

The results for the first survey are presented in Appendix 6. Several points are worth noting. First, the results are generally in line with the qualitative findings of the focus groups. For example, the Australian and South American locations generated the highest coefficients within the location attribute. Second, the signs of the coefficients tend to be as expected *a priori*. For instance, size and rarity have positive coefficients, indicating that as these variables increase in an option, the probability of that option being chosen increases. Significantly, the price variable has the expected negative coefficient. The t-statistics for most coefficients are significant, indicating that the model estimated is a reasonably good fit to the data.

A number of features of the results are cause for concern. The importance of Australian locations is clear from the results. However, the choice sets presented to respondents did not always involve an Australian option. Biased estimates could thus result. There is also the possibility of interactions between the variables, something which the design of the first survey could not take into account.

For these reasons, the second survey was undertaken. This was designed to concentrate on the location attribute and how it contributes to the utility of respondents. This was achieved by providing a choice of each location in each choice set. To expedite this design, the number of locations was reduced to six. One overseas and one Australian location were dropped. Each choice set thus comprised seven options—the six locations plus the standard ‘no choice’ option. Appendix 5 gives a sample of a choice set for the second survey. The second survey went to the field in Brisbane in November 1995.

Results for the second survey are presented in Appendix 7. They represent an improvement over the first survey because the t-statistics are slightly higher, but there is little overall change in the results, apart from Australia becoming more significant in terms of location.

The results of both surveys can be used in a number of different ways. They can be used to estimate willingness to pay for changes within attributes. That is, the benefit arising from improving an attribute can be estimated. This is possible because the underlying choice process embodied in CM is directly related to the utility or well-being contributed by each attribute. By holding utility constant for an individual, it is possible to hypothesise that a change in the levels of one attribute can be directly compensated by a change in the level of willingness to pay a donation. Dividing the change in utility coefficients for a particular attribute by the price coefficient gives that compensating measure in terms of willingness to pay.

For example, the willingness to pay for a scenario that is extremely rare as compared with a scenario that is only fairly rare can be calculated as the difference in rarity coefficients divided by the price coefficient. Using the results of the first survey, this can be calculated as follows:

$$\begin{aligned} \text{WTP (rarity increase)} &= - (0.535 - 0.105) / - 0.193 \\ &= \$2.23. \end{aligned}$$

In other words, the benefit enjoyed from an increase in rarity is estimated to be worth \$2.23 per person. Repeating the exercise with results from the second survey yields a benefit estimate of \$2.27. In another example, the benefit generated by a rainforest in far north Queensland is \$4.67 greater than that of a similar rainforest in Vanuatu. This is calculated as follows:

$$\begin{aligned}\text{WTP (Qld vs Vanuatu)} &= - (0.739 - 0.162) / - 0.193 \\ &= \$4.67.\end{aligned}$$

The second way in which the CM results can be used is to estimate the benefit enjoyed by particular combinations of attribute levels. That is, a specific rainforest conservation proposal can be constructed from the various attribute levels, and the benefit of that proposal relative to the status quo can be estimated. This marginal benefit estimate is calculated by taking the ratio between the sum of the specific attribute coefficients attached to a scenario and the price coefficient. Under this process, it is possible to estimate the marginal benefit associated with any scenario that can be formed from a combination of the attributes and levels used. The scenarios are not limited to the ones used in the CM survey. Take for example the following hypothetical scenario:

A 10,000 ha area in Vanuatu which is fairly rare but without any special features, that it is possible to visit and where the local people are better off because of the PA establishment.

Using the results of the first survey (see Appendix 6), the sum of the relevant coefficients divided by the price coefficients is as follows:

$$\begin{aligned}\text{Benefit} &= - [- 0.162 + (0.148 \times 3) + 0.105 + 0.192 + 0.424 - 0.384] / - 0.193 \\ &= \$3.21\end{aligned}$$

The results of the second survey (see Appendix 7) yields a marginal benefit estimate of \$3.78.

It is important to note that the CM results are sensitive to alternative scenarios. For comparative purposes, consider the marginal benefit yielded by the following scenario:

A 10,000 ha area in far north Queensland which is extremely rare with special landscapes and animals that is easy to visit and where no local people are affected.

The first survey yields a marginal benefit estimate for this case of \$10.10, while the second survey estimate is \$10.12.

The implication of these results is that Australians have significant 'non-use' values for the conservation of Vanuatu rainforests. The result substantiates the findings of the CV study reported earlier in this chapter. While the estimated benefit per person is only in the order of \$3, when extrapolated across the population of Australian adults, the national benefit is indeed substantial, dwarfing the value of the benefits enjoyed by Australian visitors to Vanuatu. The conclusions drawn in the earlier sections of this chapter regarding the existence of net benefits from the conservation of forests in Vanuatu are therefore supported by the CM results.

It would also appear that the CM results are relatively robust across alternative model specifications and survey design. The differences between the benefit estimates yielded by the two surveys are statistically insignificant. The application of CM, which must be regarded as an innovative and as yet unproven technique for non-market benefit estimation, to the Vanuatu issue is therefore heartening in terms of the future usefulness of the method.

The extent of the benefit of forest conservation estimated here using CM should serve as an indicator to the Australian Government that aid donations to fund forest conservation initiatives in Vanuatu would be in accord with public sentiment. The results of the study should also be of interest to governments of other developed Pacific Rim countries with an interest in Vanuatu, such as New Zealand, and to the governments of U.K. and France, the former colonial powers in Vanuatu.

9.8 Conclusions

The two studies reported in this chapter have both concluded that there are substantial benefits to be enjoyed by Australians as a result of forest conservation initiatives in Vanuatu. The magnitude of these benefits more than eclipses the costs born by the ni-Vanuatu landowners because of foregone extractive use income. From a global perspective, there are clear net benefits to be gained from forest conservation in Vanuatu. To ensure intragenerational equity, it is important for the ni-Vanuatu landowners to be adequately compensated for the costs they incur as a result of conservation. The studies reported here show convincingly that even after the payment of compensation, Australians would be better off with the forest conservation initiatives in place.

What remains problematic is the establishment of institutional arrangements that will ensure the availability of funds to pay for compensation. Without these funds, it is likely that landowners facing the situation that arose in the case of the EKPA will choose the income producing, extractive use of their forests. The net gains from conservation to the wider community that have been demonstrated in this chapter will then be lost.

The studies reported here should provide evidence to governments, NGOs and the private sector that the potential gains from forest conservation are substantial. This should in turn provide an incentive for action to secure these gains—be it through the provision of aid funds or the establishment of private trusts to finance leases of the type negotiated for the EKPA.

Part IV

Conclusion

10 Assessing and Establishing Protected Areas

Luca Tacconi

10.1 Introduction

Protected areas are important means for the conservation of forests and biodiversity. By helping to protect species and ecosystems, they may provide benefits to the people living in or near the areas, to the national and international community, and to future generations. But, protected areas also present costs. These are often born at the local and national level. The uneven distribution of costs and benefits, and problems originating from management arrangements have often resulted in social conflict and the demise of protected areas.

The issues of costs, benefits, their distribution, and the management of protected areas have been taken into account in the development of the socioeconomic approach to protected areas assessment and establishment presented in this monograph. In this final chapter, this framework is first summarised. We then describe some details of its application and consider some concluding issues related to protected area policy.

10.2 The Socioeconomic Framework

The socioeconomic approach to protected areas assessment and establishment presented in this monograph recognises the importance of integrating elements of neoclassical economics, institutional economics and the people-centred approach to development.

Institutions influence individual and collective behaviour, regulate the distribution of natural resources and, therefore, influence their allocation. Thus, the study of the institutional structure, and of possible ways to strengthen or modify it, is fundamental to a successful process of assessment and establishment of protected areas.

Individuals, although influenced by the existing and evolving institutions, play an important role in their own right in the process of resource management. Neoclassical economics stresses that the costs and benefits faced by individuals are significant factors in determining their choices in relation to resource allocation. The magnitude and distribution of the costs and benefits associated with alternative resource management options have to be assessed in order to obtain outcomes that are equitable and viable over the long term. Inequity in resource distribution is a major cause of demise of resource management projects in general. Cost-benefit analysis, which is based on neoclassical economic theory, is a useful tool in the assessment of the costs and benefits associated with resource management projects.

Values, norms, beliefs, costs and benefits of options are all important elements that enter into the definition and selection of ends and means related to choices in general and, of specific interest here, decisions related to natural resource management. The people-centred approach to development stresses the importance of allowing the stakeholders to participate in the decision-making process. Participation allows the stakeholders to bring their values, norms, beliefs, and views about costs and benefits to bear on the allocation and distribution of natural resources. Processes and tools designed to facilitate a better understanding of peoples' views, needs, wants, and their participation in research and decision-making have been developed within the people-centred approach to development. These processes and tools are important element in a successful process of assessment and establishment of protected areas.

The socioeconomic framework presented here recognises three levels of the decision-making process for the assessment and establishment of protected areas.

At the international level, conventions are signed, and political and financial incentives are directed to individual countries. The setting of targets for the establishment of protected areas is often carried out at the national level. Decisions concerning the establishment of specific areas are carried out at local level. In practice, the decision-making layers are not so clearly separated. Decisions made at one layer will affect those take at the other levels and *vice versa*.

A socioeconomic analysis may be carried out at all levels by addressing questions concerning institutional structure, intergenerational and intragenerational equity, and efficiency. Participatory research is particularly appropriate at the national level, for example carried out with government officers, and at the local level undertaken in collaboration with the people in the areas of concern.

The implications of intergenerational equity for protected area assessment and establishment in those countries that have signed the Convention on Biodiversity and/or recognise the rights of future generations, such as Vanuatu, have been considered in detail in Chapter 4. That chapter concludes the development of the socioeconomic framework which may be summarised as follows:

- a system of protected areas should be established in order to achieve, at least partially, minimal intergenerational equity;
- the institutional features relevant to the successful implementation of the conservation program, and their eventual modification or creation, should be considered;
- the process of assessment and establishment of protected areas should be carried out with the participation of the stakeholders;
- the most cost-effective way of establishing both a protected area system and the individual areas should be investigated;
- the intragenerational outcomes should be assessed and eventually counter-balanced.

This framework was applied in Vanuatu. Some features of this application are summarised below.

10.3 Applying the Framework to Vanuatu

The overall process of assessment of protected areas has taken as given the fact that protected areas should be established in order to contribute to the partial achievement of intergenerational equity. For this reason, the decision to establish a system of protected areas was not subjected to the assessment of its costs and benefits.

The analysis of institutional features, and their eventual modification or creation, are significant components of the work carried out in Vanuatu. Understanding the existing land tenure, resource management arrangements, and local and national government powers, was fundamental to the development and introduction of three new conservation-oriented institutions: a protected areas by-law; the lease agreement for the establishment of the protected area in Erromango (EKPA); and the deed for the trust fund. These institutional arrangements are important elements contributing to the long-term viability of the protected areas described in this monograph and to future conservation initiatives in Vanuatu. The lease agreement details the duties and rights of both the Government and the landowners in respect to the management of the EKPA. It may also be used as a model for developing similar agreements covering other protected areas that may be established in the future. The trust fund is designed to provide long-term financial sustainability to the EKPA. However, the structure of the trust fund is such that it could be expanded to cover protected areas other than the EKPA. Finally, the protected areas by-law can be used to enforce the findings and decisions arising from a participatory planning approach to the assessment and establishment of protected areas.

The process of participation in the assessment and establishment of protected areas differed between Erromango and Malekula.

In Malekula, some of the protected areas had been first identified by the LGC. However, the decision on whether to establish them and the determination of their boundaries were made by the landowners through a process of participatory planning that focused both on the requirements of ecosystem conservation and the economic needs of the local people. The assessment process was carried out with the participation of the landowners through all the stages: identification of areas to be targeted for conservation, assessment, and proposed establishment.

In Erromango the 'structure' of the process of participation was partly dictated by the events pre-dating the onset of the research presented here. Firstly, we invited the landowners to indicate their interest in pursuing the establishment of a protected area; their answer was positive. Then, we assessed whether the landowners would conserve the forest without external intervention. Given that the landowners had already been offered an agreement to lease, it would have not been in their interest to reveal whether they would protect the forest without government intervention. Therefore, the assessment of their conservation needs through participatory rural appraisal methodology was not considered appropriate. This assessment was essentially carried out with rapid rural appraisal tools. Once the need for compensation was established, the development of the compensation package and of the land lease agreement was carried out together with the landowners.

In terms of the cost-effectiveness of the establishment of the individual protected areas, the approach adopted in Malekula differs from that of Erromango. In Malekula, the attempt to achieve cost-effectiveness relied on identifying in conjunction with the landowners their needs for conservation and the establishment of protected areas without external financial support. No compensation payments were involved because the approach adopted for the identification of protected areas enabled the identification of cases in which the benefits of conservation were higher than the benefits of alternative extractive uses. In Erromango, it was doubtful that the landowners' would have established the protected area themselves. In that case, the cost-effectiveness of the initiative was based on providing compensation payments *limited* to potential losses suffered by landowners as a consequence of the establishment of the protected area. The provision of compensation is clearly linked to the question of intragenerational equity.

In Malekula, the landowners themselves expressed interest in establishing the protected areas. This fact suggests that the likelihood of generating negative intragenerational equity impacts is reduced. In Erromango, however, it seemed that the costs to be born by the landowners could have been higher than the benefits arising from the establishment of the protected area. Therefore, in order to maintain intragenerational equity, the landowners needed to be compensated.

The creation of protected areas can make people other than the landowners 'relatively' worse off. Three situations may be considered. Firstly, the establishment of a protected area enables the landowners to enforce their rights to resources. As a result, other people who previously used these resources may be prevented from continuing that use. If the resulting distribution of resources is not considered equitable, this is a case in which the question of intragenerational equity relates to the determination of rights to resources rather than to the establishment of the protected area. Secondly, there may be people other than the owners of the land who have *recognised* rights to resources. In this case, if compensation takes place, the potential losses suffered by all parties should be considered. Thirdly, compensation payments gained by landowners could induce the other members of the local community to feel that they have been 'left out' and are 'worse off'. This could generate conflicts within the community. Such a problem could be addressed by continuing the payment of compensation to landowners while providing support to the wider community with other suitable development initiatives.

Intragenerational equity should also be considered from an international perspective. In fact, a country that establishes a system of protected areas bears its costs and some of the benefits. Other countries, normally only stand to receive benefits from that initiative. It was shown in Chapter 9 that Australian residents may benefit from protected areas located in Vanuatu. This strengthens the argument that developed countries should provide financial support to developing countries for the conservation of biodiversity. To increase the long-term benefits generated by their financial contributions, developed countries should consider contributing to the establishment of Trust Funds.

10.4 A National Approach to the Identification, Assessment, and Establishment of Protected Areas

The approaches to conservation adopted in the cases of Malekula and the EKPA have their specific roles in a national forest and biodiversity conservation strategy in Vanuatu.

It is important to note that in Vanuatu there is a dearth of ecological information. In order to design an adequate system of protected areas, a biodiversity assessment of the whole country should be carried out. A detailed study of the biodiversity of a country is a long-term project. However, a rapid biodiversity assessment could be carried out as a first phase. This would provide an indication of the areas that should be given highest priority for conservation.

The first step towards the implementation of a system of protected areas may be to establish these areas through a process of participatory planning, such as that adopted in Malekula. This process may lead to the creation of protected areas that are consistent with local people's needs and wants in relation to ecosystem conservation. These protected areas should be regarded as the first component of a complete protected area system. The next step would be a 'biodiversity conservation gap' assessment.¹ Such a study would identify ecosystems that should be granted protected status on the basis of ecological criteria, but that have not been covered by the protected areas established in the participatory planning phase. If gaps exist, these should be filled by creating further protected areas. If the establishment of these latter areas conflicts with landowners' interests, then protected areas should be established by following the approach adopted in the case of the EKPA. That is, compensation should be provided to the parties that have been made worse off by the establishment of a protected area.

It was noted in Chapter 4 that the interests of the current and future generations tend to coalesce, at the level of critical natural capital. A positive aspect of the participatory approach to conservation presented here is that the establishment of protected areas, designed on the basis of landowners' needs, contributes to this convergence of interests between generations.

The participatory planning approach has proved to be beneficial in terms of helping the landowners' decision-making process. The participatory assessment, undertaken as a component of this research, appeared to provide the landowners with a better understanding of the issues involved in conservation and development activities. This has implications for the 'mode' that could be adopted in further implementing, throughout Vanuatu, the approach to conservation suggested here. An *active* mode and a *responsive* mode may be distinguished.

¹ If the biodiversity assessment noted above has been carried out, the biodiversity conservation gap assessment does not require further field studies. If the biodiversity assessment has not been carried out, the biodiversity conservation gap assessment has to include fieldwork to assess, on a rapid basis, the biodiversity features that deserve consideration for protected status. The proposed system of protected areas thus derived would be compared with the existing system of protected areas. Thus, the gaps existing between the 'optimal' protected area system and the existing one could be indicated. For example, see Scott et al. (1991).

In the responsive mode, the central government departments and the local governments wait for the landowners to come forward asking for assistance in establishing conservation projects. In the active mode, exemplified by the work presented in Chapters 6 and 8, the local and central government agents do not simply wait for the landowners to come forward. They also initiate and organise participatory assessments in specific rural areas. The active mode should be favoured because, at times, landowners may not be fully aware of ecological, social, and economic aspects relating to conservation and development issues. Alternatively, they may be aware of them, but not have the means to address them fully. In these cases, they might not approach external organisations in order to seek support in solving the specific problems.

In concluding, it should be noted that the socioeconomic framework for the assessment and establishment of protected areas presented in this monograph is relevant for application both by other countries, developing and developed. The specific details of the application of the proposed framework will no doubt vary from country to country to reflect the specific social, economic, and environmental conditions. For example, the institutions to be considered and the structure of the participatory process will be to a certain degree specific to each country. However, the five guiding principles that characterise the framework have wide applicability.

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Appendixes

Description of Forest Vegetation Types

Vegetation type	Description
Fme	Midheight forest with emergents
FmeAgCl	Midheight forest with <i>Agathis</i> and <i>Calophyllum</i>
FmeCl	Midheight forest with <i>Calophyllum</i>
FmeClAg	Midheight forest with <i>Calophyllum</i> and <i>Agathis</i>
FmKh	Midheight forest with <i>Kleinhovia hospita</i>
Fmm	Midheight forest with small to medium crowns
Fmm1	Midheight forest with small to medium crowns; dense remnants
Fmm2	Midheight forest with small to medium crowns; medium dense remnants
Fmm3	Midheight forest with small to medium crowns; sparse remnants
Fmo	Midheight forest with an open canopy
Fmo1	Midheight forest with an open canopy; dense remnants
Fmo2	Midheight forest with an open canopy; medium dense remnants
Fmo3	Midheight forest with an open canopy; sparse remnants
FmoCl	Midheight forest, open canopy, with <i>Calophyllum</i> ; local <i>Agathis</i>
Fmoe	Midheight forest, moderately open canopy, with emergents
Fms	Midheight forest with small crowns
FmW	Midheight forest with <i>Metrosideros</i> and <i>Weinmannia</i>
Fl	Low forest
FIAs	Low forest with <i>Acacia spirorbis</i>
FIBa	Low forest with <i>Barringtonia asiatica</i>
FICe	Low forest dominated by <i>Casuarina equisetifolia</i>
FICl	Low forest with <i>Calophyllum neo-ebudicum</i>
FIM	Low forest with <i>Metrosideros</i>
FIMW	Low forest with <i>Metrosideros</i> and <i>Weinmannia</i>
FIMx	Low forest of mixed species composition
Flid	Low forest with a high proportion of deciduous trees
Fl	Low forest with emergents
FIKh	Low forest with <i>Kleinhovia hospita</i>
Flm	Low forest with medium crowns
Flme	Low forest with medium crowns and emergents
Flo	Low forest with an open canopy
Flo2	Low forest with an open canopy; medium dense remnants
FloAs	Low forest, open canopy, dominated by <i>Acacia spirorbis</i>
Fls	Low forest with small crowns
Flsw	Low forest; swampy

Source: Bellamy (1993).

Appendix 2

**Deed for Establishment of the
Vanuatu Biodiversity
Conservation Trust Fund**

DATED THE

DAY OF

19

BETWEEN

Settlor of the One Part

AND

PACIFIC INTERNATIONAL TRUST COMPANY LIMITED

Trustee of the Other Part

DEED OF SETTLEMENT

**VANUATU BIODIVERSITY CONSERVATION
TRUST FUND**

IRREVOCABLE TRUST

THIS DEED OF SETTLEMENT is made on the date set out in the Schedule A hereto as the date of the making of this Deed between the person therein named as the Settlor of the one part and the person therein names as the Trustee of the other part.

WHEREAS the Settlor has paid to the Trustee the Settled Sum set out in Schedule A to be held by the Trustee upon the Trusts set out in this Deed and the Trustee has agreed to hold the Trust Fund (the name of which is contained in Schedule A) upon the following Trusts, powers, covenants and conditions.

NOW THIS DEED WITNESSETH

ARTICLE 1

DEFINITIONS AND CONSTRUCTION

1.1 DEFINITION

In this Deed the following words and expressions shall have the following meaning:-

“Assets” include all such things as are from time to time the property of the Trust Fund.

“Accumulation Period” means

- (a) if any law applicable to this Settlement prescribes for the time being one or more periods for the accumulation of income, the maximum allowable of such period(s), or the period from the date of this Deed until the Perpetuity Date whichever is the shorter one, or
- (b) if there is no such law applicable to this Settlement for the time being, the period from the date of this Deed until the Perpetuity Date.

“Appointer” means the person or persons named as such in the Schedule A or other Appointer or Appointors for the time being of this Settlement appointed in accordance with this Deed.

“Beneficiary” means a person who is appointed a beneficiary of this Settlement pursuant to clause 5.1 of this Deed or who becomes a beneficiary of this settlement pursuant to clause 6.8 of this Deed, or who is named as a Beneficiary in Schedule A.

“Date of the Deed” means the date set out in Schedule A as the date of making of this Deed.

“Perpetuity Date” means the last day of the perpetuity period.

“Perpetuity Period” means the maximum duration prescribed for the time being by the law applicable from time to time to this settlement or a period ending on such date as the Trustee may determine pursuant to the right conferred upon it under Clause 6.7 of this Deed whichever shall first occur.

“Person” includes a corporation wherever incorporated or domiciled, a government or government instrumentality or a multigovernment organization.

APPENDIXES

“Property” includes real and personal property, any estate or interest in any property real or personal, cash, any debt, any chose in action and any other right or interest, wheresoever situate in the world.

“Securities” includes shares, stock units, bonds, mortgages secured or unsecured, debentures or debenture stock, obligations or securities of any corporation, governmental or semi-governmental body or authority anywhere in the world.

“Settled Sum” means the sum of money set out in Schedule A as the Settled Sum.

“This Settlement” means the Settlement constituted by this Deed as it may be added to, amended or varied from time to time as provided for in Article 14 of this Deed.

“Trustee” means the person named as Trustee in Schedule A or other Trustee or Trustees for the time being of this Settlement appointed in accordance with the terms of this Deed.

“Trust Fund” means the property for the time being the subject of the Trusts of this Settlement, including the Settled sum and all other moneys or property hereafter transferred to and accepted by the Trustee as additions to the Trust Fund and all accumulations of income thereto and the accretions to the capital of the Trust Fund and the investments and property from time to time representing the same.

Words importing the singular number shall also import the plural number of words importing any gender shall also import each other gender and covenants by or on the part of two or more parties shall bind them jointly and each of them severally.

1.2 CERTIFIED COPY OF DEED VALID

Any person dealing with this Trust may rely upon a copy of these presents and of the notices endorsed thereon or attached thereto certified by the Trustee or the Trustee’s Solicitor before a Notary Public or Commissioner of Oaths to the same extent as he might rely on the original.

1.3 TRUSTEE AND SETTLOR PRECLUDED FROM BENEFITING

Notwithstanding anything to the contrary hereinafter expressed or implied no discretion or power by this Settlement conferred on any person or on the Trustee shall be exercised by such person or Trustee and no provisions of this Settlement shall operate so as to confer on or reserve to or be capable of conferring on or reserving any interest in or benefit out of or connected with the Trust fund, to the Settlor or (other than remuneration in accordance with Clauses 9.4 and 9.5 hereof) the Trustee or any person who has donated to or vested in the Trustee any property to be held on the Trusts created by this Settlement, as from the time when such latter person donates or vests property aforesaid.

1.4 HEADING FOR CONVENIENCE ONLY

The headings of Clauses and paragraphs appearing herein are for convenience only and shall have no significance in the construction or interpretation of this Agreement.

1.5 SEVERABILITY OF CLAUSES

Should any of the provisions of this Agreement be for any reason invalid, the invalidity thereof shall not affect any other provisions of this Agreement and all invalid provisions hereof shall be wholly disregarded.

1.6 PRINCIPAL PURPOSE OF THIS TRUST

This trust is principally established to provide a continuous source of financial assistance for the retention of forests in Vanuatu and related biological conservation.

ARTICLE 2

TRUST IS IRREVOCABLE

2.1 This is an irrevocable Trust, and effective with the signing of this Deed, the Settlor shall have relinquished all rights in connection with the Trust Fund, including any separate Trusts created hereunder.

ARTICLE 3

INITIAL TRUST CAPITAL AND SUBSEQUENT SETTLEMENTS

3.1 FUND HELD UPON TRUST

The Trustee shall and the Trustee hereby declares that it will hold the Trust Fund upon the Trusts and with and subject to the discretions, authorities and powers as are hereinafter contained in this Settlement.

3.2 ADDITIONAL SETTLEMENTS

The Trustee shall have the right in its absolute discretion at any time during the continuance of this Settlement to accept such further or additional property which any person (other than a Beneficiary) may donate or settle upon or vest in the Trustee to be held upon the Trusts of this settlement and upon such acceptance all such property shall thereupon become part of the Trust Fund and shall be held by the Trustee accordingly.

ARTICLE 4

PROVISIONS REGARDING APPOINTOR

4.1 GENERAL POWERS

The holders of the offices names in Schedule A as Appointors shall be the Appointors of the Trust. Each of such Office Holders shall act as Appointors for the period during which they hold office and any reference to an Appointor or the Appointors shall be to the holder for the time being of such office at the time any act or decision is made.

APPENDICES

4.2 MULTIPLE APPOINTORS

Any act or decision of the Appointors must be by majority decision unless this deed otherwise specifically provides.

4.3 PRECLUDED AS TRUSTEE

The Appointor is hereby expressly precluded from ever becoming a Trustee of this Settlement and any purported appointment of the Appointor as Trustee shall be void.

4.4 TRUSTEE'S DEALING WITH APPOINTOR

The Trustee is authorised to deal with the Appointor or any one of them to purchase property from the Appointor, or sell property to the Appointor, but always at the fair market value of such property and for an adequate and full consideration in money or money's worth. Under no circumstances shall this paragraph be construed as conferring any power upon the Appointor to require the Trustee of this Trust or any separate Trust created hereunder to deal with the Appointor in any manner, or to give the Appointor any power to acquire or reacquire the Trust Fund, or any part thereof.

4.5 POWER TO REMOVE AND REPLACE TRUSTEES

The Appointor and if there shall be more than one Appointor, then all Appointors if acting unani- mously shall have the power at any time and from time to time to be exercisable in writing and signature attested by a Notary Public, Commissioner for Oaths or Justice of the Peace –

- (a) to remove the Trustee or Trustees and simultaneously to appoint a new Trustee or new Trustees of this Settlement within the jurisdiction or in any other jurisdiction;
- (b) to appoint additional Trustees of this Settlement;
- (c) to appoint a replacement Trustee pursuant to clause 7.2 hereof.

ARTICLE 5

PROVISIONS REGARDING BENEFICIARIES AND ELIGIBLE

BENEFICIARIES

5.1 BENEFICIARIES

With the written consent of the Appointor the Trustee may, at any time and from time to time prior to the Perpetuity Date, appoint any Vanuatu charitable body corporate or statutory body to be an income beneficiary with rights to income on such terms and conditions as the appointment may specify.

5.2 ELIGIBLE BENEFICIARIES—APPOINTMENT & REVOCATION

- (a) The first Beneficiary shall be the Republic of Vanuatu.

- (b) The Trustee may, with the written consent of the Appointor, at any time and from time to time prior to the Perpetuity Date revoke the appointment of any beneficiary and such power of revocation shall extend to the persons named as Beneficiary in Schedule A hereto.

5.3 CORPUS NOT HELD FOR BENEFICIARY

The Trustee shall not hold the relevant parts or shares of the corpus of the Trust Fund UPON TRUST for the Beneficiaries but rather as a perpetual fund provided however the corpus of the Trust Fund may be used to meet an income distribution obligation of the Trust if there is insufficient income.

5.4 INCOME HELD FOR BENEFICIARY, OR CAPITALISED

- (a) Subject to any applicable law and subject to the other provisions of this Deed, the income of the Trust Fund shall be as determined by the Trustee and shall be appropriated by the Trustee for only the following purposes:
 - (i) For the purpose of paying the expenses and fees of the Trust in accordance with Articles 9.3, 9.4 and 9.5 of this Deed.
 - (ii) For the purpose of paying the Beneficiary's liabilities for rent due under Land Titles No.14/0524/002 and No.14/0524/003 being the titles constituting the Erromango Kauri Protected Area and such other titles as may be added by the Trustee, having first obtained the written consent of the Appointor.
- (b) If the custom ownership of the land titles set out in (a)(ii) above are under dispute, the amount that would have been paid to the Vanuatu Government for the annual rent will be held in a separate trust until the ownership is definitively establish by a decision of the court or by agreement of the claimants, at which time the unpaid rent plus the earnings thereon (less administrative expenses) shall be paid to the land owner.
- (c) The residual income remaining after the above appropriations shall be capitalised at least once in each financial year and shall thereupon be and be dealt with as an accretion to the capital of the Trust Fund and shall follow the destination thereof.

ARTICLE 6

PROVISIONS REGARDING ACCUMULATION AND DUSTRIBUTION

6.1 ACCUMULATION

All income of the Trust Fund accruing during the accumulation period which is not paid nor applied to nor on account of nor set aside for the Beneficiaries or any one or more of them nor paid assigned nor transferred as provided for in Clause 6.6 of this Deed shall be accumulated and form part of the Trust Fund as provided in Clause 5.4.

6.2 INCOME AFTER ACCUMULATION PERIOD

If the Accumulation period ends before the Perpetuity Date all income of the Trust Fund accruing after the end of the Accumulation Period and before the Perpetuity Date which has not been paid, set aside, transferred as provided for in Clause 5.4, or 6.6 of this Deed shall be paid to or on account of or set aside for or alienated in favour of a company limited by guarantee that has been incorporated in Vanuatu for the purpose of preserving the forests of Vanuatu by any means directly or indirectly.

6.3 DISCRETIONARY INCOME DISTRIBUTIONS

The Trustee may only pay or apply the whole or any part of the Fund's income to any Beneficiary hereunder pursuant to Clause 5.4.

6.4 DISCRETIONARY CAPITAL DISTRIBUTIONS

The Trustee may pay or apply the whole or any part of the capital to any Beneficiary hereunder for its benefit to cover the shortfall if there is in any year insufficient income to meet a Beneficiary's rent obligations pursuant to Clause 5.4(a)(ii).

6.5 WAIVER OF DISTRIBUTIONS BY BENEFICIARIES OR ELIGIBLE BENEFICIARIES

Any Beneficiary may waive until further notice its right or expectancy to future distributions under this Trust or any separate Trust created hereunder by written declaration of such waiver delivered to the Trustee of such Trust. Said declaration of waiver shall be deemed effective from the day following receipt by the Trustee, and no distributions shall be made thereafter to the said Beneficiary. Any Beneficiary who has waived his or her right or expectancy to future distributions in the manner provided herein and has not specifically made such waiver irrevocable either for all times or not specifically made such waiver irrevocable either for all times or for some fixed period or until the happening of some stated event or occurrence, may at any time subsequent to the said waiver, or following the expiration of the said period during which the waiver is made irrevocable, notify the Trustee by written declaration that it again wishes to receive any future distributions made in its favour under this Trust Deed in which case such declaration shall be deemed effective from the day following receipt by the Trustee and shall apply to all distributions made thereafter.

6.6 EARLY DETERMINATION

The Trustee may at any time prior to the Perpetuity Date and after the expiry of all leases whose annual rental is being indirectly paid by the Trust determine an earlier date to be the Perpetuity Date PROVIDED THAT if at such time there is still an Appointor the Trustee shall not make any such determination without first giving three month's notice of the intention to that effect to the Appointor, unless the Appointor shall in the meantime have concurred in writing to the proposes determination.

6.7 VESTING

On and from the Perpetuity Date the Trustee shall stand possessed of the Trust Fund, to the extend that the same has not then previously vested pursuant to any appointment made under Clause 5.1 of this Deed, UPON TRUST for such one or more charitable body corporate(s) whose objects shall include the pres-

ervation of the forests of Vanuatu as the Trustee shall determine, any resulting Trust to the Settlor being hereby expressly precluded.

6.8 MANNER OF DISTRIBUTION

Upon any division, or partial or final distribution of the Trust Fund as herein provided, the Trustee may divide or distribute the same in kind, including undivided interests therein. In its absolute discretion, the Trustee may sell all or any part of the Trust Fund, but only for adequate consideration, and may make such division or distribution in cash, or partly in cash and partly in kind. The decision of the Trustee as to what constitutes a proper division of the Trust Fund, either prior to or upon distribution thereof, shall be binding.

6.9 CREATION OF SEPARATE TRUSTS

Notwithstanding anything to the contrary herein contained the Trustee may (subject however to giving not less than one month's prior notice in writing to the Appointor (if any) which notice may be waived by consent) at any time and from time to time prior to the Perpetuity Date in its discretion settle and transfer to one or more separate Trusts the whole or any part of the Trust Fund (freed and discharged from the Trusts, powers and provisions of this settlement) and such separate Trust or Trusts shall be governed by the law applicable to such separate Trust or Trusts as the case may be PROVIDED THAT one or more of the Beneficiaries of this Trust are Beneficiaries of such separate Trust or Trusts as the case may be and FURTHER PROVIDED THAT no part of this Trust Fund shall be settled on any other Trust under which any person or corporation who or which is or has been a Trustee of these presents or who is the Settlor of these presents, is a Beneficiary nor shall any power conferred by this Clause be exercised in such manner as to infringe any applicable law against perpetuities.

ARTICLE 7

RESIGNATION, REPLACEMENT OR MERGER OF TRUSTEE

7.1 RIGHT OF TRUSTEE TO RESIGN

- (a) Any Trustee may at any time resign the Trusteeship of this Settlement on giving no less than two months' notice (which may be withdrawn by the Trustee) addressed to the Appointor or person in whom the power of appointing a new Trustee or new Trustees of this Settlement is then vested provided that if such person or persons do not appoint a new Trustee prior to the expiration of the notice of resignation, such power shall vest in the Trustee who shall not resign without first appointing a new Trustee of this Settlement in its stead.
- (b) If there shall be no existing Appointor the powers of appointment of a new Trustee, or Trustees and of additional Trustees aforesaid shall be exercisable by the Trustee or if there be no Trustee, in such other manner as shall be permitted by law.

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7.2 VACATION OF TRUSTEE OFFICE

The office of a Trustee shall be ipso facto determined and vacated if such Trustee being a company shall enter into liquidation whether voluntary or compulsory (not being merely a voluntary liquidation for the purposes of amalgamation or reconstruction). Upon the office of Trustee being vacated for any of the aforesaid reasons, the appointors shall by majority decision appoint a new Trustee of this Trust. In the event that there is no majority, the first appointed of the then serving Appointors shall have a casting vote.

7.3 EFFECT OF RESIGNATION OR REPLACEMENT OF TRUSTEE

The resignation or replacement of a trustee of this trust or any separate Trust created hereunder shall neither prevent nor limit in any way the ability of the said Trustee to continue to act or be appointed as Trustee of any other separate Trust or Trusts created hereunder.

7.4 SUCCESSOR TRUSTEE

- (a) Any successor Trustee of this Trust or any separate Trust created hereunder shall succeed to all of the retiring Trustee's titles to the Trust Fund and all powers, rights, discretions, obligations and immunities of the Trustee hereunder with the same effect as though such successor Trustee were originally named herein as Trustees of such Trust and any and all attorneys-in-fact agents custodians or depositaries of the property comprising the Trust fund or income thereof shall be authorised to accept instructions from the said successor Trustee or Trustees as to the disposition thereof. Upon the appointment of successor Trustees pursuant to this Deed any attorneys-in-fact agents custodians or depositaries of the property comprising the Trust fund or income thereof shall forthwith become the same for such successor Trustees without the necessity for the execution or filing of any paper or any further act.
- (b) Any resigning Trustee or Trustees removed under the powers of Article 4.5 shall execute all instruments and do all acts necessary to vest such title in any successor Trustee without prior Court approval. No successor Trustee shall be obliged to examine the accounts, records and acts of the previous Trustee or Trustees, nor shall such successor Trustee in any way or manner be responsible for any act or omission to act on the part of any previous Trustee.
- (c) any outgoing Trustee who is liable as the Trustee of this Settlement or who may on the death of any person be liable as a former Trustee of this Settlement for any taxes which may be imposed in any country or territory in the world shall not be bound to transfer the Trust Fund unless reasonable security is provided for indemnifying such outgoing Trustee against such liability.

7.5 NOTICE OF TRUSTEE CHANGE

Notice of all changes in the Trusteeship shall be endorsed on or attached to these presents signed by the surviving or continuing Trustee and every such notice shall be sufficient evidence to any person having dealings with this Trust as to the facts to which it relates.

7.6 MERGER OF TRUSTEE

If any Trustee of this Settlement or any separate Settlement created hereunder shall be merged or consolidated with, or shall sell or transfer all or substantially all of its assets and business to another corporation, or shall be reorganised or reincorporate in any manner, the corporation to which such sale or transfer shall be made, or the successor corporation resulting therefrom shall thereupon become Trustee of such Trust or Trusts without any further act on the part of any then existing Trustee, Settlor, Appointor, of Beneficiaries of such Settlement, and shall succeed to all rights and liabilities of the previous Trustee.

ARTICLE 8

**TRUSTEE'S RELATIONSHIP WITH SETTLOR AND ELIGIBLE
BENEFICIARIES**

8.1 RELATIONSHIP WITH SETTLOR

Under no circumstances shall the Settlor have any interest in any investment made by the Trustee of this Trust or any separate Trust created hereunder, other than such legal interest as would a stranger to the Trust or Trusts in the particular transaction in question. Under no circumstances shall this paragraph be construed as conferring any power upon the Settlor to require the Trustee of this Trust or any separate Trust created hereunder to deal with the Settlor in any manner, or to give the Settlor any power to re-acquire the Trust Fund, or any part thereof, by substituting other property of an equivalent value.

8.2 CONFLICT OF INTEREST

The Trustee may exercise or concur in exercising, providing that the Trustee shall not benefit either directly or indirectly, all of its power authorities and discretions notwithstanding that the Trustee of the Trust has or may have a direct or indirect interest (whether as Trustee of any other Settlement or in the capacity as a Shareholder of any corporation or otherwise) in the mode or result of exercising such power authority or discretion.

8.3 SPENDTHRIFT PROVISIONS

- (a) In keeping with the nature of this Trust and all separate Trusts created hereunder, no Beneficiary EXCEPT as regards any irrevocable vesting in his favour, shall have any ascertainable proportionate, actuarial or otherwise fixed or definable right to or interest in all or any portion of the income of the Trust Fund. It is further provided that in no case shall any Beneficiary have any right to alienate, transfer, assign, encumber or hypothecate its expected interest therein, either present or future, nor shall any interest of any Beneficiary be subject to claims of its creditors, or liable to attachment, execution or other process of law.
- (b) The income of this Trust or any separate Trusts created hereunder may not be pledged, assigned, transferred, sold, or in any manner whatsoever accelerated, anticipated, nor encum-

bered by any Beneficiary nor shall any income of this Trust be in any manner subject to or liable in the hands of the Trustee for the debts, contracts, or encroachments of any Beneficiary prior to the actual distribution of all or part of the said income to that Beneficiary.

ARTICLE 9

ADMINISTRATIVE PROVISIONS

9.1 DETERMINATION OF CAPITAL AND INCOME

The Trustee is empowered to determine whether any property forming part of the Trust Fund or any increase or decrease in amount number or value of any such property or any receipts or payments from for or in connection with any such property shall be treated as credited or debited to capital or to income and to transfer accumulated income or part thereof to capital and generally to determine all matters as to which any doubt difficulty or question may arise under or in relation to the Trusts and the provisions of this Settlement and every determination of the Trustee in relation to capitalisation of income aforesaid whether actually realised or implied shall bind all parties to add any and all amounts of accumulated income of this Trust (or any separate Trust created hereunder) to the capital of such Trust to be held, administered and distributed as part thereof. This shall also include full power and authority to establish such reasonable reserve as it may in its discretion deem advisable to take into account, to determine the depreciation of tangible property and to amortise amounts paid for the purchase of securities or other property as authorised herein.

9.2 RECEIVE AND RECEIPT FUNDS

The Trustee of this Trust for the time being is hereby authorised notwithstanding that it may be the sole Trustee, to receive capital, property and money and to give valid and effectual receipts and discharges thereof for all purposes.

9.3 PAYMENT OF TAXES AND EXPENSES

Except as otherwise provided herein, the Trustee shall pay all property taxes, assessments, fees, charges and other expenses incurred by it in the administration or protection of this Trust or any separate Trust created hereunder, and all such payments shall be charged against the Trust Fund and shall be paid by the Trustee out of the income therefrom, or, in the event and to the extent that the income may be insufficient, then out of the capital of the Trust Fund, at any time prior to final distribution of the Trust Fund. The determination of the Trustee with respect to all such matters shall be binding upon all Beneficiaries howsoever interested in this Trust or any separate Trust created hereunder.

9.4 TRUSTEE FEES

Any Trustee being a corporation authorised by law to take in its own name a Grant of Probate of the Will of a deceased person may charge and shall be paid remuneration (which of the purposes of this and the succeeding such clause includes fees and commission) in accordance with its scale of fees or charges for

the time being as set out in the Schedule B AND IT IS HEREBY AGREED that the Trustee accepts the Trusts constituted by this Settlement on the terms and conditions as to remuneration and the incidence thereof in force at the date hereof as if such terms and conditions were fully set out and incorporated herein PROVIDED ALWAYS that if and so often as the Trustee shall after the date hereof publish and distribute to the Appointor (and in this regard forwarding same by prepaid post to the last known address of the Appointor shall be sufficient publication and distribution) new Terms and Conditions in which rates and modes of charging remuneration or both shall be different from those of the Terms and Conditions in force at the date hereof, the Trustee shall three months thereafter be entitled to remuneration in accordance with such new Terms and Conditions in substitution (only so far as concerns remuneration) for those previously in force.

9.5 CHARGES FOR OTHER SERVICES

The Trustee hereof (whether original or substituted) may transact in its own office on behalf of the Trust or of any Beneficiary any business which by its constitution it is authorised to undertake upon the same terms and conditions as it would for the time being make with an ordinary customer and may retain on current or deposit account or advance at interest all moneys which are required to be or can conveniently be retained or advanced in connection with the Trust premises without accounting for any profit made thereby.

9.6 PROVISIONS PROTECTIVE OF TRUSTEE

Once any distribution or allocation of income made in accordance with this Trust Deed has taken place, the Trustee shall have no further responsibility in connection with such income, except as would a stranger to the Trust. If the Trustee shall be compelled at any time during the existence of this Trust or any time thereafter to pay any tax or penalty with respect thereto for any reason, the Trustee shall be entitled to be reimbursed from the Trust Fund. If the Trust Fund be then insufficient or if it be then terminated, the Trustee shall be reimbursed by the Beneficiaries to whom the Trust Fund shall have been distributed, or for whose account income from the Trust Fund have been allocated, to the extent of the amount received by or allocated to the account of each. The Trustee, before making any distribution or allocation of income may accordingly require a refunding agreement or may withhold distribution or allocation pending determination or release of any tax lien.

9.7 LIABILITY FOR ACTS LIMITED

- (a) Notwithstanding anything in this Deed expressed or implied to the contrary or otherwise by law, the Trustee shall not be liable or answerable or accountable for any loss not attributable to :
 - (i) its own dishonesty; or
 - (ii) the wilful commission by it of an act known by it to be a breach of Trust that may be suffered or incurred in exercising any of the directions, authorities or discretions given to or

conferred upon the Trustee under this Deed or in investing moneys available for investment hereunder.

- (b) A Trustee shall be chargeable only for such moneys, stock, funds, shares and securities as it shall actually receive notwithstanding it signing any receipts for the sake or conformity and shall be answerable and responsible only for its own acts, receipts, commissions, neglects and defaults respectively and not of those of any broker, banker, auctioneer, attorney or other persons with whom or into whose hands any Trust moneys or securities shall be deposited or come nor for otherwise accepting less than a marketable title on the purchase, taking in exchange, partition or lending of money on the security of any hereditaments purchased, taken in exchange or partition or on mortgage nor the insufficiency or deficiency of any stocks, funds, shares or securities nor for any loss or any breach of duty or Trusts unless such loss or breach is occasioned by or results from the Trustee's own wilful neglect or default or dishonesty.
- (c) A Trustee shall not be liable for any loss or damage resulting from the exercise or non-exercise of any of its powers authorities or discretions hereunder. All persons having or claiming any beneficial interest in the Trust Fund or any part thereof shall be deemed to take with notice of and subject to the protection hereby conferred on the Trustee.

9.8 INDEMNIFICATION

The Trustee shall be indemnified out of the assets of the Trust Fund against any liability incurred by it in defending or bringing any proceedings whether civil or criminal other than in relation to circumstances in which the Trustee is not protected as in the last preceding Clause provided and the Settlor and each Trustee shall be held harmless against any claims, losses, death duties, taxes or impositions arising in 'connection with the Trust Fund or any part thereof, including failure to comply with legal requirements other than those applicable to the trust under the law in the country where the trust is, for the time being, resident.

9.9 ACCOUNTS

- (a) The Trustee shall keep accurate accounts of its Trusteeship and may have them audited annually by a qualified accountant selected by the Trustee at the expense of the Trust Fund or the income thereof as the Trustee shall determine.
- (b) The Trustee shall have the power to select a calendar or any other annual accounting period.
- (c) The accounts shall be provided to the Appointors at annual interval and when requested.

9.10 HOLD PROPERTY IN REGISTERED OR BEARER FORM

The Trustee may hold securities or other property, real or personal comprising the Trust Fund in its name as Trustee, or in the name of its nominee. The Trustee may hold securities or other property unregistered, in bearer form, or in any other condition that will permit ownership to pass by delivery, and shall like-

wise be authorised to enter into any land Trust, real property holding agreement or similar arrangement with respect to real property. Trust records shall at all times disclose how all the property of the Trust is held.

9.11 DECISIONS OF MULTIPLE TRUSTEES

When there is more than one Trustee the Trustees shall act only by majority vote but in the event of no majority the Trustee first appointed shall have a second or casting vote.

9.12 VALIDITY OF APPOINTMENTS

No appointment made in exercise of any power hereinbefore contained shall be invalid on the ground that :-

- (a) an insubstantial, illusory or nominal share is appointed to any one or more objects of such power or left unappointed or
- (b) any one or more objects of such power is thereby altogether excluded

but every such appointment shall be valid notwithstanding that any one or more objects of the power is or are deprived under the appointment or in default of appointment to take any share in the Trust Fund.

9.13 DECISIONS TO BE WRITTEN

Any determination or resolution of the Trustee under any of the provisions hereof shall be recorded in a written Minute and such Minutes shall be signed by a director of the Trustee or person(s) nominated for the purpose by the Director(s) thereof and kept with the accounts and records of the Trust fund.

9.14 BONDS AND SECURITY

The Trustee shall not be required to give any bond or security for its due and faithful administration of the Trust Fund or for the discharge of the trusts created by this Settlement unless required under any relevant laws and then only to the minimum extent required by such laws.

ARTICLE 10

INVESTMENT POWERS

10.1 INVESTMENT POWERS

The Trustee of this Trust or any separate Trust created hereunder shall have broad investment powers with respect to the acquisition, holding and disposition of all assets comprising the Trust Fund or any part thereof, which powers may be exercised on such terms and in such manner as it may deem advisable, and the specific powers described below shall be without prejudice to the generality of such powers.

10.2 DEALING WITH TRUST ASSETS

- (a) The Trustee may retain any or all assets forming part of the Trust Fund in the same state of investment and condition in which it is received by the Trustee for such period as the Trustee

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in its discretion deems fit and may deal with such asset or assets as if the Trustee were in all respects beneficially entitled thereto.

- (b) The Trustee may exchange, vary or transpose any asset forming part of the Trust into or for any other asset or assets of a like or different nature for such consideration and on such terms and conditions as the Trustee in its absolute discretion deems fit.
- (c) The Trustee may sell at public or private sale, or exchange, alienate, gift, grant or otherwise dispose of, any asset or assets, whether real or personal, of the Trust fund for such consideration (if any) and on such terms (if any) as the Trustee in its absolute discretion deems fit. The foregoing provision shall be deemed to include without limitation sales or exchanges on credit, with or without security, and shall include the power to abandon any property, either real or personal, which the Trustee deems worthless or not of sufficient value to warrant keeping or protecting, by refraining from paying taxes, water charges, rents, assessments, repairs, maintenance costs and upkeep of such property for nominal consideration or without consideration in lieu of foreclosure.
- (c) The Trustee shall not be bound to have regard to the diversification of investments.

10.3 REAL AND OTHER PROPERTY

- (a) The Trustee may invest all or any money at any time forming part of the Trust Fund in any property whether involving liabilities or not and whether in possession or reversion and whether producing income or not and whether secured or unsecured and upon such terms and considerations as the Trustee in its discretion deems fit.
- (b) The Trustee may sell, alienate, otherwise dispose of, mortgage, charge, lease for any period, grant options, and otherwise deal with all or any property forming part of the Trust Fund on such terms and conditions in such manner and at such time or times as the Trustee in its discretion deems fit.

10.4 SECURITIES AND COMMODITIES INVESTMENTS

In addition to the broad investment powers granted hereunder, and without in any way limiting said powers, the Trustee is hereby specifically authorised to purchase or otherwise acquire and to sell or otherwise dispose of for cash, credit or instalments; common stock, both listed and unlisted, publicly or privately held, any other type or types of securities or commodities investment, including but not limited to bonds, notes, debentures mortgages, bank acceptances, preferred stocks, warrants, interests in common or unit Trust Funds, mutual funds, "open-end" or "closed-end" investment funds or Trusts, real estate investment Trusts, beneficial interest in land Trusts, or savings and loan or building and loan associations, oil, gas, or other mineral interests metals (including gold and silver), commodities, including security or commodity futures, hedges, short positions, options, puts, calls, straddles, and any other form of securities or commodities position, interest or contract.

10.5 CURRENCY TRADING

The Trustee may hold accounts comprising the entire Trust Fund or any part or parts thereof in any currency it may in its sole discretion deem advisable, and is hereby specifically authorised to trade or deal in any currency or foreign exchange in any manner it may deem advisable.

10.6 PAYMENT BY CASH OR TERMS

The Trustee may make or purchase any investment for cash or in consideration of an annuity or otherwise and upon such terms and conditions as the Trustee in its discretion deems fit and it may make or purchase any investment for an amount greater than the amount of the Trust Funds and it may agree to pay for any such investment wholly or in part from any future money which may come into its hands, including dividends, profits, interest or other income payable in respect of any such investment.

10.7 INSURANCE

- (a) The Trustee may, in connection with any property obligation or transaction related to the purposes of this Trust Deed, insure, co-insure, reinsure, guarantee or (and) otherwise assume risks or indemnify for liability thereof and may purchase insurance or refrain from purchasing or renewing insurance of such kinds and in such amounts as the Trustee may deem advisable at the expense of the Trust.
- (b) Subject to the terms and limitations set forth below, the Trustee may pay from income or capital insurance premiums or other charges and may control all rights or incidents of ownership in connection therewith.

ARTICLE 11

MANAGEMENT POWERS

11.1 MANAGEMENT POWERS

The Trustee of this Trust or any separate Trust created hereunder shall have broad management powers with respect to all assets comprising the Trust Fund or any part thereof, which powers may be exercised on such terms and in such manner as it may deem advisable, and the specific powers described below shall be without prejudice to the generality of such powers.

11.2 DISCRETION POWERS

The Trustee may in its discretion exercise all or any of its powers at any time and from time to time and in any part of the world.

11.3 DISCRETIONS ABSOLUTE

Subject always to express provisions to the contrary in this Deed every discretion vested in the Trustee shall be absolute and uncontrolled and every power and authority vested in it shall be an absolute

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and uncontrolled discretion and the Trustee shall have the like discretion in deciding whether or not to exercise any such power or authority.

11.4 TRUST AS SHAREHOLDER

In the event of the Trustee investing the Trust Fund or any portion thereof in the purchase of securities the following provisions shall have effect;

- (a) The Trustee shall be responsible only for so much of the shares and the dividends and income therefrom as shall be actually transferred and paid to it and nothing herein contained shall cast any obligation upon the Trustee to investigate the accounts or management or control of any such company and no neglect or omission in this respect shall be chargeable as a breach of Trust.
- (b) The Trustee may exercise its voting or other rights attaching to any securities for the time being of the Trust Fund at any meeting of Directors or shareholders of the company or any wholly owned subsidiary thereof as it may think fit notwithstanding that it may have personal or other interest in the manner in which such vote is exercised.
- (c) The Trustee may consent to any re-organisation re-construction or amalgamation of any corporation (in which the Trustee has investments which form part of the Trust Fund) and may consent to any reduction of capital or other dealings with such securities as the Trustee in its discretion deems fit and on any such reductions of capital to surrender any such securities for such consideration and on such terms and conditions as the Trustee in its discretion shall approve.
- (d) The Trustee shall not be obliged:
 - (i) To enquire into or in any manner, question or bring any action suit or proceedings or in any other manner whatsoever seek to interfere with the management government and control of any such company by the Director or Directors for the time being of such company.
 - (ii) To take any steps or bring any action suit or proceedings or in any other manner whatsoever seek to vary, alter, amend or add to the Articles of Association of any such company.
 - (iii) To take any steps or bring any action suit or proceedings for the purpose of winding up any such company voluntarily.
 - (iv) To attend any general or other meeting of any such company meetings of Directors thereof.
- (e) The Trustee may become a Director or other officer of any corporation, any property, security or capital which forms part of the Trust Fund or may appoint any person to act as such Director or Officer and may receive for its own use the benefit or remuneration attached to any office without being liable to account therefor.

11.5 LITIGATION

The Trustee may commence or defend litigation with respect to the Trust, or any property included in the Trust Fund, as it may deem advisable, at the expense of the Trust. The Trustee may litigate, compromise, compound, adjust, submit to arbitration and be bound thereby, release or otherwise settle or dispose of any claim or demands of the Trust against others, or of others against the Trust, in such manner and upon such terms as is deemed proper by the Trustee, and this shall include extending the time for payment or abandoning any claims or demands in favour of or against the Trust fund or any part thereof.

11.6 COMPROMISE/SETTLE ALL MATTERS

The Trustee may compromise and settle for such consideration and upon such terms and conditions as the Trustee in its discretion deems fit all matters arising in relation to the Trusts of this Settlement or the Trust Fund and all such compromises and Settlements shall be binding on all the Beneficiaries.

11.7 INVEST BEYOND DURATION OF TRUST

The Trustee may make such contracts and enter into such undertaking relating to the Trust Fund, or any part thereof, as the Trustee considers advantageous to the Trust without regard to the duration of the Trust as defined herein.

11.8 ACT AS IF BENEFICIAL OWNER

The Trustee shall exercise all such powers, rights and privileges and do all such acts, matters and things in relation to any investment made or held by the Trustee as the Trustee could exercise or do if it was the Beneficial Owner of such investment.

11.9 FORMATION OF COMPANIES

The Trustee may establish promote or acquire any corporation wherever incorporated or domiciled and either with limited or unlimited liability (whether by shares, guarantee or otherwise) or with no liability and may sell assign and transfer to such corporation the whole or any part of the Trust Fund and so that the consideration of any such sales assignment or transfer may consist wholly or partly of securities of such corporation which may be credited as fully paid or partly paid and be issued allotted to or otherwise vested in the Trustee and become part of the capital of the Trust Fund if it is a company limited by shares.

11.10 BANK ACCOUNTS

The Trustee may open and maintain one or more savings accounts, cheque accounts, term accounts, or current accounts with any bank, savings and loan, or building and loan association wherever located, in any currency and may deposit to the credit of such account or accounts all of any part of the funds belonging to the Trust Fund that may at any time be in the possession of the Trustee as Trustee whether or not such funds may earn interest, and may authorise withdrawal therefrom by cheque or other instrument by such person or persons as the Trustee may from time to time authorise. Any such bank or such association is hereby authorised to pay such cheque or other instrument of withdrawal and also to receive the same for deposit to the credit of any holder when so signed and properly endorsed without enquiry of any kind. Pay-

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ments so made by such bank or such association shall not be subject to objection by any person concerned or interested in any way in the Trust. Where the Trustee is also a corporation authorised by law to carry on banking business, the Trustee may also, without accounting for any resultant profit, act as banker and perform banking services on behalf of the Trust on the same terms as for any other customer provided this will not result in lower returns or higher fees to the Trust.

11.11 JOINT INVESTMENTS

The Trustee is hereby authorised to make joint investments for or on behalf of any or all separate Trusts created hereunder or of any other trust of which the Trustee is Trustee, and to hold such investments as a common fund for the purposes of administration and divide the net income therefrom in the same proportion as the respect interests of such Trusts therein.

11.12 ACT AS PRINCIPAL OF OTHER TRUSTS

The Trustee may accept any appointment as the Principal, Appointor, Manager or Controller of other Trusts whenever and wherever formed and to deal with the rights arising therefrom in such manner as the Trustee may in its discretion determine.

11.13 RETENTION OF EXPERTS

- (a) The Trustee may obtain without requiring any consent except as required by law, and pay for such professional expert or other assistance as the Trustee in its discretion deems desirable in the discharge of the duties of the Trustee including assistance from any person who is a Director or a Shareholder of the Trustee.
- (b) The Trustee may act on the opinion of or on information obtained from any financial adviser, lawyer, accountant, valuer, surveyor, broker, auctioneer or other experts or professional person and the Trustee shall not be responsible for any loss, depreciation or damage occasioned by acting in accordance therewith.

ARTICLE 12

JURISDICTION OF TRUST

12.1 This Deed is executed, delivered and accepted by the Trustee in the Republic of Vanuatu, and, subject to the provisions of Articles 13 hereof, and except as otherwise provided herein, shall be administered under English Law or its legal successor law as applicable from time to time in the Republic of Vanuatu. The rights of all parties and all the Beneficiaries herein, and the construction and effect of each and every provision hereof, shall accordingly be subject to the exclusive jurisdiction of, and construed only according to English Law or its legal successor as applicable from time to time in the Republic of Vanuatu, which shall also be the forum for the administration hereof. The parties hereto submit to the jurisdiction of the Supreme Court of the Republic of Vanuatu or its successor Court in respect of all disputes which may

arise in respect of this Deed. If any of the provisions of the Trust Deed should be invalid or unenforceable, the remaining provisions thereof shall continue to be fully effective.

ARTICLE 13
CHANGE OF JURISDICTION OF TRUST

13.1 CHANGE OF JURISDICTION UPON POSSIBILITY OF FORCE MAJEURE

Upon the possibility of the occurrence of force majeure as defined in Article 13.5, which in the opinion of the Trustee or Appointor might frustrate the purpose of this Trust Deed or hamper the proper administration and management of the Trust hereunder, the Trustee or Appointor may in their sole individual discretion at any time or times declare by Deed or writing that the administration of this Trust Deed shall, with respect to such Trust and as of the date of such declaration be governed by the laws of some other jurisdiction.

13.2 CHANGE OF JURISDICTION UPON OCCURRENCE OF FORCE MAJEURE

Upon Force Majeure as defined in Article 13.3 occurring in the jurisdiction of this Settlement for the time being, the Trust shall automatically take effect and be administered in, and its administration governed by the laws of the Fiji by the Trustee Corporation Limited and the forum for administration shall be the Courts of the new jurisdiction PROVIDED THAT the Trustee (or in the event of the inability of the Trustee to do so, then the Appointor or the person (s) who has the right to appoint a successor Trustee in the manner provided herein) by Deed or writing may specify some other jurisdiction under which the Trust shall take effect and be administered in and governed by as at the date of occurrence of such force majeure as aforesaid and FURTHER PROVIDED THAT, notwithstanding anything to the contrary contained herein, the Trustee may by Deed or writing declare that the Trust shall remain in its then jurisdiction if it is the opinion of the Trustee that such declaration is in the best interests of the Trust.

13.3 FORCE MAJEURE DEFINED

For purpose of this Article, the events or circumstances constituting force majeure shall be defined as :

- (a) The suspension of any contract relating to the Trust or of any Trusts, covenants, conditions, or any powers hereby conferred on the Trustee whether by exchange control or other governmental authorities of any kind, or the happening of any act or event whereby the same shall cease to be effective;
- (b) The acquisition, expropriation or confiscation of any of the property or assets comprising the Trust Fund, including the compulsory conversion of the property and assets comprising the Trust Fund;
- (c) The levy of any excessive tax or duty on the Trust Fund as determined by the Trustee;

APPENDIXES

- (d) The declaration or existence of a state of war in consequence whereof the citizens or nationals or residents of or corporations organized under the laws of jurisdiction where the Trust is then located are deemed to be enemy aliens of the Republic of Vanuatu;
- (e) The invasion of the territory of the jurisdiction where the Trust is then located by hostile military forces.

13.4 CONSEQUENTIAL CHANGES IN TRUST INDENTURE

Upon a change in the jurisdiction of the Trust for any of the reasons and in the manner specified in Article 13, and until further declaration is made hereunder, the Trustee or any successor Trustee may at any time or times thereafter by Deed make such consequential changes in or additions to or deletions from the powers and provisions of this Trust Deed with respect to such Trust as such Trustee may consider necessary or desirable to ensure so far as may be possible that the powers and provisions of such Trust Deed shall, mutatis mutandis, be as valid and effective under the laws of such new jurisdiction in the same manner and with the same effect as under the laws of the jurisdiction where the Trust was most recently located PROVIDED HOWEVER that any such change or addition or deletion shall have as its principal purpose the continued existence and administration of the Trust in the manner intended herein in accordance with the terms and provisions contained in this Trust Deed, and shall in no case be deemed to permit the Trustee or any successor Trustee to add to, delete from, or change in any way the Beneficiaries named or described in this Trust Deed, or to give the Trustee the power to make any changes in or additions to or deletions from the provisions governing the powers of the Trustee with respect to the Appointor. In drafting said Deed making such changes or additions, the Trustee shall be required to seek the advise of counsel, and shall be entitled to rely and act upon the opinion of Counsel in determining whether the foregoing conditions are met.

ARTICLE 14

PROVISIONS DEALING WITH VARYING THE DEED

14.1 PREREQUISITE

Subject to Article 14.2, the Trustee may from time to time with the consent in writing of a majority of the Appointors may vary or amend any of the provisions contained in this Deed.

14.2 RESTRICTIONS

No release revocation variation or amendment to this Deed shall:

- (a) Be valid if such release revocation variation or amendment would have the effect of infringing any rule against perpetuities which may apply to the Trust from time to time or would entitle the Settlor or any person or company who or which is or has been a Trustee of these presents to receive any of the income or capital of the Trust Fund or any interest in or benefit out of or connected with the Trust Fund.

- (b) Prejudicially affect any interest of a Beneficiary which has vested prior to such addition, amendment or variation.
- (c) Permit or enable the Appointor to become a Trustee of this Deed.

14.3 RELEASE OR REVOCATION OF POWERS

- (a) The Trustee may from time to time by Supplemental Deed release and revoke any power or powers conferred on the Trustee under this Deed.
- (b) Any other person or persons upon whom any power is conferred by this Deed may by Supplemental Deed release and revoke any power or powers so conferred on him or them.
- (c) On the execution of any Supplemental Deed pursuant to paragraphs (a) or (b) of this Clause:
 - (i) The power (if any) purported to be released or revoked pursuant to such Supplemental Deed shall be absolutely and irrevocably released or revoked;
 - (ii) The amendments to or variations of the provisions of this Deed purported to be effected thereby (if any) shall (subject as aforesaid) be deemed to be effective forthwith.

ARTICLE 15
EXECUTION OF TRUST DEED

SIGNED SEALED AND DELIVERED by the

said

being the said SETTLOR in the
presence of :

THE COMMON SEAL of PACIFIC INTERNATIONAL
TRUST COMPANY LIMITED was hereunto affixed by
authority of the Board of Directors and in the presence of :

Secretary

Director

SCHEDULE A

NAME OF SETTLEMENT TRUST: VANUATU BIODIVERSITY CONSERVATION (FUND)

DATE OF SETTLEMENT:

PERPETUITY DATE Perpetual Duration

SETTLED SUM: Ten Thousand Vatu (VT10,000)

SETTLOR:

TRUSTEE: Pacific International Trust Company Limited
1st Floor, International Building, Kumul Highway
Port Vila, Vanuatu.

APPOINTOR:

BENEFICIARY: The Republic of Vanuatu

Settlor: _____

Trustee: _____

REPUBLIC OF VANUATU
MALAMPA LOCAL GOVERNMENT (PROTECTED AREAS)
BY-LAW NO. OF 1995

To provide for the establishment of protected areas.

IN EXERCISE of the powers conferred on the Council by section 20(a) of the Decentralization And Local Government Regions Act No. 1 of 1994, the MALAMPA LOCAL GOVERNMENT COUNCIL, makes the following By-laws:-

DEFINITIONS

1. In this By-law, unless the context otherwise requires –
 - “Council” means the MALAMPA Local Government Council;
 - “protected area” means an area established under By-law 4;
 - “customary land” means any land lawfully owned, used or occupied by a person or community in accordance with current customary usage;
 - “Executive” means the MALAMPA Provincial Executive or the Cabinet;
 - “land” includes land covered and uncovered by ordinary spring tides, reef areas and land covered by freshwater;
 - “owner” or “owners” in relation to a registered interest in land means the person or persons in whose name the interest is registered; in relation to customary land, means the person or persons who is or are according to current customary usage, regarded as the owner or owners of the land;
 - “person” means any person and includes any public body, company or association, or right holding group and any other body of persons whether incorporated or not;
 - “public officer” means any person from time to time posted to the MALAMPA Local government region and holding a paid position in the public service of the National Government;
 - “serve” means either:-
 - (a) delivering personally to the person; or
 - (b) delivering or sending by prepaid post to the usual or last known place of residence or business of the person;
 - “term” in relation to a protected area means the period of time during which the protected area status may not be amended or removed pursuant to By-law 4;
 - “village chief” means the person who according to custom is regarded as the head of the village or other local community concerned and where there is no such customary head of a village or local

community, means a person regarded by the people within such village or local community as their leader in relation to the matter concerned.

PURPOSE

2. The purpose of this By-law is to assist owners of marine resources and owners of land to protect and manage their marine resources, land and land based resources for conservation, custom, spiritual and amenity purposes.

MAKING AN APPLICATION

3. (1) Any owner of land may apply to the Executive for a declaration that part or all of the land the subject of the application be set aside as a protected area.
- (2) An application under paragraph (1) must be in Form I in the Schedule I, or to the like effect, and must –
 - (a) include a description of the boundaries of the land the subject of the application;
 - (b) include a copy of the rules which are proposed to apply to the use of the protected area;
 - (c) specify the term of the protected area.
- (3) The application must be signed by –
 - (a) every owner of land within the proposed protected area, or person authorized to sign on behalf of such owner or owners;
 - (b) the Chairman of the Area Council of Chiefs certifying that to the best of his knowledge the application complies with paragraph (2) and subparagraph (a) of this paragraph.
- (4) An application made under paragraph (1) shall be lodged at the Council Office and must be accompanied by a plan defining as accurately as practicable the boundaries of the proposed protected areas.

DECLARATION OF PROTECTED AREA

4. (1) After receipt of an application under By-law 3, the Executive may, subject to By-law 10, declare the land, or any part of the land, specified in the application to be a protected area.
- (2) In deciding whether or not to make a declaration under paragraph (1), the Executive must take into account whether or not making the declaration will further the purposes of this By-law.
- (3) A declaration under paragraph (1) must –
 - (a) state rules which are to apply to the use of the protected area;
 - (b) specify the term which is to apply to the protected area;
 - (c) be in Form A in Schedule 2.

- (4) Any declaration made under this section must have no bearing whatsoever over the issue of ownership of any land.

AMENDMENTS TO OR REMOVAL OF, PROTECTED AREA STATUS

5. (1) Any owner of land which has been declared a protected area may apply to the Council to –
- (a) amend the rules or term which apply to the protected area; or
 - (b) to declare part of the land to cease to be a protected area; or
 - (c) to declare additional land to be part of the protected area.
- (2) Application under paragraph (1)(a) or (b) must be made within 6 months of the expiry of the term of a protected area.
- (3) Where no application is made under paragraph (1)(a) or (b) within 6 months of the expiry of the term of a protected area, a further term will automatically apply to the protected area.
- (4) An application under paragraph (1) must be in Form 2 in Schedule I, or to the like effect, and must contain –
- (a) a description of the land declared to be a protected area; and
 - (b) where the application seeks an amendment to the rules or term applying to the protected area, the amendments sought; and
 - (c) where the application seeks to remove land from, or add land to, a protected area, a description of the land proposed to be removed or added; and
 - (d) the reasons why the application should be approved; and
 - (e) the signatures required under By-law 3(3).
- (5) An application under paragraph (1) shall be lodged at the Council Office.
- (6) On receipt of an application under paragraph (1), the Executive may, in accordance with the application, declare additional land to, or the removal of land from, a protected area.
- (7) In deciding whether or not to make a declaration under paragraph (6), the Executive must have regard to –
- (a) the reasons stated in support of the application; and
 - (b) the matters set out in By-law 4(3)(a) and (b).
- (8) A declaration –
- (a) under paragraph (1)(b) shall be in Form B in Schedule 2;
 - (b) under paragraph (1)(c) shall be in Form C in Schedule 2.

WHEN A PROTECTED AREA WILL COME INTO EFFECT

6. (1) A protected area will come into effect 1 month after a declaration is made under By-law 4(1), or at such later time as is stated in that declaration.

- (2) Any amendments to, or removal of, a protected area will come into effect 1 month after a declaration is made under By-law 5(6), or at such time as is stated in that declaration.

NOTIFICATION OF DECLARATION

7. (1) Following the making of a declaration under By-law 4 or 5, the Executive must as soon as practicable –
 - (a) publish notice of the declaration in the Republic of Vanuatu Gazette; and
 - (b) serve a copy of the declaration on the applicant, a public officer or any other person whom the Executive considers proper to receive a copy.
- (2) The Executive, shall, as soon as practicable –
 - (a) serve a copy of the notice on all Village chiefs within the Area Council of Chiefs area of jurisdiction and display a copy of the notice within such area, where it can be readily seen by members of the public; and
 - (b) hold a public meeting in the village closest to the protected area to describe the protected area and the rules applying to the use of it.
- (3) A declaration made under By-laws 4 or 5 will have full legal force irrespective of any failure to carry out the notification required under paragraphs (1) and (2).

REGISTRY

8. (1) A register to be known as the "Register of Protected Areas" shall be established and maintained by the Council.
- (2) There shall be entered in the Registry –
 - (a) the name of every protected area;
 - (b) the names of every custom owners of land in the protected area;
 - (c) date of establishment of each protected area;
 - (d) the term of each protected area;
 - (e) the location of each protected area;
 - (f) any easement or right to continue to be enjoyed by the custom owners or others authorized by custom owners in a protected area;
 - (g) the reasons for establishing each protected area;
 - (h) the date each protected area or part thereof ceases to be such;
 - (i) any other matters which the Council considers fit.
- (3) The Registry shall be available for public inspection at the Council Offices during regular business hours.

RECORDS, ETC.

9. (1) The Council shall keep –
- (a) records of each protected area that define as accurately as practicable the boundaries of such protected area; and
 - (b) a copy of the rules which are to apply to the use of each protected area; and
 - (c) maps marked with the places protected under this By-law.
- (2) The matters referred to under paragraph (1) must be open for public inspection at the Council Offices during regular business hours.
- (3) The Executive shall cause a copy of every declaration and any other information required to be furnished to the director of Land Records and the Environment Unit of the National Government within 3 months of each protected area being declared.

OWNERSHIP DISPUTES

10. (1) The Executive may not declare any land to be a protected area, if it has knowledge of any dispute over the ownership of the land, unless bona fide representatives for all disputing owners have signed the application under By-law 3(a).
- (2) Where any customary land has been declared a protected area and it is subsequently established by agreement between the affected parties, or by a court order, that the correct owner or owners of the land, or representatives of such owners, did not sign the application under By-law 3(3) (a), one bona fide representative of each correct owner of the land may at any time, notwithstanding By-law 5(2), apply to remove, or make amendments to, the protected area under By-law 5(1).

OFFENCES

11. Subject to subsection (2), any person who contravenes, or permits a contravention of, any of the rules applying to the use of a protected area, is guilty of an offence against this By-law and will be liable to the penalties set out in By-law 12.

LIABILITY OF COMPANY OFFICERS

12. Where a company commits an offence against this By-law, every director and every person concerned in the management of the company, will be guilty of the same offence if it is proved –
- (a) that the act that constituted the offence took place with his or her authority, permission, or consent, or
 - (b) that he or she knew, or could reasonably be expected to have known, that the offence was to be, or was being, committed and failed to take reasonable steps to prevent or stop it.

PENALTIES

13. (1) Where the person committing the offence –
- (a) is an individual, that person shall be liable to imprisonment for a term not exceeding 6 months or to a fine not exceeding VT 50,000.
 - (b) is a company, that person is liable to a fine not exceeding VT 50,000 and the officers of the company are also liable to imprisonment for a term not exceeding 2 years.
- (2) In addition to the penalties set out in paragraph (1), the Court may order that –
- (a) any property used in the commission of an offence and any proceeds from the offence be forfeit to the Council;
 - (b) any business licence held by the offender, authorizing the carrying out of any business activity within the local government region, be suspended and that the offender be disqualified from obtaining a new licence for up to 5 years.

ENFORCEMENT

14. (1) The primary responsibility for enforcing the rules governing the use of a protected area is with the owner or owners of the land.
- (2) It is lawful for any owner of the land, police officer, village chief, an employee of the Council or a public officer to make enquiries at a reasonable time to ascertain whether any offence under this By-law is being, or has been committed.

MANAGEMENT COMMITTEE

15. (1) The Council may appoint for every protected area a local management committee.
- (2) (a) In respect of land in the protected area owned by one family only, the local management committee, shall be that family.
- (b) In respect of land in the protected area owned by more than one family, the local management committee, shall consist of –
- (i) 2 representatives of each owning family;
 - (ii) 2 chiefs whose area of authority includes land in the protected area.
- (3) (a) A committee established under paragraph (2)(a) may appoint the head of the family to be the chairman.
- (b) A committee established under paragraph (2)(b) shall appoint a custom owner to be the chairman.
- (4) Every committee must, subject to this By-law, be responsible for the control and management of the protected area in relation to which it is appointed.
- (5) Every committee must determine the quorum for and the procedure to be followed at the meetings of such committee.

Sample Choice Modelling Set from First Survey

In an introductory statement, respondents were told that we had selected several rainforests from around the world that would be lost within the next two years unless money was found to conserve them. In the following scenario sets, we had "scrambled" the characteristics of those rainforests in order to offer people many choices. In this way, we could work out which characteristics made rainforests important to conserve. Respondents were asked to treat each choice as an independent event.

Scenario 1

500 ha in Far North Queensland

- extremely rare
- easy to visit, full facilities
- no locals affected
- special plants and animals
- \$50 donation required

Scenario 2

10000 ha in Papua New Guinea

- fairly rare
- difficult to visit, poor facilities
- locals will be better off
- special landscapes
- \$10 donation required

Please indicate your preferred choice:

Scenario 1

Scenario 2

I would not support either scenario

Appendix 5 **Sample Choice Modelling Set from Second Survey**

Respondents were given the same introductory information as in the first survey.

Scenario 1

100 ha in Vanuatu

- extremely rare
- easy to visit, full facilities
- locals will be better off
- no special features
- \$50 donation required

Scenario 2

1000 ha in Far North Qld

- not rare at all
- no visits allowed
- no locals affected
- special landscapes
- \$10 donation required

Scenario 3

10000 ha in PNG

- not rare at all
- difficult to visit, poor facilities
- locals will be worse off
- special landscapes and plants and animals
- \$5 donation required

Scenario 4

100 ha in South America

- fairly rare
- no visits allowed
- no locals affected
- no special features
- \$10 donation required

Scenario 5

1000 ha in Thailand

- extremely rare
- easy to visit
- locals will be better off
- no special features
- \$50 donation required

Scenario 6

- 10000 ha in Indonesia

- extremely rare
- no visits allowed
- locals will be worse off
- special landscapes
- \$5 donation required

Please indicate your preferred choice:

Scenario 1

Scenario 2

Scenario 3

Scenario 4

Scenario 5

Scenario 6

I would not support any scenario

Appendix 6 Multinomial Logit Results for First Survey

Variable	Coefficient	Std error	T
Intercpt	-.149849e+01	.234485e+00	-6.3906
<i>Locations</i>			
Vanuatu	-.161982e+00	.980987e-01	-1.6512
Far North Qld .	.738807e+00	.104018e+00	7.1027
Qld/NSW Border	.558046e+00	.104985e+00	5.3155
Papua New Guinea	-.165136e+00	.106839e+00	-1.5457
South America	.118455e+00	.108047e+00	1.0963
Africa	-.162219e+00	.102575e+00	-1.5815
Thailand	-.599584e+00	.117226e+00	-5.1148
Indonesia	-.326407e+00	.105970e+00	-3.6213
<i>Area</i>			
Larea	.147962e+00	.238158e-01	6.2128
<i>Rarity</i>			
Not rare at all	-.557608	.0712662	-7.8243
Somewhat rare	-.127279	.0653375	-1.9480
Fairly rare	.105086	.0684166	1.5360
Extremely rare	.535415	.0683401	8.2363
<i>Visits</i>			
No visits allowed	-.202140	.0708846	-2.8517
Visits allowed	-.00113105	.0651942	-.0173
Visits possible	.192025	.0702895	2.7319
Easy to visit	.011246	.0687894	.1371
<i>Locals</i>			
Locals worse off	-.652196	.0771546	-8.4531
No locals affected	-.0216819	.0642467	-.3375
Locals can stay	.249736	.0607821	4.1087
Locals better off	.424131	.0673945	4.6819
<i>Special features</i>			
No special features	-.38462	.0685934	-5.6073
Special landscapes	-.0136031	.0668037	-.2036
Special plants and animals	.156569	.0676558	2.3142
Special landscapes and plants and animals	.241655	.0676846	3.4967
<i>Price</i>			
Lprice	-.192839	.0436730	-4.4155
<i>Statistics</i>			
L(ZERO):	-607.49		
L(BETA):	-264.15		
-2(L(0)-L(B)):	686.68	D.F.: 22	
RHOSQ:	.56518		

Appendix 7 Multinomial Logit Results for Second Survey

Variable	Coefficient	Std Error	T
<i>Locations</i>			
Vanuatu	-.186950	.0703299	-2.6582
Far North Qld	1.47880	.0441086	33.5262
PNG	-.314573	.0738960	-4.2570
South America	-.134416	.0683391	-1.9669
Thailand	-.410580	.0760970	-5.3955
Indonesia	-.432281	.0665541	-19.2486
<i>Area</i>			
Logarea	.0534586	.0125476	4.2604
<i>Rarity</i>			
Not rare at all	-.600406	.0468383	-12.8187
Fairly rare	.0503901	.0413381	1.2192
Extremely rare	.5500159	.0440882	11.5995
<i>Visits</i>			
No visits	-.163558	.0420350	-3.8910
Visits possible	.0405035	.119937	2.9612
Easy to visit	.043621	.0809860	.9298
<i>Locals</i>			
Locals worse off	-.366360	.0441072	-8.3061
No locals	-.130999	.0429757	-3.0482
Locals better off	.497359	.0435415	11.3543
<i>Special</i>			
No special	-.105786	.0431886	-2.4494
Special land	-.019231	.0416975	-.4612
Special land and plants & animals	.125017	.0424431	2.9106
<i>Price</i>			
Logprice	-.220139	.0288974	-7.6179
<i>Statistics</i>			
L(zero)	-1957.96		
L(beta)	-1231.10		
-2(L(0)-L(B)):	1453.72	DF: 15	
RHOSQ:	.37123		
Adjusted RHOSQ	.36357		