

## *Sovi Basin Trust Fund by Sevanaia Tabua*

### **I. Background and History**

Fiji is a center of biogeographic importance in the Pacific. Fiji's two largest islands, Viti Levu and Vanua Levu, which comprise 90% of the country's land area of 1.8 million hectares, are larger than any island to the east. Fiji is a secondary center of evolution, following Australia and the western Pacific. From Fiji, plants and animals have radiated across the Pacific.

Fiji's 300 islands support diverse flora and fauna. Nearly all the unique plants and animals are restricted to forests. Species of particular interest include the extremely primitive *Degeneraceae*, believed to be the most primitive plant family in the world and found only in Fiji. The country also features the longest insect in the world, a 30 centimeter stick insect.

The indigenous Melanesian people comprise over half of Fiji's population. While many are now living in urban areas and work for wages, the subsistence village based economy is still predominant. Indigenous Fijians identify with their home village, family groups and ancestral land. Land is a sacred inheritance to Fijians and is highly valued for its social and historical importance. By Fijian law, land owned by indigenous Fijians cannot be sold.

Most of Fiji's land (88%) is communally owned by indigenous kin-groups known as *mataqali*. Unlike in other Melanesian countries, all of Fiji's indigenous-owned land has registered tenure. The land is administered on behalf of the landowners by a statutory body, the Native Lands Trust Board (NLTB). NLTB negotiates leases and land use concessions (including conservation arrangements) for landowners. These land ownership features and the prominent

role of indigenous Fijians in the management and control of their own land make Fiji unique among countries with tropical rainforests.

Sovi Basin is located in the hinterland of Fiji's largest island — Viti Levu (1,054,400 hectares). Sovi's biological and landscape heritage make it Fiji's most important land ecosystem. Its 19,600 hectares of pristine forest are engulfed by mountain ranges in a bowl shaped landform. This area is filled with undisturbed tropical lowland forest — the largest undisturbed lowland forest remaining in Fiji. The Basin supports 11 forest types, or 30% of Fiji's primary forest types. The Sovi Basin forest is the habitat for all of Viti Levu's forest birds and animals. Sovi's very large area of comparatively undisturbed forest, rich in trees important to wildlife, is likely to provide critical refuge for Fiji's bird and bat communities.

The province including Sovi Basin is one of the least developed in Fiji. In the remote rural areas, villagers have difficulty accessing markets for cash crops. Few villagers have electricity and child malnutrition is their key health issue.

Logging is the most pressing issue in the Sovi Basin, presently under a Logging Concession Agreement covering 45,000 hectares effective from 1980 to 2010. The total merchantable timber volume for the production forest area of the Sovi Basin is calculated at 936,410 cubic metres, estimated at US\$10 million in royalties to the indigenous landowners. This monetary value is significant and well known to the landowners, who have few, if any, economic resources other than their valuable forests. Thus, the key to the conservation of Sovi Basin is fair compensation to the landowners as part of a carefully constructed conservation and development package. It has

long been recognized in Fiji that the conservation of forests will require some form of compensation. Indeed, Fiji has been a leader in the Pacific with its compensation arrangements for a number of important conservation areas.

Sovi Basin is listed in Fiji's National Environment Strategy (NES) as the highest priority of the ten proposed protected areas. The Government of Fiji (GOF) approved the NES in October 1993 and welcomes partnerships for the joint implementation of the conservation strategy for Sovi Basin. In response to Fiji's invitation, the New Zealand based Maruia Society — an organization engaged in research, mediation and advocacy on sustainable development issues — undertook a study through a grant from the John D. and Catherine T. MacArthur Foundation and published findings on Sovi Basin in May 1994. This report confirmed, among other things, that Sovi Basin ought to be considered for environmental conservation and sustainable development.

In March 1996, the NLTB accepted the concept proposal for Environmental Conservation and Sustainable Development as recommended by the Maruia report to be implemented in Sovi Basin. Included in this proposed strategy is the establishment of an Environmental Trust Fund.

The NLTB, on behalf of the indigenous people landowners of the Sovi Basin, is initiating a participatory planning approach to develop the necessary legal and operational framework for a Trust Fund for Sovi Basin.

## II. Goals

The goals of the proposed Sovi Basin Trust Fund are as follows:

- To provide a transparent institution to which donors may contribute funds for biodiversity conservation in Sovi Basin; and

- To provide a framework for the disbursement of funds, for compensation to the indigenous peoples forgoing their logging interest, and for other purposes.

Strategic planning will be regularly undertaken to guide the trust fund managers towards the objectives of environmental conservation and improving the welfare of the communities in Sovi Basin.

## III. Legal Structure

The trust fund will most likely be established as an NGO under existing laws of Fiji. Special legislation is possible if future requirements warrant.

## IV. Governance/Administration

The executive governance of the Trust Fund would be vested in a governing council with a Chief Executive Officer. This governing council is to be accountable to a General Forum where all stakeholders are represented.

The General Forum of stakeholders would represent the different interest groups for biodiversity conservation and sustainable development within the area. In this context, representatives from the Provincial Councils, Central Government, Fijian Affairs Board, the Native Land Trust Board, NGOs and the indigenous peoples are considered essential. Other representatives may be elected as necessary.

Representation at the governing council and in the General Forum will be by virtue of institutional affiliations and not in a personal capacity.

In the long term, the trust fund will be managed by a Chief Executive Officer and a support staff. In the interim, the administration and management function may be contracted to an appropriate management team and a fund manager.

## **V. Funding**

The trust fund will be an endowment which will initially serve as a source of compensation for the indigenous peoples. Based on a compensation package arranged for another protected forest area in Fiji (the Taveuni Forest Reserve) the mataqali of Sovi Basin could expect to receive compensation worth US\$300,000 per year in perpetuity. Such a level of payment would require a trust fund of US\$6 million assuming a 5% real rate of return on associated investments.

At present, there is no firm commitment for funding from any donor. However, it is proposed that funds be sought from bilateral and multilateral donors, GEF and others. At this stage, the first objective is to establish the trust fund and attract seed endowment funds. Revolving funds for grantmaking would be sought later.

## **VI. Fundraising**

Approaches will be made to traditional bilateral donors to the Government of Fiji, including Australia, New Zealand and the European Union support funding. In addition, the GEF and others will be approached to support endowment and grantmaking for communities' income generating activities related to biodiversity conservation. Also, in the long term, and once a proposed Environmental Legislation is approved by Parliament, domestically secured environmental funds could also be diverted to the Sovi Trust Fund.

## **VII. Investment Policy**

The investment policy will have to be acceptable to all stakeholders, particularly the donors. In this regard, the fund must be properly hedged against inflation. The criteria for investment thus may have to be balanced between domestic and offshore investments.

## **VIII. Relation to National Environmental Plans**

Conservation of the Sovi Basin is a national priority in Fiji. Its protection has been recommended in the country's major environmental reports, including the government adopted "National State of the Environment Report" by IUCN and the Environment Unit of the Ministry for Housing and Urban Development. Therefore, it is expected that GOF will be supportive of proposals for funding for the Sovi Trust Fund.

## **IX. Criteria for Grants**

The rationale for this trust fund strongly focuses on the principle that biodiversity conservation and sustainable development is a community driven initiative. Given this rationale, grantmaking criteria and processes should be inclined towards activities which will improve community livelihood and quality of life. In this context, it is proposed that the community itself be involved in developing the grantmaking criteria, priorities and procedures once funds for grants are available.

## **X. Disbursements**

The immediate grantees of this project will be the indigenous peoples who will be dispossessed of their right to log merchantable timber within this area. The ultimate beneficiaries will be all the communities who live within and around Sovi Basin.

## **XI. Monitoring and Evaluation System**

No monitoring and evaluation system has been designed for the trust fund. However, it is proposed that such a system be developed through a participatory approach with all stakeholders. The indicators of success and failure will be based on the premise that this project is for biodiversity conservation and sustainable development.

## **XII. Auditing Requirements**

An annual audit report of incoming and outgoing funds to be signed by a chartered auditor will be required to meet the auditing standards of the GOF.

## **XIII. Computer Resources**

None at present.

## **XIV. Perceived Needs**

The implementation of the plan for the biodiversity conservation and sustainable development of Sovi Basin is hampered by lack of funds. To start up and to enhance the project visibility, the trust fund urgently requires at least US\$140,000 for initiating consultation, trainings and awareness campaigns, in addition to funds needed as compensation for the indigenous peoples.

## **XV. Other Challenges**

Logging operations in the area have been stopped due to a legal dispute between the logging concessionaires and the indigenous people over a roadblock allegedly erected by the indigenous people. This case is being disputed in the High Court of Fiji.

Should this case be decided in favor of the logging concessionaires and if the indigenous peoples will not accept alternatives to logging, then the opportunity to ensure biodiversity conservation and sustainable development in Sovi Basin will be lost.

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