

# The South African Forestry Sector – Economic Recovery and Reconstruction

FP+M SETA Skills Summit 15-16 March 2022

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# WHAT ARE WE RECOVERING FROM?

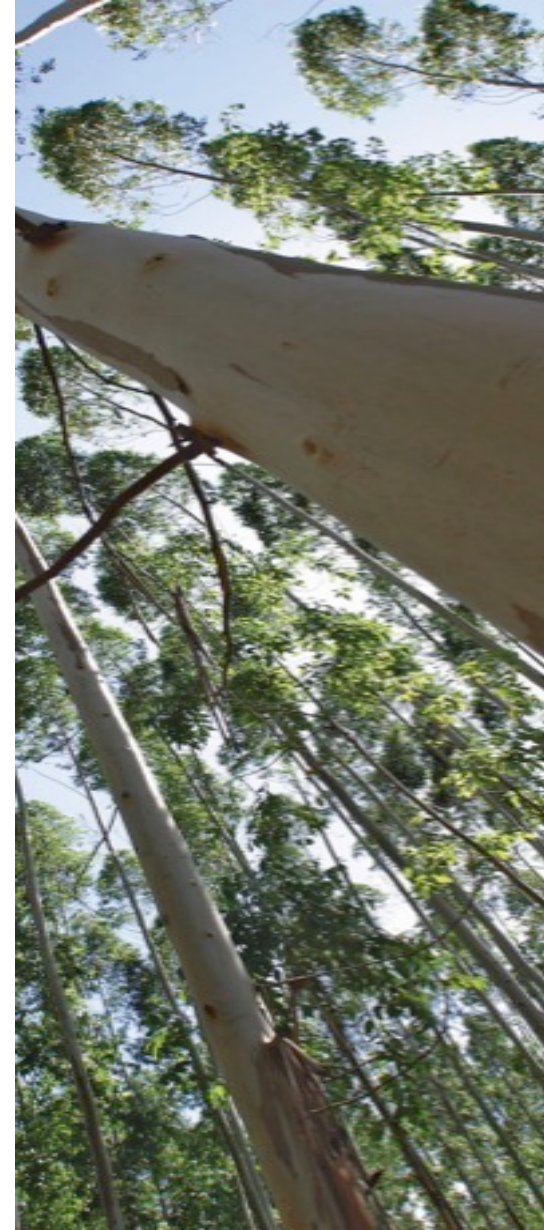
- 2008 NCA and GEC
  - 22M m<sup>3</sup> /annum to 16M m<sup>3</sup>
- Decade of disaster – State Capture
  - Zondo report suggests only R5.7m stolen from SAFCOL but impact on sector through State Capture project much bigger
  - R1 trillion which didn't go to the people in whose name it was mis-appropriated - salted away offshore
- COVID 19 Impacts in 2020
  - R5billion loss – State intervention helped dramatically
- Failed insurrection – 2021
  - R656m loss
- Loss of plantation area – DFFE failures Forest protection WC fires MoU NVFFA, FPAs, conversion to other land uses





# WHAT ARE WE DOING ABOUT IT?

- Public Private Growth Initiative (PPGI)
  - SONA 2018 - *Thuma Mina*
  - Agreed to with the President in April 2019
  - Approved by the Economic Cluster of DGs in June of 2019
  - Industry committed to R23.9 billion in new investments
  - 108 000 jobs - 5000 artisanal jobs
  - Level 3 BBBEE rating for the Sector
  - Increase contribution to GDP from 1.9% to 2.5%



# PPGI Commitments:

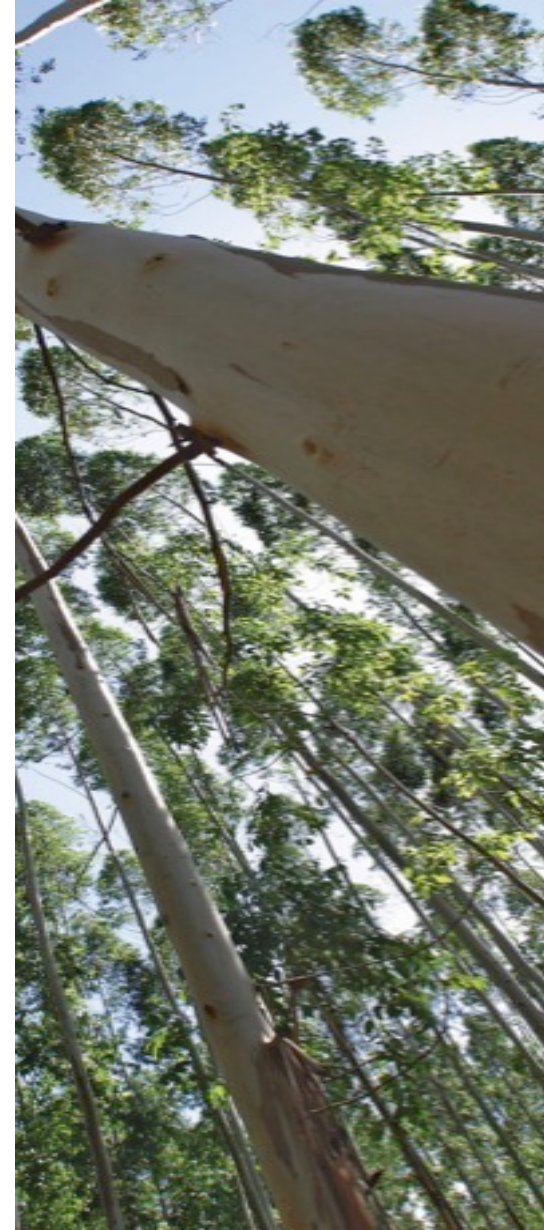
- Expansion and upgrading of 4 pulp, paper and bio-refinery plants in KZN and MPL
- Expansion and modernisation of 10 sawmills in 5 provinces
- 25MW renewal energy plant in MPL
- Planting of 151 000ha of new plantations in EC, KZN, MPL and Limpopo
- Recapitalisation of 26 500ha of plantations lost to fires, pests and diseases in WC, EC and KZN
- Recapitalisation of 46 320ha of State-owned Cat B and C plantations in EC, KZN and Limpopo
- Implementing the 10-year old Cabinet decision, to recapitalise 26 500ha of plantations in the WC and MPL





# HOW ARE WE DOING?

- PPGI was channeled into Forestry Sector Masterplan
  - Frustrated at first - couldn't afford any more implementation delays
  - Embraced it as it went beyond the PPGI - which only included mega-projects
  - Meetings being held (somewhat haphazardly) but most critical DFFE responsibilities have not been met
- Industry has made good on investments R11.7billion since we agreed to PPGI
- Successes in water, crime, funding for black participants, renewable energy
- Encouraging signs - logistics



# SMME support

- ESD and SED are two critical elements of the BBBEE scorecard. Areas where Industry traditionally scores highest
- Extremely encouraging CSI narrative available on website which showcases just some of the support programmes which our members are driving







### Education

By investing in promoting education and artisan skills we are nurturing tomorrow's talent pool. Prioritising funding for Early Childhood Development has been proven to be the most effective means of building capacity in youth from our communities.



### Health and Welfare

Focuses on removing the barriers to accessing healthcare services in the rural communities - the home base for the industry's workforce and plantation neighbours - and providing HIV/Aids awareness and management programmes.



### Engagement and Upliftment

By providing support, guidance and engagement to initiatives that aid the growth and development in community, ties are being formed between communities and the private sector that will build stronger communities for future generations.



### Food Security

Project addressing the availability and access to a healthy diet. Food security in rural communities is a major challenge with adults and children going to bed hungry which negatively impacts performance at work/school, quality of life and their health.



### Enterprise and Supplier Development

To remain healthy in business requires investment in smaller suppliers. By assisting communities to establish forestry-related businesses creates all forms of enterprises that deliver numerous products and services to forestry companies and communities.



### Community Infrastructure

Focusing on projects that service rural communities through the construction and maintenance of roads, low-profile bridges, educational facilities like classrooms, laboratories and libraries, residential infrastructure and churches.



### Environment

Properly managed and developed the patchwork forestry landscape that includes great swathes of natural ecosystems, could have a key role in the protection and conservation of ecological services and biodiversity, benefitting future generations.



### Recreation

Increased emphasis is being placed on being outdoors in nature and improved mental and physical health. The forestry landscape provides many forms of outdoor recreation and environmental education opportunities that promote wellbeing.



### Disaster Response

In response to the Covid-19 pandemic and civil unrest, many forestry businesses have launched some form of disaster response initiative, stepping up when the communities they neighbour need them the most.

"Although our CSI initiatives may not hold value in the joint industry's profit and loss statement, to us and our neighbours, it is one of the most tangible and easily recognised brands of who we are – *the socially-caring and environmentally-friendly Forestry Sector*." - **Michael Peter, Executive Director, Forestry South Africa**



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- Beyond company-led programmes, FSA has its own Business Development Programme
- Grown from being focussed on our thousands of SSG's who have entered through JVs with our members to include all new entrants - land reform etc
- Focus is on education, training, funding and information sharing
- Major partnerships with the FSCC and SETA for training and showcasing women in forestry





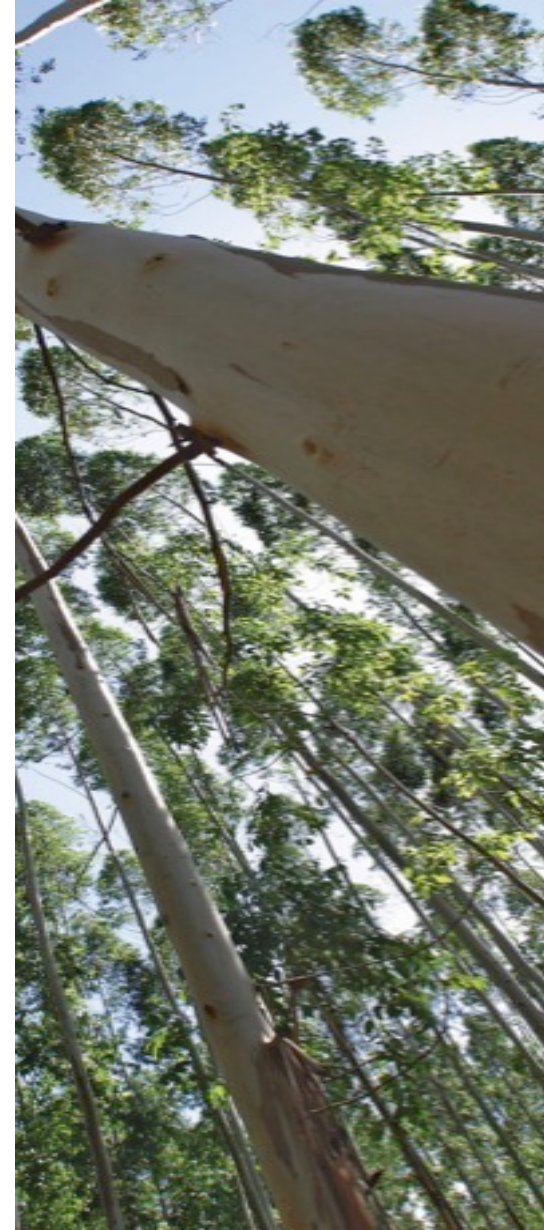
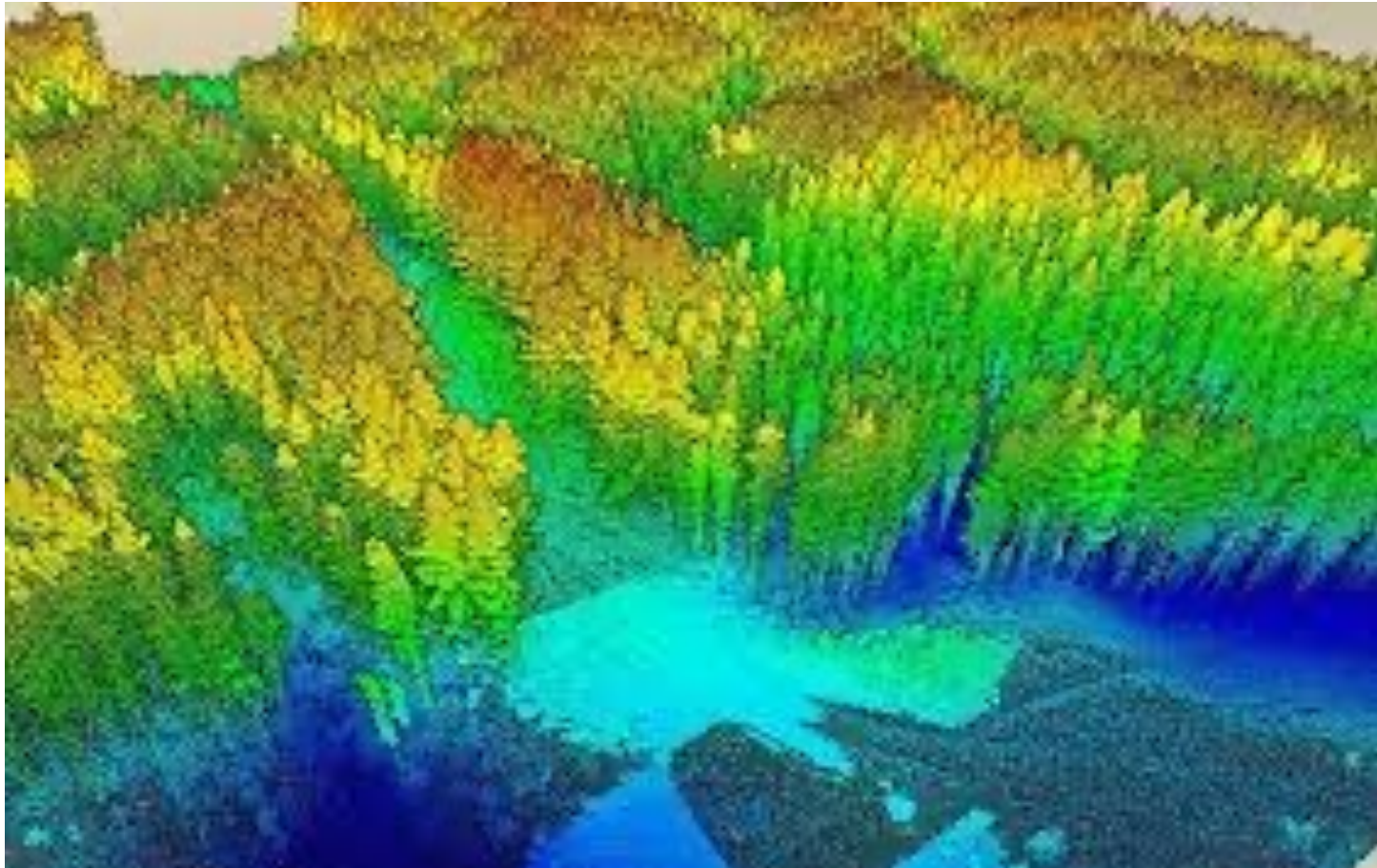
# FORESTRY EDUCATION AND TRAINING:

- Graduate placement
  - Worked with HEIs for last 15 years to shape curricula - serve on all their Boards
  - Worked to match supply and demand
  - Forest21 programme - SA, Norway, Finland
    - Generous funding by Erasmus+ grant from EU
    - Strong focus on entrepreneurship
    - NB because of the changing world of work
- TVET skills
  - Again the nature of forestry work is changing
  - Masterplan requires a skills audit for the Sector with FP+M SETA











- Five years ago people scoffed at drones in forestry
- Private timber growers now buying drones
- Modernisation also seen in forestry operations
  - Semi-mechanised planting and harvesting
- FSA-led mobile winch - same as grower toolkits
  - FSA UKZN DSI SETA
- Not all AI is around replacement of manual operations
  - Highly successful VR Chainsaw application
  - FSA-FP+M SETA collaboration
- HRDC states that *“The foundation therefore, for a dynamic and successful PSET system, is a strong job creating (inclusive) economy, as a first imperative...”*
  - “...which must constantly regenerate and develop fit for purpose skills”*
  - “...PSET sector’s ability and agility to rapidly adapt to new global interrupting shifts...”*





We need to focus our TVET and HEI programmes to the new skills needed to match the changing world of work and we need to push entrepreneurial education and training, as this is where the opportunities for growth and employment reside, as has been seen in the ESD programmes of the Sector



# FSA Contributors

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