



Ministry of Forestry

ANNUAL REPORT

2019 - 2020

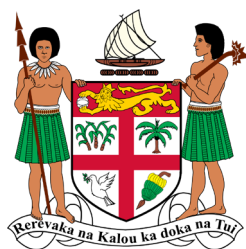
Parliamentary Paper No. 72 of 2022

MINISTRY OF FORESTRY

ANNUAL REPORT

For Period 01st Aug 2019 – 31st July 2020





REFERRAL LETTER

Honourable Rear-Admiral (Ret'd) Josaia Voreqe 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 for the Ministry of Forestry for the period 1st August 2019 to 31st July 2020, for presentation to Parliament in accordance with the requirements of the Financial Management Act 2004 and the Financial (Amendment) Act 2021.

In doing so, the entire staff of the Ministry and I wish to thank you for your visionary and decisive leadership especially in setting the platform for greater and sustainable socio-economic development in the forestry sector with emphasis on transparency and accountability.

The Ministry continued to coordinate Fiji's national tree-planting programme and improved its facilitative role for Fiji's private sector to help grow the economy. Importantly, and as per your directive since you took on the Forestry portfolio in 2020, the Ministry has finally cleared all its outstanding accounts which have been the cause of qualified audit opinion for years. The Office of the Auditor-General has issued an **unqualified audit opinion** for this reporting period from August 2019 to July 2020.

We thank you once again for your leadership and we also look forward to maintaining this benchmark achievement in the years to come.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'G. P. N. Baleinabuli', is written over a horizontal blue line.

G. P. N. Baleinabuli



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ACRONYMS

AAD	Action Against Desertification
CSOs	Civil Society Organisations
EMA	Environment Management Act
FAO	Food 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	Government Wage Earner
HTMB	Harvest Tree Manually – Basic
ITTO	International Tropical Timber Organisation
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 2019 through to July 2020.

Fiji endured significant challenges during the year with the series of devastating tropical cyclones Yasa and Ana, coupled with the impacts of the COVID-19 global pandemic that crippled economies around the world. Despite these challenges, the Ministry relentlessly continued its mandate of facilitating sustainable socio-economic growth from the forestry sector while also supporting the whole-of-Government efforts to contain the pandemic.



The Ministry received a total budget of \$14.8 million which was a decline of \$2.3 million (15.5%) compared to the 2018-2019 financial year. The Ministry utilised \$13.3 million (89.9%) for the implementation of the Ministry's programmes and projects and achieved 82.7% of its deliverables in the Annual Operational Plan. Some key events and achievements are highlighted below:

- Announcement by the Prime Minister of Fiji's new planting target of 30 Million Trees in 15 Years (30MT15Y) from the initial 4 Million Trees in 4 Years (4MT4Y);
- Launching of the Ministry's revamped website and tree-planting dashboard which hosts a live update on the total number of trees planted after field verification;
- Signing of the Memorandum of Understanding (MOU) with Biosecurity Authority of Fiji;
- Extension of the World Bank financial support for an additional 18 months for the REDD+ Readiness Phase;
- Secondment of 60 percent each of the Ministry's personnel and vehicles, and the allocation of the Forestry Training Centre facilities at Colo-i-Suva to the Ministry of Health & Medical Services to assist with the COVID-19 whole-of-Government containment efforts.
- Achieving, for the first time in recent history, an unqualified audit opinion from the Office of the Auditor-General.

I acknowledge with sincere appreciation the leadership of the then Minister for Forestry, the late Honourable Osea Naiqamu, and especially in championing the national tree-planting efforts. The Minister visited 310 villages from January 2019 up to his resignation from his Cabinet portfolio in June 2020 to concentrate on his health. I also commend the tireless efforts of all the Ministry staff and the forestry stakeholders especially in elevating the level of collaboration to help grow the national economy from the forestry sector and ensure the sustainable management of Fiji's forest resources.

I also acknowledge the visionary leadership of the Prime Minister who took on the Forestry portfolio in June 2020 and directed that the Ministry continue with the tree-planting efforts, continue the sustainable management of Fiji's forests, while also focussing on the transparency and accountability of its efforts. The unqualified audit opinion, in addition to the tabling of all outstanding annual reports including this report, among other achievements across the Ministry and sector, are the outcomes of such decisive leadership.

A blue ink signature of G. P. N. Baleinabuli, written in a cursive style, with a horizontal line underneath.

G. P. N. Baleinabuli

Permanent Secretary for Forestry

CONTRIBUTION OF THE FORESTRY SECTOR TO FIJI'S ECONOMY

Fiji has a forest cover of 1.1 million hectares (ha) which accounts for 60% of Fiji's landmass. Natural forests account for 82.2% of the 1.1 million ha forest cover, followed by softwood plantations at 7.4% and hardwood plantations at 6.2% and mangrove forests at 4.1%. 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 \$24.7 million (0.2%) to Fiji's real GDP in 2019. 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 sectors. The combined forest-related activities within the forestry sector contributed \$154.1 million (1.4%) to national real GDP by the end of 2019. The major contribution of \$68.7 million was from the sawmilling and planing of wood activity followed by the forestry and logging industry which contributed \$24.7 million. Sawmilling and the manufacture of other wood products, listed in Table 1 below, are forest-related activities and products which are 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 International Standard Industrial Classification (ISIC) Revision 4.

Table 1: Forestry Sector contribution (2016-2019)

Industry by economic activity	2016		2017		2018		2019	
	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	24.2	0.2	22.5	0.2	26.1	0.2	24.7	0.2
Sawmilling and planing of wood	70.8	0.7	69.8	0.7	68.6	0.6	68.7	0.6
Manufacture of products of wood, cork, straw and plaiting material	17.2	0.2	17.6	0.2	18.3	0.2	18.4	0.2
Manufacture of pulp, paper and paper-board	1.7	0.0	2.9	0.0	2.3	0.0	2.4	0.0
Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	14.4	0.1	13.5	0.1	12.9	0.1	11.9	0.1
Manufacture of other articles of paper and paperboard	26.3	0.3	23.4	0.2	23.9	0.2	21.2	0.2
Manufacture of Furniture	9.4	0.1	6.4	0.1	6.6	0.1	6.8	0.1
Total	164.0	1.6	156.1	1.5	158.7	1.4	154.1	1.4

Source: Fiji Bureau of Statistics, 2022

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 865 people were employed in the sector in 2019. The employment breakdown according to the main economic activity is highlighted in Table 2.

Table 2: 2019 Formal Employment in Forestry

No.	Main Economic Activity	Number of Employees	
		2018	2019
1.	Nursery	14	25
2.	Tree cultivation & Conservation	444	397
3.	Logging	72	93
4.	Log processing & Sawmill	210	197
5.	Government ¹	140	153
	Total	880	865

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 \$59.0 million in export revenue for the year 2019. The major export commodity was woodchips which generated \$37.6 million. Domestic exports of wood products accounted for 5% of total domestic exports.

Table 3: Domestic Exports of Wood Products

Product	2016	2017	2018	2019p
	Value FJ\$ Million			
Total Domestic Export	1,136.1	1,192.9	1,175.0	1,167.1
Wood and articles of wood	61.8	25.6	94.6	59.0
<i>Of which - Wood in chips or particles</i>	29.6	10.0	78.5	37.6
<i>- Mahogany</i>	25.7	8.6	6.9	10.6

Source: Fiji Bureau of Statistics, 2022

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Imports

In terms of imports, and using the Harmonised Commodity Description and Coding System (HS) classification adopted by FBOS, wood and wood products contributed \$23.5 million in import bill for the year 2019.

Table 4: Imports of Wood Products

Product	2016	2017	2018	2019p
	Value FJ\$ Million			
Total Import	4,820.1	4,972.4	5,696.7	6,008.5
Wood and articles of wood	53.3	30.2	28.8	23.5

Source: Fiji Bureau of Statistics, 2022

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¹ Employment number for Government is sourced from 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.

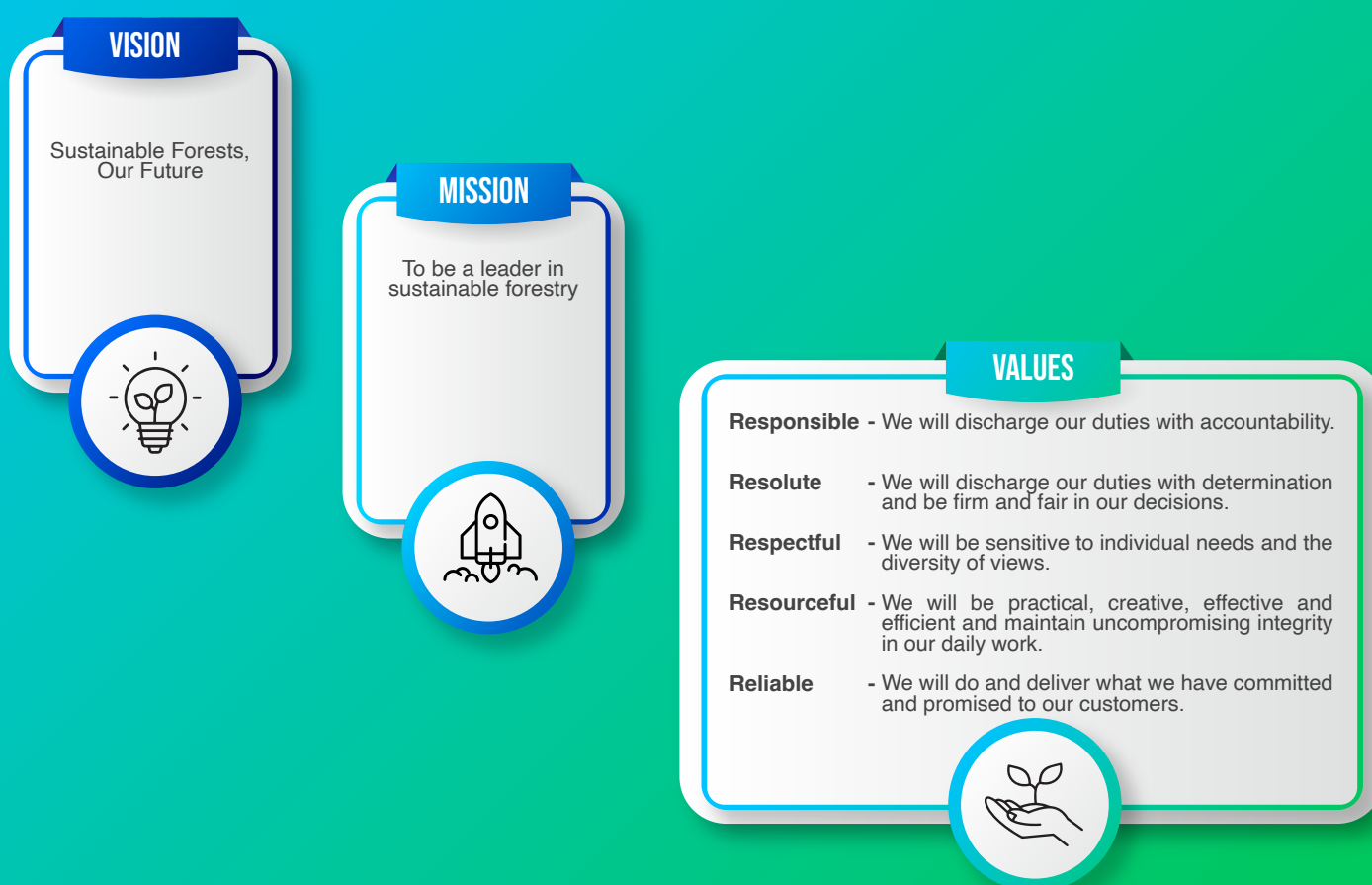
AGENCY OVERVIEW

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



LEGISLATIVE FRAMEWORK

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

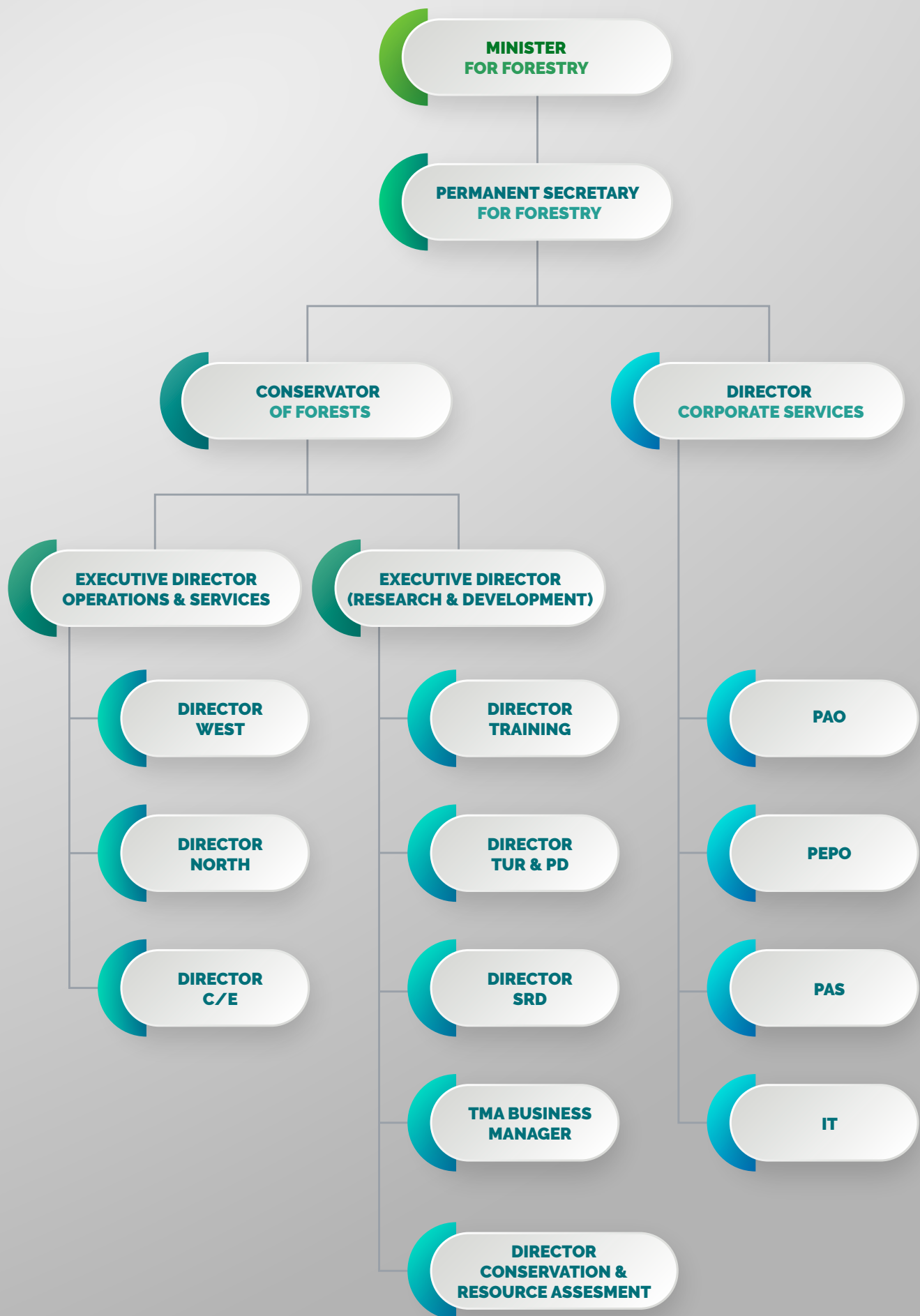
Table 5: Organisational Management

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 & Safety at Work Act 1996 • Civil Service Act 1999 • Act 2 of 2016 – Amendment to PSC Act • Employment Relations Promulgations 2007 & Employment Relations (Amendment) Act 2016 	<ul style="list-style-type: none"> • Civil Service Regulation 1999 • Finance Instructions 2010 • Fiji Procurement Regulations & Amendments 2010 	<ul style="list-style-type: none"> • General Orders 2011 Terms & Conditions of Employment for GWE's 2010 • Ministry's Risk Management Policy 	<ul style="list-style-type: none"> • MOF Strategic Development Plan • MOF Operational Plan • MOF Training Plan • MOF Asset Management Plan 	<ul style="list-style-type: none"> • MOF HR Manual • MOF Finance Manual

Table 6: Forestry Sector Management

Legislation	Regulations	Policies	Plans	Manuals
<ul style="list-style-type: none"> • Forest Act 1992 • National Research Bill • Environment Management Act (EMA) 2005 • Biosecurity Act 2008 • Native Land Trust Act 2012 (amended) 	<ul style="list-style-type: none"> • Forest Sawmills Regulations 1968 • Preservative Timber Treatment Regulation 1992 • Forest Guard Regulations 1975 • Forest Fire Prevention Regulation 1972 • Environment Management (EIA Process) Regulation 2007 • Environment Management (Waste Disposal & 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 & Land Use Policy 2005 	<ul style="list-style-type: none"> • National Biodiversity Strategy and Action Plan (NBSAP) • Green Growth Framework (GGF) 	<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 7: Functional Divisions

Functional Divisions/Sections	Functions & Services
Silviculture Research & Development	<ul style="list-style-type: none"> • Forest health, bio-security & bio-diversity • Tree species development • Seed & nursery technology • Natural forest management • Research publications
Timber Utilisation Research & Product Development	<ul style="list-style-type: none"> • Research & investigation • Quality management systems/timber grading • Timber trade • Sawmilling • Preservation • Product research and development
Education & Training (FTC & 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 & Emission Reduction Programme
Forest Parks & Nature Reserves	<ul style="list-style-type: none"> • Establishment, management, maintenance and enhancement 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 & Surveillance at Divisional Level (N, W and C/E Divisions)	<ul style="list-style-type: none"> • Facilitate a sustainable log supply system for the timber industries • Facilitate the 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 & raise awareness • Reforestation & afforestation activities • Promote Agroforestry

Functional Divisions/Sections	Functions & Services
Corporate Services Division	<ul style="list-style-type: none"> Human Resource Management <ul style="list-style-type: none"> Learning and development Recruitment and selection Performance management Conditions of employment & contracts Occupation, Health and Safety Finance <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> IT infrastructure Website maintenance Online application systems Database Registry
Planning, Policy, M&E, Statistics & Executive Support	<ul style="list-style-type: none"> Policy research & analysis Economic planning Annual reporting Statistics Trade & investment facilitation Monitoring & Evaluation (Plans & Projects) Secretariat services (Cabinet & parliamentary processes, MOU/MOA) Communications & public relations

FORESTRY PROGRAMMES AND PROJECTS

Table 8: Forestry Programmes and Projects

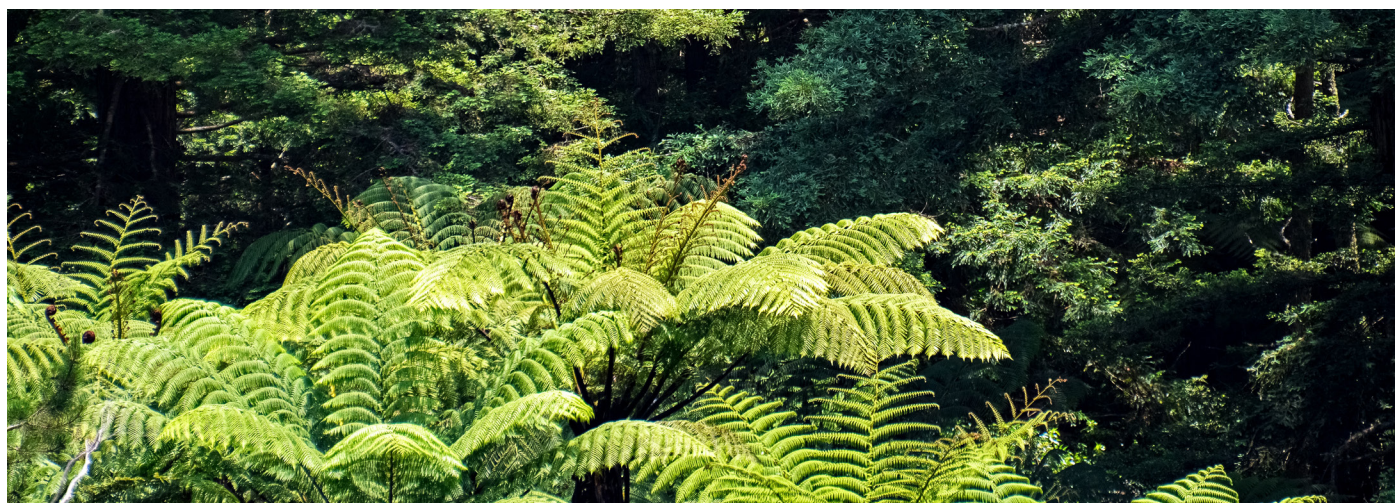
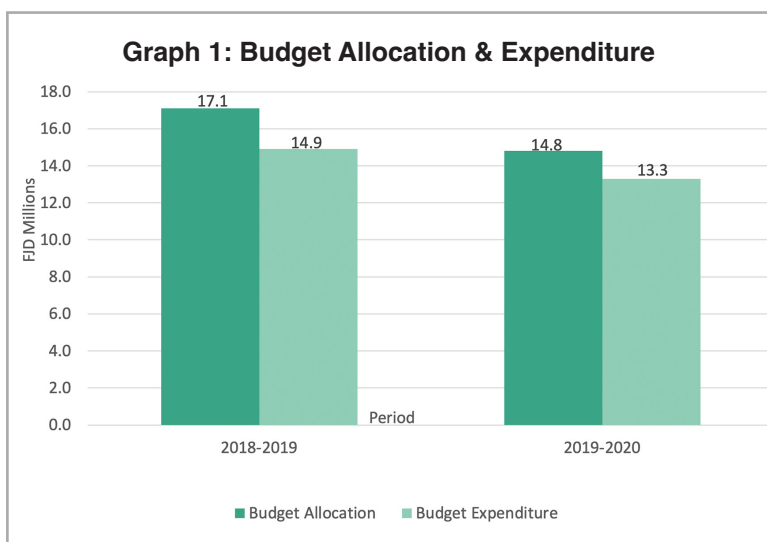
No.	Programme	Activity	Projects within each Programme & Activity
1	• Policy & Admin	1. General Admin & Accounts 2. Economic Policy, Planning & Statistics	<ul style="list-style-type: none"> Upgrade of Office & Quarters
2	• Forestry	1. General Admin 2. Forestry Conservation & Management Services 3. Training & Education 4. Silviculture Research, Resource Assessment & Development 5. Timber Utilisation Research & Product Development 6. Extension & Advisory Services (Reforestation & Afforestation) 7. Monitoring, Control & Surveillance (Harvesting & Logging) 8. Forest Parks, Recreation & Nature Reserves	<ul style="list-style-type: none"> Fiji Pine Trust Forest Subsidy International Tropical Timber Organisation (ITTO) Reducing Emissions from Deforestation and Forest Degradation (REDD+) Maintenance of Nadarivatu Forest Reserve Sandalwood Development Programme Research & Development of Wood and Non-wood Species Utilisation of Waste Wood Plywood Standard Reforestation of Degraded Forests & Reforestation of Indigenous Species Maritime Pine Development (Cicia, Gau, Kadavu) Purchase of equipment - Lakeba Pine Scheme Monitoring, Compliance & Surveillance Upgrade of Colo-i-Suva Forest Park

BUDGET ALLOCATION AND EXPENDITURE

Table 9: MOF Budget Allocation

SEG	SEG PARTICULARS	2018-2019 Allocation [FJD 000]	2019-2020 Allocation [FJD 000]
1	Established Staff	4,011.2	4,182.4
2	Government Wage Earners	1,492.4	1,760.2
3	Travel and Communications	535.5	749.0
4	Maintenance and Operations	1,416.0	1,163.0
5	Purchase of Goods and Services	1,187.0	1,053.2
6	Operating Grants and Transfers	979.5	863.9
7	Special Expenditures	3,009.1	1,806.7
	TOTAL OPERATING	12,630.8	11,578.4
8	Capital Construction	2,617.5	2,179.1
9	Capital Purchase	1,150.0	507.4
	TOTAL CAPITAL	3,767.5	2,686.6
13	Value Added Tax	667.3	537.0
	TOTAL EXPENDITURE	17,065.6	14,801.9

A total of \$14.8 million was allocated to the Ministry of which \$13.3 million (89.9%) was utilised for the implementation of the Ministry's programmes and projects, leaving a balance of \$1.5 million at the end of July 2020.



2019 – 2020 KEY HIGHLIGHTS



Budget Allocation - \$14.8 million; Utilised - \$13.3 million (89.9%)



- 30MT15Y Initiative: 1.5 million trees planted
- Launch of Ministry's revamped website and tree planting dashboard



- Log production: 451,264.4m³
- Timber/Wood product Export: \$50.0 million



MOU signed with Biosecurity Authority of Fiji



Community Development/Livelihood Assistance



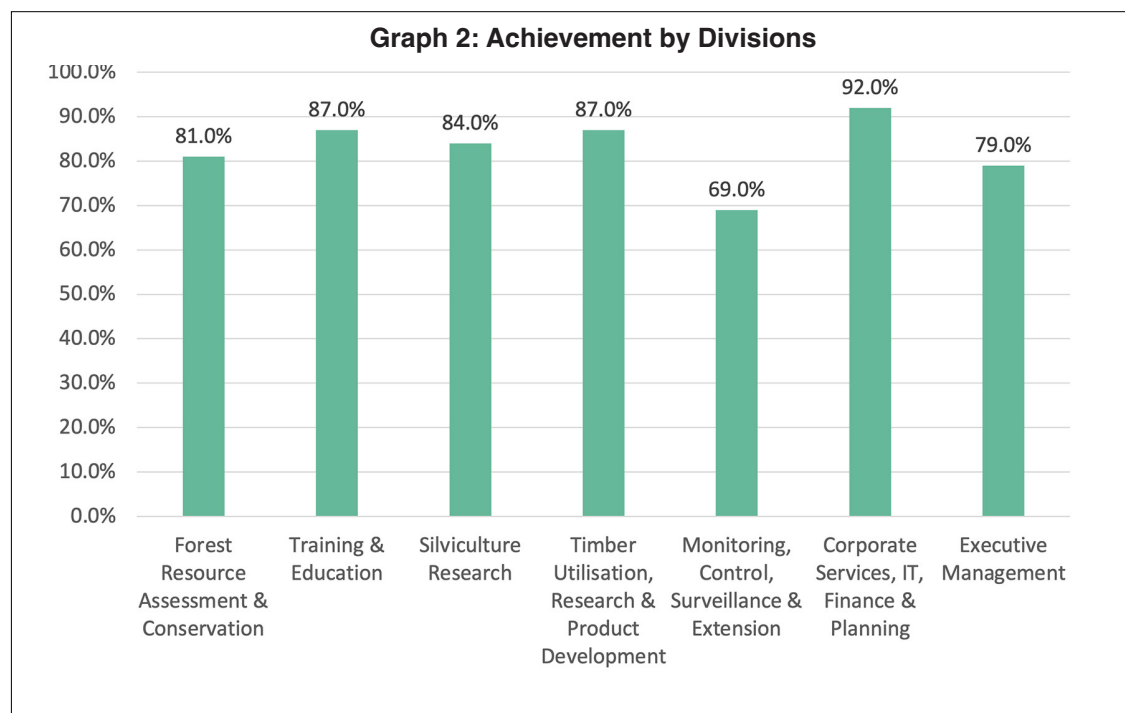
World Bank extends REDD+ Readiness Phase to another 18 months



2019-2020 OP Implementation - 82.7%

SUMMARY OF 2019-2020 OPERATIONAL PLAN ACHIEVEMENT

The Ministry achieved 82.7% in terms of the implementation of the 2019-2020 Operational Plan initially set out in the beginning of the financial year. The highest achievement was from the Corporate Services, IT, Finance & Planning Division at 92.0% followed by Training & Education and Timber Utilisation Divisions at 87.0% each, Silviculture Research Division at 84.0%, Forest Resource Assessment & Conservation Division at 81.0%, Executive Management at 79.0% and the Monitoring, Control, Surveillance & Extension Division at 69.0%.



REPORT ON PERFORMANCE

The Ministry's Strategic Development Plan (SDP) highlights the 4 strategic goals and 6 strategic priorities which is highlighted in the table below. The SDP is aligned to the National Development Plan (NDP) requirements and global commitments. The performance of the Ministry is detailed henceforth under each Strategic Priority.

Table 10: MOF Strategic Goals and Priorities

Strategic Goals (SG)	
SG 1	Establish sustainable life cycle management of forest resources in Fiji
SG 2	Improve the socio-economic impact of forests
SG 3	Contribute positively to the global environment
SG 4	Substantially improve service delivery
Strategic Priorities (SP)	
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.
SP 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.

Strategic Priorities (SP)	
SP 3	Capacity building (Ministry & 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.
SP 4	Stewardship SP 4 is about commitment to stewardship of national resources, as well as the moral obligation towards global environmental responsibilities and commitments.
SP 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.
SP 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.

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 papers or documents:

- Bamboo for green transformation in Fiji;
- 2019 Ministerial Workshop on Timber Production Trade and Consumption for ITTO Member Countries, Beijing, China; and
- Tabling of the 2014 & 2015 Annual Reports.

Ministerial statements/speeches

12 Ministerial statements/speeches were developed and delivered in Parliament and at various events attended by the Minister for Forestry.

Graph 3: Speeches delivered by the Minister for Forestry

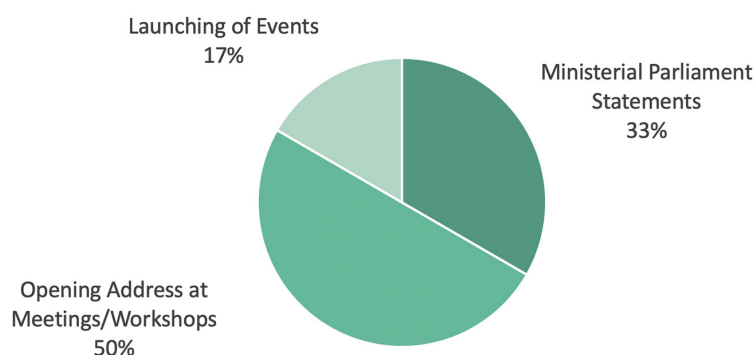


Table 11: Development & review of legislation, regulations, policies & plans

Output		Status of achievement
1.	Finalisation of Forest Bill and relevant regulations	In this financial year, the Ministry continued to internally review the Forest Act 1992. Once the amendment to the Act is endorsed, relevant regulations already drafted and reviewed will also be finalised. These regulations include the Sawmill Regulation, the Preservative Timber Treatment Regulation, and the Forest harvesting regulation.
2.	Sandalwood Strategy & Regulation	The Ministry worked on developing drafts in collaboration with stakeholders.
3.	Planted Forest Policy	The Ministry developed the Planted Forests Policy, with assistance from the Food Agriculture Organisation (FAO) in 2016. It has undergone some internal reviews and amendments, however not much progress has been made this financial year.
4.	Rural Forest Fire Strategy	A draft strategy was developed with the assistance of the Pacific Community (SPC) and relevant stakeholders such as the Ministry of Agriculture. The draft information paper to Cabinet was compiled, however the team was advised to conduct more community awareness. Unfortunately the project was funded by SPC and the funding program had lapsed, therefore SPC and MOF are seeking extra funds to conduct wider community consultations before Cabinet is informed.
6.	National Plywood Standard	The national plywood standard was developed and submitted to the Commerce department of the Ministry of Commerce, Trade, Tourism and Transport (MCTTT). 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.
7.	Mangrove Management Guideline	A draft guideline was developed on the work and lessons learnt from the 6 communities/ project sites of the International Tropical Timber Organisation (ITTO) project. This guideline was developed in collaboration with the Pacific Community (SPC). The guideline is yet to be endorsed for publication.

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

Forest Resource Assessment & Conservation

Forest Cover and Forest Change Analysis

Forest change analysis was carried out from January till March of 2020 for 12 islands based on the Commonwealth Scientific and Industrial Research Organisation (CSIRO) method. The process was done as follows:

- Order images from United States Geological Survey (USGS)
- Download Images from USGS
- Pre-process images
- Cloud mask images
- Classify images.
- Post process images
- Quality check

Table 12: Forest Cover by Islands

Islands	Forest Cover (ha)
Viti Levu	670,582.64
Vanua Levu	377,865.01
Taveuni	25,973.53
Kadavu	32,428.27
Gau	10,315.54
Koro	8,597.87
Ovalau	7,510.53
Moala	5,016.72
Lakeba	4,430.45
Vanuabalavu	4,162.73
Cicia	1,588.72
Matuku	2,114.27
Total	1,150,586.27

Drones

Three officers were selected for a week long training in New South Wales, Australia to be licensed by Civil Aviation Safety Authority (CASA) for sub 25kg multi rotor and sub 7kg VTOL drones, which also included assessment for an Aeronautical Radio Operators Certificate. Documentation prepared for drone operations include Operations Manual and Operational Procedures. A drone (DJI Mavic 2 Pro with Smart Controller and Pelican Case) was purchased from Drone Services Fiji and registered with the Civil Aviation Authority of Fiji for use in monitoring, reporting and verification exercises by the Divisions. The Ministry purchased 2 additional sub 2kg drones and trained more of its staff as drone pilots.



Figure 1: One of the drones procured



Figure 2: Forestry officers undergoing training on the usage of drones

The drones were used for the following activities:

- Post-disaster reconnaissance - Damage assessment of Kadavu post-cyclone Harold. This was done especially for the pine schemes in order to plan the best post-cyclone forestry response at the earliest.
- Assessment of forest reserve encroachment noticed in the Colo i Suva forest reserve.
- Promotion of the Colo i Suva forest park using aerial images and videos to be used for the Ministry's website.
- Forest reserve planning for better management
 - o Survey of forest and nature reserve boundaries
 - o New forest reserve sites such as Wainikavika
 - o Other uses such as laying of EFL power lines
- Monitoring of planted areas, including mangroves, in the 30MT15Y initiative to assess survival rates and improve planting practices
- Planning of forest inventories and monitoring, reporting, and verification of harvesting sites.
- Field verification of forest change detection from satellites.

GIS & Mapping

In the year 2020 the Ministry adopted ESRI ArcGIS Products for GIS data storage, manipulation and visualization. In doing so, all the data was consolidated to a standard platform which makes it easier for collaboration using data with other agencies such as the Ministry of Lands and iTaukei Lands Trust Board (TLTB).

Using ArcGIS online, the Ministry successfully developed and now maintains 2 dimensional and a 3-dimensional dynamic web maps which can be accessed using any web browser anywhere in the world. The web maps facilitate informed decision-making by the senior management team. These web maps are updated with real time frequency. The 2 dimensional web map has features such as generating static maps and performing measurements.

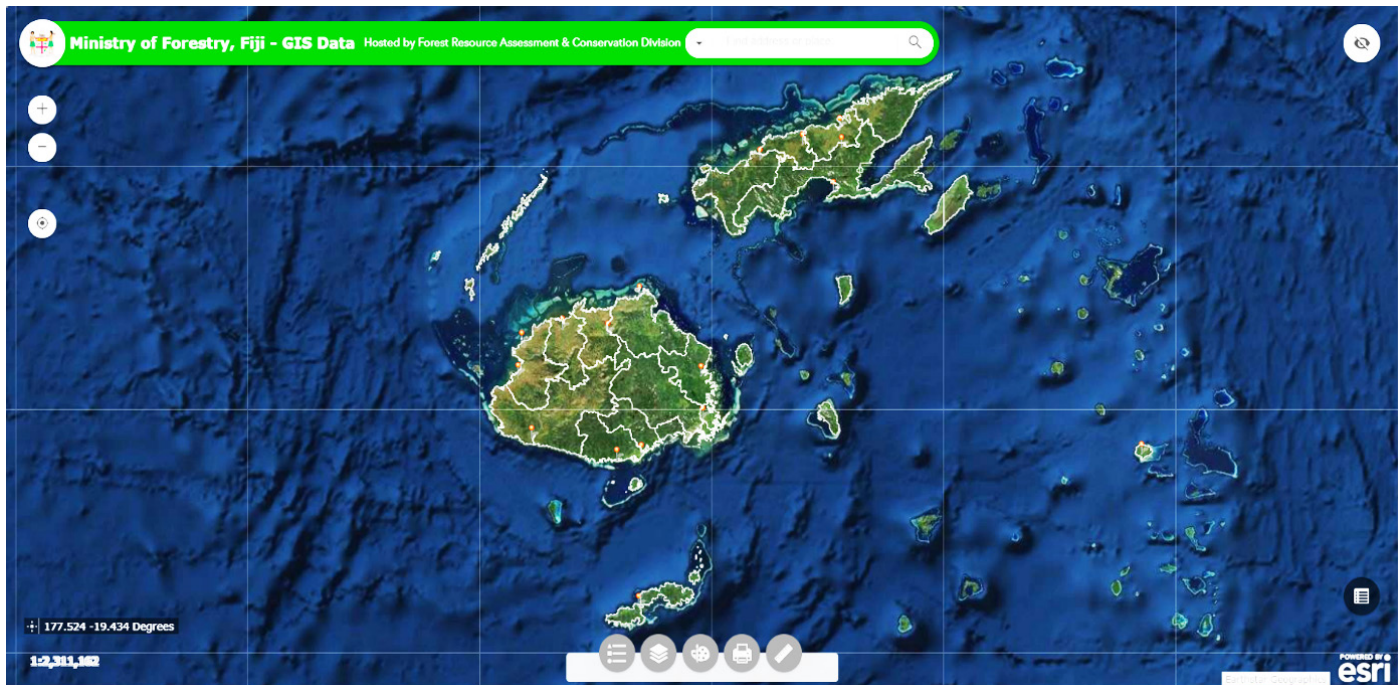


Figure 3: 2D Web Map showing Forestry Stations and Forestry Beat Boundaries

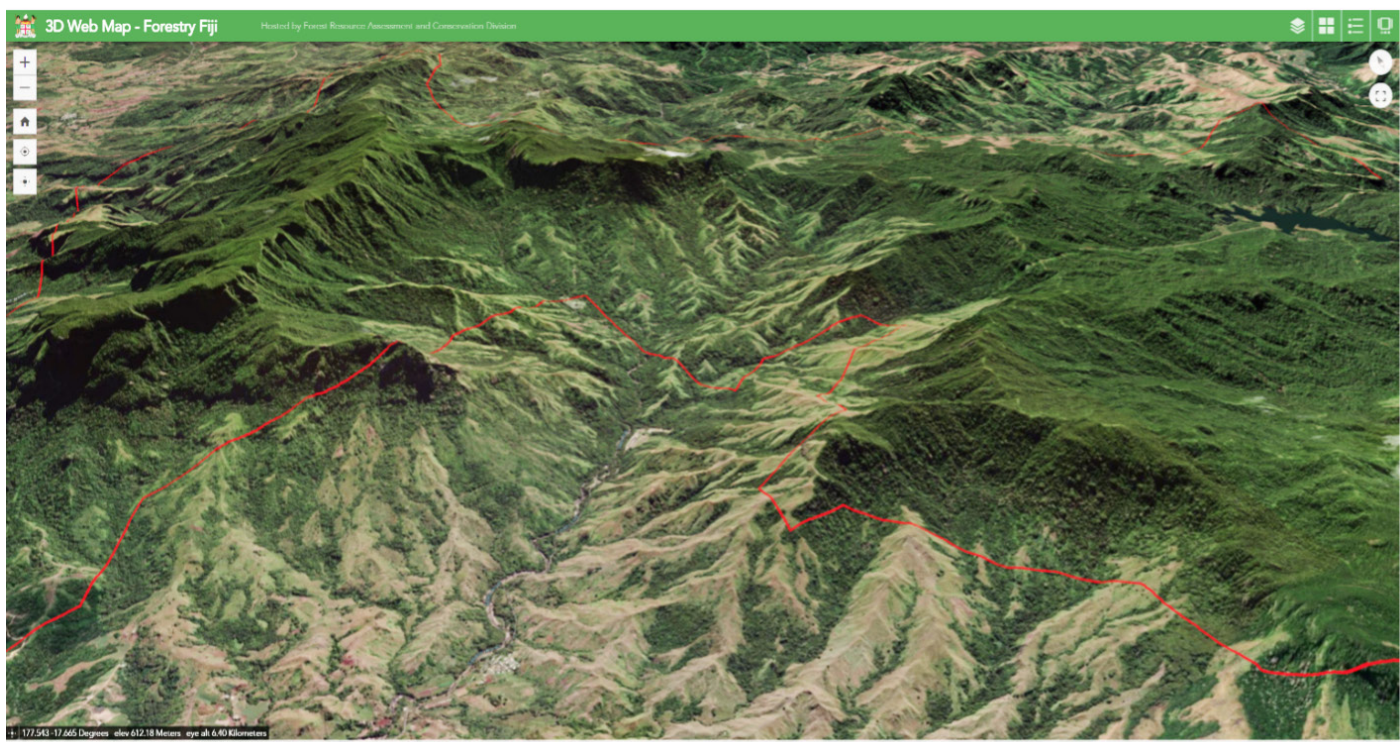


Figure 4: 3D Web Map for one of the Terrestrial IBA (important Bird Areas) Boundary

Planted Area Dashboard

In the Ministry's aim to plant 30 million trees in 15 years, data collection and visualization duties were also conducted by FRAC Division. Data collection by Ministry officers is through the Open Data Kit Application built by REDD+ and FRAC. The data is stored in a database after undergoing several cleaning and verification processes. Data visualization is the final step which is done by FRAC using ArcGIS Online Dashboards. The dashboard shows planted areas information in the points and polygons feature. Trees planted in an area of less than 0.5ha are shown as points on the dashboard whereas trees planted in an area greater than 0.5ha are shown as polygons. It contains all data relating to each point and polygon.

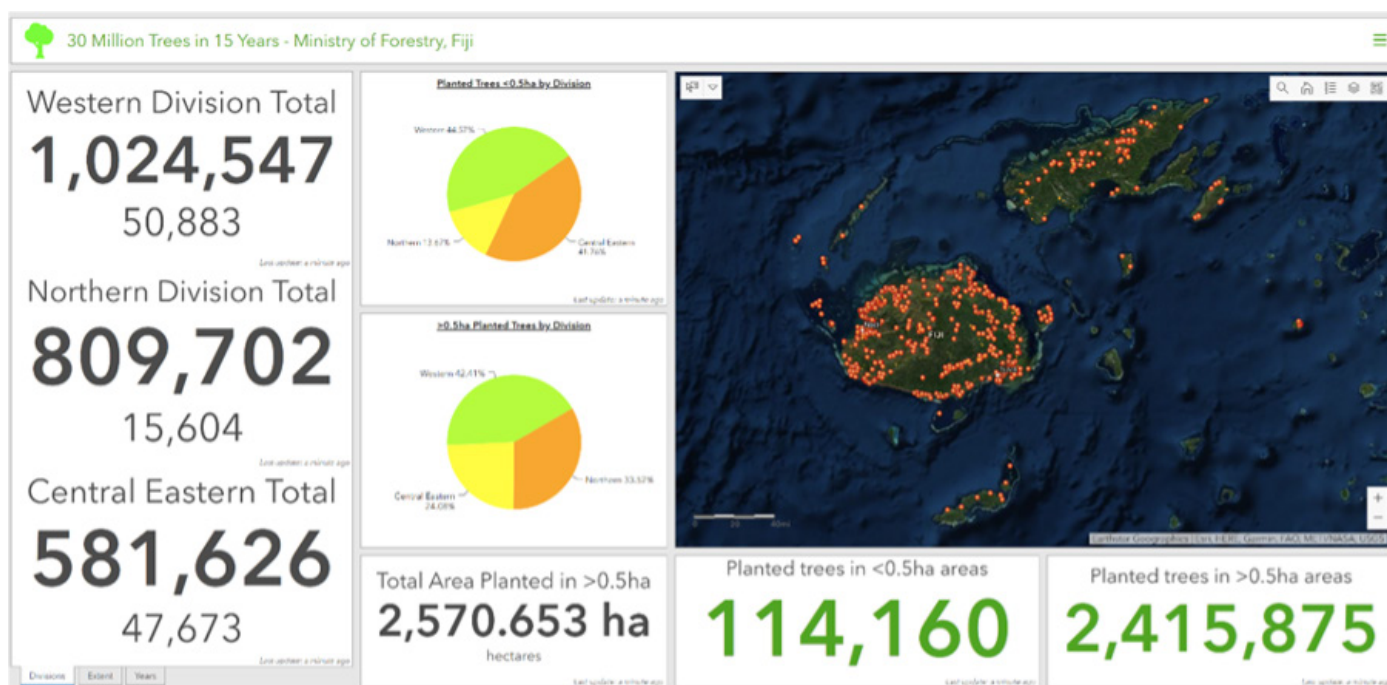


Figure 5: A sample screenshot of the Planted Area Dashboard as at 01/03/2021

Harvested Area Report (HAR)

Submission of harvested area reports from the operations divisions is critical as this is used for forest reference level reporting. The table below shows the harvested areas by Divisions for this financial year.

Table 13: Harvested Areas per Divisions

Division	Beat	Area by Beat	Total Area By Division
Central Eastern	Naitasiri	0.37	188.633
	Nausori	147.316	
	Navua	3.042	
	Vunimaqo	37.905	
Northern	Dreketi	129.202	530.669
	Labasa	37.551	
	Labasa East	9.195	
	Labasa Wes	1.638	
	Labasa West	6.078	
	Malau	4.901	
	Savusavu	201.733	
	Seaqqa	140.371	
Western	Ba	356.116	747.352
	Nadi	42.872	
	Rakiraki	52.179	
	Sigatoka	296.185	
TOTAL HARVESTED AREA			1,466.654

Inventory & Verification

Two forest inventories were carried out this year, one for mataqali Solia and the other was for African Tulip. For verification, the survey team together with the REDD+ Project undertook verification at Nalotawa Catchment. This was to verify Forest Type area, Degraded & Reforestation Forest, and Mangrove areas.

Permanent Sample Plots (PSP)

A total of nine plots were measured by the team, six plots in Vanua Levu and two plots in Viti Levu. Field work stopped at the end of September and no other PSP related work was undertaken.

Table 14: Permanent Sample Plots (PSP)

Plot No.	Village	Province
72	Drawa	Cakaudrove
81	Suweni	Cakaudrove
85	Nasealevu	Macuata
79	Satulaki	Cakaudrove
82	Nacula	Cakaudrove
90	Davoairara	Macuata
16	Korovou	Ra
18	Delakado	Tailevu
17	Soa	Ra

Forest Parks and Reserves

The nature and forest reserves boundary maintenance is one of two major outputs for the Parks and Reserves unit in ensuring clear demarcation of reserve boundaries where there are lease arrangements with government. It includes the marking of all forest and nature reserves boundary that falls within the listed categories.

Table 15: Forest Reserve Listing

No.	Name	Province	Year Established	Area (Ha)
1	Yarawa	Serua	1962	161.9
2	Suva/ Namuka Harbour	Rewa	1913/1955	19
3	Naboro	Rewa	1969	30.4
4	Savura	Naitasiri	1963	369.5
5	Coloisuva	Naitasiri	1955	77.3
6	Maranisaqa & Wainiveiota	Naitasiri	1955	67.2
7	Qoya	Naitasiri	1955/1959	67.2
8	Vago	Naitasiri	1959	24.7
9	Draunibota	Naitasiri	1959	1.72
10	Buretolu	Ba	1926	1,197.9
11	Nadarivatu	Ba	1926	7400.7
12	Saru Creek	Ba	1973	3.2
13	Lololo	Ba	1968	8.3
14	Wabu	Ba	1965	1547
15	Korotari	Cakaudrove	1964	1,086.6
16	Taveuni	Cakaudrove	1961	1,129.1
TOTAL				13,191.72

Table 16: Nature Reserves Listing

No.	Location/Name	Province	Year Established	Area (Ha)
1	Labiko	Rewa	1959	2.2
2	Vuo Island	Rewa	1960	1.2
3	Nadarivatu	Ba	1956	93.1
4	Tomaniivi	Ba	1958	1,323.4
5	Naqaranibuluti	Ba	1958	279.2
6	Ravilevu	Cakaudrove	1959	4,018.7
7	Kiobo	Kadavu		14.28
8	Vunimoli	Cakaudrove	1968	20.2
TOTAL				5,752.28

Colo I Suva Forest Park

The bird life in the park is of international importance. Of all the fifty seven (57) land birds in Fiji there are about 30 bird species found in the Colo-i-Suva Forest Park. Out of the 57 land birds 26 are found to be endemic and in the Colo-I-Suva Forest Park there are 17 endemic bird species.

Upgrading of CIS forest park

The project focuses on the upgrading of existing structures, with the intention to draw in more visitors to the Colo-i-Suva Forest Park. This project directly addresses the sites at the Upper pool, Lower Pool and Waisila track and the following activities were carried out:

- Construction of small cross-dam at the top of Upper Pool area
- Draining of 1st pool
- Block laying of Pool walls (2 sides)
- Rock lining of Pool walls (2 sides)
- Rock walling of pool side area
- Draining of 2nd pool
- Block laying of pool walls (2 sides)
- Rock lining of pool walls (2 sides)
- Draining of 3rd pool
- Block laying of pool walls (2 sides)
- Construction of Parks nursery for Parks beautification



Figure 6: Rock lining on both sides of the 1st pool and also on the walkway and side walls.



Figure 7: Block laying works at the 2nd pool

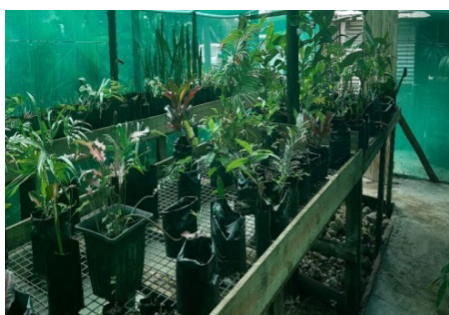


Figure 8: Parks Nursery housing native tree species and flowers for Parks beautification

Table 17: Revenue Collected from Park Visitors in 2019– 2020 FY

Month	Year	Local Adults	Local Children	Overseas Adults	Overseas Children	Monthly Revenue (FJD)
August	2019	2,104	306	809	92	\$ 6,393.50
September	2019	1,807	244	633	20	\$ 5,114.00
October	2019	1,796	213	1,428	72	\$ 9,164.00
November	2019	2,555	342	2,224	132	\$ 13,678.00
December	2019	3,813	794	1,476	177	\$ 11,854.50
January	2020	2,450	490	1,817	334	\$ 18,120.50
February	2020	3,722	669	1,841	68	\$ 13,174.00
March	2020	1,282	143	1,189	12	\$ 7,310.50
April	2020	Parks Closed Due to Covid-19 Pandemic Lockdown				
May	2020					
June	2020					
July	2020	271	17	0	0	\$ 281.00
Total		19,800	3,218	11,417	907	\$ 85,090.00

Law Enforcement – Licensing, Monitoring & Compliance

Right licenses issued

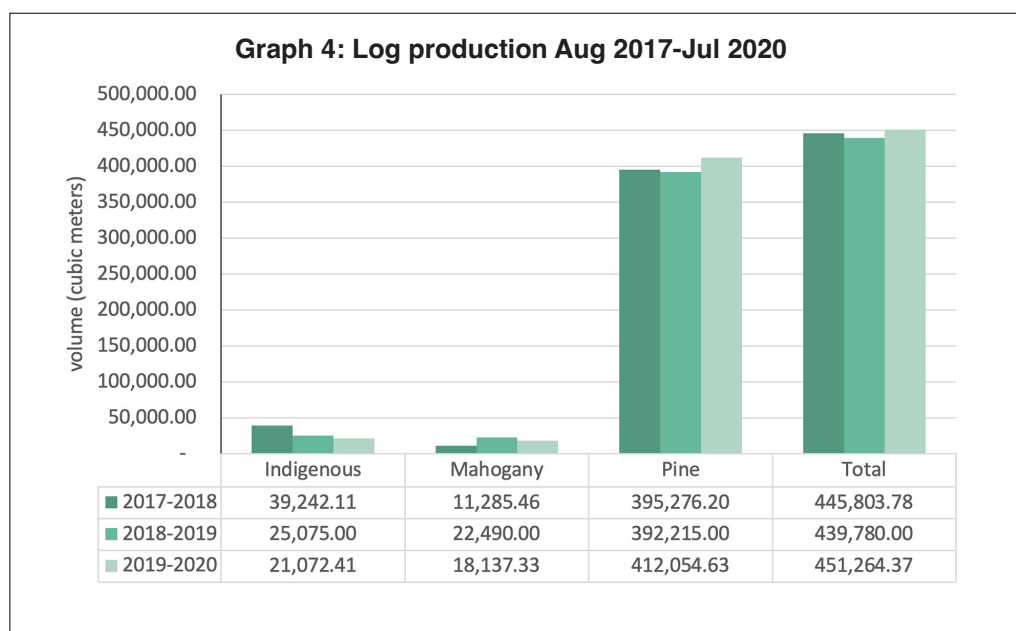
A total of 195 Right License (RL) was issued during this financial year as tabulated below.

Table 18: Right License Issued in 2019 - 2020 FY

Division	Beat	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total by Beat	Total By Division
Northern	Dreketi	13	19	9	13	54	84
	Labasa	2	4	3	0	9	
	Savusavu	2	1	4	2	9	
	Seaqaqa	4	5	2	1	12	
Central	Korovou	1	0	1	0	2	23
	Nausori	1	2	2	0	5	
	Navua	2	2	1	0	5	
	Vunimaqo	4	1	6	0	11	
Western	Ba	3	6	4	3	16	88
	Lautoka	3	4	2	4	13	
	Nadi	3	11	5	2	21	
	Rakiraki	1	2	0	0	3	
	Sigatoka	14	12	6	3	35	
Total		53	69	45	28	195	195

Harvesting Operations

A total log volume of 451,264.37m³ was produced this financial year.



Sawmill Operations

A total of forty two (42) licensed sawmills were operating during the year, comprising of twenty four (24) static and eighteen (18) portable saw mills. The Central division was issued with fifteen (15) licenses followed by the Western and Northern divisions with fourteen (14) and thirteen (13) licenses respectively.

Table 19: License distribution by division

Division	Licensed (Static)	Licensed (Portable)	Total
Northern	09	04	13
Central	07	08	15
Western	08	06	14
Total	24	18	42

These sawmills processed a total log volume of 149,970.390m³, producing 71,322.670m³ of sawn timber, meaning an average sawn timber recovery of forty eight percent (48%).

Table 20: Sawmill production by division

Division	Sawmill input	Sawmill Output	Recovery
Western	75,279.08	35,034.91	47%
Northern	55,526.48	27,920.73	50%
Central/Eastern	19,164.83	8,367.03	44%
Total	149,970.39	71,322.67	48%

A total log volume of 35,315.890m³ was processed during the financial year, producing a total veneer volume of 24,721.123m³, and achieving an average recovery of 70% (Table 21). There are only three manufacturers namely; Valebasoga Tropikboards, Long Investment and Houyilin, who are all based in Vanua Levu. The top five (5) species processed into veneer were; pine (*Pinus caribaea*), dakua makadre (*Agathis macrophylla*), kaudamu (*Myristica castanefolia*), vusavusa and waciwaci with a collective volume of 31,756.738m³, which comprised 90% of the total volume that was processed. Mahogany (*Swietenia macrophylla*) and pine (*Pinus caribaea*), the two major plantation species collectively contributed a volume of 17,342.194m³, which comprised 49% of the total volume that was processed.

Table 21: Veneer mill production by manufacturer

Manufacturer	Veneermill Input (m ³)	Veneermill Output (m ³)	Average Recovery
Houyilin Mill	12,887.740	9,021.418	70%
Valebasoga	11,435.650	8,004.955	70%
Long Investment	10,992.500	7,694.750	70%
Total	35,315.890	24,721.123	

Post & Pole Production

A total pine (*Pinus caribaea*) volume of 2,192.043m³ was processed into post and pole during the financial year producing a total volume of 1,969.742m³ with an average recovery of 90%. Tropik Wood Industries produced the highest volume which comprised 35% of the total volume produced, followed by Waiqele and Jaydil at 26% and 21% respectively.

Table 22: Post & pole production by division

Manufacturer	Log Input	Output	Average Recovery
Tropik Woods	774.990	697.491	90%
Waiqele Sawmill	575.412	517.870	90%
Jaydil Sawmill	460.090	414.081	90%
Tropik Forest	369.193	332.273	90%
Long Investment	8.130	7.317	90%
HK Hardware	0.789	0.710	90%
Total	2,192.043 m³	1,969.742 m³	

Treatment Plant Operations

A total of 23 timber treatment plants out of the 28 that exists in Fiji were licensed during the year and treated a total sawn timber volume of 40,734.220m³.

Table 23: Treatment plants by each Division

Division	Total Treatment Plant	Licensed	Unlicensed (non-operational)
Northern	7	7	0
Western	9	7	2
Central Eastern	12	9	3
Total Treatment Plant	28	23	5

A total of 40,734.220m³ were treated during the year, comprising of pine (988.630m³), mahogany (1,789.750m³) and kauvula (154.210m³). Tanalith Oxide was used to treat 38,944.470m³ with the balance (1,789.750m³) treated with Tanalith NCA.

Table 24: Treated timber product by hazard level

Quarter	Hazard Level	Timber Product	Volume Treated (m ³)
1	H2	Sawn Timber (Indoor)	3,583.570
2	H3	Sawn Timber (Outdoor)	33,216.625
3	H4	Round Wood (Fence Post)	2,972.370
4	H5	Round Wood (FEA Poles)	961.650
	Total		40,734.220

Quality Control

Quality control was carried out through the analysis of charge sheets and timber samples collected from all the treatment plants on a monthly basis. Charge sheets were validated and the results recorded. Timber samples were analysed at the laboratory in Nasinu on a "user-pay" basis and reports sent to plant operators confirming the results of the tests.

Table 25: Timber samples collected and revenue generated

Quarter	Total Samples Analysed	Total Revenue
Quarter 1	123	\$2,263.20
Quarter 2	395	\$7,528.95
Quarter 3	351	\$6,458.40
Quarter 4	570	\$10,825.70
Total	1,439	\$27,076.25

Table 26: Timber samples analysed and results

Hazard Level	Total No. of Samples	No. Passed	No. Failed	% Passed	% Failed
H2	15	15	0	100%	0%
H3	887	820	67	92%	8%
H4	145	108	37	74%	26%
H5	392	380	12	97%	3%
Total	1,439	1,323	116	92%	8%

Monitoring, Compliance, Surveillance (MCS)

Monitoring of forest harvesting operations (MCS Project)

With an annual budget of \$100,000, the main objective of the MCS project is to ensure that all commercial forest harvesting operations are in compliance with Fiji's Forest Harvesting Code of Practice (FFHCOP) which enables the sustainable utilisation and management of Fiji's forests. Evaluation are conducted for field operations and also on the condition and standards of harvesting machines.

Table 27: MCS Assessment

	Particulars	Number
1	National Harvest Assessed	33
2	Plantation Harvest assessed	21
	Average score	89.05%
	<i>Improvement notices issued</i>	2

Two operators were issued with 'prohibition notices' due to the severity of defects observed on their machines and considered to be unsafe for use hence urgent repairs were warranted. The average national monitoring result for this financial year stands at 89.05%.

Sawmill Monitoring

The monitoring of sawmills were conducted on a quarterly basis with the main objective of ensuring that best practices were applied and that licensing conditions were met in line with the Sawmill Policy and Forest (sawmill) regulations of 1968. An inspection checklist was designed to monitor the sawmill performances with the aim of achieving efficiency and effectiveness of sawmill operations and better utilisation of resources. Results of the monitoring carried out on log yard and housekeeping, machine standard and conditions, health and safety of workers (PPE), and validation of log input and sawn output data are highlighted below.

Table 28: Average score by each division

	Division	Log Yard	PPE	Machine Output	Timber Assessment	Total Score
1.	Western	71% (17% - 100%)	66% (17% - 100%)	77% (28% - 100%)	69% (13% - 100%)	71%
2.	Central	52% (16% - 100%)	61% (17% - 83%)	70% (20% - 100%)	73% (38% - 100%)	64%
3.	Northern	66% (5% - 100%)	76% (8% - 100%)	66% (36% - 100%)	77% (13% - 100%)	71%

The average monitoring score by each division is presented in the above table with the range in scores achieved by sawmills shown in brackets. The Western division scored the highest in the log yard and machine output categories while the Northern division scored the highest in the PPE and timber assessment categories.

The huge gap in the range of scores achieved by each division indicated that there were sawmills that needed to improve their performances to have a positive impact on the overall score. The following were the common issues that were found and needed to be rectified.

Log Yards



Figure 9: Log yards not in good condition and logs piled on the ground without proper bearers. This was one of the most common practice by most sawmills in Fiji. A well maintained yard with proper bearers will protect logs from blue stain and other defects and reduce sawmill losses.

Reforestation and Afforestation

30MT15Y Initiative

This financial year saw the transition of the 4MT4Y Initiative (initially launched in Jan 2019) to the 30MT15Y Initiative which was declared by the Prime Minister for Fiji, Hon Bainimarama in New York on 26 September 2019. The Ministry reviewed its annual target accordingly from 1 million trees to 2 million trees till 2030.

A total of 1,503,935 seedlings (2,570.1 hectares) were planted by the end of July 2020. The breakdown of species planted by Divisions is highlighted in the table below.

Table 29: Species planted by Divisions

Species Types	Central Eastern	Northern	Western	Grand Total
Exotic	15	36	393	444
Fruit Trees	18,390	105,452	28,213	152,055
Fuelwood		109,558	516,409	625,967
Mahogany	263,916	27,852	95,177	386,945
Native	60,809	40,727	23,426	124,962
Ornamental	2,124	1,176	439	3,739
Pine	42,954	59,464	38,937	141,355
Sandalwood	9,811	14,734	17,883	42,428
Teak	7,150	1,109	17,781	26,040
Grand Total	405,169	360,108	738,648	1,503,935

Graph 5: Tree planting by Province

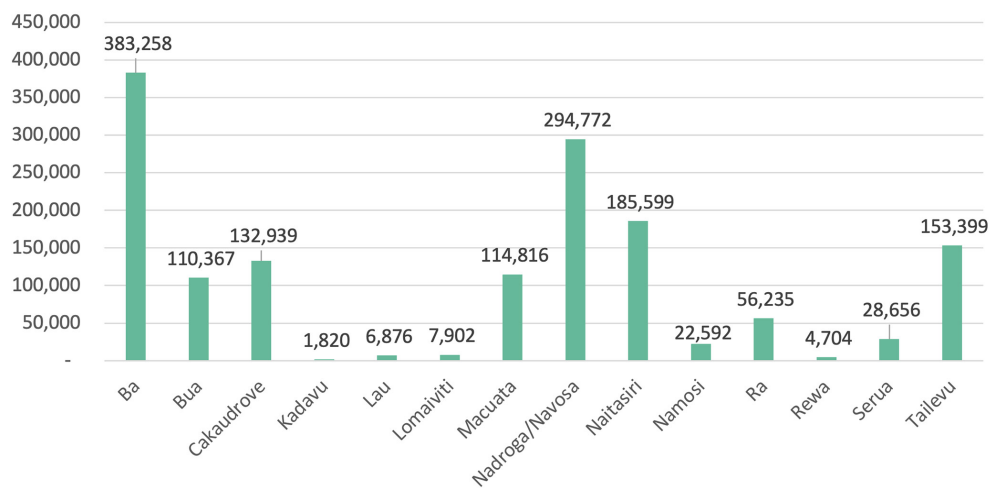


Figure 10: H.E. Jioji Konrote planting a coconut seedling



Figure 11: Ministry of Forestry staff planting pine in Koroua village, Sigatoka

Research and Development - Silviculture Research

Seed Collection

Table 30: Seed Collection by species

Species	Seed collection (kg) – fruit weight	Seed processing (kg) – dry weight	No. of seeds sowed
Native	1,062.4	163.8	60,172
Sandalwood	64.8	9.6	13,172
Coastal	54.2	54.1	20,811
Exotic	61.7	2.4	3,045
Total	1,243.1	229.9	97,200

Seed collection targets were not fully achieved during the year due to the unavailability of seeds in the field, the uncertainty in fruiting and maturity and the impacts of the COVID-19 pandemic disrupting normal work schedules.

Forest Health

Forest Health is concerned with insects that affect the forest and forest products and its scope of research is to survey, collect and rear timber infesting insects, to liaise with timber inspectors and quarantine officers for imports of timber products and periodical trapping at ports of entry, plantations and nursery.

The objective of conducting the activities are to:

- Survey and document economically important timber infesting insects,
- Assess and document the disease incidents and problems in plantation,
- Develop effective and economic disease management programmes
- Gather relevant information on the ecology and etiology population dynamics of the main pathogens that play an important role in the forest ecosystem, and
- Investigate into the biological control of major diseases affecting plantations.

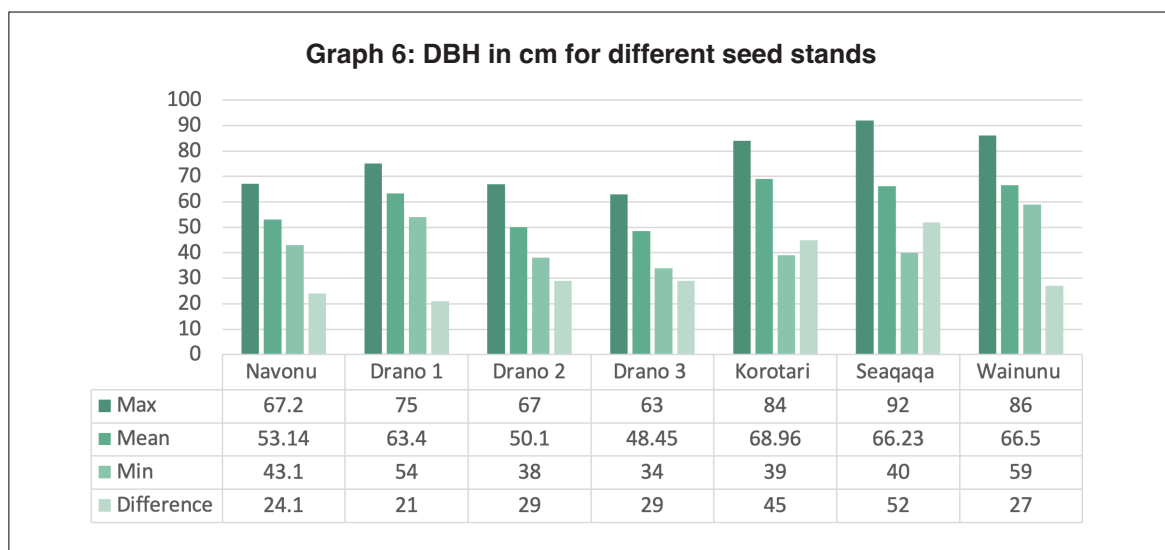
Tree Improvement - Assessment of trial plots

The objective of tree improvement is to identify, thin and develop superior stands for the purpose of supplying quality seeds for reforestation. Assessments were conducted for the following trial plots and reports were compiled accordingly:

- Yavuna Nausori Highlands – Sandalwood & mixed species
- Drasa Alternative Species Trial – Eucalyptus, Pine & Acacia
- Vaqia, Ba – mixed species

Seed Stand Establishment

The research team conducted seed stand selection for mahogany in Vanua Levu from 22 July to 2 August, 2019. Assessments were conducted on the Diameter at Breast Height (DBH), the Tree Height, the Stem Form, Tapper of the tree which gives the relationships between the diameter and heights, the Branching within stems, and the Forest Health component that assesses pests and diseases. Only trees with heights of more than 10m high are considered.



Establishment of Santulum Yasi Gene Conservation Area (GCA)

The team established a GCA plot at Tutu, Taveuni in October 2019 which accommodated a total of 113 S.yasi seedlings from all over Fiji that were collected from marked trees. A total of 32 seedlings were planted in Plot A and the remaining 81 seedlings were planted in Plot B with a 5x5 meter spacing. Seedlings were measured after planting and both plots will be monitored and measured on an annual basis.

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. Different logging intensities are still maintained but the new diameter limit table being adopted is based on log volume derived from first logging rotation.

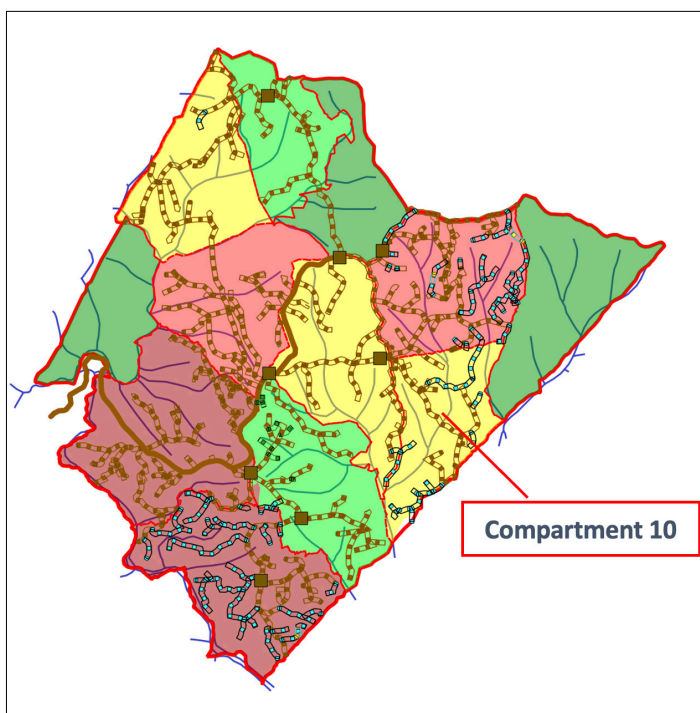
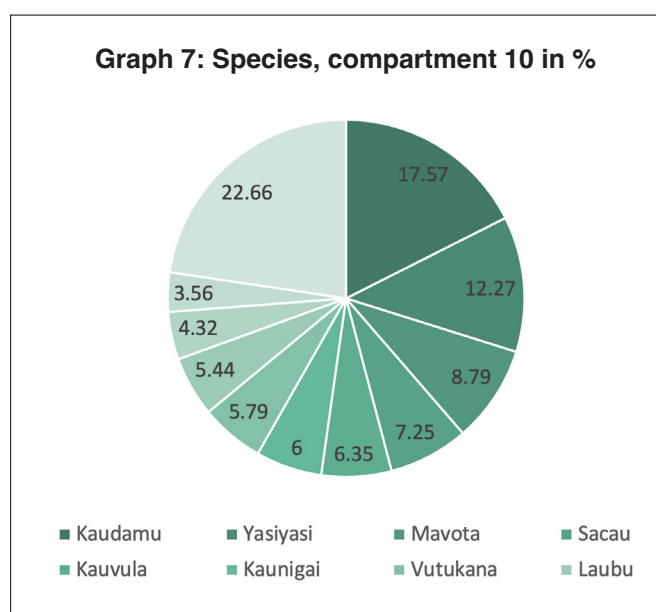


Figure 12: Nakavu project plot site

Table 31: Details for Compartment 10

Compt	Royalty Class	No. of qualified trees	Volume of qualified trees
10	1	30	77
	2	121	338
	3	17	32
	4	34	47
	Total	202	494



Research Publications


Three papers were finalised and submitted; two to the South Pacific Journal of Natural and Applied Science and one to the Journal of Forestry Research:

- An Assessment of Primary Logging Waste for Five Native Species in Fiji;
- Effects of precipitation and temperature on seed phenology; and
- Performance of selected exotic species in different restoration trials in the Western division, Fiji.

Sandalwood Project

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

Table 32: Sandalwood project activities 2019-2020 FY

No.	Activity	Remarks
1.	Sandalwood inventory programme & registration of farmers	The National Sandalwood Database was successfully developed by the Project Team and the IT Unit. All beat officers from the 3 divisions, Central & Eastern, Western and Northern, were trained successfully to use the new inventory apps installed in android tablets to assist with field data capturing and assessment. This training will allow beat officers to visit any of the sandalwood sites in their area of work and register farmers using the inventory apps. All data is monitored and viewed by the IT team and FRAC Division.
2.	Sandalwood Heartwood Study and Oil Extraction Process	Due to non-availability of proper facilities in the Ministry's laboratory to conduct this activity, raw materials from the sandalwood research trial plot at Vunimaqo station were sent to Australia under the ACIAR project for extraction and further analysis. The results will be relayed to the Ministry once the analysis is complete.
3.	Sandalwood Tree Assessment, Pests & Diseases Survey	This assessment is mostly done in the nursery before visiting the plantation. The Forest Health section collected samples at Silviculture Research, and the identification and analysis of samples were conducted. The first assessment was done in the Western Division within the Bavu and Nawai areas, followed by assessment in Taveuni.
4.	Sandalwood Market Study & Management Plan	All planned consultations were on hold due to the COVID-19 pandemic. Also, the progress of these two activities were based on the completion of the inventory data and database. Once the inventory is finalised, then a sandalwood market concept will be developed and the finalisation of the Sandalwood Management Plan for the sustainability of the industry.
5.	Sandalwood Community Awareness Activity	<p>Sandalwood awareness was conducted at Naqara, Buliya and Tiliva village in Kadavu. Consultations were also conducted at Makadru village in Matuku and Lomati village in Cicia, Lau.</p> 

No.	Activity	Remarks
6.	Sandalwood Community Nursery Assistance & Plot Establishment	<p>Only one nursery has been assisted and established at Makadru village in Matuku, Lau. After the nursery establishment, full nursery training was also conducted to allow community members to gain more knowledge and skills on seed propagation and management practices.</p> 
7.	Sandalwood Seedling Production	<p>Majority of the seeds were purchased from the most viable seeds sources in communities such as Namaqumaqua village in Serua, Naruwai village in Bua and Kadavu during the peak fruiting season for sandalwood species. Batches of seedlings raised in the Ministry nursery in Coloisuva would be ready for planting in 6 months.</p> <p>The summary is as follows;</p> <ul style="list-style-type: none"> • Fruit weight – 48.8 kilograms • Dry weight – 12.0 kilograms • Number of seeds – 51,979 seeds 

The ACIAR-funded Sandalwood Regional Forum in Port Vila, Vanuatu, was held on 11th – 13th November 2019. The forum is held every five years to share and collate information on sandalwood development at the regional level. The forum brought together 67 delegates from 27 Organisations across 9 countries. This includes sandalwood experts, researchers, policymakers, government and non – government forestry organisations, growers, traders and other interested parties involved in sandalwood growing, processing and marketing from places including Vanuatu, Fiji, Tonga, Hawaii, PNG, Indonesia, Timor Leste and northern Australia.

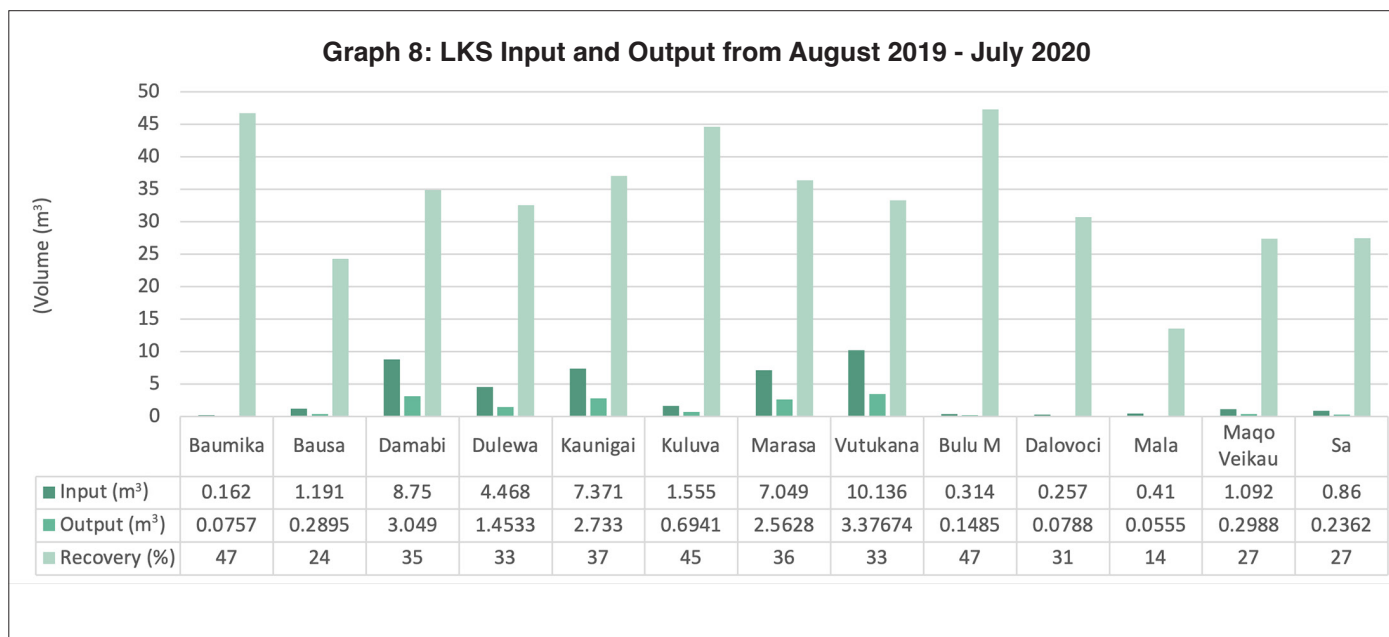


Figure 13: Participants at the Sandalwood Regional Forum in Port Vila, Vanuatu

Research and Development – Timber Utilisation

Research on lesser known species

A project funding of \$150,000 was provided for applied research studies on the properties and potential uses of lesser known species (LKS). During the financial year, work was completed on 13 out of the 31 species identified in Nakavu. The Ministry also submitted five (5) research papers for peer review and publication with the Fiji Agriculture Journal (FAJ).



Establishment & Assessment of Graveyard Service Trials

The purpose of graveyard and service trials is to test the durability of tree species in ground contact, as well as its service life in weather contact. Samples were measured and cut into stakes of 37cm (width) x 37cm (width) x 50cm (length) and inserted into the ground. These stakes are currently assessed every three months (3) to determine its durability whilst in ground contact hence the name graveyard trial.

To test the durability while exposing to the weather, species were profiled into weatherboards and installed at the graveyard trial sites. Three (3) different treatments were applied on the weatherboards:

1. Undercoat paint,
2. H3 treated,
3. Control with no treatment to assess their impact on the durability of the weatherboards.

Graveyard trials were set up at Korotari station in Labasa and Nasinu during the financial year.

Nasinu Graveyard Service Trial

A total of 11 species were installed as stakes and 5 species as weatherboard in Nasinu. The species that are currently installed as graveyard stakes are: Sole (*Schefflera seemanniana*); Kaunigai (*Haplilobus floribundus*); Bausa (*B. thurstonii*); Bulu M (*Garcinia pseudoguttifera*); Damabi (*Endiandra gillespiei*); Vutukana (*Barringtonia edulis*), Kuluva (*Dillenia biflora*), Marasa, (*Storckia vitiensis*) Maqo ni Veikau (*Buchanania attenuata*), Tomanu (*Emmenosperma micropetalum*), Dalovoci (*Hernandia olivacea*), and 5 species as weatherboards (Bausa, Kaunigai, Kuluva, Vutukana, Dulewa (*Xylopia pacifica*)).

Assessment of Graveyard Service Trials

The graveyard stakes and weatherboard profiles were assessed every 3 months from the date they were installed. The last assessment that was carried out noted that Dalovoci (*Hernandia olivacea*) stakes recorded a 95% failure in ground contact followed by Damabi (*Endiandra gillespiei*) and Vutukana (*Barringtonia edulis*) with 45% and 35% respectively.



Figure 14: Graveyard and Service Trials at Nasinu

Korotari Graveyard Service Trials

A new trial site was established at Korotari, Labasa during the last quarter of the financial year. The establishment works included the cleaning of the site, fencing and installation of LKS graveyard stakes and weatherboards. The Korotari trial contains 9 species (bausa, bulu M, damabi, maqo ni veikau, sole, tomanu, vutukana, kuluva, kaunigai) as graveyard stakes and 4 species (kuluva, kaunigai, bausa, damabi) as weatherboards. The assessment will be conducted with the assistance from Timber Inspectorate North.



Figure 15: Newly established Korotari Graveyard Service Trial

Upgrade of Research Exhibition Room

Upgrading of the exhibition room continued this financial year. The upgrades included the construction of linings from our local and exotic timber species like coconut, mahogany, kaudamu, kauvula, vutukana, kaunigai, bausa and damabi.



Figure 16: Upgrading of the office reception area

Research Publications

One of the main outputs of the section was to write and publish five (5) research papers. The five (5) research papers that were compiled and submitted to the Fiji Agriculture Journal (FAJ) for peer review and publications are listed below:

1. Properties and potential uses of Tadalo (*Pagiantha thurstonii*);
2. Calorific values of some of Fiji's commercial native timber species;
3. Properties and potential uses of African Tulip (*Spathodea campanulata*);
4. Impact of Insecticide treatment on the durability of local bamboos; and
5. Properties and potential uses of Teak (*Tectona grandis*) thinned from seven year olds plantation

Strategic Priority 3: Capacity Building (Ministry & Stakeholders)

Forestry Technical Training

Accreditation of training facilities and programmes

1. The FTC Facility has been accredited but not the programmes
2. Accreditation of Training Programmes to Fiji Higher Education Commission is still under dialogue.
3. Submission of the programmes has been done to the Higher Education Commission and the outcome is yet to be received.
4. Marketing and advertising strategies for training have begun with the national universities through MOUs with FNU & USP.
5. The training programmes for FTC & TITC have been adopted locally but partnerships are required to support the adoption of these training programmes at a regional level with neighbouring Pacific islands.

Technical Training

The FTC facility was used as a COVID-19 Community isolation facility from April 2020 which affected the delivery of most of the Ministry's scheduled technical training. The most common training carried out this financial year was the Harvest Trees Manually Basic (HTMB) Training.

Table 33: Types of training conducted in 2019-2020 FY

No.	Type of Training	Location	No. of participants
1.	HTMB	Tonia, Taivugalei, Tailevu	29
2.	HTMB	Saliadrau, Namosi	21
3.	HTMB	Savatu, Ba	44
4.	HTMB	Nawailevu, Bua	91
5.	HTMB	Nakasaleka, Kadavu	29
6.	HTMB	Namarai, Nakorotubu, Ra	38
7.	HTMB	Nabukadra, Nakorotubu, Ra	40
8.	HTMB	Saioko, Nakorotubu, Ra	68
9.	HTMB	Naboutolu, Nakorotubu, Ra	62
10.	HTMB	Nabalasere, Nakorotunu, Ra	39
11.	HTMB	Nalalawa, Nakorotubu, Ra	42
12.	HTMB	Nakorovou, Nakorotubu, Ra	50
13.	HTMB	Nabukelevu, Serua	22
14.	HTMB	Naboutini, Serua	30
15.	HTMB	Waibogi, Serua	26
16.	HTMB	Talenaua, Serua	28
17.	HTMB	Taivugalei, Tailevu	15



Figure 17: Technical training at the Forestry Training Center

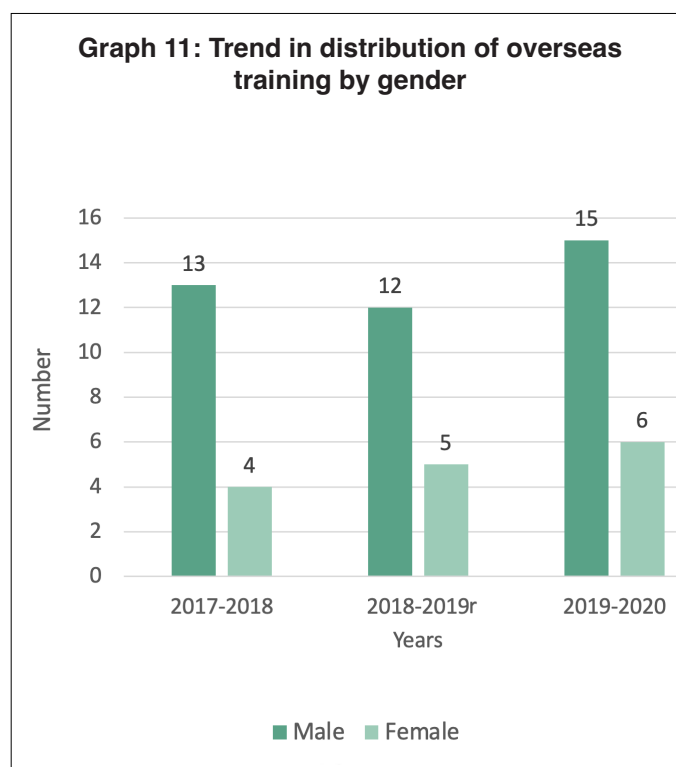
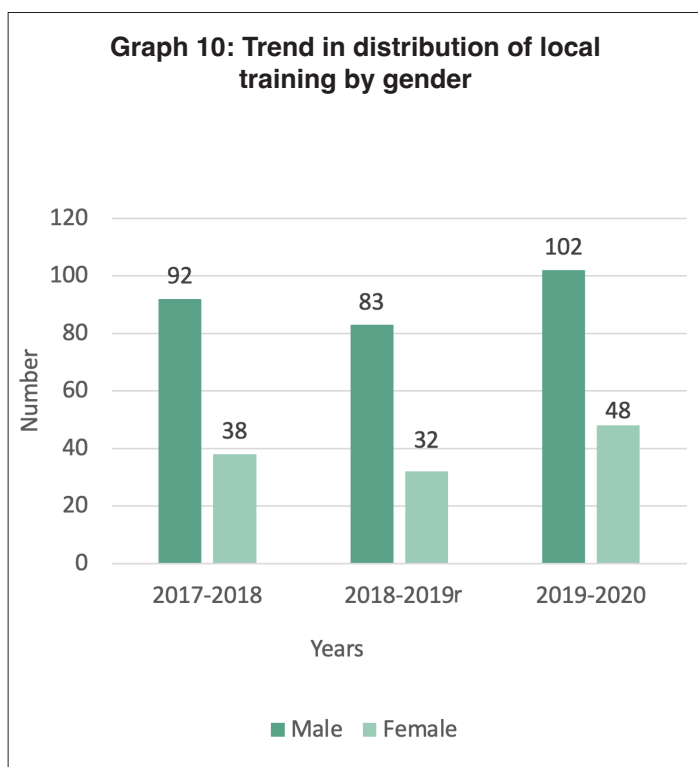
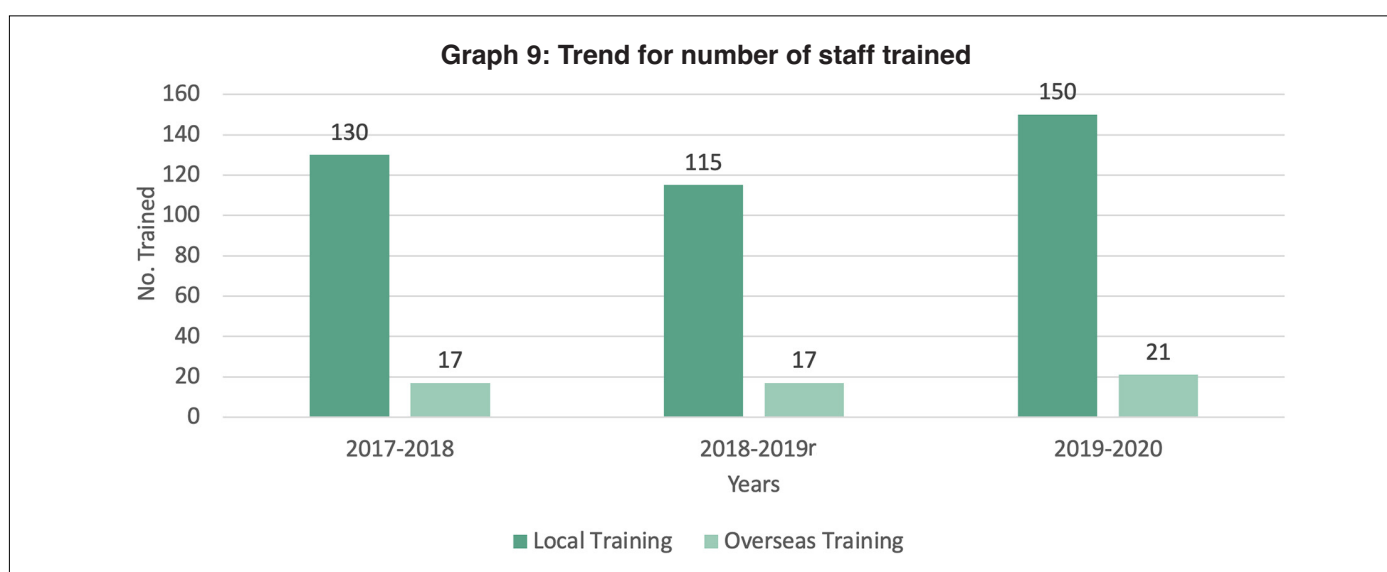
No.	Type of Training	Location	No. of participants
18.	HTMB	Bau, Tailevu	36
19.	Plantation Establishment	Tamavua Village, Naitasiri	74
20.	Harvesting Supervisor Training		42
	Total		826



Figure 18: Chainsaw training for resource owners

Corporate Trainings

A total of 150 staff were trained locally while 21 staff attended training abroad. The total number of staff trained stood at 171 which is an increase of 29.5% when compared to the previous year. Of the 171 staff trained this financial year, 117 are males and 54 are females.

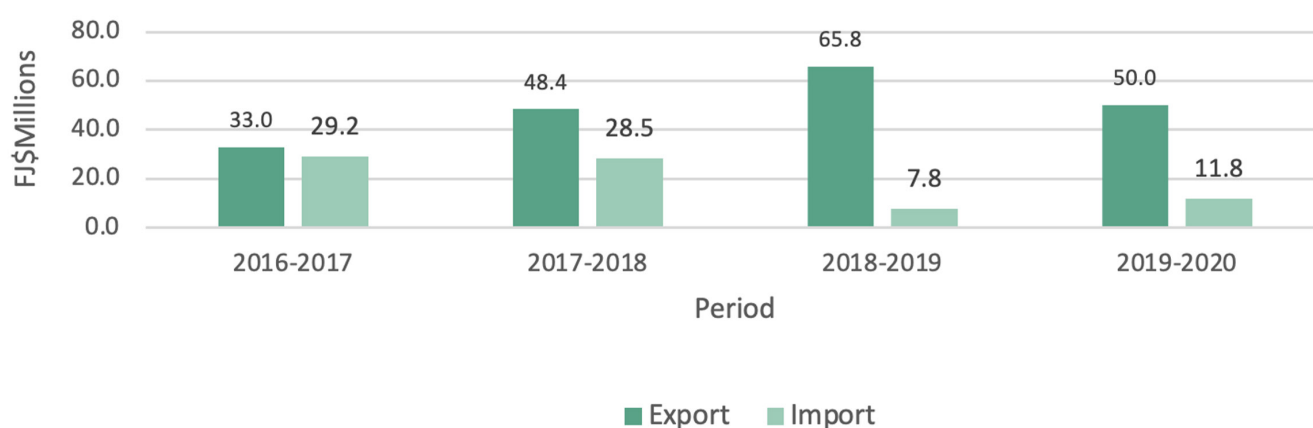


Note: r - revised

Strategic Priority 4: Stewardship

Trade Facilitation

Graph 12: Export and Import of Wood products



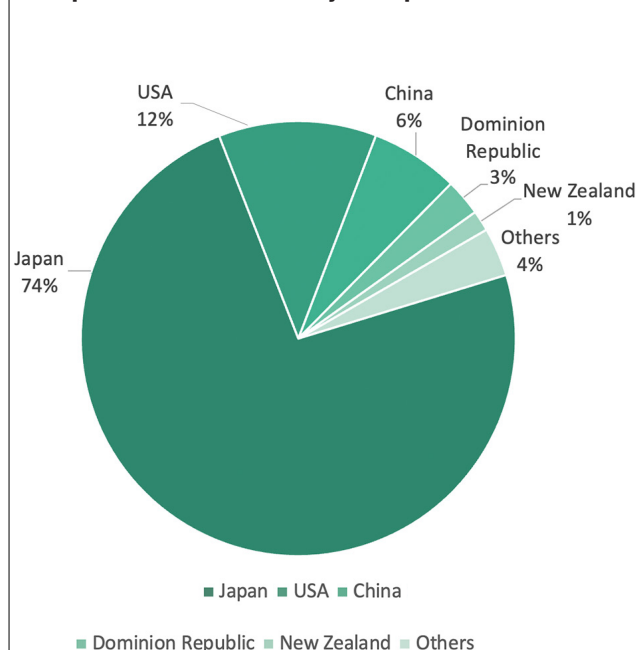
Exports

A total of 314 export licenses were issued, with a total value of FJ\$50.0 million. Pine chips were the biggest contributor, with a value of \$36.3 million (72.6%).

Table 34: Total Export Volume & Value by products for 2019-2020 FY

Product	Volume				Value
	m ³	mt	kg	pcs	
Pine Chips		210,000			36,261,461.47
Sawn Timber	5,914				8,865,492.44
Decking	915				1,894,016.80
Slabs	886				1,420,148.47
Guitar Component	282				1,374,529.36
Plywood	53				96,282.91
Masonite Board	37				46,898.75
Sandalwood			960		26,880.00
Mango Sticks			2,379		14,488.11
Wooden Artifacts				2,383	6,890.00
Logs	17				4,079.52
MDF Board	1				1,320.00
Hardboard	1				837.50
Total	8,106	210,000	3,339	2,383	50,013,325.33

Graph 13: 2019-2020 Major Export Destinations



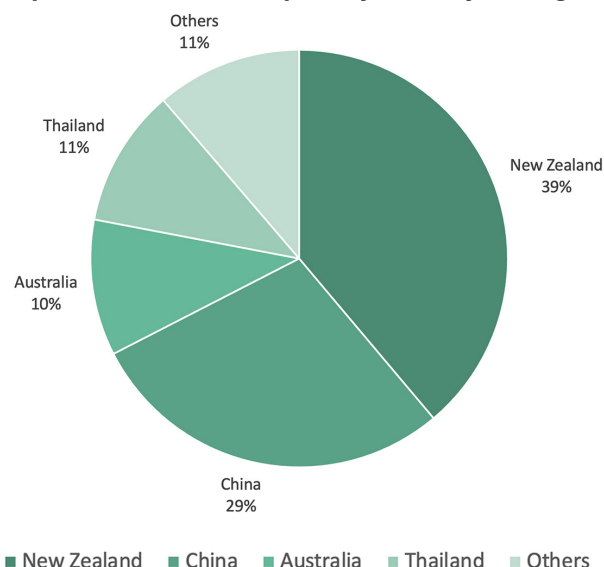
Import

A total of 239 import permits were issued, with a total value of FJ\$11.8 million. Major imported products include plywood, plyboard, sawn timber and hard board.

Table 35: Total Imports by Commodity

Commodity	Import Value
Construction Beam/Post	332,570.00
Cross Arm	494,951.31
Decking	334,866.52
Flooring/Lining/Weatherboard	356,596.33
Hardboard	1,746,018.53
Particle Board	562,034.05
Plyboard	952,819.34
Plywood	1,640,247.56
Sawn Timber	1,369,262.84
Others	3,992,787.59
Total	11,782,154.07

Graph 14: 2019-2020 Import by country of origin



Forestry Business/ Investment Guide

The 2019-2020 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. A copy was also updated onto the Ministry's website for public informations.

Climate change adaptation & mitigation

Emission Reduction Programme (ERP)

Following the acceptance of Fiji's Emission Reduction Programme Document (ERPD) in July 2019, the document was presented in various forums as follows:

Table 36: ERP activities for 2019-2020 FY

No.	Date	Forum
1.	22nd November 2019	Pullman Hotel, Nadi – 10th Annual Conference of Land Valuers and Estate Managers and attended by the Ministry of Lands, the iTaukei Land Trust Board (Estate Managers) and Realtors from all over the country
2.	2nd December 2019	Natale-i-Ra, Ra – Provincial Conservation Officers of the 14 Provincial Council Offices
3.	5th December 2019	Natadola International Hotel – Parliamentary Sub-Committee on Natural Resources
4.	10th December 2019	Divisional Forestry Office, Western Division – All field staff of the Ministry of Forestry
5.	14th December 2019	Ministry of Forestry Conference Room, Suva – the Climate Change Unit, which included the Director of Climate Change and 2 Managers
6.	7th January 2020	Divisional Forestry Office, Northern Division – All Divisional Staff
7.	9th January 2020	Commissioner Northern Conference Room, Labasa – for all Heads of Department
8.	14th January 2020	Divisional Forestry Office, Central/Eastern – for all Divisional Staff
9.	26th February 2020	Soqosoqo Vakamarama Building, Suva – Annual Meeting for all staff & affiliated women committee, nation-wide

Emission Reduction Programme Agreement (ERPA)

A workshop on the ERPA Term Sheet development was held at the Sheraton Hotel, Nadi, which was opened by the Attorney General and Minister for Economy, Honourable Aiyaz Saiyad-Khaiyum. The workshop was organized and facilitated by the World Bank and the attendees were representatives from the Solicitor General's Office, Climate Change Division, Ministry of iTaukei Affairs, iTaukei Land Trust Board, Ministry of Lands, Ministry of Agriculture (Land Use), the Protected Area Committee (under the Ministry of Environment), the Ministry of Forestry and the REDD+ Unit.

The ERPA term sheet was submitted in June 2020. The two (2) conditions under the "Conditions of Effectiveness" are:

- a) The final advance draft of the Benefit Sharing Plan – the advance draft was submitted in October 2019 and accepted by the FMT. Although the advance draft has been endorsed by the National Steering Committee, the Plan has yet to be consulted widely.
- b) The legal framework to allow Fiji to trade its ER-Titles – The Climate Change Division of the Ministry of Economy has drafted the Climate Change Act 2020, which provides the legal mechanism to allow trading of the ER Titles. The Climate Change Act is undergoing consultations.

Programme Operation Manual (Implementation Plan)

The first draft of the Programme Operational Manual was developed and is currently undergoing internal consultations, editing and vetting.

National Forest Management System

Work on the integration of the National Forest Management System (NFMS) with the Timber Revenue System (TRS) began this financial year and will be completed in the next reporting period through the development of a software programme. Officers of the Ministry are being trained on the use of tablets and the ODK application for the collection of field data.

Study of Drivers of Deforestation and Forest Degradation

Work on the Study of Drivers of Deforestation and Forest Degradation remains incomplete due to lack and insufficient data, particularly for the infrastructure, agriculture and mining sectors. This work is expected to be completed in the next reporting period.

National REDD+ Steering Committee (NSRC)

Only one national steering committee meeting was convened in November 2019 in Suva, which had a full quorum. Sub-committee meetings convened were to facilitate the following events: -

- a) Technical Assessment Panel (TAP) visit on Jan 21st – 27th and met with over 50 stakeholders to review and assess the ERPD; the TAP visit to Tokaimalo district in the Ra province, western division on Jan 26th to visit the reforestation project and meet with at least 50 village community members, regarding ER-Programme.
- b) ERPD Stakeholders' consultation at the Tanoa International Hotel, Nadi on Feb 5th and 6th and attended by 30 participants from the Ministry of Agriculture, Ministry of Rural and Maritime Development, iTaukei Land Trust Board (Western Office), Ministry of Lands, Solicitor General Office, CSO and NGO, Fiji Pine Ltd and Fiji Hardwood Corporation Ltd, Ministry of Forestry (Western Office); a follow-up meeting was convened on June 18th at the same venue to finalize the ER-Programme activities.
- c) Benefit Sharing Plan Inception Workshop on March 12th in Suva and attended by 20 participants that included the Ministry of Agriculture, Ministry of Rural and Maritime Development, iTaukei Land Trust Board, Ministry of Lands, Solicitor General Office, CSO and NGO and the Ministry of Forestry.

Global, Regional & National Partnership

Memorandum of Understanding

An MOU was signed between the Ministry of Forestry and the Biosecurity Authority of Fiji (BAF) on 12 March 2020. The partnership forged was to facilitate information sharing and collaboration to ensure Fiji's biosecurity, protection and safety. The partnership will also support the delivery of the Fijian Plant Industry Emergency Response Plan (PIERP), plant and emergency biosecurity response services in Fiji as needed in accordance with the Biosecurity Act of 2008 and the Forest Act of 1992.



Figure 19: PS Forestry and CEO BAF at the signing of the MOU

Livelihood Assistance, Community development and Inter-agency collaboration

Housing rehabilitation

The Ministry continued its assistance to communities who needed their homes rebuilt and repaired after the impacts of natural disasters. Portable sawmills were also delivered to affected communities and pine schemes to assist in the harvesting and processing of timber for housing structures. More than 600 houses were identified to be repaired. By the end of the financial year, the Ministry was able to assist communities with the production of 181 housing structures.

Table 37: Housing Rehabilitation

Location	No. of houses
Kadavu	141
Matuku	11
Ono-i-Lau	11
Totoya	8
Vatulele	10
Total	181



Figure 20: House construction in communities

DISMAC Operations

This year the impacts of a number of tropical cyclones saw the Ministry step up to support leading government agencies in the clearing of trees and debris, conducting damage assessments and distributing food and other relief rations to affected communities.



Figure 21: Staff clearing debris and fallen trees after cyclones

COVID-19 Response Support

The Ministry adhered to the call of the government of the day and supported the Ministry of Health & Medical Services in trying to control the outbreak of the pandemic. Support was provided in terms of seconding staff to MHMS to contribute in various fields, provision of vehicles and the use of the Forestry Training Center since April 2020 as a community isolation facility. More than 50% of the Ministry staff and over 50% of Ministry vehicles were engaged for COVID-19 operations.



Figure 22: Ministry of Forestry staff assisting MHMS during COVID-19 operations

Strategic Priority 5: Forest Financing

Sustainable financing for terrestrial protected areas

One of the long term outputs under this strategic priority is to establish Forest Trust Funds. With the objective of developing forest financing mechanisms, the Ministry commenced work this financial year on reviewing and assessing cost models of existing terrestrial protected areas such as the Sovi basin, Tomaniivi, Delaikoro and Taveuni protected areas.

Strategic Priority 6: Organisation Effectiveness

Human Resource

The Human Resources Division provides support services to all Divisions of the Ministry relating to human resource development and management, corporate administration, and occupational health and safety assurance.

HR Policies, Plan, Guidelines

HR Policies and manual were developed in line with the Ministry of Civil Service guidelines and policies.

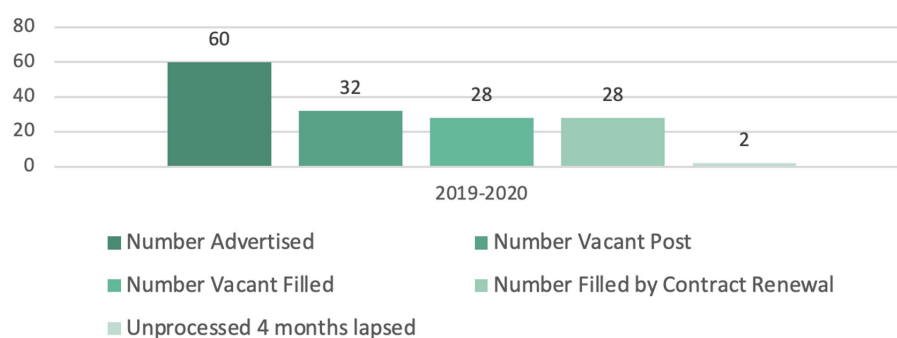
HR Management

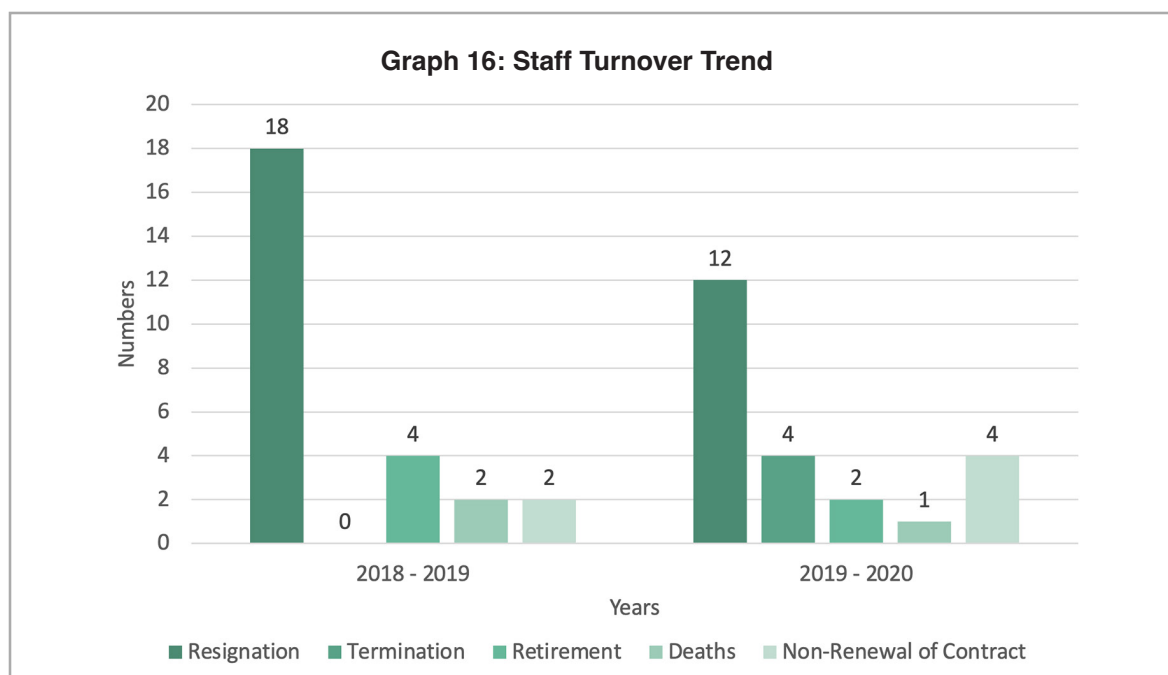
The Ministry had a staffing strength of 239 (87.2%) out of the 274 approved posts.

Table 38: Ministry 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	28	23	3	3	0	0	31	26
2 - Forestry	119	108	90	74	34	31	243	213
Total	147	131	93	77	34	31	274	239

Graph 15: Recruitment and Selection for 2019-2020





Asset Management

Annual Procurement Plan (APP)

The 2019-2020 Annual Procurement Plan was developed and submitted to Ministry of Economy.

Asset Register & 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. The total BOS value for boarded items for 2019-2020 financial year amounted to \$86,403.63. The COVID-19 pandemic affected the Ministry's disposal plans for auction in the, however, the BOS reports approved by Ministry of Economy has been escalated to respective divisions for the disposal process. The disposal process undertaken will be verified by the BOS team in the 2020-2021 financial year.

Upgrade of Staff Quarters

Total number of Quarters occupied by Ministry Staff is 78 with 10 Vacant. There was no major upgrade or repairs on staff quarters this financial year.

Table 39: Forestry staff quarters

Location	No. of Institutional Quarters	Vacant	Remarks
Coloisuva	41	3	Quarters No. 4 was burnt down in November 2018
Labasa Forestry	14	3	Repaired in 2013 while 1 Malau quarters needs repair
FTC	13	1	Repaired in 2015
Nasinu Forestry	10	0	Only the 8 Institutional Quarters was repaired in 2018 and 2 pool quarters are yet to be repaired.
Vunimaqo	4	1	To be repaired in 2020/2021
Navua Forestry	1	0	Repaired in June 2019
Nadarivatu	1	0	Repaired in 2015 and is occupied by Roko Tui
Lautoka/Lololo	4	2	In need of major repair works. The repair was planned for 2019/2020FY, however due to a few tender issues, this could not be fulfilled this financial year.
Total	88	10	

Vehicles

The Ministry's current vehicle fleet as 31 July 2020 are outlined below:

Table 40: Ministry vehicles fleet

Division	No. of Vehicles	Lease Vehicles	Govt Owned Vehicles	Running Condition
Head Quarters	8	5	2	7
Timber Utilisation Division	10	1	9	7
Forestry Training Centre	5	1	4	3
Silviculture Research Division	2	1	1	2
Central	12	6	6	11
Western	11	6	5	6
Forest Parks	3	1	2	3
Forest Resource Assessment & Conservation	3	1	2	3
Timber Industry Training Centre	3	2	1	2
Northern	9	7	2	8
Total	66	31	34	52

Finance

- **Finance Manual** – The 2019-2020 Finance Manual was developed and circulated to all staff of the Ministry.
- **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.
- **Annual Financial Statement for 2018-2019** was submitted to the Office of Auditor General.
- **Quarterly financial reports** were submitted to the Ministry of Economy.

Information Technology

- **Website Development** - The Ministry's website was revamped and internally launched on June 2020 with the tree planting dashboard.
- **Database upgrade** – The sandalwood database and service database were developed and upgraded
- **Online Export and Import license application** – The Ministry launched its online licensing system in June 2020 and the system is now in full operation addressing the "Ease of doing business" initiative.
- **MOF Intranet** – This was completed in the 2nd quarter of the fiscal year and now the usage is progressing well without any issues.
- **PABX System** - The PABX installation was done in the first quarter of this fiscal year.
- **Upgrade of the Ministry's biometric system** – all biometric devices have been installed in all forestry stations.

Reports, Plans and Implementation

- **Ministry Plan**
 - o The 2019-2020 Operational Plan was published and launched in the first quarter.
 - o The 2020-2021 Operational Plan was drafted and submitted along with the Ministry's budget submission for 2020-2021 financial year.
 - o All project annual workplans were submitted to Ministry of Economy within the first quarter.

Reports, Plans and Implementation

Ministry Plan

- o The 2019-2020 Operational Plan was published and launched in the first quarter.
- o The 2020-2021 Operational Plan was drafted and submitted along with the Ministry's budget submission for 2020-2021 financial year.
- o All project annual workplans were submitted to Ministry of Economy within the first quarter.

Monitoring & Evaluation

- o Quarterly monitoring was conducted this financial year. Though field visits were limited due to COVID-19, desktop analysis and online interviews/discussions were undertaken to gauge the performance of staffs in the Division.

Annual Reports

- o The 2014 & 2015 Annual reports were tabled in Cabinet in April 2020 and Parliament this financial year.
- o Compilation of the Jan-Jul 2016 and Aug 2016-2017 Annual Reports were also completed this financial year and will be tabled in the following reporting period.



Figure 23: Hon. Naiqamu planting a tree after launching the Ministry's operational plan

Public Awareness & Promotion

- Press releases – 21 press releases were compiled and published.
- Newsletters – 4 quarterly newsletters were compiled and published.
- Ministerial Tours – A total of 154 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 on the work of the Ministry.

Table 41: Ministerial tours

Northern Division	Western Division	Central/Eastern Division
Cakaudrove Province – 25 villages	Ra Province – 9 villages	Serua Province – 18 villages
Macuata Province – 1 village	Nadroga-Navosa Province – 1 Man1Tree1Day launch with members of 37 villages present	
20 villages from March – June 2020	Namosi Province – 12 villages	
	Ba Province – 23 villages	Lomaiviti Province – 9 villages
26 villages	89 villages	39 villages

- **Exhibition/Trade shows** - 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.



Figure 24: Hon. Naiqamu addressing the community members during one of his community outreach and consultations

APPENDICES

APPENDIX 1: AUDITED FINANCIAL STATEMENT FOR AUG 2019-JUL 2020

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji St. Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji



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



File: 436/1

28 July 2022

The Honourable Josaia Voreqe Bainimarama
The Prime Minister and Minister for Forestry
Government Buildings
SUVA

Dear Honourable Bainimarama

MINISTRY OF FORESTRY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

Audited financial statements for Ministry of Forestry for the year ended 31 July 2020 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 action.

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Mr. Pene Baleinabuli, The Permanent Secretary, Ministry of Forestry.

Encl.

MINISTRY OF FORESTRY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

MINISTRY OF FORESTRY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

Ministry of Forestry

Report on the Audit of the Financial Statements

I have audited the financial statements of the Ministry of Forestry ("the *Ministry*") which comprises the Statement of Revenue 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 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements of the Ministry are prepared, in all material respects, in accordance with the Financial Management Act 2004 and Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

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 IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Management and those charged with governance for the financial statements

The Management of the Ministry of Forestry are responsible for the preparation and fair presentations of these financial statements in accordance with the Financial Management Act 2004, the 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.

The Management 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.

Auditor's Responsibilities for the Audit of the Financial Statements (con't)

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional scepticism 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 the Ministry.
- Evaluate the overall presentations, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

I 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.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
28 July 2022

MINISTRY OF FORESTRY
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2020

We certify that these financial statements:

- (a) fairly reflect the financial performance of the Ministry for the year ended 31 July 2020; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, the Finance Instructions 2020 and Finance (Amendment) instructions 2016.



Mr G P N Baleinabuli
Permanent Secretary
Ministry of Forestry

Date: 27/07/22

.....



Maciu Waqa
Manager Finance
Ministry of Forestry

Date: 27/7/2022.

.....

MINISTRY OF FORESTRY
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 (\$)	2019 (\$)
REVENUE			
STATE REVENUE			
Native Timber Measurement		197,783	318,442
AGENCY REVENUE			
Miscellaneous Revenue		143,331	235,332
TOTAL REVENUE	3 (a)	341,114	553,774
EXPENDITURE			
OPERATING EXPENDITURE			
Established Staff	3 (b)	4,083,660	4,308,597
Government Wage Earners	3 (c)	1,595,526	1,480,597
Travel & Communication	3 (d)	707,627	636,073
Maintenance and Operations	3 (e)	1,133,067	1,207,464
Purchase of Goods & Services	3 (f)	1,005,314	1,183,384
Operating Grants & Transfers	3 (g)	855,238	975,344
Special Expenditure	3 (h)	1,244,116	2,027,687
TOTAL OPERATING EXPENDITURE		10,624,548	11,819,146
CAPITAL EXPENDITURE			
Capital Construction		1,908,207	2,216,573
Capital Purchases		395,983	297,193
TOTAL CAPITAL EXPENDITURE	3 (i)	2,304,190	2,513,766
Value Added Tax		340,804	540,829
TOTAL EXPENDITURE		13,269,542	14,873,741

MINISTRY OF FORESTRY
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2020

SEG	Item	Budget Estimate (\$)	Appropriation Changes (Note 4) (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operating Expenditure					
1	Established Staff	4,170,192	12,230	4,182,422	4,083,660	98,762
2	Government Wage Earners	1,749,318	10,846	1,760,164	1,595,526	164,638
3	Travel & Communication	535,985	212,988	748,973	707,627	41,346
4	Maintenance & Operations	1,358,940	(195,933)	1,163,007	1,133,067	29,940
5	Purchase of Goods & Services	1,099,028	(45,791)	1,053,237	1,005,314	47,923
6	Operating Grants & Transfers	878,907	(15,000)	863,907	855,238	8,669
7	Special Expenditure	1,806,724	-	1,806,724	1,244,116	562,608
	Total Operating Expenditure	11,599,094	(20,660)	11,578,434	10,624,548	953,886
	Capital Expenditure					
8	Capital Construction	2,158,472	20,660	2,179,132	1,908,207	270,925
9	Capital Purchases	507,432	-	507,432	395,983	111,449
	Total Capital Expenditure	2,665,904	20,660	2,686,564	2,304,190	382,374
13	Value Added Tax	537,000	-	537,000	340,804	196,196
	TOTAL EXPENDITURE	14,801,998	-	14,801,998	13,269,542	1,532,456

MINISTRY OF FORESTRY

**TMA – MANUFACTURING ACCOUNT - TIMBER UTILIZATION DIVISION
FOR THE YEAR ENDED 31 JULY 2020**

	2020	2019
	(\$)	(\$)
Opening Raw Materials	74,691	211,881
<i>Add:</i> Purchases	-	-
	74,691	211,881
<i>Less:</i> Closing Raw Materials	13,520	74,691
Raw Materials Used	61,171	137,190
<i>Add:</i> Direct Labour	-	70,969
Cost of Goods Manufactured transferred to Trading Account	61,171	208,159

MINISTRY OF FORESTRY
TMA – TRADING ACCOUNT - TIMBER UTILIZATION DIVISION
FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
	(\$)	(\$)
Sales	102,315	144,086
	102,315	144,086
Opening Finished Goods	45,323	20,786
<i>Add:</i> Cost of Manufactured Goods	61,171	208,159
	106,494	228,945
<i>Less:</i> Closing Finished Goods	23,588	45,323
Cost of Goods Sold	82,906	183,622
Gross Profit/(Loss) transferred to Profit & Loss Statement	19,409	(39,536)

MINISTRY OF FORESTRY

TMA – PROFIT AND LOSS STATEMENT - TIMBER UTILIZATION DIVISION

FOR THE YEAR ENDED 31 JULY 2020

	2020	2019
	(\$)	(\$)
Income		
Gross profit / (loss) transferred from Trading Account	19,409	(39,536)
Total Income	19,409	(39,536)
Expenses		
Maintenance & Operations	200,874	285,071
Other Expenses	-	-
Special Expenses	-	-
Total Expenses	200,874	285,071
Net Loss	(181,465)	(324,607)

MINISTRY OF FORESTRY
TMA – BALANCE SHEET - TIMBER UTILIZATION DIVISION
AS AT 31 JULY 2020

	2020	2019
	(\$)	(\$)
Assets		
Cash at Bank	1,228,107	1,338,610
Raw Materials	13,520	74,691
Accounts Receivable	73,857	73,857
Finished Goods	23,588	45,323
Total Assets	1,339,072	1,532,481
Liabilities		
Accounts Payable	9,631	9,630
Deferred Income	2,198,548	2,198,548
Deposits & Deductions	(24,762)	(12,818)
Total Liabilities	2,183,417	2,195,360
Net Assets	(844,345)	(662,879)
Equity		
TMA Accumulated Loss	(892,726)	(568,118)
Net Loss for the period	(181,465)	(324,607)
	(1,074,191)	(892,725)
Transfers to Consolidated Fund	229,846	229,846
Total Equity	(844,345)	(662,879)

**MINISTRY OF FORESTRY
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2020**

Loss of Money

There was no loss of money recorded for the financial year ended 2020.

Loss of Revenue

There was no loss of revenue recorded for the financial year ended 2020.

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	2020 (\$)
Motor vehicles	-
Computer Equipment	-
Field Equipment	11,862
Total	11,862

MINISTRY OF FORESTRY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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.

c) Comparative Figures

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

d) 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 2020

NOTE 3 SIGNIFICANT VARIATIONS

For the purpose of comparison of results for the twelve months' period covering 01st August 2019 to 31st July 2020 with the corresponding financial period for the twelve months from 01st August 2018 to 31st July 2019.

- (a) The total revenue collected for the financial year 2019/2020 was \$341,114 compared to \$553,774 in 2018/2019. The decrease in revenue of \$212,660 or 38% was due mainly to the impacts of COVID 19 on the Timber industry in Fiji regarding the lower sales for exporting sawn timber products overseas.
- (b) The established staff cost was \$4,083,660 for the financial year 2019/2020 compared to \$4,308,597 for 2018/2019. The decrease in established cost of \$224,937 or 5% was due to the realignment of positions in the staff establishment of the Ministry as approved by the Ministry of Economy.
- (c) The government wage earners staff cost was \$1,595,526 for the financial year 2019/2020 compared to \$1,480,597 in 2018/2019. The increase in government wage earners cost of \$114,929 or 8% was due to the realignment of positions in the Government Wage Earners of the Ministry as approved by the Ministry of Economy.
- (d) The Travel & communication cost was \$707,627 for the financial year 2019/2020 compared to \$636,073 in 2018/2019. The increase in travel & communication costs of \$71,554 or 11% was due to the 1 million tree initiative carried out from 01/01/20 to 31/12/20. 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) The Maintenance & operation cost was \$1,133,067 for the financial year 2019/2020 compared to \$1,207,464 in 2018/2019. The decrease in maintenance & operation cost of \$74,397 or 6% was due to the decrease in maintenance of vehicles brought about by the increase in new lease vehicle by the Ministry of Economy.
- (f) The purchases of goods and services was \$1,005,314 for the financial year 2019/2020 compared to \$1,183,384 in 2018/2019. The decrease in purchases of goods and services of \$178,070 or 15% was due to the realignment of activities in the revised COVID 19 budget.
- (g) The Operating grants & transfers costs was \$855,238 for the financial year 2019/2020 compared to \$975,344 in 2018/2019. The decrease in expenditure of \$120,106 or 12% was due to the realignment of activities to the revised COVID 19 budget. There was decrease in grants payable to forestry stakeholders locally including the annual contributions to Asian Pacific Association of Forest Research Institution (APAFI) and International Union of Forest Research Organisation (IUFRO).
- (h) The Special expenditure cost was \$1,244,116 for the financial year 2019/2020 compared to \$2,027,687 in 2018/2019. The decrease in special expenditure of \$783,571 or 39% was due to the realignment of activities under the revised COVID 19 budget.
- (i) The Capital Expenditure cost was \$2,304,190 for the financial year 2019/2020 compared to \$2,513,766 in 2018/2019. The decrease in expenditure of \$209,576 or 8% was due to the realignment of activities under the revised COVID 19 budget. Major purchases of new harvesting machines, post peeler machine, wheeler loaders and bulldozers was suspended to be carried forward to the next financial year.

MINISTRY OF FORESTRY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2020

NOTE 4: APPROPRIATION MOVEMENTS

Appropriation movements were made through virement as follows:

Virement No.	From	To	Amount (\$)	Approved by
DV3201	SEG 4	SEG 3	122,988	Permanent Secretary for Forestry
DV3202	SEG 4	SEG 5	37,000	
		SEG 6	15,000	
DV3203	SEG 4	SEG 3	40,000	
DV3204	SEG 4	SEG 3	12,000	
	SEG 5		38,000	
DV3206	SEG 4	SEG 5	6,334	
DV3207	SEG 5	SEG 4	12,524	
DV3208	SEG 5	SEG 4	602	
V32001	SEG 4	SEG 2	70,400	
V32002	SEG 1	SEG 2	12,398	Permanent Secretary for Economy
V32003	SEG 4	SEG 3	3,077	
		SEG 2	12,071	
V32004	SEG 2	SEG 1	44,458	
V32005	SEG 4	SEG 2	7,928	
V32006	SEG 4	SEG 8	20,660	
V32007	SEG 1	SEG 2	44,299	

NOTE 5: SIGNIFICANT APPROPRIATION SAVINGS

Significant savings for the financial year ended 31 July 2020 are as follows:

Ref	Expenditure (\$)	Revised Budget (\$)	Actual Expenditure (\$)	Savings (\$)	Percentage Savings (%)
a)	Unestablished Wage Earners	1,760,164	1,595,526	164,638	9%
b)	Travel and Communications	748,973	707,627	41,346	6%
c)	Special Expenditure	1,806,724	1,244,116	562,608	31%
d)	Capital Construction	2,179,132	1,908,207	270,925	12%
e)	Capital Purchases	507,432	395,983	111,449	22%

- The savings in Unestablished Wage Earners of \$164,638 is due to the vacant positions that have not been filled.
- The savings in Travel and Communications of \$41,346 is due to COVID 19 Pandemic where lockdowns and restrictions were in place on movements, thus the travelling, communication and subsistence expenses for staffs had reduced.

MINISTRY OF FORESTRY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2020

- c) The savings in Special Expenditures of \$562,608 is a result of the delay in consultancy work hence the delay in payments, the funding of a course for international forest policy at the Fiji National University that was put on hold and direct payments projects made by the World Bank (or donor) to the vendors.
- d) The savings in Capital Construction of \$270,925 is due to the RED PLUS allocation delays in lease payments to Emalu and other contracts payments. Realignment of activities due to COVID 19, other activities and urgent purchases.
- e) The savings in Capital Purchases of \$111,449 is a result of suspending the major purchases of the new harvesting, post peeler machines, wheel loaders and bulldozer due to COVID 19.

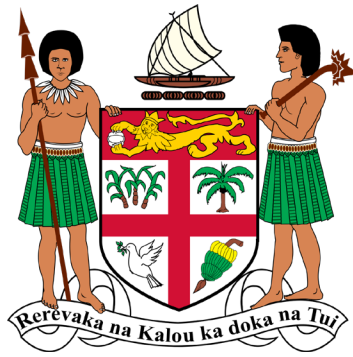
NOTE 6: TRADING AND MANUFACTURING ACTIVITY

TMA incurred loss of \$181,465 for the financial year 2019/2020 compared to net loss of \$324,607 in 2018/2019 financial year. The losses were due to the decrease in the activities carried out at the saw-mill due to machine breakdowns. The TMA sales revenue reduced due to the less sales volume during the year. The decrease in TMA expenditure was due to the reduced activities at the aging saw mill.

NOTE 7: STANDARD LIABILITY GROUP (SLG) 84

The Ministry's SLG account comprises of two accounts:

1. A total of \$99,098 was utilised by the Ministry for Community based Restoration and Sustainable Management of Vulnerable Forests of Rewa Delta. These funds were released from Ministry of Economy.
2. Maritime Pine Emergency purchase of four portable Sawmills – A total of \$193,580 was released from Ministry of Economy and fully utilised by the Ministry.



Comments and enquiries should be directed to:

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