



DEPARTMENT OF WATER AFFAIRS AND FORESTRY

**DRAFT STRATEGY FRAMEWORK FOR
FORESTRY ENTERPRISE DEVELOPMENT**

**DEPARTMENT OF WATER AFFAIRS AND
FORESTRY**

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1. BACKGROUND

Forestry Enterprise Development (FED) relates to the concept of using forests (indigenous forests, woodlands and plantations) and forest-based resources as a vehicle for economic growth, income generation and job creation that takes people from a subsistence livelihood system into the market economy and from the “second economy” into the “first economy”. This concept is not new and is a central theme of the White Paper on Sustainable Forest Development in South Africa (1996). This concept is also contained as a key principle in the National Forests Act of 1998, which states in section 3 (3) (c) that forests, including forest produce, must be developed and managed so as to promote *inter-alia* the fair distribution of their economic and social benefits and advance persons disadvantaged by unfair discrimination. The concept is also central to the Department of Water Affairs and Forestry’s (DWAF) new Forestry Vision, namely:

“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.”

The FED concept is also central to Government’s pro-poor agenda and also a key component Broad Based Black Economic Empowerment (BEE) in the forestry sector. In short, FED is a necessary initiative to ensure that forestry development relates directly with the larger agenda of Government on poverty alleviation and Broad Based BEE.

This strategy framework is based on the findings in the companion **Key Issues Paper on Forest Enterprise Development (January 2005)**¹. This paper:

- Defines the nature and content of FED
- Analyses opportunities for FED in the various forestry sub-sectors
- Describes how FED links with policy initiatives within DWAF and across government
- Broadly identifies enabling conditions required for FED
- Considers the potential role of DWAF and other stakeholders in promoting FED
- Explores options for the development of an FED strategy

¹ Since the completion of this Key Issues Paper, a study commission by the Department of Trade and Industry and the Pulp and Paper Manufacturers Association titled “The contribution, costs and development opportunities of the Forestry, Timber, Pulp and Paper industries in South Africa” (Genesis report) was completed in April 2005. Reference is made to the “Genesis report” where the figures in the Key Issues Paper referred to in the draft strategy framework have been updated as a result of this study.

The Key Issues Paper concludes that an FED strategy framework is needed that sets out broad guidelines for FED and identifies priority strategy themes to be developed further as separate strategy initiatives.

2. PURPOSE OF THIS PAPER

The purpose of this paper is to present a draft FED strategy framework that sets out broad guidelines for FED support and identifies priority strategy themes to be developed further as a separate strategy initiatives.

FED requires the active support of a number of role-players, ranging from land holding communities and small-scale entrepreneurs to private sector companies and different government agencies. Therefore the draft strategy presented in this paper is not intended to be a DWAF strategy, but as a sector strategy in which DWAF plays a leading role. Obviously, such a strategy would need to be developed in consultation with the various role-players. This draft strategy framework, together with the companion Key Issues Paper on Forest Enterprise Development is presented as a first step by DWAF in developing an FED strategy.

It must be noted that there are still a number of gaps in the document that need to be filled and refinements that need to be made. However, this requires engagement with key stakeholders and this document serves as a basis for initiating such a process.

3. DEFINITION OF FED

3.1. Context

While important lessons can and should be learnt from international experience, FED needs to be defined within the special circumstances that prevail in South Africa.

Poverty eradication is a key concern in South Africa. Seventy percent of people living in rural areas are poor with three out of four rural children living in households with incomes below the minimum subsistence level. Government's pro-poor agenda is being pursued under three programme goals:

- Encouraging the private sector to create more job opportunities;
- Supporting new market entrants to establish viable businesses; and
- Building a social security net for the very poorest in society.

FED represents forestry's contribution to the first two of these programme goals. Forestry as a social security net for the very poor is equally important but falls outside the scope of FED. This is further discussed in the companion *Key Issues Paper on Forestry and Poverty in South Africa*.

Regenerating stagnant rural economies is critical to providing the opportunities for poor people to escape poverty. Opportunities to stimulate growth in rural areas are often limited, but South Africa's highly successful forest products industry offers realistic prospects in certain parts of the country. In contrast to many other poor African countries, South Africa's large economic base can offer these opportunities, with the forest industry being especially well placed to do so. The commercial timber products sector alone employs an estimated 170 000 permanent, contract and informal workers of which a large proportion is low skilled and concentrated in rural areas with high unemployment².

The government has declared its intentions in respect of **Broad Based Black Economic Empowerment** (BBBEE) and has identified investment in enterprises that are owned or managed by black people as one of the instruments to support Broad Based BEE. This is provided for in section 1 (f) of the Broad Based BEE Act, 2003. FED must be defined, understood and implemented in this context. In other words, FED must be recognised as an important instrument in any Broad Based BEE agenda for the forestry sector and must be directed in such a way that it supports this agenda.

FED initiatives must lead to enterprises that are **sustainable** and that utilise forestry resources on a sustainable basis. Planning for long-term sustainability must be one of the most important elements of successful FED support, and only those projects that are sustainable (i.e. able to continue operating in the long term without external, artificial support) deserve to be referred to as FED.

3.2. Working definition

The Paper provides the following working definition of FED:

Market-driven, profitable business ventures, involving previously disadvantaged communities and individuals, and based on the sustainable use of forests and forest-based resources.

In terms of this definition FED covers growth in business development across the whole spectrum of enterprise sizes, from micro (often part time) enterprises to large-scale business ventures.

This definition focuses on the use of forest and forest-based resources within the framework of (and as a point of entry into) the market economy. The use of forests and forestry produce for domestic use (within a subsistence economy framework) is excluded from the above definition. This is not to say that the latter is not important, but merely implies that FED is not the only link between forestry and livelihoods.

The scope of FED includes the following four categories of enterprises:

² Genesis report

- Timber production enterprises
- Contracting enterprises
- Timber processing, value adding, and marketing enterprises
- Non-timber forest product (NTFP) enterprises

4. FED OPPORTUNITIES

4.1. Timber Production, Contracting & Processing Sector

The commercial timber products sector makes a major contribution to South Africa's economy. It is well developed, highly integrated and diversified in terms of both products and markets served. The forest products industry ranks amongst the top exporting industries in the country, contributing some nine percent to the overall export of manufactured goods and earning net foreign exchange of approximately R8.8bn in 2003. In 2003 the commercial forest products GDP was R12, 2 billion and employed an estimated 170 000 permanent, contract and informal workers. This amounted to 1% of total RSA GDP and 1.4% of total formal employment³. This is comparable with other large sectors. The textiles, clothing and leather goods sector contributed R10bn to GDP and employed 193 000 in 2003, gold mining contributed R23bn and employed 191 000.

The commercial timber product sector has a large job-multiplier and for every one forest job, another four are created in related activities. This means that more than 850 000 South Africans earn a living and can support their families on the basis of this industry.

A substantial increase in the national demand for pulp, paper, saw timber, timber board and charcoal products is anticipated over the next 25 years and the industrial infrastructure is well placed to meet this demand. However, because of limited opportunities for new afforestation, growth in the timber processing, value-adding and marketing sector is limited by the long-term availability of roundwood supply. With improved yields from plantation resources and an estimated 200 000 ha of afforestation possible, a 23% increase in supply of roundwood is projected for 2030. Nevertheless, a higher growth rate than this can be expected in the timber processing, value adding and marketing sector if the following opportunities are fully exploited:

- The import of saw logs, chips and other semi processed timber from other low cost producing countries
- Redirecting current wood chip exports to local pulp mills and further growth in the waste paper recycling industry
- Improved timber utilisation rates (reduced wastage) in the saw milling sub-sector
- The development of high value niche products and better utilisation of sawmill waste products in the timber manufacturing sub-sector

³ Genesis Report

- Greater product innovation and improved utilisation of waste raw material in the timber board sub-sector
- Growth opportunities in small and medium scale pole production and charcoal production enterprises
- Use of invasive alien species wood and possible replacement of invasive alien plants with managed timber areas.

In addition to opportunities for growth, more attention should also be given to greater equity through broad-based Black Economic Empowerment in the commercial timber products sector. With the exception of small-scale growers, contractors and sawmillers the number of black people, including women who manage, own and control enterprises and productive assets in the timber products sector is very limited. Continued inequality in the sector limits the long-term growth prospects of sector.

Substantial opportunities exist to ensure a greater equity in ownership of existing plantation assets. Large tracts of plantations were established on land that historically belonged to black communities. In terms of Government's restitution and tenure reform policies, as well the policy on the restructuring of state forest assets, the ownership of this land needs to revert back to these communities. Opportunities for greater equity in the contracting and processing sectors also need to be created and the industry has an important role to play in this regard.

The fact that opportunities for afforestation still fall short of the anticipated demand for timber in the long term and the impact this has on limiting downstream enterprise development and employment opportunities, underscores the need to optimise available plantation areas and to continue to improve productivity and yields. This means that special attention needs to be given to the rehabilitation of remaining DWAF plantations. Attention also needs to be given to the possible utilisation and regularisation of the more than 100 000 ha of "unofficial" (illegal) plantations, where circumstances in terms of their environmental impact allow for this.

More attention also needs to be given to greater stability and profitability for small-scale growers, contractors and saw millers. These groups require better organisation to collectively bargain and lobby for their interests and to have access to resources and training support to improve their productivity and participate in value adding production opportunities.

4.2. Non-Timber Forest Products Sector

In the non-timber forest products (NTFP) sector the greatest opportunities for growth and development may well be found in forestry-based tourism, trade in medicinal plants, firewood collection and distribution, honey production and trade in indigenous fruits. Once again, the availability of and access to resources restricts growth in these sub-sectors and special attention needs to be given to the better management

of available resources, improved access to non-traditional sources and, in the case of medicinal plants, to the development of commercially cultivated stocks. In the case of honey production and trade in medicinal plants & indigenous fruits, more attention should also be given to participation in processing and marketing of products.

5. VISION STATEMENT

As mentioned before, the successful implementation of FED is dependant on the active involvement and support of a great number of role-players. To effectively mobilised and direct their activities, an FED strategy needs to be underpinned by a shared vision of government, private sector and community role-players of the prospects and future for forestry enterprise development in South Africa. The following vision for FED is presented as a basis for discussion by sector stakeholders:

A vibrant, profitable, sustainable and growing forest based economy in South Africa, which significantly contributes to the country's economic growth, employment, poverty alleviation and broad-based BEE.

6. STRATEGIC OBJECTIVES

Based on the analysis of the opportunities for growth and development in the forestry sector, as summarised in section 4 and further detailed in the companion Key Issues Paper on Forest Enterprise Development, the strategic objectives proposed for FED are set out in the table below.

Targets still need to be set for each of these objectives and this would need to be done during the wider consultation process.

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES
Timber Production, Contracting & Processing	
1. Plantation forestry	<p>A strong and equitable plantation forestry sector that underpins growth and development in the timber processing, value-adding and marketing sector:</p> <ul style="list-style-type: none"> (a) Afforestation of 200 000 ha in the Eastern Cape and KwaZulu-Natal (b) Growing, profitable and well organised small-grower sector (c) Remaining DWAF plantations rehabilitated and transferred to local communities and black entrepreneurs

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES
	(d) +100 000 ha of illegal plantations investigated and regularised (e) Ownership rights to state forest plantations held in trust for communities transferred (f) Restitution claims on plantation land equitably settled (g) Community access rights to public and private plantations optimised and regulated
2. Indigenous forestry	(a) Opportunities for deriving benefits from indigenous forestry known and optimised (b) Community access rights to public forests optimised and regulated
3. Forestry contracting	(a) Stability, efficiency, profitability and equity in the forestry contracting sector
4. Sawmilling	(a) Opportunities for growth in the sawmilling sector optimised (b) Stability, profitability and equity in the small scale sawmilling sector (c) Utilisation rates, particularly in the small-scale sawmilling sector, improved
5. Manufactured timber products	(a) Growth and innovation in the timber manufacturing sector, particularly in filling niche markets (b) Equity in the timber manufacturing sector (c) Utilisation rate of saw timber waste products improved
6. Pulp and Paper	(a) Opportunities for growth and value-adding in the established pulp and paper sector optimised (b) Equity in the pulp and paper sector and barriers to entry removed (c) Continued growth and efficiency in the waste paper recycling industry
7. Timber board products	(a) Growth and innovation in the timber board sector (b) Equity in the timber board sector (c) Utilisation rate of waste raw materials improved
8. Pole production	(a) Equity in the pole production sector (b) Growth in small and medium scale pole production enterprises
9. Charcoal production	(a) Equity in the charcoal production sector (b) Growth in small and medium scale charcoal production enterprises
10. Catalyst for broad-based LED	(a) Economic muscle of the forestry sector serving as catalyst for broad-based downstream local economic development.
Non-timber forest products	
11. Medicinal plants trade	(a) Well managed off-take from traditional resources of

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES
	medicinal plants (b) Growth in small and medium scale enterprises based on reliable and commercially viable cultivated stocks
12. Firewood collection & distribution	(a) Growth in small scale firewood collection and distribution enterprises (b) Sustainable supply of fuelwood sources secured
13. Honey production	(a) Growth in small scale honey production enterprises from plantation & indigenous woodland sources (b) Participation of small scale bee-keepers and honey harvesters in the honey value chain
14. Tourism	(a) Growth in forest-based small and medium tourism ventures (b) Previously disadvantaged people materially benefiting from tourism licensing regime for state forests
15. Trade in indigenous fruits	(a) Growth in small scale indigenous fruit collection enterprises (b) Joint venture arrangements between those involved in the supply, processing and marketing of indigenous fruit products
16. Alternative forest products	(a) Opportunities for alternative forest products know and optimised

7. GUIDING PRINCIPLES

It is suggested that the vision and objectives presented above can best be achieved if the implementation of the FED-strategy is based on the following principles:

7.1. Linking Growth and Broad-based Black Economic Empowerment

It must be recognised that economic prosperity and growth in the forestry sector and Broad-based Black Economic Empowerment must go hand-in-hand. Sustainable growth is simply not possible without broad-based Black Economic Empowerment and the scope for the sustainable BEE is severely constrained without prospects for growth. At the same time, growth in the sector without job creation cannot contribute towards the type of black economic empowerment necessary to deal with the socio-economic inequalities that exist in the country.

7.2. Capitalising on Sector Strengths

Commercial forestry industry in South Africa is a well structured, mature and diversified in terms of products and markets served. The industry displays a strong global competitive advantage in plantation management and timber processing

enterprises. These strengths present opportunities for further economic growth through the import of raw/semi processed materials for value adding and processing in South Africa, as well as further technological development in yield and efficiency improvements and waste management. These strengths also offer an ideal launching pad for supporting further small grower development initiatives and value adding FED opportunities that will bring greater growth and equity in the forestry industry.

Moreover, the strength of the South African forestry industry offers opportunities for the marketing of South African forestry technology and skills to the rest of Africa and the world.

7.3. Forging Business Partnerships

Forging business partnerships is critical for sustainable enterprise development. The forestry sector has considerable experience in developing partnerships between large commercial companies and small-scale tree growers and contracted service providers. This experience (whether positive or negative) of such partnerships should be viewed as a strength to be further exploited.

7.4. Promoting Public-Private Sector Cooperation

The successful implementation of a FED strategy is dependant on both the technical, financial and marketing resources available within the private sector and a supporting government policy and regulatory environment. This points to the need for public-private sector cooperation in support of FED.

Such an opportunity exists through the establishment of a forestry sector transformation charter that highlights the need for FED in BBBEE and which outlines the contribution that each party to the charter would make in achieving this objective. It must be noted that the Government's BBBEE Strategy defines "sector-and enterprise-based charters" as a partnership agreement between the public and the private sector (including trade unions and community-based organisations). Therefore, such a Charter provides an ideal platform for joint initiative.

7.5. Cooperative Governance

The principle of cooperative governance is necessary to create an enabling environment for FED. Promoting FED requires a wide range and diverse set of interventions, involving government at national, provincial and municipal levels. Moreover, supporting FED is not the sole domain of any single department at any level of government. Therefore, different government departments and spheres of government have different roles to play in delivering the products and services required to support FED.

Because FED directly relates to key government concerns such as employment, LED, BBBEE, land reform and poverty eradication there is a shared interest between various government departments and different spheres of government in securing the outcome of an FED strategy. DWAF and the forestry industry have an important role to play in highlighting common interests and facilitating shared responsibilities between government agencies.

8. POLICY CONTEXT

FED-support links with other policy initiatives within DWAF, and more generally across government. These policy initiatives, and their legislative mandates and support programmes, are outlined in the companion Key Issues Paper on Forest Enterprise Development and the findings from this can be summarized as follows:

- A policy framework for FED is already contained in the White Paper on Sustainable Forest Development in South Africa (1996) and the legal mandate to act thereon is contained in the National Forests Act (No 84 of 1998).
- DWAF policy and strategy initiatives in support of the new Forestry Vision, such as on Forestry Restructuring, PFM, Working for Water, Eastern Cape afforestation strategy and State Forest Transfers together contribute and give partial shape to an FED strategy.
- There is a range of other Government policy instruments that can be, and are, used in support of FED, notably the SMME support programmes, Broad-based BEE initiatives, Land Reform Programme, Expanded Public Works Programme, Sector Skills Development Programme, Municipal Integrated Development Plans and Provincial Growth and Development Plans.

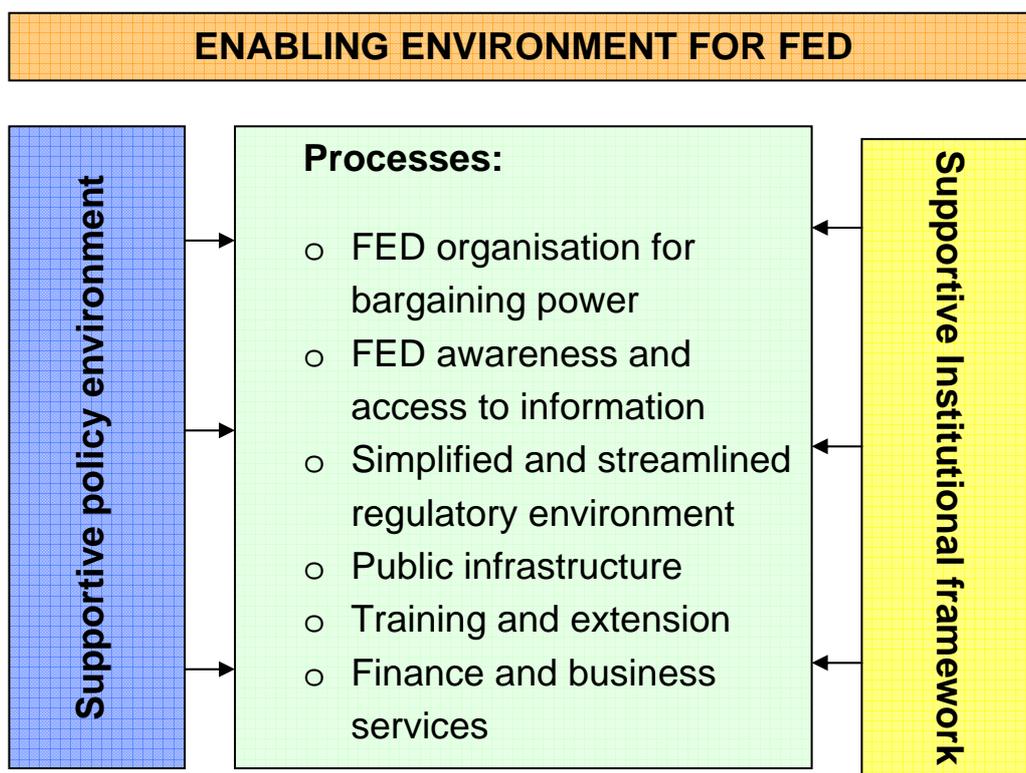
9. ENABLING CONDITIONS REQUIRED FOR FED

The Key Issues Paper on Forestry Enterprise Development outlines the broad set of enabling conditions required to support FED. This entails the implementation of the following key processes:

- FED organisation for bargaining power
- FED awareness and access to information;
- Simplified and streamlined regulatory environment;
- Public infrastructure (public transport, roads, telecommunication and electricity);

- Training and extension;
- Finance and business services.

The effective implementation of FED support is dependent on key role players (government and private sector) presenting clearly articulated and coordinated policies in support of each of these processes, as well as an effective institutional framework that will enable them to act thereon. This relationship is depicted in the diagram below:



The content of each of these processes is further outlined in the companion Key Issues Paper on Forest Enterprise Development.

10. FED SUB-STRATEGIES

The **table attached** to this document outlines the various FED sub-strategies required to give effect to the strategic objectives for each of the sub-sectors in section 6 of this paper. The sub-strategies are derived from an analysis of the enabling environment required to support FED as presented in section 9 above and detailed in the Key Issues Paper on Forest Enterprise Development. The list of strategies for some of the sub-sectors still need to be completed and this needs to be done during the wider consultation process.

It must be noted that some of the strategies listed apply to more than one sub-sector, while others are specific to a particular sub-sector.

It is not possible to develop and implement all of these FED sub-strategies simultaneously and a proposed set of priority sub-strategies and the tasks required under each of them are presented hereunder as a basis for discussion and further fleshing-out with key role players in the forest sector. Over time further sub-strategies can be added to the list for attention.

The selection of priorities is based on the following considerations:

- Focusing support in those areas where key role players, including DWAF are best placed to impact on the outcome.
- Concentrating on those sub-sectors that offer the greatest growth prospects for FED and leverage for growth and employment in other sub-sectors.
- Focusing on the need for BBBEE in the forest sector and linking BBBEE and growth in the forest sector

It must be note that work is already underway on a number of these priority sub-strategies and this work needs to continue, but within the overall FED strategy framework.

10.1. Awareness of FED opportunities & Integration into provincial and local level development planning

This sub-strategy is aimed at raising awareness of FED opportunities and ensuring intergovernmental alignment of strategies, plans and budgets that will support FED through integrated development planning at provincial and local levels. The following tasks are included hereunder:

- (a) Identify and market FED opportunities for the most promising forest products sectors and forestry areas of the country. This needs to be needs to be incorporated into forest sector plans for each province and, based on this, for each forestry district.
- (b) Facilitate the inclusion/prioritisation of FED in Provincial Growth and Development Strategies for Eastern Cape, Kwazulu Natal, Mpumalanga and Limpopo. The forest sector plans referred to above will form the basis for presenting the “case” for FED to provincial stakeholders.
- (c) Facilitate the inclusion of FED in Integrated Development Plans (IDP’s) for district and local municipalities that have forestry potential. The forest sector plans referred to above will form the basis for presenting the “case” for FED to local level stakeholders.

10.2. Restructuring State Forest Assets

This sub-strategy is aimed at ensuring the restructuring of state forest assets in support of FED. The following tasks are included hereunder:

- (a) Facilitate the prioritisation of restitution and tenure reform on state forestland. An implementation plan for this task needs to be developed in consultation with the Department of Land Affairs and the Land Claims Commission.
- (b) Transfer remaining DWAF plantations in such a way as to maximise FED opportunities. A Policy and Strategy for the Transfer of Forestry Plantations (April 2005) has been developed to give effect to this task.

10.3. Streamlining Afforestation Licensing Process

(This section still needs to be updated)

This sub-strategy is aimed at a simplified and streamlined regulatory environment for timber production enterprises. The following tasks are included hereunder:

- (a) Facilitate dialogue and cooperation within and among government departments whose inputs are required for the approval of new afforestation. This task includes:
 - The establishment of a Forestry-Water Liaison Committee within DWAF where matters related to the streamlining of SFRA licensing and engagement with other Department with regard to their afforestation licensing policies and procedures can be discussed and a joint DWAF position can be developed.
 - Engagement with the Department of Environmental Affairs and Tourism (DEAT) and establish an afforestation sub-committee under the Committee for Environmental Coordination (CEC). *(What will this sub-committee do?)*
 - In consultation with cooperative government partners, facilitate the development of a common set of criteria, norms and standards for the assessment of applications for new afforestation through either a sub-committee of the regional LAAC or a separate forum. Additional aspects that could be addressed include the identification and pre-approval of areas appropriate for forestry development (KZN Afforestation map is one such example) and the streamlining of the SFRA licensing process for particular types of applications. This task is already underway but requires further impetus to secure tangible results.
- (b) Investigate the possible re-categorisation of certain river catchments (e.g. Umzimvubu catchment) in terms of the reserve determination policy to increase the volume of water available for forestry.

- (c) Implementation planning for conversion of wattle jungle into managed plantations (based on the approved policy).
- (d) Changes to water licensing policy to place greater emphasis on equity considerations in the issuing of licences. DWAF Forestry needs to input into the water allocation policy that is being developed by DWAF Water.
- (e) Streamlining the stream flow reduction licensing process.
- (f) Facilitating a pre-approval process for forestry in locations with high forestry potential through geographically/community based Environmental Impact Assessments.
- (g) Implement the afforestation area exchange policy
- (h) Establish structures and procedures to facilitate intra-department co-ordination on water and forestry policies

10.4. Establishing Certification Systems for Small Growers

This sub-strategy is aimed at establishing an appropriate timber certification system for small growers. The following tasks are included hereunder:

- (a) Develop a management system appropriate to small-scale low intensity managed forest operations (SLIMS) that small growers can apply to assist in complying and demonstrating sustainable forest management.
- (b) Develop appropriate criteria and indicators for auditing small growers for achieving certification.
- (c) Establish an extension service to develop the capacity of the growers to implement and demonstrate compliance with certification requirements (linked to par. 11.5 below).

10.5. Delivering FED Training and Extension Services

This sub-strategy is aimed at establishing an appropriate delivery system for the provision of training and extension support the various FED categories. It is suggested that priority attention needs to be given to training and extension needs for timber production and contracting enterprises. The following tasks are included hereunder:

- (a) Identify the nature and scope of training and extension support required for FED.

- (b) Identify the role of different government departments, local government, Sector Training Authorities and the private sector in the delivery of training and extension services.
- (c) Identify and evaluate different service delivery models and options.
- (d) Agree on and implement appropriate institutional arrangements for training and extension support.

10.6. Delivering FED Financial and Business Services

This sub-strategy is aimed at establishing an appropriate delivery system for the provision of financial and business services that can support a spectrum FED initiatives. It also entails the marketing of this information so that entrepreneurs are aware of the funding sources business serves available to them. The following tasks are included hereunder:

- (a) Identify the nature and scope of available financial and business services available and do a gap-analysis in terms of needs.
- (b) Consult with stakeholders on delivery options to meet the needs and present proposals in this regard. It is suggested that this be included as a component of the Forest Sector BBBEE Charter.
- (c) The implementation of a marketing campaign to make DWAF clusters, municipal officials, industry role players and other enterprise development support agencies aware of these services.

10.7. Including FED in a Broad-based BEE Charter for the Forest Sector

This sub-strategy is aimed at translating FED policies and strategies into an implementation agreement between government, private sector, labour and other sector stakeholders.

The following tasks are included hereunder:

- (a) Identifying and agreeing on the role of FED in broad-based BEE.
- (b) Identifying and agreeing on the scope of FED interventions to be included in a Forestry Charter.

10.8. Eastern Cape Afforestation initiative

This is sub-strategy aimed at FED support in a geographical area with the greatest potential for afforestation in the country. It pulls together elements of various other

sub-strategies (such as streamlining afforestation licensing, and securing funding, training and extension support for FED) into an integrated forestry plan for the Eastern Cape. Securing stakeholder (public, private & community) agreement for the implementation of the plan is vital to the success of this initiative.

11. IMPLEMENTATION PLANNING

(Presented as a basis for discussion)

Implementation plans need to be prepared for each of the sub-strategies identified in section 10 of this paper. A DWAF champion needs to be allocated for each of these sub-strategies. This champion will need to consult with other stakeholders within and outside DWAF in developing and executing the implementation plans.

These champions will be responsible to report to the Director PF (who has overall responsibility for coordinating the implementation of the FED Strategy Framework) on progress with the development and implementation of these plans. Once the implementation plans have been developed, the activities that need to be undertaken by DWAF national office and clusters must be included in the business plan for the responsible directorate.

The DWAF champions for the various sub-strategies are presented in the table below:

<i>Sub-strategy</i>	<i>Responsibility</i>
1. FED Awareness & Inclusion in Integrated Provincial and Municipal Planning	Mike Modise
2. Restructuring State Forest Assets	Trevor Balzar and Richard
3. Streamlining Afforestation Licensing Process	Themba Simelane
4. Establish Certification System for Small Growers	Norman Ngani
5. Delivering FED Training and Extension Support	Tebogo Mathiane
6. Delivering FED Financial and Business Services	Mike Modise
7. Including FED in a Broad-based BEE Charter for the Forest Sector	
8. Eastern Cape Afforestation Initiative	Ceba Mtoba & Graeme Harrison

The implementation plans would need to consist of two components:

- A Logframe that outlines the goals, purpose, outputs OVI's, means of verification and assumptions for each FED sub-strategies.

- A programme in gant-chart format that schedules action to be taken in implementing each sub-strategy.

FED STRATEGY FRAMEWORK TABLE

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
Timber Production, Contracting & Processing		
1. Plantation forestry	A strong and equitable plantation forestry sector that underpins growth and development in the timber processing, value-adding and marketing sector:	
	(a) Afforestation of 200 000 ha in the Eastern Cape and KwaZulu-Natal	<ul style="list-style-type: none"> ▪ Secure stakeholder (public, private & community) agreement for an afforestation plan for the Eastern Cape and KwaZulu-Natal ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪ Streamline afforestation licensing process ▪ Secure training and extension services ▪ Secure sources for FED funding ▪ Develop and implement a road infrastructure plan to support afforestation
	(b) Growing, profitable and well organised small-grower sector	<ul style="list-style-type: none"> ▪ Develop small timber grower organisation at local provincial and national levels ▪ Establish appropriate timber certification system/procedures for small growers ▪ Establish a Broad-based BEE Charter for the Forestry Sector

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
	(c) Remaining DWAF plantations rehabilitated and transferred to local communities and black entrepreneurs	<ul style="list-style-type: none"> ▪ Develop and implement plantation rehabilitation plans ▪ Develop and implement a plantation transfer strategy and plans
	(d) +100 000 ha of illegal plantations investigated and regularised	<ul style="list-style-type: none"> ▪ Study on the scope, value and environmental impact of illegal plantations ▪ Develop and implement a plan for the regularisation of illegal plantations
	(e) Ownership rights to state forest plantations held in trust for communities transferred	<ul style="list-style-type: none"> ▪ Prioritise land rights enquiry process ▪ Support the establishment of legal entities ▪ Secure training and extension services
	(f) Restitution claims on plantation land equitably settled	<ul style="list-style-type: none"> ▪ Prioritise the settlement of land claims ▪ Support the establishment of legal entities ▪ Secure training and extension services
	(g) Community access rights to public and private plantations optimised and regulated	<ul style="list-style-type: none"> ▪ Implement public awareness campaign on access rights ▪ Secure the publication of access maps and rules for all plantations ▪ Support NTFP based small scale FED ▪ Secure training and extension services
2. Indigenous forestry	(a) Opportunities for indigenous forestry know and optimised	<ul style="list-style-type: none"> ▪ Continued research into sustainable timber supply yields ▪ Continued research into improved growth performance opportunities for indigenous species

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
	(b) Community access rights to public forests optimised and regulated	<ul style="list-style-type: none"> ▪ Implement public awareness campaign on access rights ▪ Secure the publication of access maps and rules for all forests ▪ Support NTFP based small scale FED ▪ Secure training and extension services
3. Forestry contracting	(a) Stability, efficiency, profitability and equity in the forestry contracting sector	<ul style="list-style-type: none"> ▪ Continued implementation of FCPI ▪ Strengthen forestry contractors organisations ▪ Establish code of practice that empowers contractors to negotiate contract prices and conditions ▪ Establish a Broad-based BEE Charter for the Forest Sector
4. Sawmilling	(a) Opportunities for growth in the sawmilling sector optimised	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪ Incentives for import of roundwood for saw timber
	(b) Stability, profitability and equity in the forestry contracting sector	<ul style="list-style-type: none"> ▪ Develop plans for participation of small-scale saw millers in the value chain of sawmill output ▪ Develop saw miller organisation at local, provincial and national levels ▪ Secure training and extension services ▪ Establish a Broad-based BEE Charter for the Forest Sector

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
	(c) Utilisation rates, particularly in the small-scale sawmilling sector, improved	<ul style="list-style-type: none"> ▪ Implement partnership agreements between large and small scale saw millers. ▪ Establish code of conduct for sawmill contracting ▪ Secure training and extension services
5. Manufactured timber products	(a) Growing and innovative timber manufacturing sector, particularly in filling niche markets	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪ Cooperate with dti to promote SME investment in this sector (link with Furniture CSP)
	(b) Equity in the manufacturing sector	<ul style="list-style-type: none"> ▪ Establish a Broad-based BEE Charter for the Forest Sector
	(c) Utilisation rate of saw timber waste products improved	<ul style="list-style-type: none"> ▪
6. Pulp and Paper	(a) Opportunities for growth and value-adding in the established pulp and paper sector optimised	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪
	(b) Equity in the pulp and paper sector and barriers to entry removed	<ul style="list-style-type: none"> ▪ Establish a Broad-based BEE Charter for the Forest Sector
	(c) Continued growth and efficiency in the waste paper recycling industry	<ul style="list-style-type: none"> ▪
7. Timber board products	(a) Growth and innovation in the timber board sector	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪
	(b) Equity in the timber board sector	<ul style="list-style-type: none"> ▪ Establish a Broad-based BEE Charter for the Forest Sector

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
	(c) Utilisation rate of waste raw materials improved	▪
8. Pole production	(a) Equity in the pole production sector	▪ Establish a Broad-based BEE Charter for the Forest Sector
	(b) Growth in small and medium scale pole production enterprises	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪ Support establishment of pole production enterprises linked to the transfer of remaining DWAF plantations
9. Charcoal production	(a) Equity in the charcoal production sector	▪ Establish a Broad-based BEE Charter for the Forest Sector
	(b) Growth in small and medium scale charcoal production enterprises	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪ Continued support by forestry companies for establishment enterprises based on plantation and sawmill waste products ▪ Support establishment of pole production enterprises linked to the transfer of remaining DWAF plantations
10. Catalyst for broad-based LED	(a) Economic muscle of the forestry sector serving as catalyst for broad-based downstream local economic development	<ul style="list-style-type: none"> ▪ Identify and quantify the money chain linked to forestry enterprises ▪ Support by forestry companies in marketing of forestry related downstream development opportunities in communities ▪ Support LED programmes for key forestry areas
Non-timber forest products		

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
11. Medicinal plants trade	(a) Well managed off-take from traditional resources of medicinal plants	<ul style="list-style-type: none"> ▪ Develop system for registration of harvesters' associations with forest management authorities ▪ Develop model system for issuing and managing permits allocated to registered harvesters' associations ▪ Develop system for recording and managing impact
	(b) Growth in small and medium scale enterprises based on reliable and commercially viable cultivated stocks	<ul style="list-style-type: none"> ▪ Pilot concept of commercially cultivated stock ▪ Promote participation of growers in value adding process ▪ Awareness of FED opportunities & integration into provincial and local development planning
12. Firewood collection & distribution	(a) Growth in small scale firewood collection and distribution enterprises	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪
	(b) Sustainable supply of fuelwood sources secured	<ul style="list-style-type: none"> ▪ Streamline access rights to state forests ▪ Promote Establish code of conduct for harvesting ▪ Secure extension services for management of woodlands and woodlots
13. Honey production	(a) Growth in small scale honey production enterprises from plantation & indigenous woodland sources	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪ Support by forestry companies for establishment enterprises based on plantation sources ▪ Continued support under the Bee-keeping for Poverty Relief Programme

FORESTRY SUB-SECTORS	STRATEGIC OBJECTIVES	SUB-STRATEGIES
	(b) Participation of small scale beekeepers and honey harvesters in the honey value chain	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪
14. Tourism	(a) Growth in forest-based small and medium tourism ventures	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪
	(b) Previously disadvantaged people materially benefiting from tourism licensing regime for state forests	
15. Trade in indigenous fruits	(a) Growth in small scale indigenous fruit collection enterprises	<ul style="list-style-type: none"> ▪ Awareness of FED opportunities & integration into provincial and local development planning ▪
	(b) Joint venture arrangements between those involved in the supply, processing and marketing of indigenous fruit products	
16. Alternative forest products	(a) Opportunities for alternative forest products know and optimised	