



Foreword

Forests Resources has significant value and importance to Solomon Islands. People have depended on the forest for their livelihood and will continue to benefit from it in the future. Over the past decades, Solomon Island relied heavily on the harvesting of commercial timber trees for export and other forest development activities that resulted in rapid deforestation and degradation due to unsustainable logging, commercial agriculture and infrastructure development. An urgent need remains, for a collaborative approach to establish appropriate policies and management framework to promote and implement sustainable Forest Management initiatives to ensure the continuous benefit in perpetuity.

We as citizens and owners bear all responsibility to manage our forest with best practices. The NCRA coalition fully acknowledges the Forestry Sector as a key contributing sector in the country's development process. It contributes substantially to GDP growth, government revenue through export duty, and job creation, especially in the rural areas. However, the government is very concerned about the current unsustainable logging in the country and the likely adverse impact on the economy, if current trends continue unaddressed. Under the coalition diversification program, it will encourage private existing investors to participate in implementing a comprehensive downstream processing strategy. Our current priorities are:

- (a) *Enactment of the current draft Forestry Bill to ensure a holistic management strategy.*
- (b) *Suspend the issuance of new logging license and review all non-operational licenses;*
- (c) *Review the current logging taxation regime and ensure both customary landowners and the government equally benefit.*
- (d) *Assist the Forestry Research Institutions to identify and regulate the use of endemic species in reforestation programs.*
- (e) *Provide technical advice services to rural communities in managing the commercial use of the resources as well as to transfer skills and technologies.*
- (f) *Liaise with other sectors, ministries and relevant stakeholders to explore a mechanism for Solomon Islands to participate in and benefit from carbon trade opportunities from its forest resources;*
- (g) *Promote a country wide production and marketing system of eco-timber for both local use and export by the local sawmill owners.*
- (h) *Promote non-timber forestry products such as pharmaceutical products;*
- (i) *Promote reforestation in rural areas throughout the country;*

A comprehensive collaborative partnership between all stakeholders, indigenous Communities and regional and international development partners is required for the best appropriate actions and practices to ensure maximum benefit to all Solomon Islanders and the environment.

**Minister of Forests and Research
Solomon Islands**



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Solomon Forests Association and contractors

Resource Owners and associations

Civil Society Organisations and NGOs

Media Association

Solomon Islands Bar Association and Legal Practitioners.

Those who are direct affected by forest positively or negatively in one way or another.



ACRONYMS

CNURA	Coalition for National Unity and Rural Advancement
COLP	Code of Logging Practice
CSO	Clonal Seed Orchard
dbh	Diameter at Breast Height
EPPL	Eagon Pacific Plantation Limited
FEO	Forest Extension Officer
FIUD	Forest Industries and Technical Services Division
FPDRD	Forest Plantation Development and Reforestation Division
FRIS	Forest Resource Information System
FRMSTD	Forest Resource Management and Technical Services Division
FRTUA	Forest Resource and Timber Utilization Act
FSC	Forest Stewardship Council
ha	Hectare
JICA	Japanese International Cooperation Agency
KFPL	Kolobangara Forest Plantation Limited
M³	Cubic meter
MAR	Monitoring Assessment and Reporting
MoFR	Ministry of Forests and Research
NCRA	National Coalition for Reform and Advancement
NHBGD	National Herbarium and Botanical Garden Division
NTFP	Non Timber Forest Product
PICC	Project Implementation Coordination Committee
PSP	Permanent Sample Plots
REDD+	Reduced Emission from Deforestation and Forest Degradation
RTC	Rural Training Center
SIFMP	Solomon Islands Forest Management Project
SIG	Solomon Islands Government
SLA	Standard Logging Agreement
SOLFRIS	Solomon Islands Forest Resource Information System
SPC	South Pacific Community
spha	Stump per hectare
UNFCCC	United Nations Framework Convention for Climate Change
VATA	Value Added Timber Association
VETE	Village Eco-Timber Enterprises



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INTRODUCTION

This is the Ministry of Forests and Research 2010 Annual Report. It highlights the main functions, activities and achievement for 2010 Annual Work Programme. The report present sections that covers the background description of the forest in Solomon Islands, the main functions and developments and the future potential areas for contribution to the national, economy, environmental benefits, wood flow enhancement and maximization of forest resources to the state and people of Solomon Islands. Another section also describes the future outlook for the forestry sector in the Solomon Islands.

Chapter One is the description of the forest functions and forestry sub-sector development in Solomon Islands. It provides an overview of the forest resource utilization activities and outlined the alternative new sub-sector development areas that have potentials to contribute to the economy of Solomon Islands.

The Policy directives and National objectives are outlined in Chapter Two of this report. Chapter Three detailed the management and organizational arrangements. The main functions and activities of the Divisions and Sections are presented in Chapter Four with the corresponding achievement for the 2010 report period.

Chapter Five and Six discussed the difficulties, challenges faced and encountered by the Forestry Sector and the current facts and trends as observed. The recommendations for considerations to improve and enhanced productivity and competence in the future are listed in the last chapter. This report aims to provide as much as possible the real issues and situation of the Forestry Sector. It also highlights the alternative subsector development options as the way forward.



BACKGROUND

Solomon Islands is a double chain archipelago in South-West Pacific located between longitude 155° and 170° and latitude 5° to 12° south. It consists of 990 islands with a total land area of 28,000 square kilometers. It is a tropical country with plenty of sunshine and a hot humid climate with high precipitation between 3,000 to 5,500 mm per annum. Temperature fluctuates between 24°C to 34°C, all year round. It has a population of 500,000 with 85 % live in the rural areas.

Solomon Islands has a very rich vegetation cover (tropical rainforest) covering some 88% of the total land area and constitute to about two million hectares of which only 30% is considered to be commercial forests. It consists of six main vegetation types, namely *(a)* Grassland and other non-forest areas, *(b)* Saline Swamp forest, *(c)* Freshwater Swamp and Riverine forest, *(d)* Lowland rainforest, *(e)* Hill forests and *(f)* Montane forest.

These vegetation types has constituted about 5,000 of plant species some of which are found only in our forest, others have significant cultural, traditional, construction, artifacts and medicinal properties. There are also species that are important to maintain natural forest state and resilience to adverse climatic extreme conditions. The forest, apart from providing wood and wood production, serve other important functions such as, wood for energy, non wood forest products, recreation, watershed conservation, biodiversity conservation and the sequestration of Carbondioxide from the atmosphere.

The Forests in Solomon Islands is owned by the people and has been associated with Land, traditions, customs and livelihood. People have depended on the forest for their livelihood and will continue to benefit from these resources for their livelihood in the future. The sad fact is the rapid deforestation and degradation due unsustainable logging, commercial agriculture and infrastructure development. There is urgent need to establish appropriate policies and management framework to promote and implement sustainable Forest Management initiatives to ensure the continuous benefit is accrued in perpetuity.



CHAPTER ONE FOREST AND FORESTRY IN SOLOMON ISLANDS

1.1 TIMBER INDUSTRY IN SOLOMON ISLANDS

1.1.1 Timber Harvesting and Logging

Over the past decades, the main activity was the extraction of Timber and products for round log export of commercial species. Logging activities started in the 1930s' on crown land and continued to be intensified until 1980s' when all crown land have been completely exhausted. In the late 1980s' the Logging Industry started to enter into the Customary Land with arrangement and contract made directly with Resource owners. This was when heavy extraction and exploitation occurred well above the sustainable allowable cut. In 2005 Round Log export increases dramatically to reach 1 million cubic meters which is 4 times the sustainable rate of harvesting. This rate of extraction causes rapid depletion of the Natural Commercial forest stand. A National Inventory was carried in 2006, to assess the remaining commercial stand and a wood flow projection was produced. The scenario produced, predicted a rapid depletion of the commercial forest stand volume by 2010 and complete depletion by 2015. This is the present scenario of the Timber industry of Solomon Islands.

1.1.2 Revenue

The Timber Industry is the major single export revenue earner and contributes 60% to 70% of the total export revenue to the National economy through export duty, and direct injection of timber royalties to resource owners. This Industry provides employment and capacity building to local people through community contractual employment schemes and on the job training. It also sustain local livelihood through small food market agricultural produce.

1.1.3 Land Development Infrastructure and Transport.

Logging operations are usually large undertakings that utilizes heavy machinery and hardware that needs construction of infrastructure and requires transport for supplies. These are lacking in rural areas and resource owners benefit during and after the operation completes. Though sometimes these are not built up to standard, it is the only infrastructure development that local people can rely upon. Land development for commercial agriculture, reforestation and village settlements requires the use of machinery and earthmoving machinery. Resource Owners rely heavily on the contractor to assist in such as these always forms part of the contractual timber harvesting agreements to assist resource owners.

1.1.4 Timber Milling and Processing

Timber milling was undertaken since logging operation started in the 1930s' when international companies operated in the Solomon Islands. These were established permanent sawmills that produce sawn timber mainly for local needs. It continued in successive decades however, on a reduced scale with few companies in Guadalcanal and Western Provinces mainly to supply the local market. In the 1980s', local resource owners started to do small scale milling with chainsaw mainly for own building needs and local sales. The increase



usage of Portable saw mills, enhanced Timber Milling activities and supply of local timbers in the country. Most of the milling activities concentrated on indigenous hardwood species of high strength and durability. The current demand for local hardwood species is very high and is likely to increase in the future, however, rapid timber extraction through logging depletes the natural commercial species and would have devastating effect on the sawn timber supply to meet our local needs and market.

1.1.5 Forest Plantation Development

The National Forest Policy encourages and promotes the establishment of Forest Plantation and reforestation. This is a Management policy direction to ensure sustainable availability of timber for both the local and international need. Reforestation was started by the Forestry Division in the 70s' and 80s' mainly on crown land. These Forest Plantations were established at Western Province, Isabel, Temotu and Choiseul provinces. Two of the largest forest plantation were purchased and run by private enterprises now KFPL and Eagon Pacific Plantation Limited.



A family 1-2 years old Teak Plantation. A development in the right direction with little available resources. Need support from SIG.

The Forestry Division established the National Reforestation and Out-growers program to assist customary landowners. By 2010 about 16,000 woodlots were recorded covering a plantation area of 8,000 ha involving 500 families in all nine provinces. As of 2010 the total area planted was estimated to about **30,000** hectares. Tree mostly planted were exotic species of high value, fast growing, site suitability and easily propagated from seed source. These species includes *Eucalyptus deglupta*, *Gmelina arborea*, *Tectona grandis*, *Sweetenia mycrophylla* and *Acacia spp.* There were local species also planted in small woodlots as trials including, *Camposperma brevipetiolata*,

Terminalia spp, *Canarium spp*, *Gmelina moluccana*, *flugea spp.*

1.2 OTHER FORESTS AND FORESTRY DEVELOPMENT AND SERVICES

1.2.1 Wood as a Source of Energy

Traditionally wood is the main source of fuel for heating, cooking and drying. The reliance and utilization of wood and wood products for energy is very high especially by the 85% of the population in the rural areas. Even in urban centres and provincial stations, wood is still used as the main source of energy due to abundance and cheaper compared to fossil fuel.



1.2.2 Non Wood Forest Products

The tropical rainforest supports a very rich and diverse ecosystem that contains many non wood products useful for people to support their livelihood. These non-wood forest products includes, fruits, nuts, edible leaves and plants, latex, resin, dye, flowers, medicine, vines and ropes and building materials. People over centuries have relied on the forests for such products and proven to be beneficial to their livelihood. There is potential to commercialize these products for income generation to diversify income generating opportunity to resource owners.

1.2.3 Forest Based Recreation

Establishment of Integrated forest management areas for social forestry and recreation is a potential forest development undertaking. Due to species richness and forest composition and structure of the forest, it provides the best recreation avenue and location. This would be of much importance to students and researchers, tourists, children, groups, events and ceremonies and for general relaxation and enjoyment. Currently, the Honiara Botanical Garden is offering such service, however not fully developed and improved to acceptable standards and capacity. This environmental services should be encouraged to resource owners to establish such recreational areas to promote conservation as well income generation.

1.2.4 Forest and Watershed Protection

For a long period of time, people have enjoyed the quality and abundant supply of water from the forest. Most of the water sources used comes from the forest. Even bore holes and wells are replenished and derived from the forests. This makes the forest the best natural watershed and catchment that purifies and protect water for human consumption. Deforestation through subsistence agricultural and logging threatens the availability and quality of available water. Efforts and initiatives must be made to manage and protect the forest for watershed and water catchment areas. There is need for better policy directives and collaboration with stakeholders to establish protection areas for watershed and catchment areas.

1.2.5 Conservation of Biodiversity

Solomon Islands is a member and signatory to the UN Convention to protect biodiversity by which it is obliged to implement policies and programs to protect biodiversity. Loss of biodiversity in the forest sector has been ongoing due to deforestation. The tropical rainforest constitutes a main host to a very rich biodiversity in Solomon Islands and plays a natural role that supports natural habitation for a lot of plants and animals. It also, regulates and maintains the natural conditions and environment that provides the niche that sustain and accommodate the existence, interaction and survival of all ecological and biological organisms. This very important function of the forest must be appreciated and protected to ensure protection of Biodiversity.

1.2.6 Forest and Climate Change

The adverse effects and impact of Climate Change is real and threaten human existence and survival. The recent occurrences and severity of climatic natural disasters have proven that humans are vulnerable and



global projected scenarios indicated an increase in adverse impact of peoples' livelihood. The Global Community realized that urgent adaptation and mitigation actions must be taken to address this new threat and join efforts and commitment. These lead to the establishment of the UN Framework Convention for Climate Change and Kyoto Protocol.

It has been identified and recognized that, forest conservation and reforestation is the single most important mitigating factor, that provides and sustains the carbon sink. As party to UNFCCC and other global instrument, Solomon Islands is obligated to conform to the requirements, hence the establishment of sustainable forest management activities through the REDD+ program and other conventions.



CHAPTER TWO NATIONAL FOREST POLICY AND OBJECTIVES

2.1 POLICY STATEMENT

The policy goal as stated in the National Coalition for Reform and Advancement (NCRA) Policy Statement is the harvesting of forest resources at a sustainable rate with fair returns to landowners and the government by maximizing revenue through export duty and sustaining the GDP growth particularly in the rural areas. Promotion of a reforestation program for customary smallholders and diversification program which encourages the implementation of a comprehensive downstream processing strategy will be addressed to try and minimize the likely adverse impacts on the economy once commercial logging wood flow and export revenue falls.

2.2 VISION

To become a highly respected forest agency with the professional competency to manage the forest resources of Solomon Islands in perpetuity.

2.3 MISSION

The Mission of the Ministry of Forestry and Research is to promote, conserve, investigate and manage the nation's forest resources for the optimal of all stakeholders and the environment.

2.4 MISSION

To facilitate and promote a better management of natural forest logging, industrial and smallholder plantation industries to ensure landowners and the Solomon Islands Government continue to receive optimal benefits from the utilization and uses of its resources.

2.5 NATIONAL OBJECTIVES

- a) Review the 2004 forestry bill to ensure a holistic management and transparent approach towards sustainability to achieve a better balance in the pecuniary and social benefits for both the landowners and government.
- b) Implement the National Forest Plantation Development Programme to assist local communities to undertake reforestation activities.
- c) Monitor and Ensure compliance of logging practices with the Code of Logging Practices and license conditions as well as the Forest Resources and Timber Utilization Act;
- d) Promote downstream processing and marketing system of eco-timber for both local and export by local sawmill owners.
- e) Monitor the extent and quality of National Forests



- f) Review of all license to establish validity;
- g) Proper monitoring of shipments of round logs, international log prices and provide advice to Customs and Excise Division of the Ministry of Finance and Treasury on Determine Value of round logs accordingly;
- h) Update databases for log export, sawn timber and licensing;
- i) Promote and Assist small scale plantation and where possible ensure reforestation of logged areas is mandatory for companies;
- j) Establishment and management of demonstration plots at identified areas
- k) Liaise with other sector ministries and relevant stakeholders to explore mechanism for Solomon Islands to participate and benefit from carbon trade opportunities.

2.6 LEGISLATION AND REGULATION

The Functions of the Ministry are derived from the following Acts of Parliament:

1. Forest Resources and Timber Utilizations Act and Regulations
2. North New Georgia Timber Corporation Act 1979

To be responsible for the Statutory Authorities that directly deals with the functions of this Ministry. The only Statutory Authority currently under the Ministry's portfolio is:

1. North New Georgia Timber Corporation

There were several other regulations that have been identified to be drafted and implemented. These should address key areas where gaps and weakness were observed. These regulations include;

- Solomon Islands Timber Marketing Board,
- Forest Plantation and reforestation.
- Forest Conservation and Protection.
- Forest identification and Certification.

2.7 NATIONAL, REGIONAL AND INTERNATIONAL COMMITMENTS

Solomon Islands, is also a member and party to the National. Regional and International agency and conventions and is obligated to fulfill requirements and standards.

1. Secretariat of the Pacific Community (SPC)
2. United Nations Food and Agriculture Organisation (FAO)
3. Pacific Islands Forum Secretariat (PIFS)
4. World Wide Fund for Nature (WWF)
5. Conservation International (CI)
6. United Nations Framework Convention for Climate Change (UNFCCC)
7. Convention for Biodiversity Conservation (CBD)
8. Reduced Emission from Deforestation and Degradation (REDD)
9. United Nations Convention to Combat Desertification (UNCCD)



CHAPTER THREE: ORGANISATION AND MANAGEMENT

3.1 STRUCTURE AND MANPOWER

The Ministry of Forests is supported by an administrative section headed by the Permanent Secretary, as the Accounting Officer and two Undersecretaries. The Ministry in its long term vision aims to attain a highly professional capacity to address the needs and requirements expected to drive this very important sector forward with a new approach into Reforestation and downstream processing.

The current level of Logging operations, Sawmilling and Reforestation resulted in an increase in the manpower for 2010 to undertake effective management of the Timber Industry with more emphasis on Plantation development and Reforestation.

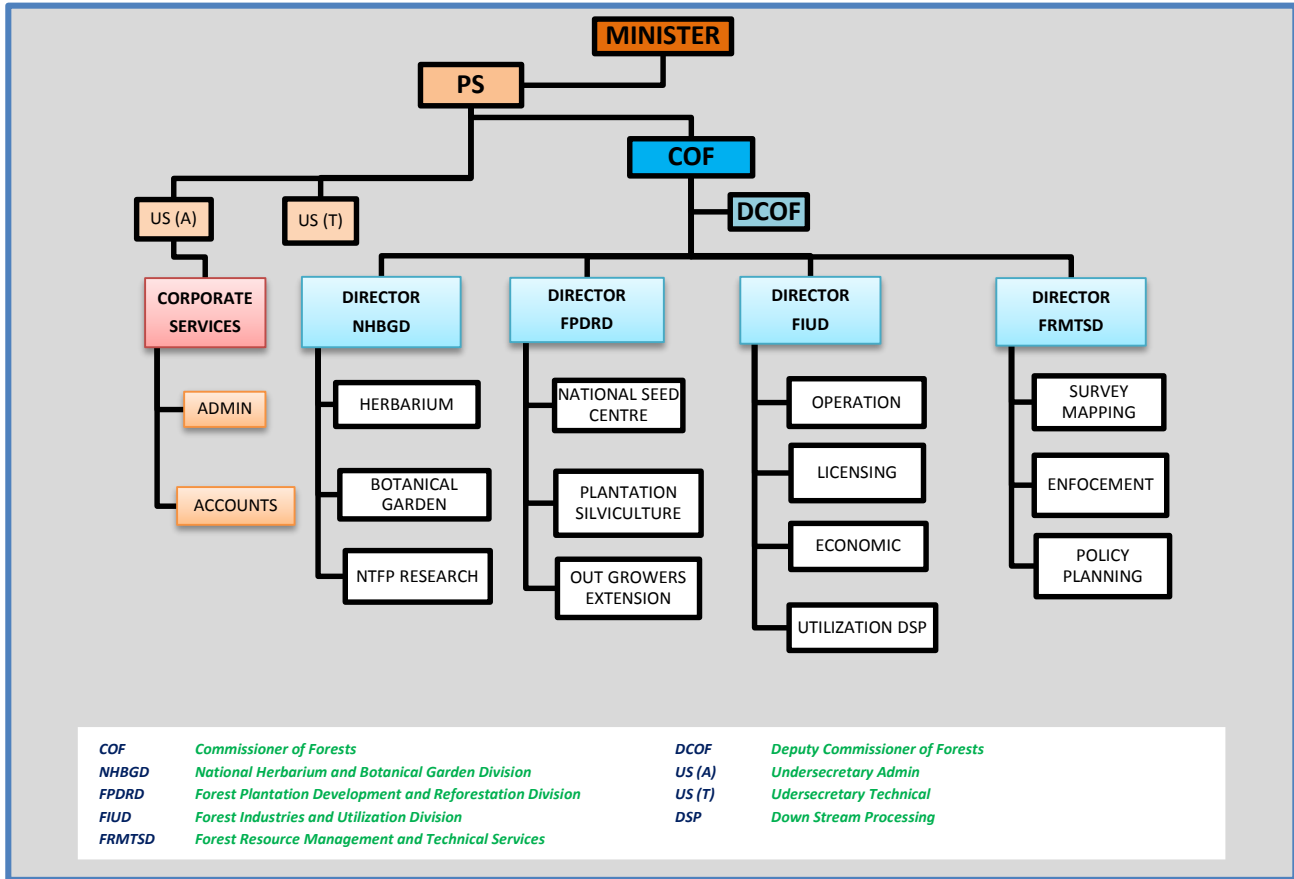
It has been observed in the past, that Ministerial capacity was inadequate to fully implement government policies and programs, due to insufficient workforce and Logistic support. As a result in the 2010 Establishment, there is an increase in the number of staff as well as the coverage of areas and locations that officers are posted to be stationed. Under the 2010 establishment and manpower listing, the MoFR has a total of 153 established posts, 13 non established posts, and 51 Forest extension officers’ posts. This totaled to 217 positions. (15 posts are still vacant as from 24 February 2010). These officers are decentralized to cover all 8 provinces in 15 outstations. The 51 FEO are stationed in 51 sub-regions in communities and villages.

	DIVISIONS	Total
1	HEADQUARTER	7
2	COMMISSIONER Office	4
3	CORPORATE SERVICES DIVISION	8
4	FIUD	59
5	FRMTSD	8
6	NHBGD	8
7	FPDRD	59
	TOTAL ESTABLISHED MANPOWER	153
8	NON ESTABLISHED	13
9	FOREST EXTENSION OFFICERS	51
	Grand Total	217

With the introduction of the new Forestry Development Strategies and the four Divisions, there is an increase in the establishment for 2010. As observed from the 2010 establishment, there is an increase from 178 staff in 2009 to 217 staff in 2010 an increase of 39 staff.. Also, number FEO was increased from 26 in 2009 to 51 in 2010 and would be increased in the coming years depending on the implementation scope and coverage of the National Forest Plantation Development and Reforestation program. This indicated that there is transition and expansion of the Ministry of Forestry and Research to other fields of Forestry such as reforestation, Downstream Processing and Conservation Integrated programs. These changes and reforms occurred from the Institutional restructuring of the Ministry of Forests and Research to undertake a diversified widening focus to other Forests sub-sector development areas.



3.1.1 MoFR 2010 Organizational Structure



3.1.2 Work Stations

The MoFR headquarter is located at Lengakiki ridge, West Honiara, where the Headquarter, Admin and all Divisional heads are located. Workstations are located in all eight provincial headquarters, seven outstations and 51 sub-regions throughout the country. The National Research and Seed Centre is located at Munda and Poitete in the Western Province.

	Work provinces	Stations	Total	Provincial Distribution
1	Guadalcanal/ HQ	Honiara	73	73
2	Central	Tulagi	2	2
3	Malaita	Auki	5	11
		Malu'u	3	
		Afio	3	
4	Makira	Kirakira	9	9
5	Temotu	Lata	6	6
6	Isabel	Buala	7	9
		Allardyce	2	
7	Western	Gizo	6	34
		Munda	11	
		Poitete	8	
		Seghe	7	
		Alu	2	
8	Choiseul	Taro	5	9
		Pangoe	4	
		Total	153	153
	8 provinces	15 Stations		



3.2 BUDGETARY ALLOCATION

There was a 15% general increase in budget allocation to cater for civil service salaries and financing of the 2010 work program. As services now reaching all nine provinces and regions in 15 outstations in 8 provinces, the recurrent expenditure increased from **SBD 18,018,431.00** 2009 to **SBD 20,804,228.00** in 2010.

Having noted the importance of increasing manpower for 2009-2010 and beyond, the Ministry also revisits the current budget allocations and put in place five budget heads that cater for the four newly created Divisions. This is vital to ensure proactive and effective execution of duties and implementation of activities for 2010. These heads includes

280-0001	Headquarter and Admin
280-0267	Plantation Development and Reforestation Division
280-0268	National Herbarium and Botanical Garden
280-0269	Forest Resource Management and Technical Services Division
280-0270	Forest Industries and Utilization Division

3.2.1 2010 Financial Information

(a) Budget Performance 2010

Divisions and Sections	Revenue		Expenditure	
	Final Budget	Actual	Final Budget	Actual
Headquarters and Administration	-	-	6,130,370	-
Plantation Development and Reforestation	-	-	3,762,090	-
National Herbarium and Botanical Garden	-	-	654,390	-
Forest Resource management and Technical Services	-	-	609,681	-
Forestry Services	1,517,182	(1,517,182)	7,095,236	(1,517,182)
Total	1,517,182	(1,517,182)	18,251,767	(1,517,182)

(b) Composition of Expenditure

Divisions and Sections	Personnel Costs		Operating Costs		Total Expenditure	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
Headquarters and Administration	935,201	935,201	5,195,170	8,260,193	6,130,371	9,195,394
Plantation Development and Reforestation	1,986,364	1,986,364	1,775,726	1,424,562	3,762,090	3,410,937
National Herbarium and Botanical Garden	370,577	371,328	283,813	286,822	654,390	658,150
Forest Resource management and Technical Services	397,421	397,421	212,260	178,677	609,681	576,098
Forestry Services	2,348,820	2,348,820	4,746,416	4,614,840	7,095,236	6,963,660
Total	6,038,383	6,039,133	12,213,385	14,765,095	18,251,768	20,804,228



(c) Development Budget 2010

Divisions and Sections	Project Activities	Operating Cost		Total Expenditure	
		Final Budget	Actual	Final Budget	Actual
Headquarters and Administration					
Plantation Development and Reforestation	Reforestation & Extension	8,000,000	6,237,063	8,000,000	6,237,063
National Herbarium and Botanical Garden					
Forest Resource management and Technical Services	Utilization Down Stream Processing	6,000,000	7,895,893	6,000,000	7,895,893
Forestry Services					
Total		14,000,000	14,132,956	14,000,000	14,132,956



CHAPTER FOUR MAIN ACTIVITIES AND ACHIEVEMENT FOR 2010

4.1 FOREST RESOURCE PLANNING AND MANAGEMENT

The FRMTSD undertake Corporate Planning and Management of the Forest Sector. It carryout assessment and monitoring of the National Forest resources and implement appropriate policies, strategies and programs that most suited to the management and development of the Forest sector to fulfill National Objectives and Priorities to provide maximum benefit to the State and Resource Owners. The Sustainability and increased benefit of the Forestry Resource is the fundamental goal to achieve. These goals and objectives, forms the basis on which Planning processes and Resource Management practices are established and implemented.

4.1.1 Main Activities for 2010

Policy and Planning functions and activities includes

- Coordinate and liaise with resource owners and Stakeholders for the reviewing the Forest Bill 2010 and progress its enactment.
- Liaise with Attorney General for the possibility of imposing a moratorium on the issuance of new licenses.
- Monitor and compile field assessments of logged areas, the extent of harvest of nation's forest and update on the status of the nation's forest.
- Update and Maintain forestry information system.
- Coordination of a National Task Force to monitor and prosecute illegal logging practices.
- Facilitate national workshops on awareness on importance of forest.
- Explore mechanism for Solomon Islands to participate and benefit from carbon trade opportunities.
- Collect, review and liaise with international agencies to update the status of the forest resources in the country for the State of Forests Report 2008
- Preparation of proposal for institutional strengthening of the Ministry
- Liaise with the Attorney Generals Chambers to file defense on behalf of the Commissioner of Forests on matters pertaining to forestry before the Courts.
- Assist the Licensing Section and operations with the training of Provincial governments regarding the Timber Rights Acquisition processes.

4.1.2 Achievement

(a) National Legislation and Policy

Review of the National Forest Policy strategies and program activities incorporating the NCRA Policy statement and priorities. These were translated into the MoFR workplan with full implementation in 2011. NCRA emphasized on fair reward to Resource owners and a comprehensive downstream processing program.

Consultation with Technical Forest personnel continues on the 2011 Draft Forestry Bill. Further consultations will be made with major stakeholders before final drafting for cabinet deliberation. The Review process was conducted and coordinated by the newly engaged Legal Officer.



(b) National Forest Assessment

There was continuous assessment and monitoring on the available growing stock especially in the Natural Commercial Forests. This was done through concessional approvals and harvesting quota of the licenses approved to operate and also monitoring of major land use development undertakings that would affect the natural commercial forest growing stock and timber stand. 14 Permanent Sample Plots were established in Malaita and Guadalcanal to provide forest data for future projections.

Sampling and surveying of plantation establishment and out growers plots was started in 2009 and continues in 2010. Forest field officers stationed in various out stations undertake these inventory assessments. The Plantation data is important verify the extent and value of forest plantations as well as the National forest stand database.

(c) Forestry Information System

The MoFR current operates an Information system known as SOLFRIS that contains the national forest database. The system still run and inputs and updates were continually done. It is the only available forest database and shall be managed properly with reliable hardware and software.

(d) Monitoring, Assessment and Prosecution

The Enforcement and Monitoring section did field assessment and monitoring with collaboration with other divisions to enforce legal requirements and standards. There were seven field assessments made in operations that did not comply with legal requirements.

Also, License condition monitoring and surveillance was made to provide reports to appropriate authorities for further action. 123 requests from lawyers were supplied and two cases forwarded to Attorney General Chambers for further deliberations. Routine client advisory was done in daily basis.

(e) Climate Change and Carbon Trading

Forestry was identified as a major sector in the National Adaptation Program of Action and also the Second National Communication. It is an important stakeholder and major player in both Climate Change Adaptation and Mitigation processes. The Policy Planning section was the focal point for these national, regional and international agencies and instruments that deals with climate change issues.

The new potential forest development issue of Carbon Trading is still not fully accomplished as necessary institutional and legal frameworks need to be established for the facilitation of the market possibility. Again, it is a new development and until preparatory arrangements and systems are established and adopted, forestry will still take a “wait and see” approach.

**(f) Institutional Strengthening**

This is an on-going program that was implemented with collaboration from Divisional Heads and the Corporate Services. There is an improvement in the Manpower establishment structure for 2010 with the fully functioning of the new Divisions and sections. Also, promotions, recruitments and staff welfare were addressed fairly well. Improvements were also noted in the building and infrastructure of some provincial offices and stations.

However, during the report period there was limited trainings available and undertaken by officers. Trainings undertaken were all internal in SICHE and USP Solomon Island Centre.

(g) Permanent Sample Plot Establishment

Development of a MAR-PSP design for the entire country but made an initial switch on a development phase for the pilot regions of Malaita and Guadalcanal for actual MAR-PSP establishment program.

Carried out an Awareness and consultation program on the MAR-PSP program to respective landowners in selected locations.

Organise and carried out a National training workshop on the PSP establishment program in Auki, Malaita Province.

Maintain indicative FRIS report with appropriate estimates for resource owners and the stakeholders.



4.2 PLANTATION DEVELOPMENT AND REFORESTATION

The Forest Plantation Development and Reforestation Division is fully responsible for the implementation of the National Forest Policy of Plantation Development and Reforestation in the country. It comprises three main components namely, (a) the National Tree Breeding and Seed Centre, (b) the Plantation Silvicultural program and (c) the National Out-Growers extension scheme. The FPDRD is coordinated from the Directors' office in Honiara through Provincial heads and stations. Under the 2010 manpower establishment, the FPDRD is headed by a Director, 44 permanent staff and 51 Village Based Extension Officers. These officers were distributed in all 9 provinces, 15 outstations and 51 sub-regions throughout the Solomon Islands.

The FPDRD was equipped and supported with a budget of SBD \$ 10.5 Million, (a) 2.5 Million in the Recurrent Expenditure and (b) 8 Million in the Development Budget under the National Reforestation Project 2010.

4.2.1 Small Scale Holder Plantation



Small Scale Family Teak Plantation 3-5 years old

The FPDR Division concentrated on encouraging people to plant high value species such as Teak and Mahogany. Up to this year to date, more than 500 families have been assisted and planted trees for an area around 355 hectares spread across the country. KFPL and EPPL are also increasing the establishment of higher value species. This will assist by providing a resource controlled by single operators that will attract future buyers into the country.

Many village based tree growers have realized the importance of the current reforestation program and accepted that growing trees will provide them with significant financial, economic and social returns in the future. Hence, started to undertake reforestation activities themselves, however, there need a lot of support and assistance to local out growers in terms of resources and capacity to undertake such a heavily labour extensive undertaking.

Since the government is now behind the reforestation program a lot of growers are requesting cash assistance. To assist growers' commitment in growing trees, and to enhance progress, there is a need to compensate people for the time and effort they expend in growing trees. The government is therefore requested to assist in the form of cash as an incentive and basic tool to drive and motivate tree growers to fully participate in the program; that may assist to achieve the anticipated target per year.



4.2.2 Establishment Target

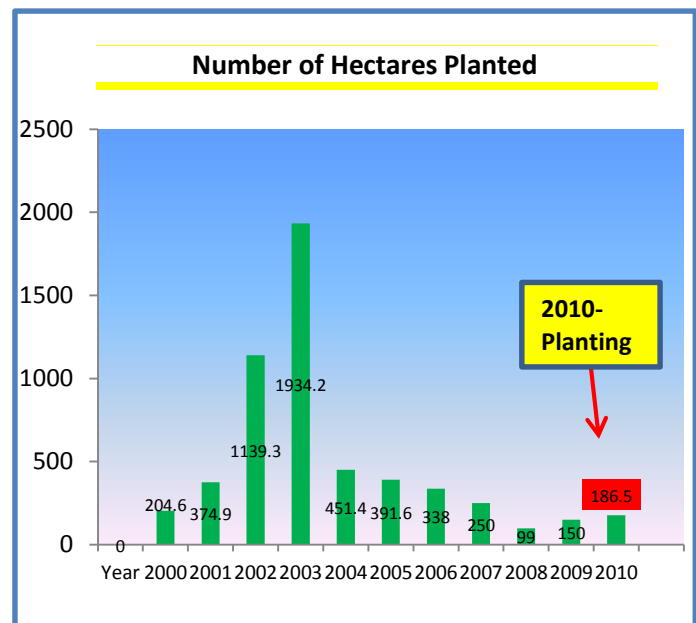
The current reforestation program set a minimum target of **500 ha annually** to be established by the village growers. This target is assuming a recovery rate of wood volume that will accumulate a level overall commercial wood volume to be made available for the timber industry in the next 30+ years. This target must be achieved in the period of 25 years as from 2010 and beyond before the National timber resources can be restored to a sustainable harvesting quota of 250,000 m3 per annum. If the village growers can achieves more than 500 ha per year, (say 1500 ha/year) the timber resource depleted in the last decades in the natural forest can be replaced in a much shorter period of time and the harvesting quota can inevitably be maintained in the future.

Many Solomon Islands households have already actively engaged in reforestation activities. There are currently around **8,000 ha** of plantations established in small woodlots totaling in excess of 18,000 woodlots cross the nation as of end of year 2009. Most of these plantations have been established in recent years by individuals and families using their own initiative, funds and efforts. These tree growers have contributed to this important future wood resource for the nation. Many tree growers eventually come to understand the importance and reasons for carrying out the silviculture operations recommended for these species and are keen to follow the management practices. However the growers call on the Government to support their effort and achievements by subsidizing them with cash incentive

There is a significant increase in plantation established in year 2010 compared to years 2008 and 2009. This has been a direct impact of the subsidy scheme which has been partially implemented during the year. Out growers were motivated and pledged their commitment if such assistance from the SIG is forth-coming and is continuous. The department will continue to assess the impact of the subsidy scheme to ensure that it contributes drastically to the growth of the industry in the future.

4.2.3 2010- Plantation Updates

The measure of the success of the program is based on the ability to increase the current number of plantations established on annual basis and the quality of woodlots established. The annual planting (areas in hectares and by species) is based on updates from provincial forestry annual reports. The 2010 annual planting indicates a growing trend of farmers increasing their existing wood lots as well as new farmers pursuing replanting activities. There is a significant increase in the 2010 annual planting compared to the 2008, 2009 plantings. The recorded total number of hectares planted in 2010 was **186.5** hectares, however would be higher if all forestry provincial centers submitted in their 2010 annual report. The following stations have not submitted in their stations annual report; Isabel, Afio, Tulagi, Poitete and Seghe.





Plantation Establishment in ha by Species and Province

Province	SPECIES				Total Hectares	Remarks
	Teak	Swim	EUCD	Others		
<i>Malaita</i>	20.22	14.443	1.08	0	35.743	No report from Afio station
<i>Guadalcanal</i>	2.01	10.34	3.33	0	15.68	
<i>Makira</i>	4.2	0.8	0.04	0	5.04	
<i>Temotu</i>	0	47.31	0	0	47.31	
<i>Isabel</i>	0	8.97	0	0	8.97	No report from the station, this is based on monthly report only
<i>Central</i>	0	0	0	0	0	No report from the station
<i>Western</i>	2.14	1.68	4.52	3.39	11.73	This figure is for Munda region only, Seghe, poitete & Short lands are not reflected.
<i>Choisuel</i>	42.472	0	0	0	42.472	
<i>Renbel</i>	0	0	0	0	0	No formal report received
Total	62.842	85.543	8.97	3.39	186.516	

4.2.4 Seed Distribution

The main species distributed during the year was Teak followed by Mahogany. These two species contribute to 90% of the total plantation species established to date. A total of **1,825.25 kg** of certified seeds were distributed to out-growers and stake holders. Teak seeds constitute 60 percent of the total seed distribution followed by Mahogany with 39 percent.

Province	Species (kg)					Planting Projection based on seed distribution in hectares'
	Teak	Swim	EUCD	others	Total (kg)	
Malaita	74	50	.211	0	124.2	106
Guadalcanal	62.75	33	.047	0	95.8	82.45
Isabel	15.5	35.25	.116		50.9	32.90
Makira	16.25	1.25	.048		17.5	15.67
Temotu	7.5	8.25	.092	0	15.8	11.45
Central Islands	14	5.75	.031		19.7	17.67
Western	869	599	1.907	5	1475	869.45
Choiseul	21	0	0.1		21.1	19.98
RenBell	2.75	2.5	0		5.25	5.67
Total					1,825.25kg	1,161.24 Ha.

(a) Current Seed Source:

Most teak seed currently being collected comes from two broad sources in either SI Forestry or KFPL stands on Kolombangara Island. They were (a) selected thinned stands established either as research plots or plantations and converted to seed production areas and (b) clonal seed orchard. The country of origin of most



plantings is known and collection is done on those stands with the best growth and form. Currently, there is a high demand for better quality Teak seed from a 22-year old Teak spacing trial at Poitete seed orchard. The stand has two seedlots, one known and one a mixture of unknown sources. As an interim seed source it will be adequate and a second thinning in the near future taking the stocking down to 450 spha would improve the seed quality but more focus on the CSO producing seed will yield greater gains in the longer term. The same would apply to the other five seedling seed stands on Kolombangara from which seed is being collected. The clonal seed orchard established in 1992 offers by far the best quality seed but the quantity is not meeting demand. This seed source is producing trees with straight, unbranched boles and growth rates of 10 m+ in less than 2 years. Yields could be increased by judicious pruning of ramets to stimulate new growth which carries the flowers. The current source of mahogany seed is at Mt Austen stand and several other plots where stem form and growth rates are above average. Mahogany does not start flowering until age 12 years and sometimes later. This has some advantage in that trees should have displayed their growth characteristics by the time seed collection occurs which would enable some form of selection to occur.

(b) **Main seed users today**

The three main plantation growers of Mahogany and Teak are the Ministry of Forests and Research, KFPL and EAGON. There is an increasing number of landowners (mainly at the family level) in all provinces who are planting small plots of both species in clearings and logged areas.

EAGON, a Korean company, has planted some 2,500 ha of plantations, mainly teak. The main plantings are at Arara in the SE region of New Georgia and 350 ha of plantation on Choiseul Is. Of the total area, some 700 ha of mahogany has also been planted.

4.2.5 Current Nursery and Capacity

Nurseries are source of planting materials to supplement field plantings to out growers. In the past, out growers were given seeds and have the responsibility to raise seeds on their own. This makes it difficult and unreliable to predict field planting from the quantity of seeds issued since the tracking of individual farmers is costly. The FPDRD now embarks on establishing permanent central nurseries where farmers will be issued with seedlings rather than seeds. This will be easy to track and the reliability of predictions will be more accurate.

4.2.6 Trial Markets

Work is currently in progress to establish trial markets on thinned Teak plantations. Initial discussions were made with SPC to facilitate marketing of thinned teak trees, it is hoped that by March 2011 first trial markets would have been eventuated. This will definitely boost the tree planting program nationwide as most farmers would be able to sell thinning for income before the final harvest. Guadalcanal farmers during the year have external arrangements with an overseas buyer that buy 8 years old teak trees equivalent to 10cm dbh. This arrangement has been negotiated by a prominent Teak farmer who then lured other farmers to the market. Such market arrangements can sometimes risky since relevant authorities are not included in the negotiations; farmers may be tempted to accept lower prices for higher value teak saw logs. Five containers of teak saw logs were shipped to India at 200 USD/Cubic meter. Detail cargo was not made available when this report was compiled.



4.2.7 Capacity Building

(a) Resource owners Training

Resource owners training is a significant component of the capacity building; the trainings range from informal (onsite training) and formal (workshop basis). The trainings are based mainly on Forest Plantation Silviculture (nursery techniques and management, Maintenance, Pruning & thinning operations). A total of 200 trainings were conducted with 3,000 resource owners during the year.

(b) Staff Training

This is an on-going activity to full equip and enhance knowledge and skill of officers to undertake their duties and functions effectively. Most of the time this program is affected by lack of necessary resources especially funding to train officers. During the report period a total of 21 officers were trained in various areas.

(c) Workshops

There was one National workshop organized for all forestry officers in charge of provincial forestry officers to review the Nursery manual as well as the teak silviculture manual. The products (manuals) are now ready and thanks to European Union for funding the printing of the manuals. The Manuals are now available for out growers and extension officers.

(d) International Trainings/Workshops

The Division has not been represented much in international training workshops. There was only international workshop attended by the Director.

4.2.8 Village Based Forestry Extension Network

The Reforestation Extension currently consists of field based workers, both men and women, providing forestry extension services to rural people in the Provinces. The focus of the Reforestation Extension is to provide appropriate technical advice, training, and skills transfer to current and potential plantation out growers in rural communities throughout the Solomon Islands. The Reforestation Extension Network comprised both MoFR staff and Forestry Extension Officers (FEOs) who are currently employed directly by Ministry of Forest and Research through the Forest Development & Reforestation Division on contract basis. The MoFR staffs who are involved in the Network, are based in their Provincial MoRF offices, and contribute to the Reforestation activities with landholders throughout areas in their Provinces. These people work in close collaboration with the VFEO (Village based Forestry Extension officers) staff who are based in the rural areas throughout the Province. People that are recruited are from the local area that can utilize their knowledge of local area, as well as utilize their language skills and farmer network. An advantage of this is it also minimizes accommodation expenses, which substantially minimize the overall running costs of the Solomon Islands Reforestation Program.

4.2.9 Out-Growers Subsidy Scheme

The out-growers subsidy scheme was proposed in year 2008 and was approved for implementation under the (NFPDP). It was not until early (2010) that the subsidy component was actually implemented. The subsidy



package to out-growers consists of two components; i) cash assistance and ii) The tool component. Criteria's to quality for any of the above assistance were formalized and approved by the Project implementation coordination committee (PICC) before it was adopted. Both cash and tool subsidy were distributed fairly across the provinces based on the density of wood lots established. There was 45% increased in number of hectares established during the third quarter of year 2010 after farmers received these assistance compared to Year 2008 and 2009 when the component was not yet implemented. There are more than 16,000 farmers across the country establishing about 18,000 woodlots and 60% of the total woodlots established have not properly maintained due to lack of appropriate assistance and tools from the SIG to subsidize plantation establishment and silvicultural operations costs. If this program is going to be successful in the near future, any out grower who interested in planting trees must have access to tools and other assistance.

(a) Cash Subsidy Component

The much controversial issue of subsidy payment to tree growers has been resolved when more than six hundred farmers throughout the provinces received the first trench of subsidy payment. Funds under the subsidy scheme are purposely to assist farmers who have already established wood lots maintained their trees to promote quality trees and wood in the future.

Province	Number of recipients	Total Cash Subsidy	Total
Malaita	122	\$238,252	
Western	126	\$434,220	
Guadalcanal	103	\$135,760	
Isabel	42	\$217,164	
Makira	87	\$122,632	
Temotu	99	\$185,753	
Choisuel	42	\$66,050	
Central Islands	27	\$66,960	
Total	648		\$1,466.791



A farmer receives cash subsidy



Officers unpacking tools from container for distribution

(b) Distribution of Tools to out-growers and provincial Forestry offices.

Distribution of tools to out growers is part and puzzle of the subsidy package aimed at assisting out growers with basic tools required to maintain wood lots to a higher standard. Tools were distributed to Provincial Centers who then facilitate the process of distribution to farmers, bulk of the tools such as chainsaws and pruning ladders were kept in provincial forestry offices for lending basis only.



Three containers of tools supplied by Pac sales enterprises is another component of the subsidy package mainly to equip provincial offices and to assist farmers who may not be entitled to cash subsidy. This is another boost to the program when farmers are assisted with cash and basic tools to ensure that woodlots established are properly maintained by implementing appropriate silvicultural operations. The table below summed tool distribution to forestry provincial centers.

Tool Distribution by Province

Province	Pruning Saws	Bush Knives	Sharpening Files	Axes	Nursery Pack	Chainsaws	Aluminium Ladder	Solar Panel
Malaita	110	204	272	76	33	1	54	5
Western	170	252	72	68	55	5	86	2
Isabel	30	68	12	29	12	2	21	2
Central	30	12	24	12	11	1	5	
Guadalcanal	50	68	24	18	10	2	18	2
Temotu	30	12	68	15	11	1	18	
Choisuel	50	24	68	12	11	1	18	2
Makira	40	30	24	15	11	1	18	3
Total	510	670	564	245	154	14	238	16



4.3 TIMBER MILLING AND DOWNSTREAM PROCESSING

4.3.1 Utilization Unit Staffing and Budget

The Utilization Section is a relatively small unit and has only six staff members to implement the Downstream Processing Project while at same time carryout other duties as monitoring of timber exports and checking of compliance to the 20% processing of logging companies. It also carries out any duties that may be directed from time to time by the Permanent Secretary or Commissioner of Forests.. As logging reduces over the coming years the Utilization Unit will need to be strengthen as the remaining Forest Resource will be scattered and will only be commercially viable to mill. Under the 2010 budget, the Section is allocated with SBD \$ 0.6 Million in the Recurrent Expenditure and SBD \$ 6 Million in the Development Budget.

4.3.2 Assistance to Forest Resource Owners

The Project Implementation Coordinating Committee met on the 7th May and approved 9 Milling project and supplied with Peterson Mills and chainsaws. Nine others Mills approved for funding but did not receive assistance in 2010 as funds were not paid by the Ministry of Finance. Ten other projects were issued with Chainsaws with Mill frames

4.3.3 Value Added Timber Association Assistance

Local Sawmillers and Timber producers formed an association known as the Value Added Timber Association (VATA). It is coordinated and assisted by the MoFR who provides technical assistance as well as funding to run the association. The association is purposely to assist local timber milling operators to produce quality timber and secure better market. Currently, VATA has 2,000 members.

4.3.4 Monitoring

Three areas of monitoring are carried out by the Utilization Section, Monitoring of Timber Exports, Monitoring of the 20% Processing by Logging Companies and Monitoring of Sawmill Operations. To date a total of 27 containers of saw timber has been inspected for Prices, species composition, sizes and volumes. So far seven containers of Tubi is been confiscated by the Customs and Exercise Division. Tubi is a prohibited species and cannot be cut for sale locally or for export. Six containers of sawn timber for China United is currently been rechecked by the Customs and Exercise Division after declaring of only Kwila been exported while the containers contain also Rosewood. Rosewood is a higher priced species than Kwila and this tactic can be used for tax evasion. All logging companies are required under their Licenses to mill 20% of their Annual Quota. This is a requirement under their License from day one. It is worth noting that a lot of the logging companies are now starting to comply with this requirement but a lot more will need to be done so that total compliance can be achieved. Also, 90 sawmills visited most of which has expired licenses while others are operating without license. All logging operation in the Province do not have mills to meet the 20% Processing requirements under their license except those that have established mills in Honiara. Resource owners and small operators requested regular presence of Forestry Officers from for on the job training and technical advice.



4.3.5 Assistance in Small Carpentry and Furniture Tools

Under this year's Downstream Project, funding was allocated to assist interested individuals with carpentry and furniture tools. Of the 10 projects approved by the Projects Implementation Coordinating Committee only 5 were funded. This year we were able to fund all the remaining approved projects from last year. New application forms distributed through the various Forestry Stations throughout the country returned by the end of May and been processed.

4.3.6 Assistance to Rural Training Centres

The Program also assisted Rural Training Centres with the issuance of portable mills and training provided on milling techniques, timber grading and maintenance. Eight (8) Portable mills issued to the Rural Training Centres throughout the country but the official handover was done on 28th May 2009. Chainsaws with the Portable mills plus chainsaws and Rail mills for Rural Training Centre's were received during the third quarter of 2010

4.3.7 Marketing

Marketing did not take off until the last quarter of the year. This is basically due to saw millers not being able to bring in enough timbers to enable us to export. A total of 80.519 cubic metres of wood was however purchased with the assistance of Value Added Timber Association by the end of the year. Only 56.458m³ of sawn timber valued at \$245,893.00 was exported. The three buyers identified and secured from Australia and New Zealand. The three main species exported were Rosewood (SBD 5,500.00 per cu.m), Kwila (SBD 5,100.00 per cubic metre) and Vitex (SBD 3,800.00 per cubic metre)

2010 Timber Export by VATA

SPECIES	TIMBER PURCHASED	TIMBER EXPORTED	STOCK	TRADE DEPRECIATION
KWILA	15.290m ³	13.166m ³	2.503m ³	0.379m ³
VITEX	51.094m ³	43.292m ³	3.554m ³	4.248m ³
ROSEWOOD	10.195m ³	0.000m ³	10.105m ³	0.000m ³
TOTAL VOLUME	76.489m³	56.458m³	16.162m³	4.627m³
TOTAL VALUE	\$239,126.22	\$245,893.59	\$85,500.62	\$18,075.30

These prices offered are paid directly to our local producers and are more than 50% higher than prices offered by all local buyers.

Value Added Timber Association (VATA) assisted with our marketing efforts. Freight and transport costs are met by the Association. VATA is also purchasing timber up front at prices well above any prices offered in Honiara. This is to ensure the saw miller's return to their villages as soon as practicably possible after selling their timbers. VATA was used as it take a lot of time to access funds to meet timely payments of freights, transport and timbers costs from the Ministry of Finance. Freight, transport costs, handling, fumigation, 2.5% tax and 10% Commission are deducted from payments. These costs are recovered so that it is used as a revolving fund so as to assist other timber producers.



4.3.8 Project Implementation Coordinating Committee (PICC)

The Utilization Section is responsible for the administration of the Downstream Processing Project but all decision on allocation of equipment rests with the Project Implementation Coordinating Committee. The PICC is made up of all the Senior Staff of the Ministry and the Permanent Secretary is the Chairman

4.3.9 SIBC Radio Programs

Funds for radio programs were paid to the Solomon Islands Broadcasting Corporation and a year's program has been signed. The fifteen minutes Program is aired on every Wednesday at 6.45pm. The Ministry uses this program to inform and educate the public of current issues and developments. Total of 11 sessions were aired during the year.

4.3.10 Training

Only one training workshop was conducted using the project funds. The two weeks training workshop was held at the Tetera catholic parish. A total of 20 participants from Guadalcanal Province attended the training workshop. Officers of the Utilization Section and specialised speakers from the Ministry conducted the workshop. Two specialists from Peterson Mills in New Zealand conducted a 4 days training in May 2010 on the Maintenance and operation of Peterson portable mills. Some 83 participants attended the four days training workshop which included the current 35 students doing the Forestry course at the Solomon Islands College of Higher Education. A two weeks Utilization workshop was also held at Ngalikekero Rural Training Centre in North Malaita in October 2010. The workshop was attended by the staff of Ngalikekero RTC, Airahu RTC and individuals of Bit'a'ama community. Funding for the workshop was arranged by Ngalikekero RTC and the Utilization Unit only provided course materials and an Officer to conduct the workshop.

4.3.11 Forest Stewardship Council Certification (FSC)

To date only two plantation companies in the Western Province Eagon and KFPL has been issued with Forest Stewardship Council Certification (FSC). This year however, the Utilization Unit with the assistance of the South Pacific Community (SPC) and in cooperation with Value Added Timber Association (VATA) and Village Eco Timber Enterprises (VETE) concrete steps has been taken to address FSC in natural forests.

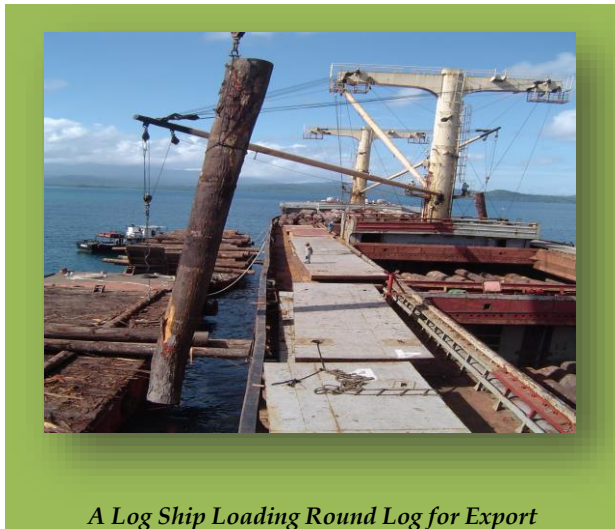


4.4 COMMERCIAL TIMBER HARVESTING AND EXPORT

Administration and Management of Timber harvesting operations is one of the main activities of the Forestry Department. This is mandated and regulated under the provisions of the Forest Resources and Timber Utilization Act 1969 and is implemented by the Forest Industries and Utilization Division with collaboration of other Divisions and Stakeholders. The Productive sub-sector in the Ministry of Forest and Research heavily rely on the harvesting and export of round log through logging activities. It has been a single major export revenue earner that sustained the National Economy of the country. It contributes to 60-70% of the total export revenue and 15% of the total income of the country. This substantial revenue contribution, make the Forest Industry sub sector, the most important commodity of Solomon Islands economy.

This Division is headed by a Director who coordinate all programs and activities to meet expected targets and productivity as required under the MoFR strategic programs. Timber harvesting was done in all provinces except Renbel and Central provinces and islands and remote locations where accessibility is sometimes difficult. The Division has established offices in all provinces and centres to enable easy monitoring on logging activities especially the most critical tasks of timber auditing for shipment to overseas destinations.

4.4.1 Round Log Export for 2010



A Log Ship Loading Round Log for Export

Timber harvesting through Logging and round log export constitute the major single forest industrial development in the Forestry productive sector. Logging has continued to be the main timber utilization practice engaged and adopted for the development of the Timber Industry. The Forest Regulation continues to encourage, process and facilitate logging activities and allow Resource Owners' participation through the Timber Right acquisition process for the extraction of timber in customary commercial forests. Though, woodflow predictions and scenarios indicated a decrease trend in logging activities and round log export from 2010 onwards, it was not reflected in the real activities and development on the ground.

The 2010 Round Log Export Data presents a very interesting figure that was not expected by the wood flow scenario and prediction. The Actual Volume Export of Round Logs increased to the total exported volume of **1.732 Million Cubic Meters**. This is the highest volume ever exported in any one year, it is an increase of 30% from 2009 (1.327 Million cu.m) export data. This is an interesting achievement and there must be drivers and developments in the sector and stakeholders that stimulates and enable the increase of exported volume. The main drivers were, Increase in the Log Prices, Increase logging concessions including re-entry, Improve climatic conditions suitable for timber extraction and better reporting and monitoring



2010 Monthly Log Export

	Estimate		Actual		Duty		MPC	
	Volume Cu. m	Value US \$	Volume Cu.m	Value US \$	Paid SBD \$	Exempted SBD \$	Issued	Canceled
Jan	129,388	9,576,689	130,852.453	9,768,450.53	12,266,679.00	0.00	54	2
Feb	91,709	7,072,735	86,075.055	6,628,036.57	9,762,977.00	0.00	34	2
Mar	166,596	12,907,016	161,797.416	12,487,412.03	17,308,749.25	0.00	73	5
Apr	142,159	12,255,166	137,255.056	11,474,118.46	21,546,621.25	0.00	45	2
May	132,800	11,403,215	124,064.765	10,409,701.69	16,006,466.50	0.00	43	1
Jun	184,716	15,850,673	175,422.519	14,177,463.07	25,912,316.53	1,519,912.13	65	4
Jul	141,061	11,735,637	138,941.535	11,517,810.92	20,740,191.76	455,673.74	71	9
Aug	149,306	12,774,912	145,573.757	12,310,080.61	18,822,870.55	1,560,646.68	63	2
Sep	138,608	12,052,695	141,316.431	11,961,924.75	20,299,347.37	996,169.98	65	5
Oct	163,760	14,206,419	158,705.038	13,857,122.63	23,909,834.75	609,092.93	64	1
Nov	111,920	10,088,928	113,430.109	10,301,483.75	19,085,043.66	12,431.50	47	2
Dec	228,157	21,472,880	219,169.410	20,598,393.19	38,109,415.78	613,533.50	75	3
Total	1,780,179	151,396,965	1,732,603.544	145,491,998.20	243,770,513.40	5,767,460.46	699	38

2010 Log Export by Province

Province	Estimate		Actual		Duty	
	Vol Cu. m	Value US \$	Vol Cu. m	Value US \$	Paid US \$	Exempted US \$
Choiseul	104,596	8,875,744	107,069.041	9,138,598.36	15,145,655.36	250,848.43
Guadalcanal	108,622	9,939,313	98,282.347	8,909,873.520	13,374,829.11	0.00
Isabel	444,982	37,694,194	436,743.675	36,179,080.67	63,288,361.20	2,556,469.43
Makira	250,580	22,462,605	248,226.216	21,874,278.190	39,405,901.97	0.00
Malaita	241,453	21,800,655	224,605.794	20,099,649.850	30,480,102.25	0.00
Western	629,947	50,624,454	617,676.471	49,290,517.610	74,280,525.38	2,960,142.61
Total:	1,780,179	151,396,965	1,732,603.544	145,491,998.20	235,975,375.27	5,767,460.46

2010 Log Export by Destination

Country	Estimate		Actual	
	Vol Cu. m	Value US \$	Vol Cu. m	Value US \$
China	1,555,259	132,609,375	1,519,444.197	128,607,700.45
India	3,116	486,756	0.000	0.00
Indonesia	4,350	357,030	4,511.714	69,685.50
Japan	43,340	3,446,954	42,204.996	3,220,865.23
Korea	47,454	3,718,069	47,574.796	3,761,023.09
Malaysia	30,916	2,340,610	29,853.208	2,047,455.50
Philippines	42,919	3,775,974	40,138.105	3,574,677.45
South Korea	17,300	1,388,445	16,037.279	1,292,805.78
Thailand	2,500	207,350	2,550.547	205,366.89
Vitenam	33,026	3,066,402	30,288.702	2,712,418.310
Total:	1,780,179	151,396,965	1,732,603.544	145,491,998.20



2010 Plantation Log Export

Exporter	Estimate		Actual		Duty	
	Vol Cu. m	Value US \$	Vol Cu. m	Value US \$	Paid US \$	Exempted US \$
Kolobangara Forest Product Ltd	53,142	4,523,878	52,495.792	3,759,166.75	0.00	0.00
Eagon Pacific Plantation Ltd	38,200	2,979,060	35,038.290	2,710,498.26	2,454,134.00	613,533.50
Total:	91,342	7,502,938	87,534.082	6,469,665.01	2,454,134.00	613,533.50

4.4.2 Sawn Timber Export for 2010

Sawn Timber Export volume has also recorded an increase of 20% from 11,033 cubic meters in 2009 to 13,267 cubic meters in 2010. This has been resulted from the sustainable harvesting strategy implemented by the MoFR through the Downstream processing project. It is expected that sawn timber export and value added timber and wood products would increase as more mills and chainsaw are issued through the Downstream processing projects. Also, there is anticipated that more timber milling would done by logging operators and licensees due to policy, regulated and conditional license requirement of 20% timber processing by all license holders and operators.

Sawn Timber Export by Months

	Vol.	Value (AUD)	Value (US\$)	Value (SI\$)
Jan	1,014.492	0.00	0.00	3,681,967.28
Feb	1,137.608	18,070.00	138,147.36	3,641,327.81
Mar	1,006.066	33,500.30	39,656.01	3,120,096.21
Apr	981.451	114,092.15	38,124.60	2,914,930.30
May	928.996	17,717.00	27,873.90	3,335,694.30
Jun	1,458.657	55,310.05	73,266.66	4,355,688.80
July	1,108.191	26,883.95	75,826.35	3,326,243.15
Aug	999.088	0.00	44,356.90	3,831,864.06
Sep	995.049	0.00	68,304.00	3,502,411.01
Oct	988.827	47,242.83	50,178.38	3,751,461.28
Nov	1,210.435	40,811.30	49,256.78	4,184,372.00
Dec	1,438.486	14,438.80	27,840.92	5,431,678.82
Total	13,267.346	368,066.38	632,831.86	45,077,735.02

Currently Sawn Timber markets are sporadic, irregular few species specific. There need more promotion on other local abundant timber species to open up wider market options to resource owners and timber exporters. As can observed, value added timber products attract higher price per unit quantity and suitable for local operators and individual to undertake compared to logging (round log extraction). Also, it enhances sustainable harvesting and reduces forest disturbance and destruction. It is the right industrial development activities that need to be fully supported and encourage in the Timber industry sector.



4.4.3 Licensing Section

Licensing Section is a section under the Forest Industry and Utilization division. It was manned with five staff and all stationed at Honiara. The main functions of this section include, Review the Management of Timber Rights acquisition process, License Surveillance for non compliance and illegal logging, Create Up to date Database and IT System and to Develop a most informative and workable Licensing registry.

(a) 2010 License Application

	FELLING LICENSE			MILLING LICENSE
	Cust/ Land	Reg/ Land	Total	
APPLICATION received	46	11	57	123
REJECTED	4	0		
ENDORSED TO PROVINCES	42	0		
TR COMPLETED	14	0		
LICENSE ISSUED	14	11	25	78

(b) 2010 License Issued by Province

Province	Felling License			Milling License	Total
	C/Land	Reg Land	total		
Malaita	3	0	3	14	17
Western	2	3	5	10	15
Choiseul	0	0	0	3	3
Isabel	2	7	9	15	24
Makira	4	0	4	16	20
Temotu	0	0	0	7	7
Guadalcanal	3	1	4	9	13
Central	0	0	0	2	2
Renbel	0	0	0	2	2
	14	11	25	78	103

(c) 2010 Licenses Registry

	FELLING LICENSE		MILLING LICENSE	
	2009	2010	2009	2010
Valid Licenses	219	175		184
Issued	26	14	190	78
Non-active	147	84		
Operational	72 (50 locals 22 foreign)	91 (63 local 28 foreign)		
Expired	9	43		350
Extended	9	23	106 (renewed)	53 (renewed)



4.4.4 Operations Section

Timber Harvesting management and Monitoring is coordinated by the Operations section, under the Forest Industrial Division previously this section was known as the Timber Control Unit. It has established 10 field offices in all provinces throughout the country. The main tasks and activities of the Operation section include monitoring compliance to COLP and FRTUA, monitor log shipments and manage timber harvesting operations.

(a) Monitoring Compliance to COLP and FRTUA

Activities	Recorded achievement
Review of compliance with COLP & FRTU Act conditions	Review and improvement of compliance with COLP & FRTU Act conditions was recorded
Monitoring of illegal logging	4 main illegal activities were dealt with and assessed.
Auditing of logging operation against COLP.	Auditing continue to be conducted to ensure COLP is implemented with a best performer scoring 94% and the worst 40%. On average 73%
Provincial tour by Senior Forestry HQ Officers	Provincial tours made with Accounts for stores inventory
Administering Screening Committee.	Screening Committee continue with 22 meetings Minutes prepared and advice Commissioner for actions
Process Annual Harvesting Plans and Coupe Plans	128 annual harvesting plans were received and checked and processed, 98 were approved and 30 remained pending. Coup Plans for all the approved annual harvesting Plans were assessed and approved as and when applied for
Carryout inspections and Audits to confirm COLP and SLA conditions.	Inspections and Auditing to confirm COLP and SLA conditions compliance continue when visiting logging concessions.
Monitor and manage logging coupes	Logging coups were either opened or closed when all the requirements under the COLP is complied with.

(b) Monitor Log Shipments

Conduct 10% and 100% checks on logs before loading. During the report period a 10% percentage check (sampling) of 105 log ships' cargo was achieved representing 16% percentage of the total log ship. Also a 100% percentage check of 1 log ship was achieved, representing .15% percentage of the total log ships. Officers also did scaling to check on the volume and species to determine true value of logs. Most scaling figures recorded was below (+) or (-) 5% difference ,ranging between -2.5% to 3.1%, which is within the acceptable allowable error range.



There were 655 natural logs log ship loading were recorded of which 10% check was conducted on 16% of the ships with their cargo. Where necessary a 100% check has to be conducted- checks on log measurement and volume

Commissioning and Decommissioning of coupes were also undertaken. This function was delegated to field officers and assessed after the annual harvesting plan has been approved. Plans are approved by Forestry field officers conducting assessment on the field after requirements of Solomon Islands Code of Logging practice is satisfied. Entry into new coupes were undertaken only after the current operated coup were assessed were all rehabilitation work required under the code had been satisfied. All submissions received are assessed for either opening or closing.

(c) Manage Timber Harvesting Operations

Assessment of Timber harvesting applications and ensure all logging licensed concession that operated outside of their required concession area are advised and plans amended before approval was granted.

The Operation officers also ensures Logging operations complied with the Standard logging Agreement and in instances where no compliance have identified the companies were warned and suspended until the breach was remedied and rehabilitated

The Division also undertook awareness and Public relation duties to logging complaints and disputes where necessary and possible this is best done during timber Right awareness with Provincial executives and during timber right hearing with resource owners.



4.5 NATIONAL HERBARIUM AND BOTANICAL GARDEN DIVISION

The activities of the division for 2010 were based on the interpretation of the CNURA and NCRA Policy from which certain tasks were derived and marked for implementation and accomplishment to make some of the division's vision come true and mission successful. Contained in this paper are the accounts of those activities as of January to December 2010. The major notable achievement includes:

4.5.1 Recruitment of casual workers

This year 2010 the Division undergone recruitment of seven casual workers to cater for the increasing of the up keeping and maintenance activities in the garden and to serve as complementary man power to the National Herbarium and Botanical Garden.

4.5.2 Plant Identification Services

Plant identification means examining and recognizing each particular plant and classifying them into the particular group they belong to down to their individual identity (Family, Genus, Species, Common and Local names). The service on plant Identification is mainly based on morphological analysis requiring parts or whole of the plant for examinations. Botanical knowledge, physical encounter and experiences of staffs with plants significantly aid the process and lift our level of expertise on this specialized area. This kind of service was extended to the general public upon request, and the Criminal Investigation Division (CID) when requesting for the verification of dangerous drugs.

4.5.3 CID - Correspondences:

The NHBG Division is nationally recognized and empowered as a centre for botanical or plant studies and information. Therefore, the division at times assisted the CID by examining and verifying any plant materials that were suspected to be marijuana or *Cannabis sp* (a common illegal plant drug in Solomon Islands). This year 2010 the division helped the Police CID in the identification and determination of forty one (41) cases which were presented and verified by a group of plant experts in the division.

4.5.4 Awareness and training.

Awareness and training was one of the activities that was done this year to visited areas to ensure that a satisfactory level of understanding of the research program, its purposes, activities, and benefits for the local resource owners and the nation as a whole is established with our local research partners particularly the resource owners. Awareness talk and research expeditions were done simultaneously due to limited budget which means training of our local partners was done at the same time when the actual research program was carried out in their respective areas and provinces which include Central, Guadalcanal, Malaita and Temotu provinces.

4.5.5 Public Correspondences on Plant ID and other Specialized Areas

Other Specialized areas that the Division assisted the public were through education in the field of : Forest Ecology, Plant Sciences, Forest Economics & Valuations, Botany and Ethno botany. Most forestry student from the Solomon Islands College of Higher Education (SICHE) who were doing their plant identification assignment and few plant enthusiasts were served through at least one of the mentioned specialized area.



4.5.6 Development Project.

This year two major projects were developed as a result of a good cooperation and understanding between all the relevant authorities who saw the need to have one check point just at the entrance to the Botanical Garden and the fencing of the Nursery site for the protection of the important plants.

4.5.7 Social and recreational activities.

The botanical garden had been seen as the place to be by members of the public who came into the garden as individuals or groups or even schools and did their activities that include a mere walk, site seeing, end year functions, cross country race, weddings, researches and even promotional programs on local and cultural music.

4.5.8 Research expeditions with Makino Botanical, Japan

One of the research expeditions done during the year was a continuation of the research program undertaken through a signed memorandum of agreement by the Makino Botanical Garden from Japan and the Honiara Botanical Garden of our Government (Solomon Islands) through the Ministry of Forestry. Aim of the research expedition is to collect any plant that is being locally used by our custom doctors as medicine to restore health and to have them go through scientific analysis to determine their scientific names and their true medicinal properties and information where they will be published and kept as Government property for future information and knowledge.

For this year alone, two research expeditions were carried out with Makino Botanical Garden (MBK). The first one begun on the 18th December 2009 and ended on the 9th January 2010 and the second one began on the 15th July 2010 and ended on the 30th August 2010. Provinces covered during the two expeditions include Central Province, Temotu Province and Guadalcanal Province.

To date since 15th September 2007 to 30th August 2010, seven research expeditions have been carried out within the country by Makino Botanical Garden in collaboration with the Ministry of Forestry through the National Herbarium and Botanical Garden Division. The total number of plants being collected since the year 2007 to 2010 is now on one thousand six hundred and fifty two (1652) plants some of which came from the same species which were repeatedly collected during each of the seven expeditions.

4.5.9 Reviving the use of the Botanical Garden and the Herbarium

Reviving the use of the Botanical garden and the herbarium started straight after all the officers found space in the herbarium building in early January this year 2010. The only and most important use of the Herbarium that is yet to be revived is the containment and preservation of the entire herbarium specimen most of which are still in Fiji waiting to be collected back to the Honiara National Herbarium to be stored and preserved for research and information purposes.

4.5.10 Staff capacity building through Training

Three members of the division's staff did undergo training as part of staff capacity building program 2 officers did theirs with Solomon Islands College of Higher Education and one with IT solution

Another Officer attended a training conducted by the International Fund for the Animals Welfare (IFAW) and the NZ Wildlife Enforcement Group (NZWEG) in conjunction with the Solomon Islands customs division. The training was on the battle against the illegal international trade of the endangered species and about the CITES which is the Convention on the International Trade of Endangered Species of which Solomon Islands is a member.



4.6 FORESTRY DEVELOPMENT PROJECTS

Under the 2010 Work Plan and Budgetary allocation, the Ministry of Forests and Research submit two Project Proposals for implementation to address two major components of the National Forestry Strategy and Program. These are (a) The Plantation development and Reforestation Strategy and (b) The Sustainable Timber Utilization and Downstream Processing Strategic Program. These two strategic programs addresses the Transitional Forestry Development as the Timber Harvesting Industry through Logging is expected to decrease significantly, due to depletion of Commercial stands volumes due to overexploitation and unsustainable harvesting. Hence, for the continuation of the Timber Industry to sustain the economy and as resource owner’s livelihood through economic benefits, the Forest Sector encourages Reforestation and Timber Processing and value added products.

These two programs have very high economic potential that could recover and improve the economic value of the Forest when the Logging sector decreases or even completely ceases. Thus, the MoFR embarked on these two projects and target the involvement of resource owners with a lot of consultation and participation on the projects.

4.6.1 National Reforestation Project

Project Achievement for 2010

Component	Description
Plantation Establishment by out growers	186 hectares planted for 2010 Total to date 18,000 woodlots 16,000 farmers 8,000 ha planted
Seed Collection and Distribution	1,825 kg Certified seeds distributed
Permanent Nurseries	128 in Makira, Guale, West, Choi
Cash Subsidy	648 recipient in 8 provinces (SBD \$ 1.4 Million)
Tools Subsidy	2411 tools distributed
Village Based Extension Network	55 FEO covering 55 sub-region in all 9 provinces
Radio Programs	17 programs aired (weekly 15 minutes)
Publication	7 publications
Housing and Buildings	21 building in 6 provinces
Trainings	3,000 resource owners 139 officers 1 international workshop attended

Total Development Budget Expenditure for 2010

ITEMS	CUMMULATIVE
Subsidy payment	\$1,478,791.00
Tools(Pac sales Enterprises)	\$3,404,400.00
Construction(Building Material)	\$1,622,572.44
Major Equipment & Stationeries	\$624,321.00
Feo Allowances	\$198,151.00
Special Imprest	\$85,639.00
Office Material	\$223,024.00
Fuel	\$205,864.00
Miscellaneous Payments.	\$262,035.20
Subtotal	\$8,104,797.89
Reverse Entry.	\$107,250.00
TOTAL	\$7,997,547.89



4.6.2 Timber Milling and Downstream Processing Project

ACTIVITIES	BUDGET	COMMITMENT FROM	BALANCE	Comments
Use of Funds	2010	2009	2010	
Assistance to Forest Resource owners	\$3,000,000	\$1,273,995.00	\$1,726,005.00	10 more Mill Units & 10 more chainsaws
Assistance to Rural Training Centre's	\$500,000	\$223,392.00	\$276,608.00	New applications required for tools only
Assistance to Local Furniture manufactures	\$500,000	\$168,498	\$331,502.00	New applications for tools
Assistance to Value Timber Association	\$200,000	\$200,000	\$0.00	Last payment from last year
Training	\$500,000	\$0.00	\$500,000	9 training workshops
Marketing	\$500,000	\$0.00	\$500,000	56.5 m3 exported. Plantation teak included
Monitoring/Evaluation	\$680,000	\$0.00	\$700,000	All Provinces visited twice during year and vehicle to be purchased
Office Equipment	\$100,000	\$0.00	\$100,000	Computers, Printers, Digital camera etc
SIBC Radio Programme	\$20,000.00	\$0.00	\$20,000	11 programs completed
Total	\$6,000,000	\$1,865,885	\$4,134,115	

Main Project Achievement for 2010

Project Component	Description	Amount
Assistance to Resource Owners	9 portable mills issued 10 chainsaws and frames	1,381,950 150,000
Assistance to Furniture operators	17 operators	354,430
Assistance to RTC	8 portable Mills 12 chainsaws and rails	1,228,400 196,000
Radio program	11 programs on SIBC	
Marketing	56,458 cu,m (value SBD 245,893)	
Forest Certification	2 FSC awarded to KFPL and Eagon	
Monitoring	27 containers inspected 7 Tubi containers confiscated 102 sawmill operators inspected	
Training	135 resource owners 2 officers	
VATA	Registration of members (600)	





CHAPTER FIVE CONSTRAINTS AND DIFFICULTIES

In executing the functions and responsibilities of the MOFR through the 2010 workplan, there were constraints and difficulties encountered that affected the expected performances and output. The main constraints and difficulties were:

5.1 Funding availability and processes

The effect of the Economic Crisis had disrupted the performance of the MoFR in executing its functions. The Budget allocation was reduced by 35% resulting in cut in spending especially in logistic to enable mobility and monitoring activities. Also it affected the recruitment process of officers to man the stations and to engage skilled technical personnel (IT officer) in the Administration Section. There were also setbacks in the out-growers extension scheme and subsidy to out-growers, hence resulted in a lower plantation establishment for 2010.

5.2 Technical Skilled Manpower

There was a general weakness in Technical and Management skills and competence in the organization. Management needs to address properly staff issues pertaining to their employment terms and conditions, staff training and development. The Ministry currently has a new upgraded structure which aims to give staff incremental level upgrading which will be based on qualification, experience and merits on performance as means to boost the past saturated systems that was too bureaucratic that staff become frustrated to perform under, making promotion and succession appear unachievable. However, now that the Ministry has a new approved structure that gives an upper level increments, it would be easier to manage promotion, confirmation and to discipline staff who does not adhere to conditions of employment under the Public Service Regulations.

5.3 Logistic and Support

(a) Information Technology

The MoFR lack reliable updated Information Technology system for proper data storage and information dissemination. Also access to information through internet was unavailable. There were large data backlog that need to be stored in safe reliable database. These include the export, license, Inventory, Plantation and timber milling data that needs to be stored in proper database programs.

Most office computers in existence are outdated and thus making an efficient local networking with the Ministry difficult and vulnerable to virus infections on valuable information such as licenses, export database and forest inventory upgrading is not fully utilized and equipped to provide the necessary support services expected to stake holders and international organizations when needed. The Ministry must seriously adopt a multi antivirus software so that information's stored on computers are not malfunctioned.



The anticipated increase in office equipments must be registered so that an inventory record is kept and outdated machines are de-registered and tendered for sale. This registration will ensure that the warranty of those office equipments gives a guideline for purchasing budgets of new equipments.

(b) Office Repair/Space

The state of offices in the Ministry's headquarter and provinces have not been renovated or improved to cater for the increased manpower establishment for 2010. There was minor temporary renovation of office spaces at the HQ and a new administration block extension has been completed. However there is still need for extra office space needed particularly for the Forest Resource Management and Technical Services Division to have adequate space for the Plotter map machine and storage of maps required. Additionally there is a need for extra office space to house the newly established utilization section that looks after the downstream processing unit. Due to the valuable information stored here, it is highly appropriate that office security is seriously improved. Hence, a security house is also anticipated to be included in 2011's budget.

(c) Transportation

Being located on Lengakiki ridge, transportation has been a major setback. It has been quite difficult to ensure that the Ministry is operating normally with staff arriving late at the office due to transportation difficulties. The challenges associated with this office location ranges from late arrival to work by officers, to correspondences reaching us very late. At times, the Ministry is not represented at crucial Meetings due to late arrival of invitations or letters from line-ministries or agencies. Hence, there is either an insufficient vehicle available to mobilize our officers or need for a control measure for the use of Ministry Vehicles in its movement during and after working hours

(d) Fuel

The provincial and sub-stations have field officers to monitor logging activities, ship loading and reforestation activities. These programs were all affected in 2010, due to limited fuel supply. Forestry activities occurred in the forests where sometimes in remote locations, hence need sufficient fuel supply to access these locations. Lack of fuel also affected power supply both in the headquarter and provincial stations.

5.4 Negative Publicity and Pressures

The Forest sector has been continuously been attract critical concerns and interests from the Public and Civil society, Resource owners, media and Environmental agencies and Organizations. Much criticisms and disagreement were raised from the Administration and functioning of the Timber Industry in particular the Logging Sector. The involvement of Asians Contractors acquiring harvesting rights from Resource owners and the Harvesting method and systems, raised a lot of interests and concerns from stakeholders and the Public. Since the Timber Industry is the major single contributor to the Local Economy with high revenue from timber royalties and Export Duty, most attention is focused on the sector.

There frequently arise disagreements between resource owners themselves and between competing contractors, hence resulted in lengthy legal disputes and confrontations. These sometimes lead to criminal activities and conflicts. Given these pressures and disputes, officers were usually forced to perform functions



outside the limit of their official and legal responsibilities. They are continually influenced meet their requirements and advantage and were exposed to abuse, harassment, intimidation or even expulsion from their official capacity and functions. This caused a lot of frustration and fear hence affected their performance and conduct.

5.5 Insufficient sound Legislation and Regulation

The Ministry of Forests will revisit the Forests Bill 2004, embarking on wider consultation with stakeholders and public for comments before a cabinet deliberation and approval.

The Bill is anticipated to be presented during the last parliamentary session in 2013 or early 2014. Once this Bill is passed, a public awareness programme will be required to educate and inform stakeholders about their rights and responsibility under the new Act. This activity is scheduled to be undertaken in the first half of 2011 upon budget submission approval.

Some work has been done in this area with the assistance from the Solomon Islands Forest Management Project II but it should be initiated and pursue by SIG.

5.6 Land Ownership and Tenure

The Land Ownership and Tenure system in Solomon Islands has been a hindrance and obstacle to development in the Country. As evident clearly in the Forest Sector especially the Land Acquisition Process for Timber Harvesting, there were numerous disputes and confusion over land ownership and boundaries. This affected that administration and Management of the Timber Industry and also leads to social tensions amongst resource owners themselves. This severely affected the development processes and sharing of benefits to sustain and improve the rural economy and livelihood.

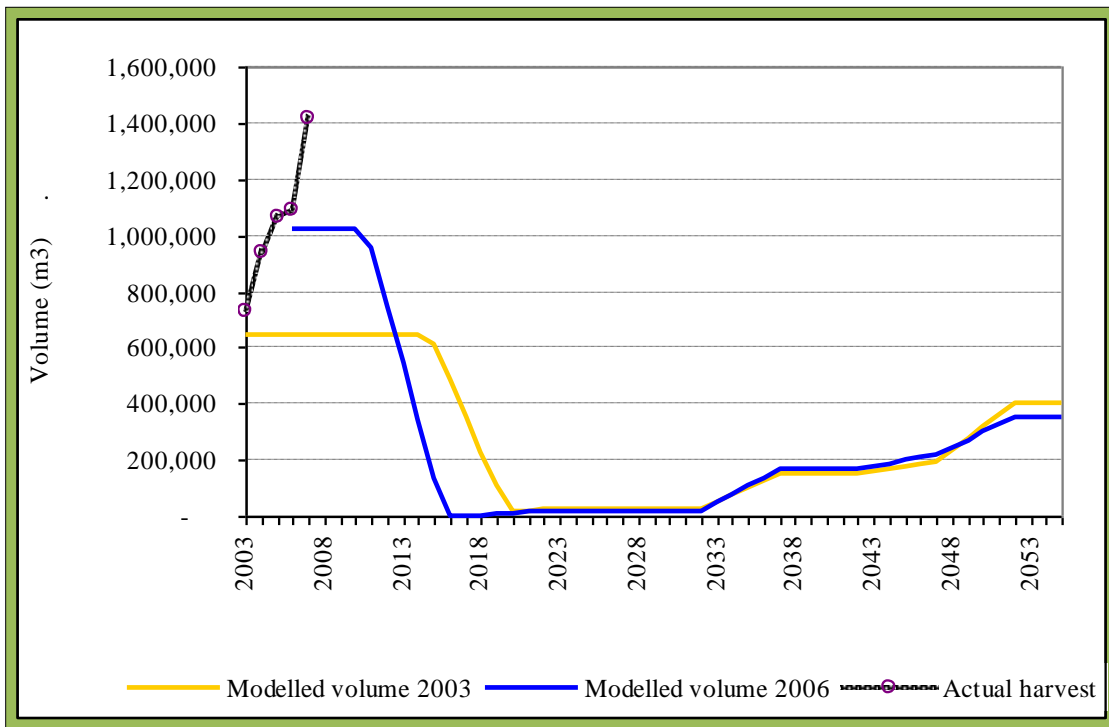


CHAPTER SIX CURRENT FACTS AND TRENDS

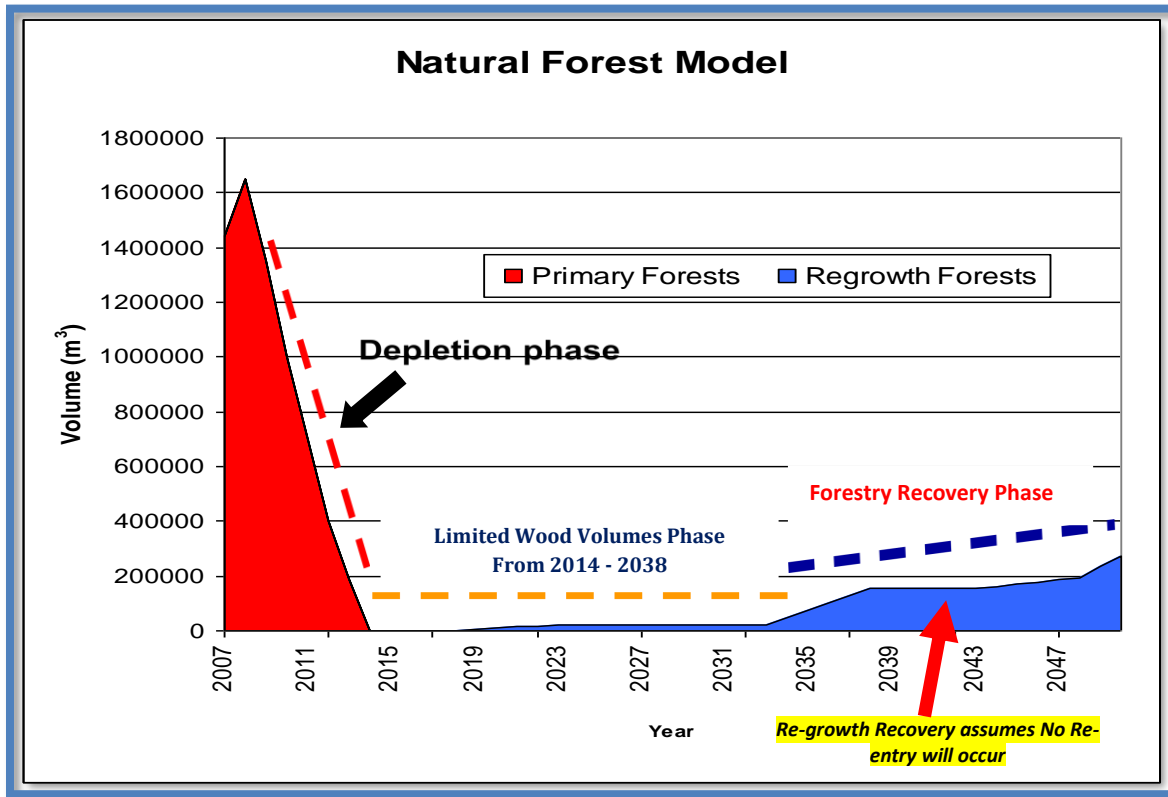
6.1 DEPLETING NATURAL COMMERCIAL STAND

The main important urgent concern facing the Forestry Sector and the Timber Industry in Solomon Islands is the rapid depletion of the Natural Commercial Forest stand due to unsustainable harvesting. For the last 10 years since 2002, there was a steady increase in log export volumes, five times more than the sustainable rate on 255,000 cubic meters per year. Since 2005, log export reached 1 million cubic meters, export in succeeding years further increased well above the 1 million cubic meters mark. In this trend of harvesting, the natural commercial forest would be completely depleted by year 2015, see model below.

Wood flow model for the remaining natural commercial stand (SIFMP 2006)



The National Forest Resource Assessment Update 2006 (by SIFMPII) indicated that the remaining unlogged natural forest with export potential was 7,841,800 cubic meters. Since 2006, there was active extraction and increased harvesting of the remaining natural commercial stand with higher export volumes. For the last 4 years (from 2007 to 2010), the volume extracted was 6,091,000 cubic meters. Using these figures, a theoretical assumption is made to deduce the estimated available remaining natural commercial stand with export potential which equals to 1,740,000 cubic meters. This remaining volume equals the volume exported for one year alone, thus by the end of 2011, all natural commercial forest stand will be completely depleted and exhausted.



The above model indicated the Natural Forest Status and Recovery prediction. There are three distinctive phases observed. The Depletion Phase is still current where the rapid depletion occurs due to overharvesting and exploitation. From 2014 to 2038, there would be very limited wood supply for export purposes especially with commercial tree species. Recovery of the Natural Forest takes 40 – 50 years. This means regrowth to reach harvestable volume will occur in 2038 onwards. This model does not consider the practice of re-entry, which means no harvesting is done on any previously logged forest. If re-entry is done (which is currently practiced), then recovery will be prolonged or even never happen. It would be the end of the Logging Sector.

6.2 PLANTATION DEVELOPMENTS

The Plantation and Reforestation Sector is the “Sunrise Sector” especially in the small holder sub-sector. The two Industrial Forest Plantation of KFPL and Eagon have reached maturity and now entering the second rotation, however have limited land to expand further. Alternatively, the smallholder sub-sector (rural out-growers) has the potential to make a positive impact and contribution. This is the sector that has to be empowered and supported to participate fully in the National Plantation Development and Reforestation Program. The future of the Forest Industry (timber) lies very much in the participation of these rural out-growers.

The SIFMP and National Plantation and Reforestation Projects have some positive outcomes, especially the Cash and Tools Subsidy and must be improved to encourage out-growers. Already there established some 36,000 ha of plantation, however planting rate still below the planting target of 500 ha per year. Production in the Plantation Sector is higher per ha and by maintaining a constant planting of 500 ha per year, wood supply



will continue with higher economical benefit until the natural forest recovery. This is where the future of the forestry Industry lies.

6.3 TIMBER MILLING AND PROCESSING

The Timber Industry is dominated by Round Log Export. It a raw material with no added value, hence it attract lower prices and revenue. Alternatively, it is time to invest heavily in Timber Processing with added value. Currently, Solomon Islands exported very small quantity of rough sawn untreated timber to mainly Australia and New Zealand.

Timber Milling and processing with added value is another Forest Industry sub-sector that has high potential to make significant contribution to Solomon Islands. It promotes sustainable harvesting, increased plantation estate, direct rural income and employment and the harvesting and processing of high value plantation timbers.

6.4 NON-TIMBER FOREST PRODUCTS

The Ministry of Forest and Research under its National Forest Policy and Development Strategy undertake activities to identify and promote research and utilization of Non Timber Forest products. These products include, food plants, cultivated plants of agricultural significance, firewood, custom, building materials and crafts and medicinal and pharmaceutical plants. The National Herbarium and Botanical Garden Division has started ground work with collaboration with JICA identify and research on local medicinal plants and need to be supported.

As Solomon Islands has a 79% vegetation cover with very high species diversity, there is high potential of plants and plant products of significant property to support livelihood. People have used these products to support livelihood in the past, to the present and should be improved and commercialize in the future to maximize benefit.

6.5 INTEGRATED SUSTAINABLE FOREST MANAGEMENT

The Service and Social functions of the forest can not be underestimated and neglected. It provides the balance of Nature in both the global and local setting as it is the regulating agency and component in the Natural System. This has becoming the single major important function of the forests and correspondingly valued it is capacity to perform this very important function.

In the national interest, the natural forest accommodates the conservation of biodiversity, protection of water catchment, unique ecosystems and degradation of environment due to climatic extreme impacts. Increasing, the forest is a significant recreational facility that attracts huge influx of tourists, scholars, children and the general public. This is a new forest development sub-sector that needs to be improved and undertaken seriously by the forest stakeholders. The challenge now is to regulate the sub-sector and convince resource owners to undertake and accommodate these developments in their forest areas.



CHAPTER SEVEN RECOMENDATIONS AND CONCLUSION

7.1 RECOMMENDATIONS

The MOFR having completed and evaluating the 2010 work-program and activities, identify the following Key recommendations for the future progress in the Management and Development of the Forest as a major Sector in Solomon Islands.

7.1.1 Development of Legislation and Policies for key sub-sectors. These sub-sectors are:

- a. Plantation Development and Reforestation
- b. Forest Protection and Conservation
- c. Research and Development of Non Timber Forest Products
- d. Timber Processing and Marketing
- e. Climate Change including Carbon Technology.
- f. Social Forestry and Recreation

7.1.2 Institutional Strengthening and Capacity Building

- a. Improvement of Office building and facilities in the HQ and provincial centres
- b. Re-vitalization of the National Research and Seed Centre at Poitete and Munda
- c. Restructure and Improve Manpower Establishment
- d. Promote Training in skill and Technical forestry fields
- e. Installment of proper IT and communication facility and equipment
- f. Procurement and purchase of appropriate technology.

7.1.3 Funding and Financing

- a. Increase funding support from both recurrent and development budget to cater for planned activities and programs especially on Key Development Programs

7.1.4 Support Forestry Sub-sectors that has potential for Solomon Islands development.

- | | |
|---|-------------------------------------|
| a. Plantation development and Reforestation | Out-growers subsidy scheme |
| b. Timber Milling and Processing | equipment, training, marketing |
| c. Non timber Forest Products | Research, development and Marketing |
| d. Promotion of Biodiversity Conservation | incentives and income generating |



7.2 CONCLUSION

The forest is a crucial significant resource for the existence of life on earth. It not only supports “mother nature”, but also a giver, provider and protector of humankind and biodiversity to their existence for so long, hence become a source of livelihood. Solomon Islands and its people mainly in the rural areas are economic disadvantage hence rely on the extraction and harvesting of the forest to support their livelihood. Development of the forests resource for economic benefit, was heavily concentrated on the timber industry sub-sector that resulted in overexploitation and overharvesting. Hence, by 2011, it is expected that log export will drastically decline and by 2015, theoretically there would be a complete depletion of all commercial volume with export potential. The impact of this commercial forest depletion has occurred and the Government and resources owners explore and seek alternatives means to replace this deficit.

The best possible options identified, was replanting and reforestation. The MoFR have seriously undertaken this program and have achieved very encouraging progress in this sub-sector. The challenge is the provision of assistance and support from the Government and Resource Owners to participate in the program. Plantations and woodlots have been established in all provinces with Forestry Officers at their vicinity to provide assistance and support.

Other forestry development areas that have huge potential compared to the diminishing logging sector are already identified and in the establishment phases. These are the Timber milling and processing, Biodiversity conservation, social and recreational forestry, non timber forest products and the carbon trade markets.

The outlook for Solomon Islands forestry though gloomy in the next five to ten years, the emerging forest sub-sectors have very high potential benefit to Solomon Islands to replace the sunset logging sector. The main challenge to address is the ownership, commitment and effort to develop and manage the sunrise industries.

Truly Forest is a renewable resource, and with appropriate policies and institutional framework and facilitation can sustain livelihood to perpetuity.



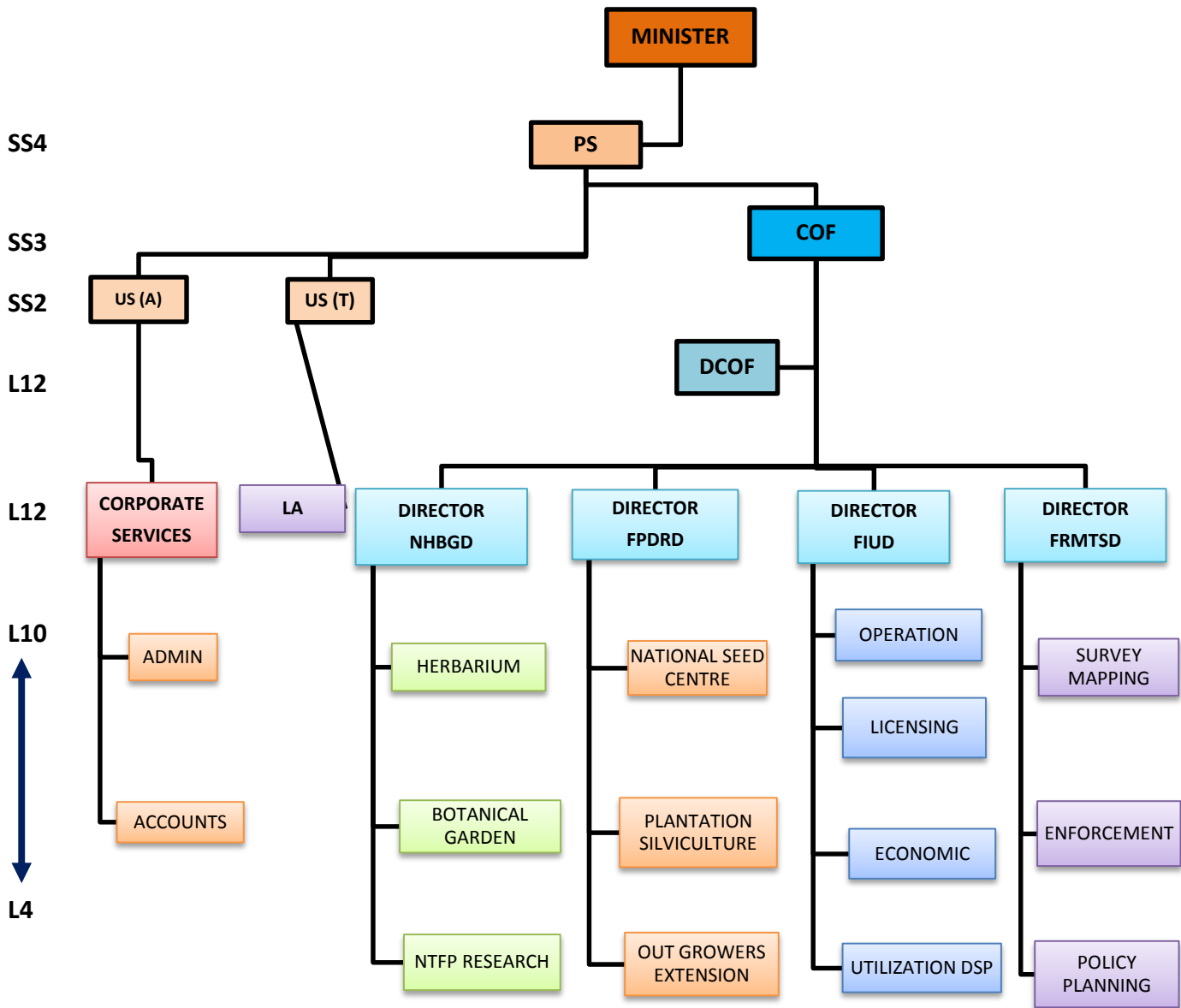
APPENDICES

Appendix A	MoFR Organizational Structure
Appendix B	2010 List of Village Based Forest Extension Officers
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ANNEX A

MoFR 2010 Organizational Structure



- | | | | |
|---------------|---|---------------|---------------------------------------|
| COF | <i>Commissioner of Forests</i> | DCOF | <i>Deputy Commissioner of Forests</i> |
| NHBGD | <i>National Herbarium and Botanical Garden Division</i> | US (A) | <i>Undersecretary Admin</i> |
| FPDRD | <i>Forest Plantation Development and Reforestation Division</i> | US (T) | <i>Undersecretary Technical</i> |
| FIUD | <i>Forest Industries and Utilization Division</i> | DSP | <i>Down Stream Processing</i> |
| FRMTSD | <i>Forest Resource Management and Technical Services</i> | LA | <i>Legal Officer</i> |

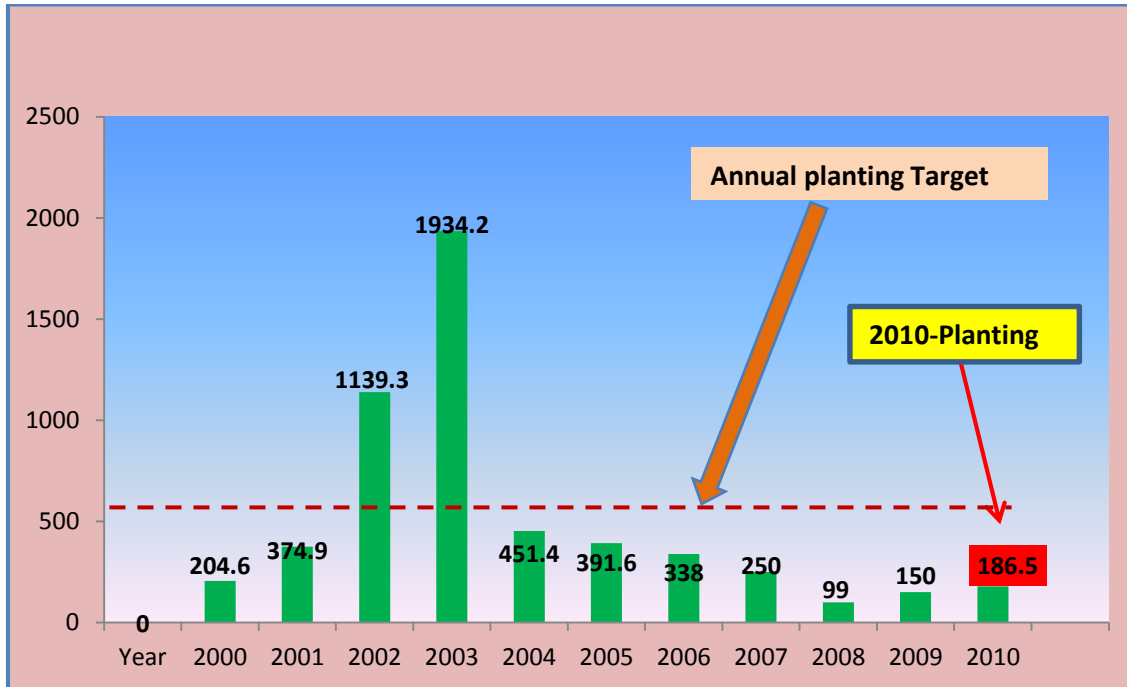


ANNEX B 2010 LIST OF VILLAGE BASED FOREST EXTENSION OFFICERS

No	Province	Sub-Region	Name of FEO
1	Malaita	Atoifi	Freda E. Manibili
2		Hauhau	Jeoff.S. Hoasihata
3		Odou	Moffat Tagini
4		Buma	Hellen Billy
5		Afutara	Fenton Horiwaitako
6		Lau/Mbaelelea	Ronnie Maeli Toirodo
7		Rara	Geral Ruaimai
8		Dala	Hellen Pitiga
9		Okwala	Albert maesulia
10		North west	Philip Diau
11		Wairokai	Salome Aihunu
12	Guadalcanal	Old Selwyn	Wendy Saki
13		Aola	Bevarlyn veta
14		Longu	Daisy Laerau
15		Vatalena	Alick Weta
16		Sahalu	Dominic Bua
17		Fox Bay	Nelson Tahi
18		Reko	Magret Gaoka
19		Savulei	Coleman Tabulo
20		Moli	Paul Francis
21		Central Malango	Jack Para
22		Paripao	Vacant
23	Makira	Na'ana	Henry Kuata
24		Pamua	Michael Wa'ao
25		Tawaraha	Pollard Mana
26		Ulawa	Marence Elesau
27		Narame	Andrew maesimage
28		Aruraha	Vacant
29	Isabel	Kia	Edward Siatoga
30		San George	Ben Vihi
31		Govea	Jimmy Kiko
32		Bogotu	Helekia Kegramola
33		Toelegu	vacant
34	Western	Rannoga/Simbo	Nelson Tuke
35		Sesepe	Vacant
36		Batuna	Runi Metu Masele
37		North New Georgia	Crofton Clevan
38		Roviana	Adrian Kera
39		Meri Point	Hilly Jino
40		South Vellalavela	Delcy Olovae
41		Shortland Islands	Vacant
42		Rendova/Tetepari	Penny Oilta'a
43		North vellalavela	Ronneth Paul
44	Temotu	Nagu	Abraham Meupola
45		Utupua	Audry Nina
46	Choiseul	Loloko	Lawster Lukisi
47		Voza	John Palataru
48		Sisiata	Jacob Poloso
49		Ohgo	Felix Tudupatu
50		Qevale	Mary Orokomala
51	Central Islands	Hogo	Simon Peter Teva
52		Boli	Madlyn Talina
53		Tulagi	Percival Vaga'a
54		Russhel islands	Modesto Lovasa
55	Renbel	Rennel	Randol Puia
56		Bellona	Jeffery Taugenga



ANNEX C SMALL SCALE PLANTATION ESTABLISHMENT SINCE 2000

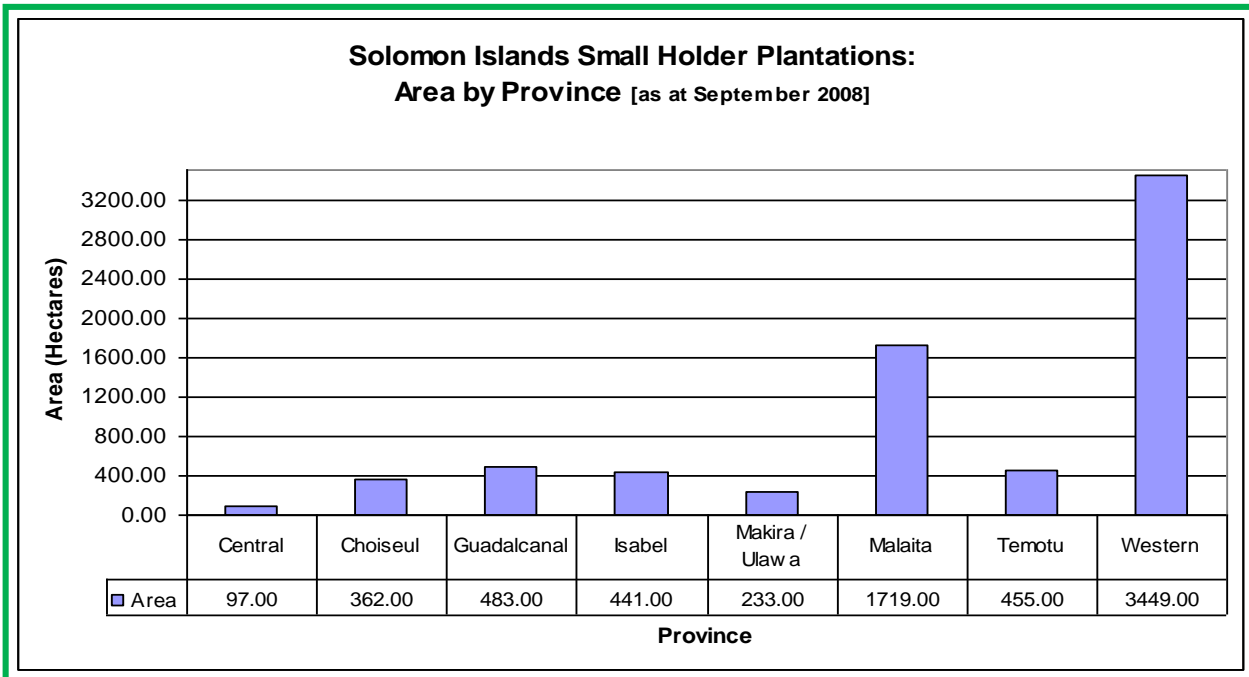


ANNEX D Plantation Establishment by Province

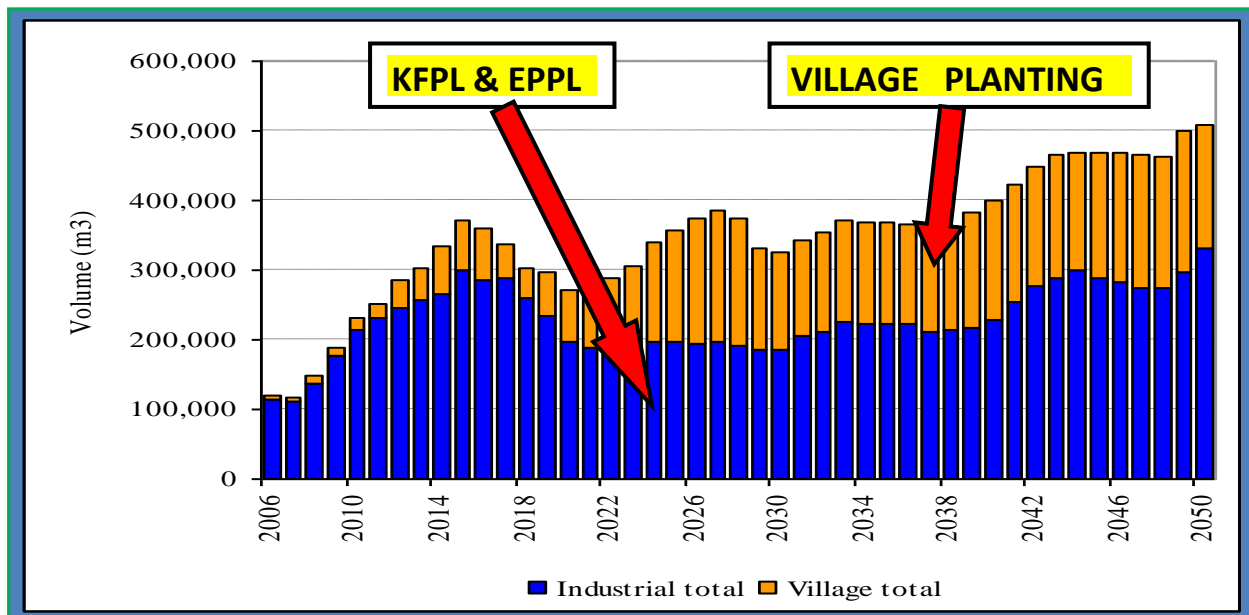
Province	SPECIES				Total Hectares	Remarks
	Teak	Swim	EUCD	Others		
<i>Malaita</i>	20.22	14.443	1.08	0	35.743	No report from Afio station
<i>Guadalcanal</i>	2.01	10.34	3.33	0	15.68	
<i>Makira</i>	4.2	0.8	0.04	0	5.04	
<i>Temotu</i>	0	47.31	0	0	47.31	
<i>Isabel</i>	0	8.97	0	0	8.97	No report from the station, this is based on monthly report only
<i>Central</i>	0	0	0	0	0	No report from the station
<i>Western</i>	2.14	1.68	4.52	3.39	11.73	This figure is for Munda region only, Seghe, poitete & Short lands are not reflected.
<i>Choisuel</i>	42.472	0	0	0	42.472	
<i>Renbel</i>	0	0	0	0	0	No formal report received
Total	62.842	85.543	8.97	3.39	186.516	



ANNEX E Small Holder Plantation by Province as at Sept 2008



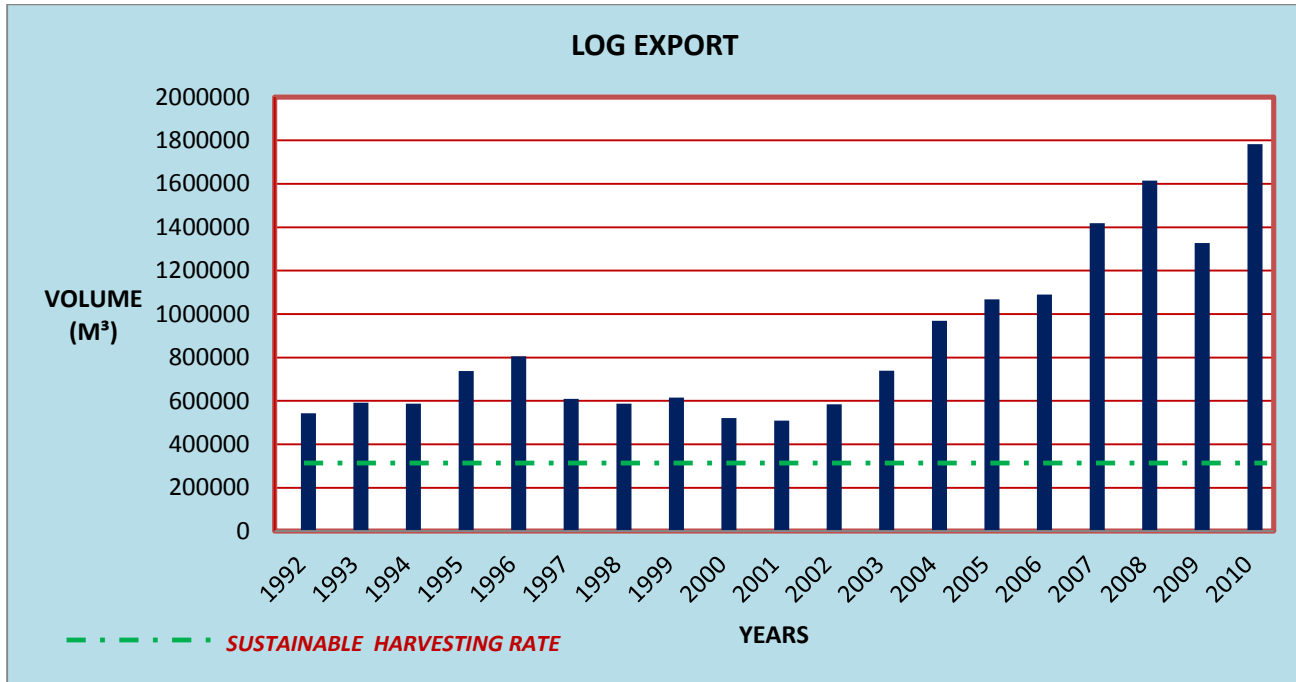
ANNEX F PLANTATION ESTATE FUTURE WOODFLOWS



**TARGET : modeled on 500 ha/yr small holder plantings
& industrial estate remains constant**



ANNEX G Log Export Summary from 1992 to 2010



ANNEX H 2010 Log Export by Province

Province	Estimate		Actual		Duty	
	Vol Cu. m	Value US \$	Vol Cu. m	Value US \$	Paid US \$	Exempted US \$
Choiseul	104,596	8,875,744	107,069.041	9,138,598.36	15,145,655.36	250,848.43
Guadalcanal	108,622	9,939,313	98,282.347	8,909,873.520	13,374,829.11	0.00
Isabel	444,982	37,694,194	436,743.675	36,179,080.67	63,288,361.20	2,556,469.43
Makira	250,580	22,462,605	248,226.216	21,874,278.190	39,405,901.97	0.00
Malaita	241,453	21,800,655	224,605.794	20,099,649.850	30,480,102.25	0.00
Western	629,947	50,624,454	617,676.471	49,290,517.610	74,280,525.38	2,960,142.61
Total:	1,780,179	151,396,965	1,732,603.544	145,491,998.20	235,975,375.27	5,767,460.46



ANNEX I 2010 Sawn Timber Export by Month

	Vol.	Value (AUD)	Value (US\$)	Value (SI\$)
Jan	1,014.492	0.00	0.00	3,681,967.28
Feb	1,137.608	18,070.00	138,147.36	3,641,327.81
Mar	1,006.066	33,500.30	39,656.01	3,120,096.21
Apr	981.451	114,092.15	38,124.60	2,914,930.30
May	928.996	17,717.00	27,873.90	3,335,694.30
Jun	1,458.657	55,310.05	73,266.66	4,355,688.80
July	1,108.191	26,883.95	75,826.35	3,326,243.15
Aug	999.088	0.00	44,356.90	3,831,864.06
Sep	995.049	0.00	68,304.00	3,502,411.01
Oct	988.827	47,242.83	50,178.38	3,751,461.28
Nov	1,210.435	40,811.30	49,256.78	4,184,372.00
Dec	1,438.486	14,438.80	27,840.92	5,431,678.82
Total	13,267.346	368,066.38	632,831.86	45,077,735.02

ANNEX I 2010 Sawn Timber Export Destination

Exporter	Volume (m ³)	Value (AUD)	Value (US\$)	Value (SI\$)
Australia	4,011.001	368,066.38	17,080.00	15,161,518.95
China	1,352.978	0.00	319,127.79	2,666,551.80
Fiji	20.000	0.000	0.000	53,084.650
Hong Kong	239.574	0.00	0.00	889,840.80
India	75.176	0.00	0.00	246,723.60
Kiribati	9.010	0.000	0.000	29,380.030
Korea	300.000	0.00	0.00	594,294.00
Malaysia	96.794	0.00	0.00	314,979.20
New Caledonia	639.060	0.00	27,505.75	1,802,273.44
New Zealand	3,499.128	0.00	222,544.71	10,710,341.14
Philippines	2,362.867	0.00	0.00	10,061,821.31
Tahiti	15.861	0.00	8,449.01	0.00
Taiwan	339.000	0.00	0.00	1,619,400.00
Thailand	18.159	0.00	0.00	58,108.80
Vanuatu	72.642	0.00	0.00	281,134.50
Vietnam	99.756	0.00	0.00	448,902.00
Unallocated destination *	116.339	0.00	38,124.60	139,380.80
PNG	<i>Samples only - air freight</i>			
Totals:	13,267.346	368,066.38	632,831.86	45,077,735.02

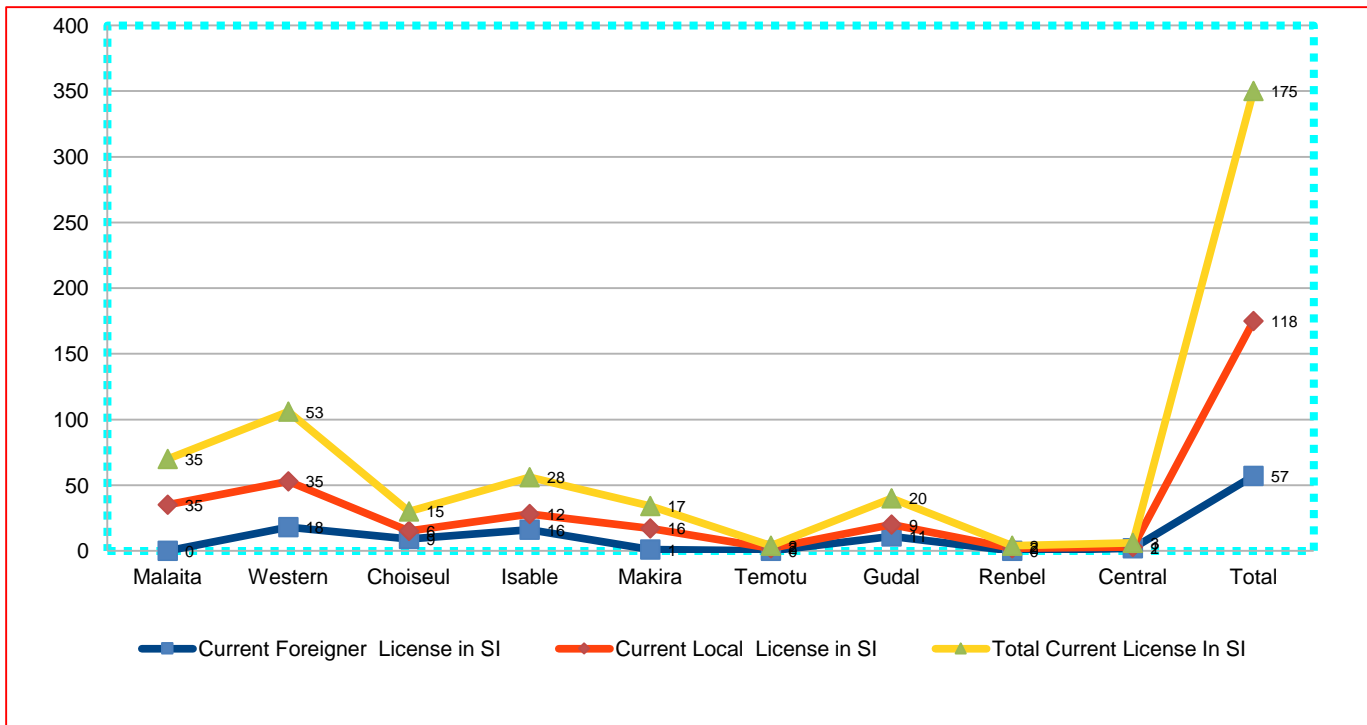


ANNEX J 2010 Sawn Timber Export by Exporter

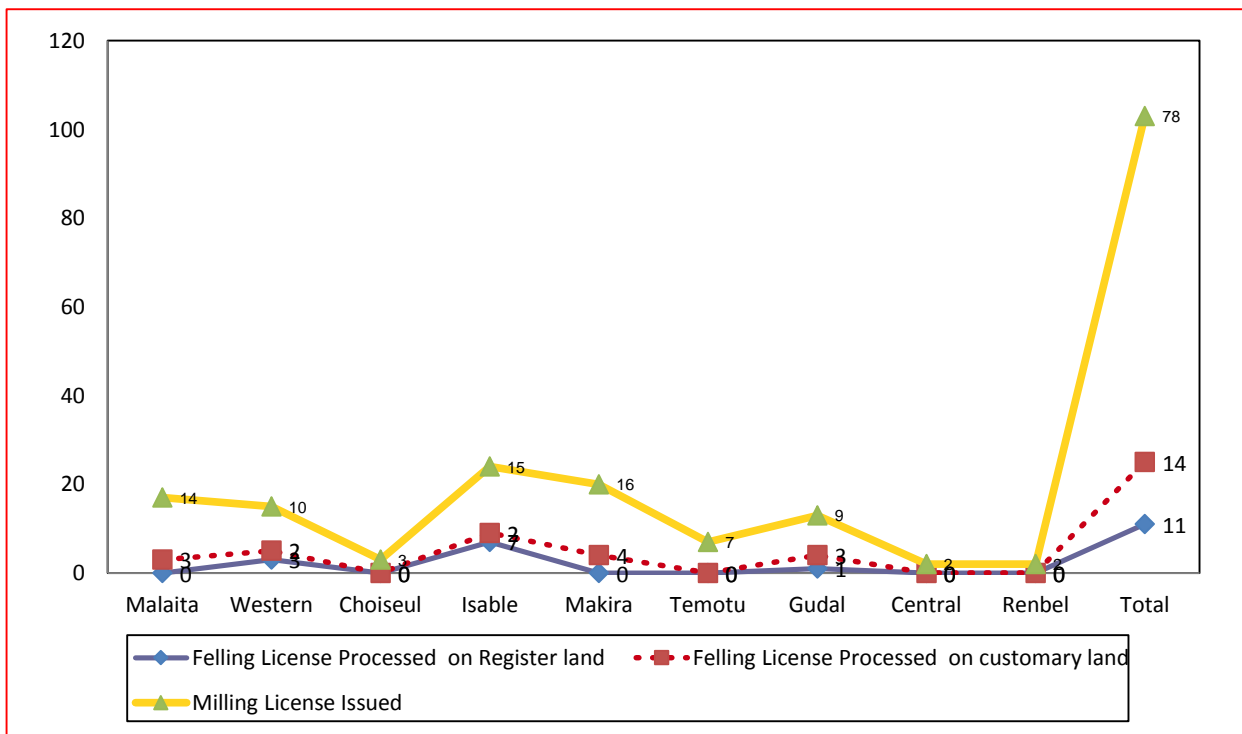
Exporter	Volume (m ³)	Value (AUD)	Value (US\$)	Value (SI\$)
Alpha Exports Ltd	868.789	343,261.38	259,629.47	0.00
Barava Tropikol Homes (Adam Barlett)	7.383	0.00	0.00	9,431.00
Best Timber Ltd	18.770	0.00	0.00	49,298.00
Buddies Trading	27.800	0.00	0.00	63,289.10
Buni Timber Milling Ltd	35.758	24,805.00	0.00	25,250.00
China United (SI) Corporation Ltd	395.148	0.00	197,575.00	0.00
CHK Enterprises	27.642	0.00	0.00	146,134.50
Chung Sol Co. Ltd	544.000	0.00	0.00	2,585,770.00
Daido (SI) Ltd	20.000	0.00	0.00	53,084.65
Eagon Pacific Plantation	300.000	0.00	0.00	594,294.00
Fair Trade Co. Ltd	190.153	0.00	0.00	963,889.50
Far East Enterprises	553.150	0.00	0.00	2,279,094.00
Glengrow (SI) Ltd	40.000	0.00	0.00	110,000.00
Goodwood (Solomons) Ltd	163.453	0.00	93,144.95	0.00
Great Ocean (SI) Ltd	217.000	0.00	0.00	866,127.00
John Wesley Timber Ltd	18.000	0.00	0.00	62,068.27
KFPL	34.000	0.00	8,415.00	191,320.00
Lagoon Eco Timber	29.000	0.00	15,950.00	0.00
Liufaiwasi Enterprise Ltd	17.440	0.00	0.00	76,659.00
Marovo Lagoon Sustainable Timber	33.490	0.00	0.00	162,569.46
Martin Tsuki	6.000	0.00	0.00	43,200.00
Omex Industry Ltd	55.362	0.00	0.00	215,647.71
R & R Vendere Sawmill	59.529	0.00	0.00	159,802.25
Rere Bochman	9.010	0.00	0.00	29,380.03
SI Best Import & Wholesale Ltd	121.078	0.00	58,117.44	0.00
SI Pacific Hardwoods	7.400	0.00	0.00	8,859.60
Success Co. Ltd	45.000	0.00	0.00	135,000.00
Timber Rite	35.810	0.00	0.00	138,135.80
Top Timbers	9,163.180	0.00	0.00	35,422,443.11
Tri Jam Enterprises	14.000	0.00	0.00	18,546.00
Value Added Timber Association	70.352	0.00	0.00	305,272.14
Vunagi Milling	32.053	0.00	0.00	114,022.00
Village Eco Timber Exporter	19.240	0.00	0.00	15,582.60
Zai Mai Investment Ltd	73.111	0.00	0.00	200,624.10
Zome Enterprises Ltd	15.244	0.00	0.00	32,941.20
David Henderson	<i>Samples only - air freight</i>			
Francis Billy Hilly	<i>Samples only - air freight</i>			
Patrik Mundao	<i>Samples only - air freight</i>			
Paul Mauli	<i>Samples only - air freight</i>			
Stanley Wairowo	<i>Samples only - air freight</i>			
Total	13,267.346	368,066.38	632,831.86	45,077,735.02



ANNEX K Number of Current Foreign and Local Felling Licenses in SI



ANNEX L 2010 Felling License issued on Registered Vs Customary Lands by Location





ANNEX M Plant species collection from 2007 to 2010 and stored in National Herbarium

