

# Ad Hoc Expert Group on Forest Financing

Facilitating Financing for Sustainable Forest Management in Small Islands Developing States and Low Forest Cover Countries

## Country Case Study – Fiji

Samuela Lagataki  
Fiji Forestry Department

Nairobi, Kenya  
13-17 September, 2010

## Contents

1. Project Background
2. Introduction – Fiji
3. Methodology and Data Collection
4. Policies, Institutions, Inter Sectoral Linkages\*
5. Forest and Forest Sector Development\*
6. Issues for Private Investments\*\*
7. Financing Gaps and Opportunities\*\*
8. SFM Implementation Challenges\*
9. Recommendations \*\*

\* Outcome of Sectoral Forest Policy Consultation – (Forest Policy 2007)

\*\* Project Outcomes

## Project Background

- Means of Implementation is a challenge for SFM since Rio 1992
- UNFF Special Session October 2009 reached a decision on the urgent need for global action to catalyse funding for SFM

## Decision Involves 2 Initiatives

- An Intergovernmental process to conduct an in depth analysis of all aspects of forest financing over the next four years
- A facilitative process on forest financing, to assist countries to mobilise funding from all sources
  - The facilitative process address the special needs of countries that O

that

## The Facilitative Process

- The facilitative process has received immediate support, including for a first concrete project on Facilitating Financing for SFM in SIDS and LFCC from the govt of UK, implemented by UNFF as the first phase of a larger project with other phases to be financed by a large multilateral donor.

## Project Objective

- The immediate objective is to strengthen the capacity development of SIDS and LFCC to better address the main obstacles and challenges in financing SFM, and associated global, national and local environmental public goods, and to improve the governance frameworks to secure a conducive policy environment for SFM.

## Fiji

- Fiji was Selected to Represent SIDS in this study.

## Fiji Location

3 hrs flight NE of Sydney  
2 hrs flight N of Auckland



# Fiji Basic Information

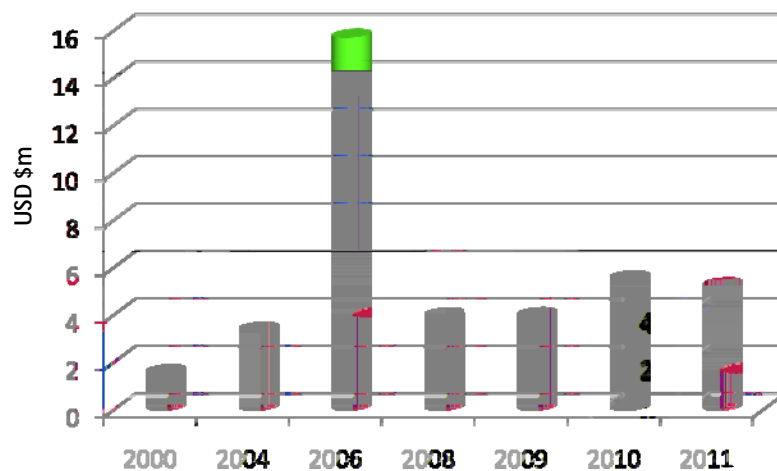
Lat. 18°00



## **Policies, Institutions & Inter Sectoral Linkages**

- **Forest Policy 2007 (Based on SFM)**
  - Conservation of forests and biological resources
  - Integrated forest resource management
  - Resource owners and community involvement in SFM
  - Upgrading of forest

## Historical Financial Inputs for the Forest Sector (2000-2011)



## Issues for Private Investments and Enabling Environment for Financing SFM

- Attractive incentive packages from key stakeholders tailored for various markets, and stages of wood production, including plantation establishment, etc.
- Linking tax deductions with degree of compliance to SFM standards such as National Standard for Forest Certification
- Specialized capacity that fully understands the evolving needs of investors for developing specific packages serving mutual needs.
- An institutional infrastructure to address the various needs of investors at the various stages of the investment, such as an investment committee chaired by the permanent Secretary responsible for Forests.
- Administration and management must target a balance in investment in various resource sectors (agriculture, fisheries, forests).
- A strong link between regional organizations as conduits for accessing funds for implementing SFM related programs, as alternative sources for the difficult to access ODA

## Financing Gaps and Opportunities (Key Findings)

- Lack of support in financial institutions targeting forest management activities
- Lack of incentives for the private sector to improve sustainable forest practices.
- Addressing the drivers of deforestation and forest



## Recommendations

### Strategies for increasing financing flows for SFM

1. Formulate a **National Forest Development Strategy** that includes a **National Forest Finance Strategy**
2. Strengthen collaboration with Pacific Regional Organizations and NGOs in forest conservation and accessing **conservation grants**.
3. Encourage **Corporate Social and Environmental Responsibility**
4. Encourage **Forest Certification** (SFM Certification)
5. Encourage **Public Private Partnerships** for infrastructure developments
6. Review forest licence and service fees