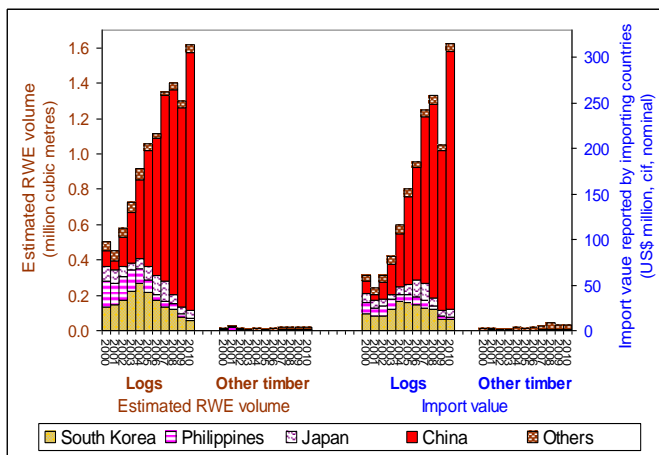


Figure 14: Log Export 2000 - 2010



The majority of this timber is exported as round logs with an increasing proportion being exported to China as a final destination (many pass through subsidiaries in Malaysia prior to this) (see Figure 14). Sawm logs on the other hand are predominately exported to Australia or New Zealand (CBSI 2011).

Sawn timber exports at a value of SI\$74million in 2011 are small when contrasted to levels of round log exports and indeed the number of licenses allocated for milling (CBSI 2011, Gray 2009).

While there is no immediate likelihood of a crash in the price of timber<sup>18</sup> the market does remain a volatile one as with most commodities and thus changes in demand can rapidly affect price (as seen in 2009). Equally demand for timber going to Australia and New Zealand may change with upcoming legislation in particular the Illegal Logging Prohibition bill in Australia, which will come into effect in 2013.

### Domestic demand

Limited information is available on levels of domestic wood demand although there are a significant number of timber yards in Honiara, which are able to maintain a trade both domestically and internationally. It is anticipated that the major sources of demand for timber at the local level are:

- Housebuilding
- Firewood

Construction of boats is also recognised as a domestic demand and is causing localised impacts eg Langa Lang Lagoon area in Western Malaita. While these activities represent a significant local impact the scale of the industry and local demand mean that it is not perceived as a major driver of deforestation or forest degradation. Similarly while demand for furniture is increasing this is currently supported predominantly through imports and as such does not constitute a significant current driver although this may become more important with rising incomes in future years. Traditional carvings also fall within a similar context with demand still at a very low level.

### House building and construction

While no formal figures exist on the size of the domestic construction industry it is noted to be significant with an increasing demand for sawn timber. In 2005/6 the size of the domestic construction industry was estimated to be SI\$20mill (Household Income and Expenditure Survey 2005/6). Comparison of the census data from 1999 and 2009 also indicates an increasing shift to use of sawn timber with 38% and 61% of the 91,251 dwellings identified in the 2009 census having sawn timber for walls and floors respectively, compared to 19% and 51% of the 66,624 dwellings identified in the 1999 census. A slight decline in the average number of people per household (from

<sup>18</sup> CBSI 2012 notes continued high levels of interest with 10 new applications for foreign direct investment occurring every quarter during 2011 (CBSI 2012).

6.1 to 5.6) also indicates a potential shift to a demand for larger dwellings with less people, a trend that will increase the demand for housing above and beyond the already rapid rate of population increase.

### **Fuel Wood**

Fuel-wood remains one of the most significant sources of energy for cooking within the SI, although coconut shell is also used extensively. Information from the 2009 census draws these two sources together indicating that over 92% of households rely on these sources as their primary source of energy for cooking a figure that rises to nearly 97% if Honiara is excluded from the figures. Some studies have identified preferred species for fuelwood as *Pometia pinnata* and *Vitex cofassus* noting that these species, also under demand for timber use are being heavily harvested with very little subsequent replanting (Mataki 2013). Mangroves have also been identified as a key source of fuelwood for the drying of copra as well as cooking in many areas resulting in significant levels of deforestation and degradation (Mataki 2013, World Fish 2013, SPC pers comms).

### **Logging industry**

Supplying such high levels of international demand while maintaining a domestic supply could provide a sustainable income for any country with the SI's level of natural forest cover and favourable environmental conditions. Within the SI however a number of indirect drivers have combined to allow the industry to spiral into a form that is highly unsustainable and is liable to result in irreparable damage to the nation's natural forests. Key to this situation was a shift in the early 1990s from logging on state land to customary land something, which, has continued and now represents the mainstay of the logging industry (Gray 2009).

This shift firmly integrated logging into a complex environment of national and local politics and power. As this combined with increasing commodity prices and challenges in developing alternative drivers of economic development, logging became a central drive of economic growth, and political and economic and political power. Within this context a number of indirect drivers have allowed for logging to become an increasingly unsustainable and exploitative practice. These drivers include the complexity of the industry, the economic importance of the industry to both the national economy and key political actors, outdated and insufficient legislation and limited capacity of key ministries, limited capacity of local communities and the complexities of land ownership.

### **Industry Structure**

The forest industry comprises of a large number of national and international firms, community organisations, middle men, saw mills and land owners. SIFA (2004) identify the structure of the sector as comprising of three different groupings. The first are foreign owned firms operating predominantly under their own licenses to fell and remove timber with a smaller proportion of their work also being undertaken as subcontractors to local license holders. These firms focus on export of round logs although a small number have also established sawmills. It remains difficult to fully identify the origins of these companies although links with Malaysian companies remain prevalent (EC 2011).

The second category are foreign owned firms who operate almost entirely as subcontractors to indigenous license holders. Again these firms are predominantly export driven focusing on the

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round log market. It is believed that these operators may now be the dominant force within the industry with the scale of logging no longer being sufficient for larger international firms but rather being operated by individuals and groups formally associated with those firms and the sufficient links within the country to maintain effective operations.

The final category, are locally owned companies, incorporated groups and individuals with licenses to fell and remove timber. The majority of these firms are more focused on local supply with some export although most also look to export processed timber. Efforts have been made to improve the effectiveness of these groups through downstream processing and gaining of certification standards. One group supported by NRDF and the EU have been able to achieve a group FSC. The Value Added Timber Association (VATA) is also working to support these type of producers although volumes remain minimal when compared to the above round log focused operator groups.

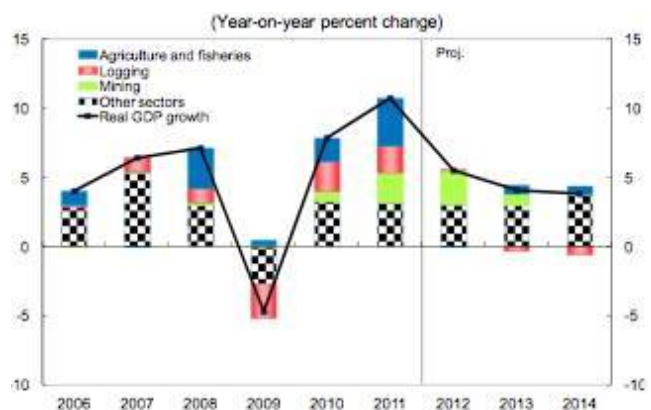
Gray (2009) also adds the timber yards based in Honiara who manage elements of local supply as well as providing a central point for export for some of the smaller producers. It should also be noted that a number of firms have multiple licenses allowing them to operated in different areas (Pauju 2009).

### *Political and economic Importance of the Sector*

At the national level the sector is critical to the SI, it provides close to 50% of foreign exchange earnings as well as 17% of government income (CBSI 2012). It is also estimated to employ 1 in 6 Solomon Islanders in formal employment although exact figures are difficult to come by<sup>19</sup>. This contribution combined with royalty payments also make it a major source of cash injected into the economy. Assessments of potential growth areas for the SI have noted provided an immediate way in which this income can be replaced

meaning that a decline in logging activities would also likely lead to a decline in national income as well as a contraction of the economy. While this is currently predicted due to dwindling forest resources (see Figure 15), implementing such a move while the resource remains would be politically challenging particularly in an environment of fragmented political parties, recent social instability and limited state power relative to landowners.

Figure 15: Sources of Growth 2006-14 (IMF 2012)



These complex political and economic conditions within the sector can be further seen through a basic assessment of how resource rents are divided between key actors and how efforts to improve regulation can impact different groups disproportionately.

<sup>19</sup> The CBSI utilise contributions to the SI Provident Fund as an indicator of levels of formal employment by sector within this assessment logging is however aggregated with mining and agriculture within Primary Industries, other surveys indicate that logging is a significant part of the SI economy but there is limited information on the way in which employment and income is generated with much employment being based on informal agreements.

Agreements between firms and landowners are usually done on a 60% / 40% split based on income from the timber<sup>20</sup>. Gray (2009) notes this arrangement predominantly favours the logger as it is from the landowner's share that the 25% duties (based on the Determined Value Schedule) on all export are paid. What is left (15% of the FOB price) is thus the royalty that is supposed to be distributed to resource owners. This contractual structure presents significant challenges to any further amendments to the tax regime with efforts to increase national revenue capture from the industry disproportionately affecting landowners making them politically difficult to pass. Difficulties in this area can be seen from the time taken for the SIG to more closely link the determined value schedule (DVS) to international world prices, discussions on this have been continuing for several years but were only implemented in 2010 as part of a key milestone for national access to an IMF credit facility indicating the complex balance required between balancing access to national income and political support at the central level.

### **Weak Regulation**

The complex and expanding logging industry is still governed by the 1969 FRTU Act, which has significant weaknesses and is outdated when compared to current levels of logging and the locations in which it is occurring. Key areas of weakness are related to the allocation of timber rights, the allocation of licences, and the monitoring of licenses.

### **Allocation of Rights**

While the act lays out a clear process by which timber rights should be negotiated it does not provide any clear guidance or requirements on the levels of support that need to be provided to local communities and landowners, nor does it identify clear guidance on what constitutes an effective rights allocation process. As such landowners gain limited support in ensuring that they negotiate an effective agreement and there is no definition of an adequate hearing against which landowners can challenge. Even once an agreement on the allocation of timber rights is agreed there are few legal provisions available to ensure that it is honoured with many being broken or not fully honoured (Gray 2009).

### **Issuing of licenses**

The act provides no guidance on the number of licenses that can be issued as such the process of license issuing as continued unchecked well above the levels of sustainable harvest. Equally the act does not reflect other more recent legislation within its processes meaning that licenses can be issued without an EIA despite this being a requirement under the Environment Act.

It is also noted that challenges exist in the suspension or cancelling of licenses with reports that this process is currently not fully supported by law (EU 2013).

Critical to the issue of deforestation is the increased occurrence of short rotation re-entry licences allowing for firms to re-enter previously harvested areas prior to completion of a full rotation period (the commonly advised duration of which is recognised as being 45 years). The recent review by SKM estimated this was occurring in over half of the secondary forest areas logged prior to 2006 (~145,000 ha) all of which are only part way through their 45 year recovery rotation (SKM 2011).

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<sup>20</sup> The proposal of a 60/40 split was proposed within a government policy statement but has no regulatory basis and there is not further guidance on how other costs should be assigned making it difficult for landowners to negotiate effective contracts.

Short rotation re-entry logging at this scale has the potential to damage the ability of the forest to regenerate naturally resulting in dominance by invasive creeper species and a significant loss of ecosystem functions (SKM 2011 and Box 9). Issuing of such licenses is possible due to limited guidance within legislation and regulations as well as high levels of potential discretion for MoFR officials.

#### Box 9: Impacts of Short Rotation Re-entry Logging

Tropical forestry literature is replete with warnings of the ecological dangers of unregulated and damaging logging operations and premature re-logging of secondary forests (e.g. Schindele 1989; Woods 1989; Uhl and Viera, 1989; Johns, 1992; d'Oliveira and Braz, 1995; Gerwing *et al.*, 1996). Neil (1984), in his study on Kolombangara Island, warned of forest structure collapse and smothered tree regeneration due to climber and weed invasion due to altered forest canopy openings caused by increased or repeated logging operations.

A polycyclic logging intensity of 5-8 trees/ha/cycle is considered to be sustainable for most tropical forests (Boerboom and Wiersum 1983) with levels above this jeopardising regeneration, regardless of how well an operation was planned and executed (Sist *et al.* 1998). While no recent post-logging residual stand stocking information or stand damage measurements are available in SI, studies of rainforest regeneration following unplanned logging in Vanuatu (which has similar forest types) found that an average 43 m<sup>3</sup>/ha of logs were removed by harvesting and a further 22 m<sup>3</sup>/ha of trees were destroyed by poor felling and skidding practices (Applegate 1992). This level of exploitation and damage created large gaps in the canopy, providing ideal growing conditions for weed species such as *Merremia* vine, which can form closed communities and suppress tree regeneration. Evidence of such creeper invasion is apparent on sections of North New Georgia, which were subjected to repeated, short rotation logging cycles. KFPL's plantations were established in this area because the natural forests lost their productive capacity as a result of repeated logging and weed infestation.

The potential environmental consequences of the current exploitive logging practices are most likely already contributing to changes in essential ecological functions and the provision of ecosystem services such as provision of clean water; flood mitigation; protection from erosion; food provision; carbon storage; and maintenance of cultural heritage. In the longer term, they may lead to irreversible loss of productive capacity timber and other ecosystem goods and services.

*Text adapted from SKM (2011).*

#### Monitoring of Licenses

The act provides limited standards for monitoring with the updated COLP providing a more appropriate outline of standards. The absence of any legally binding requirements, however, means that the code can be ignored with logging companies able to legally challenge the MoFR should then force them to stop operations on the basis of the code being only willing to improve their practices after being challenged, something that makes continued monitoring essential and enforcement difficult (MoFR pers comms).

Weaknesses in regulations at other points within the timber export process including export taxes have also led to significant challenges and have undermined levels of oversight. Tax and customs regulations remain weak and vulnerable to malpractices. In both these regulations and ones governing timber extraction high levels of discretionary power provided to individual officers combined with poor record keeping have provided a significant opportunity for malpractices.

**Box 10: Milling and Felling Licenses 2011**

MoFR reports that in 2011 there were 188 felling licences in operation split across the country as shown in the table below. Of these 38 licenses were extended (18) or new (20) in 2011.

Location	Foreign Owned Licenses	Local owned Licenses	Total Existing Licenses
Malaita	0	35	35
Western	19	34	53
Choiseul	8	6	14
Isabel	22	13	35
Guadalcanal	11	12	23
Makira	1	19	20
Central	2	2	4
Temotu	0	1	1
Renbel	0	3	3
<b>Total</b>	<b>63</b>	<b>125</b>	<b>188</b>

*Information from MoFR (2011) Annual Report*

**Weak Enforcement**

The current level of licenses means that there are more licenses in operation than staff within the MoFR. Such discrepancies between the capacity of the ministry and the industry provides an indication of some of the base causes of weak enforcement. The challenge is not only limited to the MoFR but also to other key ministries. Within MECDM only two staff are assigned to the oversight of the ESIS process with limited data kept within a central system (MECDM have just received support to develop a central database and GIS capacity, two staff have been trained in this area but have other duties and were not trained on the domestic system but at an international level). Customs also have similar challenges given limited staffing and funding and the highly geographically dispersed nature of logging, making verification of products being exported a significant challenge.

Weak enforcement is also caught in a vicious cycle with a lack of effective information on levels of resource use and extraction. Information and data storage capacities are limited within all key ministries with project based capacity building having limited long term impacts.

Weak central systems make monitoring difficult and limit the capacity of the ministry to provide clear oversight. The absence of these systems however combined with high levels of discretionary power make it possible for existing legislation and good practice to be by passed with external oversight being almost impossible in the absence of accurate information.

**Illegal Logging**

Illegal logging can occur in a number of areas, not all cause direct increases in deforestation and forest degradation but many contribute to the complex environment in which logging takes place.

Key areas of illegality include:

- Cutting outside of allocated concessions
- Cutting of protected species

- Cutting in areas prohibited by such as steep slopes and river banks
- Obtaining concession through bribery
- Breach of logging agreements with communities
- Mis/under reporting of harvest
- Ignoring other legal requirements such as labour laws, environmental laws

Accurate estimates of the impact of these practices are difficult to obtain. At a base level SKM (2011) estimate that between 2005 and 2011 logging occurring outside of allocated concession areas covered over 36,100ha (SKM 2011). Significant concerns have also been raised about the way in which timber rights allocation processes are overseen by provincial authorities, with timber firms responsible for paying for the process and paying sitting allowances to provincial officials their interests are often aligned to those of the paying company.

A Special Audit Report in 2005 into the Financial Affairs of the then Ministry of Forestry, Environment and Conservation which identified inconsistencies in the payments of royalties including debts from companies to the government of SBD884,189 in 2003 and 2004, with a further SBD319,026 being lost in unauthorised payments in 2001 and 2003, and SBD334,736 was unaccounted for in 2002. Gray (2009) notes that further losses may also occur through the under or false reporting of log exports with officials from the MoFR and C&ED unable to conduct sufficient checks to ensure correct reporting at all times (Gray 2009).

The significant concern is that with timber resources running out within areas that are identified as currently outside of productive forest areas will soon be being identified for conversion, equally re-entry logging on short rotation periods may overharvest leaving areas unable to recover. With the depletion of existing stock this may occur through legal channels but may also occur through illegal ones as personnel and groups adept at logging no longer have a means to maintain their livelihoods.

Such significant failings relate not only to limited capacity but also a lack of political will to address the challenges presented. This lack of political will underlies all of the above drivers.

#### *Limited information at community level*

At the local level communities also struggle from a lack of effective information. Without clear demarcation of boundaries or quotas there are regular reports of companies cutting outside their allocated areas and harvesting beyond their quotas without communities being aware of these. Equally they are often poorly informed of real levels of logging revenue with companies providing lower figures and thus distributing small royalties. This point is exacerbated by information discrepancies within landowner groups allowing for key individuals or groups to gain disproportionately to the majority (see Box 11).

#### **Box 11: Distribution of Timber Rights**

Spending of timber royalties is often poorly managed with high levels of expenditure on immediate desires as opposed to long term investments. Within this context the geographical and tribal distribution of royalties is rarely without controversy (AusAID 2005: 38). On the island of Rendova in Western province, following the payment of royalties, only the chief and his supporters used the bulk of the monies, so that when the balance was divided among family heads they received about USD3 each. This case has been further confirmed by research conducted for the DTIS in Western province.

*Text adapted from Gray (2009)*

## Plantations

Development of plantation forestry in the SI has focused on smallholder led plantations on already deforested or partially forested lands. The two main commercial plantations are based on government land and have been in place for a significant number of years. Replanting of areas of these plantations has occurred in recent years with support from the EC and some harvesting is also taking place, although both plantations continue to suffer from a lack of investment and relative neglect over the preceding 20 years.

Increasing plantation levels on a large scale would require significant investment and access to land on which that investment would be secured both issues that are currently difficult to obtain.

As such plantations are not contributing directly to deforestation and forest degradation through clearance of natural forest for their establishment, they are however contributing through a continued reliance on natural timber. Weaknesses in achieving significant levels of plantation expansion and reforestation mean that a significant supply of plantation and smallholder timber is not likely to be available until 2050 (SKM 2011).

## Demand for Land

Demand for land is a key driver of deforestation, with clearance for agriculture, mining and infrastructure all playing key roles.

### Agriculture

Agriculture plays a key role within the SI economy and social context. Cash crops contribute to the cash economy and are a significant export with Palm oil and kernel, Copra and Cocoa making up 21% of exports in 2011 (10%, 7% and 4% respectively)(CBSI 2012). Smaller contributions are also made by pressed kasava, coffee, and vanilla although the latter is reported to be in a steady state of decline (CBSI 2012). Small-scale production is also critical with the majority of householders relying on some home-grown produce as a source of food as well as income. Smallholder production of both cash and subsistence crops has also been identified as a key driver of growth (WB 2010). The impact of these activities is driven by international and domestic demand as well as national policies to support these sectors.

### *International demand for Cash Crops*

Levels of production from commercial agriculture are closely linked to international demand but are also driven by domestic strategies focused on increasing agricultural production. Current trends within domestic production are towards increases in levels of productivity, efficiency, quality and a shift to value added production all buoyed by strong international prices<sup>21</sup>. While some increases in hectares under cultivation have also occurred these are predominantly on a smallholder basis and are measurable in hundreds of hectares. Challenges in increasing the area under cultivation particularly supported by international investment have primarily been halted by difficulties in securing effective land title. Increasing levels of productivity over recent years have also been closely linked with improvements in infrastructure with increasing palm oil production being

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<sup>21</sup> There have been significant efforts to increase the quality of organic small holder farming to increase productivity and also reduce run off of chemicals into water ways.



attributed to an improved road in Guadacanal (Gray 2009) and increases in Copra and coconut oil production being attributed to improved inter island transport (CBSI 2012).

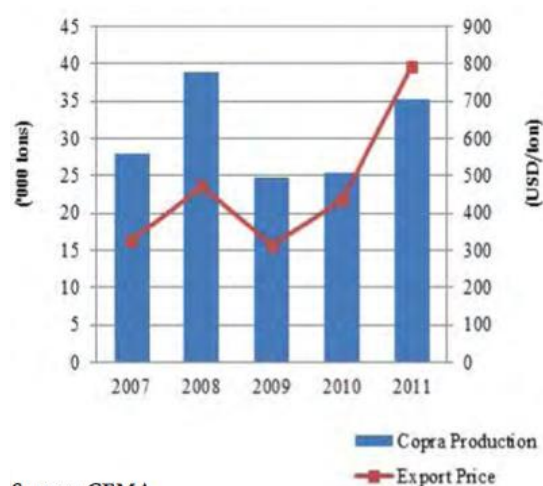
Oil palm was formerly the SI most successful tree crop and in the late 1990's with over 6,000ha of plantation and almost 37,000t of palm oil products (palm oil and palm kernel oil), being exported earning around USD94m in foreign exchange annually (Gray 2009). However with the onset of the tensions international investment in the sector declined resulting in a decline in productivity with figures only now returning to late 1990 levels (31,592t were produced in 2011 – CBSI 2012). Much of this production is associated with international investment focused on key estates and their associated outgrower schemes. The Guadalcanal Plains Palm Oil Ltd. (GPPOL), with an 80% New Britain Palm Oil Ltd (NBPOL) and 20% land- owner's equity structure accounts for much of this production (Gray 2009). GPPOL work on a nucleus estate model maintaining a central estate which acts both as a central source of supply and as a demonstration site for the training of smaller holder producers who with support from GPPOL in terms of finance, tools, methods and fertilizers then sell their fresh fruit bunches back to the company for milling and export (Gray 2009). In 2009 it was estimated that the area under smallholder cultivation associated with GPPOL had reached 700ha and the company had significant plans to expand both this process and their central estate areas to increase the plantation area to 15,000ha (Gray 2009).

The government also supports such expansion plans and has sought to increase areas under palm oil through the addition of 6000ha of plantation spread across a number of smaller plantations of no less than 500ha (MoAL pers comms). These increases are now even more appropriate with improvements in existing milling technology within the country allowing for 45 tonnes per hr to be processed as opposed to 25 tonnes per hr (CBSI 2011). Despite these developments and strong international prices for oil palm, however, this expansion has not been realised with government unable to obtain firm contracts with landowners (MoAL pers comms) and no foreign investment guaranteed without such securities.

As a result total plantation area in 2011 remained at 6,318 ha, of which 5,347 ha comprised of mature trees whilst 971 ha comprised of immature plants. A total of 368 ha of mature trees were replanted in 2011, compared to 315 ha replanted in 2010. Productive smallholder land area was 1,010 ha, compared to 931 ha in 2010 (CBSI 2011).

Cocoa has been a significant product within the SI for many years and has seen a sustained increase over recent years (see Figure 16). Production of the crop is almost entirely based around smallholder production with farmers maintaining and intercropping approach that enables helps to safeguard against price shocks and maintain production over a longer time period. Recent increases in production have been largely attributed to sustained international and domestic prices as well as the impact of the Cocoa Livelihood Improvement Program (CLIP) and the support of the MoAL through farmer trainings, assistance and rehabilitation programs. This programme has supported changes to the Cocoa value chain allowing growers to access more lucrative markets directly, improve the quality of their product and gain higher prices for their products (CLIP web site 2013). Closure of the CLIP in 2012 will provide an opportunity to see if productivity can be maintained

Figure 16: Cocoa Production and Prices



Source: CEMA



under purely market structures. Should such increased revenues continue it is likely that more farmers would be interested in expanding areas under cultivation – although figures on such trends are currently unavailable.

Copra and coconut oil represent close to 7% of exports with recent establishment of a coconut oil mill presenting the potential for increased value addition on a domestic basis. High world prices have again driven increasing production on copra with record production levels being reported in 2011 (CBSI 2012). Further development of in-country processing would, however, increase the potential revenue from this sector. Gray (2009) states that closure of a former copra crushing mill in Yandina has resulted in SI\$115m per annum loss to the country as a result of reverting to exportation of the raw material.

### Subsistence Agriculture

Subsistence agriculture is a mainstay of SI life covering small-scale trade of produce. Domestic production is both seen as a safety net and an economic activity through both avoiding expenditure and gaining income where possible. The importance of subsistence agriculture or 'custom gardening' particularly to the rural economy is highlighted in the 2006 Household Income and Expenditure Survey. Within this rural populations are identified as receiving over 50% of their annual income as coming from home production (referring to the value of goods and services produced by the household to be predominantly consumed by the same household or given as gifts, such as vegetables, fruits, fish etc) (SIG 2006). Equally the production of root crops and other vegetable and tree crops were seen as a critical source of enterprise income (see Table 6).

Provincial studies also point to the importance of custom gardening with studies from Chosieul identifying 90% of households as being reliant on this combined with fishing for their livelihoods (Lipsett-Moore et al 2010).

While limited information is available on the total land area under cultivation increasing population is leading to increasing pressures on the resources. Larden and Sullivan (2008) reported extended cropping periods and consequent reduction in fallow periods resulting in reduced crop yields were causing major problems in some locations, and is particularly acute on north Malaita and many of the small islands. A more recent assessment in Choiseul noted that shifting cultivation was regularly being practiced on a less than 15 year fallow period with increasing population pressures also causing groups to farm on areas less suitable such as steep slopes or areas close to river beds (Makaki 2012a). In tern these practices were resulting in reduced yields, initiating a vicious cycle in which more land is required and thus shifts to further more marginal land occur. These practices are particularly concerning when they include clearing on steep slopes with a high risk of soil erosion and landslides resulting in reduced potential for natural recovery either as a productive agricultural area or natural forest.

**Table 6: Distribution of Households in self-employed and related businesses**

(GoSI (2006) Household Income and Expenditure Survey)

Type of commercial Activity	Urban		Rural		Solomon Islands	
	households	%	Households	%	households	%
Root Crops	63	18.98	1172	27.36	1,235	26.76
Other Vegetables & Fruits	45	13.55	975	22.76	1,020	22.10
Livestock farming	39	11.75	430	10.04	469	10.16
Sale of fish/other sea food	31	9.34	704	16.44	735	15.93
Logging activities	7	2.11	90	2.10	97	2.10
Sale of handcrafts, wood and/or shell products	20	6.02	209	4.88	229	4.96
Other self employment	78	23.49	377	8.80	455	9.86
Other small business activity	48	14.46	315	7.35	363	7.87
Others Not Stated	1	0.30	11	0.26	12	0.26
<b>Total</b>	<b>332</b>	<b>100.00</b>	<b>4,283</b>	<b>100.00</b>	<b>4,615</b>	<b>100.00</b>

\* A household can be involved in more than one type of commercial activity.

## Mining

Mining in the SI remains at an early stage of development and has the potential to expand significantly over the coming decades. Interest in the sector has also increased with increased political stability and continued high demand for minerals on the international market. While 10 prospecting licences were in operation in 2009 (Gray 2009) there were 15 applications made in 2011 (CBSI 2012) mainly for gold and nickel. The one existing mine in the Goldridge area of Guadalcanal also resumed production in 2011 with total gold production at 51,054 ounces and silver at 19,043 for the same year (CBSI 2011). This mine employs some 1,166 of which 900 are local making it second only to the palm oil industry in terms of formal employment (ibid). While this production has contributed strongly to growth in 2011 production levels are not anticipated to increase over the coming years making this a steady form of earnings. Government revenue from the mine is also not that extensive due to tax concessions agreed for capital investment, as such the mine contributes only 0.2% of government revenue (CBSI 2011).

The most advanced process beyond the Goldridge mine is an investment by Sumitomo Metal Mining Co Ltd, which, has the potential to be even more significant than the Goldridge venture. Early information on this process indicates that the mine's value could be upward of USD300m annually with employment between 500 and 1,000 people and a total FDI between USD1 and 2bn (Gray 2009). The company, however, would request similar tax concessions to the Goldridge mine minimising initial direct government revenue although initial reports from the EIA suggest figures of USD3-3.8million per annum (SMM 2012).

Challenges remain in obtaining access to the land required for the mine with local communities not decided on the benefits of the mining process and with 16 tribes and over 1,500 people involved gaining clear land rights and compensation packages will take significant time and investment.

In terms of deforestation it is anticipated that the project would affect an area 1,929ha of which 1,383ha would be mine areas and a further 536ha would be for haulage and mine access roads (SMM 2012). The majority of this area is currently under forest cover predominantly ironwood forest although one conservation area will be excluded (SMM 2012).

### Box 12: EITI in the Solomon Islands

In July 2011 the Solomon Islands Government agreed to implement EITI. In January 2012 the Solomon Islands Extractive Industries National Stakeholder Group (SIEINSG) was formed comprising of extractive companies, government and the civil society (including land owner groups). The SI were then formally accepted as a candidate country for the Extractive Industries Transparency Initiative (EITI) in June 2012. The national and political champion is the Minister of Finance and Treasury, Honourable Rick Houeniplewa. The government has appointed a senior government official, Mr Harry Degruit Kuma as the senior individual who will lead the EITI implementation. Mr Kuma is the Under Secretary for Economics in the Ministry of Finance and Treasury. He is ultimately the EITI National Coordinator and also the Chairperson of the Solomon Islands Extractive Industries National Stakeholder Group (SIEINSG). An MSG ("SIEINSG") has been formed, with representatives from government, civil society, land owners and the extractive companies. The objectives of the group are broad:

- To promote revenue transparency and accountability in the extractive sector in Solomon Islands through implementing SIEITI in line with the global EITI standards; and
- To provide a forum for dialogue, debate, and consensus on issues relating to the extractive sector in the Solomon Islands

During initial discussions on EITI within SI consideration was made of including the forest sector within the process (as done in Liberia).

## Infrastructure Development

Infrastructure across the SI remains extremely limited but is increasing with increased population and is seen as critical to increased economic development within the country.

Roads account for a considerable portion of existing large-scale infrastructure although with the country only maintaining 1,391km of road in total this remains of relatively limited impact. Development partners including ADB and JICA have sought to support the government in improving this infrastructure as a key part of national development strategy, however, in many cases this approach has focused on the improvements (sealing) of existing roads often initially put in place by logging companies and never removed.

Other infrastructure projects include wharfs and keys for boat landings, some of which have localised impacts on mangrove areas although in many cases areas are already functioning as landing sites with mangrove stands already cleared back. Development of such infrastructure may, however, have other impacts such as facilitating trade in sawn timber from small scale producers as well as other products with improved landing facilities making boat transport easier and reducing the risk and cost of loading at unprotected sites<sup>22</sup>.

The only other significant infrastructure programme is the Tina River Hydro Electric project. This project seeks to develop a hydro-electric dam on the Tina River in Malango, Central Guadalcanal. The project will require the flooding of an area of forest to act as the dam reservoir. An impact assessment for the dam is currently being conducted and should be completed in mid 2013. Further smaller dams may also be developed within each province as part of a strategy to reduce reliance on fossil fuels.

## Tourism

The SI's tourist industry suffered a significant set back during the period of the tensions with almost no visitors coming to the islands during the period. With enhanced stability and recent high profile guests, however, the islands are seeking to increase levels of tourism with numbers increasing 12% from 2010 to 11 to a total of 22,941 (CBSI 2011). Developments outside of Guadalcanal are limited with many focusing on eco-lodges or other programmes focused on the quality of the natural environment.

## Urbanisation

While the urban area only affects a very small proportion of the SI, Honiara's population is growing at close to twice the rate of the country. With limited urban planning this process is spreading onto the surrounding hill-sides and areas. Continued growth of Honiara and potential other urban and peri urban areas may lead to localised deforestation as well as increasing pressure on surrounding areas to supply firewood, construction materials and food.

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<sup>22</sup> A number of studies (Gray 2009, Wairiu 2004) have noted that many boat companies are unwilling to collect small amounts of timber from unprotected moorings due to the potential risk to boats and other cargo. This has hampered the development of small scale on site processing in preference for large scale felling of round logs.

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## Natural Events

The SI lie within an area prone to cyclones during the summer months of December to February (SIG 2008). These storms, should they come close to the islands, can cause significant damage to property as well as forest and coastal areas. Heavy rainfall associated with cyclones can also be responsible for landslides and significant levels of erosion. Information on the levels of deforestation and degradation caused is not currently available although a study of the impacts of cyclones on the long-term recovery of rainforest in Kolombangara found that long term impacts from disturbance by these events was limited noting that variations in species composition are more likely to be caused by anthropogenic impacts linked to shifting settlement patterns (Burslem et al 2000).

## Cross cutting issues

A number of cross cutting issues compound or contribute to the above describer drivers. Critical amongst these are:

- Population increase
- Broader political context
- Rule of law
- Land tenure

### *Population increase*

The SI population is increasing at a rate of 2.9% per annum (UNICEF 2010). Increasing population will raise pressure on natural resource use including use of non-timber and timber forest products, increased demand for space for subsistence agriculture and increase demand for cash income likely to be derived from logging or planting of cash crops. The demographic of the population with roughly half the population under the age of 25 means that many young people will also be entering the workforce in the coming years (Gray 2009). With unemployment already at high levels and a history of social unrest it will be important that productive work is found for these groups if the country is to both maintain stability and make use of this human capital.

The country has a National Population Policy developed in 1998, which was to be supported by a National Population Policy Council – this body has however been relatively ineffective and there is currently not clear approach to managing population within the country.

### *Political Environment*

The highly diverse and individualistic nature of politics within the SI make for unstable governments. Such instability presents significant challenges for sweeping political reforms particularly those that are detrimental to the welfare of key political and business groups within the country.

The political environment within the SI presents a challenge for state control of the forest sector and development of clear national strategies. The central state remains weak and struggles to provide key services to the population. Strong tribal links combined with poor transport networks have created key political and economic actors at the local level who are able to engage with national level policy discussions and are focused on capture of resources at the local level and

maximisation of benefits to tribal, family or constituency level groupings. Recent increases in the funding for Constituency Development Funds provides one example of such politics with a preference for individual groups capturing resources as opposed to country wide land use planning and implementation of national strategies. This context has hampered several national level strategies including recently the reforestation and timber utilisation programme with resources being divided evenly across constituencies as opposed to being focus in areas that are of geographically or economically optimum. Such tendencies within national politics are common globally but present significant challenges to a central state with limited capacity and limited direct control over its resources.

This context also presents challenges for the further regulation of the timber industry or other resources with landowners or their 'nominated' representatives keen to gain financially from 'their' resources. Efforts to stop such gains are thus politically very unpopular and consequently difficult to pass through parliament in the absence of a strong national level party.

Identifying the correct geographical and political level at which to manage natural resource and land use planning will be critical to the future success of the country in efforts to address deforestation and forest degradation as well as to address other key issues such as benefit distribution from resource exploitation, while maintaining external investment.

### *Rule of Law*

The reach of the state remains limited across the country with the rule of law being applied differently across many locations despite the best efforts of the RSIPF. The people's perception survey 2011 noted that as much as 60% of the population rely primarily on traditional authorities for decision on law and order (RAMSI 2011). Reports are also common of RSIPF being unable to respond to allegations raised by local communities against commercial operators or other communities. These weaknesses are further exacerbated by difficulties in accessing legal processes with the costs of taking allegations to trial way in excess of rural SI. While some successful challenges to logging companies and other groups have occurred their remains significant weaknesses.

Within this environment the development of an active and strong civil society can be difficult to foster as they are unable to draw on the powers of the state to act in their defence.

### *Land Tenure*

Land tenure remains one of the most complex issues within the SI and is both a driver of deforestation and a mechanism that prevents it. Difficulties in identifying landowners and risks of later legal challenges have dissuaded many private sector groups from operating within the islands preventing potential deforestation through establishment of large-scale agribusiness or other investments.

Insecure and contested land tenure has, however, brought significant challenges. An inability of firms to guarantee long term access to land deters long term investment and a commitment to the location, that may also foster a commitment to better standards and practices. Similarly the complex nature of identifying land holders has in many cases discouraged more reputable firms in preference of those more willing to cut corners in implementation, resulting in capture of resource rents by actors with tenuous or spurious claims over land (Allen 2011).

## Existing strategies to address Drivers of Deforestation and Degradation

- National strategies to address drivers of deforestation and forest degradation from within the forest sector have been in place for a number of years but have been unable to deliver significant results due to a lack of capacity, and a lack of political will
- Environment focused strategies are growing in prominence although still seriously limited by capacity and political will
- Efforts from within the agricultural sector have been able to increase productivity as well as access to markets but remain limited in changing subsistence practices
- Efforts within the broader natural resource and economic governance environment have shown intent to address reduce dependence on logging, to improve the regulatory environment and improve general levels of transparency
- Development partner programmes directly supporting the forest sector have decreased with a preference for broader governance and economic programmes although interest remains in supporting progress on forest trade initiatives as well as some technical capacity
- An increased interest in climate change amongst donors and government is increasing interest in approaches to adaptation in particular and the potential for joined up strategies to include both adaptation and mitigation at the local level

## Improvements in Forest Sector Governance and Management

### Forest Sector Activities

The MoFR are undertaking a number of programmes intended to address existing levels of deforestation and forest degradation in line with their strategic plan these include:

- Legislative reform
- Reforestation
- Downstream processing
- Monitoring of existing industries

In support of these activities and the need to increase the capacity of the MoFR the staff team of the ministry has continued to increase from 74 in 2005 to 93 in 2008 and 183 in 2011 with 42 vacancies still remaining (of which 42 positions are still vacant) in 2011.

### Legislative Reform

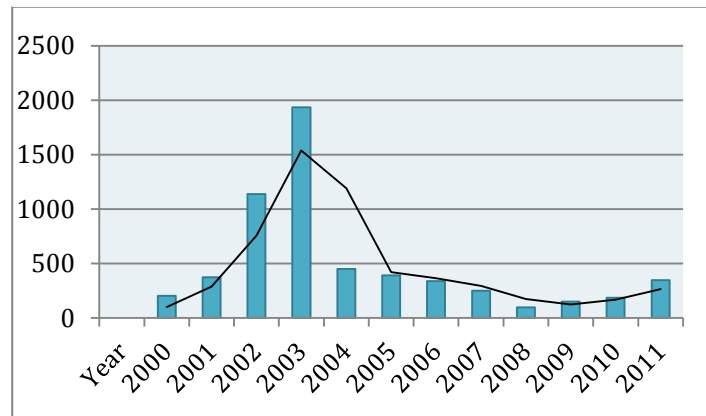
Several efforts have been made to revise the Forest Bill with revised drafts being presented in 1999, and a further draft being developed in 2004. These have, however, failed to pass through the legislature. With forest resources dwindling and updating of the Act being identified as a key priority within Forestry of the NRA government there is the potential for revisions to finally occur. At present this is seen as one of the most important priorities of the MoFR (US Technical MoFR pers comms) with a time line indicated in their 2012-13 workplan of completion by the end of 2013. However at the time of writing a committee to address this has not been established and there are no scheduled consultations to discuss potential revisions.



## Plantation Development and Reforestation

The MoFR Reforestation programme has been a long-term strategy focused on increasing the areas under plantation within the SI through both expansion of existing plantations and development of small holder plantations. The programme has a target of 500ha to be planted on an annual basis but has been unable to meet this target in all but two years since 2000 with only 2002 and 2003 reaching and exceeding the target see Figure 17. Of the total area planted in 2011 (347ha) mahogany (Swim) dominates with well over 50% by area with teak the next most popular with close to 30% by area.

**Figure 17: Levels of reforestation and smallholder plantation development 2000-11**  
(MoFR (2011) Annual Report)



It should also be noted that the focus of the reforestation and plantation development process is on the planting of commercially viable trees and development of smallholder plantations. There is a limited focus on rehabilitation of natural forest areas or enrichment planting with native species.

This level of smallholder plantation development, while evidence of progress, is insufficient to address the drop off in natural forest harvesting. Indeed current assessment of the plantation stock within both commercial and small holder plantations also indicates that while stock maybe increasing it will not be mature for another 20 years and at that point will only be able to be harvested at a level of approximately 500,000m<sup>3</sup> per annum or close to a quarter of current export levels (SKM 2011).

The MoFR noted that a number of key factors contributed to the limitations of this area of activity with a particular focus on challenges with regard to effective support of forest extension officers who where active were able to fully promote and support planting activities. Challenges were also noted in the ability to motivate individuals to invest in such long-term programmes as opposed to existing logging or agricultural development processes that show immediate rewards, as well as confusion over state policies on the support to plantations with communities reported to be holding out for free seedling as opposed to paying the nominal fee of SB\$1 (MoFR 2011).

## Downstream Processing and value added

While not addressing the direct drivers deforestation and degradation the programmes objectives focus on improving the value of timber to the SI by increasing gain at the local level as well as the export value. These elements could support a shift to a more sustainable level of extraction by encouraging sustainable production by landowners and reducing the need to export such high volumes of timber. Key elements of this approach include:

- Provision of training to forest processors
- Provision of equipment to landowners
- Support to the Value Added Timber Association

Provision of training to landowners is indented to help reduce the information gap between local producers and outside groups by highlighting important methodologies, standards and products. In

2011 training was provided to inform groups on the potential value of coco wood as a product (MoFR 2011). Work has also been done on supporting processors to gain FSC including support to the development of chain of custody and verified legal origin documentation. Four groups working under NRDF have now obtained their FSC although further work needs to be done on the development of chain of custody systems to make them more robust.

#### Box 13: Forest Certification in the SI

The concepts of timber certification and value added timber processing have been promoted in the SI since the 1980s. The approaches have however failed to gain much traction with many landowners opting to access for immediate dividends through use of external loggers. Some progress was however made with a number of programmes including SOLTRUST and SWIFT becoming FSC certified under group membership scheme in the mid 1990's. Other groups adopted an intermediary approach more closely linked to an external supplier in New Zealand that marketed the timber as eco-timber and progressed producers towards FSC standards. Several of these groups however struggled with maintaining a strong price premium for their goods as well as maintaining a good supply of high quality time with many communities only producing timber when they identified the need at a local level as opposed to as part of a market driven system. Many groups also struggled to maintain quality standards and administration required to maintain certification. These challenges coupled with the high levels of cost associated with external certification have presented significant challenges to the establishment of a certified timber industry and should provide areas for consideration in any future efforts to develop a local processing industry based around certification and indeed a forest carbon industry.

Support is also provided to communities to purchase milling equipment in an effort to promote local processing. In 2011 all 50 constituencies applied for support in this way with the majority purchasing Lucas mills or chainsaws and frames to support cutting and processing at the local level.

In order to develop a market for locally produced timber the MoFR has been supporting the Value Added Timber Association (VATA). In 2011 there were 167 fully paid up members to the organisation among a total of 860 members. This is still a significant increase from 67 paid members in 2009 (MoFR 2011). MoFR has provided support in terms of a timber yard and additional funding (MoFR 2011).

#### Improved enforcement

While enforcement remains a key element of the MoFR work the ministry has very limited financial and human resources to conduct the work within the Forest Resource Management and Technical Services Division with only three staff assigned for monitoring for Enforcement of the over 300 licences. This seriously limits their capacity to respond to requests. Limited logistical capacity also limits their ability to do site inspections resulting in only two field visits occurring in 2011 (MoFR 2011).

Monitoring at the point of export should be carried out by the timber utilisation division. In 2011 however no such monitoring at point of departure was conducted with the division only monitoring prices of export and only challenging this should the price fall SI\$500/m<sup>3</sup> below the price gained by VATA for a similar product.

The unit is also responsible for monitoring levels of production from licence holders to ensure they are complying with the 20% of processed timber in their annual quotas. In an effort to ensure compliance with this requirement the unit changed the requirement in 2011 to require licensees to

produce 20% on a quarterly basis as opposed to an annual one to ensure easier monitoring and prevent firms from leaving 20% of their allowable cut unharvested as a means of avoiding the process.

The MoFR are also working on the maintenance and development of a forest information system (SOLFRIS) to provide more accurate data on existing forest cover and logging activities as well as to provide spatial images on changes (MoFR 2011).

#### Box 14: Forest Law Enforcement Governance and Trade

Legislation restricted the import and use of illegal timber is gathering pace globally. The American Lacey act, the EU's ban on illegal timber (coming into effect March 2013) and the recent passing (passed in Nov 2012 to come into force in November 2014) of the Illegal Logging Prohibition Bill in Australia are all putting pressure on producer, and intermediary countries, as well as private sector firm to improve the evidence they provide and gain of the legality of timber.

The SI currently only exports approximately SBD74mill of timber to Australia and New Zealand representing approximately 3% of the export industry. In 2008 an EC commissioned study to assess the potential for initiating trade negotiations with SI on the development of a Forest Law Enforcement Governance and Trade Agreement concluded that there was currently 'little leverage' for engaging the government stakeholders in a dialogue on a FLEGT Voluntary Partnership Agreement.

Other programmes are currently reviewing the potential to support the development of a more comprehensive chain of custody process although at present these initiatives have not been financed and would require significant capacity building and logistical support.

## Environment and Climate Change

The principle strategies being employed associated with the environment and climate change relate to the Environment Act of 1998 and its regulation in 2008 stipulating the requirements for submission of an Environmental Impact Statement, and the development of protected areas in line with the Protected Areas Act of 2010 as well as efforts emerging from the National Climate Change Policy.

### Environmental Impact Assessment and Monitoring

The introduction of the Environmental regulations in 2008 have made the undertaking of an Environmental Impact assessment a legal requirement for all developments or activities that are likely to have 'significant adverse impacts on the environment.' (MECDM 2010) – guidelines on EIA).

Implementation of these regulations particularly within the forest sector are however weak due to limited staff capacity and inconsistencies between legislation making it difficult to ensure EIAs are done prior to project approval (eg timber license issue) as well as presenting challenges to preventing activities at a later stage.

### Protected areas

Accurate information on levels of protected areas coverage are difficult to finalise with the majority of areas only being under customary as opposed to formal protection. The NBSAP (201) identifies

only 0.5% of the SI land and sea scape as being under protection. Mataki (2012a) indicates that levels have increased over recent years and now stand at 113, covering 5.34% of the area.

The new PA Act of 2010 provides a framework by which these areas can be established, although the cost and administrative work required to achieve this (through the development of a formal management plan) is likely to be prohibitive to local groups without the support of NGOs.

MECDM currently has a list of 17 potential protected areas although this list does not include better known and well established areas such as The Arnavon Islands, East Rennell World Heritage Site, and Tetepare Conservations area, Makira Conservation, Simbo Conservation area, Komarindi Catchments area (Warren-Rhodes et al 2010, SIG 2008).

Further work is required to support the development of a network of protected areas and increase the long-term sustainability and security of these sites.

### National Climate Change Strategy

This strategy provides a basis for engagement in REDD+. The document was however only completed in mid 2012 and as yet limited resources have been allocated towards activities related to mitigation.

Initial efforts have been made to support MECDM (through UNDPs SEMRICC) to develop a central database of all environmental, climate and disaster management information, which would provide a key resource for further planning and policy integration. Progress on this process has, however, been slow with capacity still help mainly by consultants external to the ministry.

## Provincial Approaches

### Choiseul

Choiseul Province has been at the center of environmental efforts for several years with development partners, NGOs and national government agreeing to focus environment and conservation initiatives within the province.

In 2013 this initiative was taken a step further with the signing of a further MoU between key development partners and NGOs working in the region to agree a common and coordinated approach to climate change adaptation within the Province<sup>23</sup>.

The proposed Choiseul Integrated Climate Change Programme is intended to put into practice the important requirements for the mainstreaming and integration of climate change into provincial planning, by taking a holistic approach to supporting the development of Choiseul Province in an integrated, ridge-community-reef and ecosystem-based adaptation approach. The approach will be led by the provincial authority with support from SPC and other development partners.

This approach to provincial or island level coordination provides a potential scale at which REDD+ activities could be developed. Planning at this level has also been supported by The Nature

<sup>23</sup> <http://www.spc.int/en/about-spc/1098-choiseul-undertakes-integrated-climate-change-planning-.html>

Conservancy who have conducted extensive work within Choiseul and Isabela islands in the development of Ridge to Reef conservation planning processes.

## Efforts from Other Sectors

Efforts from outside the sector are addressing both direct and indirect drivers of deforestation.

### Customs

A draft bill on customs and excise tax has been developed with support from ADB and AusAid in 2012. This bill will help improve oversight of the sector at the point of departure as well as increasing state revenue capture from the sector.

### Agriculture

Efforts in agriculture have focused on increasing levels of productivity and improve the sustainability of custom gardening reducing the need for shifting cultivation, although as yet there has not been a significant drive for agroforestry. Progress in this area can be seen by improvements in both levels of agricultural production per worker and the agricultural production index (WB 2013).

### Mining

Work has been ongoing on mining legislation as well as improvements in revenue sharing agreements for existing mines. In addition the country has taken steps to engage in the Extractive Industries Transparency Initiative (EITI) with some initial interest being shown in including forestry within the initiative (MoFT pers comms). While these efforts do not directly relate to reducing deforestation and degradation they provide potential link areas in on which efforts in the forest sector can build.

## External Programmes and Support

The SI have received significant external support to help improve forest sector management, environmental conservation, agricultural productivity, local livelihoods, economic development and local and national governance. These programmes and projects have a mixed history and many of the gains achieved prior to 2000 were reversed during the period of the tensions.

The below section provides a summary of information on key projects and programmes with a more comprehensive list provided in Annex 1.

### Past programmes

#### SI Forest Management Programme 2

The programme which ran from 2004 to 2009 was an extension of the SI Forest Management Programme 1 and was intended to follow similar objectives with a focusing on the building of capacity of the MoFR. A 'rolling design' process, however, led to several revisions of focus with the independent completion report noting that the programme focused on new and interesting areas of work for the ministry as opposed to its core business. These new areas included the

development of small-holder plantations and a focus on the reforestation process. The changing focus combined with difficult implementation conditions, however, resulted in limited structured institutional support with the programme at times being seen as separate from the MoFR (ICR 2010).

While the programme supported significant progress in the development of the COLP it was unable to develop the political support required for a revision of the forest bill and struggled to address institutional weaknesses within the MoFR.

### **Current and Planned programmes**

Current development partner support focuses heavily on climate change adaptation as well as elements of livelihood improvement through improved access to markets, infrastructure development and improvements in governance practices. Key programmes include:

#### ***Climate Protection Through Forest Conservation in Pacific Islands Countries***

*Regional Programme*

*SPC/GIZ*

The main objective this 4.5year (2010-15) Euro4.9mill programme is *that the conservation of forest ecosystems in Pacific Island Countries is supported in order to mitigate climate change and preserve biodiversity*. Implemented SPC and GIZ the regional components of the project cover all 14 SPC member countries and territories in the Pacific, which are parties to the UNFCCC.

Support for national REDD+ programs focuses on the four Melanesian countries with larger forest area: Fiji, Papua New Guinea, Solomon Island and Vanuatu. Within the SI the project is focusing on supporting developments within Choiseul Province.

Key activities include: Advisory Services, Process Facilitation, trainings and Demonstration Activities on Pilot Sites. Proposed outputs will include:

- A Regional REDD+ Policy Framework endorsed (this has already occurred)
- REDD+ Info-Platform and
- Regional support structures operational Strategy elements for REDD+ implementation in Melanesian countries ready

The programme has also run a series of international workshops including a legal analysis of Carbon rights within the Melanesian context.

#### ***Improving Forest Governance in the Solomon Islands through the Development of a Multi-stakeholder Action Plan Process***

*National*

*MECDM/ACP FLECGT*

This relatively small (\$185,000) project is being implemented by MECDM with the objective *to establish an enabling environment for improvement of forest governance in the Solomon Islands through the development of a multi-stakeholder action plan process*.

Support is intended to focus in supporting dialogue around forest governance and progress towards a multi-stakeholder action plan for this.

#### ***Solomon Islands Climate Change Assistance Programme***

*National*

*MECDM/EC*



This € 2.8 M programme is implemented through general budget support by EC and is intended to run from March 2011-March 2014. Key objectives of the programme include:

- Contribute to climate change adaptation and reduction of vulnerability of people and communities in Solomon Islands
- to support the Government of Solomon Islands capacity for policy enhancement, coordination and implementation of its national Climate Change strategy
- to contribute to climate change adaptation and reduction of vulnerability of people and communities in Solomon Islands.

### *Mangrove Ecosystem for Climate Change and Livelihood in Solomon Islands*

Pacific

MECDM / BMU / IUCN

April 2012-May 2013

MESCAL is a pacific-wide project funded by the German Federal Ministry for The Environment, Nature and Conservation and Nuclear Safety (BMU) and managed by IUCN Oceania. MESCAL is being undertaken in the Pacific Island countries of Fiji, Samoa, Solomon Islands, Tonga and Vanuatu, and aims to increase Pacific Islanders resilience to climate change and improve livelihoods through mangroves management and restoration. In Solomon Islands, the Ministry of Environment, Climate Change, Disaster Management and Meteorology (MECDM) is the focal point for (MESCAL-SI), which is a national project that aims to strengthen and develop effective policies and legislation for the management of mangroves throughout the country.

### *Solomon Islands Second National Communication*

National

MECDM / UNDP / GEF

The project is providing support to the development of the second national communications. Activities include: V&A assessments, Greenhouse Gas Inventory preparation, Mitigation Analysis or Education, and awareness raising activities. The ultimate goal is the integration of climate change considerations into relevant social, economic and environmental policies and actions.

### **Proposed Projects**

#### *Integrating global environment commitments in investment and development decision-making*

National

MECDM / GEF

The objective of this US\$1.467million programme is: *To initiate and institutionalize a multi-stakeholder process meeting global environmental objectives under the three Rio Conventions.* It will work to achieve these through:

1. Strengthening Institutional Capacity and Coordination
2. Mainstreaming NECDAP into the REDD+ Roadmap
3. Ensuring strong linkages between the national strategies of the Rio Conventions and REDD+ social and environmental safeguards
4. Management Information System
5. Targeted Awareness-Raising

### *Integrated forest management in the Solomon Islands*

National

GEF /FAO, MECDM, MoFR, MoAL

This \$.5.6 mill project has the objective: *To assist the Government of the Solomon Islands to implement integrated management of protected and productive forest landscapes for sustainable community development and multiple environmental benefits.* Its work will be achieved through delivery of a number of outcomes including:

1. Development of the terrestrial protected area network.
2. Integrated land management.
3. Capacity building for the management of forest carbon.
4. Restoration and enhancement of carbon stocks in forests.
5. Capacity building for BD conservation, SLM and SFM.

#### **Box 15: Scale of Support to Environmental Planning and Management**

The SI have a number of different levels of administration that occur within both the formal state structures and customary authorities. Development partners and NGOs have tried to engage at a number of these levels with varied results.

With regard to conservation and environmental management engagement at the watershed level through the concept of ridge to reef planning has been used extensively by TNC who have also expanded this to the level of island planning within Choiseul and Isabela. Similarly World Fish argue for the need for 'integrated island management' to promote effective management of the short river catchments and the highly integrated terrestrial and marine ecosystems. These approaches are often easily understood by communities who are familiar with the linkages between different ecosystems within the landscape. There are a significant number of examples of where this approach has been successful with large number of locally managed conservation areas providing a further indicator.

Such approaches do not however always link easily into customary decision-making, at the local level with several customary groups often inhabiting one landscape, or national level planning and critically political decision making which is heavily influenced by the interests of individual constituencies as can be seen by the rise of the constituency development funds.

Recent shifts by some development partners to budget support combined with ongoing support for international development banks to the national budget indicate a different style of approach focused on developing the central regulatory and institutional environment within which further development can be delivered. This approach moves beyond the national level project based approach that has a mixed impact within the SI with many projects failing to deliver long term

## Potential Drivers and REDD+ Strategies

- The challenges of deforestation and forest degradation have been ongoing for several years it is possible however that a number of drivers of change may be increasing in relevance while others continue to be relevant should an approach to addressing deforestation and forest degradation capitalise on them. Potential drivers of change include:
  - Collapse of the timber supply
  - Economic and social stability
  - Climate change adaptation and disaster risk reduction
  - Improved awareness at community / local level
- In order to capitalise on these drivers a number of strategies need to be developed that with both address them directly and utilise their broader impacts to support changes that will create a better enabling environment to address deforestation and forest degradation
- Potential strategies include but are not limited to:
  - Increasing public awareness
  - Legislative reform
  - Capacity support and improvements in data availability
  - Support to Enrichment planting and plantation development
  - Support to increased protected areas coverage
  - Close linkages between adaptation / disaster risk reduction and REDD+
- No single strategy will be sufficient to address the drivers of deforestation and forest degradation and it will require coordination across multiple approaches to deliver change
- Strategies should also be linked to provide both a coherent narrative of multiple benefits to decision makers and communities as well as providing a mechanism for cost effective implementation of key strategies

### Potential Drivers of Change

A number of assessments have been conducted assessing the future of the SI forest sector. In 2009 FAO concluded that the future of the SI forest sector was unlikely to be bright unless the SIG were *'serious about making fundamental changes to the rules and regulations governing the forest sector'* (PAUKU 2009). Given this context it is important to identify any potential drivers of change that will support efforts to reduce deforestation and forest degradation around which potential REDD+ strategies can be built. This section outlines a number of potential drivers before identifying subsequent strategies that may be able to capitalise on these. The analysis remains at an early stage and should thus be treated as a discussion piece as opposed to a completed proposal. The potential drivers of reductions in deforestation and degradation include:

- Collapse of timber supply
- Economic and social stability
- Climate change adaptation and disaster risk reduction
- Improved awareness at community / local level

## Collapse of timber supply

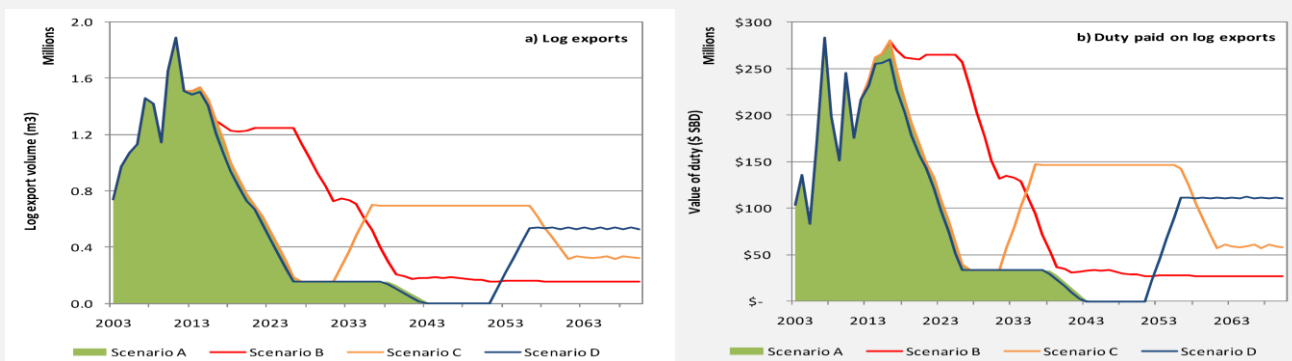
The collapse of the timber supply from natural forests has been being predicted for many years with revisions being based on changes in the economic value of timber. The most recent assessments, however, present a bleak picture of the future role of the forest sector within the domestic economy.

SKM in 2011 updated the 2006 FRA looking purely at timber flows. While extending the potential period until all economically viable timber will be exhausted they stressed the potentially damaging future scenarios within the sector (see box XX). They predict that a continuation of a business as usual scenario may result in a complete collapse of the natural timber stock with forest areas disturbed to such an extent that they are unable to regenerate under natural processes. While the time horizon for this occurring is 30 years it provides a stark warning of the future for a sector that has been critical to the country's economy and to a resource that is closely linked to traditional culture and social values. The rapid decline of the sector under all scenarios also present a case for continued efforts to increased revenue capture from the sector in order to lessen the impact on government revenues. Such efforts would require further support to oversight of the sector, improved legislation and improved domestic processes all of which may help to drive a stronger and better governed forest sector.

### Box 16: Potential Logging Scenarios

SKM (2011)

- **Scenario A: One-off utilisation of the primary and current secondary commercial forest area:** in this scenario logging continues in each province at the average rate for 2006-2011, until the entire primary commercial forest and all pre-2006 secondary commercial forests are fully logged. Following completion of this cycle of logging, there is no further logging in secondary forests.
- **Scenario B: Market driven business as usual logging:** in this scenario logging takes place with little effective control until Solomon Islands' commercial forest resources are exhausted. Logging continues in each province at the average rate for 2006-2011, drawing on remaining primary forests, secondary forests and accessible marginal forest areas. Re-entry logging in secondary forests continues on a 10 year cycle until forest productivity diminishes to very low levels. Forest composition changes in each phase of re-entry logging, with larger trees and those from more valuable species depleted most rapidly.
- **Scenario C: Later re-entry into recovering forests:** this scenario follows Scenario B, except that after utilisation of the current primary and secondary forest resource, timber production in the subsequent secondary forests is managed on a 25 year harvest cycle. Yield in second and subsequent logging phases is diminished and smaller and lower value logs increasingly contribute to the harvest.
- **Scenario D: Sustainable rotation:** in this scenario timber production moves to the minimum harvest cycle considered to be necessary for sustainable rotations in tropical rainforests (45 years). Yield and log composition in secondary forests are similar to primary forests. There is no further logging in non-commercial forests.



Note: 5 year running average is plotted for scenario period (2012-2070)

### **Economic and social stability**

Timber extraction has played a key role in the SI economy over the past 20 years. Revenue from this process has, however, been poorly captured by the state and poorly distributed at the local level.

Declining income from a reduction in exports will put pressure on government finances and the balance of payments. Weaknesses in revenue capture from the sector have already resulted in pressure from development partners to improve the process for calculation of determined value a process that has now happened and to improve customs regulations a process that is under development with support from AusAid. Predictions of further reductions in income could increase pressure from central ministries to further strengthen revenue capture as well as support initiatives that move towards higher value exports in the form of certified processed timber. Such changes would require improvements in regulations and increased capacity within relevant ministries. Access to higher value markets is also likely to require improved sustainability standards with many markets now requiring improved standards.

Logging currently provides a significant cash injection to the economy as well as employing a significant number of people. An increasing population will require an increasing number of jobs of which there are currently not a sufficient number. The collapse of the sector would leave a significant gap in employment. A shift to more sustainable small-scale domestic production as well as efforts towards replanting would provide a potential area of employment for young men as well as increasing local benefits from the logging industry.

Improved revenue capture and distribution within the SI is also of key importance to social stability. With increased intensity of logging and reduced return periods many areas are becoming highly degraded. Communities and landowners seeing limited financial benefit are also seeing significant degradation of the environment on which they rely for their livelihoods. Tensions between middle men and landowners as well as perceptions of unfair gains by some groups has caused significant social upheaval before and has the potential to again should landowners and communities not receive appropriate compensation for the use of natural resources. The first step in achieving this would be supporting communities to understand their rights and opportunities as well as providing a legal framework to enable this to happen. With such strong indigenous communities and levels of land ownership this group has a significant role to play in the future of the sector but can only do this effectively and positively if fully informed of their rights and empowered to address them.

### **Climate change adaptation and disaster risk reduction**

The threat of climate change has been seen as a significant challenge to the country and is going increasing domestic attention as well as international support. Forest and mangrove areas play a significant role in the disaster risk reduction and adaptation strategies including coastal defences, protection from landslides, maintenance of waterways as well as having the potential to be integrated into agroforestry strategies that provide risk mitigation to failure of specific crops. Improved linkages between approaches to reducing deforestation and degradation and climate change adaptation and disaster risk reduction have the potential to increase benefits, and save costs as well as falling firmly within the concept of a 'no regrets approach'.

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## Potential REDD+ Strategies

Based on the above analysis a number of potential strategies have been identified. The current list are by no means comprehensive but provide an initial point of departure for discussions at the national level.

### *Increased public awareness*

Public awareness of existing deforestation and forest degradation, existing laws and regulations and potential strategies to address them, including REDD+, would be a powerful tool in addressing deforestation and forest degradation. Existing strategies for awareness raising have included videos and radio broadcasts done by NGOs and ministries as well as workshops and outreach work. Further work in this area will be critical. Strategies should look for linkages with awareness raising around climate change adaptation and mitigation with central level coordination providing a means to ensure that messages being communicated at community level are clear and coherent. Current efforts to develop a coherent plan for climate change in Choiseul province may provide a good case study for this process although there is a need to link this closely with national level approaches to improve coherence. Lessons may also be taken from the work of LALSU who have been providing legal support and awareness raising on current legislation to communities. Key tools that can be supported and developed as part of this process include:

### *Legislative reform*

Legislative reform is one of the most critical elements for achieving reductions in levels of deforestation and forest degradation. Reforms and improvements to the FRTU act forms a central point of this although upcoming reforms to customs regulations will also play an important part. Broader reforms should also be supported to create a stronger enabling environment in which logging can take place. Example of this include improvements to the Leadership code and increase powers for the Leadership Code Commission, the Ombusman and the Auditor general to pursue cases as well as changes to the penal code to more clearly address bribery or incentive payments by middle men (Transparency International 2011). Improvements in the guidelines for management of natural resource extraction revenues should also be considered to increase transparency within these processes. Upcoming revisions to mining legislation may provide guidance in this area along with proposals for the EITI.

With specific regard to REDD+ a clarification of forest carbon and how this 'new' commodity can be owned, sold and managed.

Improvements in these areas should also be supported by development of a clear framework for social and environmental safeguards that would enable stakeholders to have clearer information on mechanisms to protect their rights and due process as well as providing a barometer against which performance can be measured. Such a system could work across different sectors to reduce complexity and reduce cost of implementation.



### *Capacity support and improvements in data availability*

Key ministries require further support to be able to effectively manage the forest sector and engage in new mechanisms such as REDD+. A key element of this will be improved mechanisms for data collection, analysis and storage.

Work within the forest sector should combine with initial efforts started under SREP for improved GIS and data storage capacities within MECDM and plans within MDPAC to develop a central data storage system for the country.

Increased levels of field monitoring and enforcement will also be critical. Within this are the MoFR should consider closer linkages with local communities to support the monitoring process give logistical challenges.

### *Support to enrichment planting and plantation development*

The plantation sector will be critical to the future of the forest sector within the SI. Improving levels of small scale plantations and development of agroforestry approaches will provide one mechanism to achieve this particularly given the challenges of gaining access to large areas of land for commercial plantations. Support to the recovery of heavily degraded areas will also be important to prevent long term declines in productive stock in these areas.

### *Support to increased protected areas coverage*

The amount of land currently covered by protected areas (customary and official) remains very limited. Further support to communities to record areas under traditional protection to ensure the long term sustainability of these areas and prevent potential challenges from commercial interests would provide an initial mechanism to support protection. Consideration can also be given to the potential to address areas of land outside the currently classified productive forest. Formal classification of these areas as protected would improve their protection from illegal logging and discretionary allocation of licences.

### *Adaptation and Disaster Risk Reduction*

The forests of the SI play a critical role in mitigating the effects of climate change and reducing the impacts (and likelihood) of natural disasters. With funding for these activities increasing along with increasing political interest clear links between strategies to address deforestation and forest degradation should be developed.

Presentation of these two issues together at the community level will save significant costs in a country with high transportation costs and will also provide a more clear and coherent message to communities and landowners.

#### **Box 17: Ecosystem Based Adaptation**

The concept of ecosystem-based adaptation (EbA) is embedded within the Convention for Biological Diversity (CBD) and is defined as: 'Adaptation that integrates the use of biodiversity and ecosystem services into an overall strategy to help people adapt to the adverse impacts of climate change'. Hence the primary beneficiaries of EbA are people rather than local ecosystems. There is growing consensus that using natural capital is an important part of climate change adaptation, particularly in developing countries where there is reliance on ecosystem services.

*Adapted from Mataka et al (2013)*

It is clear that none of these strategies alone would be able to address current drivers but work on a number may be able to increase the likelihood of reductions in deforestation and forest degradation. A future mechanism on REDD+ will not be the main driver of these process but may help provide incentives and support as part of a bundle of bundle of 'multiple benefits' that will motivate local, provincial and national level actors to take action. Given the relatively small amount of funds available within the country, the high costs of operation and the complexity of the issues clear synergies should also be drawn between different initiatives to maximise their impact and present a clear narrative of change to both high level decision makers and communities. Efforts within Choiseul present one test case for this and further work should be done to ensure clear nation, provincial and local level engagement.

## Conclusions

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The SI as a less developed country faces a number of challenges in addressing deforestation and forest degradation and developing approaches to REDD+. Its unique geographical and social context also provides a situation in which many 'off the shelf' approaches are inappropriate. These unique elements however also provide potential to help support and strengthen efforts to address deforestation and forest degradation from both the bottom up and top down and allow for clearly defined geographical and ecological areas to move at different speeds. A highly rural population with a strong cultural, social and livelihood based link to the land and forest also provide a key resource in potential custodians of the land who can support the country to by pass the high carbon development pathway taken by most countries.

This document provides an initial background to the SI context and the future of the forest sector. Further work to update information provided within it and to discuss and develop strategies will be required prior to the adoption of a clear roadmap for REDD+ development.

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## Annex 1: Past, Present and Future Programmes

Project Title	Funding Body and Partner	Dates	Objectives	Key Activities / Outputs	Location
<b>Current</b>					
<b>Improving Forest Governance in the Solomon Islands through the Development of a Multi-stakeholder Action Plan Process</b>  Total Value: \$0.185m	ACP FLEGT MECDM	1 year	The objective of the project is to establish an enabling environment for improvement of forest governance in the Solomon Islands through the development of a multi-stakeholder action plan process.	An operational National FLEGT/REDD+ Working Group. A FLEGT/REDD+ roadmap. Background information analyses and studies A comprehensive REDD+ communication and education programme Initial capacity towards a regional (PNG/SI/Vanuatu) MRV system	Solomon Islands – national level
<b>Enhancing resilience of communities in Solomon Islands to the adverse effects of climate change in agriculture and food security</b>  Total Value: \$5.1m	UNDP MECDM, MAL, SNR, KGA, NGASI	2011 - 15	To strengthen ability of communities in Solomon Islands to make informed decisions and manage likely climate change driven pressures on food production and management systems.	<ul style="list-style-type: none"> <li>Promote and pilot community- adaptation activities enhancing food security and livelihood resilience in pilot communities in at least 3 selected regions;</li> <li>Strengthen institutions and adjusted national and sub-national policies related to governing agriculture in the context of a range of climate change futures; and</li> <li>Foster the generation and spread of relevant knowledge for assisting decision-making at the community and policy-formulation level.</li> </ul>	
<b>Climate Protection through Forest Conservation in Pacific Island Countries</b>  Total Value Euro4.9mill	BMU SPC/GIZ	4.5 years	The conservation of forest ecosystems in the Pacific island countries is supported in order to mitigate climate change and preserve biodiversity.	<ul style="list-style-type: none"> <li>Development of a Regional Pacific Policy Framework for REDD+</li> <li>Operation of a regional REDD+ information and support platform</li> <li>Support for REDD+ readiness on national level including demonstration activities</li> </ul>	The regional components of the project cover all 14 SPC member countries and territories in the Pacific. Support for national REDD+ programs focuses: Fiji, Papua New Guinea, Solomon Island and Vanuatu. Within SI the focus is on Choiseul Province.



<b>Coping with Climate Change in the Pacific Island Region</b>  Total Value:				<ul style="list-style-type: none"> <li>• USAID also supporting as part of Choiseul Ridges to Reef Work</li> </ul>	
<b>Solomon Islands Climate Change Assistance Programme (SICAP)</b>  Total Value: Euro2.8m	EC (budget support)  MECDM, MFT, MDPAC	2011-14	<b>Contribute to climate change adaptation and reduction of vulnerability of people and communities in Solomon Islands</b>	<ul style="list-style-type: none"> <li>• To support the Government of Solomon Islands capacity for policy enhancement, coordination and implementation of its national Climate Change strategy</li> <li>• To contribute to climate change adaptation and reduction of vulnerability of people and communities in Solomon Islands.</li> </ul>	
<b>Facilitating Agricultural Commodity Trade (FACT) in the Pacific</b>	EC  SPC		To promote and increase trade in agricultural and forestry products from Pacific ACP countries.	The project will work across a number of areas including: By Increasing competitiveness of potential exports by addressing and upgrading substandard components of the supply chain including through: Detailed systems analysis of business to identify any vulnerable and weak areas of the current supply chain, or areas for potential new development, Advice on sustainable production techniques; certification; pest and disease management; meeting necessary quarantine, food safety and quality standards, Training of operators (producers, carriers, processors), Necessary post-harvest processing equipment and storage facilities, Assessment of the potential for new product development, Evaluation and supply of germplasm of new species and varieties, and Marketing skills such as pricing, promotion, distribution and negotiating.	Activities are be undertaken within the 14 Pacific ACP countries. Within the Solomon Islands they are providing specific support to VATA and VETE. They have also published work on Handicraft industry in the SI and the development of Virgin Coco Oil.

<b>Rural Development Programme</b>  Total Value: \$31.8mill	AusAid (\$6.6m), EC (\$10.1m). Food price Crisis response (\$3m), IFAD (\$4m) and World Bank (\$6.2) (lead)  MDPAC	2008-13	To raise the living standards of rural households in the Solomon Islands by establishing improved mechanisms for the delivery of priority economic and social infrastructure and services by the public and private sector.	The project consists of three components: <ul style="list-style-type: none"> <li>• Delivery of local infrastructure and services. Specifically to increase access to and use of infrastructure and services in rural areas through participatory planning, budgeting and execution mechanisms at community and provincial level.</li> <li>• Improving the agricultural services. Specifically to improve access of smallholder households to quality agricultural services to support rural income growth.</li> <li>• Rural business development. To facilitate rural enterprise development through provision of an equity financing facility and associated training and technical assistance.</li> </ul>	Western Province Malaita Province Guadalcanal Province Temotu Province Makira Province Choiseul
<b>Increasing Resilience to Climate Change and Natural Hazards.</b>  Total Value \$2.73	World Bank,	2012-16	<ul style="list-style-type: none"> <li>• To integrate Disaster risk reduction/Climate Change Adaptation (DRR/CCA) across sectors;</li> <li>• To improve climate and disaster risk information and communication; and</li> <li>• To increase the resilience of rural communities in Solomon Islands to climate change and natural hazards.</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	
<b>Mining Sector Assistance Phase 1.</b>  Total Value: \$0.9m	World Bank  MMERE	2010-13	Technical assistance to review policy, legislation and institutional arrangements relating to the mining industry. The project will also support the Government's stated goal of signing up to the Extractive Industries Transparency Initiative (EITI).		
<b>Strengthening Country Safeguard Systems in the Transport Sector</b>  Total Value: \$0.6m	Gov of Japan  ADB  MID		The intended outcome of the programme is that transport projects are implemented in an environmentally and socially responsible manner.	<ul style="list-style-type: none"> <li>• Conduct a country safeguard system review</li> <li>• Conduct an institutional capacity assessment</li> <li>• Develop an action plan for strengthening country safeguard systems framework and implementation capacity</li> <li>• Provide training and capacity building initiatives</li> </ul>	
<b>Mangrove Ecosystem for</b>	BMU / IUCN	2009	To increase the climate change	<ul style="list-style-type: none"> <li>• National Baseline Information about Climate Change</li> </ul>	Pacific Island countries

<b>Climate Change and Livelihood (MESCAL-SI)</b>  Total Value: Euro2.3mill	MECDM	- 13	resilience of Pacific Islanders as well as improve their livelihoods through selected capacity support in adaptive co-management and restoration of mangroves and associated ecosystems in five countries: Fiji, Samoa, Solomon Islands, Tonga and Vanuatu.	Scenarios, use and values of Mangroves and Associated Ecosystems <ul style="list-style-type: none"> <li>• Co-management of mangroves for adaptation to Climate Change Governance</li> <li>• Improved conservation and/or restoration of mangroves at selected demonstration sites</li> <li>• Increased Awareness, Advocacy and Capacity development</li> </ul>	of Fiji, Samoa, Solomon Islands, Tonga and Vanuatu Within the SI MESCAL is working with, WorldFish in partnership with MECDM in the Eliote Community in Maramasiki Passage, South Malaita as a demonstration site for the development of a mangrove management plan as part of this project an assessment of the carbon density of mangroves has been conducted.
<b>Provincial Governance Strengthening Project</b>  Total Value: \$15.469m	UNDP, UNCDF, EU and AusAid through RAMSI  UNDP, UNCDF, MPGIS,	2008-2013	To Strengthened provincial governance structure and systems	The programme has a number of intended outcomes including: <ul style="list-style-type: none"> <li>• The responsibilities of the Provincial Governments are clarified and expanded.</li> <li>• The resources of PG are commensurate to their responsibilities.</li> <li>• The LD management capacity of the PG is developed. PGSP Monitoring and Evaluation - An effective M &amp; E system of PGSP is in place</li> </ul>	
<b>Local Climate Adaptive Living Facility</b>  Total Value: \$1.5	UNCDF	2011-13	To respond effectively to climate change while strengthening local government capacity and local climate change adaptation planning.	Increasing climate change adaptation financing through performance-based grants.	
<b>Pacific Horticultural and Agricultural Market Access Programme (PARMA)</b>  Total Value: \$14m	AusAid SPC/URS	2009-13	To improve economic growth and livelihoods in Pacific countries by increasing Pacific horticultural and agricultural exports to international markets.	<ul style="list-style-type: none"> <li>• Addressing market access priorities identified by national private-public sector partnerships through technical assistance or research</li> <li>• Strengthening the capability of the Secretariat of the Pacific Community to better engage on agriculture and forestry issues in the region.</li> </ul>	Samoa, Tonga, Solomon Islands, Vanuatu and Fiji
<b>Future</b>					
<b>Integrated forest</b>	GEF	5	To assist the Government of the	<ul style="list-style-type: none"> <li>• Development of the terrestrial protected area network.</li> </ul>	

<p><b>management in the Solomon Islands</b></p> <p>Total Value: \$5.6million</p>	<p>FAO, MECDM, MoFR, MoAL</p>	<p>years</p>	<p>Solomon Islands to implement integrated management of protected and productive forest landscapes for sustainable community development and multiple environmental benefits</p>	<ul style="list-style-type: none"> <li>• Integrated land management.</li> <li>• Capacity building for the management of forest carbon.</li> <li>• Restoration and enhancement of carbon stocks in forests.</li> <li>• Capacity building for BD conservation, SLM and SFM.</li> </ul>		
<p><b>Integrating global environment commitments in investment and development decision-making</b></p> <p>Total Value: \$5.6m</p>	<p>GEF UNDP MECDM</p>	<p>3 years</p>	<p>To initiate and institutionalize a multi-stakeholder process meeting global environmental objectives under the three Rio Conventions.</p>	<ul style="list-style-type: none"> <li>• Strengthened policy coordination and planning mechanisms.</li> <li>• Improved communications and dissemination of information related to Rio Conventions</li> </ul>		

## Annex 2: International Environmental Agreements

Information Adapted from Mataki (2011a)

Convention/instruments	Status	Purpose/Aim	Agency Responsible & related Projects
<b>Regional MEAs</b>			
i) Waigani Convention	Ratified 7/10/1998	Ban the importation of into Forum Island Countries of hazardous and radioactive wastes and to control the trans-boundary movement and management of hazardous wastes within the South Pacific region.	ECD
ii) Pollution Protocol for Dumping	Ratified 10/9/1989	Prevention of pollution of the South Pacific region by dumping.	Marine Division/ECD
iii) Pollution Protocol for Emergencies	Ratified 10/9/1989	Cooperation in combating pollution emergencies in the South Pacific region.	Marine Division/ECD Project: National Pollution Prevention Plan
iv) Natural Resources and Environment of South Pacific (SPREP Convention)	Ratified 10/9/1989	Protection of natural resources and environment of the South Pacific Region in terms of management and development of the marine and coastal environment in the South Pacific region.	ECD
<b>International MEAs</b>			
<b>Chemicals, Wastes and Marine Pollution</b>			
i) Liability for Oil Pollution Damage	Ratified	Strict liability of a ship owner for pollution damage to a coastal state within a certain amount.	Marine Division
ii) Marine Pollution Convention (London)	Ratified	Prevention of marine pollution by dumping of wastes and other matter.	ECD/Foreign Affairs
iii) Persistent Organic Pollutants Convention (Stockholm)	Acceded 28/7/2004	Protection of human health and environment from persistent organic pollutants.	ECD/Environmental Health Division Project: National Implementation Plan
<b>Biodiversity</b>			
i) United Nations Convention to Combat Desertification (UNCCD)	Acceded 16/4/1999	Agreement to combat desertification and mitigate the effects of drought in countries	MAL/ECD Project: National Action Plan on Land

		experiencing drought or desertification.	Degradation and Drought; NCSA
ii) Cartagena Protocol on Biosafety	Acceded 26/10/2004	Protection of human health and the environment from possible adverse effects of the products of modern biotechnology, especially the living modified organisms (LMO) while maximizing its benefit.	ECD Project: National Biosafety Framework
iii) Convention on Biological Diversity (UNCBD)	Ratified 3/10/1995	Conserve biological diversity through the sustainable use of its components and the fair and equitable sharing of the benefits arising out of utilizing genetic resources.	ECD Project: NCSA; NBSAP; International Waters Programme; 3rd and 4th national reports.
iv) Convention on Illegal Trade in Endangered Species of Flora and Fauna (CITES)	Acceded 24 /6/ 2007	Regulation and restriction of trade in specimens of wild animals and plants through a certification system for imports and exports.	ECD
v) World Heritage Convention	Acceded 10/6/1992		Museum/ECD Project: Development of alternative livelihood and conservation strategy for Lake Teggano, as a listed site for World Heritage.
<b>Climate</b>			
i) Kyoto Protocol	Ratified 13/3/2003	Reduce greenhouse gases especially carbon dioxide for the 39 industrial/ developed by an average of 5.2 % by 2012.	MECDM
ii) Climate Change (UNFCCC)	Ratified 28/12/1994	Sets an overall framework for intergovernmental efforts to tackle the challenge posed by climate change.	MECDM (climate change division) Project: NAPA; Second National Communication on Climate Change; NCSA
iii) Montreal Protocol	Acceded 17/6/1993	Allows phase out of substances that deplete the ozone layer according a fixed schedule.	ECD/Energy Division
iv) Ozone Layer Convention (Vienna)	Acceded 17/6/1993	Protection of the ozone layer through intergovernmental cooperation on research, systematic observation of the ozone layer and monitoring of chlorofluorocarbon production	ECD/ Energy Division



## Annex 3: Drivers of Deforestation and Forest Degradation

Information compiled following document review and based on discussions held within the Drivers and Strategies Technical Working group. Further assessment of specific drivers will be required.

Driver	De-forestation or De-gradation	Direct (D) or Indirect (I)	Recent trends (changes in extent and severity)	Projected scale of problem 5 = very significant 0 = minimal	Severity of impact 5 = very significant 0 = no impact	Overall priority (likelihood x impact)	Comments and possible responses
<b>1. Inland forests</b>							
<b>Legal logging</b>	Deg	D	Has been increasing with price in timber, with over 30% increase in production from 2010-11 (no figures for 2012 currently available)	5 – 1.9mill m3 in 2011 of which only 800k m3 was from plantation this is way above the sustainable yield	4 – main cause of degradation, getting worse impact as re-entering zones	20	<p><b>Comment</b> Logging is primary industry in SI. Causes degradation but with increased re-entry into formally logged areas it is further degrading habitat. Recent reports suggest that natural forest reserve could be fully exhausted by 2036 (CBSI 2012).</p> <p><b>Recommendation</b> Promotion of more sustainable harvesting eg FSC or other forms of certification. Reducing number of licences issued to slow speed of decline Improved enforcement of existing laws and policies.</p>

<b>Subsistence agriculture</b>	Def	D	Set to increase with increasing population	3.5 – set to increase but not on dramatic scale	3 – locally has large impact but not big scale	10.5	<p><b>Comment</b> With population increasing at 2.3% this is likely to increase over coming years. Shifting cultivation might regenerate with some original species but short fallow periods caused by intensive cultivation as a result of population pressure on the same land has left the land so degraded that it will take many years to recover. Eg. Northeast coastal hills of Malaita</p> <p><b>Recommendation</b> Continued support to increasing the productivity and sustainability of agricultural areas to prevent shifting agriculture or widespread clearance. Improved landuse planning and practices at local/provincial level</p> <p>Current efforts on increased sustainability of integrated farming systems and improved soil fertility are very localised and will need expanding. (Programme – SwoCK, SPC – in Choisel sustainable agri – Vuki)</p>
<b>Commercial agriculture / forest plantations</b>	Def	D	Set to increase – identified as element of agriculture and rural development strategy. Currently planned on Auluta (4,000ha), Waisisi, and Vangunu, future ones planned on Shortlands, and Choisel.	3.5 – set to increase but not clear on levels of investment	4 – high impact in areas in which it will be implemented.	14	<p><b>Comment</b> Has potential to provide an important alternative revenue source for communities and government but requires careful coordination and site identification to not be destructive.</p> <p><b>Recommendation</b> Development of clear guidance and safeguards for development of commercial agricultural projects.</p>

<b>Illegal logging</b>	Def / deg	D	Potential to increase significantly as availability of legal timber diminishes and there remains no alternative forms of income. There are issues between illegality and good practice – many companies adhere to the letter of the law but may break the code of practice or may have not made every effort to ensure the quality of agreements.	3.5 – scale is significant already although often associated with existing contracts. A lot of domestic timber is also felled by landowners without a licence	3 – impact varied dependent on legal practice	10.5	<p><b>Comment</b> Big range of illegal activities varying between contractors and landowners.</p> <p><b>Response</b> Improved monitoring and enforcement.</p>
<b>Fuel-wood collection</b>	Deg	D	With increasing population demand will also increase, shift in population to urban areas may however increase use of gas and other fuels	2	2		<p><b>Comment</b> Usually associated with shifting cultivation – when areas cleared this provides fuelwood for a period. Offcuts from the logponds are also used for fuelwood – and construction.</p> <p><b>Response</b></p>
<b>Domestic construction</b>	Deg	D	Increasing population along with increased demand for standard of living leads to increase in levels of house building	2.5	2.5		<p><b>Comment</b> Scale of tree used has increased with increased access to machinery. Demand may increase with increased demand for better/stronger houses made all of timber opposed to mixed materials.</p> <p><b>Response</b></p>
<b>Natural events eg cyclones</b>	Deg	D	Cyclones are predicted to increase in frequency and ferocity with climate change – mainly mangrove.	1.5	3		

<b>Urban expansion</b>	Def	D	Rapidly expanding urban population will increase area cleared for settlement	1	4	8	<p><b>Comment</b> Population pressure remains relatively limited but should be managed.</p> <p><b>Recommendation</b> Improved urban planning and support – existing projects already underway through UNHABITAT</p>
<b>Infrastructure / PS development (mines / dams)</b>	Def	D	Progress in developing road network as well as large projects such as dams will reduce forest cover	2	5	10	<p><b>Comment</b> Areas impacted may be small but may also be of important biodiversity value. Increased access to certain areas may also increase potential for deforestation and degradation.</p> <p><b>Recommendation</b> Development of improved guidelines and safeguards around infrastructure and other development projects and support to capacity to implement them. ADB are already supporting work on transport safeguards.</p>
<b>Out-dated legislation</b>	Deg / def	I	1969 Timber Utilisation Act Remains principle legislation.	3 – issue comes to core of forest management	3	9	<p><b>Comment</b> Code of Logging Practice (COLP) (1996, 2002) provides a basis for improvements but lack of capacity in Min of Forestry and Research limits monitoring and implementation</p> <p><b>Recommendation</b> Review and passing of updated 2010 legislation – increase focus on plantation development and other activities.</p>

<b>Lack of enforcement / implementation of existing legislation</b>	Def / deg	I	Limited capacity in MoFR and SIPF means that issues of illegal activity are rarely monitored or prosecuted	3	4	12	<p><b>Comment</b> Situation makes enforcement very challenging and gives limited incentives for good practice by timber operators. This issue is also true for delivery of other benefits from logging with risk of lack of delivery of schools, royalty payments or replanting. The latter of these has been a priority of the MoFR but levels of success have been limited.</p> <p><b>Recommendation</b> Improved monitoring by local communities / provincial authorities,</p>
<b>Importance of logging to economy</b>	Def / deg	I	Logging remains a major component of the economy although there is a risk that it will decrease as supply dwindles	3 – country cannot currently sustain a significant drop in logging exports without a significant shift in balance of payments as well as reductions in level of employment	3 – situation will continue to drive unsustainable exploitation of resources	9	<p><b>Comment</b> Logging contributed 17% of domestic revenue as well as acting as a major source of foreign exchange.</p> <p><b>Recommendations</b> Continue work to increase the value of the wood products being exported – increased processing in-country, access to higher value markets. Increase revenue capture from this process through improved taxation and monitoring.</p>
<b>Challenges of land tenure</b>	Def / Deg	I	<p>Identification of land tenure and beneficiaries of land tenure remain challenging. Examples of recent cases...</p> <p>This can also be seen as having prevented large scale logging processes.</p>	3 – this is significant issue but is not a major driver – rather a major issue in gaining benefits	3	9	<p><b>Comment</b> With 87% of land under customary ownership this is a significant issue. Lack of clarity has resulted in unfair distribution of benefits and contributes to Difficulties in sharing of benefits</p> <p><b>Recommendation</b> Improvements in the procedures and process for acquiring rights to land resources as well as increased awareness of process amongst community members – LALSU work may be key to this</p>

<b>Political Stability</b>							
<b>Un-informed Community practices</b>	Def/deg	1	Practice of de-limbing certain favoured trees and getting rid of the rest of the forest or plants near the particular tree for games/fun	This is not at threat but it will be if more people practising it. Scale (0.5)			Educate, educate, educate community on the issue of deforestation and degradation
<b>Ship Building</b>			On the Langa Langa Lagoon estuaries and mangrove forest on the West of Malaita ship building is the main driver to destruction of mangrove forest and coastal low land tropical forest	On a project scale. This is a threat on localised areas (2)			A current threat to existing coastal forest and must be addressed immediately
<b>Road Construction</b>			There are areas not included in a logging concession but they can negotiate access rights. They make a huge hole in the forest	3	3	9	
<b>Coastal Erosion</b>			Lack of coastal management and mining of gravel of sand can eat away the large portion of the coastal vegetation. This also include cutting down of coastal forest for coconut plantation has been the greatest driver for deforestation in the early 1900s	3	5	15	