

Student Challenge Title: Optimal and appropriate forest business models for future management of State plantations earmarked for recapitalization.

Participating institutions: Fort Cox (FCAFTI), Aalto, Univen, TUT

Hosting institution: Fort Cox (FCAFTI)

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The South African commercial forestry land cover experienced a drastic decline soon after the introduction of the Water Act in 1998 from 1.5 million to 1.2 million hectares, and in recent times gradual declines resulting from the conversion of forest plantations into agricultural land uses (e.g., macadamia and avocado) has been observed. Failed land reform projects with timber assets pose a threat to the sustainability of fibre supply for the forestry-based industries in the country. This trend has a huge impact or implications on the supply and demand of timber and remains a significant threat to the sustainability of the forestry industry as well as to the job security of the many rural dwellers who depend on the forestry industry's activities for their livelihood. Although, it is important to note that post-1994, the government enacted forestry policies that seek to empower the previously disadvantaged black communities through participation in various drivers of the economy including forestry.

To enable this policy initiative, the South African government took a position to pursue the regulatory mandate rather than playing a technical or active management role of the State Forest plantations. Hence, the Category A plantations were privatised while the majority of the Category B and C plantations remained under the management of the now Department of Forestry, Fisheries and the Environment (DFFE). The recent approval of the commercial forestry master plan has necessitated that Government strongly forges ahead with the implementation of the recapitalization programme through the transfer of these State plantations to new managers. The total area to be transferred is 85 430ha and 27 637ha of it is in the Eastern Cape Province, where Fort Cox Agriculture and Forestry Training Institute is located. The Category B and C plantations will be soon transferred to the ownership and management of the rural or local communities or any interested individuals. Taking into consideration the level of technical knowledge and skills requirements as well as capital resources to sustainably manage plantation forests, rural communities would, without a doubt, require some support after the transfer. On the same note, several studies have suggested that beneficiaries of the forest-based land reform projects possessed limited or no forestry technical knowledge and skills to manage the plantations on the land transferred back to them.

However, the element of elitism has been touted as a main challenge when dealing with the management of community forest-based projects. Literature suggested that benefit-sharing mechanisms amongst the beneficiaries of community forest-based projects must be defined to reduce the conflicts and improve the productivity and impact of the project. Hence, it was important for the forestry industry and the government to develop and introduced various settlement models to ensure that forestry land use remains productive. These models include the lease-back model, community forest enterprise with two options (i.e., the community manages its own land and trees, and the previous landowner keeps the land and trees management role on behalf of the community) and joint venture. Noteworthy, these models focused on the forestry land rentals and stumpage fee mechanisms to accrue benefits to the beneficiaries while processing plants or mills under the management of the existing

forestry landowner (i.e., private companies from whom the community claimed the land) were excluded in the agreement. It is, therefore, important that the planned transfer programme of State plantations ensures that the beneficiaries manage these plantations in an economically beneficial, socially acceptable, and environmentally friendly way.

Tasks:

Considering national interests in this student challenge, the knowledge generated from this student challenge will be vital as it would address the real-life challenge of which the DFFE and Forestry Industry are in pursuit to achieving effective and beneficial implementation of the commercial forestry master plan. The participating students in this student challenge will be expected to analyse different existing or earmarked business models designed for the transfers of State plantations and/or settled forest-based land reform claims and recommend relevant improvements. Therefore, the expected deliverables that the students will have to come up with include:

- a) business models for setting up sustainable community-based forestry enterprises.
- b) business systems to improve conflict management and broad-based benefit sharing in community-owned forestry enterprises.
- c) guidelines on the business support systems that are required to ensure the sustainability of newly formed community-owned forestry enterprises.
- d) an outline of the post-settlement support that is required by new beneficiaries of State plantations and land claim beneficiaries.

The following areas will be visited to provide context to the student challenge and to give an opportunity to the students to relate with the real-life challenge situation. The participating students will be able to gather data or information for the analysis and recommendation of the appropriate business model that should be adopted for the transfer of the category B and C plantations.

- a) Cata community beneficiary (this community's land claim was settled as the first betterment claim through restitution)
- b) Mnyameni plantation (this is a plantation owned by DFFE which is due for transfer to either a community, interested individual or company)
- c) Katberg plantation (this is a plantation owned by DFFE which is due for transfer to either a community, interested individual or company)
- d) SA Fined Tuned Trading (Small Medium Forestry Enterprise)
- e) Rance Timbers Sawmill (Forestry private company)

Expected learning outcome.

Through this student challenge, the students who will participate in the challenge will be empowered with knowledge, skills and competencies as follows:

- a) Understanding the dynamics and state of the South African forest plantation ownership and tenure
- b) Clearly understand the rural communities' level of involvement and potentials for engaging or participating in the management of the forest plantations.
- c) Understand the South African legislative framework and policies enacted to redress the historic alienation of the black communities to actively participate economically.

- d) Develop analytical skills through working in a multicultural and/or multidisciplinary team setup.

Mentoring Plan:

- Introduction to the challenge and tasks (virtually and face-to-face)
- Provision of calendar of daily activities
- Regular mentoring by supervisors and student feedback
- Final report and power point presentation

Evaluation Plan:

The students will be required to prepare and make a PowerPoint presentation in groups (*i.e.*, 15 minutes presentation and 5 minutes questions). The scoring of the presentations will be conducted by a panel comprising of the supervisors, institutional coordinators, and industry partners. The group with overall best presentation will be given some token gifts. All the students will be given a certificate of participation in the challenge.

Quality Plan:

Supervisor and hosting institutional coordinator share responsibility to lead the quality assurance (QA) work at the student challenge. It includes pre-challenge coordination of QA work, communication of QA goals to all participants (mentors, students, industry partners and consultants. The QA data must be collected by questionnaires, minutes from mentors' meetings and reflection report. The QA data collection must be completed before the formal end of the challenge and reported to the Quality Manager.

Supervisor(s):

Pamela Ngui

Institutional coordinators:

Prof. P. O. Adesoye (UNIVEN)

Prof. P. Soundy (TUT)

Dr. R.P. Tshidzumba (FCAFTI)

Industry Partner(s):

- DEFF National and Regional Offices (Challenge Owner)
- SA Fine-Tuned Trading
- Rance Timbers Sawmill
- Border Rural Committee (BRC a Non-Governmental Organization)
- Schenk sawmill
- Forestry South Africa

Consultants:

- Agribusiness lecturer: Ms. Lasini-Zaza (ully28@gmail.com)
- Agribusiness lecturer: Mr. Tafa Sanelise (sanelisetafa@gmail.com/stafa@fortcox.ac.za)
- Forestry Lecturer: Mr Makhubele
- Agricultural Economist: Prof. Mushunje A (mushunjea@ufh.ac.za)
- DEFF officials: Mr Mathiane Tebogo (tebogom@dff.gov.za)
- SA Fine-Tuned Trading: Mr. Bushulu Mlungiso (mlungisib@gmail.com)

- Forestry industry partners officials (Rance Timbers/Amathole Forest Company)
- Forestry industry land commission chairperson
- Blessing Karumbidza (karumbidzab@tut.ac.za)