

Partnering with forestry land reform communities



Mbongeni Sibiya, chairman of the Kewulane Community Trust and Mondi Forestry Partners head Jim Matsho inspecting a compartment that's ready for harvest.

Mondi has established Mondi Forestry Partners to provide support to land reform beneficiaries in an effort to sustain the productivity of the land and help community-based businesses to succeed. In so doing, they will contribute to Government's transformation and land reform objectives.

The land reform process in South Africa has created a massive need for developmental and support services to be provided to communities who have had productive land returned to them. In most cases, Government is unable to provide sufficient support to enable those communities to sustain the productivity of the land.

In the forestry sector, maintaining the productivity of commercial plantations is of utmost importance due to the long rotations of tree farming, and because the fibre the plantations produce is the raw material for the even bigger downstream processing industries.

Mondi, which has a large portion of its land-holding under land claims, has responded by working with stakeholders, including Forestry South Africa and the Land Claims Commission, to develop models for running the forestry busi-

nesses after the land has been transferred.

Thus, Mondi was the first corporate forestry business in South Africa to enter into lease agreements with two land beneficiary communities, in Kranskop, KwaZulu-Natal.

The next logical step for Mondi was to establish dedicated, focused capacity to implement the empowerment clauses contained in the lease agreements by providing a range of support services, thereby fulfilling the empowerment objectives and contributing to the success of the projects.

Mondi Forestry Partners was established to fulfil this function. It is headed up by Jim Matsho, who has considerable experience with communities through his involvement in the Khulanathi small grower scheme and as a former CEO of SiyaQhubeka Forests.

MFP offers the following services to land

beneficiaries:

- Institutional development of businesses
- Training and capacity building
- Forestry support eg. planning, technology transfer, facilitating the sourcing of funding from financial institutions and government departments;
- Cash flow projections and feasibility studies;
- Any other activities that will add value towards the growth, development and sustainability of forestry enterprises established by land reform beneficiaries.

MFP, based at Richards Bay, has a dedicated team which includes Jim Matsho (head: MFP), Zama Mkhize (she has a background in small business development and training and will fulfill the function of capacity manager), and Sizwe Mtengu (he was previously employed as development manager at NCT and has experience in small grower development, and will fulfill the role of relationship manager).

MFP will assist land beneficiaries to run their operations within the context of three models, namely:

- Lease agreement, in terms of which Mondi leases the land for two rotations and manages the forestry operation. During the lease period MFP will assist the land beneficiaries to participate in the forestry operations.
- Mentorship programme, where MFP provides mentorship, support, developmental and extension services to emerging forestry businesses. MFP will partner with land reform communities involved in forestry, and not only with communities farming previously Mondi-owned land.
- Full forestry management provided by Mondi employed forestry staff on behalf of the land beneficiary or land owner for a monthly management fee.

MFP is already involved in several community forestry projects.

The Kranskop community forestry projects were the first forestry land restitution settlements involving a corporate grower. Mondi leases the land back from the communities, and MFP is engaged in assisting the communities to establish forestry businesses, including contracting, and to facilitate their involvement in the forestry operations.

The Kewulane community in Tygers Valley, near Vryheid, has successfully claimed 400 ha of commercial plantations, and has claims over more forestry land in the area, including Mondi land. MFP is providing a whole range of support, mentoring and capacity building services to this community.

Jim Matsho says that there are another seven projects in the pipeline in KZN and Mpumalanga involving communities who have claims over Mondi land as well as adjoining forestry land owned by private commercial farmers.

MFP will act as facilitators to provide the land beneficiary communities with access to the expertise, resources and technology that they need to succeed from a wide range of organisations, from training service providers to finance institutions and government departments. In so doing they will work closely with Mondi's foresters, the Mondi land unit under Maurice Makhathini and Mondi Zimele.

Clearly Mondi's strategy is aimed at contributing to a win-win scenario in terms of which government's land reform, empowerment and transformation objectives are advanced while securing a sustainable fibre supply to support the competitiveness of the forestry industry.

Kewulane community project



From left: Jim Matsho, Sizwe Mtengu, Mbongeni Sibiyi and Simon Ngcobo (Mondi silvicultural forester) discuss the way forward for the Kewulane timber farm. In the background is the farm dam. To the right is a compartment due to be harvested, and way below is Mondi's Tygerskloof Estate.

20 kms outside Vryheid is a typical commercial timber farm – 503 ha in extent, stretching from the crest of a hill into a broad valley, with a dam at the top and some open areas between a patchwork of commercial timber plantations.

The farm used to belong to JM Mentz, until it was bought by the land claims commission and transferred in March last year to the Kewulane Community Trust after a successful land claim.

Upon receiving transfer of the farm, the Trust, under the astute chairmanship of Mbongeni Jerry Sibiyi, immediately started talking to the

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Mondi Forestry Partners (MFP) team in an effort to get some help and advice about running the forestry business. Mbongeni is a former mayor of Vryheid, with experience in local government and construction. The members of the Kewulane community, who were dispossessed and moved off their land during the apartheid years, are scattered all over the country. A few have worked in forestry, but none of them have the expertise to run a commercial forestry operation.

The farm is planted mainly to Eucalyptus, with trees of all age classes, including two small blocks of 8-year-old trees that are ready to harvest. There is also some wattle and one block of pine. The farm is one of several in the area claimed by the Kewulane community, which includes a game farm as well as Mondi forestry land. Total land claimed is 7 200 ha, just under half of which is afforested. To date only the game farm and the timber farm have been transferred into the community's hands. It could be a while before the other claims are settled and transferred as the Land Claims Commission has run out of funds and the whole process is stalled.

The timber farm borders Mondi's Tygerskloof Estate, and since Mondi is already well established in the area it made perfect sense for MFP to get involved in assisting the Trust.

MFP has now signed a 10-year mentorship agreement with the Kewulane Trust in terms of which they will assist them to run the timber farm, access funding, undertake strategic planning, set up community businesses and provide mentoring, capacity building and skills training. The plan is that the community-owned businesses will play an increasingly active role in the forestry and other farming operations and be ready to take over 100% management and day-to-day operation of the business at the end



Compartment before cleaning.



Compartment after cleaning.

of the 10-year period.

In terms of a timber supply agreement, Mondi will purchase the timber harvested off the farm at market-related prices.

The timber farm has become a bit run-down over the past few years while the claim was in the process of being settled and transferred, and so the compartments have become overgrown with weeds and the plantation roads have deteriorated. With the fire season fast approaching there was some concern that it was a fire risk and so Mondi's forestry operations team has swung into action to clean the compartments and grade the roads. They will also use their own contractors to harvest two small blocks of timber to provide some cash-flow for the Trust.

Mbongeni explained that the community does not yet have the capacity to do the forestry work, but that in future all the forestry operations would be done by community-based businesses. He acknowledged that it was difficult to manage the community's expectations, but that they understood that the immediate priority was to clean the compartments, reduce the fire risk and put some money in the bank.

He said that the community members were very excited about getting their land back and were determined to ensure that it remains productive. He said the Trust has decided not to allow any unauthorized settlement on the farm because they realize that once that starts the forestry operations will be disrupted.

Mbongeni and his fellow trustees have already put a lot of time and effort into the project and they are confident that, with patience and discipline, the long term benefits will be worthwhile.

Meanwhile Mondi's contractor teams, under the watchful eye of silviculture forester Simon Ngcobo, are busy with coppice reduction in one compartment, and slashing and weeding in another, and the roads have recently been graded. Jim Matsho and the MFP team have got the ball rolling by providing trustees with introductory training in understanding the roles and responsibilities of trustees and what is entailed in setting up a business, and have commissioned a detailed business plan for the whole farm.

Transport is going to be a critical issue in this forestry operation due to the distance to the Richards Bay mill. Logic says that the timber should travel by rail, but apparently the branch lines are currently not operational.

However, with long term forecasts of rising demand for fibre, commercial forestry is still a viable business in this part of the country. ■



Jim Matsho (MFP), Sizwe Mtengu (MFP), Simon Ngcobo (Mondi silviculture forester), Mbongeni Sibiya (Kewulane Trust Chairman) and Mzungezeni Xulu (Kewulane Trustee) visit a compartment where a coppice reduction operation is in progress.