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*Republic of Fiji*

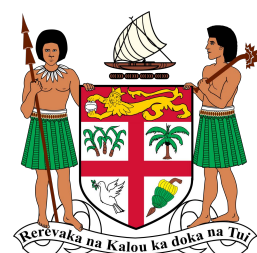
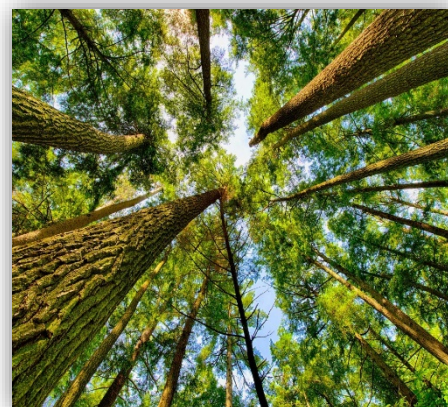
## REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

### PERFORMANCE AUDIT REPORTS ON:



#### Management of Rural Electrification Program

#### Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007





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*Republic of Fiji*

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# OFFICE OF THE AUDITOR GENERAL

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File: 436/1

15 November 2019

The Honorable Ratu Epeli Nailatikau  
Speaker of the Parliament of the Republic of Fiji  
Parliament Complex  
Gladstone Road  
**SUVA.**

Dear Sir

**FOLLOW UP AUDITS ON MANAGEMENT OF RURAL ELECTRIFICATION PROGRAM  
AND PROGRESS OF IMPLEMENTATION OF POLICIES AND STRATEGIES IN THE FIJI  
FOREST POLICY STATEMENT 2007**

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the Follow up audits on Management of Rural Electrification Program and Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007.

A copy of the report has been submitted to the Minister for Economy who as required under section 152(14) of the Constitution shall lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Yours sincerely

Ajay Nand  
**AUDITOR-GENERAL**



Encl.

## **The Office of the Auditor-General – Republic of Fiji**

The Office of the Auditor-General is established as an Independent Office by the Constitution of the Republic of Fiji. Its roles and responsibilities include carrying out performance audits to determine whether an entity is achieving its objectives effectively, economically and efficiently and in compliance with relevant legislation. These audits are carried out by the Auditor-General on behalf of Parliament.

The Auditor-General must submit a report on performance audits carried out to Parliament. In addition, a single report may include two or more audits. This report satisfies these requirements.

The Office of the Auditor-General notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high quality reporting including recommendations which are not only value-adding to the entity subject to audit but its customers and the general public as well.

# **Follow up Audit on Management of Rural Electrification Program**



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## Acronyms

Acronym	Particulars
<b>DoE</b>	Department of Energy
<b>ISSAI</b>	International Standards for Supreme Audit Institutions
<b>ITC</b>	Information Technology Centre
<b>MoE</b>	Ministry of Economy
<b>NEP</b>	National Electrification Plan
<b>PAC</b>	Public Accounts Committee
<b>REP</b>	Rural Electrification Program
<b>RESCO</b>	Renewable Energy Service Company
<b>REU</b>	Rural Electrification Unit
<b>SAI</b>	Supreme Audit Institution
<b>SHS</b>	Solar Home System

## Follow-up of Audit Recommendations

The *Audit Act 1969* requires the Auditor-General to issue an audit memorandum to the responsible authority for each entity that is subject to an audit. The audit memorandum includes observations made during the audit and suggestions or recommendations for improvement which are reported to management and those charged with governance of an entity.

Every year the Auditor-General must report to Parliament on audits conducted and on other significant matters the Auditor-General wishes to bring to the attention of Parliament.

Although the Auditor-General reports to Parliament with recommendations to improve the performance or enhance accountability of public sector entities, the Auditor-General is not responsible nor does it have the powers to enforce the implementation of these recommendations.

As a matter of good governance, all public sector entities should have systems and processes to consider and implement recommendations of the Auditor-General.

Parliamentary committees also have a key role in reviewing findings and recommendations reported to Parliament.



## Audit objective and scope

The purpose of this follow-up audit is to examine whether the Department of Energy (DoE) has effectively implemented the recommendations which were made in *Management of Rural Electrification Program* (Audit Report on Performance Audit Volume I of December 2014, Parliamentary Paper No.6 of 2015). We also assessed whether the actions taken have addressed the underlying issues that led to our recommendations in the stated report.

Our scope included a detailed review and analysis of work undertaken by the Rural Electrification Unit (REU) of Department of Energy (DoE) in addressing our original audit recommendations under the following areas:

- (i) **Management Framework of Rural Electrification Program**  
The **first chapter** of this report seeks to establish the progress made by the DOE in addressing the issues raised in the 2014 Performance Audit Report with regards to the institutional arrangement in place for implementing the rural electrification projects and the sufficiency of funding and resourcing to enable effective implementation of the projects identified.
- (ii) **Administration and Implementation of Rural Electrification Program**  
The **second chapter** of this report seeks to determine whether the DOE has taken the necessary actions towards the issues raised in the 2014 Performance Audit Report on the administration and implementation of rural electrification program. This included scrutiny of the administrative processes and the implementation of the projects identified in accordance with planned requirements.
- (iii) **Monitoring and Inspection of Projects under the Rural Electrification Program**  
The **last chapter** seeks to establish whether DoE has addressed the issues raised in the 2014 Performance Audit Report with regards to the effectiveness of the REU in monitoring rural electrification projects and whether projects implemented are monitored and reported accordingly by the REU.

Our follow up audit focused on the above areas as reported in the 2014 Performance Audit report and covered the period 2015 to 2018. **Appendix 1** contains more information about our audit objectives and methods.

We conducted our follow up audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI) 300:42 - *Follow up previous audit findings and recommendations*, ISSAI 3000:136 - *Auditor shall follow up, as appropriate, on previous audit findings and recommendations and the SAI shall report to the legislature* and section 9 of the Office of the Auditor General (OAG) Performance Audit Manual (PAM)

## Reference to Comments

In accordance with s.7 (7)(1) (a)) of the Audit Act 1969, ISSAI 300:29 and ISSAI 3000:29 on maintaining effective and proper communication with the audited entity and ISSAI 300:129 on giving the audited entity the opportunity to comment on the audit findings, conclusions and recommendations before issuing audit report, we also provided a copy of this report to DoE for comments on 17 October 2019.

## Key Facts

Energy is of crucial importance for the socio-economic development of Fiji. The Programs were intended to support Government Rural Development policy aimed at improving living standards in the rural areas through electrification, so that disparity of living conditions between the urban centers and the rural centers can be reduced.

Government no longer require the partial deposit of 10% from communities for grid extensions. The project is now fully funded by government.

The Department of Energy (DOE) has the vision of a sustainable energy and the mission to provide an enabling environment through a resource efficient, cost effective energy sector in Fiji

### Management of the Rural Electrification Project

The DoE within the Ministry of Infrastructure and Transport (MoIT) is responsible for the government rural electrification program. DoE conducts rural electrification in 3 ways:

- 1) Requesting EFL to extend lines to a community
- 2) Installing diesel mini grids
- 3) Installing individual Solar Home System (SHS)

Rural electrification projects are carried out by Energy Fiji Limited (EFL) and the DoE.

## 1.0 INTRODUCTION

### 1.1 Overview

- 1.1.1 The provision of electricity is considered as the potent force that has the capability of elevating and providing the much needed dynamism into the rural economy.<sup>1</sup>
- 1.1.2 The rural electrification programme largely, provides a facility that enable the rural communities to be provided or assisted with the provision of electricity. Government commitment on the programme was made possible through the endorsement of a new rural electrification policy by Cabinet in 2008.
- 1.1.3 The objective of the program is to facilitate the penetration of electricity into our rural areas with the ultimate intention of bringing about opportunities for economic gains and improvements in the overall standard of living. The revised policy provides an opportunity for rural dwellers to reconcile their needs with that of the supply options and simultaneously select a more suitable option that will be able to meet their differing circumstances. These options include:
- Extension of the FEA (EFL) Grid
  - Supply from a Government Station
  - Hydro
  - Solar
- 1.1.4 Solar, under the Rural Electrification Program, operates as a Renewable Energy Service Company (RESCO) model. Under this model equipment is owned by government, but is installed and maintained by a private company selected through competitive tendering. Each user pre-pays a monthly fee that covers the maintenance and component replacement as well as the initial capital cost. A preliminary assessment undertaken through a socio economic survey indicated that majority of the rural citizen that presently use kerosene or benzene lamps and dry cell batteries are willing and able to pay the full operating and maintenance cost of the solar home system.<sup>2</sup>

<sup>1</sup> Fiji Rural Electrification Policy 2016-Minister's Foreword, p.2

<sup>2</sup> 2018-2019 Budget Submission to MoE: Capital Expenditure Request under Rural Electrification (Page 65)

## 1.2 Report 4: Audit Report on Performance Audit Volume I of December 2014

- 1.2.1 In the Management of Rural Electrification Program (Audit Report on Performance Audit Volume I of December 2014), we assessed the efficiency and effectiveness of the management of the rural electrification program by examining:
- The Management Framework For The Rural Electrification Program (REP)
  - The Administration and Implementation Of The Rural Electrification Program; And
  - The Monitoring and Inspection Of Projects Under The REP
- 1.2.2 Our audit identified improvements that could strengthen the management of the REP. We made a total of **14 recommendations** of which four related to the management framework for the rural electrification program, eight relating to the administration and implementation of the rural electrification program and two relating to the monitoring and inspection of projects under the REP.
- 1.2.3 In the audit report on Performance Audit Volume I of December 2014, we focused on all the rural electrification programs managed by the REU that provide electricity through the stand-alone diesel schemes; extension of FEA grid network and renewable energy based schemes i.e. solar power and non-grid electrification system.

### 1.2.4 We concluded in the 2014 audit report

- 1.2.4.1 Management of rural electrification program is adequately managed despite resource constraints. Legal and institutional framework exist to provide guidance on the proper implementation and management of rural electrification program even though they may require reviews to keep them relevant and authoritative. In addition, deviations in the administrative issues such as adherences to requirement of the application process, records maintenance etc. need to be strengthened to ensure accountability.

### 1.2.5 We found in the 2014 audit

The 2014 audit examined records of the rural electrification program for the five year period from 2008 to 2013 maintained by the REU. We noted the following:

- 1.2.5.1 Framework for the management of rural electrification projects exists and is defined through the Rural Electrification Policy 1993 and Standard Operating Guidelines. These need to be reviewed to incorporate current practices, roles and responsibilities.
- 1.2.5.2 The current structure of the DoE has been in existence for more than 20 years and has an effect on the effective implementation of the program.
- 1.2.5.3 There is a need for recruitment of more staff and provision of adequate training for employee skills enhancement and development.
- 1.2.5.4 The DOE did not fully utilise the budget for REU projects completed in 2013 which impinges on their budget utilisation for the following year.

- 1.2.5.5 Applications are not always supported by required documentation.
- 1.2.5.6 Once installed, use of diesel generator schemes are not always utilized by beneficiaries.
- 1.2.5.7 There is no approval for variations in parts installed for solar system and requirements as per the Policy. Recoveries of monthly fees under the RESCO are not evident.
- 1.2.5.8 Not known whether customers who were assisted with funding above the maximum amount of \$4,000 has paid back the extra money assistance.
- 1.2.5.9 Recoveries of community contribution could not be ascertained.
- 1.2.5.10 Records maintenance and security of records is lacking.
- 1.2.5.11 Contradictory reports on inspections.
- 1.2.5.12 Improvements noted in monitoring processes include revision to regularity of contractual payment.
- 1.2.5.13 Monitoring activities are hindered by a lack of resources.
- 1.2.5.14 Monitoring and evaluation reports were not submitted for audit scrutiny.

## **1.2.6 We recommended in the 2014 audit report**

- 1.2.6.1 We made 14 recommendations in Management of Rural Electrification Program (Report 4 of Audit Report on Performance Audit Volume I of December 2014). In the response which were presented to the Standing Committee on Public Accounts (PAC) during its deliberation of the report on 30 November 2017, DoE agreed to the recommendations.
- 1.2.6.2 Table 1 lists the recommendations and provides our assessment of the progress made towards the implementation of the recommendations in 2018.

## 2.0 SUMMARY OF FOLLOW-UP AUDIT FINDINGS

### 2.1 Progress made by the Department Of Energy

- 2.1.1 In this Follow up audit, we set out to establish whether DoE had effectively implemented the recommendations we made in audit report on Performance Audit Volume I of December 2014. We found out that the DoE has made some progress in implementing the recommendations made. Table 1 shows our recommendations and whether they have been implemented

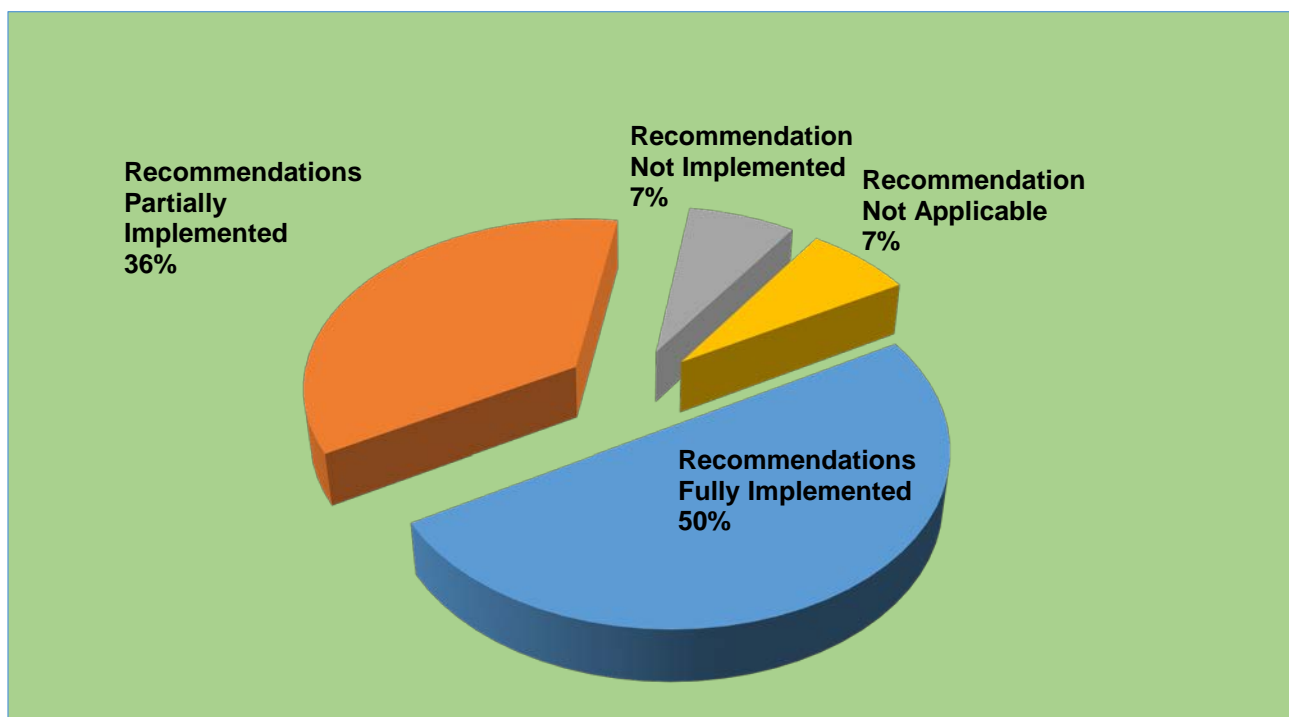
**Table 1: Implementation status of recommendations made in Report 4 of Audit Report on Performance Audit Volume I of December 2014**

	Recommendation made in original audit (Summary)	DoE Response	Implementation timeframe provided by DoE	OAG Assessment
<b>1. Management Framework For The Rural Electrification Program</b>				
1.1	Review the 1993 Rural Electrification policy and the standard operating procedures to incorporate all current practices not included in the existing documents. In its review, it should consider reviewing clauses pertaining to its duties and responsibilities to accommodate the changes in technology that have arisen over time and the additional activities/ responsibilities required to address such changes.	Agreed	Ongoing	Recommendation partially implemented
1.2	Review the staff structure of the REU that identifies career paths for its officers and promotes staff retention.	Agreed	Ongoing	Recommendation partly implemented.
1.3	Identify the training needs of its staff and send them to appropriate trainings that will enhance their knowledge and skills.	Agreed	Ongoing	<i>Recommendation implemented.</i>
1.4	Ensure that it utilises funding's provided to it in the year appropriated so that it does not impinge on the following year's budget and adversely impact the anticipated activities budgeted for.	Agreed	Ongoing	<i>Recommendation fully implemented.</i>

Recommendation made in original audit (Summary)		DoE Response	Implementation timeframe provided by DoE	OAG Assessment
<b>2. Administration and Implementation of Rural Electrification Program</b>				
2.1	Be more vigilant in its vetting process when receiving applications to ensure that forms are complete in all respect and that all supporting documents are provided so that applicants are not deprived of receiving assistance.	Agreed	Ongoing	<i>Recommendation fully implemented.</i>
2.2	In its review of the RE policy as recommended under section 4.0 of the report consider incorporating options that are viable for rural communities, in view of prevailing or rising costs of fuel.	Agreed	Ongoing	Recommendation partially implemented.
2.3	Ensure that documents sanctioning any changes to requirements of the RE Policy is maintained for evidentiary audit purposes. The RE policy needs to be reviewed to incorporate changes with respect to equipment requirements currently installed.	Agreed	Ongoing	Recommendation partially implemented.
2.4	Ensure that all appropriate maintenance is carried out and prepayment machines replaced if necessary. Follow up with communities that are not paying their monthly instalments should also be carried out.	Agreed	Ongoing`	Recommendation not implemented. There is no updated system to record the individual household that have paid the bills.
2.5	Ensure that requirements of the policy are adhered to and recoup sums over-expended from customers. In addition the Accounts Department needs to be proactive in its function to ensure timely recovery of monies owed to government over the past 5 years from customers, or imposing surcharge actions against	Agreed	Government no longer requires the 10% deposit from the communities  The DoE have begun disbursing cheques to the communities that paid their	Recommendation is no longer applicable.

Recommendation made in original audit (Summary)		DoE Response	Implementation timeframe provided by DoE	OAG Assessment
	officers responsible for the incurrence of unauthorized expenditure and the delayed recovery of dues.		contribution.	
2.6	Take stock of the Unit's files movements to minimize misplacements of files. The Unit should. The unit should pursue the purchase of a data base for its records management purposes.	Agreed	On going	Recommendation partially implemented.
2.7	Strengthen its awareness creation activities.	Agreed	On going	<i>Recommendation implemented.</i>
2.8	Maintain contract files properly. All signed copies of the contract should be filed properly and kept in a secure place. Each contract should be complete with all the proper documents attached to it such as sketches, number of applicants and tender specifications	Agreed	On going	<i>Recommendation implemented</i>
<b>3. Monitoring and Inspection of Projects under the REP</b>				
3.1	Adequately resource the REU with a vehicle and sufficient personnel to fill vacant posts	Agreed	On going	<i>Recommendation implemented.</i>
3.2	Maintain records of monitoring and evaluations of REU's performance	Agreed	Ongoing	<i>Recommendation implemented.</i>



**Figure 1: Graphical representation of OAG assessment of DOE's implementation status**

### 3.0 AUDIT CONCLUSION

- 3.1 The Department of Energy has made considerable progress in addressing the underlying issues which were identified during the 2014 Audit
- 3.2 The DOE has made some progress regarding the need to have a management framework for the rural electrification program. Review of the REP and SOP is still in progress which should include the changes that has been recommended in the report. On the other hand, considerable improvements were made by the Department through up skilling of staffs to enhance their knowledge and skills.
- 3.3 The DoE has also made considerable improvements with regards to the administration and implementation of rural electrification programs. Improvements were made in terms of vetting of applications and proper maintenance of contract files. On the other hand, there is also a need for the Department to continuously work on improving their record keeping in terms maintaining adequate evidence for changes in equipment requirements that is being installed.
- 3.4 With regards to monitoring and inspection of projects under the REP, both recommendations have been implemented. Monitoring and evaluations report are maintained and the DoE is awaiting the Ministry of Economy's approval on the purchase of vehicles.

## 4.0 AUDIT CONTEXT

### 4.1 Management Framework for Rural Electrification Program

This chapter covers progress made by Department of Energy in addressing the issues raised in the 2014 Auditor General's Report with regards to the institutional arrangement in place for implementing the rural electrification projects and the sufficiency of funding and resourcing to enable effective implementation of the projects identified.

#### 4.1.1 Policy and Procedures for the Rural Electrification Program

Following our 2014 audit, PAC recommended<sup>3</sup> that the Department should review the 1993 Rural Electrification Policy and the standard operating procedures to incorporate all current practices not included in the existing documents. It should consider reviewing clauses pertaining to its duties and responsibilities to accommodate the changes in technology that have arisen over time and the additional activities/responsibilities required to address such changes.

- 4.1.1.1 Our 2014 audit report found that the policy and guidelines do not incorporate the current practices that have evolved since the development of the Rural Electrification Policy in 1993 and the Standard Operating Procedures (SOP) in 2005.
- 4.1.1.2 There is a limitation to the policy and SOP in terms of achieving its goal. The goal of DoE is to have 100% electrification of the nation. However, with the existing Rural Electrification policy not being reviewed for the program to be customer driven, the target is somewhat difficult to achieve.
- 4.1.1.3 No response were received from the DoE to our original audit report. The responses submitted to the PAC by the DoE stated-that a full review of the REP 1993 is still to be undertaken but there are amendments done in certain parts/clauses of the policy.
- 4.1.1.4 DoE mentioned that the Ministry of Infrastructure and Transport through the Policy and Planning is undertaking a complete and a holistic review of the policy to incorporate the changes and other important aspects including the paradigm shift from diesel to renewable energy supplies and the effective management of the systems to ensure its long term sustainability. As part of the review process, a stakeholder consultation meeting will be held to gather the views of all stakeholders involved.
- 4.1.1.5 The Department's response also disclosed that the Standard Operating Guidelines is being reviewed to make it relevant, workable and harmonize with the changes and amendments of the policy.

#### Progress made

- 4.1.1.6. Upon scrutiny of documents held by the Department, it was established that efforts have been made to review and strengthen the Rural Electrification policy to include:
  - Waiver of community contribution to reciprocate community contribution in kind;

<sup>3</sup> Standing Committee On Public Accounts Paper No 39 of 2018

- Removal of finite assistance for diesel schemes recipients making them eligible for electrification via renewable based technologies like solar home system;
- Increase in the Energy Fiji Limited's (EFL) annual Rural Electrification fund;
- Increase in validity of EFL Rural Electrification scheme quotations; and
- The handover of Solar Home Systems ownership and maintenance to community's and recipients.

4.1.1.7 The review of the Rural Electrification policy and Standard Operating Procedures is still on going with stakeholders' consultation process yet to be conducted. The Director of Energy mentioned that consultations will be held in 2019 where all stakeholders will convene to deliberate on the draft Rural Electrification Policy.

### Next steps

4.1.1.8 While the review of the Rural Electrification Policy and Standard Operating Procedures is still an on-going process, the DoE-needs to finalize the review and incorporate the changes into the Rural Electrification Policy and the Standard Operating Procedures.

## 4.1.2 Human Resources

**In 2014, we recommended that DoE should review the staff structure at the Rural Electrification Unit that identifies career paths for its officers and promotes staff retention and also should identify the training needs of its staff and send them to appropriate training that will enhance their knowledge and skills.**

- 4.1.2.1 The Rural Electrification Unit was established as a unit under the Department of Energy. Staff development through appropriate trainings will enhance officers' skills that enable them to carry out their work efficiently and effectively.
- 4.1.2.2 The 2014 audit report noted that the supervisors and the technical posts were graded at the same level, officers were recruited at the prevailing MQR at the time the post was filled. Most appointments were based on the officers' years of practical experiences with relation to the work required. Although the current staffs are able to carry out the work required, they would need further training both locally and abroad to develop their capacities.
- 4.1.2.3 No response was received from the DoE to our original audit report. The Department in its response<sup>4</sup> to the PAC stated that their structure is currently being reviewed to recruit more staffs in order to accommodate the higher demand of applications being received. The Department is intending to recruit additional staffs in close collaboration with the review of the REP.

<sup>4</sup>Responses to 2014 Auditor General's Report on REP addressed to Chairman of PAC dated 16/11/2017

- 4.1.2.4 To ensure successful implementation and monitoring of projects, the Department transferred three of its technical officers to be based at the Divisional Engineer Works Western (DEWW) and two technical officers to be based with Divisional Engineer Works North (DEWN). The decentralisation of the services to the divisions will also allow easy access to the area of operations and improve service delivery to rural customers and attend to issues and queries in a more timely and efficient manner with the least turnaround time.
- 4.1.2.5 In addition, the Department continues to send technical officers to attend local and overseas training on any aspects relating to their field of work. The training ranges from technical, managerial and even with the government policies, systems and processes.

### Progress made

- 4.1.2.6 The Department made a submission in the 2018/2019 budget on the recruitment of additional staff for the Rural Electrification Unit.

Table 2: Details of Budget Submission

Rural Electrification Unit (Solar)	Band, Step	No of Posts	Amount(\$)
<b>Principal Technical Officer</b>	Band I, Step 1	1	\$43,296.63
<b>Senior Technical Officer</b>	Band H, Step 1	1	\$34,760.31
<b>Supervisor High Grade</b>	Band G, Step 1	1	\$28,605.45
<b>Technical Officer (Technician/Electrician)</b>	Band F, Step 1	3	\$67,586.22
	Sub-Total	6	<b>\$174,248.61</b>
<b>Senior Technical Officer</b>	Band H, Step 1	4	\$139,041.24
<b>Supervisor High Grade</b>	Band G, Step 1	2	\$57,210.90
<b>Technical Officer (Fitter)</b>	Band D, Step 1	4	\$57,712.52
<b>Technical Officer ( Electrician))</b>	Band D, Step 1	4	\$57,712.52
	Sub-Total	14	<b>\$311,677.18</b>
	Grand Total		<b>\$485,925.80</b>

- 4.1.2.7 During the Department's internal budget consultation with their line Ministry, the Department had to identify long pending position from within that can be traded-off to create new positions in the Rural Electrification unit (REU). The Director mentioned that these vacant positions were removed from the budget under SEG 1 and SEG 2. The Department, through their budget submission had proposed to review their structure to increase the number of staffs but this has not been approved. This affects the plan that the Department has. Refer to the table below for the current staffing at REU.

Table 3: Current Staffing At REU

Post	Number of post approved	Number of post filled	Post Title	Remarks
ST01	1	1	Principal Technical Office	The post have been filled
ES03	2	1	Supervisor Higher Grade	One post filled and one post vacant
ST05	10	7	Technical Assistant	Seven posts filled and three posts vacant
SS05	1	1	Clerical Officer	Post filled
ST05	4	4	Technical Assistant	Post filled
<b>Total</b>	<b>18</b>	<b>14</b>		

- 4.1.2.8 A meeting held with the Director Energy on 13 September 2018 revealed that the budget for the DoE has increased from \$53m (2017/2018) to \$78m with the increase of the Rural Electrification Project from \$33m to \$50m but the Department is still maintaining the structure that they have. The Director further mentioned that the staff structure is an on-going process and the Department needs the resources especially for the Rural Electrification Unit. He added that the team had a meeting on 12/09/18 and discussed on areas they need to strengthen in terms of staffing.
- 4.1.2.9 The Department continues to send its technical staff training locally and overseas. In 2017 and 2018, a number of training, meetings and workshops were attended by the technical staff. Director mentioned in a meeting with the audit team on 13 September 2018, that invitations have been received from other agencies and the Department would identify staffs to attend the training since new technologies has been introduced in the market.

### Next steps

- 4.1.2.10 The review of the policy and procedures should be able to clarify whether the human resources requirements are sufficient.

## 4.1.3 Funding of REU Programs

**In 2014, we recommended that the DoE should ensure that it utilizes funding's provided to it in the year appropriated so that it does not impinge on the following year's budget and adversely impact the anticipated activities budgeted for.**

- 4.1.3.1 In our original report, we noted that within a span of 11 years, Government allocated a budget of \$6.0 million per year for the purpose of electrification in the country, however audit noted that actual funding over the years averaged at around \$3 million per year from 1994 to 2013.
- 4.1.3.2 We further noted that the allocated budget for 2013 was not fully utilised. Even though projects had been committed, requests made to Ministry of Finance to enable payments were unsuccessful as funds were not available. Thus outstanding payments for 2013 would be drawn from the 2014 budget. Inability to pay contractors in a timely manner instil vendor mistrust and contributes to deferment of completion of projects and the inability of the Unit in accomplishing its planned outputs.

## Progress made

- 4.1.3.3 The Director Energy mentioned in the meeting with the audit team on 13 September 2018 that the Department is trying to implement all the projects budgeted within financial year, however there are some projects that roll over to the next financial year. A separate budget submission are done for the projects that roll over to the next financial year, this can be evident in the 2018-2019 budget submission under budget request.
- 4.1.3.4 Since the revision of the policy in 2008, a total of more than 5,000 schemes have been implemented

Table 4: REU Schemes

Year	EFL Scheme	Diesel Scheme	Solar Scheme	Hydro Scheme	Government Station Ext	Total
2015	30	0	1200	1	0	1231
2016	40	0	3200	1	0	3241
2017	200	0	1000	0	0	1200
2017-2018	270	0	5400	2	.	5672

- 4.1.3.5 Along with the revision of the policy in 2008, a budgetary figure of \$7.0 million per year was budgeted that would be able to accomplish the electrification of the country within a span of 15 years. However, over the years actual funding had averaged at around \$9.0 million per year. Summary of the budgetary allocation over the years is outlined below:

Table 5: Budgetary Allocations

Year	Amount (\$)	Number of Village/Settlement Assisted
2015 – 2016	15,300,000	1500
2016 – 2017	15,700,000	2500
2017 – 2018	46,200,000	3500

- 4.1.3.6 The Rural Electrification projects are in the Central, Eastern, Western and Northern divisions.

## 4.2 Administration and Implementation of Rural Electrification Program

This chapter covers progress made by the DOE in administering and implementing rural electrification program, which includes scrutiny of the administrative processes and the implementation of the projects identified in accordance with planned requirements.

### 4.2.1 Rural Electrification Application

**In the 2014 audit, we recommend that the DoE should be more vigilant in its vetting process when receiving applications to ensure that forms are complete in all respect and that all supporting documents are provided so that applicants are not deprived of receiving assistance.**

- 4.2.1.1 In the 2014 audit report we noted that some applications did not have all the required supporting documents such as copies of the Title/TNK letter or birth certificate. In addition, sketches describing location or address of applicant were also not provided. The audit noted that REU officers during their inspection found details provided in the application form that did not correspond with their situation.
- 4.2.1.2 The Department in its response to the PAC<sup>5</sup> mentioned that even though some applicants failed to provide the full documentation in their application, further scrutiny and verification are done by the officers before proceeding on to the next stage of project implementation. As part of the process, the technical officers carry out site survey to confirm and authenticate the details of the applicant and assess the viability of the mode of electricity supply applied.

### Progress made

- 4.2.1.3 It was established during the follow up audit that for minor house wiring which is less than 300 metres, individual applicants are required to produce the following:
- Tin letter/joint card
  - Birth certificate
  - Passport size photo
  - Consent letter from the Turaga-ni-Koro to be stamped
  - Copy of title
- 4.2.1.4 Scrutiny of some applications noted that all requirements have been adhered to. The Department also has a register which records applications received and the updates of the applications once the survey has been done by the technical officers.
- 4.2.1.5 The Department vets and scrutinizes application forms to ensure that all required documents are attached and forms fully completed. In addition, officers have been attending road shows, Ministers tours, Provincial meetings, District meetings, village meeting where issues and queries are addressed and dealt with appropriately.

<sup>5</sup> Responses to 2014 Auditor General's Report REP addressed to Chairman PAC dated 16/11/2017



## 4.2.2 Diesel Generator Scheme

**In the 2014 audit, we recommended that the DoE should consider incorporating options that are viable for rural communities, in view of prevailing and rising costs of fuel when reviewing the Rural Electrification policy.**

- 4.2.2.1 Diesel generators were once the preferred source of generating electricity in past years for rural villages because of its cheap price. However the prevailing high cost of fossil fuel have impacted much on rural communities using diesel generator operated schemes. With most of the rural electrification project sites situated in the outer islands and the interiors of Viti Levu and Vanua Levu, rural communities not only have to pay for the expensive fuel but also for the transportation costs of carting the diesel fuel from the urban centres to their villages.
- 4.2.2.2 The 2014 audit report noted from site inspections, that not all villages fully utilize their generator system. Villages would operate their generators for only two to three hours a day or only on special community occasions or village functions. This is mainly attributed to the high costs of fuel. Apart from environmental considerations, government is promoting the use of renewable energy to reduce the nation's reliance on diesel and other carbon based fuels that are imported.
- 4.2.2.3 Under the current revised policy, villages and /or communities are not permitted to request for an upgrade to other alternative scheme. Some villages would not be able to fully utilize their schemes because of the high cost of fuel thus defeating the objective of the government initiative.

### Progress made

- 4.2.2.4 We noted in the draft policy review that the Department has accommodated and addressed the need of the community on the provision of sustainable and least-cost mode of supply through renewable energy.
- 4.2.2.5 The ADB is undertaking a study for Fiji on the development of a National Electrification Plan (NEP) and one of the outputs of the NEP is to look at the least-cost options for the un-electrified rural communities and settlements.

### Next steps

- 4.2.2.6 The DoE to finalise the review and incorporate the changes in the Rural Electrification Policy

### 4.2.3 Solar Scheme

In the 2014 audit, we had recommended that the DoE should ensure the documents sanctioning any changes to requirements of the Rural Electrification Policy is maintained for audit purposes. The Rural Electrification Policy needs to be reviewed to incorporate changes with respect to equipment currently installed.

- 4.2.3.1 The Solar PV system convert sunlight directly into electricity using solar cells. The size of the solar system and available sunlight determines how much electricity is available for use. The typical solar home system consists of a panel, a collection of solar cells where the more light that hit a cell, the more electricity it produces, a battery for storing the energy generated during the day, a battery charge controller to avoid excessive charging and discharging and fluorescent lights.
- 4.2.3.2 The 2014 audit report noted that the installation of solar equipment in some places varied under the 1993 Rural Electrification policy. The Department has been installing such equipment's since 2005 and not as per the requirement of the 1993 Rural Electrification policy. Audit could not ascertain whether variations in equipment requirements as per the Policy and those installed from 2005 are authorised since endorsements for variations were not provided for audit verifications.
- 4.2.3.3 The Department in its response mentioned that it has put in place stringent and transparent monitoring process to ensure that the materials/equipment's supplied or installed at the site comply with the standards as per the contract agreement. Some of the components or parts installed even though they might have been listed in the policy will not affect the operation of the system and does not constitute a variation.

### Progress made

- 4.2.3.4 Review of the draft revised policy noted that the DoE had incorporate changes in to the installation of solar equipment's.

Table 6: Details of Changes in Revised Policy

	1993 Policy	Draft Revised Policy
a)	Solar panels installed on a wooden pole with adjustable tilt brackets	Solar panels installed on a Galvanized pole with adjustable tilt brackets
b)	Two 11W and one 7W fluorescent lights	Three by 9W LED bulb
c)	One 12V lead battery	One by 7W LED bulb
d)	One battery controller	One by 1W LED bulb
e)		One by 12V sealed battery (Maintenance free)
f)		One battery charger controller
g)		One by 300W Inverter

- 4.2.3.5 The officer in charge of SHS mentioned that they are currently upgrading the initial SHS (type1) to type 2
- 4.2.3.6 The systems Type 1 and Type 2 includes the following major components:

Table 7: Types of Solar Home Systems

Major Equipment	Type 1 ( 135Wp 12 VDC only) Type 1 SHS is rated at 20 Ah/day	Type 2 (270Wp 12 VDC +240 VAC) Type 2 SHS is rated at 40 Ah/day
<b>Panels</b>	1 x 135Wp	2 x 135Wp
<b>Panel Mount</b>	1	1
<b>Pole</b>	1 x 5 meter pine pole	1 x 5 meter galvanized steel pole
<b>Controller</b>	1 x 10A	1 x 20A
<b>Battery</b>	1 x 100Ah	1 x 200Ah
<b>Inverter</b>	None	1 x 350watt
<b>Switches</b>	5	5
<b>GPO</b>	None	1
<b>Lights</b>	5	5
<b>Wiring</b>	Normal DC house wiring	Normal DC house wiring

- 4.2.3.7 Previously the rate charge is \$14 per month for one household. As at October 2018, they are being charged \$18 per month for one household. Type 1 (which is \$14) was the initial SHS, Type 2 (\$18) is the upgraded SHS. As at the date of audit, type 2 SHS were installed in 7979 household.

### Next steps

- 4.2.3.8 The DoE to finalise the REU Policy and the SOP to include all the changes in the installation of the solar scheme.

## 4.2.4 Installation Arrangements Renewable Energy Service Company (RESCO)

**In the 2014 report, we recommend that the DoE should ensure that all appropriate maintenance is carried out and prepayment machines replaced if necessary. Follow up with the communities that are not paying their monthly instalments should also be carried out.**

- 4.2.4.1 Under the solar based rural electrification scheme, the equipment is owned by government, but is installed and maintained by a private company selected through competitive tendering. Remote villages that cannot be connected to the FEA grid and houses that are located further apart are given the option for Solar Home System (SHS). The aim of the scheme is to remove the high upfront capital costs associated with solar technologies and encourages public private sector partnership for maintenance. Each user pre-pays a monthly fee that covers the maintenance and component replacement as well as the initial capital cost. Villages/communities having solar system are required to pay \$14 each month to assist with funding for the maintenance of equipment.
- 4.2.4.2 In the 2014 audit report, we noted that the villages/communities have stopped paying their \$14 monthly subscription due to the prepayments machine not working and certain equipment malfunctioned but have not been replaced. Without monthly rental payments, government would not be able to sustain the projects.

## Progress made

- 4.2.4.3 The Department has ceased using the prepayment machines after the upgrading of the SHS design from a Direct Current (DC) to an Alternating Current (AC). This is because the current design is not compatible with the use of the prepayment machine. As mentioned by the Director of Energy, appointed Revenue Collectors (RC) are collecting SHS rentals from communities/households on bi-annual basis. The revenue collectors are working closely with the individual households, the Solar Community Manager and the Turaga-ni-Koro to ensure that communities are updated with their payment schedule.
- 4.2.4.4 Discussions with the Director on 4 July 2019 revealed that there is no updated system to record the individual household that have paid the bills. A database was maintained up to 2012 and these have not been updated till the date of audit on 4 July 2019. In addition there is a delay of payment from the Post office and when payment is received there are no details attached or the name of household that has paid the bills. Arrears of revenue as per household cannot be determined since there is no updated records.
- 4.2.4.5 Submission have been made to the Ministry for a clerical officer to maintain the records for the solar section. Discussion with the DoE Administration Officer noted that they are in the process of advertising the position for a clerk.

## Next steps

- 4.2.4.6 The DoE to finalize the appointment of the Clerk to assist in the updating of the records and also following on the arrears o revenue.

## 4.2.5 Community Contribution

**In the 2014 report we recommended for the DoE to ensure that the requirements of the policy are adhered to and sums over expended from customers are recouped. In addition, the Accounts Department needs to be proactive in its function to ensure timely recovery on monies owed to government over the past 5 years from customers, or imposing surcharge actions against offices responsible for the incurrence of unauthorized expenditure and the delayed recovery of dues.**

- 4.2.5.1 Once the survey has been completed, the community is informed of the contribution that they have to pay. Upon payment of the contribution the scheme is placed on the Department's priority list in terms of actual construction or assistance to the scheme.
- 4.2.5.2 In order to maintain fairness, consistency, and also ensuring that the rural electrification funds are put to optimum utilization, a ceiling or maximum allocation of \$4000 per customer is being used as a guideline for those aspiring to be supplied with electricity from the FEA power lines. Schemes having total costs below the maximum allocation of \$4000 / customer are considered viable and customers are required to pay 5% of the total costs with Government funding the remaining 95%. Schemes having total costs above the maximum allocation of \$4000 per customer would require communities to pay the difference whilst the Government provides the maximum assistance of \$4000 per customer.

- 4.2.5.3 The 2014 audit, we could not establish whether customers assisted under schemes costing more than the maximum allocation had paid the differences in costs as required under the policy since no records reflecting these were provided for scrutiny.
- 4.2.5.4 In its response the Department mentioned that most of these communities have made partial payment on their community contributions. When government made the decision in 2016 to meet the upfront costs of all rural electrification projects, most of these communities were refunded their contributions. Hence there are no outstanding payments to be recovered by government.

### Progress made

- 4.2.5.5 In the 2016 budget address it was announced that from 2016 onwards government will no longer require the partial deposit of 10% by communities for grid extensions. Government will fully fund this. Government's main priority is to identify those communities that have been in the system for a long period of time and ensure that they will be the first ones to get the grid extension.
- 4.2.5.6 Contributions received have been held in trust and will be returned to the communities and those projects will be fully funded by government.
- 4.2.5.7 There are problems concerning the refund because the Department will not refund the money to the Community unless and until they submit the original receipt. Furthermore, the Commissioner's office were also receiving contributions from the Community and posting directly into the DoE Trust Fund Account. There are difficulties in reconciling and verifying the amounts received by the Commissioner's office in order to refund the community contributions.
- 4.2.5.8 The DoE in 2016, began disbursing cheques to communities that paid their contributions but were waiting for the project to be implemented for EFL house wiring and grid extension and solar scheme.
- 4.2.5.9 An excel sheet maintained with the clerical officer records the batch distribution of cheques in 2016 and the refund for each province. The excel sheet was not updated to reflect the 2017 and 2018 transactions. Funds from the Communities are still in the trust fund account. The DoE if yet to distribute all refunds to the communities.

### Next steps

- 4.2.5.10 The DoE to update and reconcile its records with the Accounts Section and to ensure that communities are refunded for their contribution.

## 4.2.6 Public Awareness Activities

**In 2014, we recommended that the DoE strengthens its awareness creation activities.**

- 4.2.6.1 The DoE should conduct public information and outreach awareness by public education and awareness campaigns and upload the requirements and guidelines on their website. We noted that the public information and outreach by REU is inadequate. The only information DoE has is placed on its website. The villagers/individuals interviewed during the inspection of REP projects revealed that they were not aware of DoE's Rural Electrification Projects. Inadequate awareness campaigns on rural electrification activities leave an information gap which hinders the rural population from taking on the program initiatives.

### Progress made

- 4.2.6.2 The Director of Energy mentioned in the meeting with the audit team on 13 September 2018 that technical staff normally goes out to communities and create awareness. Apart from that they have Minister's tour, roadshows, talkback shows and also attend provincial and advisory council meetings.
- 4.2.6.3 Awareness program for the Department of Energy is not done separately from the Ministry, but a representative from each Department under the Ministry of Infrastructure and Transport conducts awareness during tour, roadshows, provincial and advisory council meetings. Also included in the awareness program is the Prime Minister/Ministers tour and one-one engagement with the communities where issues and queries are addressed and dealt with appropriately.

## 4.2.7 Records Maintenance

**In the 2014 report, we recommended that the DoE should take stock of the Unit's files and maintain records to keep track of file movements to minimize misplacements of files. The unit should also pursue the purchase of a data base for its records management purposes.**

- 4.2.7.1 The 2014 audit report noted that the subject files maintained do not provide an adequate audit trail. It was also observed that there was no security over files maintained and that they were accessible to all persons entering the REU section. The REU section does not maintain a database as required under the Standard Operating Procedures but maintains records of projects in an excel spread sheet.
- 4.2.7.2 The Department mentioned that it is working together with the Fiji Renewable Energy Power Projects (FREPP) funded by the United Nations Development Programme (UNDP) to develop a database for the Department<sup>6</sup>. The development of this database will address issues of security of records and also ensure the availability of reports and updates as and when required.

<sup>6</sup> Responses to the 2014 Auditor General's Report – REP addressed to Chairman PAC dated 16/11/2017

## Progress made

- 4.2.7.3 The Fiji Renewable Energy Power Project (FREPP) with the Department funded through the United Nations Development Program has undertaken a consultancy study on the establishment of the database for the Department. The scoping works on the database has been completed. However, there was a delay with the advertisement of tender with ITC on the actual setting up of the database which has put the project on hold.
- 4.2.7.4 All the files were kept in the Ministry's registry following the restructure undertaken by the former Permanent Secretary. Manual filing system is still being used, and the file is recorded in the file index.



## 4.3 Monitoring and Inspection of Projects under the REP

This chapter covers the corrective actions taken towards the recommendations with respect to the effectiveness of the REU in monitoring rural electrification projects and looks into whether projects implemented are monitored and reported accordingly by the REU.

### 4.3.1 Monitoring and Inspection of Projects

**In the 2014 audit report we recommended that the DoE should adequately resource the REU with a vehicle and sufficient personnel to fill vacant posts and maintain records of monitoring and evaluations of REU**

- 4.3.1.1 The 2014 audit report noted the following:
- The current staff level is not adequate to effectively monitor the REP even despite the merging of the Renewable Energy section with the Rural Electrification Unit.
  - Monitoring and evaluation of report were not produced for scrutiny. The performance evaluation of the REU was not done.
- 4.3.1.2 No response were received from DoE to our 2014<sup>7</sup> audit report. The Department in its response to the PAC stated<sup>7</sup> that due to the geographical locations of our island and communities, it's always a challenge to monitor the progress on the ground on a timely basis. The Department is looking at recruiting more staff to strengthen its existing staff structure.
- 4.3.1.3 Apart from the existing fleet, government has also approved the purchase of two (4WD) vehicles in December 2018. One of the vehicles will be based in the Northern division and the second one in the Central division. These vehicles will assist with servicing those projects in the interior areas which are inaccessible or have a rugged terrain.
- 4.3.1.4 The decentralization of the officers to the divisions will complement the Department's intention to closely monitor the projects on the ground. The Department will provide the monitoring and evaluation report as and when required.
- Progress made**
- 4.3.1.5 The Department had transferred three of its technical officers to be based at the Division Engineer Works Western (DEWW), two technical staffs and one clerical officer in Divisional Engineer Works North (DEWN) to ensure that there is successful implementation and monitoring of the projects.
- 4.3.1.6 The Department made a budget submission in the 2018/2019 budget for the purchase of two vehicles costing \$330,000. The DoE mentioned that in the 2018/2019 budget, government has approved the purchase of a 4x4 specialized vehicle and a 70tonn hoist truck for which submission have been made to the MoE to facilitate the process on the purchasing of the two vehicles. The procurement of the specialized vehicles will immensely benefit the energy sector especially the rural and isolated

<sup>7</sup> Response to 2014 Auditor General's Report REP addressed to the Chairman PAC dated 16/11/2017



communities. The Department will have the required tools—to be more effective, efficient and be responsive to the need of the communities.

- 4.3.1.7 The Department now maintains the monitoring and evaluation report which is updated quarterly.

## Appendix 1: Audit objectives and methods

The objective of this follow-up audit was to ascertain the progress made in relation to the corrective actions taken by the Department of Energy on the management framework for the REP, administration and implementation of the REP and monitoring and inspection of projects under the REP.

We looked into the improvements made since the report on Management of Rural Electrification Program was published in 2014.

### **Line of Enquiry 1: Management Framework of Rural Electrification Program**

This section of the report discusses activities undertaken by the DoE in addressing the issues raised in the 2014 Performance Audit report with regards to the institutional arrangements in place for implementing the REP and the sufficiency of funding and resourcing to enable effective implementation of the projects identified.

### **Line of Enquiry 2: Administration and Implementation of Rural Electrification Program**

This section of the report discusses corrective actions implemented by the DoE in addressing issues reported in the 2014 Auditor General's report regarding the efficiency of administering processes and the implementation of REP, including the administration, processing and implementation of the projects identified in accordance with planned requirements.

### **Line of Enquiry 3: Monitoring and Inspection of Projects under REP**

This section of the report discusses corrective actions taken towards the recommendations made for issues reported in the 2014 Auditor General's report with respect to the effectiveness of the REU in monitoring rural electrification projects and looks into whether projects implemented are monitored and reported accordingly by the REU.

## Entity subject to this audit

The Rural Electrification Unit of the Department of Energy of the Ministry of Infrastructure and Transport.

## Audit approach

Our audit was conducted using the following evidence gathering techniques:

### **1) Documentary Review**

During our audit, we reviewed various documents to gather information on the current designations and allocations processes. The key documents reviewed are listed in Table 8 below:

**Table 8: List of documents reviewed**

Documents	Source
2017 - 2018 Budget Submission	Senior Accounts Officer
2018 – 2019 Budget Submission	Senior Accounts Officer
Draft REP Policy	Director DoE
Staff Structure	Administrative Officer
Awareness Report	Principal Technical Officer
Monitoring and Evaluation Report	Senior Scientific Officer
Training Report	Deputy Director DoE
Database Report	Clerical Officer
ADB Mid Term Framework Report	Director DoE
Quarterly Reports	Deputy Director DoE
List of Projects	Director DoE
Roadshow Reports	SEFP Project Manager
Monitoring and Evaluation Report	Director DOE

**2) Interviews**

Interviews were carried out with the following officers listed in Table 9 below.

**Table 9: Details of interviews conducted**

Agency/Department	Section	Officers interviewed
DoE	Management	Director DoE
DoE	Management	Deputy Director DoE
DoE	REU	Principal Technical Officer
DoE	Renewable Energy	Senior Scientific Officer
DoE	REU	Clerical Officer
MolT	Accounts	Principal Accounts Officer
MolT	Accounts	Senior Accounts Officer
DoE	Renewable Energy	Senior Scientific Officer

**3) Database Review**

Review of database for the record of application received were conducted.

Review and analysis of spreadsheet records for land designations and leases issued were conducted. The complaints database was also reviewed and analysed.

**4) Other**

Correspondences through emails were also made to clarify certain issue.

## Appendix 2: Letter to Ministry of Infrastructure and Transport

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File: 443/1

17 October 2019

Mr. Taitusi Vakadravuyaca  
The Permanent Secretary  
Ministry Of Infrastructure and Transport  
Nasilivata House  
Ratu Mara Road  
**SUVA.**

Dear Mr. Vakadravuyaca

#### AUDIT REPORT ON FOLLOW UP AUDIT ON MANAGEMENT OF RURAL ELECTRIFICATION PROJECT

Attached is the draft report on the follow up audit of the Management of Rural Electrification Project which I intend to submit to the Honorable Minister for Economy for tabling in Parliament. You will note that comments received from the ministry has already been incorporated in the report where appropriate.

The draft report is submitted for your information and comments (if any) which we expect to receive by 24 October 2019. Comments provided would be included in an appendix to the report. Therefore, we will be grateful if any further comments are limited to one page only.

We trust that you will keep the contents of the report confidential.

Yours sincerely

Ajay Nand  
**AUDITOR-GENERAL**

Encl.

Cc: Director Energy

# **Follow up Audit on the Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007**



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## Acronyms

Acronym	Particulars
CF	Conservator of Forests
CP	Code of Practise
CSIC	Code of Steering Implementation Committee
CSRMU	Civil Service Reform Unit
DF	Department of forest
DLT	Diameter Limit Table
DOA	Department of Agriculture
DR&D	Director Research and Development
DS	Deputy Secretary
EIA	Environment Impact Assessment
EMA	Environment Management Act
ERP	Emissions Reduction Program
FAB	Fijian Affairs Board
FAO	Food and Agriculture Organisation
FD	Forestry Department
FFHCOP	Fiji Forest Harvesting Code of Practice
FFPS	Fiji Forest Policy Statement
FFPS	Fiji Forest Policy Statement
FFSC	Fiji Forest Certification Standard
FHCL	Fiji Hardwood Corporation Ltd
FI	Forest Inventory
FO	Forest Officer
FPL	Fiji Pine Ltd
GEF	Global Environment Facility
GHG	Greenhouse Gas
ISSAI	International Standard on Supreme Audit Institution
IT	Information Technology
i-TLTB	i-Taukei Land Trust Board
IWP	Internal Work Program
MMP	Mangrove Management Plan
MoA	Ministry of Agriculture
MoE	Ministry of Economy
MoF	Ministry of Forestry
MoU	Memorandum of Understanding
MSD	Management Service Divisions
NFI	National Forest Inventory
NFMV	Nature Fiji Mareqeti Viti
NFP	National Forest Program
NGO	Non-Government Organisation
NLTB	Native Land Trust Board
NTF	National Trust of Fiji
PAC	Public Accounts Committee
PAC	Public Accounts Committee
PFE	Permanent Forest Estate
PFL	Pine Fiji Ltd
PMO	Principal Management Officer
PSC	Public Services Commission



<b>RDF1</b>	Research Development Fund
<b>RDF2</b>	Reforestation of Degraded Forests
<b>REDD+</b>	Reducing Emission on Deforestation and Soil degradation
<b>RIL</b>	Reduced Impact Logging
<b>SAI</b>	Supreme Audit Institution
<b>SDP</b>	Strategic Development Plan
<b>SEG</b>	Standard Expenditure Group
<b>SEO</b>	Senior Economic Planning Officer
<b>SG</b>	Solicitor General's Office
<b>SLU</b>	Sustainable Land Use
<b>SOP</b>	Standard Operating Procedure
<b>SWOT</b>	Strength, Weaknesses, Opportunity and Threat
<b>TOR</b>	Terms of Reference

## Glossary

Term	Explanation
Silviculture	The practice of controlling the growth, composition, health, and quality of forests to meet diverse needs and values.
Diameter Limit Table	Table that shows the allowable cuts and the royalty values for different wood species.
G8 Nations	Group of Eight (G-8) is an assembly of the world's largest developed economies that have established a position as pacesetters for the industrialized world. Leaders of member countries, the United States, the United Kingdom, Canada, Germany, Japan, Italy, and France and, until recently, Russia, they meet periodically to address international economic and monetary issues. <sup>1</sup>
Forest Certification Standard	Standards that dictates the steps for timber harvesters to follow when producing timber that is acceptable to the market for trades.

<sup>1</sup> Investopedia.com\_ G8 Nations and the Market\_Pg1, Paragraph 2

## Follow-up of Audit Recommendations

The *Audit Act 1969* requires the Auditor-General to issue an audit memorandum to the responsible authority for each entity that is subject to an audit. The audit memorandum includes observations made during the audit and suggestions or recommendations for improvement which are reported to management and those charged with governance of an entity.

Every year the Auditor-General must report to Parliament on audits conducted and on other significant matters the Auditor-General wishes to bring to the attention of Parliament.

Although the Auditor-General reports to Parliament with recommendations to improve the performance or enhance accountability of public sector entities, the Auditor-General is not responsible nor does it have the powers to enforce the implementation of these recommendations.

As a matter of good governance, all public sector entities should have systems and processes to consider and implement recommendations of the Auditor-General.

Parliamentary committees also have a key role in reviewing findings and recommendations reported to Parliament

## Audit objective and scope

In this follow-up audit, we examined whether the Ministry of Forestry has effectively implemented the recommendations which were made in the *Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007* (Audit Report on Performance Audit Volume 2 of December 2014, Parliamentary Paper No. 6 of 2015) as upheld by the Public Account Committee. We also assessed whether the actions taken have addressed the underlying issues that led to our recommendations in that report.

Our scope included a detailed review and analysis of work undertaken by the Ministry of Forestry in addressing our original audit recommendations under the following areas:

**i. Conservation Of Forest and Biological Resources**

The first section of the report discusses whether the Ministry has addressed the issues raised in the 2014 Auditor General's report with regards to the implementation of policies and strategies in the Fiji Forest Policy Statement 2007 for the *conservation of forest and biological resources*.

**ii. Integrated Forest Resources Management**

The second section of the report seeks to establish whether the Ministry has addressed the issues raised with regards to the implementation of required policies and actions outlined in the Fiji Forest Policy Statement 2007 pertaining to *integrated forest resources management*.

**iii. Institutional Framework and Human Resources**

The final section of the report seeks to determine whether the Ministry has addressed the issues raised in respect to implementation of required policies and strategies in the Fiji Forest Policy Statement 2007 relating to *institutional framework and human resources*.

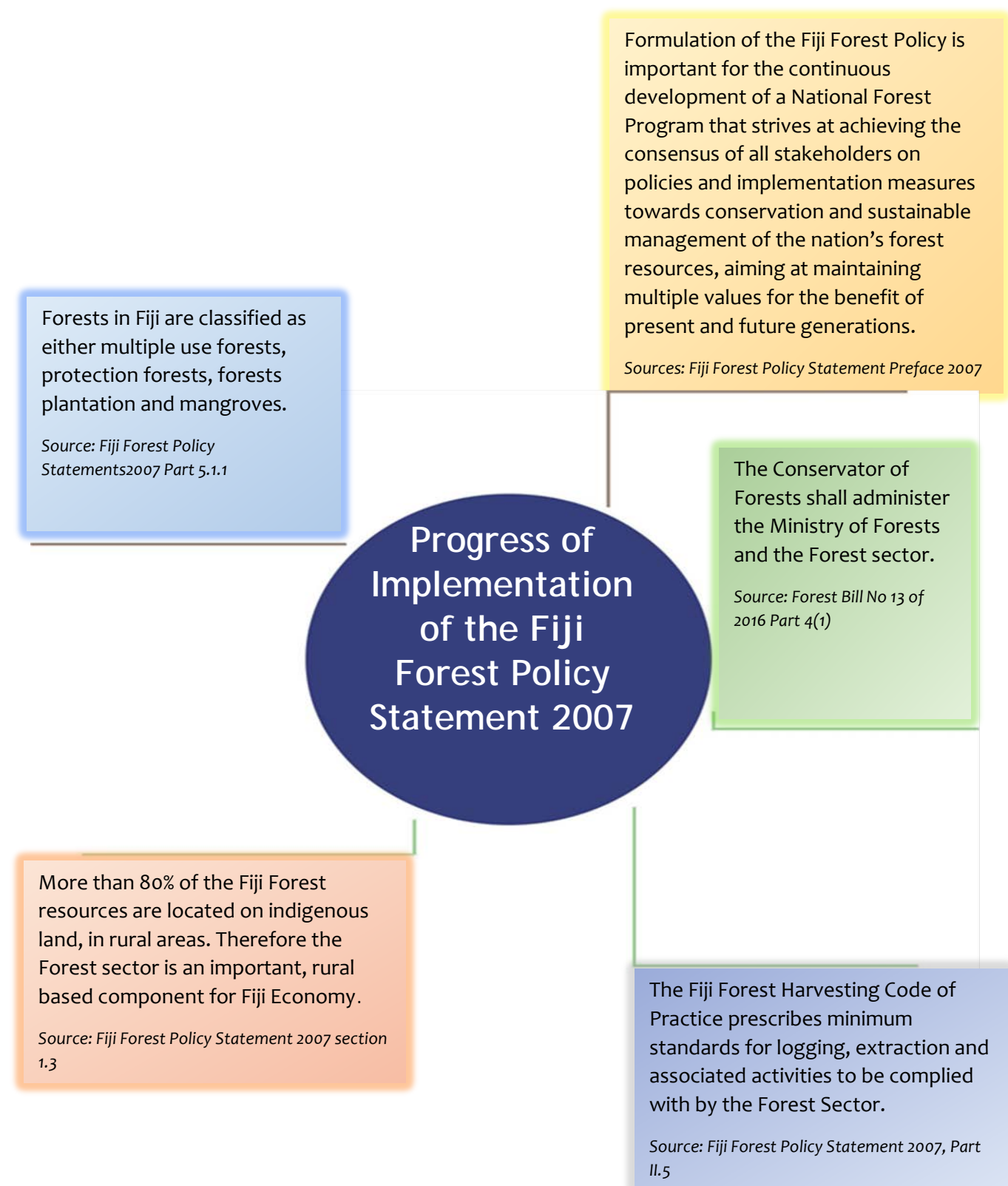
Our follow up audit focused on the above areas as reported in the 2014 Auditor General's report and covered the period 2015 to 2017/2018. Appendix 1 contains more information about our audit objectives and methods.

We conducted our follow up audit in accordance with the International Standards of Supreme Audit (ISSAI) 300:42 *Follow up previous audit findings and recommendations*, ISSAI 3000:136 *Auditor shall follow up, as appropriate, on previous audit findings and recommendations and the SAI shall report to the legislature* and section 9 of the Office of the Auditor General (OAG) Performance Audit Manual (PAM) and the OAG Guideline for audit follow up.

## Reference to Comments

In accordance with s. 7 (7(1) (a)) of the Audit Act 1969, ISSAI 300:29 *Maintaining effective and proper communication with the audited entity* and 3000:129 *Giving the audited entity the opportunity to comment on the audit findings, conclusions and recommendations before issuing the audit report*, we also provided a copy of this report to the Ministry of Forestry for comments on 2<sup>nd</sup> of October 2019.

## Key Facts



## 1.0 INTRODUCTION

### 1.1 Overview

- 1.1.1 The Forest Policy Statement (2007) was developed to promote the shift to a sustainable forest management regime from a previous focus on commercial exploitation of timber resources. It was developed to reflect the multiple uses and purposes of forest management that have evolved over the years to increase the environmental social and economic opportunities of the sector. This includes sustainable forest management, conservation and the use of forests as carbon sinks. The policy recognises the economic potential of the sector as a major source of foreign exchange and aims to develop the sector in a way to ensure this is maintained.
- 1.1.2 The policy promotes conservation, rehabilitation and sustainable forest management in line with the Rural Land Use Policy (2006) and stressed the social role of forestry in creating a sustainable rural environment, employment and income opportunities. It recognizes the need to engage and involve local stakeholders and landowners in the sustainable management, protection and rehabilitation of resources.
- 1.1.3 The formulation of the Fiji Forest Policy is an important step in the continuous development of a National Forest Programme that strives at achieving a consensus of all stakeholders on policies and implementation measures towards conservation and sustainable management of the nations' forest resources aiming at maintaining multiple values for the benefit of present and future generations alike.<sup>2</sup>
- 1.1.4 Following the 2014 performance audit on the topic *Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007*, we made 31 recommendations with respect to issues identified during our audit. This follow up audit is conducted to establish the status of implementation of the 31 recommendations as well as other issues highlighted in the 2014 report. The report was deliberated by the Public Accounts Committee (PAC) on 18 January, 2018<sup>3</sup>.

<sup>2</sup> Fiji Forest Policy Statement 2007 page x Minister's Preface

<sup>3</sup> Standing Committee on Public Accounts, Report No. 40 of May 2018.

## 1.2 Report 4: Audit Report on Performance Audit Volume I of December 2014

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- 1.2.1 In the audit of *Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007* (Audit Report on Performance Audit Volume 2 of December 2014), we looked at the effectiveness and efficiency of the Ministry of Forestry in implementing actions outlined under the Policies and Strategies section of the Fiji Forest Policy Statement (FFPS) 2007.
- 1.2.2 The audit focused on the progress of implementation of three out of the five areas outlined under the Policies and Strategic Section of the Fiji Forest Policy Statement since its endorsement in 2007 to 2014 that address:
- i. Conservation Of Forest And Biological Resources;
  - ii. Integrated Forest Resources Management; and
  - iii. Institutional Framework And Human Resources
- 1.2.3 The audit made a total of 31 recommendations, of which seven related to Conservation of Forests and Biological Resources, 12 Related to Integrated Forest Resources Management and 12 Related to Institutional Framework and Human Resources.

### 1.2.4 We concluded in the 2014 audit report

- 1.2.4.1 The Ministry of Forestry had made considerable progress in implementing actions for the three areas of the Fiji Forest Policy Statement 2007 covered in the audit. However, progress of implementation of required policies and strategies can be further facilitated by strengthened co-operations with other stakeholders in the forest sector, government agencies and the private sector; continuous monitoring and recording of progress of the implementation of the Fiji Forest Policy Statement 2007 to ensure they are aware of the status of its implementation over time, which includes the finalisation of the revised Forest Bill No 13.

### 1.2.5 We found in the 2014 audit report

- 1.2.5.1 The 2014 audit looked at actions undertaken by the Ministry of Forestry in progressing implementation of the Fiji Forest Policy Statement 2007.
- 1.2.5.2 **Conservation of Forests and Biological Resources:**
- The national Land Use Plan has not been finalised and consolidated. The status of consolidation undertaken by the strategic planning unit division of the Ministry of Economy is not known despite several communication made.
  - The function map was finalized and printed in collaborations with the Ministry of Lands and is available for distribution at the Management Service Division (MSD) office in Colo-i-Suva.
  - The lack of Memorandum of Understanding (MoU) with Nature Fiji Mareqeti Viti (NFMV) undertaking awareness of Forest management and conservations.
  - The need to allocate additional personnel to assist in the preparation of outstanding NFI reports for the forest inventories conducted. Also training should be provided to officers of the MSD to be able to extract forest inventory data.

- Ensuring the results of the NFI conducted in 1969 are made available on the Ministry's website for ease of reference by members of the public.
- Development of procedures to ensure that information obtained from timber harvesting operations from either native or plantation forest is incorporated into the NFI database. The procedure should be communicated to the relevant staff to ensure consistency in its application.

#### 1.2.5.4 Integrated Forests Resources Management

- There is a need to draft template Forest Management Plan for Resource owners such as that developed for Bouma Forest Park and to include the requirements of the Environment Management Act (EMA).
- Collaboration and engagement with key stakeholders be done to develop guidelines for the preparation of the Management Plans.
- Completion of relevant activities to ensure that the regulation concerning the selection of silvicultural system is issued.
- Silvicultural treatment integration assessments with Fiji Pine Ltd (FPL) for measures in its harvest management plan for the period after 2016 following expiration of the current plan.
- Defining the scope of Environment Impact Assessment (EIA) for the forestry sector and communicating this to all relevant stakeholders.
- Submission of strategic harvesting plans by all woodlots covering 2 years as required under the Policy.
- Development and issue guidelines and standards for silvicultural treatment in natural forests once the land use plan is finalised.

#### 1.2.5.5 Institutional Framework and Human Resources

- Reports of ministerial reforms done yet to be received by the Ministry.
- There has not been any meeting plan for Forestry Board meeting and the Board is not been active for long period of time.
- The Ministry had incorporated the National Forest Program in to the Ministry's Strategic Development Program with timeline of implementation.
- The Forestry Bill has been resubmitted to Solicitor General's Office (SG's) which is then to be submitted to Natural Resource Committee (NRC) to be table in parliament.
- Wider promotion of cross-sectorial coordination with other government Institutions has been conducted.
- Records of local training conducted not properly documented.
- No reports received from the review of the Ministry structure undertaken by World Bank in 2016.
- Resource Owners and Forest Professional Association are yet to be established and no record of meeting minutes and Terms of Reference (TOR) of the established Forest Industries Association.
- Formation of Domestic Integrated Extension in all the three division of the Ministry to ensure forestry services is easily accessible to all.
- The Ministry have subsidized production for all nursery seedlings and also providing them for free to promote replanting and reforestation.
- Introduction of Environment and Natural Resource Education in Primary and Secondary Schools, to educate students on the importance of Forests.
- The Training Centre was registered however the evidences of review of the viability of Training Centre has not been provided, thus not ascertained.



## 1.2.6 We recommended in the 2014 audit report

- 1.2.6.1 We made 31 recommendations in the audit of *Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007* (Audit Report on Performance Audit Volume 2 of December 2014). In their comments which were presented to the Public Account Committee (PAC) during the report deliberation on 18<sup>th</sup> January 2018, the Ministry of Forestry agreed with 20 recommendations, partially agreed with 9, and disagreed with 2 recommendations.
- 1.2.6.2 Table 1 lists the recommendations and gives our 2018 assessment of the progress made towards their implementation.

## 2.0 Summary of Follow-Up Audit Findings

### 2.1 Progress made by the Ministry of Forestry

- 2.1.1 Table 1 below shows the audit recommendations made in our Audit Report on Performance Audit Volume II of December 2014 with the corresponding responses provided by the Ministry of Forestry, anticipated time frame for implementing the recommendation and status of the recommendations. We found that the Ministry have had fully implemented some recommendations while others have been partially implemented and few have not been implemented at all.

**Table 1: Implementation status of recommendations made in Report 40 of Audit Report on Performance Audit Volume II of December 2014**

	Recommendation Made In Original Audit (Summary)	Ministry of Forestry Agreed/Disagreed	Ministry of Forestry Implementation Timeframe	OAG Assessment Of Status
<b>1. Conservation of Forests and Biological Resources</b>				
1.1	Facilitate the formalization of the Land use Plan by ensuring that it provide its comments to Strategic Planning.	Partially Agreed.	Ongoing.	Partially implemented.  Ministry of Economy (MoE) Strategic Planning unit has not finalised the consolidation of the Land Use Plan. Ministry of Forestry (MoF) has contributed through the Forest Function Map. The status of finalisation is not known as no response received from MoE despite several follow-up.
1.2	Ensure that actions are taken to finalize the forest function map and that arrangements are made with the Ministry of Lands to facilitate the printing of the map.	Agreed	Finalised in 2018.	Implemented.  The forest function maps have been printed and are kept at MSD division but are yet to be distributed.
1.3	Seek to develop a Memorandum of Understanding in close consultation with NFMV to formalize the awareness and consultation arrangement. The terms and conditions of the engagement should be set with complete agreement of both parties to ensure its achievability.	Partially Agreed	No Timeframe provided	Not Implemented.  Signing of MoU between the Ministry of Forestry and the Nature Fiji Mareqeti Viti (NFMV) on awareness undertaken by NFMV on behalf of the Ministry was unsuccessful as NFMV decline to have MoU as they are self-funded and to avoid mishaps that could affect their organisation.

Recommendation Made In Original Audit (Summary)		Ministry of Forestry Agreed/Disagreed	Ministry Of Forestry Implementation Timeframe	OAG Assessment Of Status
1.4	Allocate additional personnel to assist in the preparation of outstanding reports for the forest inventories conducted. Also training should be provided to officers of the MSD to be able extract forest inventory data	Agreed	Ongoing.	Not implemented.  The Ministry is yet to recruit an additional personnel or Data Information Officer to be responsible in the collation of outstanding NFI report. Also no training has been conducted on forest officers on the extraction of forest inventory data from the database.
1.5	Ensure that results of the NFI conducted in 1969 are made available on the Ministry's website for ease of reference by members of the public.	Agreed	Ongoing.	Not Implemented.  The Ministry is yet to upload in to its website any of the three NFI reports for the 3 NFI conducted.
1.6	Develop procedures to ensure that information obtained from timber harvesting operations from either native or plantation forest is incorporated into the NFI database. The procedure should be communicated to the relevant staffs to ensure consistency in its application.	Agreed	Ongoing.	Not Implemented.  The Ministry has not developed NFI Standard Operating Procedure (SOP), and no timeline on the uploading of the NFI results in to the database.
1.7	Advocate for permanent conservation of mangroves through prohibition of commercial harvesting.	Partially Agreed	Completed.	Implemented.  Commercial harvesting of mangrove is restricted by the Ministry of Forestry through a circular distributed by the former conservator and through the draft Mangrove Management Plan (MMP)  CF participation through Mangrove Management Committee (MMC) and Protected Area Committee (PAC) is a platform where the Ministry creates awareness on mangrove conservation.
<b>2. Integrated Forest Resources Management:</b>				
2.1	Resource owners of Bouma Forest Park are required to review the forest management plan for Bouma Forest Park and that	Agreed	No Timeframe provided	Not Implemented  Bouma Forest Park is community owned and it is a preserved area untouched and

	Recommendation Made In Original Audit (Summary)	Ministry of Forestry Agreed/Disagreed	Ministry Of Forestry Implementation Timeframe	OAG Assessment Of Status
	the review should consider the requirements of the EMA.			undisturbed, thereby EMA is not applicable as EMA requirements only appropriate for forest harvesting activities.
2.2	All woodlots submit strategic harvesting plans covering 2 years as required under the Policy.	Partially Agreed	Ongoing	Partially Implemented  Most licenses given were based on Management Plan of the proposed harvest areas. The duration of most woodlots harvesting management plan are within 1 year or less. Therefore road making activity are within the harvesting timeframe and not exceeding it, as wood lots and land owners have other planting options.
2.3	It work towards completion of relevant activities to ensure that the regulation concerning the selection of silvicultural system is issued.	Partially Agreed	Ongoing	Not implemented  The proposed developed extended DLT were rejected by Forestry stakeholders when presented as they disagree with some of the increase in the diameter limits stated within it.  Currently the i-TLTB DLT is the current legislated regulation regulating DLT and allowable cuts.
2.4	FPL is requested to integrate assessment of the needs for silvicultural treatment measures in its harvest management plan for the period after 2016 following expiration of the current plan.  The Ministry of Forestry should develop and issue guidelines and standards for silvicultural treatment in natural forests once the land use plan is finalised.	Agreed	Completed	Implemented  Review of FPL Management Plan for 2019 – 2030 noted that FPL has incorporated silviculture treatment measures, in which FPL is considering undertaking appropriate action.
2.5	Work towards establishment of forest management for plantation areas and discuss the remnants of natural forest in plantation areas	Partially Agreed.	Ongoing	Partially Implemented.  FPL has its own Forest Management Plan regulating its plantation compartment.

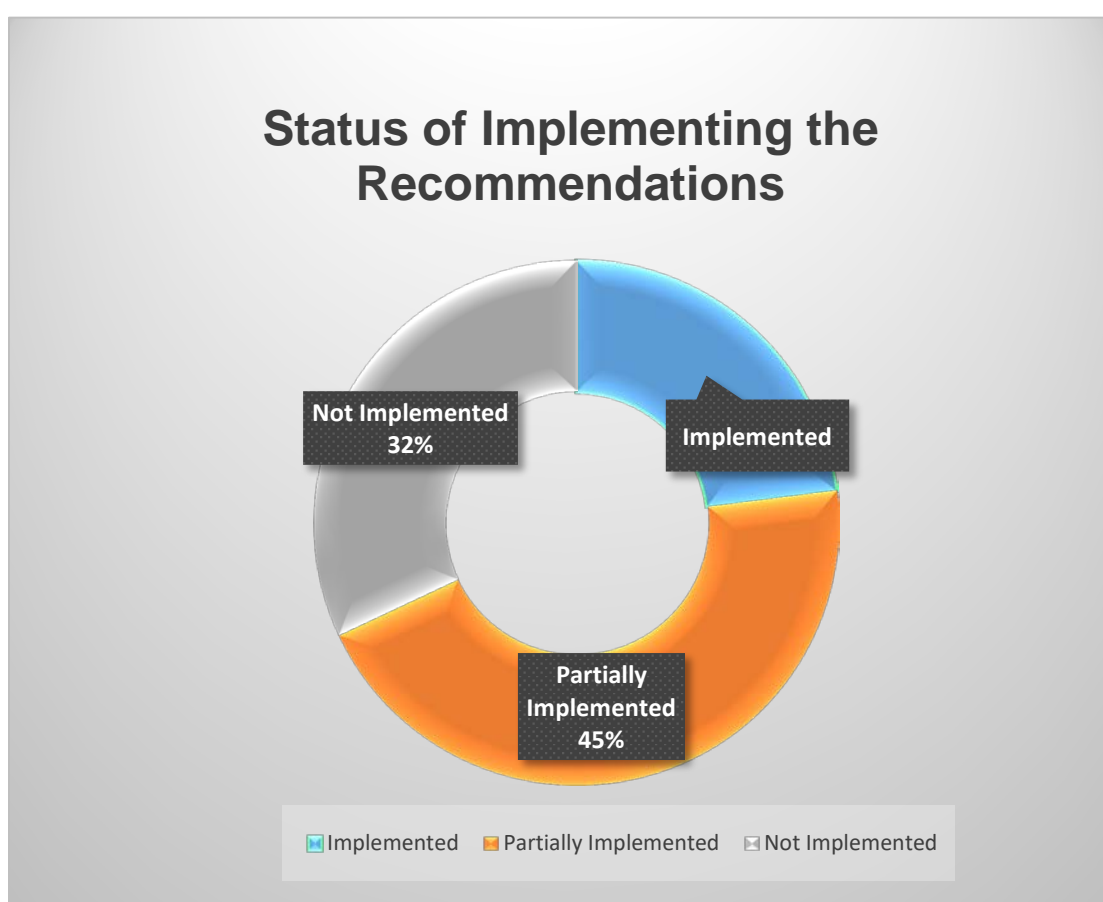
	Recommendation Made In Original Audit (Summary)	Ministry of Forestry Agreed/Disagreed	Ministry Of Forestry Implementation Timeframe	OAG Assessment Of Status
	with FPL.			Review of FPL current management plan noted no programs had been established for the protection of remnant of natural forests in its plantation.
2.6	The Code of Practice Steering Committee is fully functional.	Agreed.	No schedule meeting timetable	Not Implemented The Committee has been dormant for long period of time. They last met in 2016 and no further meetings conducted thereafter till the follow up period.
2.7	The Fiji Forest Certification Standard is finalised and put forward to Cabinet for endorsement.	Agreed.	Ongoing	Partially Implemented The developed Forest certification standard was rejected by forestry stakeholders when presented. Reason being it is an expensive and extensive exercise with huge financial implications, provided that many operators are just small woodlots.
2.8	A fee structure is developed as required under Section 16 of the Forest Decree to account for the processing and monitoring of licenses conducted by the Ministry.	Agreed.	Ongoing	Partially Implemented Harvesting Regulation incorporating the reviewed fee structure was submitted to Ministry of Economy for vetting. MoF is still awaiting results of the review to be finalised.
2.9	It works towards developing regulations to govern the measurement of logs such as weighbridges for plantation resource.	Disagree.	Ongoing	Partially Implemented The Ministry stated it has a log scaling rule but this was not presented to audit when requested, audit has not sighted and verified its context. Ministry further mentioned in its response that it will be reviewing its draft Harvesting Regulations in November 2019.
2.10	It defines the scope of EIA for the forestry sector and communicates this to all relevant stakeholders.	Partially Agreed.	Ongoing	Partially Implemented The Environment Impact Assessment (EIA) for the Ministry is underlined in the FFHCOP, it is a reference point for EIA compliances assessment by the Ministry.

	Recommendation Made In Original Audit (Summary)	Ministry of Forestry Agreed/Disagreed	Ministry Of Forestry Implementation Timeframe	OAG Assessment Of Status
2.11	It work towards development of a management plan for non-wood products in Fiji.	Agreed.	Ongoing	Not Implemented  The Ministry is still yet to develop a Non-Wood Management Plan, for non-wood species in the country
<b>3. Institutional Framework and Human Resources</b>				
3.1	Ensure that it works towards its plan for institutional reform.	Agreed.	Restructure made in 2016	Implemented  The Ministry has undergone restructure for which the Department of Forestry was separated from Department of Fisheries and became a Ministry of its own, now known as the Ministry of Forestry.
3.2	Ensure that the meetings of the Forestry Board is appropriately planned and that meetings are conducted yearly as required.	Partially Agreed.	No time line of forestry board meetings provided.	Not Implemented.  The Forestry Board meeting has been dormant for long and there is no plan for the schedules of meeting of the board.
3.3	Revise the National Forest Program after taking account of actions that have been implemented. Timelines for implementation of actions should be appropriately defined in the revised Program.	Agreed.	Completed -	Implemented.  The National Forest Program of the Fiji Forest Policy Statement 2007 had been incorporated in strategic development plan 2017 -2030 with time frames of implementations.
3.4	Ensure that the Cabinet Memorandum is submitted to Cabinet at the earliest to facilitate the enactment of the Forest Act.	Agreed.	Ongoing	Partially Implemented.  The Forestry Bill was presented to Natural Resources Committee (NRC) on 3rd May 2016 and is pending to be tabled in parliament.
3.5	Ensure that public awareness on forest legislations and regulation is conducted once the Forest Act is enacted.	Agreed.	Ongoing	Partially Implemented.  Forest Legislation Awareness is conducted through collaborative awareness programs of the Ministry as well as Commissioner's Office awareness tours with other government ministries.
3.6	Ensure that wider promotion of cross-sectoral coordination between the Ministry and other	Partially Agreed.	Ongoing.	Partially Implemented.  Awareness were conducted through Commissioners Offices integrated approaches

	Recommendation Made In Original Audit (Summary)	Ministry of Forestry Agreed/Disagreed	Ministry Of Forestry Implementation Timeframe	OAG Assessment Of Status
	government institutions is conducted.			as well as through several inter ministry committees.
3.7	Ensure that it work towards seeking assistance from international or regional development agencies to review the structure, administrative procedures, resources and revenue streams of the Ministry.	Agreed.	Ongoing.	Partially Implemented  A review has been conducted by World Bank and the report is with the Attorney General's office and World Bank office and is yet to be received by the MoF.
3.8	Ensure that it work towards assisting in the establishment of the Forest Industries Association, Resource Owners Association and Forest Professional's Association.	Agreed.	No Timeline.	Not Implemented  The Forest Industries Association was said to be established however neither formal evidence of meeting minutes nor TOR of the committee members were presented to audit. The Resource Owners and Forest Professional Association are yet to be formed. No time line given to form these two associations.
3.9	Initiate the formation of the domestic integrated extension teams.	Agreed.	Ongoing	Partially Implemented  The Extension Division has been decentralised to ensure that Forestry services are easily accessible to all and that Ministry is involved through Agroforestry Integrated Models.
3.10	Ensure that it starts working towards phasing out its subsidized production for all nursery seedlings and charge the full commercial price.	Agreed.	Ongoing	Partially Implemented  The Ministry of Forestry has been supplying seedlings to communities upon request. Communities meeting the stated requirements in order be provided with nursery seedlings.
3.11	Work towards conducting a review of the viability of its training centre.	Agreed.	Ongoing	Partially Implemented  The training centre has been registered and is being accredited as well. Application of accreditation was not provided for audit review, hence audit could not ascertain the validity of the accreditation done..



	Recommendation Made In Original Audit (Summary)	Ministry of Forestry Agreed/Disagreed	Ministry of Forestry Implementation Timeframe	OAG Assessment Of Status
3.12	Promote the introduction of environment and natural resource education in primary and secondary schools.	Agreed.	Ongoing	Implemented  Through the Global Environment Facility (GEF 4) Project, the Ministry in collaboration with FAO and Ministry of Education had developed a curriculum on environment and natural resources for primary and secondary schools.



**Figure 1: Graphical representation of OAG assessment of Ministry of Forestry implementation status on the Recommendation**

We made 31 recommendations in the Progress of Implementation of the Fiji Forests Policy Statement 2007 (Audit Report on Performance Audit Volume II of December 2014). Out of the 31 recommendations, 7 or 23% has been implemented by the MOF, 14 or 45% were partially implemented, 10 or 32% were not implemented



## 3.0 AUDIT CONCLUSION

- 3.1 The Ministry of Forestry has made considerable effort to address most of the issues raised in the 2014 performance audit report. However, the Ministry of Forestry needs to implement those recommendations left to be addressed.
- 3.2 Many fundamental aspects found in the original audit report were yet to be implemented by the Ministry of Forestry. Some of the major issues include the implementation and approval of the National Land Use Plan and the distribution of the Forest function map. Delay in doing so can result in the improper management of forests as there is no clear point of demarcation that provide differentiation factors of the different forest functions.
- 3.3 We also commend the ideology of the Ministry of Forestry for providing consultation to forests stakeholders before reaching to a consensus of not to adopting the Forest Certification Standard and the Data Limit Table. However the Ministry of Forestry shall pondering its efforts in convincing the stakeholders of the importance to have certified timber exported in the international markets, particularly the European and the G8 countries. The adoption of the extended diameter limit table will provide benefits sustainable forest management.
- 3.4 It is critical that Ministry of Forestry continue with the efforts undertaken to improve its collaboration with key stakeholders. In particular, it should continue to engage with woodlots, plantation owners, community members, FPL and FHL as well as other stakeholders. By providing education, training and awareness programs as well as resource material, stakeholders and the communities are enlightened and educated on the need to protect and preserve our forests. This would promote well management of the forests as well as ultimately achieve sustainable development in the forestry sector.

## 4.0 AUDIT CONTEXT

### 4.1 Conservation of Forests and Biological Resources

This chapter covers progress made by the Ministry of Forestry in addressing the recommendations raised in the 2014 Report with regards to the conservation of forests and biological resources.

#### 4.1.1 Land Use Planning and Forest Classification

**In 2014, it was recommended that the Ministry of Forestry facilitate the formalization of the Land Use Plan by ensuring that it provide its comments to the Strategic Planning Unit of the Ministry of Economy (then Finance)**

- 4.1.1.1 According to section 5.1 of the Fiji Forest Policy Statement 2007, the Ministry of Forestry with the Ministry of Agriculture will develop and implement proper land use planning process involving all stakeholders in accordance with the Rural Land Use Policy and the National Forest Policy. The above requirement will be met through preparation of land use plans at the national, provincial and district levels including the vanua, tikina, yavusa, mataqali and tokatoka. As part of the processes the Government will identify areas of land which are best suited for long term, high value forest production, afforestation and land rehabilitation, forest protection and conservation.
- 4.1.1.2 The initial audit in 2014 established that there was no national Land Use Plan (LUP) in place, nor were LUPs developed for provincial and district levels including the vanua, tikina, yavusa, mataqali and tokatoka as required under the FFPS 2007. According to Strategic and Planning Unit of the Ministry of Economy (then Finance) as the agency responsible for the development of the LUP, a draft paper on Sustainable Land Use (SLU) was prepared for presentation to Parliament, but was pending awaiting comments from stakeholders consulted, of which the then Ministry of Fisheries and Forestry was one.
- 4.1.1.3 The Ministry of Forestry in its response to the audit report on 18/01/2018 indicated that the key focus area of the Land Use Plan was the establishment of the Permanent Forest Estates, based on Forest Functions derived from the National Forest Inventory in line with the National Rural Land Use Policy and Stakeholder Interest.<sup>4</sup>
- 4.1.1.4 The Ministry confirmed that its input into the Land Use Planning exercise was the completion of the Forest Function Maps for Fiji which will provide the technical basis for the allocation of forest potential areas for the establishment of Permanent Forest Estates.
- 4.1.1.5 The Public Accounts Committee during its deliberation on the report recommended that the Ministry of Forestry set out a clear trajectory of its activities and projects and take ownership to ensure that it met the required timelines and not drag for a longer period of time such as the finalization of the Land Use Plan since its inception in 2007 when the Forest Policy was developed.<sup>5</sup>

<sup>4</sup> Reference on the report of the Office of the Auditor General of the Republic of Fiji\_4.0\_pg 2

<sup>5</sup> Verbatim notes of the meeting of the standing committee on the public account, held in the committee room (East wing), parliament precincts, government building, Thursday, 18 January, 2018 at 9.37 am\_pg 2 to 3

## Progress made

- 4.1.1.6 The Ministry has completed the forest function maps in 2016 and submitted these to the Ministry of Economy's Budget and Planning Division (formerly known as the Strategic Planning division of the then Ministry of Finance) which is responsible for the consolidation and formulation of the National Land Use Plan. However, audit gathered that the Land Use Plan is still in its draft stages with the Ministry of Economy's Budget Planning Division and is yet to be submitted to the Solicitors General's Office for vetting. No confirmation was received from the Ministry of Economy regarding the status of the Land Use Plan despite several emails and calls being made.
- 4.1.1.7 The Forest Policy Statement 2007 states that Ministry of Forestry and Ministry of Agriculture to co-lead on the formulation of the plan, to develop and implement proper land use planning process involving all stakeholders in accordance with the Rural Land Use Policy and the National Forest Policy. The two lead ministries will be assisted by other stakeholders including the Ministry of Economy which provides their operating budget.
- 4.1.1.8 The Ministry of Forestry clarified in its response to this follow up audit recommendation that the Ministry is committed to develop a district level land use plans for 20 districts in the next 5 years, and that the development of a Land Use Plan requires a multi sectoral participation.
- 4.1.1.9 The Ministry Operational Plan was verified which stated that the Ministry will develop a 3 district level land use plan and a 5 years implementation plan from 2020 to 2025. However, the Ministry is still left to follow up with Ministry of Economy for the finalisation of the National Land Use Plan.

## Next steps

- 4.1.1.10 We acknowledge the Ministry's efforts in completing its assigned task towards the development of the Land Use Plan through the provision of the Forest Function Maps.
- 4.1.1.11 The Ministry may need to consider proactively spearheading the development and formalisation of the National Land Use Plan.

### 4.1.2 Forest function map

**In 2014, we recommended that the Ministry of Forestry take actions to finalize the forest function maps and that arrangements be made with the Ministry of Lands to facilitate the printing of the map.**

- 4.1.2.1 Section 5.1.1 of the Fiji Forest Policy 2007 requires that "In consultation with all the stakeholders a permanent forest estate will be established as an area designated for sustainable forest management which shall not be converted to other land use purpose. To ensure the above requirement is followed the Ministry of Forestry will elaborate and issue a Forest Function Map based on forest function, ecological differences and management criteria.<sup>6</sup>

<sup>6</sup> Fiji Forest Policy Statement 2007, Section 5.1.1\_Land Use Planning and Forest Classification, Pg. 26 paragraph 2 and pg. 27 paragraph 3.

- 4.1.2.2 In the 2014 report, we noted that the forest function map was yet to be finalised and that the Ministry of Forestry was in the process of printing the draft function map. However, there was no arrangement in place with the Ministry of Lands for the sharing of the map and its printing.
- 4.1.2.3 The Ministry in its response to the PAC meeting on 18/01/18 confirmed that the Potential Forest Function Map has been finalised in 2016 in collaboration with the Ministry of Lands.

### Progress made

- 4.1.2.4 Audit verifications on 19/09/2018 confirmed that the Ministry has printed 10,000 copies of the forest function maps which are held at the MSD section in Colo-i-Suva and are awaiting distribution to the Ministry's divisional offices and all stakeholders. Digital copies of the maps were also maintained in the Ministry's computerised mapping folders.
- 4.1.2.5 However, we noted that the distribution and dissemination of maps has been delayed and that there is no clear strategy or planned timeline for distribution of the forest function map to its divisional offices and all stakeholders.
- 4.1.2.6 The map is a useful tool for research, logging and harvesting purposes and is sold or can be obtained from the MSD free of charge for research and development purposes only, especially to tertiary and secondary school students for research purposes.
- 4.1.2.7 The Ministry of Forestry clarified in its response to this recommendation that it has made available soft copies of the forest functions maps in the divisions as well as provided them to stakeholders upon request.

### Next steps

- 4.1.2.8 We acknowledge that the printing of the forest function maps addresses the recommendation. However, the Ministry could also consider developing a strategy with identified timelines for the distribution of the forest function maps to its divisional offices and other forest stakeholders.

## 4.1.3 Awareness Program

**In 2014, we recommended that the Ministry of Forestry seek to develop a Memorandum of Understanding in close consultation with NFMV to formalize the awareness and consultation arrangement. The terms and conditions of the engagement should be set with complete agreement of both parties to ensure its achievability.**

- 4.1.3.1 The FFPS 2007 states that effective programmes to raise landowner awareness using appropriate participatory tools that ensures active and meaningful contribution of resource owners to land use planning and forest classification will be developed and disseminated.<sup>7</sup>
- 4.1.3.2 It was noted in our 2014 report that the Nature Fiji Mareqeti Viti (NFMV) conducted awareness programs on establishing permanent forest estate (PFE) from 2009 to 2011 in partnership with various NGOs while the technical expertise was provided by the

<sup>7</sup> Fiji Forest Policy Statement 2007 Action No.3, Section 5.1.1\_Land Use Planning and Forest Classification, Pg. 28 paragraph 4.

Ministry of Forestry in terms of vetting the awareness material for accuracy in line with the Fiji Forest Policy Statement. Subsequent follow ups on the PFE awareness programs were also carried out in 2013. However, we had noted that there was no formal arrangements in place between the Ministry and the NFMV with respect to the awareness engagement. Audit established that efforts had been made towards drafting a Memorandum of Understanding (MoU) with the NFMV but it was not accepted by the latter since awareness programs are funded by multiple non-government organisations.

- 4.1.3.3 The Ministry of Forestry in its response to the PAC confirms that the NFMV no longer undertakes consultations on the Permanent Forest Reserve Estate and that the Ministry's proposal for a MoU between the two parties were not agreed to by the latter.

### Progress made

- 4.1.3.4 There is no MoU between the Ministry and the NFMV. The Ministry has not been able to convince NFMV into signing of a MoU.
- 4.1.3.5 NFMV is a non-government organisation facilitating forests awareness programs and awareness on forest conservation with communities at its own initiative.
- 4.1.3.6 The Ministry of Forestry currently have an opportunity to provide awareness on forest management and conservations through the Fiji REDD Plus project and the Four Million Trees Program. The Fiji REDD-Plus Policy recognises REDD-plus as an opportunity to provide incentives to protect its forest ecosystems; strengthen the socio-economic status of its forest resource owners; contribute towards global efforts to reduce GHG emission; identifies appropriate scope, scale, distribution of benefits, institutional support, and safeguards for the implementation of REDD-plus. The 4 million tree program was aimed at replanting of trees as a means of reducing global emission and compensate them to address the effect of climate change. The replanting comes with awareness on the effect of climate change and the positive impact replanting and reforestation can bring to the environment and to the climate weather patterns.

### Next steps

- 4.1.3.5 The Ministry should continue to strengthen engagement with other stakeholders especially non-government organisations such as NFMV on collaborations for awareness activities and also directly provide more awareness to landowners to increase their participation in land use planning and forest classification.

#### 4.1.4 Forests Inventory

**In 2014, we recommended that the Ministry of Forestry allocate additional personnel to assist in the preparation of outstanding reports for the forest inventories conducted. In addition, training should also be provided to officers of the MSD to enable them to extract forest inventory data.**

**We further recommended that the Ministry of Forestry ensure that results of the NFI conducted in 1969 be made available on the Ministry's website for ease of reference by members of the public.**

- 4.1.4.1 In accordance with section 5.1.2 of the Fiji Forest Policy Statement 2007, the Ministry will undertake a detailed national forest inventory periodically, to elaborate adequate information for sustainable management and conservation of forest resources and for supply of timber on a sustainable basis as well as to monitor the development of the forest resources. To achieve this, the Ministry will develop, maintain and on a periodic basis of 10 years, update a National Forest Inventory database giving priority to those areas where logging is occurring or anticipated and within those areas where the current resource information is considered to be least reliable. In addition, the results of the NFI will be made public by the Ministry and specific data and information will be accessible for interested parties on request.<sup>8</sup>
- 4.1.4.2 In its 2014 report, we noted that out of the three forest inventories conducted only one report has been compiled, that is, for the inventory conducted in 1969. However, the results of the 1969 NFI can only be accessed by the public at the Ministry's premises as it has not been uploaded on the Ministry's website. No report was produced for the second forest inventory conducted between 1990 and 1992. However, the Ministry was able to develop a forest function map using data obtained from the forest inventory conducted in those years. Similarly, no report was compiled for the third NFI conducted in 2005 but all data collated from the inventory have been stored and saved in the forest inventory data base. Compilation of reports were not done due to a lack of qualified personnel at the time to undertake the tasks.
- 4.1.4.3 In addition we noted that the database developed by the Ministry's IT Unit in 2005 for storing data collated by the forest inventory team was last updated with data from the 2005 forest inventory, with exception of NFI data conducted in 1992 and 1996. It was also observed that Forest Inventory Officers tasked with preparing the reports of the inventory did not have authorised access to the data and also lacked the skills to extract the data from the database, resulting in requests for assistance in accessing information being made to the officers in the IT Unit.
- 4.1.4.4 The Ministry in its response to the PAC stated that the REDD Plus Unit at the Forest Management Services Division (MSD) in Colo-i-Suva will take over the forest assessment role in future from the MSD's Forest Inventory Section with additional personnel and a new Forest Management Information System implemented. Furthermore, the Ministry is working on availing the results of the 1969 NFI with careful considerations of what can be published on the Ministry's website as some information are confidential to the resource owners.

#### Progress made

- 4.1.4.5 We gathered from interviews and request made with the Principal Management Officer MSD and the Senior IT officer of the Ministry on 25/09/18 that the Ministry of

<sup>8</sup> Fiji Forest Policy Statement 2007 Section 5.1.2\_Forest Inventory, Pg. 28 paragraph 2 and Action 2, paragraph 2.



Forestry had still not prepared a standardized report for the National Forest Inventory conducted in the period 1990 to 1992 as well as 2005 to 2007. In addition, the report of 1969 NFI which was completed was not provided for audit review by the Principal MSD officer. The NFI conducted in 2005 to 2007 had not been compiled into a report due to delays by the officer responsible in undertaking the task. However, using 2005 NFI data, the Ministry developed a statistical report which was then submitted to audit. It was also confirmed that the Ministry has not hired or recruited any specialized information officer to be responsible for the compilation of the outstanding report on the National Forest Inventory conducted.

- 4.1.4.6 Examination of the Ministry's website on 26/09/18 noted that none of the three NFI reports conducted in 1969, 1992 or 2005 have been uploaded onto the Ministry of Forests website. This was attributed to the revamping of the Ministry's current website whereby the upgraded website does not provide any platform for the NFI reports.
- 4.1.4.7 The Ministry of Forestry clarified in its response to this recommendation that the 1969 report was available and would be uploaded in to the Ministry's website. Furthermore, a NFI report for the 2005 NFI is currently being developed.
- 4.1.4.8 The Ministry was unable to provide us the progress and status of developing of 2005 NFI report.

### Next steps

- 4.1.4.9 The Ministry still needs to direct its efforts at implementing recommendations in the 2014 report and identify resources to compile reports of the two forest inventories conducted and the uploading of information on the Ministry's website and database.

## 4.1.5 Establishment of Procedures

**In 2014, we recommended that the Ministry of Forestry develop procedures to ensure that information obtained from timber harvesting operations of either native or plantation forests is incorporated into the NFI database. The procedures should be communicated to the relevant staff to ensure consistency in its application.**

- 4.1.5.1 The Fiji Forest Policy statement 2007 provides that forest inventory at forest management unit level will be required for the elaboration of forest management plans. Procedures will be established to ensure that the information obtained from timber harvesting operations from either native or plantation forest is incorporated into the NFI database as a means of verifying the accuracy of the forest inventories.<sup>9</sup>
- 4.1.5.2 In our 2014 report, we noted that although the Ministry of Forestry did not have any procedure in place as per the above requirements, reports on timber harvesting were prepared and submitted to the Management and Research Unit for compilation. The information were stored on a separate database named the tab file and is not incorporated into the NFI database.
- 4.1.5.3 The Ministry in its response to the PAC stated that the NFI database contains timber stocks and vegetation quantity and quality at any particular time. The procedure for

<sup>9</sup> Section 5.1.2 Fiji Forest Policy Statement 2007

the incorporation of the data will be done through the implementation of the Diameter Limit Table. The Diameter Limit Table will serve as the link between the Harvesting Database and the NFI Database. The Ministry also confirmed in its response that the database for the 1990-1992 NFI still existed at the MSD with all the tables that came with it and that a report was also compiled.

### Progress made

- 4.1.5.4 Audit verification of the NFI database and interview with the Senior IT officer confirmed that the NFI database only contained information on standing volume of trees gathered during the 2005 NFI and that harvested stocks were recorded on a separate database (Activity Database). The NFI database was not updated with the results of the NFIs conducted in 1969 and in 1992 due to loss and misplacement of NFI field worksheets which recorded information gathered during the NFI. Information obtained from Forest Inventory and Harvests are still maintained separately.
- 4.1.5.5 NFI procedures for gathering NFI data and storing them in the NFI database as well as compilation of NFI reports are still yet to be established to ensure that the information obtained from timber harvesting operations from either native or plantation forest is incorporated into the NFI database and compiled into a report.
- 4.1.5.6 The Ministry of Forestry clarified in its response to this recommendation that NFI collected from forests are the only measures of standing trees and biodiversity while logging data were collected from saw millers and loggers. Furthermore, activity data is meant for developing maps and not NFI.
- 4.1.5.7 However, the Ministry had not provided response on the development of procedures to guide the phases of NFI and storing of harvested data into the activity database and NFI results into the NFI database.

### Next steps

- 4.1.5.8 The Ministry still needs to address the recommendations of incorporating forest harvest information into the NFI and updating it with particulars from the 2 forest inventories conducted in 1969 and 1992. Furthermore, the Ministry should consider developing standard operating procedure guiding the phases of NFI and harvesting processes including the database storage and reporting compilation.

## 4.1.6 Mangrove Management

**We recommended that the Ministry of Forestry advocate for the permanent conservation of mangroves through prohibition of commercial harvesting.**

- 4.1.6.1 In accordance with section 5.1.5 of the Fiji Forest Policy Statement 2007, Government will consult with its Ministry and agencies involved in mangrove management and with qoliqoli owners and other stakeholders with a view to introduce an effective mangrove regulatory and management framework.<sup>10</sup> The Fiji Forest Policy Statement

<sup>10</sup> Section 5.1.5- Fiji Forest Policy Statement 2007\_Page 30,Paragraph 1



2007 requires the Ministry of Forestry to advocate for permanent conservation of mangroves and that commercial harvesting of mangroves be prohibited.<sup>11</sup>

- 4.1.6.2 We gathered from the 2014 audit that the Ministry has nothing in place for advocating for the permanent conservation of mangroves and the prohibition of commercial harvesting of mangroves. The Ministry, in consultation with the Ministry of Lands, has stopped issuance of licences for commercial removal of mangroves and only supported removals for religious purposes such as fire walking which is seasonal, cremation and for community level sustainable usage of firewood.
- 4.1.6.3 The Ministry of Forestry in its response to the recommendation stated that the Ministry is represented at the Mangrove Management Committee and the Protected Area Committee which are forums through which the Ministry of Forestry carries out its advocacy work. In addition, the Ministry had ceased issuances of licencing of commercial harvesting of mangroves for firewood.

### Progress made

- 4.1.6.4 The Ministry has stopped issuing licences on commercial harvesting of mangroves and any commercial harvesting has to be done through arrangements with developers who clear mangroves for development purposes. We sighted the last approval issued by the Ministry of Lands dated 11/5/2016 but were not provided with copies of the licence book and register for verification. The Ministry through the former Conservator of Forests issued a ban on commercial harvesting of mangroves but was unable to provide documentary evidence for our review.
- 4.1.6.5 In its advocacy roles, the Conservator of Forests represents the Ministry of Forestry in the Mangrove Management Committee (MMC) and is a member of the Protected Area Committee (PAC). At the MMC meeting on 25/9/18, the Ministry of Forestry proposed that policy components and strategy components be clearly demarcated in the Mangrove Management Plan (MMP) and for the review of the Mangrove Management Action Plan. The above has been considered in the draft Mangrove Management Plan. The Mangrove Management Plan is still yet to be endorsed by the Ministry of Lands which is the custodian of the MPP. The Conservator of Forests as member of the committee is expected to push through its endorsement during the Committee meetings.
- 4.1.6.6 It is evident from our review that progress on total ban on commercial harvest of mangroves had been very slow. Therefore, the Ministry could consider enactment of relevant legislation to ensure that this matter receives high level of priority and confirms its commitment to the protection of mangroves in the national context.

### Next steps

- 4.1.6.5 The Ministry needs to formalise the ban on the commercial harvesting of mangroves through the legislative process.

<sup>11</sup> Section 5.1.5- Fiji Forest Policy Statement 2007\_Page 30,Paragraph 1

## 4.2 Conservation of Forests and Biological Resources

This chapter covers progress made by the Ministry of Forestry in addressing the recommendations raised in the 2014 Report with regards to the Integrated Forest Resources Management.

### 4.2.1 Management Plans

**We recommended that the Ministry of Forestry ensure that resource owners of Bouma Forest Park review the forest management plan for Bouma Forest Park and to consider the requirements of the EMA in its reviews.**

- 4.2.1.1 All native plantation forest management units require a management plan. The Ministry in collaboration with key stakeholders, will develop guidelines for the preparation of Management Plans.<sup>12</sup> Actions identified in the Fiji Forest Policy Statement 2007 states that resource owners will be involved in the development of forest management plans to guide all forest protection and development measures and the preparation of harvesting plans. Furthermore, all plans must comply with the provisions of the Environmental Management Act 2015.<sup>13</sup>
- 4.2.1.2 It was reported in the 2014 report that no management plans have been developed for native plantation forest management units except for Bouma Forest Park which was developed in 1991. Given the lapse in time since its development, the management plan for Bouma Forest Park needs to be reviewed and incorporate requirements of the Environmental Management Act 2005.
- 4.2.1.3 The Ministry response to our recommendation stated that the Bouma Forest Park is community owned and the management of the forest park is done at their own initiative with technical advice from the Ministry of Forestry. EMA is only required for disturbing forests or where harvestings are done, Bouma Forest Park is only for conservation purposes and forests are intact and undisturbed, therefore EMA was not required.

### Progress made

- 4.2.1.4 The Ministry is no longer managing the Bouma Forest Park as the landowners are now managing the forest park through land owning units boards. National Trust of Fiji (NTF) is the current operational agents managing the overall maintenance of the Bouma parks which are funded by the New Zealand Aid (NZAID). The appointment of NTF came in to effect on 18<sup>th</sup> February 2004 when the advisory committee appointed NTF to take over from Fijian Affairs Board (FAB).
- 4.2.1.5 Bouma Forest Park is a forest reserve and forests growing within the reserve are untouched and undisturbed as forest harvesting activities are restricted within its boundaries. It was established that EIA is only conducted when commercial harvesting management plan is submitted as this form part of the condition of approval which is not applicable for Bouma Park since forests are not harvestable.

Our review of the Bouma 1991 management plan noted that the very reason for the establishment of the Bouma forest park is because the land owning units approached

<sup>12</sup> Fiji Forest Policy Statement 2007\_Section 5.2.2,Action 1, Pg. 33

<sup>13</sup> Fiji Forest Policy Statement 2007\_Section 5.2.2,Action 1, Pg. 33

the government to set aside their lands solely to protect it from threat of logging, anxiety for the future of their villages traditional way of life and culture and concern for the future education and employment needs of their children.

4.2.1.6 In relation to the concern noted above, the Native Land Trust Board and the Ministry of Forestry with other government stakeholders attempted to work out viable projects with the following objectives:

- The conservation, protection and enhancement of important and in some case, unique aspects of Taveuni rich natural and cultural heritage
- The establishment of first class recreation and tourism assets for the enjoyment of local and overseas visitors.
- The creation of local employment and income opportunities for Mataqali Naituku, Nakorovou villagers and the vanua of Bouma in general.

4.2.1.7 Additionally, the major objectives of government setting aside representative area of the Fiji natural resources were to ensure the survival in long term of representative plants, animal, ecosystem and landscape and to provide a secure basis for retaining traditional forest based cultural knowledge and practices.

4.2.1.8 In relation to the above passage stipulated in the Bouma Management Plan which are complementary to the EMA requirements, it is the duty of the landowners and every users of the park to get familiar with the Bouma Management Plan, reasons for its establishment and protect it accordingly. In line with the requirement for resource inventory of the EMA, the Forest Management Plan can also include the provision for periodic forest inventory measurements.

### Next steps

4.2.1.9 The Ministry needs to take initiatives to engage and collaborate with resource owners and other stakeholders in reviewing the Forest Management Plan for Forest Parks such as Bouma and to consider the requirements of the EMA in its reviews.

## 4.2.2 Strategic Harvesting Plan

**We recommended that the Ministry of Forestry ensure that all woodlots submit strategic harvesting plans covering 2 years as required under the policy.**

4.2.2.1 Section 5.2.2 of the FFPS 2007 states that all forest management licensees will be required to prepare strategic harvesting plan each year showing the locations of proposed road-making and harvesting operations for the next two years.<sup>14</sup>

4.2.2.2 It was noted in 2014 that all forest management licensees for the period 2013 submitted annual strategic harvesting plans, except for the Fiji Pine Limited which submitted plans covering a two year period.

4.2.2.3 The Ministry of Forestry clarified in its response to this recommendation that the duration of the harvesting plans depends on the size of the area that is targeted to be harvested. Woodlots are small in size and most operations are completed in less than one year, thus duration of the harvesting plan for one year is appropriate.

<sup>14</sup> Section 5.2.2 – Fiji Forest Policy Statement 2007

## Progress made

- 4.2.2.4 We gathered that private woodlots and small plantation owners are given one year harvesting licenses to ensure proper monitoring of their harvesting activities. Reviews of the four harvesting management plans provided to audit (as listed in Table 2 below) noted that the plans included details of road making activities but it only covered the period of harvesting activities which is between two months and a year instead of two years as required under section 5.2.2 of the Fiji Forest Policy Statement 2007.

**Table 2. Forest Harvesting Plan for woodlots submitted to Ministry of Forestry**

Licensee	License/Lease Number	Period of Harvesting Activities	Period of Road Making activities	Post- Logging Activity
Dawasamu Nawainovo Pine Scheme	NLC 574	2 months	2 Months – 20 -30 m	Restock with pine and other species for future generations.
Nabukelevu Serua, Mataqali Cawanisiga	RL 82341	8- 12 Months	25–380m average distance Landing – 10 – Average size 0.07 ha	Totally depend on land owner initiative
Raralevu, Mataqali Valelevu	RL 85058	3 Months	Using the Loganisebi road used as main access, haulage road constructed by previous contractors will be re blade – No road Construction plan provided for two years.	Agriculture, and for new settlement to expand village boundary, to accommodate new families
Navuniyasi Naitasiri	RL 87742	12 Months	12 Months	Not Provided

- 4.2.2.5 Our review of the four harvesting plans indicated that they were incorporated with post logging activities which are agriculture, other planting option and restocking of pine. The Ministry of Forestry does not have the powers to enforce landowners in continuing with planting of timbers and on proposed road making activities as woodlots/land owners have other vegetation's planting options after the timber harvesting period, as plantation lands is communally and privately owned. The post-logging activity of plantation areas and woodlots are the prerogative of land owners themselves as most land owning units are communally or privately owned.
- 4.2.2.6 The Ministry of Forestry clarified in its response to this recommendation that the duration of the license is annual, up to 5 or 10 years and also long term concession license. The duration of the license is dependent on the area and stocking that is in the harvesting plan. The Ministry also issues short term licenses, normally 3-6 months, mainly for minor forests produce such as firewood.

## Next steps

- 4.2.2.7 While the Ministry has justified the duration of harvesting plans, we note that this is not in compliance with that requirements of the Fiji Forest Policy Statement 2007. Therefore, the Ministry can consider reviewing the relevant requirements in the policy statement.

### 4.2.3 Forests Management System

**In our 2014 audit, we recommended that the Ministry of Forestry work towards completion of relevant activities to ensure that the regulation concerning the selection of silvicultural system is issued.**

- 4.2.3.1 In accordance with section 5.2.3 of the Fiji Forest Policy Statement 2007, natural forests will be managed under a selection silvicultural system with careful protection of younger age class trees during harvesting operation and keeping of sufficient numbers of seed trees. As such, the Ministry of Forestry will issue the regulations concerning the selection of silvicultural system including the establishment of minimum cutting diameters by species and standards for protection of larger seed trees for different species and forest types based on existing research and considering provisions on threatened and endangered species. Penalties will be introduced on cutting of undersized trees or those protected from logging.<sup>15</sup>
- 4.2.3.2 In the 2014 audit, we noted that although the Ministry was yet to issue the regulation concerning the selection of silvicultural system, it had finalised the new diameter limit for each species which was expected to come into effect on January 2015.
- 4.2.3.3 The Ministry of Forestry in its response to the recommendation confirmed that a regulation is already in place regarding the Selection Silvicultural System under the Native Land Forest Regulation 1985 Cap 134 (Native Land Trust Act).

#### Progress made

- 4.2.3.4 We gathered from discussion with the Conservator of Forest that the Ministry refers to the FFHCOP and i-TLTB Forest regulations Diameter Limit table in the selection of silviculture diameter and in determining the allowable cuts. Presently the diameter limit table stated in the Native Land Forest Regulation chapter 134 is policy mandate guides the harvesting of forest by harvesters.
- 4.2.3.5 The Ministry had prepared a Diameter Limit Table (DLT) of its own. It was revealed from discussions with the Conservator of Forest that forest stakeholders refused to adopt the Diameter Limit Table (DLT) developed by the Ministry as they disagree with the increase for some of the proposed diameter limits and minimum cutting limits specified in the newly developed DLT.
- 4.2.3.6 Stakeholders feedback obtained during extended DLT stakeholders' consultations was requested but was not provided for our review. Hence the basis in which stakeholders rejected the DLT could not be established.
- 4.2.3.7 The Ministry of Forestry clarified in its response to this recommendation that it is fully implementing the DLT legislated under the Native Land Trust Act (Native Land Forest Regulation 1985) as it is currently the only legal DLT available for enforcement by the Ministry. To review the legislated DLT, consultation have to be done with all stakeholders.

<sup>15</sup> Fiji Forests Policy Statement Part 5.3.3

## Next Step

- 4.2.3.8 To ensure the Ministry obtains some value from the efforts already undertaken in the development of the extended DLT and to provide technical platform of measurement that covers all wood species, the Ministry should review the DLT in consultation with the forest stakeholders to ensure it is practical to use.

### 4.2.4 Silvicultural treatments in natural forests

In 2014, we recommended that the Ministry request the Fiji Pine Limited (FPL) to integrate assessment of the needs for silvicultural treatment measures in its harvest management plan for the period after 2016 following expiration of the current plan, and that it develop and issue guideline and standards for silvicultural treatment in natural forests once the land use plan is finalised.

- 4.2.4.1 In accordance with section 5.2.3 of the Fiji Forest Policy, the Ministry of Forestry will foster the introduction of RIL techniques in natural forest to minimise damage in the logging and extraction process to the soil, residual stand and natural regeneration. The Ministry of Forestry will encourage the development of cooperative silvicultural research programmes in natural forest in cooperation between the Ministry of Forestry, forest management licensees, aid donors and research organisations including participatory monitoring schemes.<sup>16</sup>
- 4.2.4.2 Management plans must include the assessment of the needs for silvicultural treatment measures and specifications of methods and techniques to be applied under the different standard conditions.<sup>17</sup>
- 4.2.4.3 In encouraging the regeneration of natural forests, priority will be given to the protection of natural regeneration during harvesting operations through the application of reduced impact logging (RIL) techniques and to keeping a sufficient number of seed trees to maintain regeneration potential of all important tree species. The stimulation of growth rates, the regulation of species composition, and the need for regeneration and rehabilitation may require additional silvicultural measures during the production cycles.
- 4.2.4.4 We gathered during the initial audit that the only Harvest Management Plan approved by the Ministry of Forestry was for the Fiji Pine Limited (FPL) for the period 2014-2016. Our review of the plan however found that it did not integrate the assessment of the needs for silvicultural treatment measures and specifications of methods and techniques to be applied under the different standard conditions.
- 4.2.4.5 The Ministry of Forestry in its management response to the recommendation stated that measures to be carried out for Silvicultural treatments in plantation forests were the prerogative of FPL as it has significant financial and resource implications and as in most cases in the private sector, it is a commercial decision.

<sup>16</sup> Fiji Forest Policy Statement 2007\_5.2.3

<sup>17</sup> Fiji Forest Policy Statement 2007



## Progress made

- 4.2.4.6 The FPL has submitted a 5 year Forest Management plan which covers the period from 2019 to 2023. A review of FPL's 5 year Management Plan noted that FPL has incorporated silvicultural treatments in their plantation forest operations under sections on *PFL Research program* as well as plantation establishment under *Lease/ Compartment Boundary Survey and Demarcation of the Forestry operations*. Under the *Lease/ Compartment Boundary Survey and Demarcation of the Forestry operations* the following silviculture measures were stipulated: i) FPL monitors the planting programs of foreign company and if they are not performing; ii) FPL will issue written notices or engage its own resources to carry out silviculture operations. This was to ensure that the silviculture operation was not compromised for the long term sustainability.
- 4.2.4.7 The EIA assessment is carried out by the Ministry of Environment. The Ministry presently refers to the FFHCOP as regulation for compliances by forestry stakeholders to the requirements of the EIA.
- 4.2.4.8 The Ministry has incorporated the guidelines and standard for silvicultural treatment in natural forest in the FFHCOP under section 5 of the silviculture prescriptions. Additionally, the Ministry refers to the Native Land Forest regulations Diameter Limit Table for the treatment of Natural Forest silviculture Practices.
- 4.2.4.9 Our review of the Fiji Forest Harvesting Code of Practice and the Native Land Forest Regulations Diameter Limit Table found that these two regulations were embedded within the silviculture treatment for all different forests wood species which also included natural forest timbers or the native timbers.

## Next Step

- 4.2.4.10 We acknowledge the efforts made by the Ministry and FPL in addressing the recommendation.

## 4.2.5 Plantations

**In 2014 audit, we recommended that the Ministry of Forestry work towards establishment of forest management for plantation areas and discuss the remnants of natural forest in plantation areas with FPL.**

- 4.2.5.1 In accordance with section 5.2.3 of the Fiji Forest Policy Statement 2007, existing forest plantations will be managed effectively with the objective of providing a sustainable yield of high quality timber while conserving site quality.<sup>18</sup> Certification for Sustainable Management of Forest Plantations will be encouraged and monitored by the Ministry. The Government will encourage plantation development by the private sector and greater investment of resource owners in their own future resource base by providing extension and technical support. Plantations will be expanded only on areas designated for plantation forestry under a National Land Use Plan.<sup>19</sup>

<sup>18</sup> Section 5.2.3 – Fiji Forest Policy Statement 2007

<sup>19</sup> Section 5.2.3 – Fiji Forest Policy Statement 2007



- 4.2.5.2 To implement the above requirement, forest plantation and woodlot owners, managers and operators shall establish forest management plans for plantation areas that ensure the sustainable management of existing plantations and the successful establishment of future tree crops. Remnants of natural forests in plantation areas should be protected and managed in a sustainable way.
- 4.2.5.3 It was noted from the initial audit that the Ministry of Forestry is yet to work towards establishment of Forest Management Plans for plantation area since extension plantations are under Fiji Pine Trust. According to Ministry of Forestry the remnants of natural forests in plantations areas were still yet to be discussed further by the Ministry with Fiji Pine Limited to ensure that they are protected and managed in a sustainable way.
- 4.2.5.4 It was disclosed in the Ministry's response that forest management of plantation forests has financial and resource allocation implications and addressing it is the prerogative of relevant companies that own plantation resources, including the remnants of natural forests in leased areas.

### Progress made

- 4.2.5.5 We noted that Fiji Pine Limited has its own Forest Management Plan for its plantation areas which are submitted after every 3 to 5 years before the renewal of their 3 -5 years harvesting licenses. FPL licenses provided for our review only covered the period 1<sup>st</sup> January to December 31<sup>st</sup> 2013 harvesting period whilst licenses covering within the period 2019 to 2023 approved management plan were not .
- 4.2.5.6 Apart from FPL, other small woodlots and plantation owners submit their annual Forest Management Plan which are reviewed and assessed by the Ministry prior to the issuance of their annual harvesting licenses.
- 4.2.5.7 Ministry of Forestry had approved the 2019 to 2023 5 years management plan of FPL. The annual plan discusses and covers management of FPL plantation areas encompasses adherences to forests laws and regulations which includes silviculture practices and environmental considerations. However, the plan does not specifically refer to discussions on the protection of remnant of natural forests in plantation areas although generic discussions is covered under Management section of the FPL 5 year's management plan.
- 4.2.5.8 Moreover, there is no Forest Management Plan to cover the whole of Fiji's forest and plantation areas which was confirmed by the Conservator of Forests. The National Forest Management Plan is an essential document which provides clear distinction and demarcation of Forest functions in the whole of Fiji.
- 4.2.5.9 Interviews held with the Conservator of Forest indicated that the Ministry is awaiting the passing of the Forest Bill No 13 of 2016 following which the Ministry will then formulate a Forest Management Plan for the whole of Fiji forest sectors. Currently the Ministry is using the Functions Map as a point of demarcating forest functions in Fiji.
- 4.2.5.10 The Ministry of Forestry further clarified in its response to this recommendation that it has included the development of Forest Management plans in its August 2019-July 2020 operational plan. Furthermore, Fiji Pine Limited and Fiji Hardwood Corporation

Limited have their own 10 year annual plantation forest management plans.

- 4.2.5.11 Review of the 2019 -2020 operational plan noted that it does not incorporate development of a National Forest Management Plan as stated above. The only activities noted in the operational plan were:
- Establishment of Sustainable Life Cycle Management of Forest Resources in Fiji (under output 12)
  - Collation of 10 year harvesting report and forest management plan by division's i.e. central eastern, northern and the western division (under output 11)

### Next Step

- 4.2.5.12 The Ministry should ensure that The Forest Management Plan for the Fiji Forests sectors natural and plantation forests are developed and approved to administer and regulate Fiji forests which shall include the Management and Protection of the Remnant of Natural Forests in Plantation Areas.

## 4.2.6 Establishment of a Steering Committee

**In the 2014 audit, we recommended that the Ministry of Forestry ensure that the Code of Practice Steering Committee be fully functional**

- 4.2.6.1 Code of Practise (CP) (10) 305 requires that a Code Steering Implementation Committee (CSIC) be established to monitor the implementation of the Code.<sup>20</sup>
- 4.2.6.2 It was noted in our 2014 report that although the Steering Committee was established, there was a lack of evidence available to indicate that the Committee was fully functional.
- 4.2.6.3 In its response to the Public Accounts Committee, the Ministry stated that a lot of work has gone into the establishment of the Code Steering Committee and the approval of its Terms of Reference by Cabinet. The Ministry of Forestry still monitors logging operations and carries out code implementation checks. However, it needs to establish better coordinated secretariat services and clarify responsibilities to ensure that the Committee sits when required.

### Progress made

- 4.2.6.4 The Committee's Terms of Reference requires the committee to meet twice a year and submit their reports to the Conservator of Forest and the Forestry Board of the Ministry of Forestry. However, it was noted that only one meeting had been held on 5<sup>th</sup> February 2016 since the initial audit was conducted to the date of follow up audit.
- 4.2.6.5 Thus the Code Implementation Steering Committee has not been fulfilling its roles as stated in its TOR such as being the Steering Committee on Forest Harvesting Code Of Practice, providing guidance on activities implemented by the harvesting monitoring, control of surveillance team, auditing the rate of compliance as collected at beat in

<sup>20</sup> Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007

divisional and national level, endorsement of necessary adjustments and national monitoring reports to the forestry board, and not attending to grievances concerning Fiji Forest Harvesting Code of Practice.

- 4.2.6.6 The Ministry of Forestry clarified in its response to this recommendation that it would strengthen the functions of the Committee through the review of the TOR for the committee and membership during the first meeting scheduled in November 2019.

### Next Step

- 4.2.6.7 Efforts should be made to activate the Code of Practice Steering Committee so that it is able to carry out its functions as stated in its TOR.

## 4.2.7 Development, endorsement and review of the Forest Certification Standards

**In the 2014 audit, we recommended that the Fiji Forest Certification Standard (FFCS) be finalized and put forward to Cabinet for endorsement**

- 4.2.7.1 In accordance with section 5.2.3 of the FFPS 2007, the Government will encourage the regeneration of natural forests. Priority will be given to the protection of natural regeneration during harvesting operations through the application of Reduced Impact Logging (RIL) techniques and keeping a sufficient number of seeds trees to maintain regeneration potential of all important tree species. The stimulation of growth rates, the regulation of species composition, and the need for regeneration and rehabilitation may require additional silvicultural measures during the production cycles.<sup>21</sup>
- 4.2.7.2 We noted in our 2014 audit that the FFCS is still in draft form and was yet to be put forward to Cabinet for endorsement.
- 4.2.7.3 The Public Accounts Committee also recommended that the Ministry of Forestry should be the main regulator and issuance of certification standard or review the Forest Act 1992 that will incorporate other standing trees apart from Forests.
- 4.2.7.4 The Ministry of Forestry in its response to the recommendation stated Forest Certification is a tool for promoting sustainable forest management, and is market and private sector driven in the hope that the market will play the premium that the private sector needs as initiative. Forest Certification is an initiative that has to be private sector driven if it is to work as it requires practices over and above the minimum requirement under the Fiji Forest Harvesting Code of Practice. Right now overseas markets are not demanding certified products from Fiji. Due to market demand for certified forest products, the Fiji Harvesting Code of Practice is sufficient at this moment.

<sup>21</sup> Section 5.2.3 – Fiji Forest Policy Statement 2007

## Progress made

- 4.2.7.5 It was noted that the Forest Certification Standard is still in draft stages and is yet to be approved by Cabinet. The Fiji Forest Certification Standard has been developed along the guidelines of the Forest Stewardship Council, as selected by the multi-interest stakeholder Fiji Forest Certification Steering Committee. The standard was formulated by elected representative of the social, economic and environmental interest groups that formed the National Forest Certification Standards Committee in October, 2005.
- 4.2.7.6 Stakeholders consultation on the first draft FFCS was completed in mid-2006, for which there was a Public Consultation meeting in each of the three Forestry Divisions in November 2006. The second draft of the Standard incorporated the Public Consultation feedback and was completed by the Fiji Forest Certification Steering Committee in May 2007. The draft was field tested by the accredited Certification Body, Smart Wood, in October 2007 in the following forest management systems:
- Large plantation management company – Fiji Pine Limited  
Large native forest management company – Fiji Forest Industries  
Small native forest management company – Drawa Landowners Forest Management
- 4.2.7.7 However, upon presentation to the stakeholders, the standard was rejected basically due to the extensiveness, complexity and the uneconomical processes involved in obtaining certifications. Further, we could not determine the percentage of stakeholders which had rejected the standard as no feedback on the consultation obtained.
- 4.2.7.8 The Ministry of Forestry clarified in its response to this recommendation that it has factored in its operational plan for August 2019 – July 2020 to review the Fiji Forest Certification standard which is to be aligned with the currently accepted international standards for forest management. This was confirmed by our review of the plan.

## Next Step

- 4.2.7.9 The Ministry of Forestry should seek advice from G8 countries on the development of the Forest Certification Standard that meets the international requirements. It also needs to finalize the development of the FFCS for both the small woodlots and private plantation owner and submit it to Cabinet for endorsement.

## 4.2.8 Charging of fees for processing and monitoring of licenses

**In the 2014 audit, we recommended that a fee structure is developed as required under section 16 of the Forest Decree to account for the processing and monitoring of licenses conducted by the Ministry.**

- 4.2.8.1 Section 16 of the Forest-Act 1992 provides the requirements in respect to fees and royalties, that is, a licence shall be subject to the payment of such fees as may be prescribed, and a licence relating to State or Native land shall be subject to the payment of such royalties as may be prescribed except as provided in 12(3) of this Decree.<sup>22</sup>

<sup>22</sup> Fiji Forest Act 1992 Section 16(1)

- 4.2.8.2 It was noted in our 2014 report that no fee structure existed for fees required under section 16(1) above. As such, the Ministry was not charging any fees for processing and monitoring of licenses.
- 4.2.8.3 The Ministry of Forestry in its response to the recommendation stated that the log scaling fees that are paid for each cubic meter of log harvested covers all the activities from licensing to monitoring for that particular license. The fees also has a review timeframe and is normally reviewed together with timber royalties. In 2012, there was a review of the fees and charges with two national stakeholder consultations and submissions were made to Ministry of Economy.
- 4.2.8.4 On the same note, the Public Accounts Committee recommended that the Ministry of Forestry should ensure that there is a fees and charges structure as stipulated under Section 16(1) of the Forest Act 1992. This will need to be legislated to ensure compliance to the processes and requirements by following section 25 of the Finance Instructions.

### Progress made

- 4.2.8.5 It was noted from our discussions that there is still no fee structure for processing and monitoring of license. However, the Ministry has developed a harvesting regulation in consultation with stakeholders. The harvesting regulation requires the Ministry to monitor compliance with the codes in the harvesting regulations and charging harvesters that breach them according to their level of breaches as stipulated in the developed harvesting regulations. The harvesting regulations which contain proposed fees and charges has been submitted to the Ministry of Economy but no response was received.
- 4.2.8.6 We noted that a copy of the draft Harvesting Regulations incorporating the fee structure was submitted to Ministry of Economy on 16/07/19. Review of the regulations noted that it outlines the required royalty fees and charges, under section 14 of the draft regulations. In addition, it also outlines fines and charges for breaches of regulation by harvesters.
- 4.2.8.7 The delay in finalisation of Harvesting Regulations creates the risks of licencing process not aligning with the requirement of section 16 of Forest Act 1992.
- 4.2.8.8 The Ministry of Forestry clarified in its response to this recommendation that it has factored into its operational plan for August 2019 – July 2020 to review of the current draft harvesting regulations which emphasized on the new fees and charges which was confirmed by our review.

### Next Step

- 4.2.8.9 The Ministry of Forestry to follow up with the Ministry of Economy on the review of the fee structure, submit it to Solicitor-General's Office for vetting and incorporate it in to the Forest Regulation so that licensing fees are appropriately regulated.

### 4.2.9 Log Scaling

**In the 2014 audit, we recommended that the Ministry of Forestry works towards developing regulations to govern the measurement of logs such as weighbridges for plantation resource.**

- 4.2.9.1 Section 5.2.6 of the Fiji Forest Policy Statement 2007 provides that Government will maintain and update production statistics from all forest areas. All logs extracted from native and plantation forests for commercial purpose will be measured as approved by the Conservator of Forests, at the processing plant, by people trained and licensed by the Ministry.<sup>23</sup>
- 4.2.9.2 It was noted in our 2014 audit that the Ministry had not developed any regulation to introduce new regulations to govern the measurement of logs such as weighbridges for plantation resource, as well as to stipulate the conditions under which logs may be measured other than those in the forest.
- 4.2.9.3 In its response to the PAC in January 2018, the Ministry stated that the current unit of measure for logs is cubic meter. Only the Fiji Pine Limited and Nabou Green Energy use tons as a measure for logs and pay according to the tonnage supplied. The measure in tons is converted to cubic meter using a conversion rate. The Ministry declared that there is no need for regulations as Fiji Pine Limited and Eltech Ltd in Nabou are the only companies that have weighbridges and they use international standards.

#### Progress made

- 4.2.9.4 We visited the Yarawa sawmill at the Vunimaqo Forest Station to observe real-time measurement of logs at the mill. Wood volume were measured using the Million Diameter tape at mid girth of the log and the length of the log multiplied by the form factor. The volume in meters was then converted into cubic meters using the Metric Log volume tables.
- 4.2.9.5 We were informed that the Ministry has developed a draft Log Scaling Rule but it was not provided for audit verification. Instead of log scaling rules, the concept paper was presented to audit.
- 4.2.9.6 The Ministry of Forestry clarified in its response to this recommendation that it has factored in to its operational plan for August 2019 –July 2020 to review the current draft harvesting regulations which emphasized on the new log measurement standards by October 2019.

#### Next Step

- 4.2.9.7 The Ministry to finalise the log scaling rule and the review of the harvesting regulations in which stakeholders should be consulted accordingly.

<sup>23</sup> Fiji Forest Policy Statement 2007\_Section 5.2.6



## 4.2.10 Environmental Standards in Forest Management and Environmental Impact Assessments

**In the 2014 report, we recommended that the Ministry of Forestry define the scope of EIA for the forestry sector and to communicate it to all relevant stakeholders.**

- 4.2.10.1 In accordance with section 5.2.9 of the Fiji Forest Policy Statement 2007, EIA will be incorporated into forest planning and decision-making processes in order to ensure in advance that unnecessary damage to the environment is avoided and possible mitigation measures are identified. As such the scope of EIAs for the forest sector will be defined and guidelines will be prepared in accordance with requirements of the Environmental Management Act 2005<sup>24</sup>.
- 4.2.10.2 In addition Government will work with all stakeholders to establish a baseline of environmental conditions (physical and biotic aspects) with monitoring and evaluation procedures. Environmental standards for forestry operations should be incorporated in all forest management plans. Specific programmes would be delivered to build the awareness of resource owners and forest users and to raise capacities for environmental protection in forest management. EIA will be incorporated into forest planning and decision-making processes in order to ensure in advance that unnecessary damage to the environment is avoided and possible mitigation measures are identified.
- 4.2.10.3 It was noted in our 2014 audit that the Ministry was yet to define the scope of Environmental Impact Assessment for the forestry sector. The Fiji Forest Harvesting Code of Practice (FFHCOP) was noted to be the only guideline prepared in accordance with the requirements of the Environmental Management Act 2005. However, it only states that all forest harvesting operations should be conducted in accordance with the requirements of the Act and does not elaborate further on the specifics of the requirement of the EMA.
- 4.2.10.4 Ministry of Forestry in its response to the recommendation stated that the Fiji Forest Harvesting Code of Practice defines the scope of the EIA to forestry in forest operations.

### Progress made

- 4.2.10.5 An examination of the Fiji Forest Harvesting Code of Practise (FFHCOP) noted that it integrates the concept of the EIA. To apply for a logging licence, applicants are required to obtain EIA assessment done for the logging areas from the Ministry of Environment. The Ministry of Environment who will then provide approval for a licensed consultants to carry out EIA for the area to be logged. The assessment provides assurance that the logging processes poses no damaging impact to the natural environment surrounding the logging areas. The Ministry of Environment conducted EIA assessment according to the EMA 2005 and EIA guidelines.
- 4.2.10.6 Our review of The FFHCOP noted that it included key EIA compliance areas that loggers need to follow when operating a logging activity this include the following; pre-harvesting inventory, silviculture prescription, the Harvesting Plan, weather restriction, buffer strips, road access, felling operations, skid tracking, landing,

<sup>24</sup> Fiji Forest Policy Statement 2007\_Section 5.2.9



rehabilitation of harvested area, Forest Hygiene, Harvesting Machine Standard, and Harvesting Supervision.

4.2.10.7 It was also noted that the Ministry has been conducting training courses and awareness programs on the FFHCOP.

4.2.10.8 The Ministry of Forestry clarified in its response to this recommendation that code awareness is done annually as well as it is now mandatory that all harvesting operations have an EIA undertaken under the EMA 2005. However, evidence of awareness done by the Ministry since 2013 was not provided for our review.

### Next Step

4.2.10.9 We acknowledge the Ministry in its effort of implementing the recommendation. However, we recommend that regular awareness should be carried out by the Ministry.

## 4.2.11 Non-Wood Forest Products

**In the 2014 audit, we recommended that the Ministry of Forestry work towards development of a management plan for non-wood products in Fiji.**

4.2.11.1 According to section 5.2.10 of the Fiji Forest Policy Statement 2007, Government will encourage the production, harvesting and use of non-timber forest products, traditional medicines and items of cultural significance on a sustainable basis<sup>25</sup>. Investment in non-timber forest products industry, product research, development and marketing will be promoted in order to utilise their full potential for enhancing livelihoods especially in rural areas and on outer islands.

4.2.11.2 Actions required to facilitate the above requirements includes:

- incorporation of resource assessment of non-timber forest products in forest inventories, research and resource assessments for forest management planning;
- preparation and implementation of a strategic development plan by the Ministry of Forestry to encourage and facilitate the sustainable use of non-timber forest products by resource owners, communities and private investors; and
- Encouraging mataqali, villages and private investors to promote NTFPs as a source of income.

4.2.11.3 Our 2014 audit established that the 2007 National Forest Inventory only recorded forest cover and did not have inventory specifically for non-timber forest products. The Ministry of Forestry recognized only a few non-wood species but identified them as minor forest products. However, recording of minor forest products were only for licensing purposes and charging of appropriate fees. Inventory, research and resource assessment and management plan was not done specifically for non-wood. The Ministry concentrated most of its research and utilization on bamboo and coconut wood which are the two most predominant non-wood species. In addition, the Ministry also indicated that it still had to identify the different products and provide appropriate classifications for all products before a management plan is

<sup>25</sup> Section 5.2.10 Fiji Forest Policy Statement 2007

developed to effectively manage all non-wood forest products in Fiji.

- 4.2.11.4 The Ministry of Forestry in its response to the PAC stressed the use of the term “encourage” in the wordings of the forest policy as it recognized that the utilization of non-wood forest product is an area that is not yet fully developed in Fiji. Priority areas that have been developed include bamboo, sandalwood and cocowood. At the time, the Ministry was developing its strategic development plan which included the sustainable use of these non-timber forest products.

### Progress made

- 4.2.11.5 We established that a management plan for non-wood product in the country is still yet to be developed. Explanations provided by the Ministry with respect to the conducts of research on non-wood products could not be corroborated as no research papers on non-wood products were provided for audit verification. Thus, we could not establish whether assessment from inventory and research were considered in forest management planning.
- 4.2.11.6 We could not also ascertain how the Ministry encourages and facilitates the sustainable use of non-timber forest products with resource owners, communities and private investors due to the above mentioned factors.
- 4.2.11.7 The Ministry of Forestry clarified in its response to this recommendation that Ministry’s non-wood product focused on bamboo and sandalwood and these are embedded in the Ministry Strategic Development Plan and Operational Plan for 2019 to 2020. This was subsequently confirmed through our audit review which also noted that this was included in the 5year and 20year National Development Plan.

### Next Step

- 4.2.11.8 We acknowledge the recommendations implemented by the Ministry. However as required under the FFPS 2007, the Ministry should prepare a management plan for non-wood product in the country

## 4.3 Institutional Framework and Human Resources

This chapter covers actions taken towards the recommendations proffered with respect to progress of implementation of the recommendations for the Institutional Framework and Human Resources Policies and Strategies outlined in the Fiji Forest Policy Statement 2007.

### 4.3.1 Framework for Forest Policy, Planning and Coordination

**In the 2014 audit, we recommended that the Ministry of Forestry should ensure that it works towards its plan for institutional reform.**

- 4.3.1.1 According to Section 5.5.1 of the Fiji Forest Policy, successful forest resource management, based on the active involvement of communities and civil societies, is dependent upon progress in reforming institutional structures. The revised organizational structure will strengthen policy analysis capacity within the forest sector with emphasis on strategic planning and coordination for sustainable forest management and improvement of livelihood.<sup>26</sup>
- 4.3.1.2 The Fiji Forest Policy Statement 2007 recognises that the institutional reform will be based on the concept of stewardship and defines the roles and responsibilities of stakeholders in managing the forest resources.<sup>27</sup>
- 4.3.1.3 A multi-stakeholder dialogue process will be conducted for the formulation and implementation of a National Forest Program (NFP) for Fiji. A broad based consultative group with advisory function will be established to provide guidance on policy-related cross-sectoral issues.<sup>28</sup>
- 4.3.1.4 Our 2014 audit established that external parties were not engaged for the purpose of institutional reforms. Although a Functional review was carried out in 2011 by the Public Service Commission, outcomes of the reviews were not made known to the Ministry. Furthermore, no progress was made with respect to Ministerial instructions for reforms of the Statistics and Planning Unit in the Ministry.
- 4.3.1.5 The Ministry of Forestry in its response to the Public Accounts Committee meeting on 18/01/2018 stated that the Ministry's structure has been reviewed and changes implemented. It also acknowledges that further changes may be appropriate in the context of the Strategic Development Plan.

#### Progress made

- 4.3.1.6 It was confirmed from the follow up audit that outcomes of the functional review coordinated by the Public Services Commission in 2011 were not officially communicated to the Ministry. A subsequent review of the Ministry as part of Civil Service Reforms was conducted by World Bank consultant in 2016. However, a report on the review has still not been provided to the Ministry.
- 4.3.1.7 Ministry of Civil Services confirmed on 09<sup>th</sup> of October 2019 that the Ministry and World Bank did carried out review of the Ministry of Forestry, however most of

<sup>26</sup> Section 5.5.1 Fiji Forest Policy Statement 2007

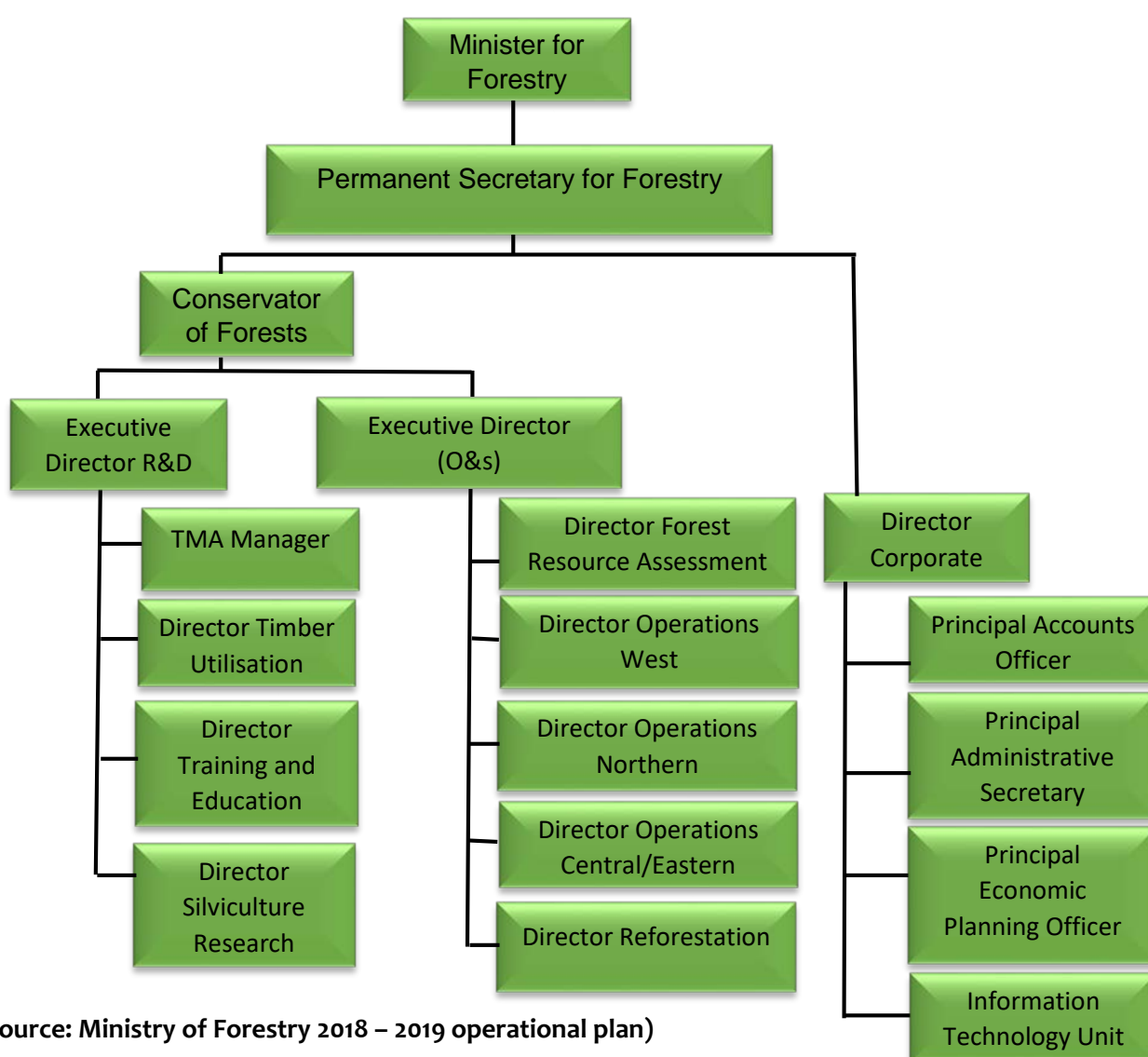
<sup>27</sup> Section 5.5.1 Fiji Forest Policy Statement 2007

<sup>28</sup> Section 5.5.1 Fiji Forest Policy Statement 2007

information which including the MoF review report was not migrated over to the Ministry of Civil Service, after the reform from the Public Service Commission in 2016.

- 4.3.1.8 Furthermore, structural reforms implemented in 2014 for the Statistics and Planning Unit were no longer applied with effect from Financial Year 2016 to 2017 as the Forestry Department became a Ministry on its own. In the Ministry of Forestry restructure from the department of fisheries, few changes were made where the position of Deputy Secretary was de-established, the two Deputy Conservator positions have been renamed as Director Research & Development and Director Operations while Director Corporate Services was responsible for Human Resources, IT, Finance and Planning units. The current organizational structure of the Ministry of Forestry shown in figure 3.1 below.

**Figure 3.1 Ministry of Forestry 2018-2019 Organizational Chart**



(Source: Ministry of Forestry 2018 – 2019 operational plan)

### 4.3.2 Forestry Board

**In the 2014 audit, we recommended that the Ministry should ensure that the meeting of the Forestry Board is appropriately planned and that meetings are conducted yearly as required.**

- 4.3.2.1 The Fiji Forest Policy Statement 2007 outlines that the Forestry Board will be strengthened to represent stakeholders fairly, taking into account existing institutional structures that would provide advice to the Minister responsible for the forestry sector to promote cross-sector and inter-agency coordination.<sup>29</sup> The Board is required to meet as necessary to advise on the preparation and revision of the National Forestry Plan and at such other times as the Chairman considers necessary in order to advise on any other matter. The Board is required to hold at least three meetings in a year.<sup>30</sup>
- 4.3.2.2 In the 2014 report, we could not establish the number of meetings conducted by the Forestry Board since its reestablishment in 2011 as supporting documentation was not provided for audit review. In addition, the meetings of the Forestry Board were not planned by the Ministry but were held on an ad-hoc basis.
- 4.3.2.3 In its response to the Public Accounts Committee meeting of 18/01/2018, the Ministry stated that the Forest Act 1992 does not specify the frequency of the meetings but only requires that Board shall meet as necessary.<sup>31</sup>

#### Progress made

- 4.3.2.4 The Conservator of Forests confirmed during the follow up audit that meetings are held twice a year instead of 3 meetings as required by the FFPS, and is only done when the need arises<sup>32</sup>. However, minutes of any meetings held from 2015 to 2018 were not provided to audit. It was noted from the records available that the last meeting held was in 2013.
- 4.3.2.5 The Ministry of Forestry clarified in its response to this recommendation that the last board meeting was in June 2017. The term of the board members expired in June 2019 and will be reviewed in 2019.
- 4.3.2.6 However, minutes of the meeting held in 2017 and plans to appoint new members of the board were not provided for our review.

#### Next Step

- 4.3.2.7 The Ministry should ensure that board meetings are held on a timely basis and board papers and minutes of meetings are kept for audit and other reviews.

<sup>29</sup> Fiji Forest Policy Statements 2007 Section 5.5.1 – Action

<sup>30</sup> Fiji Forest Policy Statements 2007 Section 5.5.1 – Action

<sup>31</sup> Ministry of Forest Response on 2014 Report of the Auditor General, Issue 6.1, Page 9.

<sup>32</sup> Ministry of Forestry Entry Meeting with Conservator Forest held on 13th September 2018 at 10.00am

### 4.3.3 National Forest Program

**In the 2014 audit, we recommended that the National Forest Programme be revised after taking account of actions that had been implemented and that timelines for implementation of actions be appropriately defined in the revised Programme.**

- 4.3.3.1 The Fiji Forest Policy Statement 2007 states that the outcome of the National Forest Programme process would inter-alia include a revised Forest Act, a Forest Sector Master Plan and a Forest Sector Financing Strategy.<sup>33</sup>
- 4.3.3.2 In the 2014 report, it was noted that the Ministry was still using the National Forest Program (NFP) 2010-2012 to implement the plans outlined in the Fiji Forest Policy Statement 2007.
- 4.3.3.3 The Ministry of Forestry in its response to the Public Accounts Committee meeting of 18/01/2018 agreed to the recommendation and will put in place measures under the Forest Strategy on the review of the National Forest Program.

#### Progress made

- 4.3.3.4 We noted during the follow up audit that the Ministry has developed a Draft 13 year Strategic Development Plan (2017 – 2030) which had been designed to tackle outputs from the forest policy, national development plan, and other global commitments that the Ministry is obliged to in the future.<sup>34</sup> A review of the draft Strategic Development Plan (SDP) noted that outstanding actions have been incorporated with anticipated timelines for completion.
- 4.3.3.5 Some of the programs stated in the SDP 2017 - 2030 are summary of strategic priorities which includes:
- Cohesive Legislation, Regulation, Policy, Guidelines & Compliance
  - Enhance Sustainable Forests Management Frameworks and Implementation of SFM
  - Capacity Building (Ministry and Stakeholders)
  - Stewardship
  - Forest Financing
  - Organisation Effectiveness

#### Next step

- 4.3.3.6 We acknowledge the efforts made by the Ministry in addressing the recommendation made in the 2014 report. Proper monitoring and evaluations should be carried out periodically on the SDP implemented.

<sup>33</sup> Section 5.5.1 Fiji Forest Policy Statement 2007

<sup>34</sup> Meeting with Director Research and Development on Wednesday 26th September 2018 at 2.00pm

#### 4.3.4 Forestry Legislation(s)

**In the 2014 audit report, we recommended that a Cabinet Memorandum be submitted to Cabinet at the earliest to facilitate the enactment of the Forest Act and that public awareness on forest legislations and regulation be conducted once the Forest Act is enacted.**

4.3.4.1 Section 5.5.2 of the Fiji Forest Policy Statement 2007 outlined the following actions to be undertaken in revising the national legal regime so that the present deficiencies in scope and equality are removed and an enabling legal base with proactive and stimulating instruments and guidelines are created:<sup>35</sup>

- i. revision of the Forest Law and Regulations and ensuring that the legislation is consistent with other natural resources, land use and environmental legislation as well as with the financial and economic regulations.
- ii. the Ministry of Forestry to make efforts to raise public awareness on forest legislation, rules and regulations as part of its public education programme on forests and environment and that the awareness be in the three official languages of Fiji.

4.3.4.2 In its 2014 report, we noted that the Ministry had commenced review of the Forestry Decree in late 2005 and submitted a copy of the revised Decree to the Solicitor General's (SG's) Office in 2006 for approval and gazetting. However, due to some legal and technical issues, the Decree had still not been finalized. It was further confirmed that the final draft (8<sup>th</sup> version of the draft) had been submitted to the SG's Office and that the Ministry was in the process of preparing a Cabinet paper on the Decree for tabling in Parliament.

4.3.4.3 We further noted that the Ministry had taken the initiative to review two other regulations, namely the National Forest Regulation and the Forest Sawmills Regulation and also formulated the Fiji Forest Harvesting Regulation. These regulations were formulated through an internal forum and included inputs obtained from all forestry stakeholders at a national forestry forum held. In addition, the Ministry did not conduct any public awareness on forest legislation and regulation but had relied on the wider stakeholder consultation.

4.3.4.4 The Ministry in its response provided to the PAC on 18/01/ 2018 stated that a Cabinet Memorandum has been submitted and the Bill has been tabled in Parliament and undergone first and second readings.

#### Progress made

4.3.4.5 We established from the follow up audit that the Ministry has submitted the Forest Bill (No.13 of 2016) on 20th November 2015 for tabling in Parliament and provided an overview of the Bill and its components, <sup>36</sup>at a brief presentation to the Natural Resource Committee (NRC) at the Parliament Small Committee on 3rd May 2016. The Forest Bill has been widely circulated before the presentation to the Natural Resource Committee (NRC).

<sup>35</sup> Section 5.5.2 Fiji Forest Policy Statement 2007

<sup>36</sup> Email received on 1st October 2018 at 2.30pm and meeting held on Thursday 27th September 2018 at 9.30am



- 4.3.4.6 In addition, it was also confirmed by parliament office that the Forest Bill No. 13 of 2016 was referred to the Standing Committee on Natural Resources. The committee has deliberated on the bill but is yet to be tabled in Parliament. It has been referred to SG's Office for vetting.
- 4.3.4.7 The Ministry of Forestry also advised that it has also submitted work to support and incorporate Fijis Emission Reduction Program (ERP).

### Next Step

- 4.3.4.8 Finalisation of the Forest Act will bring about the desired mandate on required changes for the Ministry.

## 4.3.5 Forest Administration

**In the 2014 audit, we recommended that wider promotion of cross-sectoral coordination between the Ministry and other government institutions be conducted.**

- 4.3.5.1 The mandate, structure, functions and resource of the FD will be reviewed and developed in accordance with the requirement of the approved forest policy statement. The service provided by FD will be strengthened through organizational and human resources' development where relevant programs will ensure better self-financing of FD in the long run. Coordination of activities of FD and all stakeholders will be improved for effective management of natural forest and plantation under SFM principles.<sup>37</sup>
- 4.3.5.2 A multi-stakeholder dialogue process will be conducted for the formulation and implementation of a National Forest Program (NFP) for Fiji. A broad based consultative group with advisory function will be established to provide guidance on policy-related cross-sectoral issues.<sup>38</sup>
- 4.3.5.3 Very little evidence was presented during our audit in 2014 to indicate that the Ministry had conducted wider promotion of cross sectoral coordination between the Ministry and other government institutions.
- 4.3.5.4 The Ministry in its response to the PAC stated that it is a member of several inter-Ministry Committees and that it has also commenced a regular industry consultation at divisional level.<sup>39</sup> It further stated that cross-sectoral coordination is normally carried out for major forestry activities such as the implementation of the Fiji REDD+ Policy. The Ministry of Forestry will carry out wider promotion of the Forest Policy under its Strategic Development Plan 2017 to 2030.

### Progress made

- 4.3.5.5 From discussions held it was confirmed that the Forestry Divisions participate in the integrated approach of government services or road shows coordinated by the Commissioner's Office for the rural and maritime communities.<sup>40</sup> Participation in the

<sup>37</sup> Section 5.5.3 Fiji Forest Policy Statement 2007

<sup>38</sup> Section 5.5.1 Fiji Forest Policy Statement 2007

<sup>39</sup> Ministry of Forest Response on 2014 Report of the Auditor General, Issue 6.1, Page 9-10.

<sup>40</sup> Ministry of Forestry Entry Meeting with Conservator Forest held on 13th September 2018 at 10.00am;

divisional roadshows and awareness were factored in the operational plans.

4.3.5.6 The Ministry of Forestry clarified in its response to this recommendation that it will continue to work with stakeholders and improve the coordination for effective management of forest resources.

4.3.5.7 However, we were not able to substantiate the comments provided by the Ministry of Forestry on division participation on the integrated approach of government services or road shows coordinated by the Commissioner's Office for the rural and maritime communities.

### Next Step

4.3.5.8 Promotion of cross sectoral coordination between the Ministry and other government institutions should be enhanced and clearly documented.

## 4.3.6 Seeking International Assistance

**In the 2014 audit report, we recommended that the Ministry work towards seeking assistance from international or regional development agencies to review the structure, administrative procedures, resources and revenue streams of the Ministry.**

4.3.6.1 According to section 5.5.3 of the Fiji Forest Policy statement, assistance can be sought from international or regional development agencies to review and develop the mandate, structure, functions and resource of the Forestry Ministry in accordance with the requirement of the approved forest policy<sup>41</sup>.

4.3.6.2 In the 2014 report, it was noted that the Ministry was yet to seek assistance from international or regional development agencies to review the structure, administrative procedures, resources and revenue stream of the Ministry.

### Progress made

4.3.6.3 The Ministry in its response to the recommendation stated that a review has been carried out by the World Bank in 2016 and that the recommendation will be further considered in the context of the Ministry's Strategic Development Plan. However, it was confirmed from the follow up audit that a report on the outcomes of the review was yet to be received by the Ministry.

4.3.6.4 A review of the forest revenue systems and taxation of the forestry sector was conducted by Food and Agriculture Organisation (FAO) prior to 2010.

4.3.6.5 Current engagement with the World Bank include the Reducing Emission from Deforestation and Forest Degradation (REDD+) is focussed on reforestation and Desertification of Talasiga areas and preservation of established natural forest reserves.

<sup>41</sup> Fiji Forest Policy Statement Section 5.5.3

## Next Step

- 4.3.6.6 The Ministry should obtain the report prepared by the World Bank in 2016 and take appropriate action on the recommendations made.

## 4.3.7 Associations

**In the 2014 report, it was recommended that the Ministry assist in the establishment of Forest Industries Association, Resource Owner Association, and Forest Professional's Association.**

- 4.3.7.1 Section 5.5.4 of the Fiji Forest Policy states that the government will promote and encourage the participation of a wider range of private sector and civil society organization in the sustainable management of the forest resource including non-traditional fields such as ecotourism and bio-prospecting. The FD will promote the establishment of stakeholders' association, develop and establish adequate regulatory framework to regulate and facilitate greater engagement of different partners in the development of the forest sector.<sup>42</sup> The FFPS outlines three associations that should be set up and their intended users namely the Forest Industries Association, the Resource Owners Association and the Forest Professionals' Association.<sup>43</sup>
- 4.3.7.2 In its 2014 audit report, it was noted that the Ministry was yet to make an effort in assisting the establishment of the three associations and that it did not have plans to assist in the establishment of these associations.
- 4.3.7.3 In its response to the PAC, the Ministry stated that Fiji Saw Millers' Association exists for Industries whereas Fiji Pine Trust, Fiji Mahogany Trust and Pine Landowners Association existed for resource owners.<sup>44</sup> Only the Fiji Saw millers has been functional for many years whilst establishment of the Forests Professional Association still needs more discussion.

## Progress made

- 4.3.7.4 Verifications and discussions during the audit confirmed the establishment of Forest Industries Association whereas the Resource Owners Association and Forest Professional Association are yet to be formed. The Ministry currently refers any issues on land and resource land owners to the i-TLTB.
- 4.3.7.5 However, we were not able to substantiate the formation of the Forest Industries Association during the follow-up audit as neither minutes of meeting nor terms of reference of the association members were provided to audit when requested. Furthermore, the Conservator of Forests advised during the exit meeting that the Ministry did not have any plans to establish the Resource Owners Association and the Forest Professional Association.
- 4.3.7.6 The Ministry stated that it had also tried to form a Forester's Association which includes the industries and all other forests stakeholders. Apart from the Fiji Saw Millers Association which covers the forest industries association by addressing their

<sup>42</sup> Section 5.5.4 Fiji Forest Policy Statement 2007

<sup>43</sup> Fiji Forest Policy Statement Section 5.5.3

<sup>44</sup> Ministry of Forest Response on 2014 Report of the Auditor General, Issue 6.1, Page 10.

grievances before they bring it to the Forestry Board, the Ministry also wants to form a Farmers' Association.

### Next Step

- 4.3.7.7 The Ministry should document and facilitate relevant supporting documents of the established Forest Industry Association and to also establish the Resources Owners Association and the Forest Professional Associations.

## 4.3.8 Extension

**In the 2014 report, we recommended that Ministry of Forestry initiate the formation of the domestic integrated extension teams.**

- 4.3.8.1 Cross-sectoral coordination will be promoted between the i-Taukei Lands Trust Board (i-TLTB), MOA, and Rural Development staff to form domestic integrated extension teams.<sup>45</sup>
- 4.3.8.2 In the 2014 audit report, we noted that the Ministry was working closely with the i-Taukei Lands Trust Board (i-TLTB), the Ministry of Agriculture (MoA) and Rural Development and other agencies in the private sector through the REDD+ Committee. However, the parties were yet to form a domestic integrated extension team.
- 4.3.8.3 The Ministry in its response to the PAC stated that the Ministry was already a member of several inter- Ministry Committees and has commenced regular industry consultation at Divisional level. Cross sectoral coordination is normally carried out for major forestry activities such as the implementation of the Fiji REDD Plus policy.

### Progress made

- 4.3.8.4 The Ministry stated that they have decentralized the Extension Division into three main divisions to ensure that Forestry services are easily accessible to all, and also that the Ministry is involved in Agroforestry Models setup using an integrated approach. It was also confirmed that most of the Forestry Programs are now implemented through an integrated approach with other government and non-government agencies.
- 4.3.8.5 The Ministry of Forestry further stated that it will carry out wider promotion of the Forest Policy under its Strategic Development Plan 2017 to 2030.
- 4.3.8.6 Review of the Strategic Development Plan noted that the Ministry has adopted a cross-sectoral approach, focusing on environmental protection and sustainable development rather than being confined to forest harvesting as in the 1992 Forest Act. The Minister of Forestry had also mentioned in his forward that the vision, mission and the pathways of the Ministry will be providing stewardship to Fiji forests and related sectoral industries.

<sup>45</sup> Fiji Forest Policy Statement 2007 Part 5.5.5

## Next Step

- 4.3.8.7 The Ministry should monitor and periodically review the decentralised Extension programs implemented, and ensure to form the integrated extension team comprised of the i-Taukei Lands Trust Board, Ministry of Agriculture and the Ministry of Rural Development as required under the Forest Policy statement.

## 4.3.9 Subsidized production of nursery seedling

**In the 2014 audit, it was recommended that the Ministry should ensure that it starts working towards phasing out its subsidized production for all nursery seedlings and charge the full commercial price.**

- 4.3.9.1 The Ministry will improve coordination between government ministries related to the rural development and elaborate extension packages for dissemination of effective forestry and agroforestry information which shall be used by the public service and non-governmental development agencies.<sup>46</sup>
- 4.3.9.2 In the 2014 audit report, we noted that the Ministry has not fully phased out its subsidized production for all nursery seedlings and charge full commercial price. We also established that the nurseries which are owned by the communities require a great deal of constant support from the Ministry.
- 4.3.9.3 The Ministry of Forestry in its response to the recommendation stated at that stage that it was not viable to commercialise the distribution of seedlings as the ministry needed to encourage more planting and free seedlings acted as an incentive.

## Progress made

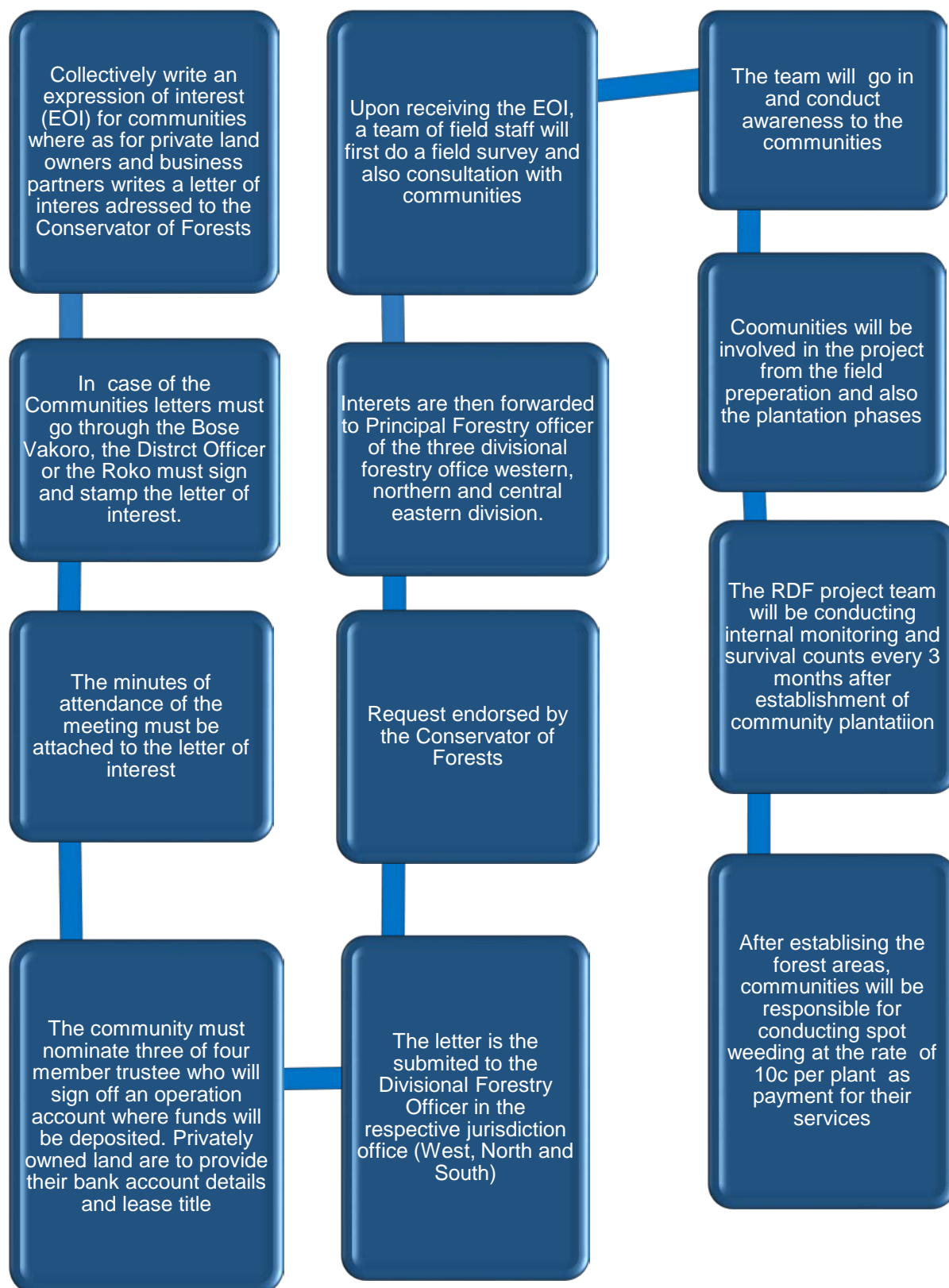
- 4.3.9.4 We noted that the Ministry has been supplying seedlings to communities upon communities' request. Communities must meet certain requirements in order be provided with nursery seedlings. The Standard Operating Procedures for RDF and requirements to be met are depicted in the Figure 3.2 below.<sup>47</sup>
- 4.3.9.5 After the seedling distribution, monitoring of the restored forest is done after three months by the field officers and upon meeting requirements, the communities are paid. This service is paid to communities who have forgone their daily activities like farming, fishing and weaving to carry out the reforestation program at their community.<sup>48</sup>
- 4.3.9.6 A contractual agreement between Ministry and communities has been signed. This agreement contains the roles of contractors, roles of ministry, schedule of payment, financial arrangements, monitoring and evaluation and accountability.

<sup>46</sup> Section 5.5.5 Fiji Forest Policy Statement 2007

<sup>47</sup> Reforestation of Degraded Forest Project Final, Figure 2-RDF SOP and Requirements, Page 7

<sup>48</sup> Reforestation of Degraded Forest Project Final, Page 12

Figure 3.2: Reforestation of Degraded Forest SOP and Requirements.





- 4.3.9.7 The current “Four Million Tree” program and the REDD Plus program seek to accelerate the planting of more trees which are fully subsidised to meet the new emerging objective.

#### 4.3.10 Forestry Training and Education

**In the 2014 audit, we recommended that the Ministry work towards conducting a review of the viability of its training centre.**

- 4.3.10.1 The Government will support professional and technical forestry training programs, both in country and at overseas institutions, to ensure that there are adequate number of professional, technical and specialist staff to meet the needs of sustainable forest management. Specialist training will be offered to industry personnel and resource owners to increase the skills base of sustainable forest management and value-adding processing.<sup>49</sup>
- 4.3.10.2 In the 2014 audit, it was noted that the Ministry established its first training centre in 1969 and it had been the only forestry training provider in the country until recently when Fiji National University started offering forestry related courses and trainings. The training centre has provided trainings to hundreds of students both locally and regionally. However, it was noted that the Ministry has not carried out a review of the viability of the training centre.

#### Progress made

- 4.3.10.3 In its response the Ministry stated that a review was conducted in 2016 which resulted in the development of new curriculums such as Diploma in Biodiversity Conservation which were previously not offered by Fiji National University and the University of the South Pacific.<sup>50</sup>
- 4.3.10.4 We also noted that a few vocational trainings were conducted by the training centre and some of which are community based where trainers travelled to the rural communities to provide trainings to community members. Training conducted include chainsaw maintenance and use for logging and operation of portable sawmill training.
- 4.3.10.5 Rolls of Students that attended the training centre in the last 3 years with their qualification attainment could not be ascertained. The proportion of students who attended the training centre as a high school leavers, continuous tertiary students and full community members has not been adequately established as these statistics were not facilitated to audit. Such information is essential as it measures the progress of the training centre and the quality of student it has produced, including those who pursue further studies or are employed in the Ministry, working in other private firms or became private business owners.
- 4.3.10.6 The Ministry of Forestry clarified in its response to this recommendation that in 2016 the institution was recognised and was registered in 2018. In 2018 -2019 the Ministry is applying for accreditation of programs to Fiji High Education (FHEC).

<sup>49</sup> Section 5.5.7 Fiji Forest Policy Statement 2007

<sup>50</sup> Entry Meeting held on Thursday 13th September 2018 at 10.00am, Ministry of Forest, Level 3- Conference Room, Takayawa Building.



### Next Step

- 4.3.10.7 Given the Ministry of Forestry policies and strategies, the training centre and its programs should be reviewed and accredited by the relevant authority.

## 4.3.11 Primary and Secondary Schools

**In the 2014 audit, it was recommended that the Ministry of Forestry should promote introduction of environment and natural resource education in primary and secondary schools.**

- 4.3.11.1 Conduct national awareness program for public education on forest values and the need for Conservation and Sustainable Forest Management and to promote the introduction of environment and natural resource education in primary and secondary schools.<sup>51</sup>
- 4.3.11.2 In the 2014 report, it was stated that the Ministry of Forestry creates national awareness on forest values and the need for conservation and sustainable forest management. This awareness is conducted annually through forestry road shows and the annual agriculture shows. However, the Ministry was yet to promote the introduction of environment and natural resource education in primary and secondary schools.
- 4.3.11.3 In the response to the audit report, the Ministry stated that through the Global Environment Facility (GEF) 4 Project, the Ministry in collaboration with Food and Agriculture Organisation (FAO) and Ministry of Education had developed a curriculum on environment and natural resources for Primary and Secondary schools.<sup>52</sup>

### Progress made

- 4.3.11.4 The Conservator of Forests informed us that the responsibility of introducing environmental and natural resources education in primary and secondary school is a joint effort of the Ministry of Forestry and Ministry of Education. However REDD+ in the past years under their educational awareness program has been conducting some awareness for communities and schools.
- 4.3.11.5 The Ministry every year celebrates International Day of Forest which are done in schools. On this day, the Ministry provides seedlings for schools to plant and also organizes other activities during the day such as essay writing and oratories. Furthermore REDD+ also produces materials to schools on awareness programs in which they are written in I-Taukei, Hindu and English language.

### Next Step

- 4.3.11.6 We acknowledge the efforts of the Ministry in implementing the recommendation.

<sup>51</sup> Fiji Forest Policy Statement 2007 –Action Part 5.5.7

<sup>52</sup> Response on the 2014 Report of the Auditor General, Page11.

## Appendix 1: Audit objectives and methods

The objective of this follow-up audit is to establish the improvements made since the report on “Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007” was published in 2014.

Audit focused on the activities undertaken by the Ministry of Forestry since the report was issued in 2014 to date in addressing the recommendations in the following three areas.

### **Line of Enquiry 1: Conservation of Forest and Biological Resources**

This section of the report seeks to establish actions taken by the Ministry of Forestry in response to the recommendations offered in the 2014 Report with regards to implementation of policies and strategies relating for the conservation of forest and biological resources.

### **Line of Enquiry 2: Integrated Forest Resources Management**

This area seeks to determine actions taken towards addressing the recommendations made with respect to policies and strategies pertaining to integrated forest resources management. It looks into the principle of sustainable land use and management of the natural resources based in an integrated manner as well as the allocation of timber harvesting and forest management rights through licenses or forest utilization contracts.

### **Line of Enquiry 3: Institutional Framework and Human Resources**

This section seeks to determine corrective actions taken towards recommendations made with respect to the implementation of strategies and policies pertaining to the Institutional Framework and Human Resources.

## Entity subject to this audit

The Ministry of Forestry of the Republic of the Fiji Islands.

## Audit approach

The audit was conducted using the following evidence gathering techniques:

- **Interviews**

Interviews were carried out with the following personnel of the Ministry of Forestry.

**Table 3.1: List of Interviewees**

Officer	Location
Conservator of Forest	Forestry Headquarters
Director Research and Development	Forestry Headquarters
Senior Economic Planning Officer	Forestry Headquarters
Forestry Officer Planning	Forestry Headquarters
Principal Management Officer Management Service Division	Forestry – MSD Divisions
Senior IT officer	Forestry Headquarters

- **Documentary reviews**

The following documents form part of the documentary reviews:

**Table 3.2: Details of documents reviewed and source during audit**

Document	Source
<b>Fiji Forest Policy Statement 2007</b>	<b>Ministry of Forestry</b>
<b>Forestry Act 1992</b>	<b>Ministry of Forestry</b>
<b>Forest Decree 1992</b>	<b>Ministry of Forestry</b>
<b>Forest Bill No.13 of 2016</b>	<b>Ministry of Forestry</b>
<b>Fiji Harvesting code of Practice 2010</b>	<b>Ministry of Forestry</b>
<b>Fiji 2020 Agriculture Policy Agenda</b>	<b>Ministry of Agriculture</b>
<b>Draft Mangrove Management Plan</b>	<b>Ministry of Lands</b>
<b>Ministry of Forestry Response to the Public Accounts Committee</b>	<b>Ministry of Forestry</b>
<b>Ministry of Forestry Strategic Planning</b>	<b>Ministry of Forestry</b>
<b>Ministry of Forestry Annual Business Plan</b>	<b>Ministry of Forestry</b>
<b>Ministry of Forestry Budget Appropriation 2017 - 2018</b>	<b>Ministry of Forestry</b>

- **Site visits**

Site visits were made to Forestry Offices in Nausori and Colo-i- Suva MSD office.

- **Other**

Correspondences through e-mails were also made to clarify issues.

#### **Database Review**

The Ministry database was reviewed to check on the uploading of the 3 NFI data conducted in the three separate NFIs.

#### **Website Review**

The Ministry website was reviewed to obtain administrative document of the Ministry and to verify whether or not the Ministry NFI reports have been uploaded into the website.

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