



# PRESENTATION TO THE PORTFOLIO COMMITTEE ON THE COMMERCIAL FORESTRY SECTOR MASTER PLAN

25 March 2022



forestry, fisheries  
& the environment

Department:  
Forestry, Fisheries and the Environment  
REPUBLIC OF SOUTH AFRICA



# PURPOSE

- To brief the Portfolio Committee on Forestry, Fisheries and the Environment on the Commercial Forestry Sector Masterplan.



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- Institutional matters related to implementation of the Masterplan
- Implementation Plan/ Monitoring and Evaluation
- Progress on implementation
- Concluding remarks

# LIST OF ACRONYMS

- BO Black Owned
- BWO Black Women Owned
- CREST Centre for Research on Evaluation Science and Technology
- DALRRD Department of Agriculture, Land Reform and Rural Development
- DFFE Department of Forestry, Fisheries and the Environment
- DSI Department of Science and Technology
- DTIC Department of Trade, Industry and Competition
- DWS Department of Water and Sanitation
- EMEs Exempted Micro Enterprises
- FMU Forest Management Unit
- FSA Forestry South Africa
- FSCC Forest Sector Charter Council
- NBC National Building Council



# LIST OF ACRONYMS

- NDMC National Disaster Management Centre
- NDOT National Department of Transport
- NFAC National Forests Advisory Council
- PAMSA Paper Manufacturing Association of South Africa
- PPGI Public Private Growth Initiative
- PSP Professional Service Provider
- PRU Participatory Rural Assessment
- R&D Research and Development
- RDI Research, Development and Innovation
- RIS Re-imagined Industrial Strategy
- SEA Strategy Execution Advisers
- SMMEs Small, Micro and Medium Enterprises
- SSA Sawmilling South Africa
- WUL Water Use Licence



# BACKGROUND

- The idea of developing the Forestry Master Plan originated from the observations made from successful sectors like Clothing and Textiles and Automotives. The successes in these sectors were attributed to the collaboration of the main key sector role-players i.e. government, industry and labour enhanced through the development of master plans.
- The Forestry Sector initiated a process to develop its own sector plan which is envisaged to take into account opportunities presented by potential investment in the value addition and down-stream industries to create economic and employment opportunities.
- Such a plan will therefore deal with amongst other key issues on how to address impediments that hinder the flourishing of the value addition industries. These impediments include lack of raw material through the slow afforestation process, the role of State plantations in stimulating rural economies and cross cutting issues that if not addressed will affect the viability of forestry enterprises across the value chain adversely.
- The Masterplan is aligned to the Public Private Growth Initiative - essentially it is a growth and investment plan for the sector.



# BACKGROUND

- In developing the Forestry Master Plan, the Department of Trade, Industry and Competition (DTIC) through the University of Cape Town, appointed the Professional Service Provider (PSP).
- The work of the PSP was overseen by the Working Group which comprised of all affected government departments, industry, National Forests Advisory Council (NFAC) and the Forest Sector Charter Council (FSCC).
- The Executive Oversight Committee (EOC), chaired by the Deputy Minister of Forestry, Fisheries and the Environment (DFFE) provided oversight to the Working Group.



# MAIN GOALS OF THE MASTERPLAN

- 5 Key Commitments:
  - a) Investment - R24.96bn investment
  - b) Employment - 100,000 jobs linked to investment plans
  - c) Measures to open up new investment and job opportunities - Supports effective re-skilling programmes
  - d) Inclusivity – linked to Forest Sector Charter undertakings – transformation and expansion
  - e) Competitiveness – improvement in terms of timber yield, recovery rates, research and development

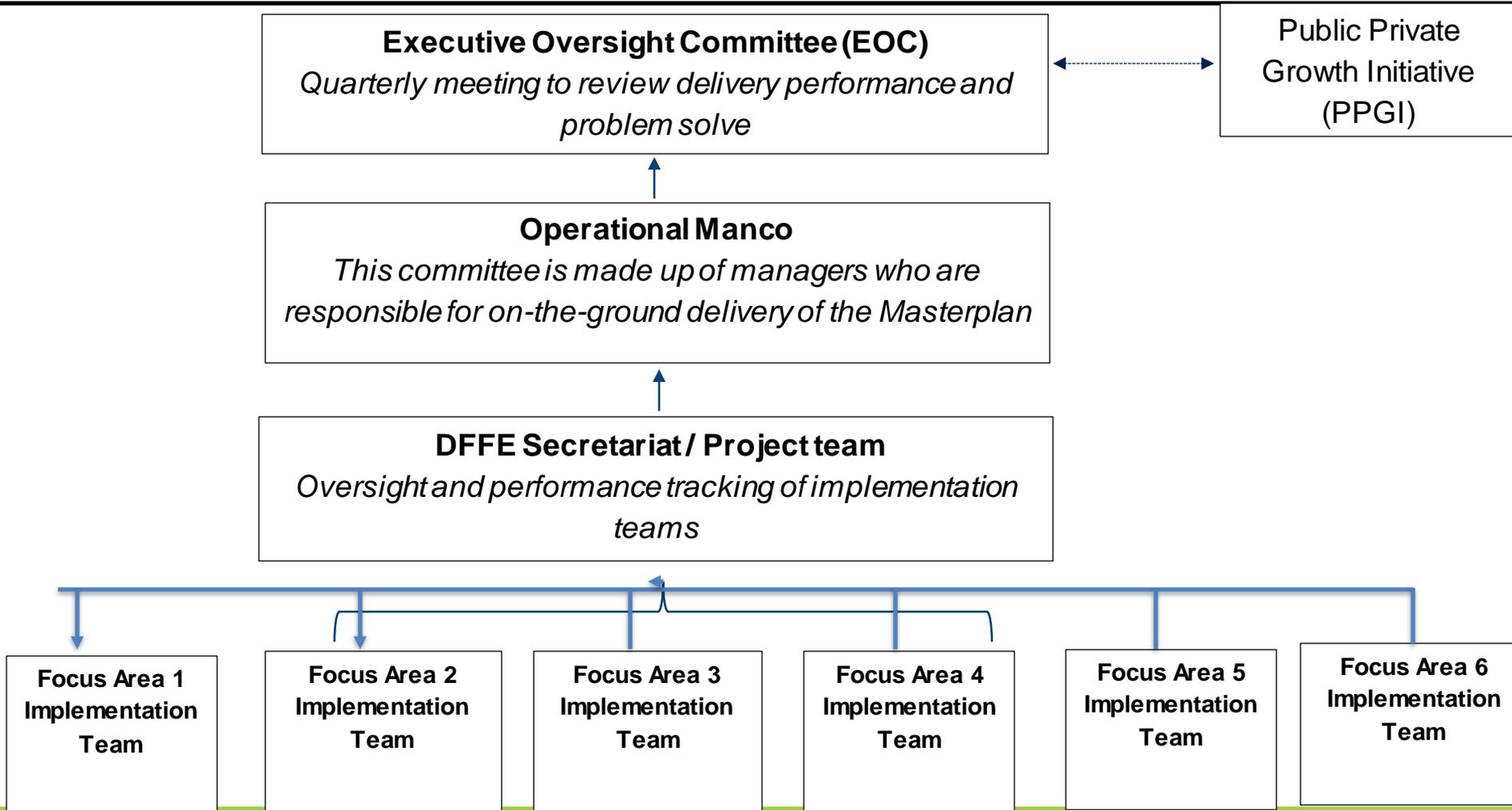


# FOCUS AREAS OF THE FORESTRY SECTOR MASTERPLAN

- The Masterplan document has six (6) focus areas
  - Focus Area 1: Expansion of the primary resources, Maintenance and Protection
  - Focus Area 2: Transformation of the sector
  - Focus Area 3: Processing and value addition
  - Focus Area 4: Illegal timber and related criminal activities
  - Focus Area 5: Research Development and Innovation, Human Resource and Skills Development
  - Focus Area 6: Key inhibitors



# GOVERNANCE STRUCTURE



# IMPLEMENTATION PLAN/ MONITORING & EVALUATION

- The implementation plan and the Monitoring and Evaluation Framework have been developed.
- The Framework links the goals, deliverables, indicators of achievement and means of verification.
- It also indicates organisations responsible for data collection.
- It relies heavily on efficient data collection and analysis in order to generate credible monitoring and evaluation reports.



# KEY PERFORMANCE INDICATORS TO MEASURE GOAL STATEMENTS (AN EXAMPLE)

Key Performance Indicators	Baseline, target (5 years) and calculation	Data notes
Indicator 1: Rand value of investment	<p><b>Target:</b> R24,96 billion + potential for another R14 billion</p> <p><b>Already invested:</b> R8.394 billion</p> <p><b>Remaining target:</b> R16,5 billion as a minimum, R30 billion if R14 bn added</p>	<p><b>Breakdown:</b></p> <p>Sappi + Mondi:( R15,7 bn + potential for further R14 bn) - R8,4 bn already invested</p> <p>Sawmilling: R6,14 bn</p> <p>York Timber: R1,62 bn</p> <p>New Afforestation: R1,5 bn</p>
Indicator 2: Jobs created	<p><b>PPGI target:</b> 100,549</p>	<p><b>Breakdown of jobs:</b></p> <p>New Afforestation: 60,265</p> <p>Recapitalisation of state-owned plantations: 22, 610</p> <p>Pulp, paper &amp; bio-refinery: 10,194</p> <p>Re-establishment of areas lost to fires, pests &amp; diseases: 7,480</p>



# PROGRESS ON IMPLEMENTATION OF THE MASTERPLAN

## FIRST YEAR OF IMPLEMENTATION



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# OVERVIEW

- The Masterplan was approved by Cabinet for implementation in November 2020.
- Internal reorganization and allocation of functions within DFFE assisted in getting personnel to be the Secretariat for the Masterplan and the implementation plan for the first year of operation was developed.
- The Governance Structures of the Masterplan are now fully operational (Executive Oversight Committee, Operational Manco and Focus Area Task Teams).
- Operational plans have been developed with quarterly milestones
- There are some achievements in the areas of impact of the Masterplan i.e. Employment creation and investment
- However, there are still deliverables that require more focused attention for the development of milestones to enable effective reporting during meetings



# ASSESSMENT OF THE KEY GOALS OF THE MASTERPLAN

- Of the overall deliverables the progress thus far can be summarised as follows:
  - 32 Deliverables were achieved (53%)
  - 20 Deliverables are in progress (33%)
  - 8 Deliverables are off target (14%)
- The cross cutting key goals of the Masterplan that were identified for reporting are investment in the sector and employment creation
  - Of the total investment of R6,35bn planned for year 1 - R 11.1bn has been invested by the industry.
  - Of the total 24 000 jobs planned for year 1 – Industry has managed to create 4644 jobs and government has created 1620





## KEY FOCUS AREA 1:

# EXPANSION OF THE PRIMARY RESOURCE, MAINTENANCE AND PROTECTION



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# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<u>Deliverable 1:</u> Prioritise the parcels of land in terms of readiness to bring into production	Confirm land prioritisation considering relevant factors and possible strategic partners	<p>Q1: Identify land parcels that are ready for development and due for Environmental Impact Assessment</p> <p>Q2:-Q3 Assess feasibility of the land parcels for afforestation using the screening tool</p> <p>Q4 Develop Terms of Reference and obtain approval to advertise</p>	<p><b>Progress:</b> List of projects in EC and KZN compiled (about 28 000ha) – list has been subjected to the screening tool with landowners,</p> <p>The ToR to appoint the Environmental Practitioner have been developed, The bid specification committee is scheduled to meet before end March 2022 to consider the ToR.</p>
Deliverable 7 & 8 Management models finalised for recapitalisation of State Plantations	Approval of PPP by National Treasury	<p>Q1: Development of Terms of Reference</p> <p>Q2: Appoint PSP to conduct a feasibility study on Public Private Partnership model</p> <p>Q3-4: Conduct feasibility study</p>	<p><b>Progress:</b> The Bid to appoint a PSP to conduct PPP Feasibility Study was advertised and evaluated. It was presented to the Bid Adjudication Committee but was referred back to the Bid Evaluation Committee to address certain issues.</p> <p><b>Challenges:</b> Non responsiveness of the suppliers</p> <p><b>Corrective Measures:</b> Verification underway to confirm supplier information by SCM</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Milestones	Quarterly Targets	Q3 Progress and Analysis
Deliverable 7 & 8 Management models finalised for recapitalisation of State Plantations	Verification of State plantations	Q1: Collation of information on plantations to be verified  Q2-3: Verification of plantations by DWS  Q4: Outcomes of the verification process by DWS	<p><b>Progress:</b>                      DFFE has provided information to DWS for verification</p> <p><b>Challenges:</b>                      More information requested from DFFE to complete the process</p> <p><b>Corrective Measures:</b>                      DFFE has now appointed a GIS Specialist who is working with the DWS team to source the required information. Verification to be conducted in the 2022/23 financial year.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 9: Expressions of Interest issued for B&C and Exit plantations	<p>i. Identify possible assumed ownership situations and initiate process to address</p> <p>ii. Issue expressions of interest for the prioritised plantations</p>	<p>Q1: Investigations on Community Forestry Agreements conducted for Limpopo and Eastern Cape</p> <p>Q2: Stakeholder mobilization and consultations done</p> <p>Q3: Negotiations conducted</p> <p>Q4: CFAs concluded and signed</p>	<p><b>Progress:</b> Community consultations conducted with respective communities (EC – Lehana and Makhoba; Limpopo – Rambuda) in line with the CFA Guidelines.</p> <p>Further engagements were held with the respective Land Claims Commissions (RLCC). Limpopo RLCC confirmed that the Rambuda land claim was finalized through financial compensation. The EC RLCC confirmed that there are no land claims in Lehana and Makhoba plantations</p> <p>Community resolutions for Lehana and Makhoba communities were finalized and the Community Forestry Agreement (CFA) discussed and agreed. Agreement has been vetted by Legal services and will be submitted to the Minister for approval.</p> <p><b>Challenges:</b> Rambuda community resolution not finalized.</p> <p><b>Corrective measures:</b> The pre-resolution meeting scheduled to take place during Q4 and Agreements to be submitted for approval.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
	Lease agreement for management of Exit plantations signed (WC)	<p>Q1. Lease model developed</p> <p>Q2. Development of Terms of Reference/ lease clauses</p> <p>Q3. Invitation of expression of interest (tendering process)</p> <p>Q4: Lease Agreements for management of Exit plantations signed</p>	<p><b>Progress:</b> Lease Model adopted for the future management of the WC plantations. Terms of Reference for expression of interest developed.</p> <p><b>Challenges:</b> Delays in the SCM processes</p> <p><b>Corrective Measures:</b> Tender to be included in the Branch 2022/23 Procurement Plan and action plan developed to get the lease agreements finalised in the 2022/23 financial year. .</p>
Deliverable 15: Extension services provided	<p>i. Capacitate DFFE to facilitate provision of extension services</p> <p>ii. Conclude partnership agreements between forestry companies, private sector expert and DFFE to provide extension services</p>	<p>Q1-2: Finalize the transfer of staff from DALRRD</p> <p>Q3-4: Filling of vacant posts as funding becomes available</p>	<p><b>Progress:</b> Transfer of staff (Capacity Building and Research) from DALRRD finalized.</p> <p>Of the 31 posts advertised for the Branch in December 2020</p> <ul style="list-style-type: none"> <li>- 7 are for extension services and have been filled (KZN: 3, EC: 3 and NW: 1 )</li> <li>- 3 have been identified for Masterplan coordination – 1 advertised and 2 Job Evaluated – to be advertised in the next batch.</li> </ul>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 15(a): Support black ownership	i. Restructure state forest assets to support black ownership (including worker ownership) in the forestry sub-sector and, through log supply, in the forest product sectors (include beneficiation for new entrants)	<p>Q1: Develop pre-determined criteria that will ensure that workers are included in the black ownership of State plantations</p> <p>Q2: Investigation of Log supply to favour historically disadvantaged persons (set aside) – must be in line with SCM prescripts</p> <p>Q3: Collate data from FSCC on Companies reporting on B-BBEE that are in the growing &amp; sawmilling subsectors</p> <p>Q4: collate annual data from the FSCC on Enterprise Development targets from MLEs in the growing or sawmilling sub-sectors supplying logs to QSEs, EMEs, 51% BO and 30%BWO Verify with companies on the number of benefiting small black owned/ new entities, jobs created and maintained</p>	<p><b>Progress:</b> A task team has been established to streamline the targets of this deliverables. The black ownership matter to be aligned to the Forest Sector Code to ensure alignment.</p> <p><b>Challenges:</b> Information not received timeously from stakeholders</p> <p><b>Corrective measures:</b> Through the FSCC, tracking will be done when the annual reports are prepared to check whether information provided is aligned. FSCC to provide an annual report. The report will be available in the first quarter of 2022/23</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 24: Biosecurity digital platform developed and maintained that will benefit multiple sectors	i. Identify champion to lead the development of this resource	Q1: Identify Champion Q2: Development of a business plan Q3-4: Finalise Business Plan	<b>Progress:</b> FABI identified as champion and funding secured from FSA and organized Agriculture.  Business plan on how the platform will function has been initiated.
Deliverable 25: Capacity constraints in implementing pest & disease management addressed, specifically in Plant Health Unit (DALRRD) and inspection services (bio control agents)	i. Document capacity shortages and make available required budget	Q1: Perform capacity audit and seek funding	<b>Progress:</b> Application submitted by FSA not processed.  <b>Challenges:</b> Delays in processing the application  <b>Corrective Measures</b> Matter escalated and the application was resubmitted. Engagement with DALRRD is already underway



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 26: Support provided to Fire Protection Associations (FPAs)	i. Identify forestry growth areas, and the accompanying FPAs that require support. ii. Based on funding available, execute the roll out of financial support to the prioritized FPAs	Q3: Draft FPA strategy developed  Q4: Consultations on the draft strategy	<b>Progress:</b> Draft FPA Support Strategy developed and discussed at the National Veld and Forest Fire Working Group meetings held on 04 November and 06 December 2021. Further comments and inputs were received from members of the Working Group and consolidated into the draft strategy.
Deliverable 27: Conflicting legislation in NVFF, the Fire Brigade Services Act and the Municipal Structures Act reviewed and aligned	i. Establish a colloquium ii. Map out areas of conflict drawing on existing documents/blueprints that have been developed	Q1: Establish a colloquium  Q2: Map out areas of conflict drawing on existing documents/blueprints that have been developed  Q3: Initiate a process to address areas of conflict	<b>Progress:</b> Engagement held with the National Disaster Management Centre (NDMC) and an agreement has been reached that the NVFFA has no conflict with FBS and Structures Act. The matter was also discussed at the National Veld and Forest Fire Working Group where it was also agreed that there were no conflicts.  The NDMC is in the process of amending the Fire Brigade Act and therefore stakeholders will have an opportunity to comment even during public consultations.



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 28: Amendments to NVFF Act reviewed and signed off	i. Get amendments signed off and gazetted	Q1: Presentation of Amendment Bill to EISEID Cluster  Q2: Presentation of Amendment Bill to Cabinet for approval for submission to Parliament  Q3: Presentation of Amendment Bill to Parliament	<b>Progress:</b> The Amendment Bill was tabled and Cabinet approved (on 29 September 2021) that the Bill be tabled in Parliament.  The Bill was tabled in Parliament in October 2021. It is scheduled to be presented to PC during Q4
Deliverable 29: Alignment/ clarification of different organisational mandates - DEFF (Forestry Branch) vs WoF Management vs Municipalities	i. Review organizational mandates of DEFF, WoF and Disaster Management vs Municipalities ii. Communicate the newly aligned structures and mandates to all relevant stakeholders	Q1. Establish a colloquium  Q2. Present results for review  Q3. Conduct literature review of past studies  Q4. Report on the outcomes	<b>Progress:</b> Engagement held with the National Disaster Management Centre (NDMC) and a workshop will be held with the Provincial Disaster Management Centres to agree on mandates. Following this, a discussion will be held with Municipalities.  This will form part of the discussions by the Fire Working Group to ensure alignment – this target is also aligned to the deliverable 27.



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 30: Chief Fire Officers capacitated to fulfil their legislated roles (including delegating the necessary powers to FPA's)	<ul style="list-style-type: none"> <li>i. Determine the capacity constraints of CFO's</li> <li>ii. Develop a capacity building plan and set aside budget to address the capacity constraints</li> <li>iii. Train CFOs on their legislated role</li> </ul>	<p>Q2. Skills audit</p> <p>Q3.-4: Development of the capacity building plan in consultation of NDMC</p>	<p><b>Progress:</b> Engagement held with the National Disaster Management Centre (NDMC) and it was agreed that this be aligned to delivery 27.</p>
Deliverable 31: Fire protection management structures formalised with clear Terms of Reference developed	<ul style="list-style-type: none"> <li>i. Amend NVFFA to allow for the legal establishment of the Nat. Fire Advisory Committee</li> <li>ii. Officially constitute the National Fire Advisory Committee according to the revised NVFFA, and develop Terms of reference,</li> </ul>	<p>Q2 Amendment of ToR</p> <p>Q3. Approval of ToR.</p>	<p><b>Progress:</b> The Key Focus Area in their first meeting held on 2 July 2021 agreed that it would be efficient to strengthen the current National Fire Working Group instead of constituting a new Forum.</p> <p>Based on this, the ToR of the WG were amended and adopted by the WG in Dec 2021.</p>
Deliverable 32: A weather data and National Fire Danger Rating programme implemented (to be deferred to the following year to allow for finalisation of contractual issues)	<ul style="list-style-type: none"> <li>i. Develop the system requirements for the weather database and National Fire Danger Rating programme</li> <li>ii. Obtain funding for the weather database and National Fire Danger rating programme</li> </ul>	<p>Review the fire danger rating system</p>	<p><b>Progress:</b> DFFE has managed to get resources to review the National Fire Danger Rating System – this will be done by CSIR in collaboration with SAWS – this is a three-year term project. The SAWS and CSIR are currently finalising contractual arrangements.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 1: Expansion of the resource, maintenance and protection

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 33: A centralised national fire database to better manage fire outbreaks developed and maintained	Develop a proposal for the National Fire database and secure funding	Q2: Develop requirements of fire database and scope  Q3: Secure funding  Q4: Appoint a Service Provider	<b>Progress:</b> A service provider (Landworks CC) has been appointed as part of a collaborative project between Santam and NDMC (and DFFE has been brought on board). Sanlam is funding the project which include the audit of FPAs, new standardized auditing tool and data base.
Deliverable 34: Joint proposal developed containing delivery ready projects	Joint proposal submitted for the Presidential Stimulus Fund	Joint proposal submitted for the Presidential Stimulus Fund	<b>Progress:</b> Joint proposal was submitted for the Presidential Stimulus Fund – Funding was not approved.
Deliverable 35: Implementation / wider adoption of Agroforestry	i. Document and synthesize findings from Agroforestry projects and pilots currently underway ii. Develop Agroforestry guidelines / information pack capturing different agroforestry configurations (also consider inclusion of Agroforestry in Greenfields projects)	Q1: Compile lessons learnt from pilots  Q2: Finalize plan for EC  Q3 -4: Implementation of the plan	<b>Progress:</b> Findings from the previous pilots have been documented.  Sites for pilots in EC have been identified. A draft implementation plan has been developed and circulated to key role-players for comments.  Planting is scheduled to commence in Q4





# KEY FOCUS AREA 2: TRANSFORMATION



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# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 1: Land claims expedited (particularly those close to finalisation)</p> <p>Deliverable 2: Enable plantation development while land claims are in process</p>	<p>i. Convene quarterly national level forum to deal with land claims issues</p> <p>ii. Obtain details of outstanding land claims related to state owned plantations</p> <p>iii. Identify plantations well-positioned for early development</p> <p>Enable alternative arrangements to allow for plantation development while land claims are being expedited (e.g. lease agreements)</p>	<p>Q1. Identify relevant role players</p> <p>Q2. Convene a forum</p> <p>Q3: Take stock of outstanding land claims.</p> <p>Q4: Prioritise plantations well-positioned for early development (Not a commission target)</p>	<p><b>Progress:</b></p> <p>Role players have been identified and the Forum convened. Of the outstanding land claims, the Commission of Restitution of Land Rights confirmed that a total of 152 forestry claims are outstanding, (EC13, KZN49, LP17 and MP73)</p> <p>33 are State owned and 16 being a combination of state owned and private.</p> <p>A total of 47 forestry claims have been settled since 2019. These are:</p> <p>Emakhasaneni Community (<b>2 claims</b>) - KZN</p> <p>Entembeni Community (<b>32 claims</b>) - KZN</p> <p>Entembeni Zulu Royal House Community (<b>1 claim</b>) – KZN</p> <p>Isizwe Sakwa-Dludla Community (<b>1 claim</b>) - KZN</p> <p>Mthonjaneni Community (<b>4 claims</b>) - KZN</p> <p>Lawrence family claims (<b>6 claims</b>) – KZN</p> <p>Makhubu Family Land Claim- Full and final settlement (KRP 328) (<b>1 claim</b>) - MP</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 3: Provision of Post-settlement support	<p>i. Conclude MOU to clarify post settlement roles and responsibilities, as referred in the Forestry Sector Charter</p> <p>ii. DALRRD's Kaapsehoop pilot on post settlement models to include DFFE</p> <p>iii. DFFE and DALRRD agree the post-settlement support package and budget transfers, if relevant</p>	<p>Q1: Develop a draft MoU</p> <p>Q2: Finalise MoU between DFFE and DALRRD</p> <p>Q3-4: Implement Kaapsehoop pilot</p>	<p><b>Progress:</b> Draft MoU developed and circulated for inputs. Further consultations to take place to finalise MoU.</p> <p>To date the settlement models pilots which includes Forestry have been conducted. The settlement model reports incorporating inputs from the pilots are being review prior to adoption by the Restitution Branch Management.</p> <p>Kaapsehoop Community Claim in Mpumalanga has been identified as the forestry settlement model pilot.</p> <p><b>Challenges:</b> Delays in finalising MoU.</p> <p><b>Corrective measures:</b> DFFE will convene a bilateral meeting with the Land Claims Commission to discuss a way forward on the MoU.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 4: A blended finance instrument instituted	<p>i. Government and Industry agree that DFFE formally requests DTIC and IDC to develop the funding options and make recommendations</p> <p>ii. Establish a funding committee (consisting of industry and government) to set the terms of reference for the proposal and to make the final recommendation on the implementation of the instrument</p>	<p>Q1: Identify relevant role players</p> <p>Q2: Colloquium with key role-players on the funding of SMMEs</p> <p>Q3: Draft document on Blended Finance Scheme</p> <p>Q4: Consultations with Stakeholders and approval</p>	<p><b>Progress</b></p> <p>Key stakeholders were identified and a working committee established. A colloquium was held of the working committee and DALRRD invited to present their model of the Blended Finance Scheme</p> <p>Document with potential funding schemes that can be used for the purpose of funding forestry SMMEs developed and circulated to the working committee</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 6: Business related advisory support programmes established for forestry sector enterprises across the value chain</p>	<p>i. Identify business and advisory support programmes offered by government / NGOs suitable for forestry sector (e.g., SEDA)</p> <p>ii. Engage programme managers to ensure responsiveness to the sector</p>	<p>Q1: Establish a Sub Task Team</p> <p>Q2: Identify and Compile list of programs require advisory support services.</p> <p>Q2 Identify and engage key partners with relevant mandates.</p> <p>Q3: Formalise partnership with potential sector partners about the model of establishing a program to offer business and support to SMMEs. As a sector leader e.g DFFE to support emerging partners SLA MOU can take any shape.</p> <p>Q4: Disseminate information about business and advisory support programs offered by Government/NGOs or other sector partners</p>	<p><b>Progress:</b> The Task Team was established which constitutes of DFFE (Lead), DTIC, SEDA, FSA, DSBD, IDC &amp; FSCC. List of advisory support programmes identified and compiled. Key forestry partners / Supporting organisations were identified and engaged.</p> <p><b>Challenges:</b> Delays in the establishment of the task team</p> <p><b>Corrective measures:</b> Formalization of partnership with potential sector partners to be concluded in Q4</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 7: Governance related advisory support established for communities (where this is not part of the PRA process cited in Focus Area 1)	(i) Develop a toolkit to clearly explain the purpose and all the elements for effective governance of community assets	<p>Q2: Consult the relevant partners to solicit inputs in development of the toolkit.</p> <p>Q3: Develop, update and Package the information material to explain the purpose and all the elements for effective governance of community assets</p> <p>Q4: Review and update the toolkit when a need arises.</p>	The supporting organisations were consulted to submit inputs towards the development of the forestry tool kit. The development of a framework to align advisory services in the public and private sector has been proposed.
	(ii) Establish a panel of advisory support service providers that provides community governance support	<p>Q2: Identify the potential experts to form a panel of advisory support services.</p> <p>Q3: Develop the TOR for functioning of the panel of advisory support services.</p> <p>Q4: Establish a panel of advisory support service providers that provides community governance support.</p>	<p>Potential experts were identified to serve in the panel of advisory support services – linked to deliverable 6.</p> <p><b>Challenges:</b> Delayed by the late establishment of task team for deliverable 6</p> <p><b>Corrective measures:</b> DFFE to follow up and facilitate that ToR are developed so as to fast track the establishment of the panel.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 8: Small scale growers supported with the process to achieve forest management certification	i. Implement the strategic industry partners certification scheme for their small growers	<p>Q1: Investigate certification scheme</p> <p>Q2: Develop database of small scale growers and level of resource</p> <p>Q3: Assist with participation on relevant schemes</p> <p>Q4: Find the quantum of the area certified by FSC and PEFC in South Africa and the number of SMMEs certified by both.</p>	<p>Investigation done and 3 options presented i.e, Forest Stewardship Council (FSC) Programme for the Endorsement of Forest Certification (PEFC) and South African Forestry Assurance Scheme (SAFAS).</p> <p>An outline of the available certification systems has been done and a report highlighting the requirements, processes involved, costs, and benefits of all the available certification systems has been completed.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 2: Transformation

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 9: The forestry sector commits itself to decent work.</p>	<p>i. Social partners will work together to ensure all forestry workers are supplied with at least the minimum legislated protection by their employers.</p> <p>ii. Companies will not be assisted by Government in any way and cannot do business with Government if they do not pay the stipulated minimum wages and comply with stipulated minimum conditions</p> <p>iii. Upstream companies will not supply to and downstream companies will not purchase from companies that do not pay the stipulated minimum wages and comply with stipulated minimum conditions</p>	<p>Q3 : Develop an explanatory document for decent work</p> <p>Q4: Consult all relevant role-players (Govt. Labour &amp; Industry) for input and endorsement of the explanatory document – led by DFFE</p>	<p>Explanatory document has been developed and distributed to task team members. Further consultations to take place in Q4</p>





# KEY FOCUS AREA 3:

# PROCESSING



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# COMMERCIAL FORESTRY MASTERPLAN

## KEY FOCUS AREA 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 1: A variety of interventions implemented in support of timber and engineered timber in the built environment (Including medium and high-rise buildings and products like Cross Laminated Timber (CLT), Oriented Strength Board (OSB), Laminated Veneer Lumber and Glulam (Glued Laminated Timber)</p>	<p>iii. Sawmilling industry to diversify product offering and value addition to match construction industry requirements iv. Develop training programmes that are aimed at training the design, construction and installation of timber buildings - engineers, architects, carpenters, artisans and installer/erectors (See Focus area 5b: HRD and Skills - Deliverable 5) v. Define the research agenda for engineered timber products for South Africa (See RDI Focus area 5a - Deliverable 3)</p>	<p>Q2: i. Appoint SP to Develop the Processing Research Agenda/Strategy. ii. Inception Report for the Research Agenda/Strategy. iii. Development of Training Programmes for Architects Q3 i. Development of the Processing Research Agenda/Strategy. ii. Development of Training Programmes for Building Control Officers iii. Development of Training Programmes for Architects Q4 i. Finalise the Processing Research Agenda/Strategy. ii. Implement the Awareness Campaign</p>	<p><b>Progress:</b> A Service Provider was appointed to develop the Wood Processing Research Strategy. A Draft Forestry Processing Research Strategy focussing on Mass Timber products, boards and biorefinery was submitted on 2 December 2021.</p> <p>To date four training courses for Designing in Timber have been developed by Stellenbosch University Training material for online professional courses on mass timber building have been developed.</p> <p>Training Programmes for BCOs was developed and currently applying for funding to train the BCOs</p> <p>Four Training Programmes for Architects were developed.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 4: Enabling better uptake of Government Incentives	<p>i. Undertake a review to determine low uptake of APSS</p> <p>ii. Provide administrative and business planning support to interested beneficiaries to access incentives</p>	<p>Q1 - Q2: Access to Funding Webinar.</p> <p>Engagements with SAFCOL/DFFE on security of Raw Material.</p> <p>Q3: i. Engagements with SAFCOL/DFFE on security of Raw Material ii. Engagement with DFEs on accessibility of the incentives</p> <p>Q4: i. Engagements with SAFCOL/DFFE on security of Raw Material ii. Engagement with DFEs on accessibility of the incentives</p>	<p><b>Progress</b> Access to Funding Webinar successfully held on 4 August 2021.</p> <p>SAFCOL has invited interested clients to participate on multi year contracts for the supply of logs through the auction process.</p> <p>Sawmilling SA continues to engage with DFIs and assist their members with applications for funding.</p> <p>One SMME got funding from SEFA.</p> <p>The Association also intends to hold a number of physical information sessions in Mpumalanga, Limpopo, KZN and Eastern Cape targeting SMME's These meetings will take place in the first quarter of 2022</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 5: Trade support provided to enable access specific African markets. the first year.</p>	<p>i. Consultation with the Competition Commission with respect to the development of a Joint Venture for the export of transmission poles into Africa.</p> <p>ii. Engage funders (African Development Bank and World Bank)</p>	<p>Q1- Q2: Consultation with the Competition Commission with respect to the development of a Joint Venture for the export of transmission poles into Africa.</p> <p>Q3: i. Finalise Consultation with Competition Commission. ii. Trade missions with donors or funders of power projects in Africa.</p> <p>Q4: Trade missions with donors or funders of power projects in Africa</p>	<p><b>Progress:</b> Meetings with transmission pole industry ongoing. Economic strategy is currently being investigated and developed in accordance with the advice from Competition lawyers. SAUPA is currently waiting for a legal opinion on the effect of the different Competition Acts in Southern Africa in order to find a possible way forward.</p> <p><b>Challenges</b> The common Competition laws between the different Southern African countries and specifically the Competition Act in Mozambique, who are currently SA's biggest consumers.</p> <p><b>Corrective Measure</b> The industry is looking at alternative ways of entering these markets with the support of DTIC and DFFE .</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 7: Study undertaken to inform next steps for the modernisation of timber processing	<p>i. Commission a techno-economic benchmarking study to identify the technology gaps in the SA processing sector which matches the SA round-wood supply quality</p> <p>ii. Such a study will take into account the commitment by social partners, captured in the Master Plan, that “Competitiveness should be achieved by other factors, such as improved timber yield, improved recovery rates and investment in RDI, and a reduction in employment and wages should be a last port of call.”</p>	<p>Q1-Q2: Engagements with the DFFE and other stakeholders to secure funding for the benchmarking report. Secure the Service provider to do the study</p> <p>Q3: Appointment of the PSP over a three contract.</p> <p>Q4: Commencement of the study</p>	<p><b>Progress</b> DFFE has secured funding to do the Commercial Timber Statistics report. The bid to appoint the PSP has been advertised and will be evaluated in Q4</p> <p>Sawmilling SA has secured funding for the benchmark study to establish the current status of modernisation of Timber processing. TORs are yet to be developed.</p> <p><b>Challenges:</b> In consultation with both Crickmay and the University of Stellenbosch, it appears the study will not be a simple exercise and will require a more resources in terms of time and money.</p> <p><b>Corrective Measures:</b> A desktop study is being considered so as to get the information required.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 8: Wastepaper exclusions/solutions developed and submitted	i. Engage with key stakeholders to develop exclusions/solutions regarding wastepaper ii. Lobby for exclusions/solutions to be addressed and implemented.	Q2: PAMSA to draft a letter outlining the challenges and met with various stakeholders/consultants to identify short and long-term solutions to be recommended to ITAC.  Q1 – Q4: ongoing interaction with DFFE and the DTIC around legislative barriers to the economic sustainability of the sector.	<b>Progress:</b> Following a letter to ITAC by PAMSA, a meeting was held in July 2021 to identify short term and long-term solutions.  There is currently on-going communication between PAMSA, ITAC, industry members and exporters w.r.t wastepaper exporting licences and wastepaper shortages and purchases.



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 9: Bio-refinery technologies for production of high value products and materials for use in various applications, e.g., chemicals and products to combat the COVID pandemic (new deliverable - links to RDI priorities)</p>	<p>Commission of studies on the following areas. DSI sponsored research at the CSIR. Topics:</p> <ol style="list-style-type: none"> <li>1. Pine oil as COVID disinfectant</li> <li>2. Production of xylitol from xylose extracted from waste wood and sawdust</li> <li>3. Conversion of wood into transparent wood for replacement of glass in windows</li> <li>4. . Beneficiation of pulp and paper sludge</li> <li>5. Beneficiation of sawdust and plastics into high performance composites</li> </ol>	<p>Q2:</p> <ol style="list-style-type: none"> <li>i. Evaluation of pine oils as COVID disinfectant for cleaning hard surfaces.</li> <li>ii. Production of Xylitol</li> <li>iii. Beneficiation of pulp and paper sludge</li> </ol> <p>Q3-4:</p> <ol style="list-style-type: none"> <li>i. Evaluation of pine oils as COVID disinfectant for cleaning hard surfaces.</li> <li>ii. Beneficiation of pulp and paper sludge</li> </ol>	<p><b>Progress:</b></p> <p>The samples for pine oils were sent for testing and it was confirmed that the quality of pine oil from pine trees grown in South Africa is on par with international standards. Tests further indicate that the concoction of pine oil is effective for the disinfection of COVID on hard surfaces.</p> <p>Xylitol is currently being produced at laboratory scale.</p> <p>Sludge characterised and fibres can be beneficiated into cellulose nanofibrils (CNFs) and high-value chain – cellulose nanofibres. The fibres can be used to make a new grade of paper- greaseproof</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 3: PROCESSING

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 10: Enforce compliance and apply standards on imported Board products	<p>i. Work with SABS, NRCS, DTIC, FSC and Industry to develop compulsory standards for imported board products.</p> <p>ii. Local market specifications are enforced on Imported board products</p>	Q2-4: Engagement with the sector to identify the priority actions required	<p><b>Progress:</b> Engagements with SABS, NRCS and the Technical infrastructure unit at the DTIC commenced. Documents shared by industry on compliance requirements in export markets.</p> <p>Meeting was held between the industry and the DTIC to gain a better understanding of the issues, where after the DTIC liaised with the NRCS to solicit further information on possible regulatory interventions.</p> <p>A meeting to discuss the current findings is planned for Q4.</p>





## KEY FOCUS AREA 4:

# ILLEGAL TIMBER AND CRIME RELATED ACTIVITIES



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# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 4: ILLEGAL TIMBER AND CRIMINAL RELATED ACTIVITIES

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 1: Establishment of a Commercial Forestry Crime Unit	i. Develop Business Case, using the Timber Theft Survey and other sources to motivate the case for a dedicated unit ii. Motivate with the SAPS to establish the unit	Q1 Wait for data in Deliverable 4 Identify stakeholders and role players Q2: Convene a meeting, share experiences and case studies Q3: Constitute a team / delegation to work with SAPS Q4: Report progress	This Deliverable is aligned to Deliverable 4 – full implementation to commence once Deliverable 4 has been implemented.  Stakeholders and role players have been identified
Deliverable 2: Recruitment, training and appointment of Forest Officers	i. Relevant organisations budget for FO training and employment (where applicable)	Q1 Raise awareness Q2 Determine feasibility of utilising Forest Officers/ Motivate companies to have a dedicated security unit Q3 –Q4 Progress reports	Meeting held with companies to discuss safety risk to staff members. In that meeting companies agreed that it is the company's prerogative to train foresters as Forest Officers or utilize specialized security companies. companies have already put in security measures in place as per above.
Deliverable 3: Utilisation of Provincial Joints) SAPS meetings to escalate forestry sector crime/criminal activities	i. Escalate crime issues to Provincial Joint meeting ii. Attend Provincial joint meetings iii. Ensure follow through on crime issues raised at Provincial Joint meetings	Q1 Raise awareness Q2 Engage with Local SAPS structures Q3 Participate in Provincial joint meetings Q4 Participate in Provincial joint meetings	Industry has joined the National Priority Committee for Extortion and Violence at Business Sites, and has also been included in the KwaZulu-Natal Priority Crime Committee: Extortion and Violence at Economic Sites.

# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 4: ILLEGAL TIMBER AND CRIMINAL RELATED ACTIVITIES

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 4: Forestry sector crime data systems implemented	<ul style="list-style-type: none"> <li>i. Undertake awareness campaigns utilising Anti-Timber Theft forums &amp; SSA</li> <li>ii. Continuously collect and collate theft data</li> <li>iii. Share data on key platforms (including PPGI)</li> </ul>	<ul style="list-style-type: none"> <li>Q1 Complete awareness Campaign</li> <li>Q2 Sign up major companies</li> <li>Q3 Sign up remaining companies</li> <li>Q4 Share data on key platforms</li> </ul>	<p>Service Provider has been identified, and several companies have already signed up with them. The companies use the product for their own record keeping. Most forestry companies have shown interest in the product. Once a critical mass has joined, a shared database will be developed in consultation with participants.</p> <p>DFFE to encourage companies to sign up</p>
Deliverable 5: A Log Transport Permit System established (to allow policing by SAPS of timber being transported)	<ul style="list-style-type: none"> <li>i. Conduct a study to investigate the workings of the log transport permit system</li> <li>ii. Implement the recommendations from the study</li> <li>iii. Undertake compliance study to determine extent to which system has been adopted</li> </ul>	<ul style="list-style-type: none"> <li>Q1 Raise awareness</li> <li>Q2 Engage with Service Providers</li> <li>Q3 Develop permit system</li> <li>Q4 Develop permit system</li> </ul>	<p>Preliminary discussion with potential service providers has started.</p> <p>Further discussions are required with Department of Transport and SAPS for an effective permitting system</p>
Deliverable 6: Timber theft self-regulation instituted (similar to RTMS accreditation)	<ul style="list-style-type: none"> <li>i. Table Timber theft proposal for agreement</li> <li>ii. Obtain input into the proposal from smaller mills/ non-FSA members</li> </ul>	<ul style="list-style-type: none"> <li>Q1 Raise awareness</li> <li>Q2-4: Develop self regulation model</li> </ul>	<p>Aligned to delivery 5 above</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 4: ILLEGAL TIMBER AND CRIMINAL RELATED ACTIVITIES

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 7: Wording of the NRCS regulations amended	<ul style="list-style-type: none"> <li>i. Convene meeting with DTIC and NRCS to reach agreement on amendment on regulation (VC 9092)</li> <li>ii. NRCS to amend current regulation (VC 9092)</li> <li>iii. NRCS to enforce the amended regulation</li> </ul>	<p>Q1: Stakeholder consultation to revise VC 9092</p> <p>Q2:</p> <ul style="list-style-type: none"> <li>i. Submit revised VC 90921 to DTIC</li> <li>ii. NRCS to commence first raids</li> </ul> <p>Q3-Q4:</p> <ul style="list-style-type: none"> <li>i. DTI to gazette revised VC 9092 for comment.</li> <li>ii. Consult with NRCS to determine enforcement challenges.</li> <li>iii. Continuation of enforcement (raids) in other areas</li> </ul>	<p><b>Progress</b> Stakeholder consultations took place and VC9092 revised and submitted to the DTIC for gazetting.</p> <p>NRCS conducted raids in KZN from 21-25 June and areas they managed to target were Pietermaritzburg, Greytown, Howick, Mobeni, Richmond and Ladysmith. –</p> <ul style="list-style-type: none"> <li>-34 companies inspected with breakthrough at two source plants identified.</li> <li>-24 distributors/merchants identified, products confiscated, and directives issued.</li> <li>-Treaters &amp; dealers failed to produce proof of compliance, including preapproval by NRCS. No marking requirements could be traced or identified.</li> </ul> <p>More raids are anticipated for Q4.</p> <p><b>Challenges:</b> Delays in gazetting</p> <p><b>Corrective measures:</b> Meeting between DFFE and DTIC to deal with the delays.</p>





## KEY FOCUS AREA 5:

# RESEARCH, DEVELOPMENT AND INNOVATION, SKILLS DEVELOPMENT AND CAPACITY BUILDING



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# COMMERCIAL FORESTRY MASTERPLAN

Key Focus Area 5: RESEARCH, DEVELOPMENT, INNOVATION, HUMAN RESOURCES AND SKILLS DEVELOPMENT			
Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 1: Government RDI Capacity strengthened and RDI included in budgets	i. Apportionment of RDI funds in budget allocations ii. Put in place effective institutional configurations in Government departments (such as DFEE) to administer Government's research role iii. Establish partnerships with other research organisations/ stakeholders to give effect to the research mandate	Q2 Transfer of officials from DALRRD to DFFE Q3- Processes to transfer remaining officials initiated Q4 Transfer of officials from DALRRD finalised	<b>Progress:</b> Transfer of staff (Capacity Building and Research) from DALRRD finalized. DALRRD and DFFE agreed to transfer funded post from DALRRD to DFFE
Deliverable 2: Joint study undertaken on state of RDI in forestry	i. Joint study undertaken on state of RDI in forestry ii. Report (including recommendations) disseminated to three RDI forums (Solid wood processing, National research forum and Forestry Cluster)	Q1: Review initiated Q2 Study conducted Q3:-4 Engagement with stakeholders initiated	<b>Progress</b> CREST and FSA are doing the review and the study has been initiated. Work is continuing and it is expected that consultations of private sector and institutions for research and higher learning will take place in Quarter 4



# COMMERCIAL FORESTRY MASTERPLAN

Key Focus Area 5: RESEARCH, DEVELOPMENT, INNOVATION, HUMAN RESOURCES AND SKILLS DEVELOPMENT			
Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 4: Primary R&D priority setting done through National Research Forum	i. Identify and adjudicate new RDI priorities ii. Lobby for RDI funding (see deliverables 6 &7)	Q2 National research Forum Operational  Q3 Milestones developed for the National Forestry research forum  Q4: Report on milestones	<p><b>Progress</b></p> <p>The National Forestry Research Forum (NFRF) reviewed the ToR and discussed deliverables for the remainder of the current financial year. The Forestry Research and Development Strategy (FRDS) was also reviewed and presented to the Deputy Director General for approval. We are also in a process of seeking approval of the FRDS from the Director General.</p> <p>The ToR were adopted in the last meeting of the NFRF which was held on the 25 January 2022 and the nomination of new leadership to be finalised at the end of March 2022 and the election of leadership will be held at the NFRF Plenary to be held on the 28 April 2022.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 5: RESEARCH, DEVELOPMENT, INNOVATION, HUMAN RESOURCES AND SKILLS DEVELOPMENT

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
<p>Deliverable 6: Advocacy and lobbying for continuation of existing RDI projects coming to an end</p>	<p>Project 1: Funding for the Protection and Research (FSA, DEFF) i. Finalize the outstanding MOU (PPGI initiative)</p> <p>Project 2: Sector Innovation Fund (DSI: Sector and Local Innovation)</p> <p>Project 3: Forestry Cluster (expansion of current FMG programme) (DSI-TIA)</p> <p>Project 4: Biorefinery consortium (DSI Industrial Bioeconomy Directorate) i. In conjunction with the development of the decadal plan, lobby for continued funding</p>	<p>Q2-3: Finalize and sign Memorandum of Agreement (MoA).</p> <p>Q4: Implementation</p>	<p><b>Progress:</b> Project 1: MoA redrafted and finalized in consultation with FSA. DFFE's Legal Services considered the draft and will issue a 'vetting certificate' after approval from National Treasury (NT). BAC approved that the request be submitted to NT.</p> <p>Project 2: A letter was received and a meeting between DEFF CFO and DSI is scheduled for 28 October to discuss funding issues</p> <p><b>Challenges</b> Delays due to internal procurement issues</p> <p><b>Corrective Measures</b> DFFE to urgently deal with internal procurement challenges</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 5: RESEARCH, DEVELOPMENT, INNOVATION, HUMAN RESOURCES AND SKILLS DEVELOPMENT

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 8: Continued investigation of [new] RDI funding opportunities	i. Investigate [new] funding instruments such as matched funding contributions between government, industry and academia	Deliverable was dependant on the National Forestry Research Forum	<p>No progress</p> <p><b>Challenges:</b> Implementation delayed due to the challenges in the functioning of the NFRF.</p> <p><b>Corrective Measures:</b> Once the NFRF is functional, it will deal with milestones related to the deliverables. Leadership of the Forum to be elected in the new financial year.</p>
Deliverable 9: Skills audit done to determine skills gaps and redundant skills on processing and production forestry and identify clear career paths and training programmes for lesser skilled workers to fill higher level positions	<p>i. Convene a meeting to discuss scope and budget for skills audit</p> <p>ii. Appoint provider to do skills audit</p> <p>iii. Review and finalize skills audit report</p> <p>iv. Scarce skills gaps identified and addressed through critical interventions</p>	<p>Q1: Convene a meeting to discuss scope and budget for skills audit</p> <p>Q2. Appoint provider to do skills audit</p> <p>Q3. Review and finalize skills audit report</p> <p>Q4:. Scarce skills gaps identified and addressed through critical interventions</p>	<p><b>Progress</b> A task team comprising of FPM SETA, FSA, labour and DFFE met and agreed that the forestry subsector skills audit to be conducted.</p> <p>Proposals received from potential service providers, evaluation not finalised as yet.</p> <p><b>Challenges</b> Delays in the appointment of the Service Provider</p> <p><b>Corrective measures:</b> Finalise the evaluation of the proposals and appoint a PSP to commence with the skills audit.</p>



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 5: RESEARCH, DEVELOPMENT, INNOVATION, HUMAN RESOURCES AND SKILLS DEVELOPMENT

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 10: CREST Tracer study done to establish the employment trajectories for Forestry graduates (September 2020-March 2021) and investigate the future of work and the impact of the fourth industrial revolution on employment	<ul style="list-style-type: none"> <li>i. Conduct Tracer study</li> <li>ii. Disseminate findings of tracer study</li> <li>iii. Set out positions in the sector that may become redundant in future due to increased mechanisation and automation</li> <li>iv. Re-skill workers occupying positions that may become redundant</li> <li>v. Introduce plans to prevent large scale job losses or to compensate those whose jobs may be lost</li> </ul>	<p>Q2 Conduct tracer study</p> <p>Q3-4: Set out positions in the sector that may become redundant in future due to increased mechanisation and automation</p>	<p><b>Progress:</b> CREST has initiated the study. Progress to be discussed and aligned with the work of the NFRF.</p> <p><b>Challenges:</b> Implementation delayed due to the challenges in the functioning of the NFRF.</p> <p><b>Corrective Measures:</b> Once the NFRF is functional, it will deal with milestones related to the deliverable</p>
Deliverable 11: Skills forum/ committee established to drive the development and delivery of short courses for landowners, SMME contractors and small sawmillers	<ul style="list-style-type: none"> <li>i. Assess availability of current short course offering (including considering work done on National extension services programme and the Forestry Extension services programme)</li> <li>ii. Develop cross-cutting short courses (i.e. financial, technical etc) bearing in mind the needs of the various targets (i.e. different levels of training, language requirements, mode of training)</li> </ul>	<p>Q1 Initial meeting to discuss the establishment of the forum</p> <p>Q2 Forum established with a concept on programmes to support SMMES</p> <p>Q3-4 Training on basic forestry operations conducted for potential contract workers</p>	<p><b>Progress</b> FP&amp;M SETA, Industry, DFFE and other key role-players met regarding the skills forum and capacity building issues.</p> <p>FP&amp;M SETA allocated funding to train 90 potential contract workers in the Western Cape. Training to commence in Q4.</p>





# KEY FOCUS AREA 6:

# INHIBITORS



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# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 6: KEY INHIBITORS

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable: 1 1:Licenses issued between 1998 and 1 April 2020 amended	Amend Water Use licences and conditions	Q1 Develop template Q2 Finalise template Q3 -4 Amend licences	The industry and Department of Water and Sanitation reached consensus on the Water Use Licence template with specific reference to the general and SFRA compliance conditions, to be implemented by the DWS with immediate effect.
Deliverable 2 Genus exchange	Once legal dispute and Genus Exchange issues and definition of lawful water use are resolved, implement the outcome of the court case	Implement the decision of the FSA/DWS court case	<b>Progress:</b>  Judgement has been received. Both parties have appealed the judgement and no action can take place until the matter is resolved
Deliverable 3: Response obtained on diesel refund (PPGI Initiative)	Obtain response from SARS on the Diesel Refund submission	Q1 Request SARS to treat Forestry as a separate industry to Agriculture,  Q 2 - 3 Follow up on request for SARS response to separate criteria for forestry to include labour carriers	Submission made to SARS and the proposal will be included in the 2022 guideline.



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 6: KEY INHIBITORS

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 4: Continued monitoring of the performance of the conveyor system through (existing) quarterly industry forums	Convene quarterly forums where performance of conveyor system are discussed	Q1 Identify role-players Q2-3 Meetings with role-players	<p><b>Progress:</b> Role players have been identified but meetings have not materialised.</p> <p><b>Challenges:</b> Challenges with securing meetings with the relevant stakeholders</p> <p><b>Corrective measures:</b> DFFE to provide support in facilitating the meetings through the National Department of Transport</p>
Deliverable 5: Productivity tariff implemented from April 2020 whereby performance of port is linked to the tariff	Productivity tariff implemented	Q1 - 2: Meet with Ports Authorities to discuss tariff structure Q3 Submit inputs regarding the tariff application	National Ports Authority submitted tariff application to Ports Regulator SA.



# COMMERCIAL FORESTRY MASTERPLAN

## Key Focus Area 6: KEY INHIBITORS

Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 6: Terminal Tariff cost issues addressed	Undertake benchmarking of global costs drawing on the study from KZN ii. Conduct new benchmarking exercise of global costs iii. Undertake negotiations to discuss globally competitive rates iv. Reach agreement on negotiated costs	Q1 Identify role-players Q2: Engagement with role-players (Portnet, Transnet) to discuss costing structures) Q3: Engage with UKZN to do international cost benchmarking Q4: Annually agreed tariffs for forestry	<b>Progress:</b> National Ports Authority submitted tariff application to Ports Regulator SA.  <b>Challenges:</b> Comments have not been addressed  <b>Corrective measures:</b> The matter will be escalated with the Ports Regulator SA
Deliverable 7a. Consolidate industry rail issues for escalation to Transnet Freight	Consolidation report of industry rail issues	Q1 -2: Engagement with Transnet (PPGI team to meet with Transnet executives) on port and rail  Q3 Engage TFR on deliverables	<b>Progress</b> Meeting has not been scheduled  <b>Challenge</b> Challenges with securing meetings with the relevant stakeholders  <b>Corrective measures:</b> DFFE to provide support in facilitating the meetings through the National Department of Transport



# COMMERCIAL FORESTRY MASTERPLAN

Key Focus Area 6: KEY INHIBITORS			
Deliverables	Annual Target 2021/22	Quarterly Targets	Q3 Progress and Analysis
Deliverable 7b. Set up One Stop Shop at Transnet to enable strategic alignment between government & industry on rail issues	i. Obtain approval from Transnet CEO to establish the One Stop Shop ii. More actions to be developed following approval	Q1-2: Meet with Ports Authorities to discuss One Stop Shop	<p><b>Progress</b> Meeting has not been scheduled</p> <p><b>Challenges:</b> Challenges with securing meetings with the relevant stakeholders</p> <p><b>Corrective measures:</b> DFFE to provide support in facilitating the meetings through National Department of Transport</p>
Deliverable 8: Integration of PBS into National Transport Framework	Submit proposal to National Department of Transport around the inclusion of PBS into the National Transport framework ii. Track acceptance and incorporation into legislation (31 July 2020 - 31 December 2021)	Q2-Q3 Feedback from NDOT on proposal for PBS	<p>Submission on the inclusion of PBS in the National Transport Framework has been made to NDOT</p> <p><b>Challenges:</b> Feedback not yet received</p> <p><b>Corrective measures:</b> DFFE to provide support by facilitating a meetings with National Department of Transport</p>



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Key Focus Area 6:KEY INHIBITORS			
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Deliverable 9a. Existing outstanding EIAs finalised	Collate and action outstanding applications for EIAs	<p>Q1: DFFE to take stock of outstanding / existing EIAs for afforestation</p> <p>Q2 Prioritise projects to undergo EIA studies</p> <p>Q3 Develop TORS for the Environmental Practitioner</p> <p>Q4 Obtain approval to advertise</p>	<p><b>Progress:</b></p> <p>List of projects in EC and KZN compiled (about 28 000ha) – list has been subjected to the screening tool with landowners,</p> <p>The ToR to appoint the Environmental Practitioner have been developed, The bid specification committee is scheduled to meet before end March 2022 to consider the ToR.</p>



# ACTION PLAN ON DELIVERABLES THAT WERE NOT ACHIEVED

Deliverables	MESURES TO CORRECT THE SITUATION
1. Verification of State Plantations	DFFE has identified a champion to work with the Department of Water and Sanitation and make sure that all the necessary information is provided to make the verification process a reality.
2. Lease Agreement for the management of State plantations signed	A working group has been established to assist with ideas and inputs regarding the fast tracking of this deliverable. An action plan has been developed in this regard. Matters related to Supply Chain Management are being dealt with internally.
3. Capacity constraints in implementing pests and diseases management	The matter has already been escalated with the Registrar of Pesticides in the Department of Agriculture, Land Reform and Rural Development. A follow up meeting to be scheduled with industry, DALRRD and DFFE to resolve the matter
4. A Log Transport Permit System established (to allow policing by SAPS of timber being transported)	The Department to schedule a focus meeting with Department of Transport, Transnet and SAPS to find ways of curbing the illegal activities in terms of timber theft during transportation.
4. New Research, Development and Innovation priorities identified	The Department has already taken measures to ensure that from 1 April 2022 the National Forestry Research Forum is functional. The Masterplan Secretariat has commenced with drafting milestones for this deliverable for consideration by the Forum.
5. Ports of entry and matters related to Road and Rail Transport and Integration of PBS into National Transport Framework	The Department to schedule a focus meeting with National Department of Transport, industry and relevant State Owned Entities to resolve the issues

# CONCLUDING REMARKS

- The Department is putting in place measures to accelerate the implementation of the Masterplan through the following interventions:
  - Strengthening of the Secretariat
    - The post for the Director who will deal with the implementation of the Masterplan has been advertised. In the interim an official has been appointed to act in the post in order to fast track implementation
    - The Department will also appoint a coordinator who will address high level deliverables and inhibitors that block the smooth implementation of the Masterplan
    - The Project Management Office comprising of the leads of the six Focus Areas, Secretariat and Labour Unions has been established to deal with operational inhibitors to the Masterplan
  - Focussed meetings with partners such as NDoT, DALRRD, DSI and DWS to discuss areas that need attention



# THANK YOU!

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Thank You

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forestry, fisheries  
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