

# SUPPORT PROVIDED BY DAFF ON FORESTRY BENEFICIATION

PRESENTATION TO THE PORTFOLIO COMMITTEE ON TRADE AND INDUSTRY

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DDG: FORESTRY AND NATURAL RESOURCE MANAGEMENT

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agriculture,  
forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

# PRESENTATION OUTLINE

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- **INTRODUCTION**
- **STATUS ON IMPLEMENTATION OF FOREST SECTOR CHARTER**
- **STATUS ON RE-DISTRIBUTION OF GOVERNMENT OWNED STATE FORESTRY PLANTATIONS**
- **SUPPORT MEASURES FOR SMALL GROWERS**
- **COORDINATION OF SUPPORT MEASURES WITH RELEVANT DEPARTMENTS**
- **CONCLUSION AND RECOMMENDATIONS**



# INTRODUCTION

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- Forestry plays a significant role in rural economic development by contributing to job creation, enterprise development, rural livelihoods, and ecosystem goods and services.
- The Department of Agriculture, Forestry and Fisheries (DAFF) provides an enabling environment to facilitate growth of the forestry sector by developing and implementing relevant legislative instruments, policies and strategies in this regard.
- The Forest Sector Charter has been identified as one of the key policy levers to promote growth and transformation of the sector, and thus contribute to addressing challenges of unemployment, poverty and underemployment.
- Successful implementation of the Forest Sector Charter requires collaboration between government, industry, labour and communities.



# STATUS OF CHARTER IMPLEMENTATION

UNDERTAKING	PROGRESS TO DATE
<b>Instruments to support ownership targets</b>	
Restructuring of forest assets	- DAFF is implementing the transfer policy (full details in later slides)
<b>Instruments to support skills development targets</b>	
Sector Plan for the Sector	-Plan developed and continuously being reviewed to ensure that skills gaps are addressed -DAFF participates in SETA activities. Through the participation, training has been possible especially for Fire Protection Associations.
<b>Afforestation</b>	- DAFF has funded EIA's for Eastern Cape (9000ha are now licensed) - EIAs to be conducted in Kwazulu-Natal (5000ha)



# STATUS OF CHARTER IMPLEMENTATION

UNDERTAKING	PROGRESS TO DATE
<b>Instruments to support enterprise development</b>	
Funding	<ul style="list-style-type: none"> <li>-DRDLR provides grant funding for land reform beneficiaries</li> <li>- DAFF funds the development of business plans, toolkits and training of charcoal producers</li> </ul>
Certification	<ul style="list-style-type: none"> <li>- National Certification Standard led by DAFF approved by FSC to ensure that small growers are able to participate in international markets</li> </ul>
<b>Support to industry specific initiatives</b>	<ul style="list-style-type: none"> <li>-Sawlog Strategy: Developed and currently being implemented</li> <li>- Research and Development Strategy and Programme: developed and currently being implemented (R5000m annually via FSA)</li> <li>- Forest Protection Strategy: developed and being implemented (R3,200m annually to support the Sirex Programme)</li> </ul>



# REDISTRIBUTION OF GOVERNMENT OWNED FORESTRY ESTATES

DAFF ESTATE	PROGRESS
<p>Rosbach Plantation</p> <p>Limpopo – Thulamela Local Municipality</p>	<ul style="list-style-type: none"> <li>-Portion of the estate (100ha) has been claimed and settled to Ramaru and Magobo communities.</li> <li>-The land has been transferred to the community and DAFF is currently negotiating to rent the offices that are located in the land.</li> <li>- Business Plan was developed by DAFF for the community that identified additional commercial opportunities for the community.</li> </ul>
<p>Mbazwana, Manzengwenya and Mabaso plantations</p> <p>KwaZulu-Natal – Umhlabuyalingana Local Municipality</p>	<ul style="list-style-type: none"> <li>-18 000ha claimed by the Tembe community – total of 26 000ha for transfer</li> <li>- Business Plan developed for the community</li> <li>- Rehabilitation of the estate has commenced through the Community/DAFF/Jobs Fund partnership</li> <li>- Community has established an operating company</li> <li>- additional funding required for sustainable management of the estate</li> </ul>



## MEASURES TO SUPPORT SMALL GROWERS

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- The Department commissioned studies to identify suitable land with potential for afforestation, in mainly communally owned land
- It was realised that a major factor impeding afforestation licensing was the costs for the EIA studies. Most land with potential is found in communal areas with the owners not having resources to invest in development
- To streamline afforestation licensing, the EIA study for 13000ha was conducted in the Eastern Cape resulting in licenses issued for an area of about 9000ha.
- In the 2015/16 financial year EIA studies will be conducted in KwaZulu-Natal for an area of 5000ha



# REDISTRIBUTION OF GOVERNMENT OWNED FORESTRY ESTATES

DAFF ESTATE	PROGRESS
<p>Tabankulu plantation</p> <p>Eastern Cape - Tabankulu Local Municipality</p>	<ul style="list-style-type: none"> <li>- Process still at initial stages – Steering Committee established</li> <li>- Approach is to enter into a Community Forestry Agreement (S29 of the NFA) for community to manage 99ha of plantation land</li> <li>- Land rights have been confirmed</li> </ul>
<p>Wilo and Ntlangaza Plantations</p> <p>Eastern Cape - King Sabata Dalindyebo Local Municipality</p>	<ul style="list-style-type: none"> <li>- Process still at initial stages – Steering Committee established</li> <li>- Approach is to enter into a Community Forestry Agreement (S29 of the NFA) for community to manage 227ha of plantation land</li> <li>- Land rights have been confirmed</li> </ul>



## MEASURES TO SUPPORT SMALL GROWERS

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- To roll-out the Forestry SMME strategy best practice guidelines were developed to improve advisory services. The best practice guidelines/toolkits cover the following areas: Timber production (small growers), charcoal production, honey production and sawmilling.
- DAFF is collaborating with other partners to develop a framework for the development of a Forestry Enterprise Development Fund. If approved and implemented it will ensure financial support through loans and grant funding to SMMEs in the sector
- To address power relations and good practice, between the established forestry corporates and small growers a framework document called the Forestry Development Protocols will be finalised by the end of the financial year



# CO-ORDINATION WITH OTHER DEPARTMENTS ON AFFORESTATION LICENSING

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- The Department established the National Afforestation Technical Task Team where industry, the dti and authorising government departments are represented. Other role-players like the Development Finance Institutions are invited as the need arise
- Similar forums have been established at provincial level in KwaZulu-Natal and Eastern Cape where there is potential for afforestation
- Issues that are discussed at these forums include the following:
  - ✓ Streamlining of afforestation licensing
  - ✓ Water tariffs (Extending water tariff subsidy to small growers)
  - ✓ Genus and area exchange
  - ✓ Advisory services for SMMEs (limited to the provincial forums)
  - ✓ Funding for afforestation and other value addition enterprises
  - ✓ Identify further opportunities to augment timber production such as wattle jungle conversion



# CO-ORDINATION WITH OTHER DEPARTMENTS ON LOGISTICS SUPPORT

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- In a quest to create an enabling environment for the sector to thrive; the Department prioritised issues of transport infrastructure since transport costs are a major factor for profitability especially in the timber production subsector
- A study was commissioned to assess transport infrastructure requirements of the sector with the sole purpose of feeding the results into the National Transport Master Plan
- The results are being discussed with the provinces of Limpopo and KwaZulu-Natal with the aim of integrating the recommendations into the provincial transport plans



## CONCLUSION AND RECOMMENDATIONS

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- Dedicated forestry grant – will facilitate an improved and fast tracked implementation of the charter undertakings
- Licensing – time it takes for approval of licenses needs to be improved
- The DAFF has developed all the policies and strategies to position itself for leadership in the sector



# THANK YOU!



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