PATHS IN THE JUNGLE
Landowners and the Struggle for Control of Solomon Islands' Logging Industry

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Chapter Seven

REFORMS IN THE LOGGING INDUSTRY

Because of the nature of developments in the Solomon Islands logging industry in the past two decades, there have been concerted efforts, especially in the 1990s, to push for reforms in forestry policies, and legislation, and in the way the administrative structures are organised. Such reforms, it was envisaged, would enable the government to better regulate the industry’s operations and ensure that Solomon Islander landowners obtain greater control over the industry and more benefit from it. It is assumed, in other words, that reforms will produce an environment where landowners may participate more effectively and that this will produce better logging outcomes.

But, has this been the case? Has reform produced an environment for more effective landowner participation and control of the logging industry? Has reform merely increased the capacity of the state and not necessarily that of landowners? What are the likely outcomes of these reform initiatives?

These are some of the questions that this chapter seeks to answer. The chapter examines two of the major reform initiatives currently being implemented: the AusAID-funded Solomon Islands Forest Management Project (SIFMP) and the Forestry Act 1999. The objective of the chapter is to evaluate how forestry reforms affect the participation of customary landowners and their control over the logging industry. The chapter is divided into four parts. The first provides a broad historical overview of the role played by aid agencies in funding past reform initiatives. The second examines the AusAID-funded Solomon Islands Forest Management Project (SIFMP). This includes a description of SIFMP: its rationale, design, objectives, strategies for its implementation, and assessment of its outcomes. Thirdly, the chapter critically examines the Forestry Act 1999 and the likely outcomes it will produce, especially with regard to landowner participation and control over the logging industry. Fourthly, the chapter discusses how the reform initiatives affect the nature of landowners’ participation in the logging
industry. This provides some critical discussions of forestry reforms and explores whether or not current initiatives will improve landowner participation in the industry.

**Funding, Aid Agencies and Reform: a background**

The need for reform in the forestry industry has been long discussed by successive governments since independence. Large-scale commercial logging, in particular, was an issue of great concern.

The previous Francis Billy Hilly-led government which came to power in 1994 attempted to introduce some changes by proposing, amongst other things, a moratorium on round log exports. That government was, however, ousted from power only months after assuming office (see Chapter Three).

More recently the Bartholomew Ulufa’alu-led Solomon Islands Alliance for Change (SIAC) government (1997—June 2000), when it came to power in 1997 made a commitment to reform the forestry industry (see SIAC Government 1997).

The issue of reform became prominent partly as a result of pressure from aid agencies, local and international non-government organisations (NGOs), and changing domestic public opinion as a consequence of an increasing awareness of the impacts of logging operations. Of particular significance were: the unsustainable nature of logging practices; the incapacity of the state to fully capture logging revenues, implement legislation and enforce logging regulations; the need to stop the dubious practices of logging companies; and the need to ensure that Solomon Islander customary landowners benefit more from and have greater control over logging operations.

But, given Solomon Island’s weak economy and cash flow problems, the reform initiatives have, in most instances, been funded by international aid agencies. The political implication of this is that aid agencies are able to influence, if not dictate,
the reform agenda. In most cases, however, there is a consultative and collaborative effort between aid agencies and the Solomon Islands government.

The Solomon Islands forestry sector has been a recipient of international development assistance programmes over an extended period. Assistance has come from bilateral and multilateral sources. During the 1990s Australia, through both bilateral and multilateral agencies, was the predominant donor source. Reflecting the increase in timber resource exploitation, the assistance programme has increasingly focused on the monitoring of log exports, planning of the harvesting of the natural forest, and optimising the return to Solomon Islands. Australian funds have focused on the core issues of natural forest resources management and the institutional strengthening of the monitoring capacity of the main economic sector in the nation.

In the early 1990s two major projects were initiated with Australian funds: a monitoring and institutional strengthening project called the Timber Control Unit Project (TCUP), and the Solomon Islands Natural Forest Inventory Project (SOLFRIP), a project to provide an inventory of the natural forest resource. The latter included defining non-timber values of the forest and mapping areas of environmental sensitivity for biological conservation. The inventory project was completed in 1994, while the monitoring project was withdrawn at the end of 1995 due to political differences between Honiara and Canberra, especially over the then Mamaloni-led government’s reluctance to support the project.

Other international agencies were involved. In 1994, for example, the United Kingdom Overseas Development Agency (UKODA) funded a Tropical Forestry Action Plan (TFAP) coordinator. The TFAP process attempted to assist government in defining sectoral issues, develop policies, and design implementation strategies to address the issues. This programme was withdrawn in the second half of 1995 due to the lack of government support to the TFAP coordinator.
With the change in government in 1997, the newly elected SIAC government requested a resumption of assistance from AusAID for the forestry sector. The request followed economic studies by the World Bank and International Monetary Fund (IMF), and a joint Asian Development Bank (ADB)-AusAID analysis of the socio-economic situation, key issues and development prospects in the Solomon Islands. A World Bank mission in November 1998 recommended technical assistance to enhance capacity of the Forestry Division for price monitoring, revival of the Timber Control Unit to inspect concessions, and a review of the tax regime and legislative needs. The IMF in March 1998 supported the Solomon Islands government’s plan to reactivate the TCUP and instigate other necessary activities.

The project development followed from the recommendations of the joint ADB-AusAID Solomon Islands Economic Report for the forestry sector conducted in November-December 1997, and the supporting recommendations of the World Bank and IMF Missions. AusAID commissioned a follow-up visit by the forestry specialist on the ADB-AusAID study in early 1998 to develop a prioritised programme of assistance for its consideration. The visit produced a proposal in February 1998 for a forestry sector reform assistance programme, which included an outline of a Forest Management Project and plans for the introduction of a new forestry bill that would ensure that Solomon Islander landowners benefit meaningfully and sustainably from the logging industry. Such projects were enthusiastically supported by the then newly elected SIAC government which was eager to demonstrate to aid agencies its willingness to push for reform in all sectors of state involvement.

The next section discusses one of the projects introduced as a means of facilitating reform in the forest sector. This is the AusAID-funded Solomon Islands Forest Management Project (SIFMP).
The Solomon Islands Forest Management Project (SIFMP)

The Solomon Islands Forest Management Project (SIFMP) is an important development in attempts to alleviate problems associated with the country’s forestry industry. Its implementation is expected to contribute enormously to forestry reform initiatives. In particular, the project was seen as vital in attempts to strengthen state institutions while at the same time empower landowners.

Discussions between AusAID officials and the Solomon Islands government in March 1998 identified forest sector management as a key area for assistance. It was, therefore, agreed that the Australian government would assist in establishing a project that would do the kinds of tasks previously done by the Timber Control Unit Project (TCUP) plus other tasks seen as important. High level consultations between the two governments in May 1998 confirmed the willingness of the Australian government to assist. It was agreed at that meeting that a detailed project document be prepared for consideration by the two parties.

A draft Project Design Document (PDD) was produced in July 1998 by a team tasked to appraise the project outline produced in February 1998 and draft a design of the SIFMP for consideration by both governments. The AusAID members of the appraisal team included Robert Ferraris (Team Leader, AusAID) and Grahame Applegate (Forest Management Consultant). The Ministry of Forests, Environment and Conservation appointed Gideon Bouro (Chief Forest Officer) as a Solomon Islander counterpart to the appraisal team.

Ironically, while the project was meant to strengthen state institutions and enhance landowner participation, no landowner representatives were included in the appraisal team. This is partly due to the absence of a national landowner institution from which such a representative could be drawn. There was, however, no evidence that AusAID or their Solomon Islands counterparts made any attempt to facilitate landowner representation in the appraisal team. Other important stakeholders such as the Solomon Islands Forest Industries Association (SIFIA) and NGOs were also not included.
Despite this, the task of preparing a PDD went ahead with government and AusAID representatives. However, the Solomon Islands government did not officially request implementation of the project until the end of 1998.

In between the PDD being produced and the project being implemented two important developments occurred. The first was the appointment of a new Commissioner of Forests. Peter Sheehan, an Australian, was appointed as part of the AusAID-funded project. This was important because it was envisaged that an outsider would be in a better position to address some of the problems associated with the logging industry, especially allegations of corruption. More importantly, the new Commissioner brought in with him a broad experience which was seen as vital in attempts to reform the forestry industry. He was, however, expected to train a Solomon Islander counterpart who would take over when his contract ended.

The second development was the preparation of a new forestry bill—later to be known as the *Forestry Act, 1999*—which had been drafted with technical assistance and funding from AusAID. It is understood that the implementation of the new Act will require further technical assistance from aid agencies, especially AusAID. As will be discussed below, the new Act, as with the SIFMP, was expected to enhance state capacity and ensure that landowners benefit from the logging industry. To ensure this the draft PDD for the SIFMP was re-drafted in January 1999 by a member of the earlier team—Robert Ferraris—to include activities directed to the implementation of the *Forestry Act, 1999* and those suggested by peer review. (See below for detailed discussion of the *Forestry Act 1999*).

According to AusAID, the SIFMP fits with the priority areas and strategies recommended by the 1997 Simon Committee of Review of AusAID’s development program because ‘it contributes to poverty alleviation by enhancing more equitable allocation of resource rents from natural forests and to the health
of the environment by promoting sustainable utilisation of a significant resource’ (AusAID 1999:11).

While it is true that the project fits into Australian aid policy and ongoing assistance to Solomon Islands, the question is whether the project will really alleviate poverty and provide for a more equitable share of resource rents from forestry development. Whilst this can only be measured in the later stages of the project’s implementation, it may be asked whether (given the relative weakness of landowners and the state in comparison to logging companies) the project can significantly change the situation of landowners in relation to the logging industry. Will the SIFMP empower landowners and improve their benefits from the logging industry?

The Solomon Islands government’s rationale for the project is that it contributes to the government’s policy and structural reform program. Such reforms are, in turn, part of the conditions required by AusAID and other international financial institutions in return for financial support to the Solomon Islands government, especially in the forestry sector. It is also a condition for public sector reform in general.

Related to the above are the policy objectives and strategic directions for the Ministry of Forests, Environment and Conservation in general, and the forestry sector in particular as contained in the SIAC government’s policy statement (see SIAC 1997). The SIFMP will play a fundamental role in realising these objectives which include issues such as:

- sound forest management and land conservation practices for forest;
- development and maintenance;
- improved efficiency of production and maximising market value, and strategic directions,
- sustainable harvesting of trees.

(see AusAID 1999:11).

These are all very important aspects of the development of Solomon Islands forestry industry in general and logging in particular. Similar sentiments have been
expressed by past governments. However, none of them has been able to successfully implement them.

Generally, the SIFMP’s overall objective is to assist the Ministry of Forests, Environment and Conservation (MFEC) in improving forestry management, monitoring and revenue control systems which will make for an environmentally sensitive industry and will increase the benefits and returns to landowners and the government. As an PDD states, the project aims to ‘assist MFEC contribute to improving the socio-economic development and well being of the people of the Solomon Islands and their environment, ... assist MFEC enhance the sustainable management of forests and maximise revenue and resource rent to forest owners and Government’ (AusAID 1999: 22).

To achieve these objectives, the project was designed to have seven components:
I. creating a policy, legal and regulatory framework for implementation of the *Forestry Act, 1999*;
II. strengthening organisational management for improved forest management and resource rent capture;
III. improving the infrastructure necessary for sustainable forest management;
IV. improving the institutional arrangements for sustainable forest management;
V. establishing policies and facilities for increased forest-based domestic processing;
VI. providing technical studies for sustainable forest management and utilisation; and,
VII. project management.

The Project is currently being implemented. The management task was contracted out to an Australian consultancy firm which was scheduled to begin the implementation program at the end of 1999. That was, however, disrupted by the ongoing ethnic crisis in Solomon Islands, especially the civil unrest in the areas around Honiara.

The Project has a design life of three years. Within the first year, resource rents per unit volume of timber harvested were expected to increase. This is because it is anticipated that the project will improve the monitoring of log exports through a rehabilitated Forest Resources Management Unit (FRMU). The PDD states that
both the Solomon Islands government and landowners will gain from such a
development. The document indicates that ‘experience with the previous TCUP
showed that the likelihood of this outcome is high’ (AusAID 1999: 13).

The Project was also expected to rehabilitate and enhance the infrastructure and
support systems for forest management, monitoring and revenue. Further, it was
anticipated that the project will strengthen the Code of Practice for Timber
Harvesting, and Reduced Impact Harvesting Guidelines based on sound
silvicultural prescriptions were to be introduced. The Project was also expected to
put in place the policy and regulatory framework and administrative systems for
the implementation of the new Act.

The Project contains a substantial training input, directed to strengthening capacity
of the Forestry Division, the industry and landowners. It was anticipated that such
training would produce a more effective and efficient Forestry Division with
trained and skilled management and personnel for administration, monitoring and
control of exports and in-field operations. The industry should have the ability to
comply with the Code of Practice and Impact Guidelines. For landowners, it was
anticipated that the project will make them more ‘... aware of their rights and
responsibilities under the agreements with contractors, and will have sufficient
understanding of required practices to undertake monitoring of their logging
operations. This will contribute to better utilisation of the forest resource, and to
sustainable logging practices’ (AusAID 1999: 16). It was envisaged that in
combination with expected Solomon Islands government directives aimed at
reducing harvest levels (reduction of quotas, no new licenses), this will ultimately
result in harvests being reduced to manageable levels that approach sustainable
yields for the natural forest estate.

At the time writing the PDD, the then Ulufa’alu-led SIAC government had a
policy to increase the domestic processing of timber. The Project acknowledges,
however, that the success of such a proposal is dependent on external market
forces and the satisfaction of market requirements. Consequently, the Project aims
to work with MFEC staff, NGOs, and communities in ensuring better utilisation
and quality of products, and help develop the legal and regulatory instruments for quality exports.

The Project was expected to work with the MFEC in its attempts to provide a supporting operational budget to implement and sustain the monitoring systems. The expected positive benefit-cost ratio from the improved monitoring of exports will be a strong justification for adequate budget support, which has been lacking in recent years.

The Project outcome indicators are:

- the forest sector has a coherent policy framework, providing direction to the Forestry Division and the sector stakeholders through a National Timber Industry Policy and National Forest Resource Management Strategy by year 1;

- a Forestry Act being implemented through a legal and regulatory framework with operating administrative systems for the management of licences by year 2;

- the Solomon Islands timber industry will meet a number of International Timber Trade (ITTO) guidelines for sustainable natural forest management and timber harvesting operations by Project end;

- increased revenue from unit volume of timber harvested, and captured by the Solomon Islands Government and landowners by year 1 of the project;

- options and priority actions to reduce harvest yields to manageable levels of around 300,000 cubic meters per year will be available for SIG consideration by year 1;

- compliance with the Code of Practice by all contractors by year 3;
minimum standards of timber harvesting planning applied by all contractors by year 2;

skilled personnel able and with capacity to undertake duties and implement work plans at all levels in the Forest & Revenue Monitoring Unit by year 2;

the Forestry Division provides informed critical contributions to key economic issues including optimal utilisation of the natural forest and plantation resources, equitable distribution of resource rent and forestry taxation;

a framework that encourages domestic processing will be designed by year 3;

a supporting operational budget will be available for continuation of FRMU activities.

The Forest Management Project is important to the Ministry of Forests, Environment and Conservation. There is good ownership of the Project in the MFEC. The Ministry and its Forestry Division requested consideration of most components and outputs during a series of consultations that involved project identification and outline in 1997 and 1998, and feasibility and design in 1998 and early 1999. The MFEC and its Forestry Division are familiar with much of the Project concept and activities because they are similar to the earlier AusAID-funded TCU Project which was terminated in 1995. The present government has reversed the previous official attitude to monitoring and regulation and has requested assistance from AusAID for the strengthening of the Forestry Division and re-establishment of monitoring functions as part of its reform process. This is supported by international financing agencies and donors. The SIG has allocated SBD500,000 in 1998 (in a time of budgetary constraint) for the re-commencement of effective monitoring operations by the Forest & Revenue Monitoring Unit of the Forestry Division. The SIG objective may be increased recovery of revenue from logging but it requires an effective Forestry Division to maximise recovery. The Project should deliver such an organisation. The Project will also work to
ensure that recurrent funding for the Forest Resources Management Unit and other sections is maintained at or near the SBD500,000 level by demonstrating to SIG and its financial departments the benefit-cost advantage of the Forestry Division operations as part of its project monitoring and evaluation. The sustainability of log monitoring and technical aspects of the Project are supported by the strengthening of capability for management and administration. Managers will improve their skills and management systems will be upgraded. MFEC management will be assisted by the Team Leader to cope with reduced resources when the Project is coming to an end. This will allow MFEC to continue relevant project activities under its own resources.

An alternative to part of the Project is to contract out the log export monitoring functions to an external auditor. An external auditor has been considered for Customs by the Ministry of Finance. The MFEC also promoted external contractors for auditing exports in the forestry and fisheries sectors.

MFEC’s executive prefers the development of internal country capacity within the Forestry Division; such development produces greater sustainability and it probably has a better benefit-cost ratio. The FRMU monitoring functions are important to MFEC and for Project justification since they combine all activities of inspection, enforcement, regulation, and education and training in the organisation.

The Solomon Islands Forestry Industries Association (SIFIA) welcomes the Project. The association worries that it has been marginalised by the present government and the MFEC. It sees the Project as a way of bringing various groups within the sector together to plan the industry’s future and of initiating agreeable financial and operational reform. The Project has activities designed to bring all stakeholders together in developing policy, implementing the new Forestry Act and in introducing sustainable forestry. The participation of stakeholders provides for sustainability of the industry. The successful application of the community development process, including contact with and participation by women, will influence the sustainability of relevant Project activities. If landowners are
motivated to manage resources in a sustainable manner, the regulatory mechanism of the Forestry Division could be reduced.

The Project’s cost effectiveness is based on experience of an earlier project, described in the economic feasibility report (section 3.2 (a)) and the working paper (Annex 9). Similar monitoring activities in PNG have also yielded positive benefit-cost outcomes. External auditing of log exports from PNG immediately improved recovery of resource rents in the country.

**The Forestry Act 1999**

Part of the present government’s reform program in the forestry sector was the establishment of a *Forestry Act 1999* which was passed by the Solomon Islands national parliament during its May 1999 sitting.

The need for new forestry legislation has been recognised by successive governments. But although previous administrations had drafted legislation, none was committed to putting a bill through parliament. When the SIAC government came to power in 1997, one of its first priorities was the establishment of new forestry legislation. This was enthusiastically supported by AusAID and other donor agencies with an interest in the forestry industry.

New legislation was required primarily because, as the then Minister for Forests, Environment and Conservation, Hilda Kari, stated, the former legislation was inadequate in protecting Solomon Islands forests. Since its introduction in 1969, the *Forestry Resources and Timber Utilisation Act* had been amended nine times, including major amendments in 1977 and 1990. This, Mrs Kari argued, had made the Act ‘very difficult and confusing to follow’ (*Solomon Star*, May 29, 1999: p.7). The Commissioner of Forests, Peter Sheehan, states,

> ... the previous law was quite inadequate to deal with modern forestry practice. This was so whether the harvesting was carried out with heavy machinery or with small portable mills, whether by large
companies or by individual landowners .... It was very difficult to follow and it came to be bypassed or ignored (Sheehan 2000: 2).

According to Sheehan, the Forest Resources and Timber Utilisation Act was inadequate partly because, when it was framed by the colonial administration, it did not provide for logging on customary-owned land, which was where most logging operations were taking place in the 1980s and 1990s. Indeed, the original law did not permit logging on customary-owned land at all. When it was eventually permitted,

a process was introduced to deliberately shortcut the identification of forest ownership rights. This was the establishment of a process to determine forest ownership rights via hearings of Area Councils. It was clearly biased against the custom forest owners and there are many disputes and disappointments as expectations are often unmet (Sheehan 2000: 2).

The new Forestry Act aims to restore the proper rights of the owners to determine the future of their resources and to maximise their benefits from the exploitation of forest resources. Sheehan further argues that the second problem with the old legislation was that, when chainsaws and Walkabout Saw Mills\textsuperscript{38} became common, there was no provision in the legislation to allow for any small-scale harvesting by forest owners themselves.

Rather than amend the law this was facilitated by the ‘ultra vires’ use of the ability to issue a licence to operate a sawmill. This form of licence specifically did not include a right to fell trees. They were nevertheless issued indiscriminately and some were even used to permit the export of sawn logs (Sheehan 2000: 2).

Consequently, many of the small-scale timber productions were operating with little regulation from the forestry department. There was little, if any, monitoring of the volume of timber harvested by small-scale operation, though such operations could have detrimental impacts in the longer run. There was, therefore, a need for legislation that recognized the growing significance of small-scale harvesting through operations such as the Walkabout Saw Mill.

\textsuperscript{38} Walkabout Saw Mills are portable saw mills which became popular in Solomon Islands and Papua New Guinea in the 1980s and 1990s. They can be carried around in the forests and used to process timber on location. They are said to reduce the negative environmental impacts of logging, and provide higher returns for landowners (see SWIFT).
The key policy features of the new legislation address concerns that have been publicly expressed by individuals and institutions in the past decade. The major objectives of the *Forestry Act 1999* are:

I. To ensure proper management of forest resources in an efficient, effective sustainable manner;

II. To promote the development of a sustainable commercial timber industry so as to ensure maximum benefit to present and future generations;

III. To protect and conserve forest resources, habitats and ecosystems including the maintenance of ecological process and genetic diversity.

(Source: Sheehan 2000: 2).

These objectives are explained and established through a set of principles which guide the Minister and the Commissioner of Forests in the exercise of their powers. They include: the sustainability of resource utilisation; the rights of customary owners; application of the precautionary principle to management decisions; the balancing of economic and ecological objectives; the protection of biodiversity; consistency with international treaties and obligations; and consistency with national policies for forest resource conservation and timber industry development.

On the issue of sustainable forestry practices, the new legislation requires that forest resources be protected and the Code of Forest Practice be followed in field operations. Sheehan asserts that for sustainable harvesting to be achieved will require ‘a reduction to about 50% of the present rate and it has to be achieved in the face of the importance of the timber industry to the economy’ (Sheehan 2000: 3). The issue of a logging licence will take place only after the capability of the land in question to support commercial timber harvesting has been assessed. This is to ensure that forest harvesting is not permitted in areas of special environmental sensitivity.
Other aspects of the *Forestry Act 1999* are discussed in some detail below. There are eight parts to the Act. The main ones deal with issues such as: the administrative structures and mechanisms of the Forestry Division; a framework for the planning and management of forest resources; apparatus for the control of forestry activities such as timber harvesting, approval of contractors, land clearing, timber milling and marketing; regulations for the acquisition of forest rights in unregistered customary land; conservation, and the framework for the enforcement of the regulations.

The most important aspect of the forestry administration provided for under the new legislation was the establishment of a Solomon Islands Forestry Board 'which shall advise the Minister on such matters relating to the conservation, management and development of forests in Solomon Islands and such other matters as the Minister may from time to time require.' The major functions of the Board are:

(a) to provide a forum for consultation and cooperation between the Minister and persons with an interest in with forestry matters;

(b) to advise the Minister on the formulation of the national timber industry policy and the national forest resource management strategy;

(c) to advise the Minister on matters relating to the conduct of forestry research;

(d) to provide advice on such other matters as may be referred to by the Minister or by a Provincial Executive;

(e) such other functions as are provided under this or any other Act.

Apart from the Forestry Board, the other significant administrative position is that of the Commissioner of Forests, who is responsible for overseeing the implementation of the national timber industry policy and the national forest resource management strategy as well as the conservation and proper management and development of forested land in Solomon Islands. The Commissioner's powers are quite substantial. They include: the power to grant, cancel, suspend licences and fix conditions as well as the power to institute or defend any
proceedings under his official title. The Commissioner also has the power of a forest inspector.

Another interesting aspect of the administrative structure is the establishment of a Forest Trust, responsible for the management and development of the forestry industry. This will be regarded as a Special Fund in terms of Section 100(2) of the Constitution. The money for the trust will come from the revenue derived from the forest development levy (provided for under Section 53), a share of penalties and licence fees, and any money appropriated to the Trust by Parliament, or donated to the Trust by any person, country or organisation. The utilisation of the Trust money is mostly for forest management purposes such as tree planting and tending.

Under the new Act, the provincial government also has the responsibility of reporting to the Minister of Forests, Environment and Conservation at least once every twelve month period on matters of licenses, reforestation and other management and planning issues.

On issues of planning and management, the new legislation provides for the preparation and implementation of a national timber industry policy by the Commissioner of Forests. The national timber industry policy shall inter-alia contain:

(a) the priorities to be observed in the granting of all or any class of licence or permit; and

(b) the requirements for utilisation of timber within Solomon Islands including any restrictions on the export of timber in round log form and any requirements for a volume or proportion of timber harvested to be milled within Solomon Islands; and

(c) the quotas of the numbers and kinds of licences that may be issued, overall and to any operator, in respect of any class of licence; and
(d) any preference to be observed in the granting of licences to local companies; and

(e) standard conditions which are to be applied to all or any class of licence; and

(f) any other matters relating to the granting of licences for timber harvesting and forestry-related activities.

It is also under this section that the legislation provides for the Commissioner of Forests to prepare and keep under review a national forest resource management strategy which contains:

(a) the categories of use which may be made of forest in Solomon Islands; and

(b) the criteria by which the suitability of a particular area of forest for each category of use will be assessed; and

(c) the zones within Solomon Islands to which different categories of forest use apply; and

(d) the manner in which timber should be harvested to ensure that forest resources are managed sustainably; and

(e) the sustainable yields or allowable volumes of timber that may be harvested annually, or in total, in the country as a whole or in a particular area; and

(f) the manner in which reforestation of areas that have been harvested is to be ensured.

The national forest resource management strategy is the principal statement of national policy in respect of the conservation and management of forest resources, and related activities in Solomon Islands. It also contains directives and prohibitions, consistent with the provisions of the Act.

The legislation also makes provision for the Commissioner of Forests, in consultation with the Board, to draw up for the endorsement of the Minister a code of practice for timber harvesting and forest management. The code of practice
shall contain practices and standards that, in the opinion of the Commissioner, are required to:

(a) promote growth of merchantable timber species; and
(b) maintain forest regenerative capacity and species diversity; and
(c) protect the environment; and
(d) protect sites of cultural, historical or archaeological significance; and
(e) ensure the health and safety of forest workers; and
(f) prevent fires; and
(g) ensure that harvested timber is accurately scaled.

More specifically, the code of practice may contain provisions for:

(a) prohibiting or restricting the harvesting of any species or category of tree; and
(b) prohibiting or restricting the export of timber of any species or category of timber in a specified form; and
(c) specifying the manner in which timber will be scaled and branded; and
(d) setting standards for the construction of roads and other works; and
(e) requiring a licensee to submit operational plans, acceptable to the Commissioner, in respect of proposed timber harvesting, tree planting and tending and forestry related activities to be carried out under the licence; and
(f) authorising a forest inspector to make a determination in respect of any matter or thing.

Section 18 of the legislation gives the commissioner of forests the power to determine the potential uses of forest areas. The procedures for such a determination are contained in Section 19. Applications for the determination of potential forest use can be made by either the owner(s) of a parcel of land or the owner of forest rights. The application is forwarded to the provincial secretary who, in turn, forwards it to the commissioner of forests within one month. The provincial secretary ensures that the application is in line with any relevant provincial government policy or land-use restriction, and/or any scheme of regulation under a provincial ordinance, which may affect the area of forest
covered by the application. After receiving the application and the provincial statement, the Commissioner shall make the determination of potential forest uses within two months.

Section 21 of the Act states that 'where a determination of potential forest uses relates in whole or in part to unregistered customary land, the Commissioner shall ensure that steps are taken to inform the customary owners of the contents and effect of the determination.'

Part IV of the Forestry Act 1999 deals with the control of forestry activities. This includes conditions and procedures for applying for timber harvesting and milling licences, land clearing, the exploitation of non-timber forest products (NTFP), the administration of licences and permits, and timber marketing.

The legislation also addresses the acquisition of forest rights in unregistered customary land which, at present, makes up a huge percentage of Solomon Islands land area. The Act outlines the conditions and procedures for the acquisition of forest rights on unregistered customary land.

Conservation and the enforcement of conservation regulations are also provided for in the legislation. Section 80 of the Act makes provision for the appointment of forest inspectors while Section 81 outlines the powers that forest inspectors and the police have in dealing with individuals and institutions who do not follow conservation regulations.

This new legislation is quite extensive in its coverage of issues that have been important in the Solomon Islands forestry industry in the past two decades. The previous minister responsible for forests, Hilda Kari, stated that the new bill will ensure the sustainable management of forest resources and maximise the benefits of logging for landowners, as well as protect forest resources which are fundamental to the livelihood and culture of Solomon Islanders (Solomon Star, May 28, 1999: 7).
The Reform Program and Landowners

The underlying concern of this chapter is to investigate how the reform initiatives affect landowners' participation in the logging industry. The issue of power relations, or control, is central to the discussion, and is connected to the question of who benefits most from the industry.

Much of the reform initiative was taken without consultation with landowners. The major emphasis of the reform program is on the state, strengthening state institutions and improving the state's capacity to capture revenue and enforce regulations. The SIFMP, for instance, places a lot of emphasis on institutional strengthening at the upper state level; the administrative structures of the state are reviewed with a view to improving efficiency and effectiveness. There is an assumption that if state capacity is strengthened, this will result in better forestry outcomes and landowners will eventually benefit—the 'trickle down' effect. Such an assumption is based on the view that the state is the only institution with the authority and capability to regulate the forestry industry. The regulation and management of the logging industry is, in other words, the prerogative responsibility of the state.

The irony of this, however, is that the state does not own a very large percentage of the forests being logged. Hence, it is difficult to see whether strengthening state institutions will actually enable it to better regulate a resource it does not effectively own. While such an institutional-strengthening project might be useful in improving the state's ability to capture rents, taxes, and improve government revenue it might not change things on the ground at all. If anything, it might not result in socio-economic development. It is important to note that while the strengthening of the state's administrative structure is salient, alone it is inadequate as a strategy for successful forest management and for ensuring that Solomon Islanders benefit from the forestry industry. Because more than 80 per cent of current log production takes place on customary land, for forest management to be successful, it has to involve resource owners' participation in the industry.
This is important, not only because of state 'weakness' in general, but also because the task of management could be more effectively carried out if landowners as well as other stakeholders were involved and integrated into the administrative structure responsible for implementation. Experiences in cases such as the North New Georgia Timber Corporation in the early 1980s and, in the early 1990s, the Pavuvu case in the Russell Islands have also indicated that the state is not necessarily a better manager of forestry resources. In the case of Pavuvu, where logging is on government leased land, harvesting practices have not been sustainable there have not been viable development initiatives. This is despite the previous government's development plans for Pavuvu. Further, the collapse of the AusAID-funded Timber Control Unit Project (TCUP) could be attributed to the fact that it concentrated too much on government institutions. Hence, when there was political disagreement between Canberra and Honiara, AusAID withdrew and the SIG refused to host the project, which collapsed.

It might also be useful to ask here why the previous Code of Practice has not been successfully implemented and enforced. A major reason is the underlying assumption in the administrative process that the only institution capable of enforcing the Code of Practice is the state and its officials. Hence, it placed the task entirely in the hands of state officials, ignoring the fact that resource owners and NGOs are equally, if not more capable of enforcing the regulations at less administrative cost for the state. The SIFMP would do well to place more emphasis on strengthening landowner communities’ and NGOs’ capacities to manage forests. Such community capacity-building could be achieved by: organising landowners; facilitating the training of landowners as forest monitors; and improving their ability to access information relating to markets, prices, etc. Landowners could then take over some of the tasks currently performed by the Forestry Division, reducing costs and empowering resource owners. In the long run landowners would become the key managers of forestry resources while the government would take on a co-ordinating, policy development and advisory role. The state's strength would lie not in the size of its administrative institutions but in its ability to coordinate the involvement of different stakeholders.
Such a development would be consistent with the present government’s public sector reform program, which involves, amongst other things, reduction in the size of the public service in order to cut costs. In the long run it would shift the role of forest management away from the state into the hands of those who own forestry resources. Landowners, consequently, would identify with the industry and enhance their role and power in the industry. Further, such decentralisation would promote better governance and may help in the management of corruption.

An interesting feature of the SIFMP is its emphasis on improving the state’s ability to capture revenue. While this is important, there seems to be an underlying assumption that if the state collects more revenue this will eventually ‘trickle down’ to landowners in the form of socio-economic development initiatives. The PDD, however, does not provide a clear indication of how an improvement in the state’s ability to capture revenue from forests will result in socio-economic development. This is a task for the Development and Planning Division of the Ministry of Finance. It is also important that the SIFMP provides clear guidelines on how resource owners can maximise benefits from the industry, including how royalty payments are disposed, and how landowners can invest logging income in sustainable development projects.

Transparency is another important factor. Although it is alluded to in the PDD, there is no clear outline on how to deal with corrupt practices. As indicated above, corruption occurs at all levels of the industry, although what has been discussed publicly so far is corruption at high levels of government, such as direct bribery, and situations where the impartiality of bodies like the area councils have been compromised because logging companies have sponsored meetings and officials. The Ombudsman’s 1996 Report states that such practices have compromised the ability of government institutions to deal impartially with logging. Corruption is a major problem in the Solomon Islands forestry industry and must be addressed.

Environmental issues also need to be addressed more directly in the SIFMP. The project makes no direct commitment to strengthen the Environment and
Conservation Division (ECD). If forestry development is to be sustainable, there must be a commitment to strengthen the ECD. Indeed, it is not clear how this project fits in with other elements of government, such as the ministries of Finance, Development Planning, Agriculture and Provincial Government, as well as statutory institutions. A clear understanding of such relationships would be useful in considering the logistics of the project implementation.

It is necessary, further, to consider how the project relates to other actual or prospective legislation. The *Forestry Act 1999* assumes that the current provincial government system will be retained. However, in May 1999 a Provincial Government Review Committee began a review the existing provincial government system; two or three years down the line the Forestry Act might need amendment to accommodate an entirely new provincial government system. It now seems highly likely that in five years time Solomon Islands will see itself adopting a federal or quasi-federal political system.

While it is indicated in the PDD that forest-based domestic processing should be encouraged and improved, the new policy does not clearly state how this is to be done. It would require both domestic and international investment. How is such investment to be generated? What implications does it have for the Foreign Investment Act and the Investment Corporation of Solomon Islands? Moreover, are there markets for the product?

There is no mention in the PDD of plantation development, although this is an important component of forestry development in Solomon Islands. Kolombangara Forest Plantation Limited (KFPL) has contributed immensely to forestry output and it will be supplemented in the coming years by Eagon Resources Development Company (SI) Ltd’s plantations in Viru and south Choiseul. Furthermore, in many instances (for example in Eagon Resources’ operations in the Choiseul Bay area of South Choiseul) so-called reforestation by logging companies are actually plantation developments—monoculture developments in which natural forests are replaced by plantations. This requires some form of management strategy based on the SIFMP.
Any successful implementation strategy must involve all stakeholders in an inclusive and positive manner, especially at the community level. The task of strengthening management, for example, should not be seen as the responsibility of the state alone. Rather, the state should play a coordinating role that brings into use the skills, resources and knowledge of other stakeholders such as landowners, NGOs and logging companies. The forest and revenue monitoring units (FRMUs) – the commercial section or the Timber Inspectorate section—should draw on NGOs and landowners. There is a need, too, to consider the numerous socio-cultural uses of forests in Solomon Islands.

In the current reform program, the position of landowners is not altogether clear. It was hoped that the reform program would place landowners in a much better position in the logging industry. But, has it really done so? The SIFMP is designed primarily for the purposes of managing forest resources sustainably and for maximising the benefits of forestry, especially to the state. It does not concern itself directly with landowners, and it is not clear that the presumed ‘trickle down effects’ from strengthened state structures will occur.

The other important reform document, the Forestry Act 1999, is supposedly designed to uphold the interests of landowners, but it is a complicated piece of legislation and it is too early to assess whether the Act is functioning as expected.

**Conclusion**

Despite the extensive reform program currently taking place, it is not clear that these will meet the interests of landowners. The reform initiatives might help strengthen and consolidate the power of the state, but not necessarily that of landowners. In order for reform initiatives to promote greater landowner participation in the logging industry, the focus should not be on strengthening state institutions alone, but also on exploring how local landowning institutions can be integrated into the reform program. The reform program must find ways of
giving them access to information, capital, technology, and in other ways help them enhance their power.
Indigenous Solomon Islander landowners will not be able to control the Solomon Islands logging industry unless they organise themselves institutionally and begin to influence forestry agendas at both the national and local levels. They must participate actively in the making and implementation of policies, and have regular interactions with other stakeholders interested in the forestry industry. But since power is relative and the object of continuous competition among stakeholders, landowners can never have total control over the logging industry.

This study has demonstrated that increased legislative power does not necessarily give landowners greater control. Legislative changes which recognize and seek to empower landowners must backed by appropriate education and institutional strengthening at both the national and local level.

**Education**

The importance of educating landowners cannot be over-emphasised. Greater landowner control does not necessarily mean an immediate positive change in the processes and outcomes of logging. Cases cited in this study—for example, North New Georgia and Somma Ltd.—have demonstrated that increased landowner participation alone will not necessarily produce ‘better’ logging outcomes. This is because mere participation does not constitute ‘real’ or ‘actual’ power. One can participate without making any substantial impact because one is uninformed or ignorant of the power of other actors. What is required is ‘informed’ participation. There is a need for landowners to have access to information on markets, log prices, environmental issues and laws and regulations that govern logging, and to have access to such services as legal representation.
Landowner Institutions

This study has shown that the way in which customary landowners participate in, and exert influence over, outcomes in the Solomon Islands logging industry are determined not just by government policies, international forces, and the way in which landowners relate to other stakeholders, but also by the internal dynamics within landowning groups. In order to relate effectively to other stakeholders in the logging industry, landowners need to better organise themselves.

While it is difficult to theorise about power in the logging industry (see Chapter Two), some general lessons about landowners’ participation may be drawn from the Solomon Islands experience. First, where landowners were relatively unorganised, logging companies were able to manipulate the system much more easily in order to influence logging outcomes in their favour. This was the case with the Sarabani land case in North Choiseul, and the Arosi area of Makira. In these instances, particular individuals such as Enoch Sila (in the Sarabani case) and Kennedy Hoda (in the case of Arosi) were vocal, but their ability to exert ‘real’ or ‘actual’ power was limited by of the absence of an effective landowning organisation to back them.

In other cases such as North New Georgia and Pavuvu Island, landowning groups were much better organised and able to exercise more power. In the case of North New Georgia, landowner actions led to the passing in parliament of the North New Georgia Timber Corporation Act. They also caused the closure of Lever’s Pacific Timbers Limited’s logging operations throughout the Solomon Islands. In the case of Pavuvu Island, the actions of landowners, backed by NGOs, did not stop Marving Brothers’ logging operations on the island, but did influence public opinion regarding logging. They were also important in creating awareness of the government’s forestry policies and in bringing about the changes that took place after the SIAC government came to power.

At the national level, an influential factor has been the absence of a national landowners’ organisation. Other stakeholders are represented in decision-making
processes and have some influence over legislation and policy-making processes. Logging companies, for example, are represented by the Solomon Islands Forest Industries Association (SIFIA), which was—in the early 1990s, at least—an influential organisation. It was involved in forming opinions on various policy issues. It played a role in the writing of the logging code of practice and made representations in discussions leading to the drafting of the *Forestry Act 1999* and other important government documents. Other stakeholders such as NGOs and aid agencies played an important role in lobbying and moulding public opinion and in influencing government policies and legislation. But there has never been a customary landowner organisation at the national level that could represent the interest of landowners involved in the logging industry, and this has restricted landowners' ability to interact effectively with other stakeholders.

**Lessons from this study**

From this study, a number of lessons can be drawn about the relationship between indigenous landowners and the Solomon Islands logging industry, and, more generally, about the struggle for control over large-scale resource developments such as logging.

Firstly, in the last two decades the ability of landowners to effectively participate in the Solomon Islands logging industry, and benefit from its outcomes, has been severely limited by their lack of access to information, technology, trained manpower, and capital. Landownership alone does not guarantee control of the processes and outcomes of logging. In any case, landownership is legitimised by the state through legislation such as the former *Lands and Titles Act* and the recently-enacted *Forestry Act, 1999* that regulate the forestry industry. The state in turn is influenced by a variety of factors and actors. In the midst of these complex interactive relationships, landowners are generally marginalised. Other stakeholders such as the state, logging companies, NGOs, and aid agencies, emerge as the important actors.
Secondly, landowner reactions to, and ability to control, logging differs from one part of the country to another. The power that landowning groups possess depends not so much on state institutions but on the influence of the individual(s) leading the landowning group. In some cases, individuals have influenced landowning groups to cooperate with logging companies. In such cases these individuals often become the major beneficiaries of the logging operation, though some form of resistance usually develops from within the landowning group as other members of the group realise what is occurring. In other cases influential individuals have led resistance against logging. In these instances, the individuals are often people with formal employment and alternative sources of income. In both cases, there is nearly always a split within the landowning unit. Logging companies and the state often manipulate these divisions, enabling logging operations to continue.

Thirdly, while the state, through legislation, policies and political rhetoric seems to safeguard the interests of landowners, weak state capacity often means that legislation is not effectively implemented and regulations are not effectively enforced. Weak state capacity reflects such things as lack of finance and trained manpower, and corruption which compromises the state’s role. It affects landowners’ capacity when legislation and policies meant to safeguard landowners’ interests are not functional. Consequently, state institutional strengthening is a frequent objective of reform programs assisted by outside aid agencies such as AusAID.

Fourthly, logging companies have deliberately exploited the weaknesses of other stakeholders in order to maximise profit. This has contributed to poor logging practices and the unsustainable harvesting that has characterised Solomon Islands logging in the past two decades. Despite the collapse of Asian log prices in 1997/1998, and the consequent reduction in exports, actual log production has not decreased dramatically. With the Asian economies recovering, it is unlikely that there will be any substantial reduction in production. The present government’s cancellation of some logging concessions will not make much difference to output, because most of those concessions were never in active operation.
Almost every scholar who has written about land-based natural resource
development in Melanesia has had to deal with the issue of landowners;
landowners are important players influencing processes and outcomes as well as
being influenced by them (May and Henningham 1992; Filer 1998). The irony of
landowner involvement is that in many instances landowners come out of resource
developments either worse off or no better off than when they started. This is
because landowners are never properly prepared—informed, trained and
organised—to come to terms with and positively influence large-scale natural
resource developments.

The argument that if landowners have more control over the forestry industry, then
outcomes will ultimately be better for them is simplistic; it does not take into
consideration issues such as what gives landowners a greater or lesser degree of
power over the logging industry, or recognize the complex dynamics both within
landowning groups and between them and other stakeholders.

If we adopt Wrong’s definition of power as ‘the capacity of some person to
produce intended and foreseen effects on others’ (Wrong 1993:9, see Chapter
Two) then it may be concluded, from the previous chapters, that landowners are
relatively weak in some instances, but powerful in others. The case of North New
Georgia provides a classic example of landowners exercising immense power over
both the state and a logging company. There are, however, areas where
landowners are relatively powerless. The only factor over which landowners do
have some control is land and the forests on it. But, because they lack capital and
know-how, they are vulnerable in negotiations with logging companies and the
state over the use of land and forests, as is well demonstrated in the cases of
Sarabani Land in North Choiseul and logging by Kalena Timber Company on
Rendova Island (see Chapters Four and Five).

The discussion of power becomes more complex when we conceptualise power
‘as a capacity to overcome part or all of the resistance, to introduce changes in the
face of opposition’ (Etzioni 1993:18). This, Etzioni argues, includes the ability of
a person, institution or stakeholder to sustain a course of action or preserve a
status quo that would otherwise have been discontinued or altered. If we take this as a yardstick for measuring power, then it would seem that, despite the fact that landowners own land and forests, in reality they have no power over them. This is because, while they might have had control over customary land tenure systems (see Chapter Five), the recognition of traditional land tenure is governed by legislation, over which landowners have very little control. They may influence legislation through their members of parliament, but there is no guarantee that what the members of parliament say or do is representative of the views of people. When it comes to implementation, a process which is handled by the bureaucracy, landowners are further alienated. Hence, it may be concluded that landowners have little power either to resist change or to maintain a status quo. The story of logging on Pavuvu Island demonstrates how the indigenous Islanders were powerless to change the status of alienated land on the island which had been taken from them late last century. It is only recently, with the previous Solomon Islands Alliance for Change (SIAC) government’s stated intention to return all alienated land, that the original landowners of Pavuvu Island saw some hope of eventually being able to influence such decisions. So far, however, there is no evidence of this eventuating.

This situation is similar when we conceptualise power as A having power over B to the extent that A can get B to do something that B would not otherwise do (Dahl 1957, see Chapter Two). In the case of the Sarabani land of North Choiseul, the Malaysian logging company, Eagon Resources Development (SI) Ltd, was able to persuade landowners to sign a timber rights agreement allowing the land to be logged. As detailed above, however, one of the inducements for landowners to sign logging agreements is that logging provides a source of income that would not otherwise be available – the state lacks the capacity to provide alternative sources of income generation. The Sarabani case is similar to that which led to the signing of logging agreements on Rendova. In the cases of North New Georgia and Pavuvu Island the colonial state rendered ‘landowners’ powerless by land alienation (see Chapter Five).
Having said this, it would be misleading to suggest that landowners are always powerless in the logging industry. There are rare instances where landowners have exercised power. The cases in this study have demonstrated that in situations where landowners have access to information about procedures, regulations, and log prices, and have connections with educated individuals, they have been able to make logging companies or the state do things that the latter would not have otherwise done. On the other hand, landowners are weakened in situations where they do not have access to information or have disagreements and competition amongst themselves (see Chapter Five). In such situations the state and logging companies are able to manipulate internal landowner differences for their benefit.

While the state may claim control over the logging industry, through its prerogative to make and implement legislation, it is obvious that logging companies have the capability to influence both the state and landowners. In the case of Pavuvu Island, while the state undoubtedly had control over the land and decisions to log, the nature of the operation was heavily influenced by Marving Brothers Timber Company Limited. Although none of the seven government ministers brought to court on corruption charges was convicted, it was obvious that important decisions were influenced by the logging company. The logging company’s power over logging begins with influence and then shifts towards control. Often, the only thing landowners have is the right to their land. Although at the beginning of logging operations they may claim control of the land, that control eventually disappears as the logging operation proceeds. In the case of Eagon Resources Development (SI) Limited’s operations on South Choiseul, after logging the primary forests the company has acquired rights to turn the area into a forest plantation. In the long run the company thus has virtual control of the land and the plantation on it.

These cases illustrate the different forms of power that stakeholders have over logging: force, dominance, authority, and attraction (see Olsen and Marger 1993; Etzioni 1993). In many of the cases cited above it could be said that while landowners have authority, they do not have the resources and knowhow—hence, capability—to convert that authority into dominance. It is the same with the state.
Logging companies, on the other hand, have the potential to exert force, dominance, authority and attraction.

One of the reasons that Solomon Islands logging industry has often been described as both unsuccessful and problematic is that those who own resources have not benefited greatly from logging (see Chapter Six). In most instances, the only benefit landowners have received from the industry is, on average, about 11.5 per cent of the f.o.b. export price of logs. This has disappointed many landowners, who realise, often too late, that logging has not brought the anticipated benefits. The failure of logging to deliver expected benefits is due primarily to institutional factors that have their origins in the state and in the commercial imperatives of logging companies, as well as because of unrealistic expectations by landowners. Chapter Seven has outlined some of the perceived weaknesses of the state and the reform programmes that are currently in place to remedy the weaknesses. These include the Solomon Islands Forest Management Project (SIFMP) and the Forestry Act, 1999, both in the early stages of implementation.

Changes in state policies and legislation alone will not necessarily result in the improvement of landowner benefits from the logging industry. Real power over forests comes, not just from legislation, but from the capacity and will to implement and enforce it. For resource owners to have any real power over forests, they need to have improved access to information, legal representation, and decision-making. In the absence of a well organised landowner entity, foreign logging companies, the state, international aid agencies, NGOs and other stakeholders often make decisions for landowners.

More active landowner participation, however, will not necessarily guarantee better logging outcomes. Most landowners involved in the logging industry, are there because logging is a source of income (in many cases, the only source of income). Like foreign logging companies, they are driven by the profit motive, and their activities may produce similar outcomes. In the case of landowners there is seldom proper management of the income generated by logging, and very few individual landowners have reinvested to create sustainable income generation.
There is also a need to improve the state’s capacity through such state institutions as the Forestry Division, Tax Office (inland revenue), and Customs and Excise. It is assumed that the state, though a stakeholder with vested interests in forestry resources, can be impartial and look after both the interests of resource owners and the ‘common interest’. However, foreign logging companies often capitalise on the administrative and financial weakness of the state, and the ignorance of landowners, in order to make windfall profits from the industry.

Well, here we are, at the end of our journey. I hope that you are now familiar with the various paths in the jungle. I also hope that, like me, you not only enjoyed the journey, but also collected lots of information on the way. It is here, at the crossroads—or more appropriately, cross path—that we go our separate ways. While you make up your mind on which paths to take next, I shall disappear into the jungle once more, in search of another path.
Logging roads on Vangunu Island, Marovo Lagoon, Western Province (Photo: Patrick Pikacha).
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(ii) Christopher Columbus Abe, July 15, 1996. Honiara, Solomon Islands.


(ix) Katy Soapi, July 26, 1996. Rendova, Western Province, Solomon Islands.


(xi) Mary Bea, July 26, 1996. Rendova, Western Province, Solomon Islands.
APPENDICES

Appendix I: Log Export Data—1994 to 1998

1994

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume (m³)</th>
<th>Value (US$)</th>
<th>US$/m³ (Average)</th>
</tr>
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<tbody>
<tr>
<td>January</td>
<td>49,729</td>
<td>$4,745,978</td>
<td>$95</td>
</tr>
<tr>
<td>February</td>
<td>42,241</td>
<td>$4,622,927</td>
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<tr>
<td>March</td>
<td>55,857</td>
<td>$6,691,632</td>
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<tr>
<td>April</td>
<td>42,703</td>
<td>$5,478,530</td>
<td>$128</td>
</tr>
<tr>
<td>May</td>
<td>56,270</td>
<td>$7,897,898</td>
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<tr>
<td>June</td>
<td>44,676</td>
<td>$5,309,273</td>
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</tr>
<tr>
<td>July</td>
<td>60,894</td>
<td>$8,644,636</td>
<td>$142</td>
</tr>
<tr>
<td>August</td>
<td>14,214</td>
<td>$1,955,637</td>
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</tr>
<tr>
<td>September</td>
<td>26,963</td>
<td>$3,740,246</td>
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</tr>
<tr>
<td>October</td>
<td>53,050</td>
<td>$6,709,436</td>
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<tr>
<td>November</td>
<td>78,075</td>
<td>$8,574,587</td>
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<tr>
<td>December</td>
<td>63,096</td>
<td>$5,999,750</td>
<td>$95</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>587,768</strong></td>
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1995

<table>
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<tr>
<td>March</td>
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<td>April</td>
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<td>May</td>
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<td>November</td>
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<td>December</td>
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<td><strong>Total</strong></td>
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### 1996

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<td>May</td>
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<tr>
<td>June</td>
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<tr>
<td>July</td>
<td>81,290</td>
<td>$9,341,823</td>
<td>$115</td>
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<tr>
<td>August</td>
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<td>September</td>
<td>63,335</td>
<td>$7,951,523</td>
<td>$126</td>
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<tr>
<td>October</td>
<td>68,965</td>
<td>$7,987,181</td>
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<tr>
<td>November</td>
<td>74,416</td>
<td>$9,276,174</td>
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</tr>
<tr>
<td>December</td>
<td>49,303</td>
<td>$5,296,157</td>
<td>$107</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>785,099</strong></td>
<td><strong>$91,536,874</strong></td>
<td><strong>$117</strong></td>
</tr>
</tbody>
</table>

### 1997

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume (m³)</th>
<th>Value (US$)</th>
<th>US$/m³ (Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>73,018</td>
<td>$8,647,615</td>
<td>$118</td>
</tr>
<tr>
<td>February</td>
<td>35,241</td>
<td>$3,996,155</td>
<td>$113</td>
</tr>
<tr>
<td>March</td>
<td>59,536</td>
<td>$6,446,627</td>
<td>$108</td>
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<tr>
<td>April</td>
<td>43,888</td>
<td>$4,967,700</td>
<td>$113</td>
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<tr>
<td>May</td>
<td>43,656</td>
<td>$4,718,955</td>
<td>$108</td>
</tr>
<tr>
<td>June</td>
<td>93,119</td>
<td>$10,602,572</td>
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</tr>
<tr>
<td>July</td>
<td>52,197</td>
<td>$5,768,011</td>
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<tr>
<td>August</td>
<td>78,825</td>
<td>$8,137,440</td>
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<tr>
<td>September</td>
<td>63,462</td>
<td>$6,561,476</td>
<td>$103</td>
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<tr>
<td>October</td>
<td>42,064</td>
<td>$3,749,952</td>
<td>$89</td>
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<tr>
<td>November</td>
<td>25,448</td>
<td>$2,249,719</td>
<td>$88</td>
</tr>
<tr>
<td>December</td>
<td>39,670</td>
<td>$3,024,024</td>
<td>$76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>650,124</strong></td>
<td><strong>$68,870,246</strong></td>
<td><strong>$106</strong></td>
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### 1998

<table>
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<th>Months</th>
<th>Volume (m³)</th>
<th>Value (US$)</th>
<th>US$/m³ (Average)</th>
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<tbody>
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<td>January</td>
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<td>$7,881,291</td>
<td>$79</td>
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<td></td>
<td>Value</td>
<td>Value</td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>-----------</td>
<td>---------</td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>38,550</td>
<td>$2,372,186</td>
<td></td>
</tr>
<tr>
<td>March</td>
<td>27,224</td>
<td>$1,358,629</td>
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</tr>
<tr>
<td>April</td>
<td>38,564</td>
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<tr>
<td>May</td>
<td>42,161</td>
<td>$1,898,398</td>
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<tr>
<td>June</td>
<td>70,035</td>
<td>$3,554,114</td>
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<tr>
<td>July</td>
<td>42,883</td>
<td>$2,562,075</td>
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<tr>
<td>August</td>
<td>34,939</td>
<td>$1,562,867</td>
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<tr>
<td>September</td>
<td>42,818</td>
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<tr>
<td>October</td>
<td>55,563</td>
<td>$3,450,686</td>
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<tr>
<td>November</td>
<td>60,982</td>
<td>$4,017,526</td>
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<tr>
<td>December</td>
<td>52,750</td>
<td>$3,207,005</td>
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</tr>
<tr>
<td>Total</td>
<td>606,857</td>
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Log Export Data—1980 to 1993

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<th>Value (SI$)</th>
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<td>591,100</td>
<td>$221,725,000</td>
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<tr>
<td>1992</td>
<td>543,100</td>
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<td>1991</td>
<td>291,700</td>
<td>$49,455,000</td>
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<tr>
<td>1990</td>
<td>399,000</td>
<td>$56,526,000</td>
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<tr>
<td>1989</td>
<td>260,000</td>
<td>$38,783,000</td>
</tr>
<tr>
<td>1988</td>
<td>261,000</td>
<td>$37,607,000</td>
</tr>
<tr>
<td>1987</td>
<td>281,000</td>
<td>$35,067,000</td>
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<tr>
<td>1986</td>
<td>434,000</td>
<td>$33,953,000</td>
</tr>
<tr>
<td>1985</td>
<td>330,000</td>
<td>$23,709,000</td>
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<tr>
<td>1984</td>
<td>392,000</td>
<td>$28,742,000</td>
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<tr>
<td>1983</td>
<td>337,000</td>
<td>$18,774,000</td>
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<tr>
<td>1982</td>
<td>333,000</td>
<td>$21,387,000</td>
</tr>
<tr>
<td>1981</td>
<td>315,000</td>
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</tr>
<tr>
<td>1980</td>
<td>258,00</td>
<td>$14,882,000</td>
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</table>
Log export/destination

<table>
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<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>31,643</td>
<td>15,118</td>
<td>13,071</td>
<td>8,906</td>
<td>28,496</td>
</tr>
<tr>
<td>China</td>
<td>3,023</td>
<td>2,803</td>
<td>63,266</td>
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</tr>
<tr>
<td>Hong Kong</td>
<td>168,936</td>
<td>329,593</td>
<td>397,401</td>
<td>289,203</td>
<td>178,502</td>
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<tr>
<td>India</td>
<td>50,409</td>
<td>221,251</td>
<td>163,954</td>
<td>63,588</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>23,483</td>
<td>1,223</td>
<td>6,981</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea</td>
<td>587,769</td>
<td>82,704</td>
<td>114,395</td>
<td>93,777</td>
<td>211,274</td>
</tr>
<tr>
<td>Malaysia</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>35,123</td>
<td>28,995</td>
</tr>
<tr>
<td>Singapore</td>
<td>NA</td>
<td>13,662</td>
<td>23,375</td>
<td>3,972</td>
<td>2,265</td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,175,538</td>
<td>734,074</td>
<td>785,097</td>
<td>650,123</td>
<td>606,857</td>
</tr>
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</table>
## Appendix II: Foreign Companies in Solomon Islands Logging

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>License Number</th>
<th>Quota (m3)</th>
<th>Place of Origin</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allardyce Lumber Co.</td>
<td>Tim 2/3</td>
<td>72,000</td>
<td>Australia</td>
<td>Ceased logging</td>
</tr>
<tr>
<td>Kalena Timber Co.</td>
<td>Tim 1/70</td>
<td>70,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Kalena Timber Co.</td>
<td>Tim 2/2</td>
<td>70,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Kalena Timber Co.</td>
<td>Tim 2/25</td>
<td>50,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Eastern Dev. Ent.</td>
<td>Tim 2/17A</td>
<td>NA</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Eastern Dev. Ent.</td>
<td>Tim 2/17</td>
<td>40,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Eastern Dev. Ent.</td>
<td>Tim 2/78</td>
<td>40,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Pacific Timbers</td>
<td>Tim 3/7</td>
<td>50,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Hyundai</td>
<td>Tim 2/12</td>
<td>75,000</td>
<td>Korean</td>
<td>Operating (Under Contract)</td>
</tr>
<tr>
<td>IFI</td>
<td>Tim 2/7</td>
<td>70,000</td>
<td>Malaysia</td>
<td>Ceased op.</td>
</tr>
<tr>
<td>Silvania Products</td>
<td>Tim 2/26</td>
<td>70,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Isabel Timber Co.</td>
<td>Tim 2/32</td>
<td>150,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Golden Springs</td>
<td>NNGTC</td>
<td>150,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Golden Springs</td>
<td>Tim 2/35</td>
<td>100,000</td>
<td>Malaysia</td>
<td>Completed ops.</td>
</tr>
<tr>
<td>Eagon Resources</td>
<td>Tim 2/14</td>
<td>93,000</td>
<td>Korea</td>
<td>Operating</td>
</tr>
<tr>
<td>Marving Bros.</td>
<td>Tim 2/33</td>
<td>75,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Dalsol</td>
<td>Tim 2/9A</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Star Harbour</td>
<td>Tim 3/90</td>
<td>30,000</td>
<td>Australia</td>
<td>Never started operations</td>
</tr>
<tr>
<td>Allardyce (Kazukuru)</td>
<td>Tim 2/30</td>
<td>20,000</td>
<td>Australia</td>
<td>Never started operations</td>
</tr>
<tr>
<td>Allardyce (Shortlands)</td>
<td>Tim</td>
<td>NA</td>
<td>Australia</td>
<td>Abandoned concession</td>
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<tr>
<td>Rural Industries Ltd.</td>
<td>Tim 2/10</td>
<td>72,000</td>
<td>Malaysia</td>
<td>Abandoned concession</td>
</tr>
<tr>
<td>Cape Esperance</td>
<td>Tim 2/5/81</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Marving Bros. (Fataleka)</td>
<td>Tim 2/24</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Dalson Ltd.</td>
<td>Tim 2/9</td>
<td>30,000</td>
<td>Malaysia</td>
<td>Operating</td>
</tr>
<tr>
<td>Hyundai (Vella)</td>
<td>Tim 2/30A</td>
<td>75,000</td>
<td>Korea</td>
<td>Stopped (court case)</td>
</tr>
<tr>
<td>Taisol (Malaita)</td>
<td>Tim</td>
<td>24,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
</tr>
<tr>
<td>Kayuken (Malaita)</td>
<td>Tim</td>
<td>50,000</td>
<td>Malaysia</td>
<td>Ceased ops.</td>
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</table>

*Source: Forestry Division, Ministry of Forests, Environment and Conservation*
## Appendix III: Local Licence Holders Who Operate Under Contract

<table>
<thead>
<tr>
<th>Name of Company</th>
<th>License Number</th>
<th>Quota (m3)</th>
<th>Place of Origin</th>
<th>Contractor</th>
<th>Status</th>
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</thead>
<tbody>
<tr>
<td>Somma Ltd.</td>
<td>Tim 2/36</td>
<td>50,000</td>
<td>Makira</td>
<td>Goodwill</td>
<td>Operating</td>
</tr>
<tr>
<td>Togosa Resources Ltd.</td>
<td>Tim 2/77</td>
<td>40,000</td>
<td>Guadalcanal</td>
<td>Mahoe</td>
<td>Operating</td>
</tr>
<tr>
<td>Guadalcanal Resources Devpt.</td>
<td>Tim 2/37</td>
<td>75,000</td>
<td>Guadalcanal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chakope Bros.</td>
<td>Tim 2/50</td>
<td>10,000</td>
<td>Vangunu</td>
<td>Silvania</td>
<td>About Complete</td>
</tr>
<tr>
<td>Inomae Brothers</td>
<td>Tim 2/80</td>
<td>40,000</td>
<td>Malaita</td>
<td>Mahoe</td>
<td>Operating</td>
</tr>
<tr>
<td>South Arosi Holdings</td>
<td>Tim 2/49</td>
<td>50,000</td>
<td>Makira</td>
<td>Goodwill</td>
<td>Operating</td>
</tr>
<tr>
<td>West Haununu Forest Resources</td>
<td>Tim 2/37</td>
<td>75,000</td>
<td>Guadalcanal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weae &amp; SKPH</td>
<td>Tim 2/24</td>
<td>50,000</td>
<td>Isabel</td>
<td>Mega</td>
<td>Operating</td>
</tr>
<tr>
<td>Pedac Enterprises</td>
<td>Tim 2/44</td>
<td>40,000</td>
<td>South</td>
<td>Luaba/ Dalgro</td>
<td>Operating</td>
</tr>
<tr>
<td>Aola Timbers</td>
<td>Tim 2/45</td>
<td>50,000</td>
<td>Aola/ Guadalcanal</td>
<td>Dalgro</td>
<td>Operating</td>
</tr>
<tr>
<td>Fakatho Holdings</td>
<td>Tim 2/47</td>
<td>24,000</td>
<td>Malaita</td>
<td>Luaba</td>
<td>Operating</td>
</tr>
<tr>
<td>Afeala Sawmill</td>
<td>Tim 2/76</td>
<td>75,000</td>
<td>Malaita</td>
<td>Mahoe</td>
<td>Operating</td>
</tr>
<tr>
<td>Geruana Sawmilling</td>
<td>Tim 3/149</td>
<td>50,000</td>
<td>Vangunu</td>
<td>Silvania</td>
<td>Operating</td>
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<tr>
<td>Ofogia</td>
<td>Tim 3/162</td>
<td>50,000</td>
<td>Marovo Lagoon</td>
<td>Pan Pacific</td>
<td>Operating</td>
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<tr>
<td>Sasa Pezoporo</td>
<td>Tim 3/168</td>
<td>48,000</td>
<td>Vella</td>
<td>Allardyce</td>
<td>Operating</td>
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<tr>
<td>Lupa Devpt.</td>
<td>Tim 2/86</td>
<td>70,000</td>
<td>Silvania</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jesina</td>
<td>Tim 2/69</td>
<td>70,000</td>
<td>Vangunu</td>
<td>Silvania</td>
<td>Operating</td>
</tr>
<tr>
<td>Kalahaki</td>
<td>Tim 2/67</td>
<td>NA</td>
<td>Guadalcanal</td>
<td>Golden Fountain</td>
<td>Operating</td>
</tr>
<tr>
<td>Makwest</td>
<td>Tim 2/94</td>
<td>40,000</td>
<td>Makira</td>
<td>Mayers Ltd.</td>
<td>About to operate</td>
</tr>
<tr>
<td>Vatule</td>
<td>Tim 2/92</td>
<td>40,000</td>
<td>Vella</td>
<td>Mega</td>
<td>Operating</td>
</tr>
<tr>
<td>Paripao</td>
<td>Tim 2/85</td>
<td>NA</td>
<td>Guadalcanal</td>
<td>Marvingbros</td>
<td>Operating</td>
</tr>
<tr>
<td>Dakolae</td>
<td>Tim 2/93</td>
<td>NA</td>
<td>Western Prov</td>
<td>Allardyce</td>
<td>Operating</td>
</tr>
<tr>
<td>Bahomea</td>
<td>Tim 2/90</td>
<td>NA</td>
<td>Guadalcanal</td>
<td>Walter Jones</td>
<td>Operating</td>
</tr>
<tr>
<td>Isabel Dev. Authority</td>
<td>Tim 2/81</td>
<td>60,000</td>
<td>Isabel</td>
<td>Rosewood Ltd.</td>
<td>Operating</td>
</tr>
</tbody>
</table>

*Source: Forestry Division, Ministry of Forests, Environment and Conservation*
Appendix IV: Letter to the Public Solicitor's Office

United Church
Nukiki Village
Choiseul Province

9/2/96

The Solicitor

Dear Sir,

Re: ADVANCEMENT OF $1 MILLION ON TRESPASS CLAIM OF CHIROPODOKO TRIBE ON AREA WRONGLY LOGGED BY ERDC

On behalf of Chiropodoko Tribe and our Chief Mr D. Dokabule and as the spokesperson on this matter I wish to bring our latest wishes/decisions on this matter. First and foremost we still want the work on valuing and assessing the damage that the company did on this area of land to go ahead. However, in the meantime various events have taken place which has placed financial burden on us and the only way we can meet the expenses is to ask ERDC to advance us some of the claim on this land. Our reasons for believing that it is possible to do this are as follows:

1. There is no dispute on this land with any other tribes who share the same boundary with Chiropodoko.

As you are already aware, it has been established by both the chief of Sesegaromo Mr B. Vaibatu and Chiropodoko Chief Mr Danny Dokabule that the company ERDC has indeed trespassed into Chiropodoko land for which it had no Timber Right to log. We are therefore of the view that when proper assessment of how much the ERDC owes our tribe, this fund belong to us. This has led us to assume that we can advance some now while we wait for the Timber Control Unit to carry out their work.

As you know, in accordance with your instruction we have taken measurements of the area. This data is with you now. We have just recently heard too that the Australians are pulling out their assistance to the Timber Control Unit so we believe it will take a long time before the proper assessment will be carried out.

2. Bagobago and Zotoro Dispute of ownership.

We have disputed that the above two land parcels are not part of the Sesegaromo land and are working towards putting an injunction on
operation and royalties on this land. To enable us to do this we need funds to pay for the hearing and the expenses of those who represent us as spokespersons. Coming to Honiara and Gizo and the expenses are more than what we can meet. Since whatever claim is finally established, is ours we believe we can take an advance on this claim to meet these. This too is now our only means at present which will allow us to speed up settling of these cases.

3. Social Obligations and Commitments

Some of our elders who led us in this case have died. Those who are left are quite old now. We would like them to get something from this claim while they are still alive. It is through them that we of this generation own this land and it is only right that they benefit too. This will show our appreciation of their traditional wisdom in standing with us not to log this land and for their knowledge and leadership. Without their support our land will be damaged and we want them to know that although we are their children, they are the ones that own the land and because they understand the importance of the forest and environment that they have stood by us and supported us in our fight to stop logging on our land.

These are our reasons for wanting to advance some of the claim on this land. The amount we would like to advance from the company is $1 million dollars. We ask that you write us a letter to inform the company that it is alright to take this advance from the claim. We already ask the company but were informed that because it is already in the hands of our solicitor they cannot do this without your authorization. This is to say that because we have put an injunction on it we must go through you for this claim. I hope that you will assist us in this case.

Looking forward to your assistance in this matter.

Yours faithfully

Daniel Vudukana
Spokesperson, Chiropodoko Tribe
for: Chiropodoko Chief Danny Dokabule