



Solomon Islands Strategy for COCONUTS



November 4, 2010, Honiara

More than 100 Stakeholders

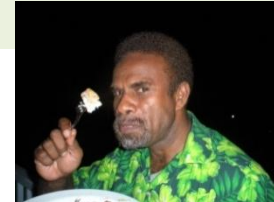


For SOLS by SOLS: Ownership is here and implementation responsibility too.

Championed by Minister and Cabinet



Anticipated Impact



- 85% of the population will directly benefit and volatile dependency on Copra exports will be reduced
- Increasing income earnings of rural communities and providing more employment opportunities for men and women
- Value addition: Empowerment of rural economic centres and promotion of investments
- Import substitution particularly for fuel (USD 700 million per year), food, animal feed and soap
- Electrification of rural areas (oil as fuel for generators)
- Promotion of other sectors such as livestock (development of animal feed)
- Diversification away from timber and reduction of forest depletion

The National Coalition for Reform and Advancement – Government Policy Statement

3.2 Empowering Solomon Islanders

2.2.1 Providing Security	Contribution of sector to food security and economic security
3.2.2 Creating and promoting opportunities	Advance living standards and quality of life through increased coconut sector contribution to Solomon Islanders
3.2.3 Private sector investment opportunities	Strategy emphasis on capitalizing on rural based economic wealth generation

4.3 Economic Reforms

4.3.2 Private sector led growth	Strategy anchored on private sector led growth for wealth creation and poverty reduction
4.3.3 Growths centres	Strategy is promoting economic growth centres through market options as well as reinforcement of rural economic communities in rural areas Strategy is also advocating for infrastructure and commercialisation structures
4.3.4.4 Wage and salary	Contribution of sector to export promotion and diversification away from logs
4.3.4.5 The Capacity of Development planning	Strategy implementation framework is a tool for aid coordination and resource mobilisation

5. Major Sectors

5.1.1 Real Sector Review	Strategy main thrust is to strengthen marketing and financial arrangements for revitalization of commodities that the rural sector will substantially benefit from.
5.1.2 Agriculture	Rehabilitate Coconut and improve domestic and export marketing infrastructures Establishment of more copra milling facilities in rural areas, to facilitate the production of coconut oil, biofuel, animal feed and other downstream products for export.
5.1.6 Manufacturing	Strategy contributing to Stimulate the expansion and diversification of the manufacturing sector for economic growth. Provision of appropriate investment incentive for manufacturer and exporters.

6. Service Sectors

6.22 Port Infrastructure Development	Extra port, transport and support service infrastructure
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7. Governance

Promotion of One stop agency approach	Strategy implementation mechanism is an efficient and effective coordination platform to ensure government policies are aligned with private sector needs.
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Alignment to NCRA

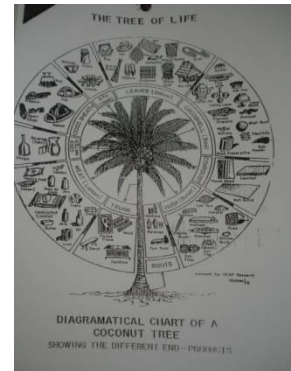


Immediate Outputs :

Realistic Implementation plan articulating way forward for all



Alignment of ACTORS AND resources for implementation (Who needs to do what and when)



A tool to secure finance and resources based on Grenada Priorities



STRATEGY IMPLEMENTED and activities piloted

A strong PPP coordinating design and implementation

Cornelius Donga (Chair)	Ministry of Commerce, Industry, labour and Immigration
Alfred Ramo	Commodity Export Marketing Authority
Jack Chottu	Private Sector Farmer
Vernon Smith	Private Sector Processor
Willie Tollie	Private Sector Farmer
Stephenson Talogwari	Ministry of Foreign Affairs
Titus Sura	Ministry of Agriculture and Livestock
Dr. Judson Leafasia (Chair until March 2010)	Ministry of Rural development Permanent Secretary to Deputy Prime Minister
Bevan Vollrath (Vice Chair until June 2010)	Private Sector Processor



**Office of the Prime Minister
(CABINET)**

Monthly reporting

Coconut sector Secretariat
Farmers, Processors, Min. Agriculture, Min. Commerce, CEMA

Overall Sector Representation
(Policy Advisory Board)

Ministry of Commerce

Budget

Ministry of Agriculture

**Strategy implementation
Management team**

**Coordination
Funding
Proposal
Monitoring**

**Provincial Coordinating Committee's
Stakeholders, Farmer & business
associations**

Leading Institutions and Implementing Partners
for each Strategy Objective

**OBJ 1
Policy**

**OBJ 2
MKT**

**OBJ 3
Supply**

**OBJ 4
Finance**

**OBJ 5
Value added**

**OBJ 6
Infrastr
ucture**

Overall Priorities 2011-2020



- 1. Increase the value received out of COPRA by improving COPRA quality and shipping/commercialization practices.**
- 2. Increase the local markets for all Coconut products by strengthening the local processing sector (Value Addition for IMPORT SUBSTITUTION)**
- 3. Export development particularly for oil, animal feed, coir products, pith, charcoal and coconut milk**

Strategy Objectives



- 1. Create a Coconut strategy implementation and coordination body that is self sustaining by end 2011**
- 2. Consistently improve the quality of market, production and business feasibility Information to enable stakeholders to effectively plan for sector diversification and development**
- 3. Increase collection and supply of coconuts by 30% by 2012**
- 4. Develop finance mechanisms to enable strategy implementation and investment by all stakeholders by 2015**
- 5. Develop a coconut processing industry for value added and diversification of coconut products by 2015**
- 6. Improve support services to respond to sector needs by 2015**

A change in MINDSET:



Strategy Options

National level



- Production of crude coconut oil for
 1. Export sale in bulk
 2. RBD processing for cooking oil
 3. Blending with diesel
- VCO and coconut flour
- Husk utilization for coir and pith
- Shell utilization for energy, charcoal and activated carbon
- Production of higher value lower volume coconut milk for export

Guadalcanal Options



1	Refined Oil for Human Consumption	Local Market Export to Pacific Island countries	<ul style="list-style-type: none"> • Import Substitution for Cooking Oil • Improved diets • High potential to increase income in Villages by raising Copra price • Establishing Oil extraction processing farmer associations • Self employment and social cohesion 	Short Term (2010-2012)
2	Charcoal briquettes	Local Markets Export	<ul style="list-style-type: none"> • Value addition at village level • Basic need for rural communities • Self employment and social cohesion 	Short Term (2010-2012)
3	Tender Coconut Water	Export	<ul style="list-style-type: none"> • Contribution to farmers • Self employment and social cohesion • Industry development 	Mid Term (2012-2014)
4	Coir and Coir products	Export	<ul style="list-style-type: none"> • Industrialization and Job creation in Guadalcanal 	Long Term (2012-2020)

Western Options



1	Crude Coconut Oil	Export through Papua New Guinea	<ul style="list-style-type: none"> • Improved diets • High potential to increase income in Villages by raising Copra price • Establishing Oil extraction processing farmer associations • Self employment and social cohesion 	Short Term (2010-2012)
2	Charcoal briquettes	Local Markets Export	<ul style="list-style-type: none"> • Value addition at village level • Basic need for rural communities • Self employment and social cohesion 	Short Term (2010-2012)
3	Virgin Coconut Oil	Local Markets Export	<ul style="list-style-type: none"> • Import substitution • Functional at village processing units • Self employment and social cohesion 	Mid Term (2010-2014)

Malaita Options



1	Refined Oil for Human Consumption	Local Market Export to Pacific Island countries	<ul style="list-style-type: none"> • Import Substitution for Cooking Oil • Improved diets • High potential to increase income in Villages by raising Copra price • Establishing Oil extraction processing farmer associations • Self employment and social cohesion 	Short Term (2010-2012)
2	Soap and washing products	Local Markets	<ul style="list-style-type: none"> • Import substitution for washing products • Basic need for rural communities • Village processing possible • Self employment and social cohesion 	Short Term (2010-2012)
	Virgin Coconut Oil and flour	Local Markets Export	<ul style="list-style-type: none"> • 	Mid Term (2012-2014)
3	Animal Feed meals	Local Markets Export	<ul style="list-style-type: none"> • Import substitution for animal feed and animals • Reduction of cost of raising livestock and boosting of livestock sector development • Functional at village processing units • Value addition through mixture with other ingredients • Self employment and social cohesion 	Mid Term (2010-2014)
4	Milk processing plant	Export	<ul style="list-style-type: none"> • Industrialization and Job creation in Malaita 	Long Term (2012-2020)

Implementation Priorities

Main priority area is in Objective 1: **RESOURCING and Building CAPACITY in the SECURETRAIAT**

Following are Objectives 3 and 5: We need to **encourage business investments and ventures into coconut at rural and urban levels**

Once business ventures are identified, **Objectives 2,4,6 need to provide support to the actual needs of business and private sector ventures**

Required support

Reinforcement and financing for the Secretariat

Establishment of a Management team for day to day operations

Technical assistance and resources for selecting ventures and Piloting