

AFRICAN PLANTATIONS FOR SUSTAINABLE DEVELOPMENT (APSD) Ghana Ltd.



The Role of Forest Plantations Towards a Sustainable Future FAO September 25th, 2012



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1. Introduction

- Erling Lorentzen, founder of Aracruz Cellulose, was one of the first to optimise the link between plantations, employment and large scale industrial projects.
- Having witnessed the employment and development benefits of large scale plantations in Brazil, Mr Lorentzen wished to transfer his knowledge to Africa
- APSD Ghana Ltd. was founded in 2007 with the goal of promoting rural plantation development in Ghana, alleviating poverty by employing vast numbers of people and maximising the local value added for Ghana as a Nation
- Having determined that Ghana is in urgent need of electric infrastructure, APSD decided to focus on electricity generation from fast growing plantations in 2009
- The aim is to install 600MWe of electric generation capacity fed by Eucalyptus plantations in units of 30-60MWe each
- The first stage currently under development will install two power plants of 30MWe each fed by about 20,000 hectares of eucalyptus plantations on a 3-5 year rotation
- Yearly production from this first stage is estimated close to 400GWh, representing about 2.5% of today's annual production in Ghana



2. Principles

- APSD seeks to promote and adhere to the highest international standards and best management practices in conserving the ecosystem, engaging stakeholders and supporting communities where it operates
- APSD's objectives and policies are based on the experience gained by Erling Lorentzen in over four decades of plantations and industrial development and management in Brazil
- These principles involve no corruption, adherence to local rules and regulations, maximising local content and community support as well as reinvesting parts of the profits for further development
- APSD will seek a dialogue with FSC in order to certify its plantations
- The Company has also applied for participation in the WWF New Generation Plantations project in order to collaborate with other companies and organisations in identifying best practices for plantation operations on the African continent
- APSD strongly supports both FSC and the WWF NGP initiative and believes the impact on future investments on the African continent will be considerable once fully implemented



3. Socioeconomic impact

- APSD expects to employ 4,000-5,000 once full plantation roll out has been reached and is looking to source as many of these employees locally as possible
- Great emphasis will be placed on local food security as farmers are currently dependent on subsistence agriculture based on shifting cultivation, little use of fertilisers and clearing by fires which is destructive and highly inefficient, both in terms of yields and use of land. APSD will seek to support local farmers, mainly by transferring knowledge about alternative production methods
- The main income in the region today is derived from illegal charcoal production whereby the last remaining trees of higher density are felled and the charcoal sold roadside to traders. A dedicated charcoal project promoted by APSD is expected to relieve some pressure from the remaining indigenous forest and will support APSD's reforestation and conservation efforts



4. Social responsibility

- A baseline study of the entire region is currently being carried out by APSD. This study will include data ranging from biodiversity, education, health, agricultural and charcoal production as well as land use, just to mention a few
- The baseline study will support APSD in directing its financial and management efforts towards the most pressing issues with the highest impact on attractiveness of the region and livelihood of the local population
- APSD places great importance on transparency and has involved all stakeholders from the start of the project. This will be continued and formalised in the Environmental and Social Action Plans currently under development
- In order to improve effectiveness of land use, APSD will promote the trial development of a local village. The aim is to allow for villagers to meet all their demands from the immediate vicinity of their village rather the travelling long distances to their farms spread throughout the region



4. Social responsibility

- Trial village



Current village



Village expansion including areas for agriculture and fuel wood production

4. Social responsibility

- In order to relieve pressure off the remaining indigenous forest as well as allow reforestation and conservation efforts to be successful, APSD will promote a high efficiency charcoal project
- Efficient charcoal kilns expected to require half the amount of green wood per ton of charcoal produced will be installed throughout the region
- APSD will provide the local population with the first kiln units as well as Acacia seedlings to be planted in the vicinity of these kilns in order to feed them
- One 20-25 hectare plot of Acacia will be able to feed one kiln throughout the year based on a 2-3 year rotation
- Kilns will be run as a community based project and APSD will provide support in arranging transportation of charcoal to the Kumasi market to take advantage of the significantly higher pricing
- Revenues from charcoal production are to be reinvested in kilns and plantations, support the running cost of the community and the Stools as well as support payment of school fees for children and youth



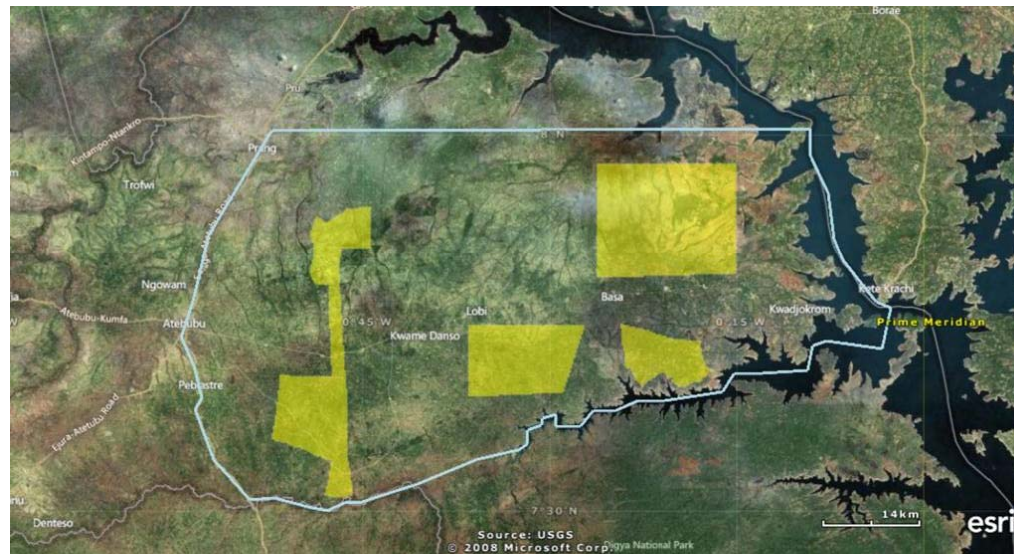
5. Agricultural improvements

- In order to improve the access to agricultural land, reduce the dependence on fire for clearing as well as increasing the agricultural output, APSD is increasing the width of its fire belts to 50 meters and is allowing local agricultural production on them
- Based on current calculations, the area opened for agricultural production will reach 250 hectares by the end of 2013 and ultimately be larger than 2,000 hectares once plantations are fully developed
- At the end of the season, APSD harrows the belt to incorporate organic material into the ground and reduce the fire risk during the dry season
- Furthermore, local farmers are assisted in taking advantage of governmental subsidies for fertilisers
- Composting trials will be conducted in order to demonstrate the value of composting residues rather than burning them as is currently being done
- APSD is also considering facilitating the construction of a large scale cold storage based on excess steam from the power plants in order to allow adequate storage of agricultural products as well as production of higher value products



6. Development Master Plan

- APSD will prepare a development plan for the entire region affected by its project in cooperation with the Town and Country Planning Department, the traditional authorities and regional government
- This plan will be based on the data gathered in the baseline studies APSD hopes that the plan will support local decision making about the allocation of land for agriculture, charcoal production, housing, conservation as well as plantations in order to minimise any risk of future land use conflicts
- APSD hopes this will increase the attractiveness of the region for resourceful individuals



6. Contact

Thank you for your attention

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