



Funding Source:
Australian Agency for International Development (AusAID) –
44.7% Future Forests Fiji 55.3%

Program:
Enterprise Challenge Fund for the Pacific and South East Asia

Project name:
Teak Seed Germination and Plantation Service Development

Project Location:
Ra province, Fiji

Project Start Date:
1 January 2009

Project End Date:
31 December 2011

Total funds approved:
A\$190,000

For more information please visit
www.enterprisechallengefund.org

Future Forests Fiji (FFF)

ABOUT THE COMPANY

Future Forests Fiji Limited (FFF) was established in 2004 with the primary aim of developing a socially and environmentally responsible teak plantation business in Fiji. Teak has been traded globally for over 200 years but no commercial teak plantations have been established in Fiji.

Over the past five years FFF has successfully developed and established its plantations in Fiji with more than 55,000 teak trees planted in Ra Province on the main island of Viti Levu. The company currently owns 92 hectares of freehold land in Tova Valley and is in the process of acquiring an additional 50 hectares of freehold land. The company has negotiated a native lease of 100 hectares with land owners in the same valley. These land owners will benefit from the future sale of the grown trees, primarily for export.

FFF has a very strong environmental policy and will secure Forests Stewardship Council certification for eco timber and this will also ensure future sales in the international and local markets.

ABOUT THE PROJECT

ECF support will enable FFF to expand its teak seedling nursery to produce 300,000 seedlings per annum. This level of production will ensure the commercial viability of the nursery operation through sales to landowners and others. FFF will also utilise landowner leases to expand the teak plantation operations.

PRO-POOR BENEFITS OF THE PROJECT

The anticipated benefits of this project include:

- long term employment and training opportunities in teak seedling growing and plantation management for landowners and their families living in six rural villages. This will include 19 full time and 75 part time positions

- ongoing income for communities through leasing their land for plantations and from royalties or stumpage from each tree planted on their land
- technical extension services to landowners to manage their own valuable teak plantations
- asset security and future income from the sale of the teak trees.

This project will be a good model for future sustainable and commercially viable timber plantations operated by the private sector and will help overcome the finance sector's reluctance to lend to such projects in Fiji. The provision of technical support to landowners will also address the shortage of this type of specialised support services.

FFF is working with the Department of Environment to register for carbon trading with the United Nations Framework Convention on Climate Change (UNFCCC) which will spearhead Fiji's carbon trading efforts.

THE ROLE OF ECF FUNDING SUPPORT

Access to capital for this project has been difficult to obtain due to the long term return from timber plantations and the innovative approach.

ECF funding will fill the gap and enable FFF to expand and modernize its seed germination and nursery facilities as the crucial first stage of this longer term project.

With the assistance of ECF funding, FFF will develop sustainable and equitable partnership models with indigenous land owners and establish lease agreements with land owners. This approach is compatible with the local culture where land is not regarded as a commodity that can be sold, while at the same time it provides the land owners with tangible assets, regular income, future wealth generation and a strategy for the care of their land.

The plan is to eventually float the project on the South Pacific Stock Exchange in Fiji and if this proceeds it means that ECF support will have been an important catalyst for this positive outcome.



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