



Ministry of Forestry

ANNUAL REPORT 2018-2019

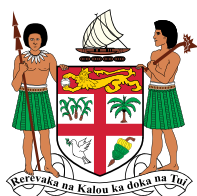


Parliamentary Paper No. 81 of 2021



Ministry of Forestry Annual Report

For Period 01st Aug 2018 – 31st July 2019



REFERRAL LETTER

Rear-Admiral (Ret'd) Honourable Josaia V. Bainimarama
Prime Minister and Minister for iTaukei Affairs, Sugar Industry, Foreign Affairs and Forestry
Office of the Prime Minister
Suva

Dear Sir,

I am pleased to present to you the Annual Report of the Ministry of Forestry for the period 1 August 2018 to 31 July 2019, for presentation to Parliament in accordance with the requirements of the Financial Management Act 2004.

Yours Sincerely,

G. P. N. Baleinabuli
Permanent Secretary for Forestry and
Acting Permanent Secretary for Fisheries



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ACRONYMS

CSOs	Civil Society Organisations
EMA	Environment Management Act
FAO	Food and Agriculture Organisation
FBOS	Fiji Bureau of Statistics
FCPF	Forest Carbon Partnership Facility
FFHCOP	Fiji Forest Harvesting Code of Practice
FNPF	Fiji National Provident Fund
GDP	Gross Domestic Product
GWE	Gross Wage Earner
HTMB	Harvest Tree Manually - Basic
MOF	Ministry of Forestry
MOU	Memorandum of Understanding
MRV	Measuring, Reporting, Verification
NBSAP	National Biodiversity Strategy and Action Plan
NFI	National Forest Inventory
PSP	Permanent Sample Plots
RDF	Reforestation of Degraded Forests
REDD	Reducing Emissions from Deforestation and Forest Degradation
RL	Right License
SDGs	Sustainable Development Goals
SDP	Strategic Development Plan
SEG	Standard Expenditure Group
TPAF	Training and Productivity Authority of Fiji



▶ PERMANENT SECRETARY'S FOREWORD



I am honoured to present the annual report for the Ministry of Forestry for the financial year August 2018 through to July 2019.

The Ministry received a total budget of \$17.07 million, which is an increase of \$1.0 million (6.5%) when compared to the 2017-2018 financial year. The Ministry utilised \$14.87 million (87.1%) for the implementation of the Ministry's programmes and projects. In the course of this financial year, and with the resources provided, the Ministry was able to deliver most of its outputs effectively. Some of the major achievements include:

- i. The submission and endorsement, without conditions, of the Emission Reduction Programme (ERP) Document and the Readiness-Package by the Forest Carbon Partnership Facility (FCPF) Carbon Fund;
- ii. During the royal visit of the Duke and Duchess of Sussex to Fiji, the hosting of the Duke of Sussex to the Colo-i-Suva (CIS) Park and the official opening of the upgraded CIS Park, which received the Queen's Commonwealth Canopy Award;
- iii. The launching of the 4 million trees in 4 years (4MT4Y) initiative by the President of Fiji, His Excellency Jioji Konrote;

iv. The finalisation of the Ministry's Strategic Development Plan;

v. The signing of the Memorandum of Understanding (MOU) with Ministry of Employment, Productivity and Industrial Relation (MEPIR); and among other things,

vi. The signing of the MOU with the Fiji National Provident Fund (FNPF);

I would like to sincerely acknowledge the former Minister for Forestry, Honourable Osea Naiqamu, for his excellent leadership and championing the national tree planting initiative to all Fijians. I also commend the efforts of all staff of the Ministry, including the support of relevant stakeholders, in raising the forestry agenda and ensuring that the forestry sector continues to support livelihoods for all Fijians while contributing to Fiji's economic growth.

G. P. N. Baleinabuli
Permanent Secretary for Forestry

CONTRIBUTION TO FIJI'S ECONOMY

Fiji has a forest cover of 1.1 million hectares which accounts for 60% of Fiji's landmass. Natural forests account for 86.6% of the 1.1million ha forest cover, followed by softwood plantations at 6.8% and hardwood plantations at 6.6%. Not only are Fiji's forests sources of timber (which mainly drive the forest sector economically), forests also provide food, shelter and other sources of livelihood for forest dependents. They also protect the environment and its biodiversity, prevent soil erosion and enhance air and water quality. Due to the multifunction of trees and forests, they contribute to the development and growth of other sectors, subsequently contributing to Fiji's overall economic growth.

Contribution to Fiji's Real Gross Domestic Product (GDP)

Based on the Real GDP official statistics published by the Fiji Bureau of Statistics (FBOS), the forestry and logging industry contributed \$26.1 million (0.2%) to Fiji's real GDP in 2018. However, it is important to note that forestry work goes beyond

just the raising of seedlings and the harvesting of trees. If one is to look at the forestry sector in totality, forestry contributes to the growth of many other industries, such as the Manufacturing and Tourism industries. In combining the contributions of forest related activities, the forestry sector contributed \$158.7 million (1.4%) to national real GDP by the end of 2018. The major contribution of \$68.6 million was from the sawmilling and planing of wood activity, followed by the forestry and logging industry, which contributed \$26.1 million. Sawmilling and the manufacture of other wood products, listed in Table 1 below, are forest-related activities and products classified under the Manufacturing industry, which is the leading contributor to growth in Fiji's real GDP. In classifying these activities, FBOS follows the Fiji Standard Industrial Classification (FSIC) 2010, which is aligned with the United Nations International Standard Industrial Classification (ISIC) Revision 4.

Table 1: Forestry Sector contribution (2015–2018)

Industry by economic activity	2015		2016		2017		2018	
	FJD [Millions]	% Contribution to Real GDP	FJD [Millions]	% Contribution to Real GDP	FJD [Millions]	% Contribution to Real GDP	FJD [Millions]	% Contribution to Real GDP
Forestry and logging	43.4	0.5	24.2	0.2	22.5	0.2	26.1	0.2
Sawmilling and planing of wood	56.0	0.6	70.8	0.7	69.8	0.7	68.6	0.6
Manufacture of products of wood, cork, straw and plaiting material	15.7	0.2	17.2	0.2	17.6	0.2	18.3	0.2
Manufacture of pulp, paper and paperboard	1.3	0.0	1.7	0.0	2.9	0.0	2.3	0.0
Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	14.9	0.2	14.4	0.1	13.5	0.1	12.9	0.1
Manufacture of other articles of paper and paperboard	20.7	0.2	26.3	0.3	23.4	0.2	23.9	0.2
Manufacture of Furniture	15.2	0.2	9.4	0.1	6.4	0.1	6.6	0.1
Total	167.2	1.9	164.0	1.6	156.1	1.5	158.7	1.4

Source: Fiji Bureau of Statistics, 2020

Employment in the Forestry Sector

Due to the nature of the work in the forestry sector, a significant amount of informal employment is created in which people, particularly resource owners, are employed as casuals in forest-based operations. Through its Annual Employment Survey, FBOS captures only the formal employment statistics, highlighting that a total of 880 people were employed in the sector in 2018. The employment breakdown according to the main economic activity is highlighted in Table 2 below.

Table 2: 2018 Formal Employment in Forestry

No.	Main Economic Activity	Number of Employees
1.	Nursery	14
2.	Tree cultivation and Conservation	444
3.	Logging	72
4.	Log processing and Sawmill	210
5.	Government ¹	140
	Total	880

Source: Fiji Bureau of Statistics, 2021

Note: The last pay week of June is the reference date that rules how FBOS captures a snapshot of the formal sector employment in both the private and public sectors.

Exports

In terms of exports, and using the Harmonised Commodity Description and Coding System (HS²) classification adopted by FBOS, wood and wood products contributed \$94.6 million in export revenue for the year 2018. The major export commodity was woodchips, which generated \$78.5 million. Domestic exports of wood products accounted for 8% of total domestic exports.

Table 3: Exports of Wood Products (2015-2018)

Product	Domestic Exports of Wood Products			
	2015	2016	2017	2018
	Value FJS Million			
Total Domestic Export	1,150.97	1,136.09	1,192.86	1,174.97
Wood and articles of wood	93.19	61.77	25.63	94.62
Of which	46.64	29.63	9.97	78.46
- Wood in chips or particles				
- Mahogany	38.50	25.68	8.59	6.85

Source: Fiji Bureau of Statistics, 2021



¹ Employment number for Government is sourced from the Ministry of Economy.

² Harmonised Commodity Description and Coding System – an international nomenclature for the classification of products. It enables participating countries to categorise traded goods on a common basis for customs purposes.

▶ AGENCY OVERVIEW

CORE BUSINESS

The Ministry is a regulatory and service organisation responsible for the national forestry sector through the following functions:

- Formulate and implement forest strategies and policies;
- Provide and administer the regulatory function under the Ministry's respective legislation and regulations;
- Monitor and evaluate current strategies, policies and deliverables;
- Develop and promote effective training, communication and awareness and extension advisory services;
- Strengthen community and industry networks and support frameworks;
- Maintain international bilateral and multilateral commitments; and
- Undertake applied research for sustainable forest resource management practices and product development.

CORPORATE PROFILE



To be a Leader in Sustainable Forestry



Sustainable Forests, Our Future



- **Responsible** - We will discharge our duties with accountability
- **Resolute** - We will discharge our duties with determination and be firm and fair in our decisions
- **Respectful** - We will be sensitive to individual needs and the diversity of views
- **Resourceful** - We will be practical, creative, effective and efficient and maintain uncompromising integrity in our daily work
- **Reliable** - We will do and deliver what we have committed and promised to our customers

LEGISLATIVE FRAMEWORK

The Ministry of Forestry is guided in its daily operations by the following legislation, regulations, policies, plans and manuals.

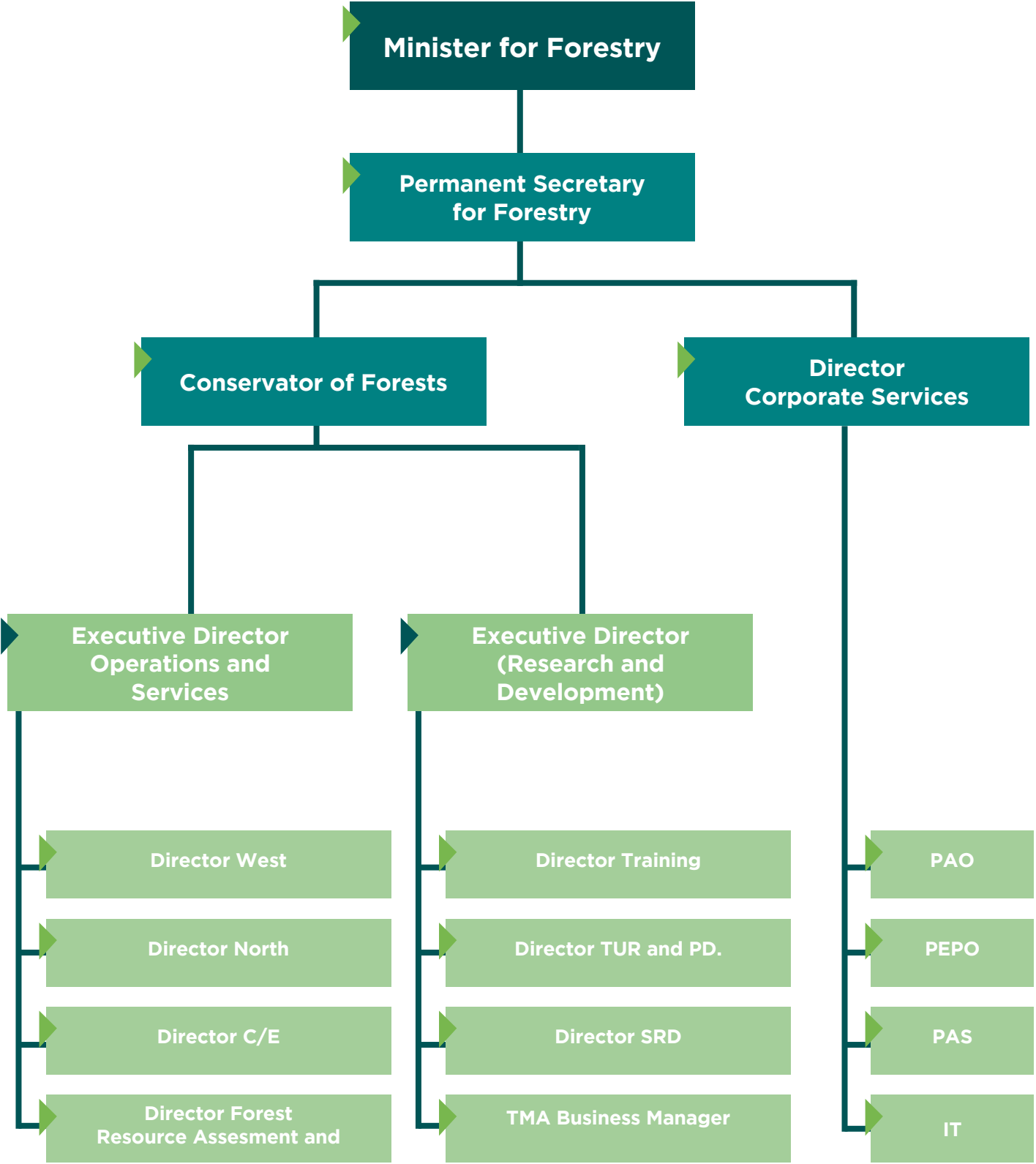
Table 4: Organisational Management

Legislation	Regulations	Policies	Plans	Manuals
<ul style="list-style-type: none"> Constitution of the Republic of Fiji 2013 Financial Management Act 2004 Tax Administration Decree 2009 Fiji Health and Safety at Work Act 1996 Civil Service Act 2016 Act 2 of 2016 – Amendment to PSC Act Employment Relations Promulgations 2007 and Employment Relations (Amendment) Act 2016 	<ul style="list-style-type: none"> Civil Service Regulation 2017 Finance Instructions 2010 Fiji Procurement Regulations and Amendments 2010 	<ul style="list-style-type: none"> General Order 2011 Terms and Conditions of Employment for GWE's 2010 Ministry's Risk Management Policy 	<ul style="list-style-type: none"> MOF Training Plan MOF Asset Management Plan MOF Strategic Development Plan MOF Operational Plan 	<ul style="list-style-type: none"> MOF HR Manual MOF Finance Manual

Table 5: Organisational Management

Legislation	Regulations	Policies	Plans	Manuals
<ul style="list-style-type: none"> Forest Act 1992 National Research Bill Environment Management Act (EMA) Biosecurity Promulgation Native Land Trust Act 2012 (amended) 	<ul style="list-style-type: none"> Forest (Sawmills) Regulations 1968 Forest (Preservative Treatment) Regulation 1992 Forest Guard Regulations 1975 Forest Fire Prevention Regulation 1972 Environment Management (EIA Process) Regulation 2007 Environment Management (Waste Disposal and Recycling) Regulation 2007 	<ul style="list-style-type: none"> Fiji Forests Policy 2007 REDD+ Policy 2011 Forest Certification Fiji Climate Change Policy 2012 Draft Energy Policy 2013 Fiji Rural and Land Use Policy 2005 	<ul style="list-style-type: none"> National Biodiversity Strategy and Action Plan (NBSAP) Green Growth Framework (GGF) National Development Plan (NDP) National Adaptation Plan (NAP) 2018 	<ul style="list-style-type: none"> Fiji Forest Harvesting Code of Practice (FFHCOP) Sandalwood Manual Nursery Manual

ORGANISATION STRUCTURE



OUR FUNCTIONS AND SERVICES

The Ministry of Forestry has the following functional divisions/sections.

Table 6: Functional Divisions

Functional Divisions/Sections	Functions and Services
Silviculture Research and Development	<ul style="list-style-type: none"> • Forest health, bio-security and bio-diversity • Tree species development • Seed and nursery technology • Natural forest management • Research publications
Timber Utilisation Research and Product Development	<ul style="list-style-type: none"> • Research and investigation • Quality management systems/timber grading • Timber trade • Sawmilling • Preservation • Product research and development
Education and Training (FTC and TITC)	<ul style="list-style-type: none"> • Training (Technical, Academic, SFM, Forest Warden, Bio-diversity Conservation, Protected Area Management) • Skills development • Capacity building • Wood processing
Forest Resource Assessment and Conservation	<ul style="list-style-type: none"> • Monitoring Information System (MIS)/Geographic Information System (GIS) • Resource inventory • Resource assessment • Mapping and surveys • International conventions • Environment management • REDD+ Readiness and Emission Reduction Programme
Forest Parks and Nature Reserves	<ul style="list-style-type: none"> • Establishment, management, maintenance and enhancing of the use of forest parks and reserves • Forest education and resource conservation promotion • Restoration ecology and watershed and amenities planting
Forest Harvesting, Monitoring, Control and Surveillance at Divisional Level (N, W and C/E Divisions)	<ul style="list-style-type: none"> • Facilitate sustainable log supply system for the timber industries • Facilitate development of community-based initiatives for forest-based projects • Provide advisory services and raise awareness • Administer timber processing and inspectoral services • Issue of harvesting licenses
Afforestation, Reforestation and Agroforestry	<ul style="list-style-type: none"> • Provide extension/advisory services and raise awareness • Reforestation and afforestation activities • Promote Agroforestry
Corporate Services Division	<ul style="list-style-type: none"> • Human Resource Management • Learning and development • Recruitment and selection • Performance management • Occupation, Health and Safety • Finance • Performance budgeting and monitoring • Payroll management • Payments and Revenue collection • Reporting and Financial statement • Financial controls • Board of Survey • Asset Management • Buildings and equipment • Fleet • Information Technology and Management • IT infrastructure • Databases • Registry
Planning, Policy, Monitoring and Evaluation, Statistics and Executive Support	<ul style="list-style-type: none"> • Policy research and analysis • Economic planning • Annual reporting • Statistics • Trade and investment facilitation • Monitoring and Evaluation (Plans and Projects) • Secretariat services (cabinet and parliamentary processes, MOU/MOA) • Communications and public relations

FORESTRY PROGRAMMES AND PROJECTS

Table 7: Forestry Programmes and Projects

No.	Programme	Activity	Projects within each Programme and Activity
1	Policy and Admin	<ol style="list-style-type: none"> General Admin and Accounts Economic Policy, Planning and Statistics 	<ul style="list-style-type: none"> Upgrade of Office and Quarter
2	Forestry	<ol style="list-style-type: none"> General Admin Forestry Conservation and Management Services Training and Education Silviculture Research, Resource Assessment and Development Timber Utilisation Research and Product Development Extension and Advisory Services (Reforestation and Afforestation) Monitoring, Control and Surveillance (Harvesting and Logging) Forest Parks, Recreation and Nature Reserves 	<ul style="list-style-type: none"> Forest Subsidy International Tropical Timber Organisation (ITTO) Reducing Emissions from Deforestation and Forest Degradation (REDD+) Purchase of harvesting machines Sandalwood Development Programme Research Consultancy and Seed Bank Research and Development of Wood and Non-wood Species Utilisation of Wood Reforestation of Degraded Forests and Reforestation of Indigenous Species Pine Woodlot Logging Package. Purchase of equipment - Lakeba Pine Scheme Monitoring, Control, Surveillance Upgrade of Colo-i-Suva Forest Park



BUDGET ALLOCATION AND EXPENDITURE

Table 8: MOF Budget Allocation

SEG	SEG PARTICULARS	2017-2018 Allocation [FJD]	2018-2019 Allocation [FJD]
1	Established Staff	3,888.5	4,011.2
2	Government Wage Earners	1,370.4	1,492.4
3	Travel and Communications	463.2	535.5
4	Maintenance and Operations	1,296.4	1,416.0
5	Purchase of Goods and Services	1,126.8	1,187.0
6	Operating Grants and Transfers	794.5	979.5
7	Special Expenditures	2,817.0	3,009.1
	TOTAL OPERATING	11,756.8	12,630.8
8	Capital Construction	2,270.0	2,617.5
9	Capital Purchase	1,364.0	1,150.0
	TOTAL CAPITAL	3,634.0	3,767.5
13	Value Added Tax	630.0	667.3
	TOTAL EXPENDITURE	16,020.8	17,065.6

A total of \$17.07 million was allocated to the Ministry, of which \$14.87 million (87.1%) was utilised for the implementation of the Ministry's programmes and projects, leaving a balance of \$2.19 million at the end of July 2019.

Graph 1: Budget Allocation and Expenditure



REPORT ON PERFORMANCE

The Ministry finalised its Strategic Development Plan (SDP) this financial year which highlights the four strategic goals and six strategic priorities detailed in the table below. The SDP is aligned to the National Development Plan (NDP) requirements and global commitments. This Plan will guide the work of the Ministry until 2030, and initiatives channelled for implementation within the Ministry's annual operational plans.

Table 9: MOF Strategic Goals and Priorities

STRATEGIC GOALS (SG)	
1	Establish sustainable life cycle management of forest resources in Fiji
2	Improve the socio-economic impact of forests
3	Contribute positively to the global environment
4	Substantially improve service delivery
STRATEGIC PRIORITIES (SP)	
1	Cohesive legislation, regulation, policy, guidelines and compliance SP1 is geared towards articulating a consistent, long-term approach with regard to legislation, regulation, policy, and compliance mechanisms associated with forests and forestry.
2	Enhance sustainable forest management frameworks and implementation of Sustainable Forest Management (SFM) SP2 is about establishing clear, sustainable implementation mechanisms for forest strategies to be effective over a long period of time.
3	Capacity building (Ministry and Stakeholders) SP3 focuses on bringing theory into practice. The Ministry will lead the way in analysing capacity and capabilities necessary to achieving the desired outcomes of the sector; engage its personnel, infrastructure, partners and communities in developing research and knowledge necessary to achieve the best outcomes for now and the distant future.
4	Stewardship SP4 is about commitment to stewardship of national resources, as well as the moral obligation towards global environmental responsibilities and commitments.
5	Forest financing SP5 is all about looking at, developing, improving and/or implementing financial strategies and mechanisms to support the sustainable management of forests.
6	Organisation effectiveness SP6 focuses on the Ministry itself. It looks at the capacity and the capability of the Ministry to be able to produce what it has set as its goals. It looks at efficiency, in terms of personnel, processes, and includes information management. It ensures that the Ministry is positioned to attain what it has set out to achieve, within the context of people, information and infrastructure.



A low-angle, upward-looking photograph of a lush tropical forest. The image captures the dense canopy of various trees, including palm trees with long, feathery fronds in the upper left. Sunlight filters through the thick foliage, creating a dappled light effect. The overall color palette is dominated by vibrant greens of the leaves and the warm, golden tones of the sunlight. A dark teal rectangular box is superimposed over the center of the image, containing the text 'Strategic Priorities' in white.

Strategic Priorities

Strategic Priority 1: Cohesive legislation, regulation, policy, guidelines and compliance

Ministerial support and policy advice

Cabinet Submission

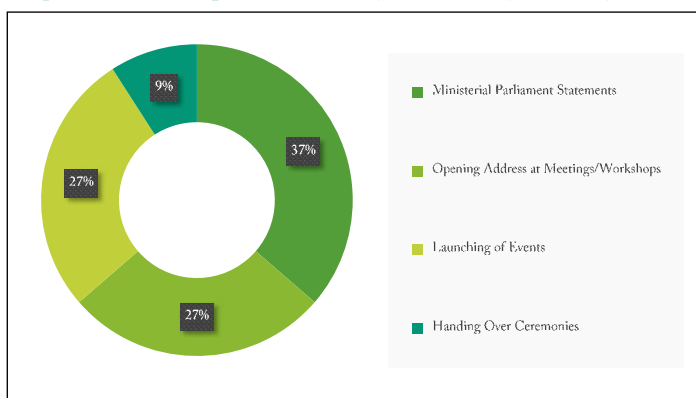
Three Cabinet Submissions were made on the following topics:

- Reducing Emissions and Enhancing Livelihoods in Fiji: Amendments to the Letter of Intent.
- Development of the Emissions Reductions Programme-document (ERP-D) "Reducing Emissions and Enhancing Livelihoods in Fiji."
- 4 Million Trees in 4 Years Initiative.

Ministerial statements and speeches

- Eleven Ministerial statements and speeches were developed and delivered in Parliament and at various events attended by the Minister for Forestry
- Six Ministerial responses were developed and delivered in Parliament by the Minister for Forestry.

Graph 2: Statements/Speeches delivered by the Minister for Forestry



Development and Review of legislation, regulations, policies and plans

Finalisation of Forest Bill and Relevant Regulations

- In this financial year, the Ministry continued to pursue the finalisation and endorsement of the Forest Bill [Bill No. 13 of 2016], which was a review of the Forest Act 1992. The Bill is the outcome of a number of stakeholder consultations, with the view of revising the 1992 Forest Act to include recent developments within the Forest Sector in addition to supporting the full implementation of the Fiji Forest Policy 2007. The Bill has been read twice in Parliament.
- Once the Bill is endorsed, relevant regulations already drafted will also be finalised.

Sandalwood Strategy and Regulation

- The Ministry worked on developing drafts in collaboration with stakeholders.

Planted Forest Policy

- The Ministry continued work on the Planted Forests Policy, with assistance from the Food Agriculture Organisation (FAO). The aim of the Policy is to increase forest areas under managed plantations to reduce pressures on Fiji's natural forests.
- Consultations were conducted with all relevant stakeholders and a draft Policy was developed with FAO consultants.

Rural Forest Fire Strategy

- A draft strategy was developed with the assistance of the Pacific Community (SPC) and the relevant stakeholders such as the Ministry of Agriculture.

Timber Export and Import Guideline

- The guideline was completed and disseminated.

National Plywood Standard

- Due to current gaps in the local plywood industry, the development of a national plywood standard was recommended.
- The responsibility in developing standards lies with the Commerce department of the Ministry of Commerce, Trade, Tourism and Transport (MCTTT).
- With budget allocation of \$20,000.00, a consultant was engaged during the financial year to undertake a feasibility study to determine the need to either develop a totally new standard or adopt the Australian Standard currently used as a guideline for processing local plywood.
- The main reason is to address the increase in the importation of substandard material by enforcing the standard as a requirement for all importation of plywood into the country.
- A feasibility study report was developed and submitted to the Ministry by the consultant.

Strategic Development Plan

- The Ministry's SDP, which was developed in consultation with relevant stakeholders, was finalised and published this financial year. Copies were distributed to all staff and stakeholders and also uploaded onto the Ministry's website.

Mangrove Management Guideline

- A draft guideline was developed on the work and lessons learnt from the six communities/project sites of the International Tropic Timber Organisation (ITTO) project. This Guideline was developed in collaboration with the Pacific Community (SPC).

Strategic Priority 2: Enhance sustainable forest management (SFM) frameworks and implementation of SFM practices

Forest resource assessment

Forest Change Analysis

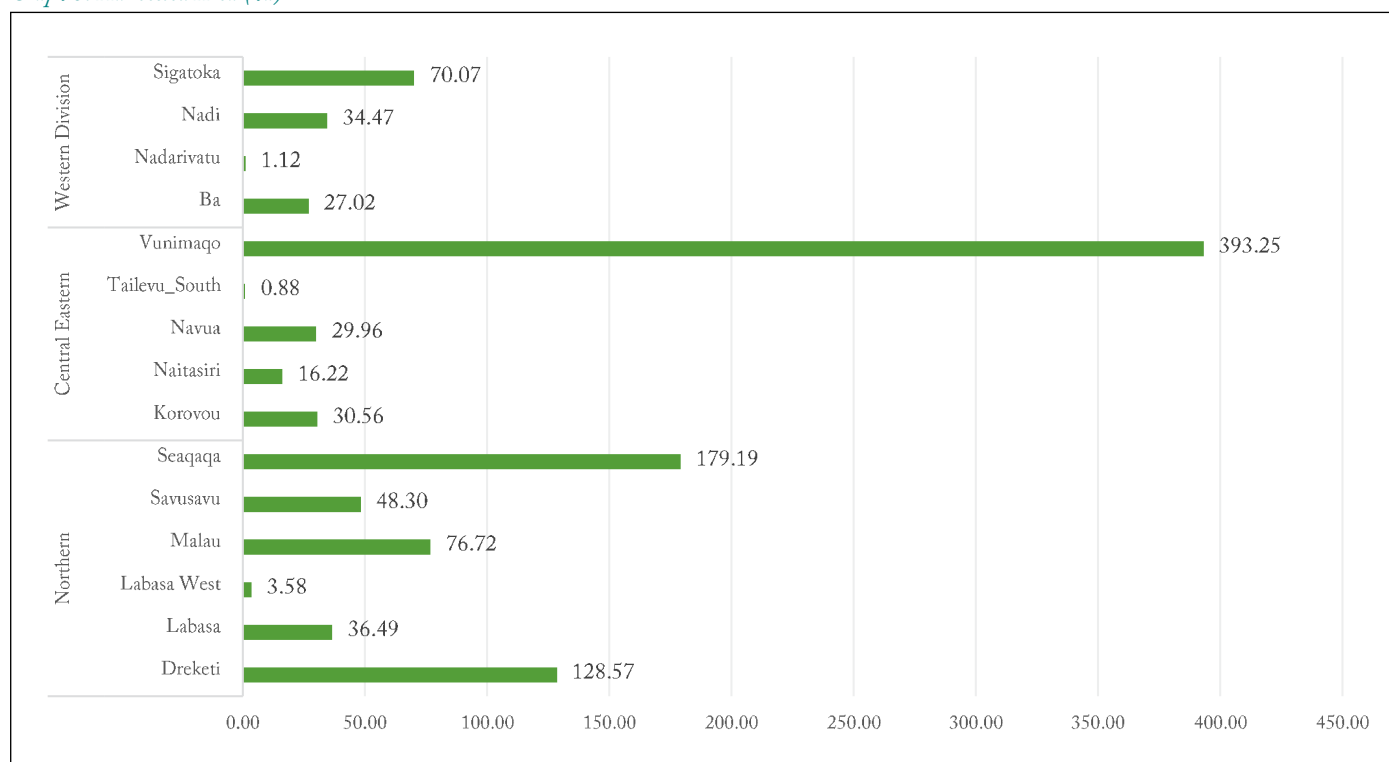
Four officers travelled to CSIRO's Data61 Facility in Perth, Australia, where they were trained in forest change analysis. The training was conducted by a World Bank Consultant and a CSIRO Officer. Officers were introduced to manual cloud masking and classification of forests using training vectors. The software used in this training were ERMapper, RStudio and Python Scripts in Command Prompt. The officers successfully classified and cloud masked Viti Levu images from 2005 to 2017 during this exercise.



Harvest Area Reports (HARs)

- HARs submitted by all Divisions; North, West and Central/Eastern.
- Total HARs submitted are illustrated in Graph 3.

Graph 3: Harvested Area (ha)

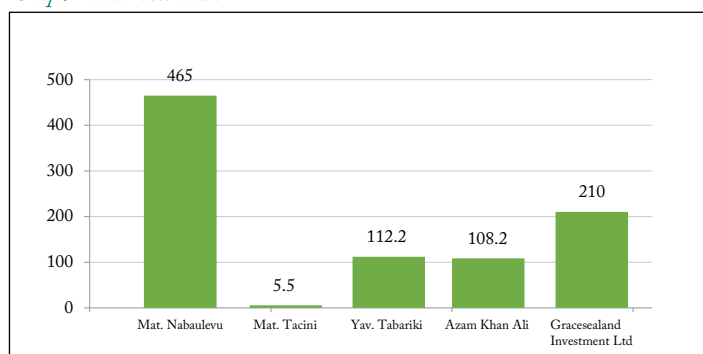


Harvest Plan Maps

Five plan maps were produced with a total revenue of \$1,098.90. Harvest plan by area (hectares) is illustrated in Graph 4.

Mataqali Nabaulevu received the most areas, as the applicant requested three coupes³ Harvested Maps to be produced, with different areas. Mataqali Narakura (Gracesealand) has two coupes maps, while the rest received one coupe map each.

Graph 4: Harvest Plan



Mapping Requests

- 21 mapping requests were attended to and successfully completed. This included both internal and external requests.

Volume Estimates

44 volume estimate applications were received and attended to.

Permanent Sample Plots (PSP)

- The PSP team undertook the fourth round of measurement of the PSP plots in the two major islands and Taveuni.
- 28 plots were measured, of which 16 were in Vanualevu and 12 were in Vitilevu.

Inventory

- Pine inventories were conducted for Kadavu and Lakeba to determine the standing volume of forest areas.
- 118 plots were measured in Lakeba and 11 pine schemes in Kadavu.
- Two other inventories were conducted for Mataqali Vatuvula and Savura Dam.



³ Coupe – A small area of forest within a compartment that is harvested in a single operation

Forest parks and reserves

Upgrade of Colo-i-Suva Forest Park

Major renovations were conducted this financial year and includes the following:

- a. Upgrading of park entrance and construction of security booth.
- b. Renovation of “Bures”
- c. Construction of toilets, bathrooms and changing rooms
- d. Picnic area with tables and benches
- e. Track repairs
- f. Construction of steel railings
- g. Installation of rubbish bins

a



d



b



e



f



c



g





Prince Harry unveiling the QCC Award plaque.

Duke of Sussex unveils Queen's Commonwealth Canopy (QCC) Award

The nation was honoured to host the Duke and Duchess of Sussex on the occasion of their 16-day royal visit to Fiji.

The Ministry of Forestry was also honoured to host Prince Harry, the Duke of Sussex, who made a special visit to the Colo-i-Suva Park, where he unveiled the plaque to commemorate the Queen's Commonwealth Canopy Award, received by the Park in the previous financial year.

With His Royal Highness planting a dakua seedling at the Park, this very special occasion was also marked with a most appropriate remembrance.



Prince Harry with one of the wood carvers.



Prince Harry planting a "dakua" tree.

Colo-i-Suva Visitor Numbers and Revenue Generated

A total of 40,291 visitors visited the Colo-i-Suva Park by end of July 2019, generating a total revenue of \$101,741.00.

Graph 5: Analysis for Revenue and Visitors



A new sign board was also erected for the Nadarivatu Nature reserve.

Maintenance, Management of Forest Parks and Reserves

Boundary maintenance was carried out in 5 forest reserves. Boundary maintenance is a core output for the Division in ensuring clear demarcation of reserve boundaries under its lease conditions. It also includes marking of all forest and nature reserves boundaries.

Table 10: Maintenance on Reserves

No	Reserves visited	Activities
1	Qaranibuluti Nature Reserve	Erection of signboards
2	Nadarivatu Nature Reserve	Boundary demarcation and erection of signboard
3	Qoya Forest Reserve	Field inspection of Tengy Cement Factory
4	Colo-i-Suva Forest Reserve	Forest demarcation
5	Taveuni Forest Reserve	Village awareness



Staff carrying out boundary maintenance and marking at the Qaranibuluti and Nadarivatu nature reserves.



Before



After

The dilapidated Qaranibuluti Nature reserve signboard on the left; and the new one which was constructed by the Parks and Reserves officers.

Law Enforcement – licensing, monitoring and compliance

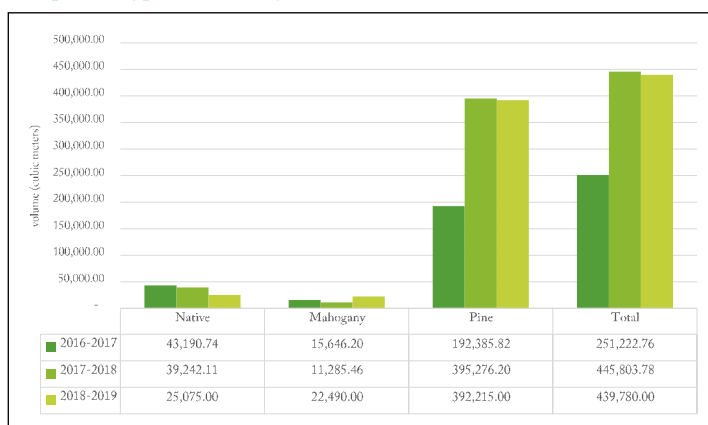
Harvesting Operations

142 harvesting licenses (right licenses) were issued:

- 45 licenses for Northern Division,
- 63 licenses for Central Eastern Division,
- 34 licenses for Western Division.

Total log volume produced in 2018-2019 financial year amounted to 439,780.0 m³

Graph 6: Log production Aug 2016-Jul 2019



Sawmilling Operations

47 sawmill licenses were issued (19 static, 28 portable).

Table 11: Sawmill licenses by Division

Division	Static Mill	Portable Mill	Total
Central Eastern	5	10	15
Northern	7	9	16
Western	7	9	16
Total	19	28	47

Sawmill Return by Division

A total of 156,849.24m³ of Log input, with 66,173.33m³ output, the average recovery rate stood at 42%.

Table 12: Sawmill return by Division

Division	Input	Output	Recovery
Central Eastern	33,677.463	14,144.53	42%
North	29,568.664	12,715.50	43%
West	93,603.113	39,313.30	42%
Total	156,849.24	66,173.33	42%

Treatment Plant Operations

Out of the 27 treatment plants in Fiji, 19 were licensed for operation this financial year.

Table 13: Treatment plants 2018-2019

Status	Total Number
Licensed	19
Non-Operational	4
Application pending	4

Table 14: Summary of total volume sawn and round timber treated for 2018-2019FY

Quarter	Hazard Level	Timber Product	Volume Treated (m3)
1	H2	Sawn Timber (Indoor)	3,841.046
2	H3	Sawn Timber (Outdoor)	43,848.185
3	H4	Round Wood (Fence Post)	1,881.04
4	H5	Round Wood (FEA Poles)	222.975
Total			49,793.246m³

1,267 timber samples were analysed by the Ministry which generated a total revenue of \$23,312.80.

Table 15: Timber samples analysed

Quarter	Total Samples Analysed	Total Revenue
Quarter 1: Aug 2018-Oct 2019	310	\$5,704.00
Quarter 2: Nov 2018 – Jan 2019	258	\$ 4,747.20
Quarter 3: Feb-April 2019	248	\$4,563.20
Quarter 4: May-July 2019	451	\$8,298.40
TOTAL	1,267	\$23,312.80

Table 16: Treated timber samples and Hazard classes

Hazard Level	Total No. of Samples	No. Passed	No. Failed	% Fail	% Pass
H2	274	274	0	0.00%	100%
H3	611	611	0	0.00%	100%
H4	146	107	39	27%	73%
H5	236	231	5	2%	98%
Total	1,267	1,223	44	29%	171%

Treated Timber Samples and Hazard Classes

The above table indicates the number of samples that have passed and failed the copper loading requirements, according to the specific preservative hazard treatment level. Few treated samples failed H4 and H5 treatment level. From the inspection and assessment that were undertaken, the section identified that failed treatment was the result of:

- Treatment for Post and Poles products are not dried to the required Moisture Content (MC). With high MC, chemicals will have very little penetration during treatment.
- Treatment plant operators have very little understanding of the required retention and chemical topping up for H4 and H5 treatment.
- Treatment plant operators are not achieving the full pressure treatment required for H4 and H5 treatment, which resulted in low penetration and undercharged timbers.



Procurement and handing over of vehicles for assistance to maritime operations.

Corrective measures now undertaken by the Ministry to address the above issues include:

- Conducting drying and preservatives refresher course as most of the treatment operators are not trained by the Division and lack knowledge in preservative treatment operation.
- Preservation section will spend a day with all saw millers who have little understanding of treating timber. This process will include preservative treatment, checking and assisting in the treatment operation from loading until timbers are being removed from cylinder for 24 hours dripping period.
- All treatment operators to be trained and certified by the Ministry before they carry out treatment operations.

Monitoring, Compliance, Surveillance

- Two rounds of national monitoring of harvesting operations were conducted under the MCS project to ensure compliance as measured against the FFHCOP 2013.
- Divisional quarterly monitoring and inspections were conducted for all sawmills, treatment plants and harvesting operations.
- Improvement notices were issued where necessary and non-renewal of licenses were relayed to companies that were non-compliant with relevant regulations.

Support for Maritime Operations

- Pine woodlot logging project – four portable sawmills were purchased, inclusive of fuel, oil and preservative chemicals.
- Maritime pine project – two vehicles were procured (one 4 x 4 vehicle and one 7-ton logging truck) to assist in maritime operations.





Planting of the first tree (Masiratu specie) by His Excellency and the Minister for Forestry during the 4MT4Y initiative launch.

Reforestation and afforestation

Mass Tree Planting Initiative

With a target of 800 hectares for the Reforestation of Degraded Forests (RDF) Project, a total of 684,417 seedlings (1,632.31ha) were planted by the end of July 2019. The breakdown of species planted by Divisions is highlighted in Table 17.

This financial year, The 4 Million Trees in 4 Years (4MT4Y) initiative was launched in January 2019 by the President, His Excellency, Jioji Konrote.

Table 17: Tree planting by Divisions

Species Categories	Central Eastern	Northern	Western	Grand Total
Coastal	56,400			56,400
Exotic	761	112	2	875
Fruit trees	3,667	3,626	7,406	14,699
Indigenous	35,294	28,885	27,036	91,215
Mahogany	79,670	138,233	70,357	288,260
NTFPs	8	5	0	13
Pine	1,800	70,828	87,442	160,070
Sandalwood	4,058	5,861	10,426	20,345
Teak	19,274	21,624	11,642	52,540
Grand Total	200,932	269,174	214,311	684,417



His Excellency with the staff of the Ministry of Forestry after the 4MT4Y Initiative launch.

Agroforestry

Four agroforestry plots were established in the following locations.

Table 18: Agroforestry plots

No.	Location	Hectares (Ha)	Species
1	Vuma Village, Levuka	1.0	Vesi, Citrus, Kavika, Tavola, Dakua Makadre, Guava
2	Dawasamu Secondary School	0.8	Lemon, Pineapple, Vesi, Vutu, Dawa
3	Vunivaivai, Nakelo	2.0	Native and fruit seedlings
4	Yale Kadavu-collaboration with USP	4.0	Native and fruit seedlings

Action Against Desertification (AAD) Project

Under this project, the Ministry worked with FAO and project partners to achieve the project objectives. This financial year, the following outputs were achieved.

No.	Activities	Achievements
1.	Conduct Trainings	15 trainings conducted (35% women) on seed technology and nursery, SFM, SLM, Conservation and Biodiversity, Agroforestry and other livelihood projects
2.	Develop Landuse maps	One map developed – Levuka village, Delaikoro
3.	Tree planting	265 hectares restored through enrichment planting. This contributed to the tree planting initiative of the Ministry.
4.	Establish backyard gardens	Six school backyard gardens and 132 household backyard gardens were established.
5.	Establish other alternative livelihood and income generation projects	90 individuals were employed. 350 women were involved. Seeds collected and sold for income. Beekeeping, Vanilla farming and other forest products (seeds/seedlings/planting materials/handicrafts).
6.	Support local groups and businesses	10 youth groups were supported. Women's group from Nasavu village sold seeds to construct a village bus stop.
7.	Awareness and knowledge development	Four articles, one video documentary and four radio programmes were produced.



Tree planting by a student from Naivaka Primary School.



Enrichment planting in degraded pine areas.



Bus stop at Nasavu village which was constructed from the sale of seeds by the Nasavu Women's group.



AAD - Beekeeping training.

Research and development - silviculture research

Seed Collection, Processing and Sowing for Seedling Production

A total of 1,414.6kg of seeds were collected and processed by the silviculture research division. Out of these processed seeds, 97,200 seeds were sowed for seedling production.

Table 19: Seed collection, processing and seedling production

Species Type	Seeds collected (Kg)	Seeds processed – dry weight (Kg)	No. of seeds sowed for seedling production
Indigenous	1,062.4	163.8	Vesi, Citrus, Kavika, Tavola, Dakua Makadre, Guava
60,172	Dawasamu Secondary School	0.8	Lemon, Pineapple, Vesi, Vutu, Dawa
Sandalwood	64.8	9.6	13,172
Coastal	54.2	54.1	3,045
Exotic	61.7	2.4	20,811
Total	1,414.6	229.9	97,200

Forest Health

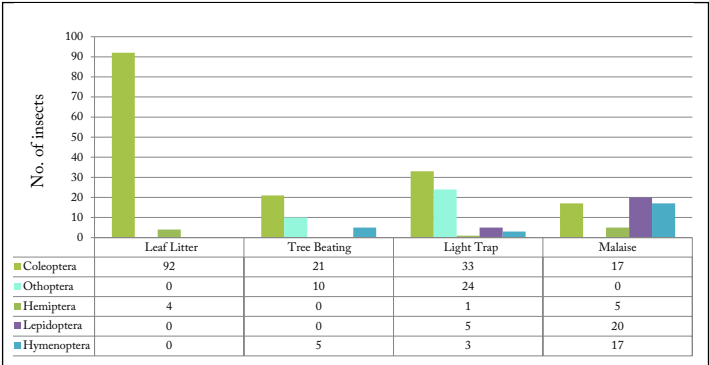
Biological Rapid Assessments (BIORAPS) were undertaken to report on the baseline assessment and current state of the Biological Diversity within the areas of natural forest reserves designated for the purpose of protection for biodiversity conservation, as consented to by the landowning communities. This year BIORAPS were conducted by the forest health team in the following areas:



a. Nadarivatu

This assessment was done in collaboration with USP-IAS. The result indicates insect diversity in the different trapping methods used. It was noted that the insect order Coleoptera was mostly collected from leaf litter, rather than from the normal method of collection such as light trap.

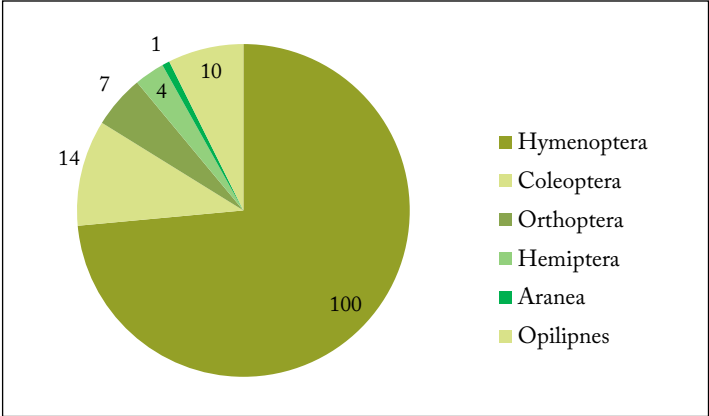
Graph 7: Insects Collected



b. Upper Tuva Catchment

BIORAPS results from the upper Tuva catchment area shows the types and abundance of insects present that are known to be good forest health indicators.

Graph 8: Insect Data for Upper Tuva Catchment



Tree Improvement – Assessment of Trial Plots

Assessments were conducted for the following trial plots and reports were compiled accordingly:

- Yavuna Nausori Highlands – Sandalwood and mixed species
- Drasa Alternative Species Trial – Eucalyptus, Pine and Acacia
- Vaia, Ba – Mixed species



A new Agarwood research trial plot was established with the Fiji Women's Growers Association at Toga, Rewa, in November 2018. A total of 54 Agarwood seedlings were planted in rows of two. Treatments of NPK, Aglime or Organic manure were applied to each two-row planting. The results of the assessments conducted in February 2019 are shown in the table below.

Table 20: Assessment on agarwood trial plot

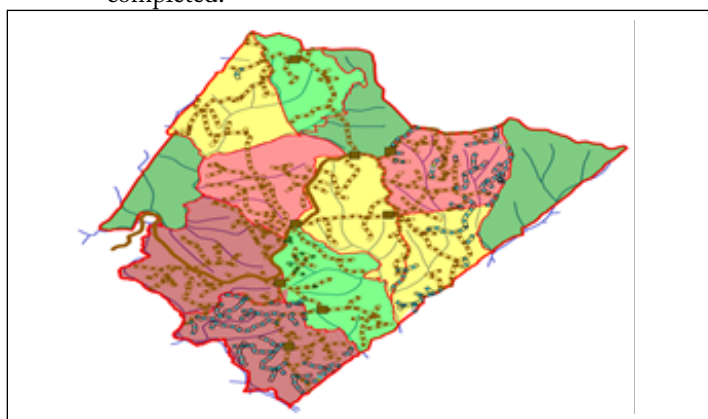
Treatment	Survival	Survival %	Maximum	Mean	Mini
1. Organic	12	66.67%	28.0cm	16.50cm	9.0cm
2. Aglime	18	100%	19.5cm	12.77cm	6.1cm
3. NPK	16	88.89%	22.1cm	13.28cm	9.0cm

Natural Forest Management – Nakavu Operation

This is the third year of operation at the Nakavu Pilot Project, based on the volume and species recovery after 22 years of logging. The different logging intensities were still maintained, but the new diameter limit table to be adopted will be based on the log volume derived from the first logging rotation.

This year, the team worked on the following activities in the various compartments in Nakavu:

- Harvesting plan for compartment 10 was finalised.
- Carbon inventory for compartments 1 and 3 was completed.



Nakavu Project Pilot site.

- 20 PSP recording and maintenance were completed for compartments 1, 2, 5, 6 and 10.
- DLT Monitoring field training for Central / Eastern division was conducted in November 2018.
- Harvesting in compartments 11 and 12.

Research Consultancy and Seed Bank

Two consultants were engaged by the Ministry to conduct a review of the work of the Silviculture Research Division and the need to develop a seed bank or tree seed centre. The review was completed this financial year and the findings and report were presented to management.

Sandalwood Project

With a \$100,000 budget allocation, the following activities were conducted by the Sandalwood Project team:

- Sandalwood market survey and consultation;
- Sandalwood inventory programme and registration of farmers;
- Sandalwood planting, and
- Monitoring of project sites.



Research and development – timber utilisation

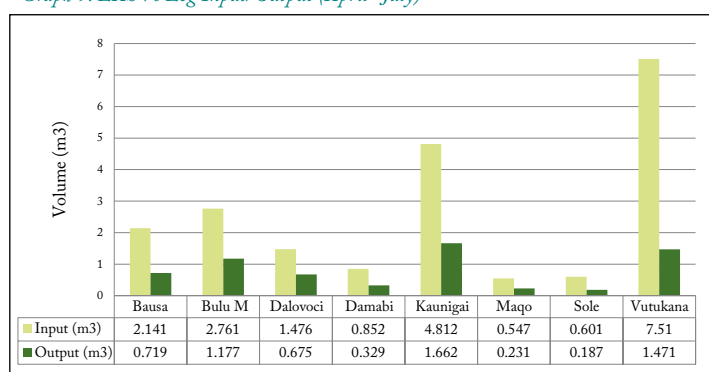
Research on Lesser Known Species

Applied research, studying the properties and potential uses of lesser known species (LKS) continued during the financial year with a total of 31 species identified in Nakavu. With a total budget of \$150,000.00, a total of eight species were extracted out of the 31 species identified. Research activities that were carried out included:

1. Assessing the physical properties (standing tree features, sapwood/heartwood colour);
2. Wood working properties (sawing, nailing, dressing, etc.);
3. Veneer (peeling properties);
4. Seasoning and
5. Natural durability.

Results of the log input and output for the eight species are shown in the graph below.

Graph 9: LKS Vs Log Input/Output (April– July)



A total of 160 stakes were installed (20 stakes per specie). The newly installed species are:

1. Sole
2. Vutukana
3. Kaunigai
4. Dalovoci
5. Bulu M
6. Maqo ni Veikau
7. Bausa
8. Damabi



Stakes on the ground for trial testing.

Wood Pellet Production and Research on Calorific Content of Pellets

One Mini pellet machine was procured this year. Pellets were tested for their calorific contents at the University of the South Pacific. Results are shown in Graph 10.



Mini-pellet machine operated by a staff member.



Standard size wood pellets.

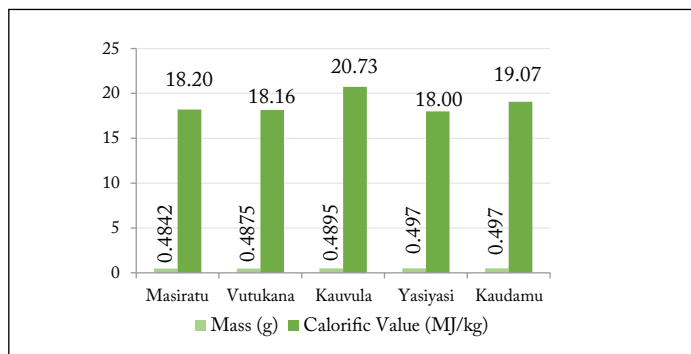


Connecting the firing wire to the sample.



Insertion of the capsule (which contains the sample) in the combustion calorimeter.

Graph 10: Calorific results of five local tree species



In addition to the calorific value analysis, the students also conducted research on the firewood properties of Kauvula. The firewood research is still in progress as the research team in Nasinu is currently drying Kauvula to the required moisture content levels.



Weighing of firewood samples at the Engineering Lab (USP)

Procurement of Metal Tape Embosser Machine

The Metal Tape Embosser machine was procured from Australia in November 2018. The machine enables tagging to be done on metal strips and these strips are attached to timber samples which are placed in trial sites for testing and assessment. A total of 160 stakes were tagged using this new machine.



The metal tape embosser machine.



Metal strips ready to tag research samples.

Upgrade of Research Exhibition Room

- The exhibition room in Nasinu was renovated and improved, as it is a popular field visit site for many educational and vocational institutions, as the displays portray the various timber processes, from harvesting, sawmilling, treatment, to construction and various timber products.
- Display boards with summaries of sectional roles were also included.
- In addition to this, worn out displays were removed, and some of which have been repaired and re-polished by the workshop staff.
- Upgrading of the exhibition room will continue in the next financial year.



Workshop staff re-polishing some of the old displays from the Exhibition Room.



Strategic Priority 3: Capacity Building (Ministry and Stakeholders)

Forestry technical trainings

Accreditation of Forestry Training School

The Forestry Training Centre in Colo-i-Suva received its accreditation certificate on 07 December, 2018 from the Fiji Higher Education Commission (FHEC).

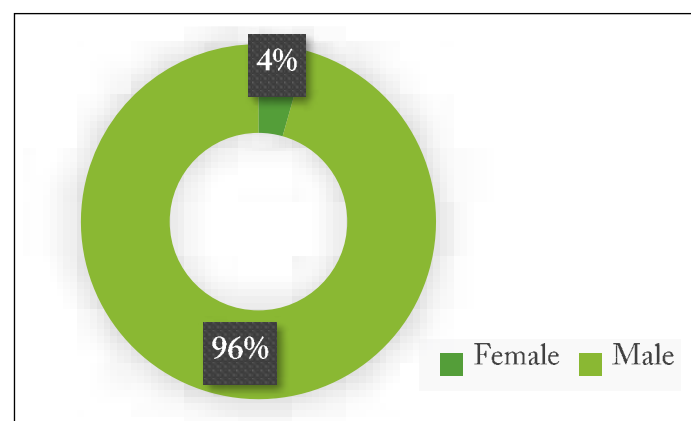
Technical Forestry Training

The Training Division of the Ministry conducted 39 short-term technical trainings.

Table 21: Forestry trainings conducted

Types of technical training	No. of trainings in 2018-2019 FY	No. of Participants		
		Female	Male	Total
Chainsaw Mechanic	3	3	30	33
Harvest Tree Manual - Basic (HTMB) Training	24	6	810	816
Harvesting Supervision	5	4	98	102
Biodiversity Conservation and Protected Management (BCPM) Training	2	4	53	57
Code Awareness Training	2	4	39	43
Sustainable Forest Management (SFM) Training	2	30	56	86
Report Writing Training	1	-	25	25
Total	39	51	1,111	1,162

Graph 10: Training participation by gender



Advanced Certificate in Applied Woodcraft Technology

The Advanced Certificate in Applied Woodcraft Technology programme was introduced, with 12 trainees (3 females and 9 males) graduating from the programme this financial year.



Permanent Secretary for Forestry and Acting Director Training with graduates

Industrial Attachment for Students

32 students from various academic institutions were engaged as part of their industrial attachment.



Corporate training

Local Training

30 different local trainings were conducted and were attended by an average of 11-12 staff for each training.

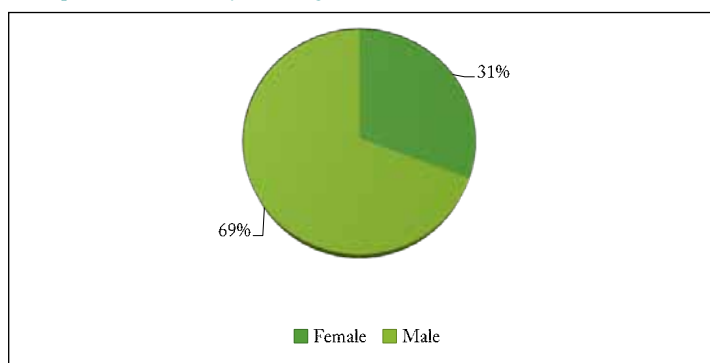
These were trainings identified through the Civil Service Reform Unit of the Ministry of Civil Service, local institutions and mandatory training under the TPAF Grant and Levy Scheme.

Overseas Training

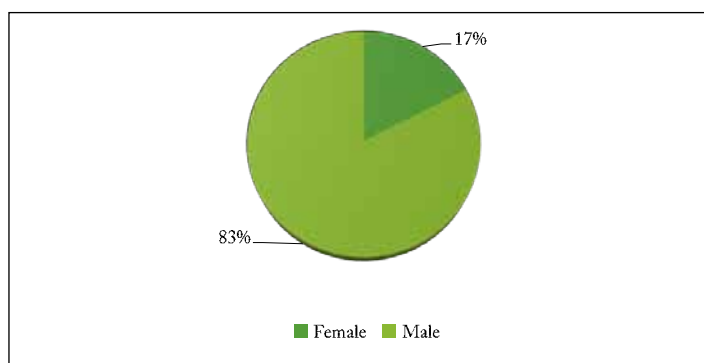
46 officers attended overseas training this financial year..



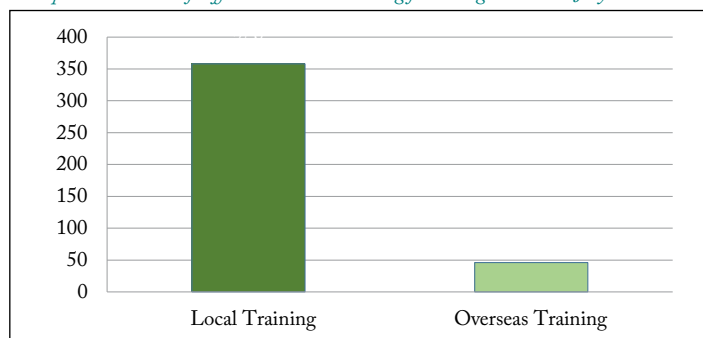
Graph 11: Distribution of Training - local



Graph 12: Distribution of Training - overseas



Graph 13: Number of Officers attended training from August 2018 - July 2019



Strategic Priority 4: Stewardship

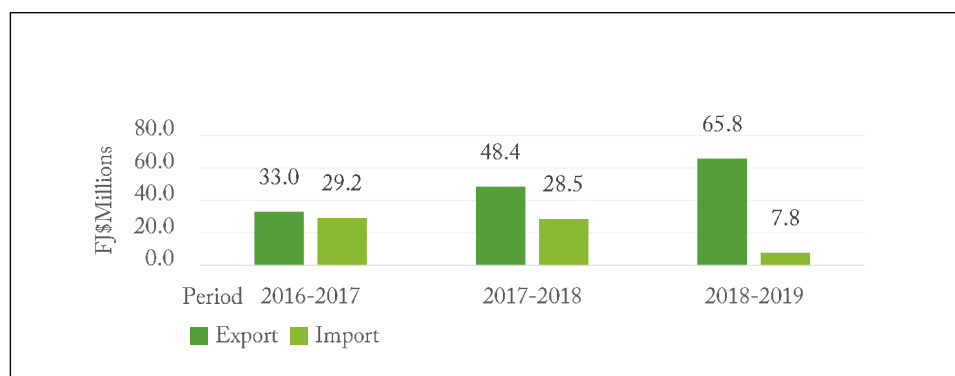
Sustainable trade environment

Trade Facilitation

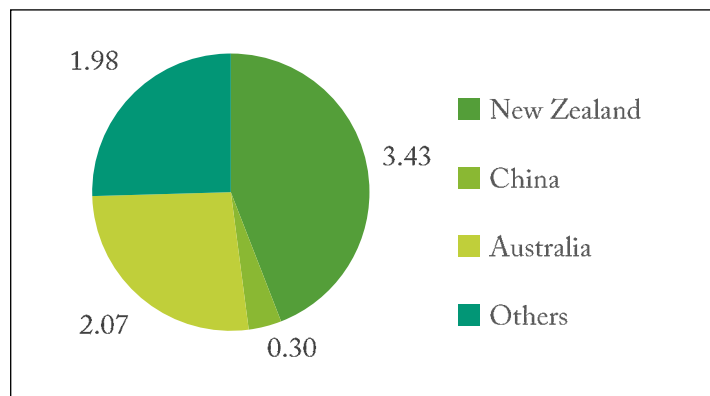
The following trade licenses/permits were issued by the Ministry:

- 196 export licenses were issued, with a total value of FJ\$65.8 million. Pine chips were the biggest contributor, with a value of \$47.6 million.
- 176 import permits were issued, with a total value of FJ\$7.8 million.

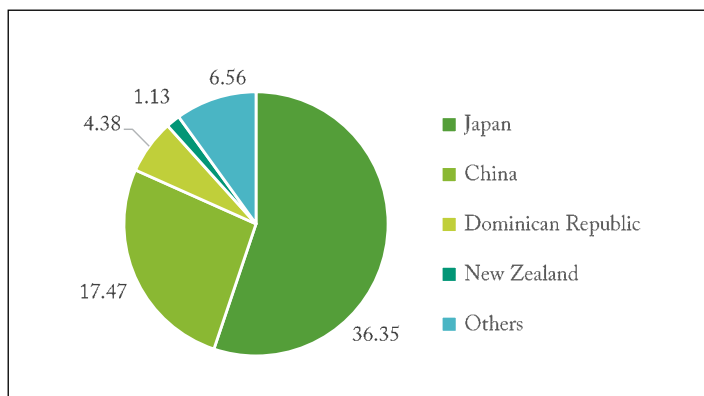
Graph 14: Export and Import of Wood Products



Graph 15: Value of Imports by Country of Origin (FJ\$Millions)



Graph 16: Value of Exports by Country of Destination (FJ\$Millions)



Business and investment Guideline

The 2018-2019 Forestry business and investment guide was published and disseminated to all Divisional offices, stakeholders and the general public who visit the forestry offices, trade show booths and other interagency shows/consultations.

Trade Assistance and Support for Duty Exemptions

- Four companies were assisted with the provision of technical advice and assistance with their applications for a license.
- 12 companies were issued with support letters from the Ministry to assist their applications to Ministry of Economy and Customs Office for duty exemptions.

Seed Capital Revolving Fund (SCARF) Programme

- 20 applications were received by the Ministry for vetting.
- 12 applications were submitted to the Fiji Development Bank for further vetting and final decision.

Climate change adaptation and mitigation

Emission Reduction Programme (ERP) Document

The Emission Reduction Programme Document (ERPD) and the Readiness Package were submitted and endorsed, without conditions, by the FCPF Carbon Fund of the World Bank in July 2019. The Fijian delegation was led by the Minister for Forestry, Hon. Osea Naiqamu.



Minister for Forestry, Hon. Osea Naiqamu, leads Fiji's delegation to present the ERPD to the FCPF Carbon Fund of the World Bank in Washington D.C

REDD+ Readiness Activities

The study on Carbon Rights, which evaluated the current status of carbon rights in the country and suggested options as to who owns the carbon, and Benefit Sharing Mechanism, which assessed the existing systems of benefit sharing and identified a possible mechanism for REDD+ benefit sharing, were both completed this financial year.

REDD+ Readiness – Consultations Conducted

Table 22: Consultations conducted

Name	Date	No. of Participants	Institutions
Stakeholder Consultation events			
National REDD+ Steering Committee (NSRC)	23 July, 2018	3	30
REDD+ Awareness	Oct 2018	30	TLTB, TAB (Conservation officers and Roko Tuis), YMST, Fiji Pine, MOF, Mamanuca Environment Society
GHG inventories workshop organised by CFRN and supported by MOF – REDD+ Unit	Oct 2018	20	MOF, SPC, MOA, MOE - Climate Change Division, SPC/GIZ
REDD+ progress update to Sigatoka HODs	Sept 2018	10	Roko Tui Nadroga/ Navosa, Ministry of Agriculture, TLTB, PA Nadroga/Navosa
Inception meeting for Divisional Working group – West	16 Jul 2018	13	Ministry of Agriculture, REDD+ pilot site resource owner reps, Ministry of Waterways and Environment, USP, Ba Provincial Office, Grace Trifam (Faith-based NGO)
Benefit Sharing Mechanism Workshop	March 2019	20	Representatives from REDD+ Steering Committee, Civil Society Organisation (CSO) Platform
Divisional Level REDD+ Working Group Meeting (west)	18 Jun 2019	14	Ministry of Forestry, Ministry of Agriculture, Ministry of Rural and Maritime, Fiji Pine, TLTB, Ministry of Environment

Name	Date	No. of Participants	Institutions
Capacity building/training and awareness			
Emalu interim assessment and evaluation workshop	Feb 2019	30	Representatives from Nakoro, Navitilevu and Draubuta village, Roko Tui Nadroga/ Navosa, SSV rep, SPC/GIZ
Consultation with Ridge to Reef Project on ERP	Feb 2019	4	REDD+ Unit and R2R team – Ministry of Waterways and Environment
Consultation with TLTB	Feb 2019	5	REDD+ Unit, TLTB.
Consultation with Ministry of Economy on ERP	Jan 2019	7	REDD+ Unit, Budget Team, Procurement Team.
Consultation with iTaukei Affairs on ERP	Jan 2019	4	REDD+ Unit, Min. of iTaukei Affairs.
ERP Consultation Workshop	Feb 2019	30	MOF, TLTB, MTA, LLEE, Solicitor General's Office, Lands and Mineral Resources, Min. of Agriculture, Min. of Women, CSO Platform.
REDD+ Training of Trainers, Western Division	Dec 2018	20	Min. of Forestry, Min. of Agriculture, Mamanuca Environment Society, Yaubula Support Management Team Mamanuca.
REDD+ Training of Trainers, Northern Division	Nov 2018	25	Min. of Forestry, Min. of Agriculture, Min. of Rural and Maritime, iTaukei Affairs Board, TLTB, NatureFiji-MareqetiViti, Soqosoqo Vakamarama, C3 (NGO).
REDD+ Training of Trainers, Central Division	Oct 2018	25	MoA, CSO platform – SSV, Emalu landowner rep, Grace Trifam, MoF
Training on Geographical Information System at the divisional level (5 days)	Jun 2019	25	Ministry of Forestry divisional level staff, Private Plantation Companies, and NGOs.

Global, regional & national partnerships

Memoranda of Understanding

Three MOUs were signed locally

- MOU with the Ministry of Employment, Productivity & Industrial Relations (MEPIR) was finalised and signed on 13 December, 2018.
- MOU with Fiji National Provident Fund (FNPF) was signed on 5 June, 2019.

These partnerships will ensure information sharing, enhance monitoring and strengthen compliance level of all forest operations.

- The third MOU was between MOF, Fiji Development Bank (FDB) and iTaukei Affairs Board (TAB) sealing their partnership for tree planting and adopting a community from each Division. The first community adopted is Silana village in Tailevu.



MOU signing with MEPIR.



MOU signing with FNPF.



MOF partners with FDB and TAB on tree planting initiative.

Implementation of MOU with Indonesia

- Wood carving training was sponsored by the Indonesian Government representatives who visited the country as part of the implementation of the MOU with Indonesia.
- A total of twenty wood carvers from the Western Division participated in the programme, with the guidance of two wood carving experts from Bali, Indonesia.
- Participants were also provided with wood carving tools to assist them with their businesses.



Participants of the woodcarving training and a sample of their work.

Livelihood assistance

Housing Rehabilitation

Due to the devastating impacts of a series of tropical cyclones experienced by Fiji, the Ministry worked with affected communities to utilise their forest resources to rebuild and repair their homes. The following results were achieved in this financial year:

- Kadavu – 86 housing structures produced.
- Gau – 17 houses (9 complete houses and 8 extensions)
- Six other islands/villages were also assisted, including Koro Island, Lomaiviti, Onoi-Lau, Lau, Tubeinasolo, Ba, Navutulevu, Serua, Dogotuki, Macuata Namalata, Kadavu.



Strategic Priority 5: Forest Financing

There was no initiative/activity planned for this strategic priority for the financial year under review.

Strategic Priority 6: Organisation Effectiveness

Human resource

HR Policies, Plan, Guidelines

The following HR documents were drafted and aligned to the Ministry of Civil Service (MCS) standards:

- HR Manual
- Recruitment and Selection Policy
- Discipline Policy
- Job Evaluation Policy
- Performance Management Policy
- Training and Development Policy

HR management

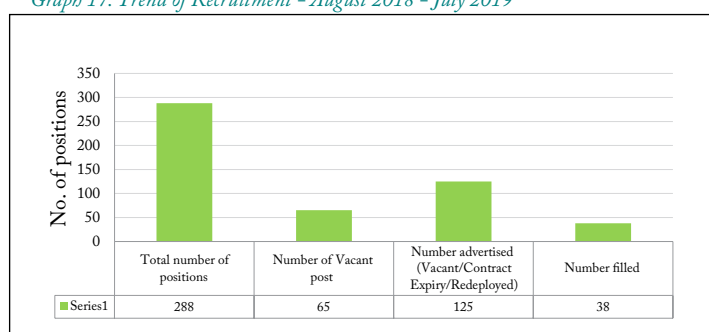
The Ministry had a staffing strength of 242 (85.8%) out of the 282 approved posts.

Table 23: MOF workforce

Programme	Established		GWE		Project		Total	
	Approved Post	Staffing Strength	Approved Post	Staffing Strength	Approved Post	Staffing Strength	Total Approved Staff Posts by Prog.	Total Staffing Strength by Prog.
1 – Policy and Admin	21	19	2	2	0	0	23	21
2 - Forestry	130	120	95	70	34	31	259	221
TOTAL	151	139	97	72	34	31	282	242

Recruitment and Selection

Graph 17: Trend of Recruitment – August 2018 – July 2019



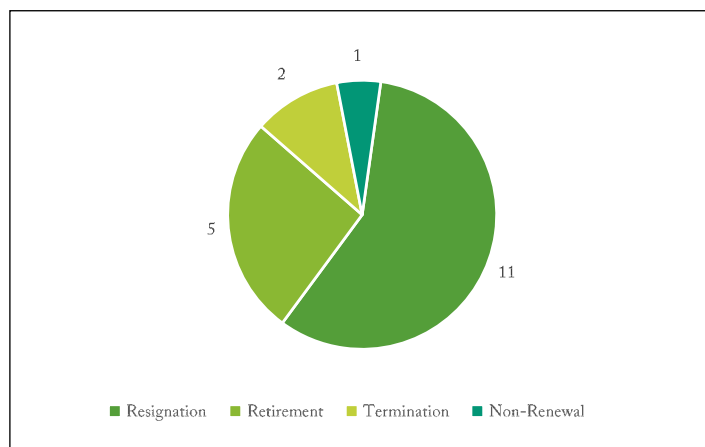
JEE Implementation

Ten positions were evaluated and submitted to the Job Evaluation Leadership Team (JELT) for moderation of evaluation and in accordance with the Job Evaluation and Civil Service Remuneration Setting Guideline. The new gradings were all approved for all these positions.

Staff Turnover

Staff turnover for the financial year August 2018 to July 2019 was recorded through resignations, retirement, termination and non-renewal of contracts. Tabulated below are the numbers and distribution as mentioned above;

Graph 18: Staff turnover 2018-2019



Asset management

Annual Procurement Plan (APP)

The 2018-2019 Annual Procurement Plan was developed and submitted to Ministry of Economy.

Asset Register and Board of Survey (BOS)

- The Ministry satisfactorily completed an annual BOS to verify the existence and condition of assets recorded on the asset register. This included all Divisions and Ministry stations.
- BOS value for 2018-2019 financial year amounted to \$635,448.94.

Upgrade of Staff Quarters

A total number of 85 Quarters were occupied by MOF Staff, with five Quarters being vacant.

Location	Total No of Institutional Quarters	Vacant	Remarks
Coloisuva	41	0	Quarters No. 4 was burnt down in November 2018
Labasa Forestry	14	1	Repaired in 2013 while 1 only Malau quarters needs repair
FTC	13	1	Repaired in 2015
Nasinu Forestry	10	0	Only the 8 Institutional Quarters were repaired in 2018, while 2 pool quarters were not repaired.
Vunimaqo	4	1	To be repaired in 2019/2020
Navua Forestry	1	0	Repaired in June 2019
Nadarivatu	1	0	Repaired in 2015 and is occupied by Roko Tui
Lautoka/Lololo	4	2	2 vacant quarters need major repair works. To be repaired in 2019/2020
TOTAL	88	5	

Finance

Finance Manual

2018-2019 Finance Manual was developed and circulated to all staff.

Budget Utilisation and Monitoring

Weekly updates were provided to management through submission of HOD reports on the budget utilisation rates and issues to be addressed.

Information Technology

Website Development

The IT unit worked on developing a new website for the Ministry with the assistance from the ITC Department.

Server and Database Management and Maintenance

- Management and maintenance of all databases of the Ministry (TRS, FEMS, PSP, TI, NFI, NFMS).
- A sawmill database was also developed this financial year.

Networking, Hardware and User support

- The IT team conducted quarterly monitoring and maintenance around all stations in the three Divisions (North, Central/Eastern, and West).
- Installation of biometric systems in forestry stations.
- Network cabling upgrade from CAT 5 to CAT 6.

Reports, plans and implementation

Ministry Plans

- 2018-2019 Operational plan developed and published.
- 2019-2020 Operational Plan was drafted and submitted with the Ministry's budget request.
- 2017-2030 Strategic Development Plan finalised and published.
- All Project Annual Work plans were submitted to Ministry of Economy at the beginning of the financial year.

Monitoring and Evaluation

- Quarterly monitoring of Operational Plan activities.
- 4 QPPR were completed and submitted to Ministry of Economy.

Annual Reports

Two annual reports (2014 and 2015) for the then Department of Forestry were reviewed by the Ministry as they were returned from Parliament.

Public awareness and promotion

Press Releases / Newsletters

- 67 press releases were compiled.
- Four quarterly issues of the 'Forestry Focus' newsletter were produced.

Ministerial Tours

A total of 111 villages/stakeholders were visited by the Hon. Minister for Forestry and the supporting Forestry team this financial year, to champion the national tree planting initiative and to also create awareness about the work of the Ministry.



Exhibition and Trade shows

Northern Division	Western Division	Central/Eastern Division
Bua and Saqani – nine villages	Ba Province – 12 villages	Naitasiri Province – 41 villages
Two pine stations	Nadroga Province – 13 villages	Tailevu Province – 18 villages
	4 pine stations	Kadavu Province – 12 villages
11	29	71

The Ministry participated in all Government Services Expos to promote the forestry agenda and educate the general public on the work carried out by the Ministry.



A low-angle photograph looking up at a dense forest canopy. Sunlight filters through the green leaves, creating a bright starburst effect in the center. A large, textured tree trunk is visible on the right side. The sky is blue with some white clouds.

Appendices

APPENDICES

APPENDIX 1: AUDITED FINANCIAL STATEMENT FOR AUG 2018-JUL 2019

OFFICE OF THE AUDITOR GENERAL Promoting Public Sector Accountability and Sustainability through our Audits



6-8th Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File Ref: 436/1

12 February 2021

The Honorable Osea Naiqamu
Minister for Forestry
Ministry of Forestry
Level 3 Takayawa Building
TOORAK

MINISTRY OF FORESTRY AUDITED FINANCIAL STATEMENTS- 31 JULY 2019

Audited financial statements for the Ministry of Forestry for the year ended 31 July 2019 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the management of the Ministry for necessary actions.

Yours sincerely,

Ajay Nand
AUDITOR-GENERAL

cc: Permanent Secretary for Forestry



**MINISTRY OF FORESTRY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**



MINISTRY OF FORESTRY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

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INDEPENDENT AUDITOR'S REPORT

To the Minister for Forestry

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Ministry of Forestry (Ministry) which comprises the Statement of Receipts and Expenditure, Appropriation Statement, Statement of Losses, TMA Manufacturing Account, TMA Trading Account, TMA Profit and Loss Statement and TMA Balance Sheet for the financial year ended 31 July 2019, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion paragraphs, the accompanying financial statements of the Ministry are prepared, in all material respects, in accordance with the Financial Management Act and Finance Instructions 2010.

Basis for Qualified Opinion

Operating Fund Account

1. Expenditures totaling \$302,301 were not recorded in the Statement of Receipts and Expenditure for the year ended 31 July 2019. This amount relate to unrecorded expenditures for accountable advance but were not cleared from the Revolving Fund Account as at 31 July 2019. Consequently, total expenditure of \$14,873,741 for the year ended 31 July 2019 is understated by \$302,301.
2. There is an unreconciled variance of \$1,025,547 between the FMIS general ledger and the Ministry's payroll report for both Established Staff and Government Wage Earners. Consequently, I was unable to establish the accuracy of the Established Staff Government and Wage Earners balances recorded in the Statement of Receipts and Expenditure for the year ended 31 July 2019.
3. There is an unreconciled variance of \$167,998 between the FMIS general ledger for revenue received from Native Timber Measurement and the report extracted from the Timber Revenue System. Consequently, I was unable to establish the accuracy of the revenue recorded under Native Timber Measurement of \$318,442 in the Statement of Receipts and Expenditure for the year ended 31 July 2019.
4. Included in the FMIS general ledger are accounts receivable of \$677,339, accrued expenses and deferred income of \$1,739 and accounts payable of \$5,767, which had been carried forward from previous years. The Ministry was unable to provide appropriate documentations to support these balances. As a result, I was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary and any corresponding adjustments to the elements making up the statement of income and expenditure.

Trading and Manufacturing Account

5. There is an unreconciled variance of \$112,699 between the TMA bank re-conciliation and the general ledger balance for Cash at Bank. Consequently, I am not able to confirm the accuracy and completeness of the Cash at Bank balance of \$1,338,610 recorded in the TMA Balance Sheet as at 31 July 2019.
6. The Ministry, with the approval of the Ministry of Economy, transferred a sum of \$2,000,000 in 2016 to the Trading and Manufacturing Activity (TMA) account from its operating budget for the purpose of salvaging logs after Tropical Cyclone Winston. Although funds amounting to \$228,886 was utilised in 2019, deferred income was not adjusted and the balance of \$2,198,548 remained the same since 2017. The cash at bank balance of \$1,338,610 recorded in the TMA Balance Sheet was not sufficient to support the remaining deferred income balance of \$2,198,548.
7. The Ministry recorded maintenance and operation expenses of \$285,071 in the TMA Profit and Loss Account, which included the cost of a logging truck of \$218,349. As a result, the maintenance and operations expenses recorded in the TMA Profit and Loss Account is overstated by \$218,349 for the year ended 31 July 2019.
8. The Ministry recorded Accounts Receivable of \$73,857 in the TMA Balance Sheet as at 31 July 2019. The Ministry was unable to provide appropriate documentations such as debtors' aging listing, subsidiary debtor's ledgers and account reconciliation statements to support the accounts receivable balance. As a result, I was unable to verify the completeness and accuracy of the

balance and unable to determine whether any adjustments might have been necessary to the elements making up the TMA Profit and Loss Account and TMA Balance Sheet.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Ministry in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the I ESSA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following:

- Trading and Manufacturing account continues to operate at loss since 2010 which has resulted in excess of liabilities over assets of \$662,879 in the TMA Balance Sheet as at 31 July 2019.
 - Note 5 to the financial statements states that TMA sales of \$144,086 included a reimbursement of TMA wages of \$55,718.
- My opinion is not modified in respect of these matters.

Other Matter

Non-compliance with the requirements of the Finance Manual in relation to procurement of goods and services, retirement of accountable advance, cash management, carried forward balances and unsubstantiated Accounts Receivables balances have recurred despite the recommendations to improve.

Responsibilities of the management and those charged with governance for financial statements

The management are responsible for the preparation of the financial statements in accordance with the Financial Management Act, Finance Instructions 2010 and the Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Ministry's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of Ministry.

Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL

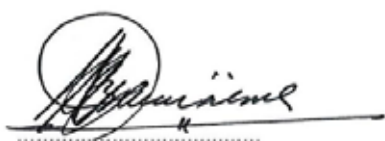


Suva, Fiji
12 February 2021

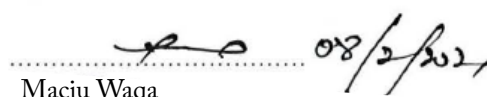
MINISTRY OF FORESTRY MANAGING CERTIFICATE FOR THE YEAR ENDED 31 JULY 2019

We certify that these financial statements:

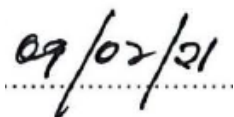
- (a) fairly reflect the financial performance of the Ministry for the year ended 31 July 2019; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and Finance Instructions 2010.



Pene Baleinabuli
Permanent Secretary
Ministry of Forestry


Maciu Waqa
Manager Finance
Ministry of Forestry

Date:



MINISTRY OF FORESTRY

STATEMENT OF RECEIPTS AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 (\$)	2018 (\$)
REVENUE			
STATE REVENUE			
Native Timber Measurement		318,442	286,381
AGENCY REVENUE			
Miscellaneous Revenue		235,332	220,354
TOTAL REVENUE	3 (a)	553,774	506,735
EXPENDITURE			
OPERATING EXPENDITURE			
Established Staff	3 (b)	4,308,597	3,985,149
Government Wage Earners	3 (c)	1,480,597	1,777,129
Travel and Communication	3 (d)	636,073	448,305
Maintenance and Operations	3 (e)	1,207,464	1,099,416
Purchase of Goods and Services	3 (f)	1,183,384	931,733
Operating Grants and Transfers			
Special Expenditure	3 (h)	2,027,687	1,021,839
TOTAL OPERATING EXPENDITURE		11,819,146	9,980,390
CAPITAL EXPENDITURE			
Capital Construction	7	2,216,573	2,072,004
Capital Purchases		297,193	642,000
TOTAL CAPITAL EXPENDITURE	3 (i)	2,513,766	2,714,004
Value Added Tax		540,829	606,512
TOTAL EXPENDITURE		14,873,741	13,300,906

MINISTRY OF FORESTRY APPROPRIATION STATEMENT FOR THE YEAR ENDED 31 JULY 2019

SEG	Item	Budget Estimate (\$)	Appropriation Changes (Note 4) (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operating Expenditure					
1	Established Staff	4,014,204	363,721	4,377,925	4,308,597	69,328
2	Government Wage Earners	1,489,401	148,959	1,638,360	1,480,597	157,763
3	Travel and Communication	535,538	102,586	638,124	636,073	2,051
4	Maintenance and Operations	1,408,040	(199,814)	1,208,226	1,207,464	762
5	Purchase of Goods and Services	1,195,004	(11,039)	1,183,965	1,183,384	581
6	Operating Grants and Transfers	979,502	(4,158)	975,344	975,344	-
7	Special Expenditure	3,009,105	(18,099)	2,991,006	2,027,687	963,319
	Total Operating Expenditure	12,630,794	382,156	13,012,950	11,819,146	1,193,804
	Capital Expenditure					
8	Capital Construction	2,617,500	(24,382)	2,593,118	2,216,573	376,545
9	Capital Purchases	1,150,000	(302,807)	847,193	297,193	550,000
	Total Capital Expenditure	3,767,500	(327,189)	3,440,311	2,513,766	926,545
13	Value Added Tax	667,300	(54,967)	612,333	540,829	71,504
		17,065,594	-	17,065,594	14,873,741	2,191,853

MINISTRY OF FORESTRY
TMA - MANUFACTURING ACCOUNT - TIMBER UTILIZATION DIVISION
FOR THE YEAR ENDED 31 JULY 2019

	2019 (\$)	2018 (\$)
Opening Raw Materials	211,881	178,541
Add: Purchases	-	190
	211,881	178,731
Less: Closing Raw Materials	74,691	211,881
Raw Materials Used	137,190	(33,150)
Add: Direct Labour	70,969	126,060
Cost of Goods Manufactured transferred to Trading Account	208,159	92,910

MINISTRY OF FORESTRY
TMA-TRADING ACCOUNT - TIMBER UTILIZATION DIVISION
FOR THE YEAR ENDED 31JULY2019

	Note	2019 (\$)	2018 (\$)
Sales	5	144,086	445,554
		<u>144,086</u>	<u>445,554</u>
Opening Finished Goods		20,786	21,770
Add: Cost of Manufactured Goods		208,159	92,910
		<u>228,945</u>	<u>114,680</u>
Less: Closing Finished Goods		45,323	20,786
Cost of Goods Sold		<u>183,622</u>	<u>93,894</u>
Gross Profit/(Loss) transferred to Profit and Loss Statement		<u>(39,536)</u>	<u>351,660</u>

MINISTRY OF FORESTRY
TMA-PROFIT AND LOSS STATEMENT - TIMBER UTILIZATION DIVISION
FOR THE YEAR ENDED 31 JULY 2019

	2019 (\$)	2018 (\$)
Income	(39,536)	351,660
Gross profit / (loss) transferred from Trading Account	(39,536)	351,660
Total Income		
Expenses		
Maintenance and Operations	285,071	569,014
Other Expenses	-	9,574
Total Expenses	285,071	578,588
Net Loss	(324,607)	(226,928)

MINISTRY OF FORESTRY
TMA - BALANCE SHEET - TIMBER UTILIZATION DIVISION
AS AT 31 JULY 2019

	2019 (\$)	2018 (\$)
Assets		
Cash at Bank	1,338,610	1,567,496
Raw Materials	74,691	211,881
Accounts Receivable	73,857	56,839
Finished Goods	45,323	20,786
Total Assets	1,532,481	1,857,002
Liabilities		
Accounts Payable	9,630	-
Deferred Income	2,198,548	2,198,548
Deposits and Deductions	(12,818)	(3,274)
Total Liabilities	2,195,360	2,195,274
Net Assets	(662,879)	(338,272)
Equity		
TMA Accumulated Loss	(568,118)	(341,190)
Net Loss for the year	(324,607)	(226,928)
	(892,725)	(568,118)
Transfers to Consolidated Fund	229,846	229,846
Total Equity	(662,879)	(338,272)

MINISTRY OF FORESTRY STATEMENT OF LOSSES FOR THE YEAR ENDED 31 JULY 2019

Loss of Money

There was no loss of money recorded for the financial year ended 2019.

Loss of Revenue

There was no loss of revenue recorded for the financial year ended 2019.

Loss (other than money)

In accordance with the Procurement Regulations 2010 (Clause 52), the Permanent Secretary for Economy approved the disposal and write-off of the following items upon submission of the recommendations of the Board of Survey Report.

Assets	2019 (\$)
Motor vehicles	411,690
Computer Equipment	127,969
Field Equipment	19,334
Total	558,993

MINISTRY OF FORESTRY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

NOTE 1 REPORTING ENTITY

The Ministry of Forestry is responsible for the formulation of policies to ensure the long term sustainability of Fiji's forest resources, stimulate economic growth within Forestry sector and improve livelihoods for communities that rely on these resources.

The Ministry achieves this by ensuring a balance between resource utilization and resource conservation, and the development and alignment of its policies, strategies and structures in order to better address emerging issues, capture emerging opportunities, ensure effective and efficient service delivery to all our stakeholders.

The organization structure of the Ministry is being realigned to drive economic growth in the forestry sectors for the short and mid-term, and strategies for the mid to longer term to capture emerging opportunities such as wood energy and carbon trading in the forestry sector.

The Ministry of Forestry operates a trading and manufacturing account that provides assistance in the processing and selling of pine products.

NOTE 2 STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounting

In accordance with Government accounting policies, the financial statements of the Ministry of Forestry is prepared under the cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the requirements of Section 71(1) of the Finance Instructions 2010 and Financial Management Act 2004. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current government policies, except for that of the Trading and Manufacturing Accounts.

b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the Statement of Receipts and Expenditures relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue and Customs Service (FRCS). Actual amount paid to FRCS during the year represents the difference between VAT Output and VAT Input.

b) Comparative Figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

c) Revenue Recognition

Revenue is recognised when the actual cash is received by the Ministry.

MINISTRY OF FORESTRY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(continued) FOR THE YEAR ENDED 31 JULY 2019

NOTE 3 SIGNIFICANT VARIATIONS

For the purpose of comparison of results for the twelve months period covering 01 st August 2018 to 31st July 2019 with the corresponding financial period for the twelve months from 01st August 2017 to 31st July 2018.

(a) The total revenue collected for the financial year 2018/2019 was \$553,774 compared to \$506,735 in 2017/2018. The increase in revenue of \$47,039 or 9% was due to the strengthening of revenue collection in all divisions, monitoring and regular audits carried out to Forestry stakeholders in updating their outstanding accounts.

(b) The established staff cost was \$4,308,597 for the financial year 2018/2019 compared to \$3,985,149 for 2017/2018. The increase in established cost of \$323,448 or 8% was due to filling of vacant positions in the Ministry.

(c) The government wage earners staff cost was \$1,480,597 for the financial year 2018/2019 compared to \$1,777, 129 in 20 17/2018. The decrease in government wage earners cost of \$296,532 or 17% was due to slow in filling of GWE vacant positions in the Ministry.

(d) Travel and communication cost was \$636,073 for the financial year 2018/2019 compared to \$448,305 in 2017/2018. The increase in travel and communication costs of \$187, 768 or 42% was due to the 1 million tree initiative carried out from 01/01/19 to 31/12/19. There was an increase in travel, subsistence and telecommunication costs on the land acquisition and consultation with forestry stakeholders, land owners, settlements and villages' around Fiji.

(e) Maintenance and operation cost was \$ 1,207,464 for the financial year 2018/2019 compared to \$1,099,416 in 2017/2018. The increase in maintenance and operation cost of \$108,048 or 10% was due to the increase in activities for the 1 million tree initiative. There was an increase in usage of fuel and oil for the vehicles, increased purchases on office stationeries, and increase in repairs and maintenance of Ministry owned vehicles.

(f) Purchases of goods and services was \$1,183,3 84 for the financial year 2018/2019 compared to \$931,733 in 2017/2018. The increase in purchases of goods and services of \$251,651 or 27% was due to the increase in purchase of stores equipment's, purchase of stationaries and training expenses.

(g) Operating grants and transfers costs was \$975,344 for the financial year 2018/2019 compared to \$716,819 in 2017/2018. The increase in expenditure of \$258,525 or 36% was due to increase in grants payable to forestry stakeholders locally and including newly annual contribution grants to Asian Pacific Association of Forest Research Institution (APAFI) and International Union of Forest Research Organisation (IUFRO).

(h) Special expenditure cost was \$2,027,687 for the financial year 2018/2019 compared to \$1,021,839 in 2017/2018. The increase in special expenditure of \$1,005,848 or 98% increase was due to the increase in the activities for the 1 million tree initiative by the Government. There was an increase in activities carried out for the REDD Plus programme, industry consultation, and product development and trade show programmes for 1 million tree initiative.

(i) Total Capital expenditure was \$2,5 13,766 for the financial year 2018/2019 compared to \$2,714,004 in 2017/2018. The decrease in capital purchases of \$200,238 or 7% was due to the discontinuation in one of the capital project related to purchasing of new harvesting machines.

MINISTRY OF FORESTRY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(continued) FOR THE YEAR ENDED 31 JULY 2019

NOTE 4: APPROPRIATION MOVEMENTS

Appropriation movements were made through virement as follows:

Virement No.	From	To	Amount(\$)	Approved by
DV3201	SEG 4	SEG 5	14,560.00	Permanent Secretary for Forestry
DV3202	SEG 4	SEG 3	60,000.00	
DV3203	SEG 4	SEG 3	60,000.00	
DV3204	SEG 4	SEG 4	30,283.53	
DV3205	SEG 4	SEG 4	30,283.53	
DV3207	SEG 13	SEG 13	2,989.00	
DV3208	SEG 7	SEG 3	126.92	
V32001	SEG 1	SEG 2	8,912.75	Permanent Secretary for Economy
V32002	SEG 8	SEG 1	24,311.73	Minister for Economy
	SEG 9	SEG 1 and2	302,806.96	
	SEG 13	SEG 1 and2	10.02	
V32003	SEG 3 - 13	SEG 1	1,117,561.86	
		SEG 2	67,478.99	
V32004	SEG7	SEG 1	500.00	

REASONS FOR SIGNIFICANT SAVINGS

The savings in Special Expenditure (SEG 7) allocation was mainly due to savings of \$951,645 under REDD+ allocation due to the following reasons:

- The contract with Conservation International on the “Drivers of Deforestation” was extended, hence the delay in payment.
- Delay of work on the “Accuracy Assessment on Land Use/Cover” consultancy, which delayed payment.
- The “Free Prior and Inform Consent (FPIC) and Gender Guideline” consultancy was also delayed, which delayed payments.

The savings in Capital Purchase (SEG 9) allocation was due to savings of \$550,000 in purchasing of harvesting machines due to tender in 2018/2019 financial year was not done on time hence there was no purchase of one wheel loader and one Bulldozer for harvesting of matured pine trees in the Maritime Islands. The Ministry in note of the above proposed for a creation of new position for a Procurement Advisor in the 2019-2020 financial year and this has allowed the ministry to procure the proposed machines on time.

NOTE 5: TRADING AND MANUFACTURING ACTIVITY (TMA)

TMA incurred loss of \$324,607 for the financial year 2018/2019 compared to net loss of \$226,928 in 2017/2019 financial year. The losses were due to the decrease in the activities carried out at the saw-mill due to machine breakdown. The TMA sales revenue includes \$60,733 of reimbursement from Fund 1 in relation to payment of wages. The decrease in TMA expenditure was due to 16 TMA officers payroll being regularised under operations budget.

MINISTRY OF FORESTRY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(continued) FOR THE YEAR ENDED 31 JULY 2019

NOTE 6: STANDARD LIABILITY GROUP 84

The Ministry's SGL account comprises of two accounts:

- Community based Restoration and Sustainable Management of Vulnerable Forests of Rewa Delta - A total of \$178,478 was released from Ministry of Economy. The Ministry utilised \$79,559 and the balance of \$98,919 was returned to Ministry of Economy.
- Sandalwood Project - A total of \$93,193 was released from Ministry of Economy. The Ministry utilised \$35,236 and the balance of \$57,957 was returned to Ministry of Economy.

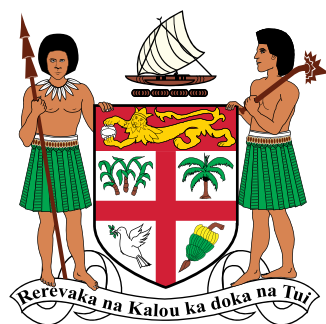
NOTE 7: CONTRIBUTIONS TOWARDS REDUCING EMISSION FROM DEFORESTATION and FOREST DEGRADATION (REDD+) PROJECT

The Government of Fiji through the Ministry of Forestry contributed \$399,030 towards the REDD+ Project for 2019. The details of the expenditure are as follows:

Organisation and Consultation	Amount(\$)
1.1 Salary and Wages	91,609
1.2 Administration	19,430
1.3 Divisional Working Group	-
1.4 Stakeholders Meeting and Capacity Building	65,693
1.5 Overseas Training and Meeting	113,396
1.6 Development of Awareness and Promotional Materials	71,486
Prepare the REDD+ Strategy	
2.1 REDD+ Biodiversity Monitoring Framework	459
2.2 Emalu Lease Compensation	-
2.3 Reforestation, Agriculture Demoplot and Monitoring	1,188
2.4 Monitoring and Evaluation of Emalu Pilot Site Project	10,018
2.5 Alternative Livelihood Activities	20,017
2.6 Emalu Landowner Consultations	3,910
2.7 Community Consultations	1,824
Total	399,030



NOTES



Comments and enquiries should be directed to:
The Permanent Secretary for Forestry
Ministry of Forestry
Level 3 Takayawa Building
Suva, Fiji

Telephone: (+679) 3301 611
Facsimile: (+679) 3318 692
Website: www.forestry.gov.fj

