



# BRIEFING DOCUMENT on Forestry in the Department

Department of Water Affairs and Forestry July 2005



**water & forestry**

Department  
Water Affairs & Forestry  
REPUBLIC OF SOUTH AFRICA





# The Task

To fight poverty and improve the lives of people in rural areas

# The Question

What contribution can DWAF Forestry make?





# Introduction

The Department of Water Affairs and Forestry is undergoing dramatic change. Within this change, the forestry function is also restructuring. Forestry is moving from being a manager of State forests to developing the potential that the forestry sector has to relieve poverty. This is in recognition of the very significant role forestry plays in the lives of a large number of rural people, particularly the rural poor.

A new vision for forestry was adopted by the department in 2003. It brings forestry into alignment with the Departments overall vision promoting socio-

economic development, social justice and equity through the sustainable use of the country's forest and water resources. The forestry vision also focuses efforts on socio-economic development and the eradication of poverty. The forestry vision puts people, and their development, at the heart of forestry and it recognizes that although forestry already contributes to the alleviation of poverty, it has the potential to do much more. The vision places DWAF squarely in a leadership role in the sector, with the responsibility to create an enabling environment for economic and social development through sustainable forestry.

## **The Forestry vision is:**

**Forests are managed for people, and we need to create an enabling environment for economic and social development through sustainable forestry, especially at the local level.**

# Forestry: the facts

## Nature of the forestry sector

Forests include not just plantations but also all indigenous forests and woodlands (see maps on page 18). Forestry includes all activities linked to these forests and woodlands. Forestry refers not only to the use and management of forests but also includes the further processing of wood products into pulp for the paper and packaging industries, sawn timber, furniture, shelving, flooring etc. In addition, forestry includes the use, management and processing of non-timber forest products (NTFPs), a vast category involving fruits, plants, medicinal herbs. Add to this the energy component: the use of forest woods for fuel and for the manufacture of charcoal; the production of important construction materials, including wooden

beams, poles, and thatching; and the provision of grass for grazing, and browse, for domestic and wild animals.

## Building the economy

Forestry makes a major contribution to South Africa's economy. The formal commercial forestry sector contributes 2% to national GDP, and accounts for 9% of agricultural output and 8% of manufacturing output. Forestry contributes 10% of manufacturing employment (DWAFA Annual Timber Statistics, 2003). It also provides 4% of South Africa's total annual exports, contributing R6 billion (net) p.a. to the country's foreign exchange earnings.

The nation's parks and conservation areas, which are located for the most part within forest and woodland areas, contribute an estimated R15.5 billion annually to the economy (State of Forest Report, 2003). The estimated mean gross economic value of subsistence use in woodlands is R4 000 per household per year (Shackleton and Shackleton, 1999). There are 28 million users of medicinal plants and 255 000 traditional healers in Southern Africa. The trade in medicinal plants has an estimated value of R60 million per annum (INR, 2003).

The commercial forest industry directly employs about 120 000 people; the conservation and related sectors directly employ a further 250 000. However, an estimated 275 000 people are involved in harvesting, processing and selling non-timber products (State of Forests Report, 2003 and LHA, 2003).

## Opportunities for the future

Forestry is often a significant employer in many rural areas. Forestry offers these opportunities for individual or group enterprises – growing trees, contracting, local wood processing, or harvesting and processing the other products of the forest. The great attraction

Forest type	Area	% land cover
Indigenous Forests	500 000 ha	c. 0.5
Woodlands	29 million	c. 21
Plantation Forests	1.4 million	c. 1.25

### Value of timber and timber product sales (Millions of rands)

Product	2000/1	2001/2	2002/03
Sawn and planed timber	2 078.72	1 867.73	2 095.08
Wooden poles	246.81	164.37	173.90
Mining timber	140.77	108.47	264.18
Wood-based panel products	626.38	594.67	942.52
Wood pulp, paper and paper products	6 838.37	8 641.73	8 362.23
Firewood	0.13	0.10	0.11
Wood chips	1 248.13	1 479.36	1 917.48
Mill residues	23.06	28.73	55.49
Charcoal	64.74	101.03	107.72
Other products	599.33	820.56	672.04
<b>Total</b>	<b>11 866.33</b>	<b>13 806.75</b>	<b>14 590.74</b>
Unprocessed roundwood sales	4.15	6.28	73.33*

Source Annual Timber and Roundwood Statistics 2001/2002/2003  
\* Increase due to felling fire damaged areas

of forestry is that it does not necessarily require high skill levels or big investment. People with limited education and few resources can find opportunity in the forest sector.

For example, the proposed initiative in the Eastern Cape will bring 60,000 ha of afforestation together with opportunities and enormous benefit to people in one of South Africa's poorest areas. Forestry has by no means exhausted its potential.

## Improving livelihoods and protecting the most vulnerable

Millions of South Africans live in or close to the nation's forests and woodlands, and obtain part of their livelihoods from these forests. For personal use, people extract fuelwood, construction materials, fruits and other edibles, medicinal plants, grazing for animals, and weaving materials, to name a few. By offering an alternative to purchase, that is by providing things which would otherwise have to be bought, (or things which might otherwise be unaffordable), the forests offer 'income substitution' as a means of contributing to the livelihoods of the poor. Despite this, many rural people live in extreme poverty and are especially vulnerable when income sources are lost, for example when faced with medical emergencies. When all else fails, these people, among the most vulnerable in South African society, often turn to the forests for their survival. Forests provide an important safety net for South Africa's poorest.

Forests and woodlands make a key contribution in the field of energy, both rural and urban. In South Africa, some 25% of the population is still dependent on biomass fuels. Biomass fuel use is particularly high in rural areas and amongst the poorer segments of society. Forestry also brings other benefits to people's lives. The commercial forest industry invests over R80 million per year on local roads, schools, health clinics, and other community-based initiatives. The tourist industry also makes similar significant investments, though mostly on an ad hoc and individual basis.

Forestry sub-sector	Employment
Commercial plantations	60,000
Pulp and paper	13,000
Saw milling	30,000
Woodchips	500
Mining timber	500
Board products	6,000
Poles	5,000
Charcoal	3,000
Tourism (Game parks; eco-tourism)	Estimated 200,000
Conservation	50,000
Government (DWAF)	5,000
<b>Total</b>	<b>373,000</b>

Source: State of Forests Report, 2003 and LHA, 2003

## Forestry and the environment

Forests and woodlands are crucial to the protection and conservation of the soil, and in water cycling. It is the nation's forests and woodlands that provide the habitat for its remarkable range of fauna and flora, much of it unique to South Africa. They also help modulate water flows and reduce sedimentation in streams and reservoirs.

The relationship between forests and water is important, particularly so in a country as water scarce as South Africa is. It is recognized that there is an environmental cost to forestry, as there is to almost any commercial economic activity, which must be regulated and managed. The challenge, as always, is to achieve an appropriate balance between meeting the economic needs of South Africans and protecting the environment. Both the water and forestry components of DWAF are working with the sector to secure forestry's development within the constraints of sustainable water use.

The forestry industry, historically viewed with some apprehension for the effect it could have on biodiversity, has instead become a major force for conservation across a wide area of South Africa. The industry has given protection to valuable conservation areas and many endangered wildlife species. About

30% of the land holdings of major companies, like Mondi and Sappi, will never be planted and are therefore ideal for the conservation of wildlife.

## **Sustainable Forestry Management (SFM)**

**Certification:** South Africa has long been at the forefront of sustainable plantation forestry. Like any other country, South Africa needs wood, but as a tree-poor nation, where indigenous forests are protected, South Africa has had to rely almost exclusively on the development of exotic forest plantations to provide for its wood needs. The result is that South Africa has pioneered a number of key techniques in plantation forestry, and in many respects the industry has set the standards on which other countries are judged. From species selection to nursery and silviculture practices, water legislation and certification, South Africa has led the way. Today over 75% of commercial plantations in South Africa are internationally certified as being

managed sustainably, by far the highest certification rate in the world.

South Africa is now looking to establish a South African certification standard that is relevant to the sustainability issues in the South African forestry sector. A National Certification Initiative has been set up with DWAF support to drive this process and the Criteria, Indicators and Standards (see below) will form the basis for this initiative.

**Criteria, Indicator and Standards:** The sector has responded well to environmental concerns. An important role of DWAF Forestry is to support sustainable management of the nation's forests and woodlands. A national set of Criteria, Indicators and Standards, (CI&Ss), for plantations and natural forests, has been adopted to provide best-practice standards and a monitoring tool for the Department. It is currently being tested and will be ready for publishing during 2005.

# Future challenges for the sector

Despite the positive contribution of forestry to the development of South Africa, there are a number of serious challenges facing the sector in the medium to long term. There are also interesting new opportunities. Some of these include:

## **Ensuring participation**

The forestry sector offers poor, rural people many opportunities. But how do we make these opportunities tangible to the needy, how do we turn opportunity into reality? How do we provide fledgling entrepreneurs with the necessary support – business, technical, financial and management skills to allow them to blossom in the forestry environment? DWAF has adopted Participatory Forest Management (PFM) as a basic approach and is encouraging other joint management agreements to ensure community participation in management of *their* forests.

## **Achieving empowerment**

Traditionally the forestry sector has had limited ownership. There is a need for a Broad Based Black Economic Empowerment (BBBEE) charter, committing the sector to equity goals, not just in growing trees, but throughout the value chain. This initiative is being driven through the Minister's office, with DWAF working with Forestry South Africa (FSA), contractors' associations and the sector in general.

## **HIV/AIDS**

The impact of HIV/AIDS on the sector is serious and will become more so, and a sector-wide response and mitigation plan is urgently required. Through the Forest Policy and Strategy Directorate, DWAF is facilitating a coordinated response with forest industry

representatives. During 2005 baseline studies will be done to establish sector trends and impacts. These will enable sector strategies to be developed and jointly implemented.

## **Future wood supply**

Over 35,000 ha of forest was lost to fires in 2003, effectively eliminating forests from some areas. This will create serious wood supply shortages in the medium term future. Employment, and access to supplies by small and medium-sized processors, are both likely to suffer. Cross-departmental cooperation is required to promote rapid afforestation in suitable areas, both to ensure future supplies and to create jobs and local opportunities.

## **Woodlands**

While plantation forests provide the greatest direct formal employment, woodlands offer by far the greatest contributions to people's livelihoods as well as potential for commercial enterprise. Responsibility for woodlands falls within the ambit of DWAF, the Department of Environmental Affairs and Tourism, (DEAT), and the Department of Agriculture, (DOA). Ensuring sustainable livelihoods through sustainable woodland management is a priority. Again, cross-departmental cooperation is essential.

## **Supporting local economic development**

DWAF firmly believes that the best way to protect the nation's forests and woodlands is to ensure that they contribute to local economic development. Who should support this process? DWAF is currently evaluating its role in forestry enterprise development (FED) in line with its vision.



## **Guaranteeing sustainable management**

The Government of South Africa has made a commitment to sustainable resource management. How will the sustainability of forest and woodland management be ensured into the future? DWAF has prepared a monitoring system of Indicators and Standards, for forests to ensure sustainable management. This now needs to be implemented throughout the nation's forests and further refined and developed for woodlands.

## **Carbon sequestration**

Communities can benefit from money (carbon credits) for the sequestration of carbon by forests and woodlands on their lands. This is brought into focus with the ratification of the Kyoto protocol. It is a developing area which still needs to be fully explored by the Department.

# Strategic issues for DWAF

Government's role in the sector is changing in line with government's overall policy of withdrawing from direct management of economic assets.

**Commercial:** Government has a long history in commercial forestry in South Africa; indeed, the commercial sector was started and promoted by government. However, the Department is currently working to move these assets into private sector management, in accordance with government policy. Efforts are being made to transfer plantation assets in ways that offer empowerment and economic enterprise opportunities. It is recognised that where communities are new managers, they may need ongoing support.

**Non-Commercial:** DWAF is the custodian of South Africa's indigenous forests. It manages approximately 30% of them. These forests are generally small and widely scattered, and it is difficult for a national government agency to manage them, particularly where management is shared with other agencies (provincial governments, private land owners, communities). Accordingly DWAF is looking to transfer management of these forests to appropriate agencies. Again, however, these new management agencies may need support in this new role. They will certainly need monitoring to ensure that the new management is providing sustainability, for both local and national benefit.

Overall, DWAF Forestry is in the process of withdrawing from direct management of forests. Its future role will be as a policy maker, regulator, and facilitator.


**Policy maker to the sector:** DWAF will ensure that government goals of poverty eradication, employment, and sustainable forest management are fully addressed in sector activities. Policies and strategies need to be developed to realise DWAF's vision. By extension this

involves sector leadership, and assuming the role of 'champion' of the forest sector. This is a critical role, the Department has embraced it with enthusiasm, and with the provision of adequate resources DWAF can play the role effectively.

**Regulator of the sector:** It is the Department's responsibility to ensure that government forestry policies are enacted, the National Forests Act respected, and the lease, delegation and assignment conditions complied with. The legislative framework governing the South African forest sector, (National Forest Act; National Environmental Management Act; Water Act; and land reform legislation), is modelled on international best practice. However, South Africa's commitment to Sustainable Forest Management goes beyond legal requirements to the promotion of voluntary compliance and self-regulation. This is reflected in the high degree of international certification of forest plantations, which is voluntary and incentive-driven.

**Development facilitator:** DWAF needs to bring together government, the private sector, NGOs, communities, and other interested groups to ensure that forestry meets its potential in building the country and reducing poverty. This may involve, among other things, promotion and facilitation of Forestry Enterprise Development.

In meeting its goals DWAF Forestry must build productive partnerships with other government agencies and the private sector. DWAF can also act as a broker with other government departments and initiatives to support local forestry enterprise development. Part of this facilitatory role will be in the leadership of a shared sector strategy, called a National Forest Programme, to encourage all interested parties to identify, prioritise, and act on key issues facing the sector.



In meeting its goals DWAF Forestry must build productive partnerships with other government agencies and the private sector. For example, planting of trees is subject to negotiation with DWAF Water, and provincial environment and agriculture departments. The time and cost required for licensing is an obstacle to participation in forestry by poor people, even where forestry is clearly the best economic use of the land. DWAF can also act as a broker with other government departments and initiatives to support local forestry enterprise development. For example, transportation (rail and/or road) is critical to the economic viability of plantation forestry.

DWAF Forestry's future strategy will be to achieve its goals by forging productive partnerships in which government development aims and plain common

sense are at the forefront, thus shifting the onus of proof onto those opposed to development. Part of this facilitatory role will be in the leadership of a shared sector strategy to encourage all interested parties to identify, prioritise, and act on, key issues facing the sector.

**International:** DWAF plays an important role in representing South African forestry in international forums. The work of the Intergovernmental Forests Forum (IFF), now the UN Forum on Forests (UNFF), and the SADC Committee on Forestry have been the principal points of focus for international forest policy. The Department, working in conjunction with the Department of Foreign Affairs, will continue to support SADC and UN initiatives and will support development of forestry in Africa through NEPAD.

# Strategic challenges for DWAF-Forestry

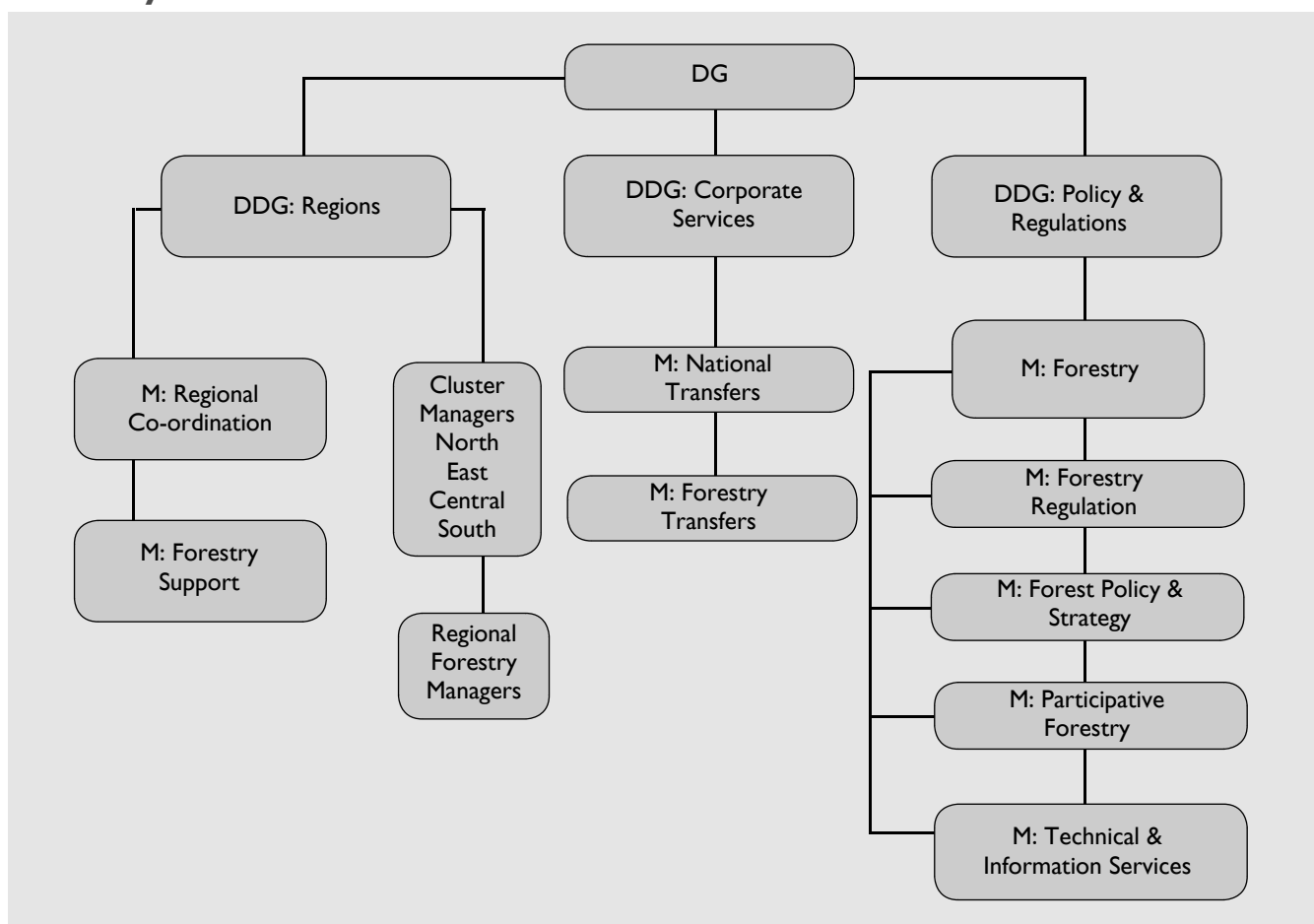
DWAF Forestry aims to be a sector leader, a facilitator of government goals through forestry. However, to realise this a number of challenges need to be met.

DWAF Forestry is marching into the future. To complete the journey, and to underwrite Forestry's contribution to poverty-reduction, Forestry needs the right people with the right skills and an adequate budget. It needs support from senior managers and, it needs cooperative partnerships with other departments and the private sector.

## Forestry in DWAF

It is vital that the Department supports and values Forestry as an equal partner. What messages are sent by managers? The fact is that many people in DWAF Forestry feel undervalued and unsupported, causing staff morale problems and making it difficult to retain and motivate staff. It is time for senior managers to step forward with strong supporting messages.

## Forestry Structure



## Forestry licensing

New forestry developments require water and environmental licenses. These are agreed provincially (DWAF Water, Provincial Environment and Agriculture) and approved nationally (DWAF). Because of the co-operative government requirements within licensing, waiting periods of up to four years have been experienced. This and the costs involved have a strongly negative impact on forestry development, especially for small and medium sized growers, thus handicapping the potential of forestry to alleviate poverty. On several important issues the values of DWAF Forestry and Water need to improve alignment and joint policy making, this is an example.

## Capacity

The forestry sector is currently facing chronic problems of recruiting and retaining the skills it needs. DWAF is no exception: Forestry is currently chronically under-resourced, in terms of both personnel with the right skills and budget resources. There is a need to demonstrate that forestry has a future and that it is a future worth committing to. Forestry needs to offer people a career, and to then attract and retain the best people. In DWAF, there is also a need for greater understanding of the budgetary needs of Forestry in the future, as it tackles its new roles and functions. DWAF Forestry is working with the relevant training and education institutions to tackle this sector-wide problem.

## Relations with other Departments

Forestry often involves other government departments. The transfer of the Category A plantation forests, for example, has been led by the Department of Public Enterprises, (DPE). DWAF is working with Department of Trade and Industry (DTI) in planning the development of the forestry industry. However, other government policies have not always taken account of the needs of forestry and DWAF recognises the need to raise the profile of forestry in Government to ensure it is properly considered in the future.

## Land claims, leases and rentals

As part of the land restitution process, lease payments on Category A forests are to be returned to the communities. However, at present, land claims remain unsettled and payments are being held in a trust account until the correct recipients can be identified. This is causing much discontent at community levels. DWAF is working with its counterparts in DLA to facilitate a speedy finalisation of these land claims so that forestry can contribute to the concerned communities.

## Forestry transfers


Transfers of forests, both plantations and indigenous forests, are subject to long negotiation involving land claims, worker rights, and so forth. During this process, the economic potential of these lands to the communities goes unrealised, and DWAF Forestry continues to spend most of its resources on managing forests that can be better managed by other management agencies. DWAF remains committed to the transfer of these forests in a way that maximises their potential for rural development and poverty eradication. Revised strategies for the transfer of both plantation and indigenous forests have been agreed and are now being implemented.

## Environmental lobby

There is a strong environmental lobby opposed to plantation forestry. DWAF recognises, as part of its sector leader role, that it needs to do more to ensure a balanced debate, and to build a responsible case for forestry. A clear government commitment to forestry, its contribution to the national development objectives, and the opportunities it offers, will support this challenge.

## Fire

DWAF currently administers the National Veld and Forest Fire Act (NVFFA). This involves systems for fire prediction and monitoring, establishing and monitoring fire protection associations, and so forth. While forestry has a keen interest in fire (note the



losses in 2003), the impacts of fire are greater in the grasslands and communities which suffer fire damage. DWAF has completed a study to clarify the correct institutional home for this NVFFA and its recommendation is that the fire function remain

within DWAF. This has now been approved. It is important now, that DWAF deploys sufficient resources and develops appropriate competency to undertake this vital responsibility both nationally and in the regions.



# DWAF Forestry in transition: realising its vision

Almost a quarter of South Africa's population, and 40% of the people living in rural areas, are wholly or partially dependent on forests and forestry for their livelihoods, for their existence and their immediate futures. The management, the growth and the productive capacities of our forests and woodlands are therefore issues of critical importance to the nation as a whole, and to this very large and deserving group in particular. The vision of DWAF is focused on these people.

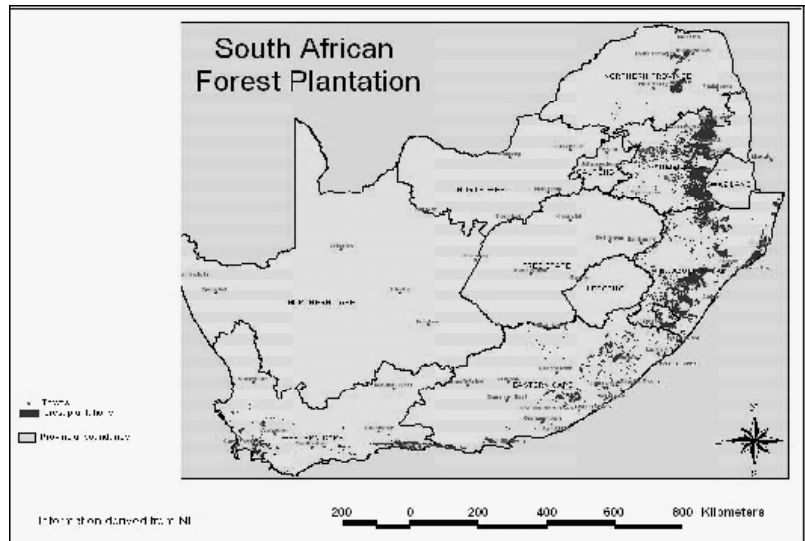
The road ahead will not be easy one, but DWAF is committed to achieving the potential of forestry

to contribute to rural poverty eradication. Creating appropriate circumstances and partnerships to make this vision a reality, remain the top priority and DWAF is currently reorganizing in order to realise these national government objectives. A comprehensive change programme for this has been endorsed DWAF management bodies and is being implemented.

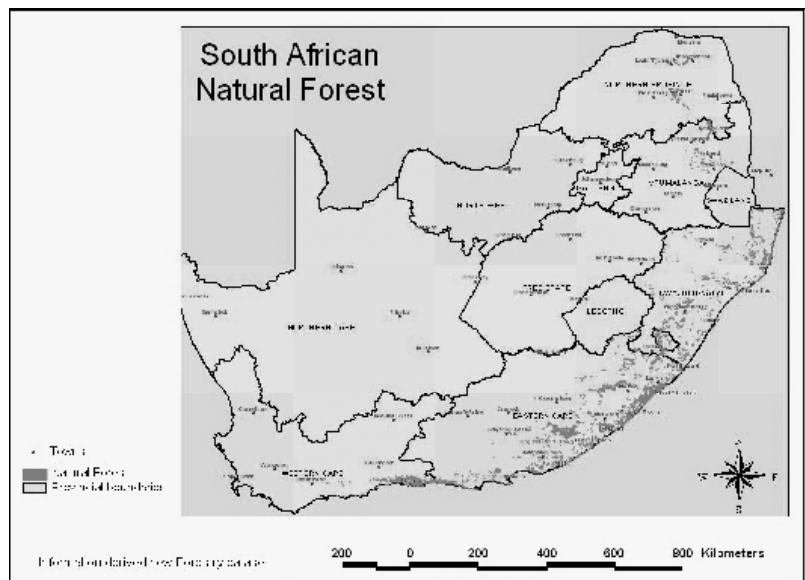
At the same time, DWAF needs to complete the divestment of its forest assets, leaving DWAF Forestry to focus on its future. DWAF has a clear vision for the road ahead.

**The future is about creating and sustaining the enabling environment for forests to benefit the people.**

## Distribution of plantation forests



## Distribution of natural forests



## Distribution of woodlands

