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Exploring Opportunities & Partnerships for Successful Transfer of the Lowveld Plantations

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1 Overview

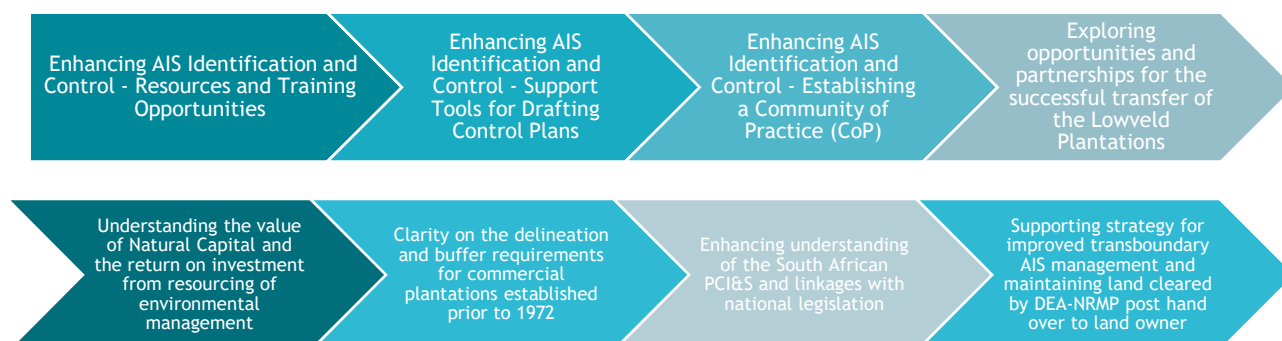
The RESILIM-O Restoration and Rehabilitation programme has to date highlighted a number of priorities for building resilience in the Olifants Basin, which have highlighted the need to address the negative impact of forestry operations in the catchment on biodiversity and water resources in the Blyde and Klaserie sub-catchments. Challenges in terms of complying with the requirements of relevant forestry and environmental legislation in terms of sustainable forestry management (SFM) have been identified by restoration practitioners working in the above sub-catchments.

These priorities include, for example, the need to:

- Conserve biodiversity and sustainably manage high priority ecosystems by supporting collective action informed by adaptive strategies and practices
- Reduce vulnerability to climate change and other factors by supporting collective action informed by adaptive strategies and practices

Direct and indirect impacts from plantation forestry operations in the Blyde and Klaserie sub-catchments of the Olifants Basin are recognised to have significant negative impacts on biodiversity and water resources in these catchments, which undermine resilience. This component of the Resilim O project therefore aims to develop the capacity of target stakeholders to enhance sustainable forest management. Developing capacity to improve forest management to reduce and mitigate the negative impacts of forestry operations on biodiversity and water resource in the Blyde and Klaserie sub-catchments (high biodiversity areas and strategic water resource areas in the Olifants catchment) will contribute to resilience building. Engagement of key stakeholders in the forestry sector in the Blyde and Klaserie sub-catchments highlighted a number of challenges to sustainable forest management. Through a social learning process, these challenges were explored with stakeholders to identify capacity constraints underlining these challenges. A capacity development strategy was then developed to address the core capacity constraints.

8 COMPONENTS OF THE CAPACITY DEVELOPMENT STRATEGY



This document addresses component 3 of this capacity development strategy, namely **Enhancing Alien Invasive Species (AIS) identification and control through establishing a Community of Practice (CoP).**



2 Introduction

The Lowveld Plantations are a Category B State Commercial Plantation that covers an area of 21 700 ha and are located in the Bushbuckridge Local Municipality, Ehlanzeni District of Mpumalanga Province, South Africa. The Lowveld Plantations are comprised of Salique, Hebron, Welgevonden, Onverwacht and Mariepskop Forestry Estates, with operations managed by the Department of Agriculture, Forestry and Fisheries (DAFF).

Land claims were submitted on these areas in terms of Section 10 of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994). The interests of the land claimant communities are represented by their respective Common Property Associations (CPAs), established as the landholding institutions under the Communal Property Associations Act, 1996 (Act No. 28 of 1996):

- Sethlare CPA (Mariepskop and Salique)
- Mahubahuba-a-Bokone CPA (Hebron, Welgevonden and Onverwacht)

These CPAs require insight into their options for future land use and management opportunities for these areas so that they are able to make

informed decisions in the best interest of the new landowner communities.

The settlement of the land claim is at an advanced stage, however there remains uncertainty relating to future DAFF roles and responsibilities on Lowveld Plantations, in particular the portions where commercial forestry operations may continue. The State's exit strategy is to incorporate 16 020 ha (above the Watt Road) of the Lowveld Plantation into the Blyde River Canyon Nature Reserve, managed by the Mpumalanga Tourism and Parks Authority (MPTA). The land use on the remaining area (5 680 ha below the Watt Road¹) is intended for ongoing commercial afforestation operations. Forestry operations on the full 5680 ha are of course not feasible, and a process will need to be undertaken to identify suitable compartments for planting versus sensitive areas (such as riparian zones, steep slopes, wetlands, etc.) which cannot be planted.²

This document focusses on the areas of the Lowveld Plantation earmarked for ongoing commercial timber operations (area below the Watt Road), and is intended to:

- Provide insights into options for partnerships for management and operations; and
- Contribute to proactive discussions and planning towards final settlement and transfer of the Lowveld Plantations.

¹ A land surveying process to fully describe this boundary has been conducted, and it should be noted that this boundary largely follows the Watt road with a few deviations.

² This has been done previously by DAFF in partnership with the MPTA, but may need review by all stakeholders who need to be involved.



3 Key policy issues relating to post-transfer responsibilities

Key areas of operation for the Directorate Forestry include the transfer of DAFF managed plantations to beneficiaries through appropriate vehicles/instruments that promote BEE and socio-economic development at the local level³. DAFF recognises that all Category B⁴ and C⁵ plantations are on land held in trust for communities by the state and that plantation land has to be transferred to the rightful owners in terms of the provisions of the Communal Land Rights Act or the Restitution of Land Rights Act. In view of this it is reported that the DAFF transferred 982 ha to the Thabakgolo community and a further 2 245 ha to the Sethlare community in Mpumalanga in 2008. In accordance with the pro-poor development agenda of the government, it is stated that the restructuring of the remaining Category B and C state forest plantations remains under DAFF jurisdiction. It is further stated that, in order to create synergies and promote forestry development in the country, government needs to seriously review the role of SAFCOL as a potential vehicle for assisting with implementation of selected forestry projects such as the rehabilitation of category B and C state forest plantations, afforestation, forestry enterprise development and fire management issues.⁶

The Category A and SAFCOL assets were packaged on a large scale to attract large scale investment. The key difference in the overall policy objectives for transferring Category B plantations has been the greater emphasis on encouraging small enterprise development and community participation in the process. Many procedural and policy lessons have however been learned from

the Mbazwana and Manzengwenya Category B plantations experience, which are reflected below.

The Department's 'Key Issue Paper for a Policy on Transfers of State Owned Industrial Plantations' (2004)⁷ highlights that four key factors underscore the states restructuring policy objective:

1. Recognition that it is more appropriate for the private sector to perform an essentially commercial function;
2. Recognition that the State's historical role distorted round-wood prices through the long-term timber supply contracts which contributed to inefficiencies in the sawmilling sector;
3. Recognition that the State's ownership of industrial forests potentially conflicts with its wider national regulatory and policy obligations; and
4. The desire to reduce the financial burden of running industrial forestry operations (particularly those of the former "homelands") on the State.

It further highlights that the Government's Land Reform Programme aims to extend security of tenure to people living under insecure tenure circumstances through:

- Land redistribution
- Land tenure reform
- Land restitution

3 <http://www.daff.gov.za/daffweb3/Branches/Forestry-Natural-Resources-Management/Woodlands-and-Indigenous-Forest-Management/Forestry-Transfer/Forestry-Transfers>

4 Commercial plantation packages that have the potential to become commercially viable subject to significant capital investment

5 Plantations with little commercial value, but valuable as community woodlots

6 2007 - 2009 DAFF State of the Forests report http://www.nda.agric.za/daaDev/sideMenu/ForestryWeb/webapp/Documents/Stateoftheforestsreport_web.pdf

7 <http://www.daff.gov.za/daaDev/sideMenu/ForestryWeb/dwaf/cmsdocs/Elsa/Docs/Transfers/KIP%20Policy%20on%20Transfers%202004.pdf>



The key issue paper defines tenure security as incorporating legal, economic and social security in respect of land. In this context, Department of Water Affairs and Forestry (DWAF)⁸ aimed to enhance the land's economic value for the owner, while the Department of Land Affairs (DLA) is responsible for establishing landowners' legal tenure security. The two Department's objectives must in combination increase the social security of the affected landowners through initiatives for sustainable forestry management, forestry enterprise development and integrated rural development. Initially DWAF defined its role as largely regulatory, with the administration of the Category A lease agreements. However this role has evolved through transferring ownership of state owned Category B and C plantations to communities, and has become compelled to maximise the development opportunities for the land owners. DWAF therefore needed to integrate its Land Management functions with Participatory Forest Management, enterprise development and other related strategies.

On reflection on the State's handling of the transfer of Category A plantations through lease

agreements to private partners, a number of lessons were learned that can help to inform the transfer of Category B and C plantations⁹:

- Develop clarity regarding all these post-transfer residual functions. Any function for which capacity is not in place should then be suitably analysed and capacity created in the appropriate Department.
- Clarity on what “duty of care” responsibilities the Department has over and above its legal monitoring obligations. In particular with the smaller Category B and C plantations what is the capacity of new managers to manage forests sustainably. Communities and small enterprises may need technical or financial support and clarity regarding the staffing and budgetary responsibilities of the Department in these cases is needed.
- Careful packaging of category B and C plantations in terms of the size, condition and dispersal of plantations. An integrated approach to packaging B and C plantations may assist in this regard, rather than treating them as separate processes.

4 Examples of key challenges regarding the transfer of Category B state plantations

There is evidence that the process of finalising land claims and transfers takes a long time, and this has unintended consequences including:

- Communities unable to benefit from the potential socio-economic opportunities associated with the transfer of the plantations;
- Communities not receiving the rental money they are entitled to; and

- Communities being in conflict with the State, companies that operate state forest land, and with each other.

The Forest Sector Transformation Charter process originated from the BBBEE Act, No 53 of 2003.

⁸ At the time of production of this Key Issues Paper, the Department of Water Affairs and Forestry (DWAF) was responsible for State Forest operations. The current custodian is the Department of Agriculture Forestry and Fisheries (DAFF).

⁹ Key Issue Paper for a Policy on Transfers of State Owned Industrial Plantations
<http://www.daff.gov.za/doaDev/sideMenu/ForestryWeb/dwaf/cmsdocs/Elsa/Docs/Transfers/KIP%20Policy%20on%20Transfers%202004.pdf>



The Forest Sector Transformation Charter's main objective is "To extend economic opportunities and benefits of the Forest Sector to previously disadvantaged black groups". The Sector Code applies to Growers, Contracting, Fibre, Sawmilling, Pole and Charcoal sub-sector. This Charter outlines the proposed targets and commitments by industry, government and labour in affecting sustainable transformation in and through the sector.

To address government obligations under the Forest Sector Transformation Charter, and as part of the National Land Reform Programme, the government has engaged in the process of transferring a number of State plantations to communities. While progress has been made, many of these projects have also experienced severe challenges:

a] Mbazwana-Manzengwenya Plantations

Approximately 19000 ha of state forest around Lake Sibaya in northern KwaZulu-Natal is set to be transferred to the three communities in the single biggest land reform project to date. The land is owned by the Ngonyama Trust, and is leased by the Department of Agriculture, Forestry and Fisheries (DAFF), which established the tree plantations.

However operations have not always run smoothly. The Tembe Mbila Mabaso Trust (TMM Trust) has negotiated with government for more than 10 years in a bid to take over the Mbazwana-Manzengwenya plantation lease. A massive capital injection is needed to restore the plantations to an acceptable level of productivity. Sections of the plantation were ravaged by fires and uncontrolled coppicing has taken place. In some areas, re-established compartments are overrun with grass and weeds. The forestry field office became run down and the money needed to rehabilitate the plantation operation escalated exponentially.

In 2015 it was reported that the plantations were finally in the process of being handed over to the Tembe Mbila Mabaso Development

Trust (TMM). The Trust has partnered with the NGO Lima Rural Development to a secure R80 million grant from the Jobs Fund and R20 million from DAFF to finance the community forestry project for the first three years. The money will be used to clear and plant 3 300 ha of temporary unplanted land, creating hundreds of jobs in an area where there are very little alternative employment opportunities. One of the key challenges for TMM is to ensure that jobs and business opportunities are spread fairly between the three communities. Themba said that the TMM team meets with the tribal councils regularly to report back and maintain open communication channels.

Partnerships have played an important role:

- Sappi Forests has an offtake agreement with DAFF for pulpwood from the existing plantation until 2018. This obligation will transfer to the Trust once the community forestry agreement has been signed.

- Awethu Forestry is currently harvesting poles, droppers and laths from compartments that are being cleared for planting. Awethu is a partnership between Rory Mack and local businessmen that has been supporting independent growers through marketing linkages for several years.

- TMM has partnered with Sunshine Seedlings who provide seedlings and clones for the project as well as training and mentorship. Seedlings are also sourced from Mondi and Enseleni nurseries.

It has been suggested that this Mbazwana-Manzengwenya model could be replicated elsewhere for the transfer of State plantations.

b] Rossbach plantation

A plan for transferring the Rossbach plantation to the Rossbach (Mukumbani) CPA was developed by all the affected stakeholders, namely, the Rossbach land claimants, DAFF and the Department of Rural Development and Land Reform (DRDLR). However in 2015 it was reported that there was a serious breakdown in communication



between members of the CPA, the Land Claims Commission (Department of Rural Development and Land Reform) and the Department of Agriculture, Forestry and Fisheries (DAFF). This was largely due to the ongoing delays in the transfer of the title deeds and post settlement support. In 2016 it was reported that the CPA was again in crisis this time due to accusations of maladministration within the CPA.¹⁰

c] Injaka plantation

A memorandum for the approval of 7 land claims on the farms Injaka 267 KU and Waterval 273 KU involving a total of 4337,84 hectares to the Injaka-Waterval Community was developed by DAFF in 2012. However the balance of the plantation was invaded by households from the communities, and a task team was established to deal with the invaded land. Plans were subsequently put in place for a formal township to be established on the invaded land (i.e. for it no longer to be managed as commercial plantations).

5 Potential alternative forest management systems

There is a need to identify an optimal forest management system to ensure long term sustainability of the state forest plantations transferred to communities. An assessment by Munyanduki et al. (2016)¹¹ investigated potential alternatives using perceptions of local communities:

- a] Joint forest management (JFM) which is the management of forests through sharing of roles, responsibilities and benefits between local communities and a partner (e.g. government)
- b] Company-community partnerships characterised by formal or informal relationships established between companies and local communities (individual or groups) in managing a forest with sharing of benefits and costs
- c] Community forestry management whereby the community individually manages the forest plantation either through an elected

management committee or through their traditional leadership

- d] Community user group management which is a variant of community forestry management whereby the forest is owned and managed by a specific group of people from the community

A set of indicators developed together with community stakeholders that were used for evaluating socio-economic sustainability and potential of alternative management regimes included:

- Provision of wood products and livelihoods improvement
- Prioritisation of communities to business and employment opportunities
- Facilitation of local communities' participation in plantation management decisions
- Participation in plantation activities

¹⁰https://issuu.com/zoutnet/docs/25_march_2016_limpopo_mirror_digita/4

¹¹ Munyanduki, P., W. Paxie, and F. Babalola (2016). A case study assessment of socio-economic sustainability and

alternative management regimes for state forest plantations in Limpopo Province, South Africa.



- Knowledge, respect and fairness of plantation ownership, management and use arrangements
- Effective management and resolution of conflicts and grievances

Results highlighted that communities perceived joint forest management to be the optimal forest management regime across all indicators while expressing total lack of confidence in managing the forest plantations communally. Optimal socio-economic sustainability in the post-transfers era can be achieved through joint decision-making

and formalised sharing of responsibilities and benefits between the communities and government.

A study on the evaluation of forest models for future settlement of forestry plantations under land claims (Mamba, 2013)¹² also suggested that claimants most preferred joint venture models due to its ability to transfer land as well as management skills jobs and empower communities etc. It further highlighted that forestry models should clearly address land ownership and other land use options (new homes, grazing etc.).

6 Way forward for Lowveld Plantations

Consideration of the issues outlined in earlier sections of this document have informed the following conclusions regarding risks and challenges associated with the delays in settlement of the land claim and future land use on the portion of the Lowveld Plantations identified for ongoing timber production (i.e. 5680 ha below the Watt Road):

- **Socio-economic consequences:**
 - Delays in settlement of the land claim are delaying the delivery of benefits to the claimant communities who as a result are unable to benefit from the potential socio-economic opportunities associated with the transfer of the plantations
 - Delays create a risk of conflict between claimant communities themselves, as well causing conflict between CPAs and DAFF and other government departments
 - Communities are unable to explore management regimes and land uses that could provide additional benefits from alternative land uses such as residential land or alternative land use practices (e.g. cattle production)

- **Consequences for the resource base:**

- The timber resource base is becoming increasingly degraded as a result of being ravaged by fires, areas remain unplanted and uncontrolled coppicing and spread of invasive alien species has taken place. The forestry field offices and infrastructure are not being effectively maintained. As a result the finances needed to rehabilitate and recapitalise the plantation operation are escalating exponentially.
- The natural ecosystems are also becoming increasingly degraded, with uncontrolled fires, soil erosion and alien invasive species as the main drivers of degradation. This degradation is having significant negative impacts on biodiversity and water production from the important catchment.

¹² Mamba, S. (2013). *Evaluation of forest models for further settlement of forestry plantations under land claims: The case of Jessievale and Roburna Forest Plantations in*

Mpumalanga, South Africa. MSc Dissertation, Faculty of Natural and Agricultural Sciences, University of Pretoria.



The following recommendations for a way forward have been identified:

- a] The future land use plan needs to take into consideration alternative land uses to meet socio-economic development needs of the claimant communities e.g. land for housing, access to resources (timber grazing). It cannot be assumed that the communities want the entire area to remain under commercial timber production.
- b] Appropriate management regimes need to be explored that will facilitate stability, accountability and transparency between the CPAs and with the communities. This process needs to be effectively facilitated to avoid potential future conflict around the management and equitable distribution of benefits from the chosen land uses.
- c] Effective partnerships are required to support the CPAs in order to:
 - i. Facilitate effective management of operations that ensures maximum economic and social benefits and minimises and mitigates any negative environmental impacts
 - ii. Secure and mobilise resources needed for re-capitalisation and development of timber production operations
 - iii. Transfer of skills and capacity to the CPAs and communities so that they can play an increasing role in the operations
 - iv. Implement responsible management to ensure the value of the assets remain intact

If the CPAs choose to use the land for ongoing commercial timber operations, then suitable partnerships will most likely include an existing commercial plantation operation with the

necessary skills and expertise, e.g. Komatiland Forests (SAFCOL). They have the technical capacity and a strong management presence in the area already. The existing KLF operations are FSC Certified which introduces the element of sustainable forest management (including environmental, social and economic sustainability). A partnership arrangement with KLF could for example take the form of joint forest management; however these details would need to be negotiated between the parties. Should KLF not be considered a suitable partnership, alternatives could include joint forest management ventures or timber supply agreements with SAPPI or MTO, which also have a strong presence and run FSC certified commercial timber production operations in the area.

Partnerships with NGOs skilled in community capacity development would also be required to enhance the CPAs' and communities' skills to participate in operations, take advantage of employment opportunities, and play an increasing role in management and decision making in the operations.

Finally, the finalisation of the transfer of the Lowveld Plantations requires co-operative governance and fulfilment of the roles and responsibilities by the respective Government Departments, including in particular the Department of Rural Development and Land Reform (including the Regional Land Claims Commission), Department of Environmental Affairs, Department of Public Works, and the Department of Agriculture Forestry and Fisheries. Delays in fulfilling these Departments' 'duty of care' responsibilities are resulting in direct negative impacts for the beneficiary communities and the natural environment in a critical water resource and biodiversity priority catchment



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AWARD is a non-profit organisation specialising in participatory, research-based project implementation. Their work addresses issues of sustainability, inequity and poverty by building natural-resource management competence and supporting sustainable livelihoods. One of their current projects, supported by USAID, focuses on the Olifants River and the way in which people living in South Africa and Mozambique depend on the Olifants and its contributing waterways. It aims to improve water security and resource management in support of the healthy ecosystems to sustain livelihoods and resilient economic development in the catchment.

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About USAID: RESILIM-O

USAID: RESILIM-O focuses on the Olifants River Basin and the way in which people living in South Africa and Mozambique depend on the Olifants and its contributing waterways. It aims to improve water security and resource management in support of the healthy ecosystems that support livelihoods and resilient economic development in the catchment. The 5-year programme, involving the South African and Mozambican portions of the Olifants catchment, is being implemented by the Association for Water and Rural Development (AWARD) and is funded by USAID Southern Africa.

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