**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 264 / NW284E**

**MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:**

**MR P MOTEKA (EFF) ASKED TO THE MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES**

**QUESTION:**

What is the nature of the agreement between Rance Timber and the Department with regards to the management and exploitation of Zingcuka State Forest in Keiskammahoek, Eastern Cape? Who monitors the implementation of this agreement? And what is your department doing to stop Rance Timber from destroying indigenous forest and the declared State forest, without any environmental authorisation? **NW284E**

**REPLY:**

In 1998, Cabinet took a decision to privatise certain State owned plantations managed by the SAFCOL and the former Department of Water Affairs and Forestry (DWAF). To implement the privatisation decision, Government represented by DWAF and Department of Public Enterprises (DPE) combined economically viable plantations into five regional forestry packages namely: the North Eastern Cape Forestry package; the KwaZulu-Natal Forestry package; the South and Western Cape Forestry packages; the South Eastern Cape Forestry package; the Limpopo, Mpumalanga and Northern KwaZulu-Natal Forestry package.

The forestry packages were offered for sale to the private sector through a bid process which led to four of the packages sold to four companies. A business Sale Agreement was concluded between SAFCOL, DPE and a successful bidder where it was agreed that the successful bidder must be Black Economic Empowerment (BEE) compliant and that SAFCOL will acquire 25% share of the sale where 16% would be for communities and 9% for the workers.

The Amatola Forestry (Pty) Ltd whose majority shareholding is owned by Rance Timbers won the bid for the South Eastern Cape Forestry Package. This Forestry package is composed of 11 plantations totalling an area of 25 405 hectares. The plantation is one on the plantations that were sold to the Amatola Forestry (Pty) Ltd. The company has entered into a lease agreement with DAFF for a minimum of 70 years to promote and ensure sustainable forest management of the plantations.

Forestry is a highly regulated industry where no establishment can take place without a water authorisation. According to the National Water Act, 1998, forestry is the only declared Stream Flow Reduction Activity (SFRA) and plantations cannot be established without water use license. In addition to this, the lease agreement stipulates that the company must be certified by an international organisation in terms of sustainable forest management. Amatola Forestry is certified through the Forest Stewardship Council (FSC) which monitors the Company on an annual basis to check whether the company complies with all environmental legislations related to land and the management of indigenous forests, grass lands, protected tree species and wetlands. Should the company be non-compliant, the certificate is suspended which affects its ability to market and trade its products. Amathole Forestry Company (AFC) has got a valid FSC certificate. DAFF also monitors AFC in terms of compliance with the principles of Sustainable Forest Management (SFM).

Indigenous forests according to the National Forests Act, 1998 are protected. The Department conducts site visits to the company as part of the monitoring of the lease agreement. The Department is aware of destruction caused by AFC when clear felling/ harvesting one of the compartments. AFC has been instructed to stop the destruction and in the meantime the Department is quantifying the extent of damage caused on the Indigenous forests in order to determine the cost of rehabilitation which will be paid by AFC.