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THE MCC-SOLOMON ISLANDS THRESHOLD PROGRAM

Niusleta

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Message from the MCC Resident Threshold Director

The first edition of the SITHP Nuisleta presented the objectives of the two MCC-Solomon Islands Threshold Program (SITHP) projects – the Forest Value Enhancement Program (FoVEP) and the Accessing Land for Tourism Project (ALTIF) – and how, in close partnership with the Government of Solomon Islands (SIG), these projects are designed to make lasting contributions to the country's future economic prosperity.

The first carbon capture site under the Forest Value Enhancement Project (FoVEP) – Viru Harbor in Western Province – has been enthusiastically embraced by community leaders and government alike, and this edition of the Nuisleta provides an update on establishing this unique conservation area in Western Province. The Viru Harbor site will become an example of what collective action and a common vision can achieve for the health of communities, the ecosystem, and the environment overall. This edition also contains some straightforward answers to questions about the FoVEP land identification and carbon project development processes from one of our implementing partners, Nakau.

Within the ALTIF project, important work continues to find ways around and through the barriers that impede visitors from coming to Solomon Islands and supporting national and local economies. Reliance on the logging sector as the dominant form of national income is unsustainable over the long term, making alternative revenue-generating sources like tourism critical. Barriers come in the form of disputes amongst landowners, poor community consultation, and outdated building regulations that stifle investment. Together with the SIG, SITHP is identifying land for tourism purposes, diagnosing the barriers to investment, and finding solutions to identified barriers.

As always, the SITHP's guiding principles are partnership and openness, and this Nuisleta is but one demonstration of our commitment to keep everyone informed. For detailed information on the program and how to get in contact with us, please visit www.sithp.com.sb

Thank you,

Charles Jakosa
MCC Resident Threshold Director



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Viru Harbour: Beginnings of a Carbon Project

This is an edited piece of a story published on SITHP's implementing partner's, Nakau, website.

The full post can be found at nakau.org/news

The Indigenous landowners of the last remaining lowland forest in Western Province are in the process of establishing a legal protected area for 600+ hectares of rainforest. They've completed carbon education training, baseline surveys and formed a team of forest Rangers for their future protected area they have called Sobehatunga, a name that originates from the ancestral owners of the land.

The Sobehatunga Conservation Area located in Viru Harbour, New Georgia Island in Western Province, is set against a backdrop of timber plantations and commercial logging operations. The newly formed conservation area itself was logged more than 40 years ago but is now a healthy and biodiverse secondary forest worth protecting.

NRDF (Natural Resources Development Foundation) and Nakau are both implementing partners in the project which is the first forest carbon project site announced as part of the Solomon Islands Threshold Program, endorsed by the Solomon Islands Government and funded by the Millennium Challenge Corporation.

For the first time, Viru Harbour's customary landowners have the option of protecting their forest and still being able to support community development and livelihoods. Fred Tabepuda from NRDF is working closely with landowners at Viru Harbour. He says "setting up a carbon project with the customary landowners is new and interesting because they haven't had any projects like this one in the past, and it is a logging hub where trees are chopped down and exported overseas. This project is seen as a new initiative, and a first for Viru Harbour."

"Quite a number of important activities have been done so far such as site scoping, community awareness, boundary mapping," says Fred.

Fred Tabepuda and his colleague Wheatly Teu Zinghite continue to collaborate closely with Viru Harbour's customary landowners. While they wait for official legal Protected Area status which will safeguard Sobehatunga, they are turning their attention to training new Rangers — which include three women — and conducting a forest inventory.

"Carbon trading is a new type of ecosystem payment that was recently introduced in the Solomon Islands," explains Fred. "There have been questions and queries often raised by the community (including the wider Solomon Islands public) about how carbon projects work. Many people assumed carbon project income was quickly available."

Fred says the customary landowners at Viru Harbour understand there is much work to be done before forest carbon income starts flowing to the community. But when it does, it benefits everyone.

The Forest Value Enhancement Project

In support of FoVEP, Nakau is working with customary landowners to identify land eligible for a carbon project in Solomon Islands. This is land that will remain intact with forests that will remain untouched. The selection is done in coordination with MCC and the SIG Ministry of Forestry and Research and the Ministry of Environment, Climate Change, and Disaster Management.



Fred Tabepuda from the Natural Resource Development Foundation. Credit: courtesy of Nakau



Inside the Sobehatunga Conservation area. Credit: courtesy of Nakau



Travelling towards Sobehatunga. Credit: Courtesy of Nakau



Question and Answer with the team from Nakau

Q How is land identified for a forest carbon project?

Nakau is often approached by communities wishing to set up a forest conservation project using a carbon project approach. Initially, interested communities are informed of the site selection criteria and project development requirements under the Nakau Methodology. Nakau has also developed a site selection tool to investigate if sites and communities meet Nakau's requirements. We visit promising sites to carry out screening and establish a connection with the community. After a positive screening, sites are shortlisted for future project development.

Q What are the preconditions about age of forest and the size of the land?

The eligible forest area for a carbon project should be more than 500 hectares or be part of a cluster of tribal areas that together exceed 500 hectares. The eligible forest area should also be in an area where commercial logging is legally sanctioned — which is in forests less than 400 metres above sea level. Above 400 metres, logging is prohibited under the Solomon Islands Forest legislation. Rainforest should preferably be largely intact old-growth forest or healthy secondary forest. Customary landowners need to hold long-term and uncontested rights to the land and forest and not be involved in disputes over land use.

Q Exactly what land-use or services is paid for?

Carbon projects use a payment for ecosystem services (PES) model. In a forest conservation carbon project, landowners establish a legal protected area which formally prohibits destructive extractive industries like commercial logging and mining. Healthy forests provide important 'ecosystem services' like clean water and quality regulation, forest products for food and medicine, raw materials for buildings, all while storing

carbon and absorbing carbon dioxide from the atmosphere. Customary landowners receive financial support for their stewardship of a forest ecosystem under their ownership and its positive contribution to reducing climate change.

Q How much carbon is captured and for how long?

Avoiding logging in an intact forest can save approximately 10–15 tons of CO₂ emissions per hectare each year, and also produce 10–15 carbon credits. A project cycle lasts 30 years. The price of a carbon credit varies depending on the voluntary market. However, credits that are certified through Plan Vivo fetch higher prices because of their commitment to carbon projects that are good for people, nature and climate.

Q How are benefits shared?

A benefit-sharing plan is developed with each community, so carbon income is shared fairly and through an official governance system, such as a community-owned business. This includes the representation of women's groups and ensures they have decision-making power over how income is used and shared.

Q How does this compare to returns from logging?

This is hard to answer, and we cannot answer in monetary terms. In logging, landowners only earn a small percentage – 15% of the revenue from logging sales as royalties. The majority of the revenue goes to the logging company and the government. In addition, the landowner revenue is paid out and distributed in a highly unequal and untransparent manner. However, in a carbon project, the majority of income goes directly to all customary landowners. Income is spread over many years and is shared fairly and transparently for the benefit of everyone in a community.

Accessing Land for Tourism: Unlocking the Solomons' Tourism Potential

ALTIF is continuing its work to identify land suitable for tourism investment and finding solutions to the barriers that prevent investment in tourism from occurring.

SITHP is using two specialised methods to achieve those objectives. First, ALTIF utilizes the Facilitated Governance Reform (FGR) method to bring together SIG experts and staff to focus on what is achievable and what needs to be modified within the context of the country's resources, capacities, adaptability, and coordination – so the land identification and reform activities are country-specific, led by the SIG, and able to be sustained after SITHP has finished.

To that end, ALTIF's work is led by the Tourism Investment Task Force, which is chaired by Bunyan Sivoro, the Permanent Secretary of the Ministry of Culture and Tourism, and Susan Sulu, the Permanent Secretary of the Ministry of National Planning and Development Coordination. In turn, the Task Force is supported by working groups comprising government, industry, and private sector representatives.

The FGR model avoids the 'one size fits all' or 'cookie cutter' approach to development, and importantly, because it is facilitated, also leads to inclusive development where all voices are heard.

Secondly, the Problem-Driven Iterative Adaptation (PDIA) model developed by Harvard's Building State Capability Program creates the space for the SIG, its institutions, and people to identify the problems and come up with problem-responsive solutions. Again, the space is simply facilitated by SITHP



ALTIF Working Group members meet in 2023, Photo: SITHP

and both FGR and PDIA recognizes that reform strategies that work well in some countries are often unsuitable elsewhere.

These commonsense models are being used to good effect for both the ALTIF and FoVEP projects.

As a result, the ALTIF team has identified multiple potential tourism investment sites across Western, Central, and Guadalcanal Provinces as ALTIF continues to assess these sites to decide which to recommend for marketing and promotion to potential investors.

On the reform side, teams have identified five key policy reform areas where SITHP can make targeted 'interventions' – which are plans that describe the specific barrier to investment and the way forward.

Though this is not easy work, it is necessary to secure future and more sustainable sources of future and recurring income for Solomon Islands.

As Sholto Manebosa, Deputy Registrar of Titles, Acting Co-Chair for ALTIF Land Access Team, recently said: "The ALTIF program is a very positive initiative that brings together the best minds from the relevant government agencies to come up with practical solutions to solving the main issues that stifle tourism development in the country.

"I find that it not only helps the tourism sector, but it also empowers us leaders to look at the big picture and take the initiative of making positive changes in our respective institutions for the greater good."