



water & forestry

Department:
Water Affairs and Forestry
REPUBLIC OF SOUTH AFRICA

FORESTRY DEVELOPMENT WORKSHOP PROCEEDINGS

DURBAN: NORTH BEACH, SOUTHERN SUN

14 - 15 AUGUST 2008

**REPORT PREPARED BY:
DIRECTORATE: FORESTRY DEVELOPMENT**

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1. Introduction

The Department of Water Affairs and Forestry hosted a workshop on Forestry Development in Durban on 14 and 15 August 2008. This report provides information relating to outcomes of the workshop. The workshop was conducted through presentations followed by Question and Answer sessions. On day two of the workshop three commissions were formed to debate three key issues impacting on Forestry Development:

- The afforestation licensing process;
- Land rights and restitution and related issues; and
- Skills development, capacity building and funding of forestry projects.

The report is divided into three sections. The first section provides background about the workshop, followed by the synopsis of presentations and lastly the recommendations and wayforward. The detailed presentations made at the workshop have been collated and presented in the form of a compact disc which will be distributed to all the participants.

2. Background

2.1 Purpose of the workshop

The forestry sector has recently signed the Forestry Sector Transformation Charter that will unlock opportunities and address challenges within the sector. The sector is faced with multi-sectoral challenges that affect the smooth implementation and achievement of the targets as set out in the charter, amongst these the targets for afforestation in the Eastern Cape and KwaZulu-Natal.

The purpose of the workshop was to deliberate on how to use forestry to better people's lives. To enable the forestry sector to better people's lives; a common understanding of Forestry Development issues is required. The forestry industry has an important role to play in contributing to the first and second economy because of its socio-economic value. The industry contributes in terms of creating job opportunities, infrastructure, education, primary healthcare and addresses the basic needs of the rural poor and forests are therefore considered a safety net, especially by the poor rural communities.

The Department planned the workshop with all major stakeholders and role players to address the following issues:

1.1.1 Afforestation: Opportunities and Challenges

- The water licensing process
- Environmental Impact Assessments with a special focus on changes in land use

- Creating an enabling environment for the smooth implementation of afforestation plans
 - Institutional arrangements for implementation of afforestation plans (Protocols, Licensing Assessment Authority Committees)
- 1.1.2 Restructuring and transfer of forestry assets
- Land tenure and land rights
 - Forestry and land restitution
 - Land in communal areas (Interim Protection of Informal Land Rights Act, 31 of 1996)
- 1.1.3 Skills development and capacity building
- 1.1.4 Support for Small and Medium Enterprise in Forestry (Finance, Business Plans and writing of proposal)
- 1.1.5 Integration of Forestry programmes into provincial and local government plans
- 1.1.6 Funding options / models for afforestation

2.2 Attendance

The workshop was attended by an estimated 190 delegates representing national and provincial government departments, municipalities, traditional authorities, Non-Government Organisations, Community Based Organisations, industry, small growers and forestry entrepreneurs, and institutions of higher learning. The turnout was very positive and resulted in fruitful discussions over the two days scheduled for the workshop.

3. Synopsis of proceedings

3.1 Presentations

3.1.1 Policy and strategy

A presentation was made from the Department of Water Affairs and forestry outlining the opportunities and challenges facing the sector, including opportunities created by the recently signed Forestry BBBEE Charter.

The presentation raised the following key issues:

- The need to grow the sector
- Government to play a more supportive role in forestry research
- The implementation of the forestry charter
- Land reform to be leveraged to transform and grow the sector

- Government to assume sector leadership and use State Owned Enterprises to leverage transformation and growth in the sector

In addition, the presentation highlighted the following opportunities and challenges for the forestry sector.

3.1.1.1 OPPORTUNITIES

- Forestry is a global player and nationally it has been identified as lead sector i.t.o. the Industrial Policy and therefore government is committed to upscale these sectors to reach their full potential.
- It is a rural based activity – concentrated in poor areas where it really can make a difference in people's lives.
- In terms of energy generation, there are opportunities that should be explored, i.e. use of waste associated with commercial plantations to generate electricity and ensure the sustainability use of fuel wood.
- Woodlands (source of fuelwood) can also play an important role in improving livelihoods and these should be explored further.
- Forestry has an extremely important role to play in terms of climate change and there are various opportunities that must be investigated, i.e. mitigation and carbon credit/carbon sequestration.
- The forestry debate should also influence government planning to ensure forestry opportunities are realized.
- Experiences in terms of Forestry Enterprise Development (FED) were shared and there are opportunities to build on the successes already achieved.
- Last, but not least, the opportunities to involve women in the forestry sector must be enhanced and exploited to enable them to realize their important role.
- Highly regulated industry – most important challenges relates to afforestation licensing and environmental impact assessments.
- Sawlog shortages and general timber shortages to sustain the down stream beneficiation processes.
- Skills shortages and impact of land reform process – 50% of forestry land in black ownership and therefore it is essential to ensure community readiness i.t.o. skills, expertise and funding to ensure sustainability in the sector.
- A challenge to ensure sustainability i.t.o. energy (fuelwood and use of waste).
- Lastly, creating incentives to attract investment and to secure funding.

3.1.1.2 CHALLENGES

- Highly regulated industry – most important challenges relates to afforestation licensing and environmental impact assessments.
- Sawlog shortages and general timber shortages to sustain the down stream beneficiation processes.
- Skills shortages and impact of land reform process – 50% of forestry land in black ownership and therefore it is essential to ensure community readiness i.t.o. skills, expertise and funding to ensure sustainability in the sector.
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3.1.2 National Industrial Policy and Action Plan

The Department of Trade and Industry made a presentation on the National Industrial Policy and Action Plan with specific reference to the Forestry Timber, Pulp & Paper and Furniture sector. The presentation highlighted lead sectors contained in the National Industrial Policy Framework, which includes Forestry, Pulp and Paper, and Furniture. The forestry sector strategy has been developed and approved with four strategic areas of focus:

- Increase supply of raw materials
- Ease supply constraints to downstream processing activities
- Increase downstream processing activities for SME companies
- Technology transfer and skills development for historically disadvantaged groups and communities

3.1.3 Regulatory Environment – Afforestation

Afforestation, as a stream flow reduction activity and an activity impacting on the environment, is subject to a number of regulatory requirements including authorisations required in terms of the National Environmental Management Act, 107 of 1998, Conservation of Agricultural Resources Act and the National Water Act, 43 of 1983. The Chief Directorate Water Use within DWAF and the EIA component within DEAT made presentations on current initiatives to streamline the afforestation licensing process. The process to obtain all required authorizations in terms of the various pieces of legislation should be accelerated / fast-tracked. The need to involve provincial environmental authorities was emphasized.

3.1.4 Land matters

The Department of Land Affairs gave a presentation on the implications of the Interim Protection of Informal Land Rights Act, 31 of 1996 on Forestry Development.

The presentation covered the following areas:

- Application of the Act
- New legislation being developed
- The need for interim procedures
- Protection of existing rights
- Identification of land for development and submissions to the Minister

In addition the presentation by the Commission on Restitution of land Rights covered land reform process, restitution process, forestry claims and progress regarding the settlement of forestry claims, and the proposed models. There is a need to clarify the different meanings of forest land ownership i.t.o. the different process of legislation. These processes should be fast tracked.

3.1.5 Capacity Building/Funding

FIETA and the IDC made presentations on Skills development and finance models respectively. The transfer of land to land claim beneficiaries has resulted in increased emphasis being placed on capacity building to ensure community readiness. This is also linked to the need for funds to ensure skills development and financially viable forestry sector.

3.2 Commissions

On day two of the workshops three commissions were formed to debate in detail three issues: (Action plans for the Commissions are from page 8—11)

- The afforestation licensing process;
- Land rights and restitution and related issues; and
- Skills development, capacity building and funding of forestry projects.

3.2.1 Afforestation and licensing

The commission debated and interrogated issues affecting the issuing of licenses for afforestation. The following key challenges were identified by the commission namely:

- The time it takes to issue a licence is too long (reserve determination) and not good for the forestry business as a whole
- The Environmental Impact assessment process takes long and is costly to communities without resources
- Lack of capacity within government departments who are authorising bodies for the afforestation licence

- Alignment of the requirements of various authorising bodies e.g. DEAT, DWAF and DoA
- Lack of clarity to developers and applicants regarding Section 27 of the National Water Act, 36 of 1998.
- Problems with genus exchange
- Current application forms do not cater for projects on a large scale
- Period of validity of Record of decisions is too short

To address the above-mentioned challenges and issues the commission proposed the following solutions:

- Streamlining the reserve determination process. Using a proactive approach rather than waiting for applications before determining the water reserve
- Joint funding on proactive reserve determination(Government, ASGISA –Eastern Cape, Forestry South Africa and Private sector)
- Government to beef-up capacity, especially of the authorising institutions
- Possibility of an MoU among the authorising bodies
- Explore a one-stop shop led by DWAF on the afforestation licensing issue
- Development of a toolkit in terms of Section 27 of the National Water Act
- Explore the possibility of using General Authorisations where appropriate
- Review the period of validity of Record of decisions to be 24 months

3.2.2 Skills development and funding

The commission discussed issues facing forestry as sector as far as skills development and funding are concerned.

The following challenges were highlighted:

- Shortage of skills in certain crucial disciplines of forestry accompanied by dwindling numbers of enrolment at tertiary institutions
- Training support and empowerment of forestry SMMEs
- Post settlement support for communities affected by the land claims/ restitution processes
- Capacity building of other organisations managing forestry resources
- Lack of access to funding for forestry SMMEs
- Afforestation: Environmental Impact Assessments are very costly transactions for resource poor communities

The commission made the following proposals as solutions to address the above-mentioned challenges:

- Establishment of a centre of excellence for forestry training and capacity building

- Government to recognize the fact that it has the primary role of developing skills for the sector
- Reintroduction of pupil/learner foresters programme in order to attract students to study forestry while still at school ,level
- Government to establish a comprehensive extension support service
- Establishment of a forestry development fund to assist SMMEs
- Development of co-operatives for small projects struggling to access funds
- Introduction of grant funding
- Engagement with provincial development agencies for support in terms of business development and funding

4. Recommendations and way forward

The Deputy Director-General:

Forestry concluded the proceedings on day two and the following issues will be taken forward:

- The issues emanating from the Skills development commission will be taken forward at the Skills Development Workshop to be held in Durban. It is expected that a report will be produced on taking issues of skills development and capacity building
- The Chief Directorate: Water Use will be holding a stakeholder workshop to deal with issues highlighted in the Afforestation Licensing commission. The issues to be discussed will include guidelines on Section 27 of the National Water Act, Genus exchange and area exchange
- The Department will fast-track the conclusion of an MOU/MOA among the three authorising bodies for the afforestation licensing process
- The Department will engage with the Department of Land Affairs on the conclusion of land claims pertaining to forestry areas and a discussion on the relevant models
- Ongoing engagements and discussions with the DTI, FSA and Amahlathi will continue on issues of IPAP, Collaboration on support to SMMEs in Forestry etc
- The Department will continue to engage with Provincial Governments to ensure that forestry is captured in the Provincial Growth and Development Strategies and Municipal Integrated development Plans
- A further workshop will be called next year in July to review progress and assess whether the current interventions are still relevant to achieve the objectives stated in section 2 of this document.

ACTION PLAN

AFFORESTATION LICENSING

Activity	Planned 2009/10	Responsibility	Time Frame/ Report
Create an enabling environment that renders the cost of the water use licence application process affordable to emerging growers	Request that the delegation of the approval of waivers for licence applications be moved to a regional level i.e. Regional Director or Regional Chief Director.	DWAF : Chief Directorate: Water Use	March 2010
Support and advise emerging growers in the water use licensing application process in terms of afforestation authorisation requirements	Print and distribute brochures	DWAF Chief Directorate: Water Use and the Forestry Branch	June 2009
Ensure that legislative and regulatory requirements do not result in forestry being disadvantaged in relation to other forms of land use	Resubmit request for higher water use authorisation delegation to Regional Directors.	DWAF Chief Directorate: Water Use	July 2009
Make provision for water use by subsistence and homestead woodlots by providing for the consideration of a Schedule 1 and/or GA for such small-scale woodlots.	Continue with higher level Reserve determinations.	DWAF Chief Directorate Water Use and Resource Directed Measures	March 2010
Ensure that all applications for afforestation are processed expeditiously by developing a MoU with and ratified by other authorizing regulatory authorities.	Finalization and signing of the MoA by all relevant Departments.	DWAF Chief Directorate: Water Use/ DEAT and DoA	August 2009
Develop a protocol to be included in the MoU to facilitate lawful conversion of tree genus or species, specified as a permit or licence condition, where this change should be informed by forestry practice or economics.	Incorporate comments received from public on published GA. Finalise GA and publish for implementation.	DWAF Chief Directorate: Water Use	August 2009
Facilitate the transfer or trade of a water use allocation or existing lawful water use of water, and the issuing of licences in the event of conversion of a land use from irrigated cropping	Task finished.	DWAF Chief Directorate: Water Use	Task Complete

Activity	Planned 2009/10	Responsibility	Time Frame/ Report
(including irrigated sugarcane) to timber plantations.			
Allow water use by dryland sugarcane to be allocated to timber plantations, based on an equitable water use exchange ratio for these crops, provided that such dryland sugarcane has been an existing land use practice for at least five years, and that this does not compromise the availability of water to the Reserve and other lawful water users.	<p>Incorporate comments and present decision to DWAF Water Resources Functional Management Committee for approval.</p> <p>Should it be decided not to declare dryland Sugarcane as an SFRA, the adherence to this commitment will not be possible. Possible declaration in a few specific catchments could however be considered.</p>	DWAF Chief Directorate: Water Use	March 2010
Allow the water use attributed to wattle, pine, and eucalypt jungles that are rehabilitated or converted and correctly managed as commercial timber plantations, to be allocated through an SFRA water use licence to such timber plantations. Gas will be considered in catchments where there is sufficient available water to allow such conversion.	Consideration could be given in this financial year to incorporating this into a General Authorisation. However, the protection of sensitive habitats, reducing the impact on stressed catchments and cross-cutting mandates with DEAT and DoA might influence this.	DWAF Chief Directorate: Water Use	March 2010
Develop an efficient and effective framework to authorise the re-allocation of water, where timber as an existing lawful water use in a riparian zone is excised, to alternative plantation areas within the same quaternary catchments or elsewhere within the wider catchment.	Task finished.	DWAF Chief Directorate: Water Use	Task Completed
Ensure that emerging timber growers who have lawfully licensed timber plantations are included in DWAF's definition of "resource poor farmers" and subject to the same benefits as others so classified.	This needs to be undertaken in this financial year.	DWAF Chief Directorate: Water Use	March 2010

Activity	Planned 2009/10	Responsibility	Time Frame/ Report
Communication of afforestation opportunities and community mobilisation to release land for afforestation	Develop an afforestation communication strategy	DWAF: Forestry : National office and provinces	June 2009
Afforestation potential mapping	Whole country mapping of areas with afforestation potential	DWAF Forestry and Chief Directorate: Water Use	December 2009
Regulation / Control of the afforestation process	Finalise the afforestation protocols	DWAF Forestry and Forestry Industry	June 2009

FOREST LAND MATTERS

Activity	Planned action	Responsibility	Time Frame
Land rights and restitution on forest land	1. Models for transfer of private and state forest land	DWAF and Land Affairs	April 2009
	2. Establish regional committees to discuss and get updates on land matters Establish structures to communicate transfer models to beneficiary communities	DWAF and Land Affairs	In place
	3. Engage with DLA on the speedy resolution of restitution claims on forest land	DWAF and Land Affairs	Ongoing process
	4. Establish a Trust Fund to collect and disburse lease rentals	DWAF	June 2009
Transfer of forestry assets to beneficiaries	1. The Department is targeting to transfer at least three assets to beneficiaries during the financial year 2009/10		March 2009
	2. An outsourcing programme for the		In place

	refurbishment of all DWAF remaining plantations		
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SKILLS DEVELOPMENT AND FUNDING

Activity	Planned action	Responsibility	Time Frame
Skills development in the sector	1. Develop and implement the Sector Skills Plan	DWAF, Industry and Labour	June 2009
	2. Align Forestry Sector needs with the curriculum of tertiary institutions	DWAF and Tertiary Institutions	June 2009
	3. Allocate bursaries to potential forestry students as an incentive to attract more women and youth	DWAF	March/April 2009
	4. Implement a Forestry –Learner support programme/ graduate trainee programme to groom suitable candidates to be employed in the sector	DWAF	
Establishment of a fund to support Forestry SMMEs	1. MoU/Agreements in place for funding of forestry projects between DWAF and Funding institutions	DWAF and Funding Institutions	April 2009