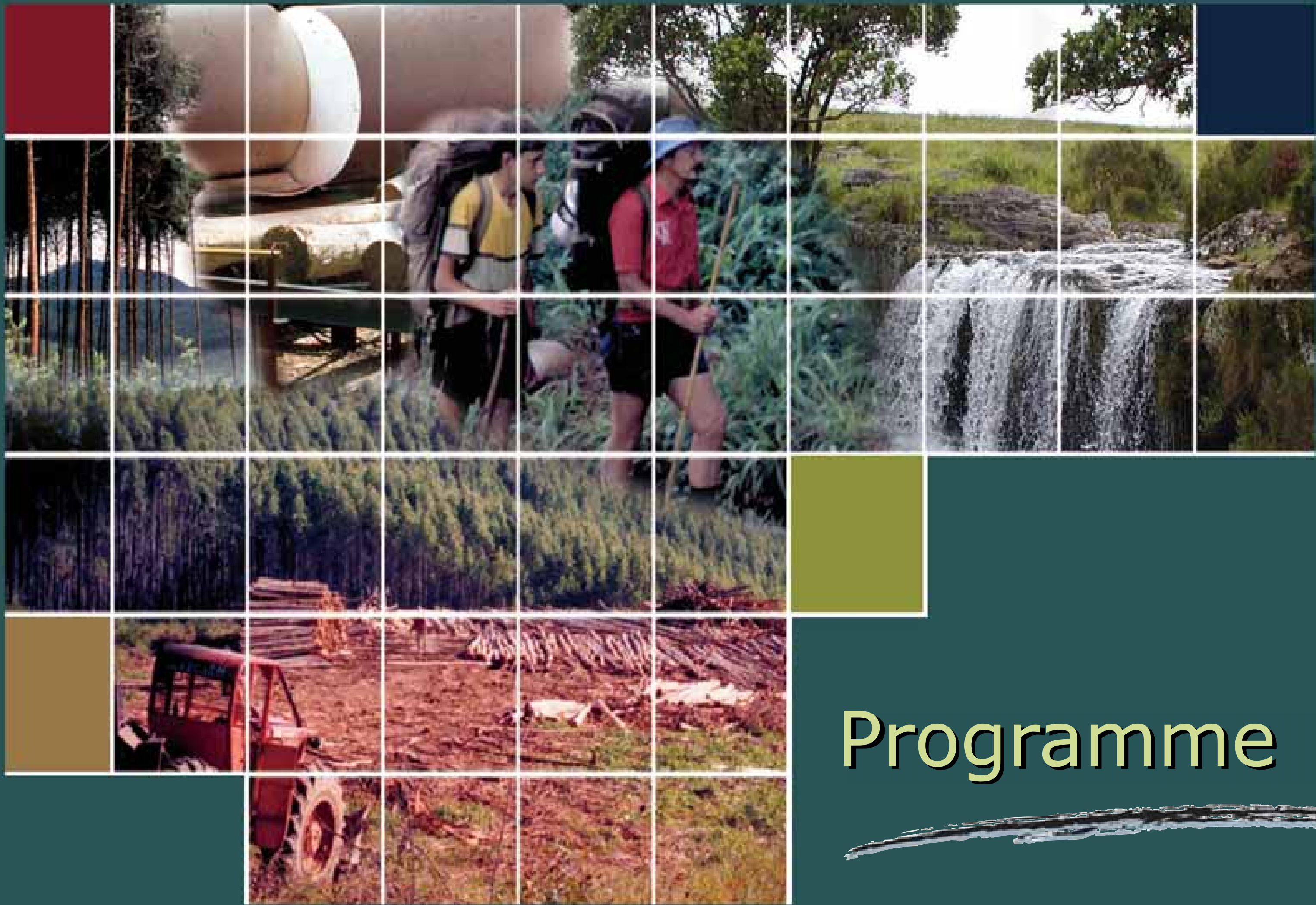

Forestry

Programme 4:

Purpose:

Promote the conservation of plantation and indigenous forests, and their commercial and community use, to achieve optimal social and economic benefits. Promote rural development through policy development, regulation, facilitation and monitoring and evaluation.

State of Forestry Sector Report

As part of its regulatory role, the Department is required under the National Forests Act, 1998 (Act No 84 of 1998), to provide an overview of the state of the forestry sector in South Africa. An initial State of the Forests report, which is required under the National Forests Act, is available in draft form. As from 2006, this report will be generated against the Criteria and Indicators for Sustainable Forest Management. This will provide understandable and useful information for monitoring, assessment, and management, and furthermore provide a standardised framework, against which year on year comparisons can be made more clearly.

This section provides summarised information on the state of the forestry sector in South Africa for the period 2004-5.

Forested areas in South Africa are largely covered by commercial plantations, both publicly and privately owned. The extent of these plantations are shown in Table 27. Natural forests comprise an area of only 533 669 ha or 0.4% of the land area of South Africa, while woodlands occur on 29 302 316 ha or some 24% of the land area[1].

Table 27: Commercial Plantations

Period	Extent Public ha	Extent Private ha	Total ha	Sustainable Forestry Certification	Number of people directly employed in plantation sector[5]
2003 -2004[9]	305 962	1 033 320	1 339 282	1 088 071 ha	67 469[10]
2002 - 2003[1]	305 286	1 066 339	1 371 625	1 088 071 ha	60 000[6]
2001-2002[3]	322 525[4]	1 028 877	1 351 402[5]	1 006 500 ha	No reliable figures
2000-2001[7]	380 663	971 097	1 351 760	1 006 500 ha	No reliable figures
1995[8]	421 100	1 065 900	1 487 000	-	Figures not comparable – employment data does not include former homeland areas

Comments:
1 2002 -2003 Timber and Roundwood Statistical returns, DWAF 2004
2 Forestry and forest products facts 2003 R. Godsmark 3.2001-2002 Timber and Roundwood Statistical returns, DWAF 2003
3 2001- 2002 Timber and Roundwood Statistical returns, DWAF 2003
4 Public managed forest areas have decreased due to plantation transfers
5 Total Plantation Forest areas have decreased due to the effect of improved environmental management, conversion to other land uses and fires.
6 LHA – Sector Survey 2003
7 2000-2001 Timber and Roundwood Statistical returns, DWAF 2002
8 National Forestry Action Plan State of Forestry Report, DWAF 1997
9 2003-2004 Draft Timber and Roundwood Statistical returns,

[1]Due to the high cost of re-measurement and mapping, information on the area of natural forest and woodlands is updated at most every five years and this information is from the National Forest Inventory conducted by DWAF in 2003.

Table 28: Natural Forest and Woodland Areas

Natural Forests Extent		Natural Woodlands Extent	
State	Privately or Communally owned	State	Private or Communally owned
287 845 ha	245 824 ha	6 956 152	22 346 164

As the government is in the process of moving away from direct management of forests, to the role of policy maker and regulator, an extensive process of leasing of plantation land has been embarked upon.

Table 29: Land Leased to Private Consortiums

Period	No. of tenants	Extent (ha)	Rentals (R)	Money distributed to land owners[2]
2005	4	117 7069. 8253 ha	14 094 199.55	None
2004	2	10 6125. 9237 ha	11 223 625.80	None
2003	2	10 6125. 9237 ha	10 932 271.02	None
2002	2	10 6125. 9237 ha	11 436 899.12	None
2001	2	10 6125. 9237 ha	10 858 159. 23	None

Table 29 shows the extent of land already leased to private consortiums made up of existing forestry players and empowerment partners.

ECONOMIC AND FINANCIAL

Note: These figures are collated from the DWAF 2003-2004 Annual Statistical Returns from the Commercial Forest Industry and Forestry South Africa. They reflect the situation for 90% of the commercial forestry estate in South Africa.

Table 30: Value of Timber and Timber Product Sales (Billions of Rand)

Product	2000/1	2001/2	2002/3	2003/4
Sawn and Planed Timber	2 078.72	1 867.73	2 095.08	2098.3
Wooden Poles	246.81	164.37	173.89	194.53
Mining Timber	140.77	108.47	264.18	178.54
Wood-based Panel Products	626.38	594.67	942.51	906.73
Wood pulp, Paper and Paper Products	6 838.37	8 641.73	8 362.23	8857.58
Firewood	0.13	0.10	.10	.18
Wood Chips	1 248.13	1 479.36	1 917.47	1716.08
Mill residues	23.06	28.73	55.48	147.85
Charcoal	64.74	101.03	107.72	57.42
Other Products	599.33	820.56	672.03	604.378
Total	11 866.33	13 806.75	14 590.74	14814.88

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[2]These lease rentals are being held in trust pending the clarification of tenure through the land reform process. After these processes are complete the money will be disbursed to the identified beneficiaries.

Table 31: Contribution of the Forestry Industry to GDP

Forest Industry Contribution to Gross Domestic Product (Real)	1993	2002	2003	2004
Forestry (roundwood sales) GDP (Rbillion)	2.23	3.27	4.08	4.22
Forestry - Contribution to Agriculture, Forestry and Fishing GDP	6.3%	7.8%	9.7%	Not available
Forest Products GDP (Rbillion)	13.17	13.89	14.59	14.81
Forest Products - Contribution to Manufacturing GDP	7.4%	7.0%	7.0%	Not available
Forestry and Forest Products - Contribution to Total GDP	2.01%	1.52%	1.54%	Not available

Table 32: Capital Invested in Primary Round wood Processing Plants (including pulp & paper, board and panel manufacturing, chipping plants)

Period	Capital Invested
2003-04	R20 746126 554
2002-03	R18 943 000 000
2001-02	R17 831 000 000
1994	No records from 1994

Source: Godsmark, Forest Owners Association, 1995; FSA 2004 and Stats SA

Changes in the Forestry Sector

There has been no major change in the area under saw timber and pole production since 1993 (Table 13). The major change has been in the shift of area to the production of pulpwood, some 44% increase and a corresponding decrease in the area producing mining timber. The area under softwood pulp has also remained largely constant over the last 10 years while the area under "other eucalypts" notably hybrids, has increased significantly.

In recent years the rate of new afforestation in South Africa has declined considerably due to a number of factors, such as suitable forestry land becoming increasingly scarce and a tightening of the procedures for the granting of the necessary water use licences. A reported 7418 ha of new planting occurred in 2002-2003 and 1995 ha in 2003-2004.

This minimal increase in area, is compounded by the conversion of existing plantations to other land uses. Some of this has conversion has been from timber to agriculture, but most of the area has been restored to its natural vegetation as a result of the introduction of environmental audits and FSC certification which ensure that riverine areas, river valleys and wetlands are restored to their natural vegetation.

The private sector was responsible for 62.1 % of the reported new afforestation (1995 ha). 36% of the newly afforested area comprised areas planted to Eucalyptus trees, 46 % to softwoods, 15% to wattle trees and the balance of 3 % to other hardwood species. This new afforestation occurred mainly in KZN, Mpumalanga and Limpopo provinces with no new afforestation reported for the Eastern Cape.

There has been a marked increase in damage to plantations over the past few years. Drought was the second largest cause of this damage, after fire, while also contributing to the increase in fire damage.

Table 33: Damage to plantations

	1993	2002	2003	2004
Fire	19 915	16 727	28 983	28 326
Other Causes	10 532	2 022	3 766	12 903
Total	30 447[1]	18 749	32 749	41229

1 Forest Owners Association, 1995; DWAF
2002 -2004 figures from annual Timber and Roundwood Statistical returns, DWAF.

National Veld & Forest Fire Act

National Veld & Forest Fire Act Implementation

Until December 2004 there was no National database for veldfire incidents in the country. DWAF has now developed this database as the National Veldfire Information System (NVIS) and has embarked on a campaign to encourage and train role players to input veldfire data into the system.

The operation of the National Fire Danger Rating System (NFDRS), an early warning system for veldfires, has been delegated to the South African Weather Service (SAWS). The SAWS will operate the system and give veldfire warnings, on a daily basis. The DWAF Veldfire Bulletin was produced each quarter as well as special bulletins as needed. This proved to be a valuable communication tool. A Veldfire Risk classification map was produced which classifies municipalities in terms of their veldfire risk. More than 70% of the country is extremely high veldfire risk.

DWAF received more than 120 notices of intention to apply for registration as FPAs. Most of these are currently drawing up their business plans (containing veldfire management strategies), which are required for registration purposes.

A web-based system for candidate FPAs to apply for registration enables role players to see the status of FPA registration and contact details for FPAs on line.

Table 34: Number of registered Fire Protection Associations (FPA's)

Period	No of FPA's Registered fully	No of FPA's Currently being evaluated	No of FPA's Deregistered	Extent of area over which an FPA is operating (ha)
2004/5	51	1	0	30 090 000
2003/4	4	10	0	711 700
2002/3	0	0	0	0

Main Achievements

Plantation Forests

Two leases of state plantations were concluded during the 2004/5 financial year. These lease transactions are part of the restructuring of SAFCOL which, it is anticipated, will be finalised during 2005/6 with the conclusion of the Komatiland forestry lease, which has been delayed while the proposed transaction is considered by the Competition Commission.

A consequence of the Mountain to Oceans (MTO) lease transaction was the re-incorporation of approximately 13 000 ha of State forest land under management of the Department. This land was previously managed by SAFCOL and had been clear-felled in accordance with the decision to phase out plantation forestry in the Southern and Western Cape in terms of the Cape Conversion Program. SAFCOL has been appointed, under delegation, to assist the Department to manage these residual areas for a period of two years, at which time they are scheduled together with the adjacent mountains catchment, for release back to the Department of Public Works as they are no longer required for forestry purposes. Progress was made in discussions with Western Cape conservation authorities and SANparks, about allocating the management of these areas to them, as part of consolidating the longer term management control over former forestry areas, under more appropriate agencies. The Department will continue to support the initiatives of the Cape conversion program until the end of the delegation with SAFCOL, whereafter the process will be managed as part of its ongoing lease administration obligations towards MTO.

The transfer of the Department's remaining plantations has not progressed due to a number of challenges posed by the need to reach agreement with key stakeholders. The plantations must be disposed of in a manner that recognises the role of the rightful owners of the land on which the forests have been established.

The plantations have been re-grouped into management clusters reflecting their forestry potential in the context of their transfers to communities. Steps are being taken to complement the Department's capacity to manage the plantations, until they can be transferred to rightful owners. These assets represent an important opportunity for strengthening and re-generating local economies and to achieve the objectives of BBBEE.

Indigenous Forests

A notable achievement during the past year, was the finalisation of the delegation to SANParks of the management control over approximately 97 000 ha of State Forest land in the Southern Cape and Tstikamma areas. SANParks as a conservation agency will manage these natural forests in terms of all the provisions of the National Forests Act, 1998.

A further 1000ha of plantation forests at Tokai and Cecilia were transferred to SANParks for incorporation into the Table Mountain National Park. SANPARKS will manage the lease with MTO for the duration of the conversion process and during the time that the forest company clear-fells the plantation area. It is expected that the land will thereafter be released from the provisions of the NFA.

The Lowveld plantation exit strategy to incorporate 11 000 ha of plantation area into the National Parks system is at an advanced stage. There are 12 000 ha of indigenous forests included in the plan. In collaboration with DEAT a comprehensive exit strategy that takes the broader local economic impact into consideration should be completed during 2005-2006 financial year.

Table 35: Key Outputs & Service Delivery Trends

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 1 Ensure the sustainable development and management of plantation forestry to optimise equitable economic benefit, particularly in rural areas	Revenue from remaining State plantations optimised	Quarterly reports to FFMC and financial & Statistical returns	Revenue increased by 20, 5% from 2003/4 from R39, 795 million to R47, 934 million
	Options for interim rehabilitation and transfer of plantations and related state assets, developed and structures established	Options Report Management plan	Remaining plantations re-grouped into categories, revised draft policy under consideration and transitional management arrangements being made
	HR workforce Issues resolved	Quarterly reports to FFMC	Report due in 05-06 on staff profiles
	Critical paths for transfer of remaining plantations established and transfers begun within framework of policy	Business Process Model approved by RCC	Amathole and MTO packages concluded
	Potential partners/managers identified	Report to FFMC	Successful bidders managing plantations
	Models for transfers implemented according to policy	Signed agreements between DWAF and communities	Agreements to be reached once draft policy (see above) is approved
	Non-viable forest plantations released	Deproclamations approved by Minister	Release will take place once draft policy (see above) is approved
KFA 2 Ensure the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits	Prioritised strategy for efficient management of State indigenous forests established	Cluster-level Forest Prioritisation Plans approved by FFMC	A standardised management Planning format has been developed in order to arrive at a prioritised strategy

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 2 Ensure the sustainable development and management of indigenous forests to optimise their social, economic and environmental benefits	Communication of the management strategy for State indigenous forest areas completed State indigenous forests managed sustainably according to the prioritised plan Critical paths for transfer of State indigenous forest established and transfers begun within framework of policy	Quarterly reports to FFMC Quarterly reports to FFMC Audit Reports Business Process Model approved by RCC Transfers approved by DG	Dependent on above strategy State indigenous forests were managed according to the existing plans Policy on transfers of indigenous approved Transfer of Knysna complex to SANParks concluded
KFA 3 Ensure sustainable forest management in South Africa by developing effective oversight of the sector and facilitating co-operative government	Forest Information System live and accurate Work on 2005 state of forest report consolidated All leased plantation forests managed in terms of the lease Ensure compliance with all transfer agreements 100% rentals collected (as applicable) Timeous payments to land beneficiaries and the possibility of transferring this function to appropriate agents investigated	System used by Department and relevant stakeholders Quarterly Reports to FFMC Annual reports from relevant managers Annual reports from relevant managers evaluated Systems in place to audit and collect rentals Reports to Auditor General and CFO	Procurement problems with server and PSP prevented achievement C+I approved by CSFM for Gazetting All audits of leased plantations conducted Report submitted All rentals collected Cannot be done until underlying land rights resolved by DLA. Ministers and DG's of DWAF and DLA are addressing the matter

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 3 Ensure sustainable forest management in South Africa by developing effective oversight of the sector and facilitating co-operative government	All delegated indigenous forests managed in terms of agreements	Audit and management systems in place and operating and corrective actions implemented	First report on Knysna due in 05-06
	Amendment Bill passed by Parliament, regulations promulgated and communicated	Regulations brought into effect Licence applications processed timeously	Draft Ammendment Bill submitted to Portfolio Committee for consideration
	Appropriate training in SFM using training providers facilitated	Relevant training courses and standards for forestry training in place to suit needs of the sector	Engagement with DoL on accredited sector training standards. 200 DWAF employees in clusters and national office, received training in Participatory Forest Management
	SFM Research strategy approved and applied	Research strategy approved by FFMC and adopted by sector representatives	Not in place. Research strategy to be initiated in 05-06
	Criteria, indicators & Standards of SFM, rolled-out in DWAF managed State forests	C, I & S used in management and reporting processes for State forests	Extensive training provided to DWAF managers on use of C+I. Manuals for use and reporting being developed
	Co-operative governance structures to promote forestry vision established	Vision incorporated into strategic and business planning	Vision significantly influenced strat planning process for next MTEF cycle. Strategic objectives incorporated into 05-06
	Approved strategy to enhance the profile of Forestry	FFMC approved strategy	DWAF published strategic plan Strategy for revised NFP (which would also serve as strategy for profiling forestry) approved by Minister
	Resources required to enhance effective oversight of SFM identified and ring-fenced.	Report to FFMC and RCC	Discussions held internally around re-alignment of budget between Policy and Regulation and Operations. Engagement with potential funding donors
	DWAF's Policy on its role in woodland management clarified and approved	Policy approved by FFMC	Draft policy served before FFMC, but still being revised

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 3 Ensure sustainable forest management in South Africa by developing effective oversight of the sector and facilitating co-operative government	Agreement reached on custodianship of Fire Act and transfer to appropriate Department initiated	Report on institutional home for forestry approved by Minister	Report approved indicating that DWAF is most appropriate agency
	Responsibilities in accordance with NVFFA implemented	Quarterly reporting to FFMC	Excellent progress (See details in State of Sector report above)
KFA 4 Promote sustainable forest management in Africa and internationally	Co-operation with SADC countries implemented according to Forest Protocol	South African strategy in respect of SADC forestry protocol approved	Discussions with FAO to assist in strengthening ability of signatories to implement the protocol
	Active participation and leadership in UNFF	Quarterly reporting to FFMC	Effective representation at UNFF-4 in May 2004
KFA 5 Ensure that communities and disadvantaged groups are empowered to make use of tree and forest resources to support sustainable livelihoods	Strategy for expansion of forestry integrated with restructuring strategy for E. Cape	Strategy approved by FFMC	Draft policy on Transfers incorporates possibility of synergy between expansion and transfers
	Elimination of SFRA licensing backlogs supported	Quarterly Reporting on SFRA Licence approvals to FFMC	Most backlogs reduced in Eastern Cape and maps for possible new afforestation in KZN approved
	Wattle jungle licensing strategy projects licensed as per agreed strategy approved an implemented	Quarterly Reporting on wattle licence approvals to FFMC	Strategy revised as strategy for invasive alien plants
	DWAF's national forest enterprise development strategies in place and implemented	Role agreed, strategies approved by FFMC	Numerous projects ongoing in Clusters according to plans. Input extensively into sector growth and development report, commissioned by DTI and PPAMSA
	FEDO established as a national programme	Monthly reports to FFMC	Proposed structures to drive FED in D: Participatory Forestry being developed

KEY FOCUS AREA	OUTPUTS	SERVICE DELIVERY INDICATORS	ACTUAL PERFORMANCE
KFA 5 Ensure that communities and disadvantaged groups are empowered to make use of tree and forest resources to support sustainable livelihoods	Existing forestry enterprise initiatives completed as per project plans	Monthly reports to FFMC	Numerous projects ongoing in Clusters according to plans
	Forestry enterprise support initiated in priority ISRDP areas	Forestry-based enterprises established and functioning	SEA done for ISRDP areas in KZN to expedite the issuing of licenses for afforestation on approximately 70 000 ha
	Strategic FED partnerships established and maintained	Partnership MoU Agreements signed	Partnerships maintained with: Forestry SA (FSA); Food and Trees for Africa (FTFA); WfW; Limpopo Provincial Dept of Economic Development
	Support provided to relevant authorities for integration of forestry into provincial & local development planning	Strategies incorporating forestry approved by relevant management structures	Forestry incorporated into the PGDS's of both Limpopo and Eastern Cape Provinces. Process to include it into Mpumalanga and KZN Provinces started
		Guidelines on incorporation of forestry into IDPs & PGDS approved by FFMC Background paper presented to FFMC	Paper presented and supported at FFMC. Resultant strategy to be developed in 05-06
	An analysis of the role of woodlands in firewood supply, in collaboration with DME, completed	Integrated firewood strategy between DME & DWAF	Key Issue Paper presented to FFMC
	Work has to be initiated	Charter development process in place	Extensive engagement between departments, but as yet unresolved principle concerns Several Key Issue Papers prepared. Arrangements in place for launch of BBBEE Indaba with sector in April 2005