



## Sustainable forest standards in relation to small timber growers: lessons from KwaZulu Natal

### Policy conclusions

- International and national forest standards have the potential to exclude small-scale timber growers from markets, but this outcome is not inevitable.
- Small-scale growers should be involved in the process of designing standards to ensure they are not excluded.
- Many criteria for sustainable forest management do not make sense at the individual small grower level and it is necessary to identify an appropriate local institutional level at which they can be applied.
- If small grower communities are to have a realistic chance of meeting standards and thereby contribute to sustainable forest management, direct assistance is required to develop co-operatives and build capacity and appropriate training to increase growers' awareness of forest standards.

### Background

There are small-scale timber growers in many countries throughout the world, for example, Bolivia, Finland, UK, Costa Rica, and the Solomon Islands as well as South Africa. The greater participation of small-scale growers in schemes that certify forest products for environmental sustainability such as the Forest Stewardship Council (FSC) has been increasingly recognised as a major challenge. One reason is the cost of certification. Recent studies highlight barriers to participation in the standards themselves including the length and language of the standards, and the irrelevance, inappropriateness or unfeasibility of the requirements to smaller operations (Nussbaum et al 2000; Higman and Nussbaum 2001).

This Policy and Practice Paper draws on a study conducted in Kwa Zulu-Natal in South Africa (Lewis and Ngubane 2001)<sup>1</sup> to set out the relevance of social and environmental standards to small-scale timber growers. It focuses on the development of the National Forest Standards currently being developed by the South African Government Department of Water Affairs and Forestry (DWAF), but also has wider relevance to the potential of small-scale growers to meet the Forest Stewardship Council (FSC) standard.<sup>2</sup> The FSC is an international non-profit organisation founded in 1993 to support environmentally appropriate, socially beneficial and economically viable manage of the world s forests. It is the most well-known timber certification standard and is defined by 10 principles and criteria reflecting a broad-based approach to sustainable forest management.

<sup>1</sup>This study was funded by the UK Government Department for International Development South Africa office and builds on an earlier study funded as part of the Forestry Research Programme funded research project, entitled Ethical Trade and Forest Dependent People , R7285. It was carried out by Fonda Lewis and Stephen Ngubane of the Institute for Natural Resources, University of Natal.

<sup>2</sup>See [www.fscoax.org](http://www.fscoax.org)

The South African forest sector has a number of unique features:

- The whole forest and timber industry is dominated by very few players;<sup>3</sup>
- The majority of the industry is certified to either ISO 14001 or FSC;
- Nearly all timber is grown on plantation of exotic species.

If the standards demanded of South African small-scale timber growers do not recognise their specific needs and capabilities, then they will face the prospect of being denied access to the market place to a much greater extent than in many other parts of the world. This is because of the widespread use of certification schemes and the proposed new National Standard for Sustainable Forest Management that will become the legal minimum for forest operations in South Africa. At present a set of draft criteria and indicators for the South African National Forest Standard are being tested and discussed with a wide range of stakeholders throughout the country, including small-scale timber growers in KwaZulu Natal (INR 2001). However, this is the first time the views of small-scale timber growers were considered by the process. In the South African context small growers are those growing trees on communal land, controlled by local tribal authorities. These small grower holdings can be substantial (well over 50ha), but the vast majority are likely to be under 5ha or even as small as 0.5 ha. This category includes:

- Growers involved in outgrower schemes run by two large timber companies, Sappi and Mondi, who between them contract approximately 14,000 growers,
- Independent smallscale growers, and
- Smallscale growers linked to co-operatives such as the Natal Timber Growers Co-operative (NCT).

The significance of small-scale timber growers in South Africa is likely to grow: Sappi estimates that one third (approximately 200 000 tonnes) of its production in the near future may be derived from small growers. The timber grown by small growers is nearly all eucalyptus gum, grown on an 8-year cycle, usually on a small plot in the vicinity of the homestead. Small growers tend to have limited formal education and maintain few records of their forestry operations.

The main concerns of growers are:

- (a) access to markets, especially where growers are not members of out-grower schemes or marketing co-operatives, and
- (b) access to mills to process their timber; larger growers have preferential access as they provide a higher guarantee for a constant supply of timber to the mills than do the small growers whose timber production fluctuates wildly?

Nevertheless, the potential for income generation through forestry, despite the risks, is such that there are an ever-increasing number of new small growers entering forestry.

The study, from which this policy briefing chiefly draws, explores the relevance of social and environmental standards to small scale timber growers, growing less than 50 ha of timber plantation largely of exotic species.

The study:

- Informed the development of national standards regarding the capacity and operations of small growers;
- Examined the ability of small growers to reach the required standard;
- Established the degree to which growers can realistically be expected to prove compliance with national standards.

## Policy findings

### The potential for exclusion

The research assessed the relevance and achievability of the principles and criteria of a range of international certification organisations, including those of the Forest Stewardship Council, from the perspectives of small growers through participatory research. Opportunities for collective organisation and participation in the standard setting process were also established.

A large number of principles and criteria have relevance to small-scale timber growers, but the likelihood that small-scale growers can achieve these in reality is low.

<sup>3</sup> Three players control the large majority of the forest growing industry in the country: international pulp and paper companies Sappi and Mondi, along with the State run forestry enterprise, Safcol, which is currently being privatised. In addition there are a number of independent growers producing trees on farms with areas of between 50ha and 3000ha, many supplying timber to either Sappi or Mondi, or to marketing co-operatives such as Natal Co-operative Timbers (NCT).

These included:

- Compliance with labour regulations, including health and safety;
- Wider social impacts including the promotion of diversified livelihood opportunities;
- Management planning, monitoring and record-keeping;
- Environmental monitoring and impact assessment;
- Environmental management, including protection of watersheds, elimination of exotic species.

Low achievement of standards by individual small-scale timber growers is associated with:

- Lack of awareness and training on the part of the growers, especially with regard to environmental best practice or labour regulations;
- The level of skill required, such as the level of literacy and understanding of sustainable forest management needed to develop a management plan, to undertake resource mapping, perform an Environmental Impact Assessment (EIA) and to undertake regular environmental monitoring;
- Difficulties in investing in health and safety equipment to the standards expected.

Small growers may also be excluded by the ways in which standards are measured and audited. Standards for responsible forest management tend to require assessment of cumulative social and environmental impacts, which can be very difficult for the individual small grower to monitor. A key issue is the institutional level at which these can be assessed, see below. Secondly, the way in which auditors at the small grower level interpret standards can be critical. It is important to interpret the standard flexibly in terms of what constitutes compliance. Auditors must be well briefed on the conditions within which standards are being applied.

South African small-scale timber growers themselves argued for only one forest standard, with flexibility at the indicator level. A separate standard for smaller growers could potentially exclude smaller growers from markets.<sup>4</sup>

### **Standards applied at the appropriate institutional level**

A key question to be resolved is the management level at which particular criteria should best be applied. Should individual growers, managing only two hectares of trees, be expected to undertake an assessment of the social implications of his or her forest operations or to undertake measures to protect a watershed? The local tribal authority could take responsibility for environmental monitoring and management planning. Focusing on the responsibilities of the local tribal authority with respect to sustainable forest management, as well as those of the individual small-scale timber growers, ensures that the cumulative social and environmental effects of timber production can be taken into account

The Lewis and Ngubane study (2001) agrees with Higman and Nussbaum (2002) in that all aspects of forest standards have relevance to the smaller grower, but neither study found that it is feasible to implement many requirements at the small-scale timber growers level. The challenge is to identify how the requirements can be adapted and dealt with at the local or national level. What is the appropriate institutional framework to ensure that environmental and social issues are dealt with? In the Richards Bay area the obvious local institution is the tribal authority. It should be noted that traditional tribal authorities in Richards Bay area of KwaZulu-Natal authorities remain relatively strong. To enable the tribal authority to take on this role, a community environmental management forum, ratified by the tribal authority could be established. This forum would be the level at which environmental impact assessments are undertaken and forest management plans developed.

Elsewhere in South Africa, the advent of democracy in 1994 saw the gradual change in the powers of traditional governance institutions and governance in many rural areas is now through democratically elected councils. Management of land and natural resources in these tribal wards could be undertaken in significantly different ways to those reported in the case studies of this research project. This is also the case for different contexts in other countries around the world where there are small timber growers. Nevertheless, the same key should underlie whatever kind of institutional arrangements that are developed for sustainable forest management and the development of and compliance with standards (e.g. participation, transparency, empowerment, partnerships, diversity and revision).

<sup>4</sup>A similar argument was made by NRET (2002) in respect of small growers in export horticulture.

## Capacity building among small scale timber growers and their organisations

The Lewis and Ngubane (2001) study indicates that small growers support the implementation of sustainable forest management standards. However a large proportion of the small growers appear to lack the capacity to implement the standards, given that poverty is high in the rural small grower communities. This gap between intent and capacity could significantly hamper the implementation of sustainable forest management standards by the small-scale forest grower sector. An essential part of the standards setting process will therefore need to be a capacity building process among small growers, including skills training and access to the resources necessary to implement the required management strategies.

The local tribal authority or a timber growers group could be the mechanism through which training could be delivered to growers. Lewis and Ngubane (2001) explored the potential of collective organization by small growers to assist in addressing production constraints, and the likelihood of increasing growers ability to comply with national standards and thus achieve certification. This drew on the experience of the timber growers co-operative in Kwambonambi district and small growers co-operatives operating in other sectors in KwaZulu Natal, such as sugar. Given the limited capacity currently existing in the grower communities and the problems experienced in Kwambonambi, significant support and capacity building would be required to establish effective co-operatives in the small-scale growers communities. However, should such support be available at the local level, this could lead into the development of regional or even national associations that could amplify the small grower voice in national policy making, including the development of standards for sustainable forest management.

Through the tribal forums, or through grower groups, extension programmes are needed on, *inter alia*, biodiversity in forests and woodland and the rehabilitation of degraded forest; catchment management and the use of commercial indigenous species (to avoid reliance on alien eucalyptus). Similarly, training of local labour and growers regarding regulatory requirements is important. Overall there is a need for the development of monitoring and assessment systems to be developed that are appropriate to small-scale operations and limited literacy of the growers.

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