



## **The Role of Forest in Socio-economic Development: The Green Resources Experience in East and Southern Africa**

### **FAO COFO Side Event**

Rome, 25 September 2012

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# Overview of Green Resources

## Timber Plantations

- ▲ Objectives of plantation:
  - energy , panel board and Pulp
  - Saw timber and transmission pole
  - Carbon sequestration
- ▲ Conservation of natural forest and biodiversity

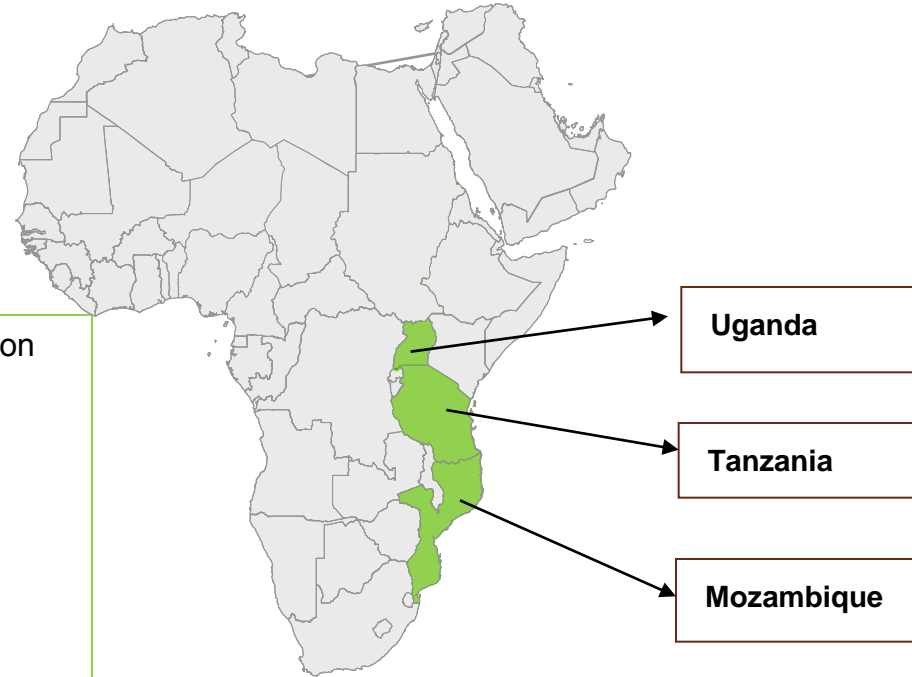
## Industrial Operations

- ▲ East Africa's largest sawmill and transmission pole plant in Tanzania and Uganda
- ▲ Growing value added business, doors and joinery
- ▲ Wood chip, pellets, poles and pulpwood in Mozambique

## Carbon Offsets

- ▲ Achieved world's first voluntary carbon standard "VCS" forestry project in 2009, and subsequent other carbon certifications, including biomass from wood waste

Main Operations in 3 Countries and Employs more 3,500 People



# Why in East and Southern Africa

## Infrastructures

Basic infrastructures  
available



## Natural Conditions

Suitable soils and  
adequate temperature  
and precipitation

The countries enjoys Political stability & adequate investment environment

Countries imports majority of forest products



Close to important growing international markets

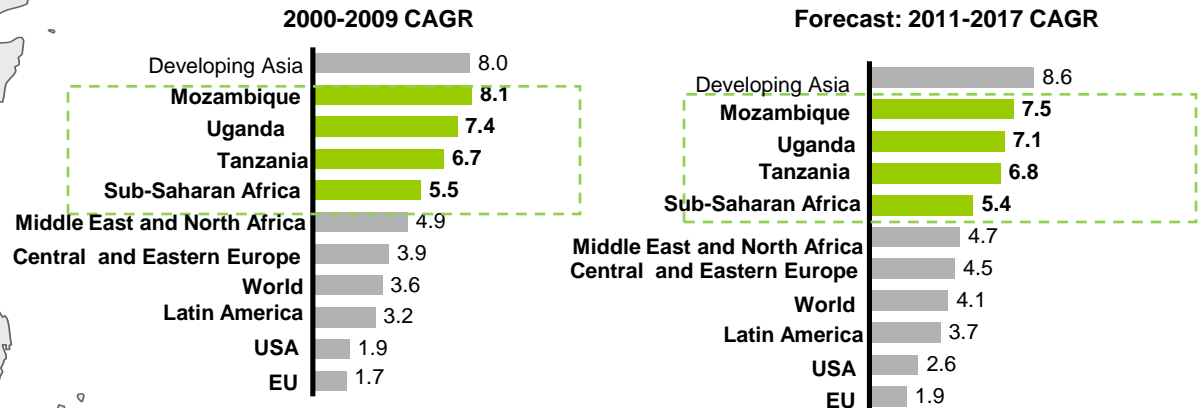


# Green Resources Operating in Stable Countries with Strong Economic Growth

- ▲ Sub-Saharan Africa is the world's second fastest growing region
- ▲ Mozambique, Uganda and Tanzania are the fastest growing countries in Sub-Saharan Africa



Compound Annual Real GDP Growth<sup>1</sup> (% constant exchange rates)



**Strong Economic Growth, Attracting Investments and Close to Core Markets**

# Overview of Green Resources Operations

## Map of plantations



## Plantations details & statistics

	No. of Ha		Timber type	Intended use
	Planted	Plantable		
<b>Total</b>	<b>22.504</b>			
<b>Tanzania</b>				
Southern High.	12.274	49.306	Eucalyptus & Pine	Saw, Poles, Pulp
Lindi	1.352	704	Eucalyptus, Hardwoods	Wood-chips
Tanga	-	-	Eucalyptus, Hardwoods	Wood-chips
	<b>13.626</b>	<b>50.010</b>		
<b>Uganda</b>				
Bukaleba	4.133	4.464	Euca, Pine, Hardwoods	Saw, Peeler, Poles, Energy
Kachung	1.874	2.028	Euca, Pine, Hardwoods	Saw, Peeler, Poles, Energy
Sango Bay	-	-	Euca, Pine, Hardwoods	Saw, Peeler, Poles, Energy
	<b>6.007</b>	<b>6.492</b>		
<b>Mozambique</b>				
Niassa	1.978	26.191	Eucalyptus & Pine	Saw, Peeler, Poles, Energy
Lurio	893	125.108	Eucalyptus	Pulp, Energy
	<b>2.871</b>	<b>151.299</b>		

## Overview of type of land ownership status

**Mozambique**  
50+50 years lease



**Tanzania**  
99-year leases

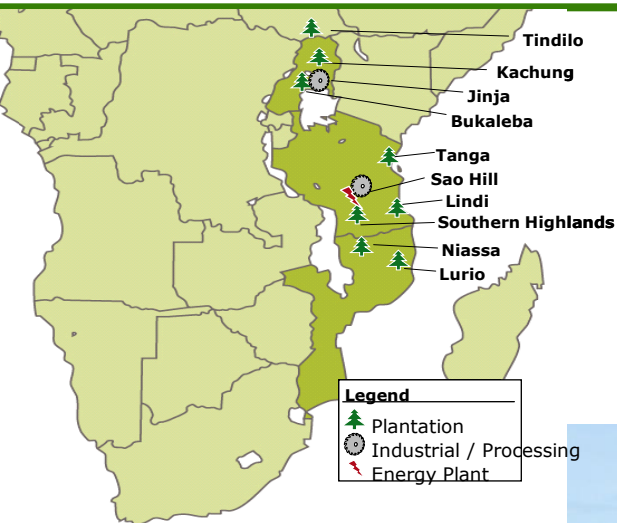


**Uganda**  
50-year planting license





# Sustainable development secured through extensive certification schemes



Country	FSC Certified Area (ha)	VCS	CDM Validation
Tanzania	Uchindile, Mapanda, Ideteand 30,042 ha	Uchindile, Mapanda	ongoing
Uganda	Bukaleba, Kachung 10,282 ha		Kachung
Mozambique	Sanga 5,310 ha		ongoing
<b>TOTAL</b>	<b>45,634</b>		

Mapanda Forest plantation Mosaic in Tanzania



**Mozambique**  
50+50 years lease



**Tanzania**  
99-year leases



**Uganda**  
50-year planting license





# Forest plantations



*Eucalyptus, Bukaleba, Uganda*



*Pinus Patula, Mapanda, Tanzania*



*Eucalyptus, Pine and Valley Bottom,  
South Highlands, Tanzania*



*Eucalyptus, Uchindile, Tanzania*



*Pine, Uganda*



# INDUSTRIAL OPERATIONS

## New Hew Saw at Sao Hill Industries





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## New Hew Saw at Sao Hill Industries



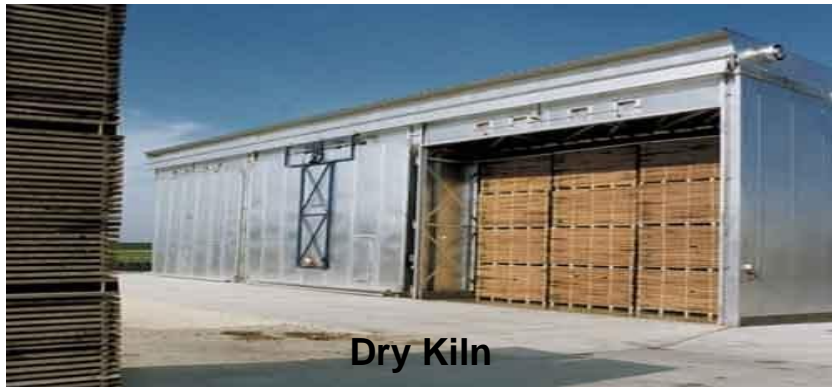
• New Saw mill capacity: 75,000 m3/year

*Confidential Draft*



# INDUSTRIAL OPERATIONS

## New Hew Saw at Sao Hill Industries



- **Kiln Drying:** 30,000 m3/year capacity, and a **2.5MW boiler**
  - Boiler Fuel: Chips from sawmill





# Sao Hill Industries Value Adding Factory



## New Value adding factory

- ▣ A new glue-lamination line, doors and joinery factory is erected
- ▣ Production capacity of 24,000 doors per annum



- **Capacity per annum:**
  - 40,000 m3 sawn timber
  - 80,000 poles
- ▣ Employees: 90



- The first ISO 14001 certified treatment facility in East Africa as well as being the largest with automated dosing



## Sao Hill Industries – Additional Investments

- **Hammer Mill:** Production of **compost** for plantations and nurseries as well as for other customers using pine bark



- **Wood Chipper:** Production of wood chips from all waste will be used for production of panel board and pulp will ensure the use of 100% of the tree

- Production Volume: 100,000m3 of wood chips and forest waste per annum
- Employees: 5





## How Can Forest Plantation Contribute to Social and Economic Development

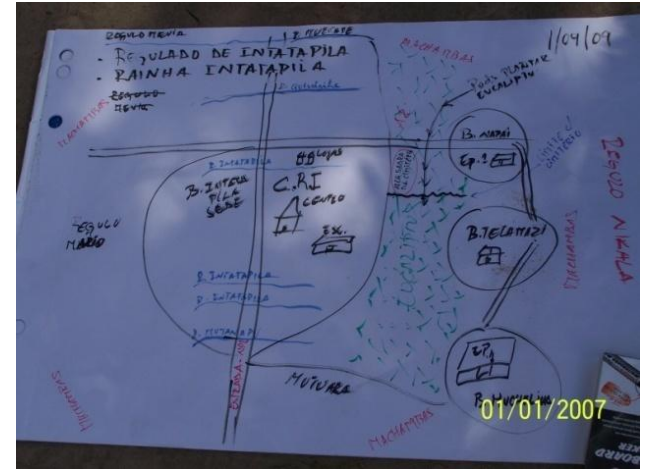


***Successful and sustainable forest plantations requires local participation***



## Identification of needs of local communities

- ▲ The Socio –economic assessment (participatory consultations) identified the following problems:
  - unemployment,
  - insufficient school rooms,
  - lack of health care facilities, and
  - Shortage of potable water
  - Low of agriculture yield
  - Lack of alternative income generation activities



## Consultation With Local Communities

# Green Resources contributes to long term development - EMPLOYMENT

## A MAJOR EMPLOYER IN RURAL AREAS

- 3 854 persons employed in 2011 of which 680 where women
- 1 045 permanent employees and 2809 seasonal workers
- Adhering to national laws and the ILO convention, encouraging establishment of unions
- Paying as or above the normal wage level in each country, ensuring at least we pay more than the official minimum wages
- Most workers in the plantations also work on their own farms. Salaries support education, improvement on housing standards, etc.





# Green Resources Contributes to Socio-Economic development:



The program is implemented based on local needs defined in participatory manner with communities and local leaders

## Education: Construction of Schools and Classrooms



School pupils at Makungu Primary School



Kihata Primary School



Girls' Dormitory at Uchindile Secondary School



Classrooms at Igenge Primary School,



## Education: Construction of classrooms and village offices





# WATER SUPPLY



▲ ***To improve access of potable drinking water for the communities living in surrounding areas of Green Resources Plantation areas***





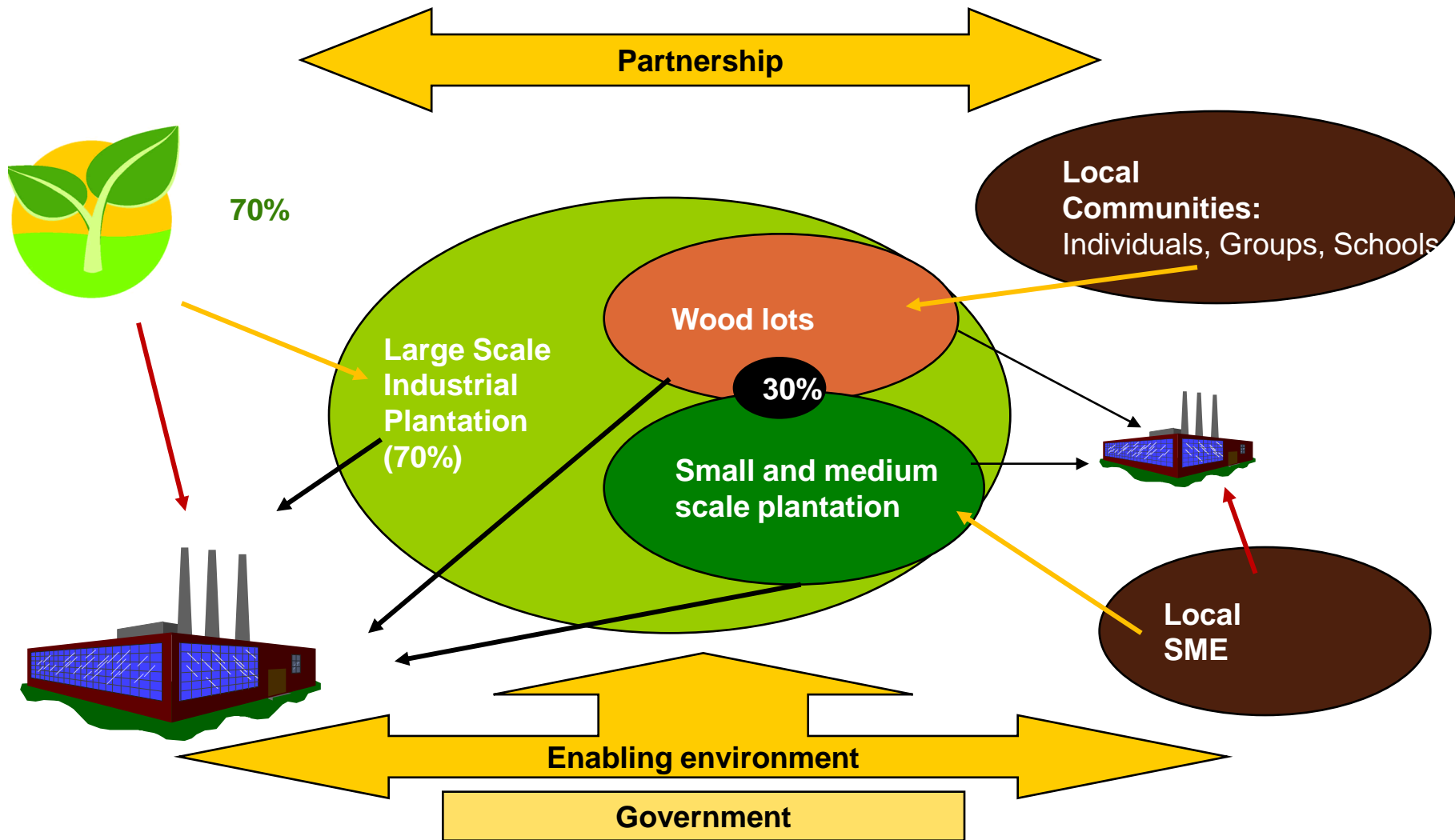
# Construction of Roads and Bridges



- In the rural areas where the company has operated public infrastructure is provided by Green Resources:
  - >100kms of rural roads
  - >100kms forest plantation roads
  - several brigdes



## Partnership / Outgrowers Scheme



***Successful and sustainable forest plantations requires local participation***

## Support Community tree growers / woodlots

- Green Resources has contributed to villages with 2.28million seedlings up to 2011 to growth trees.



- ▲ In addition, with support of EU, promote the establishment of 2,000ha of fuelwood plantations by 1,000 farmers (to plant 2 ha of forest) from selected villages through a network of tree Growers Associations (TGAs)
- ▲ Promote planting and management of fast growing woodlots and plantations
  - deliver technical assistance to farmers;
  - removing the financial barriers that are currently in place, by providing free seedlings and other inputs required.

**Incentives to participating farmers to establish and maintain a high quality forest**



## Food Security / Income generation: Agricultural production

**Started in 2011 with 250 farmers to produce soybean**  
**Total area: 150 ha**



**We provide:**

- seed and agricultural inputs
- Technical assistance ( extensions service)
- Market access



## Food Security / income generation: Seed & Farmers production

	2010/11	2011/12	2012/13
Soybean	20	20	40
Sesame		10	20
Groundnut			10
Maize			
Cowpea		5	10
Soroco bean		2	5
<b>Total (ha)</b>	<b>20</b>	<b>37</b>	<b>85</b>



	2010/11	2011/12	2012/13
Soybean	150	190	300
Sesame		58	200
Groundnut		178	300
Maize		74	100
Cowpea		145	200
Soroco bean			80
<b>Total (ha)</b>	<b>150</b>	<b>645</b>	<b>1.180</b>
<b>No. Farmers</b>	<b>250</b>	<b>1.200</b>	<b>2.900</b>



## Food Security / Income generation: Outgrower production





# Challenges in Development of a Sustainable Wood Industry

## Challenges

### Forest fires



### ID CARD – Rural Employment



poor rural infrastructure



### Training is crucial

Low literacy level,  
workers have no skills



### Partnership/ Outgrowers



### Research

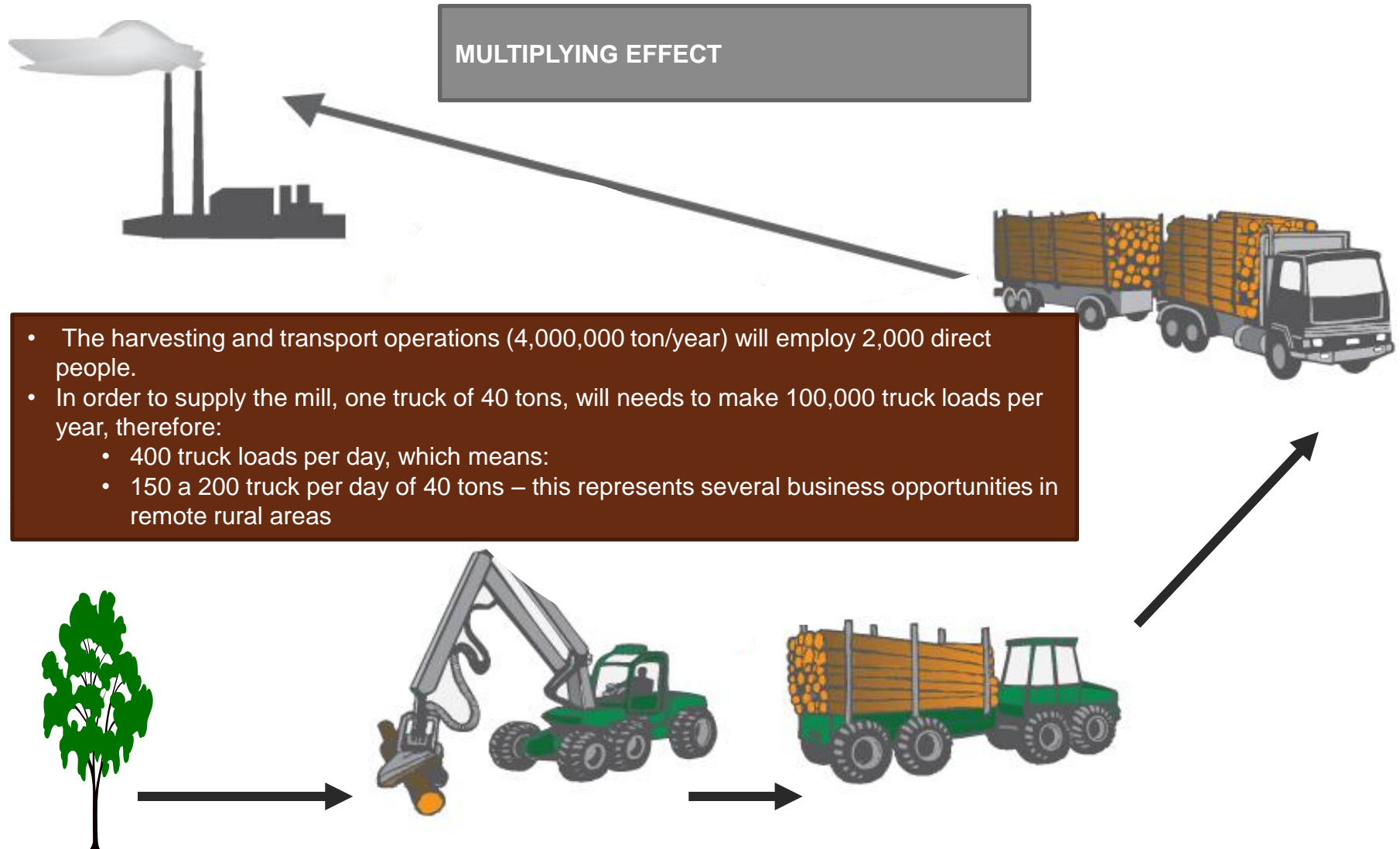


### Win win



Key for a sustainable success

## Multiplying Effect – Business opportunity for SME's



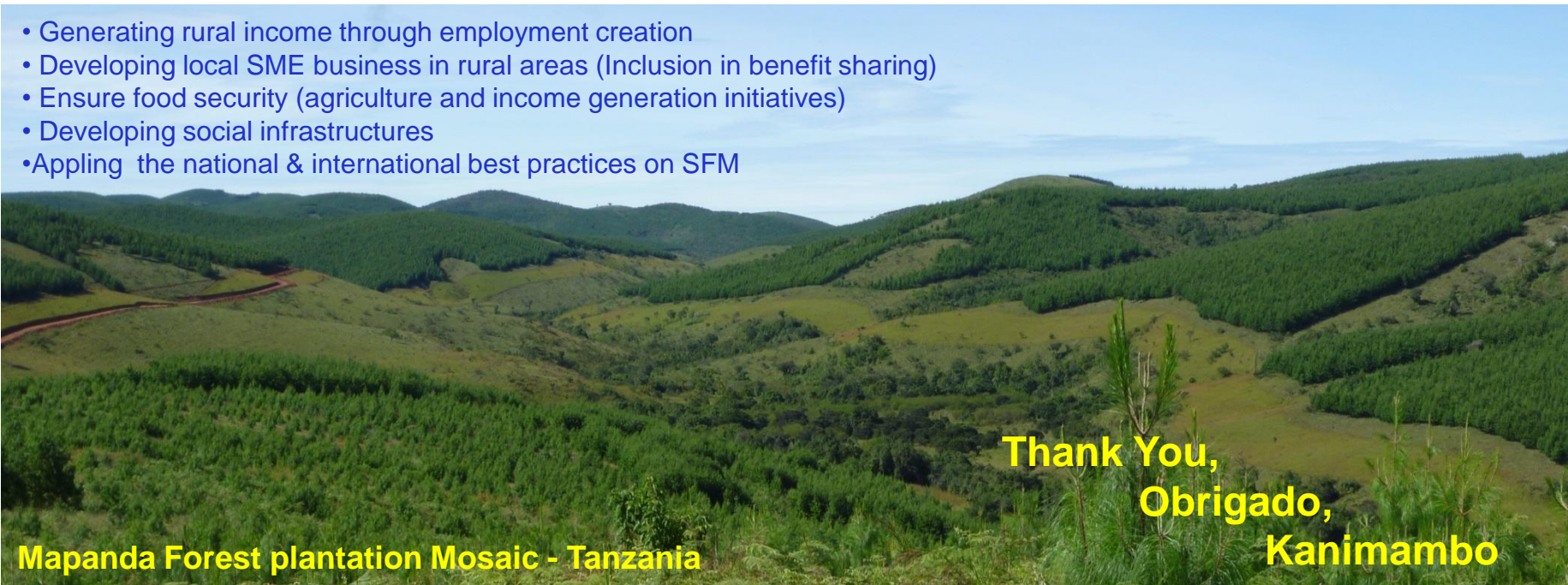


## For Green Resources Sustainable development:

Rehabilitate today degraded land



- Generating rural income through employment creation
- Developing local SME business in rural areas (Inclusion in benefit sharing)
- Ensure food security (agriculture and income generation initiatives)
- Developing social infrastructures
- Applying the national & international best practices on SFM



Thank You,  
Obrigado,  
Kanimambo

Mapanda Forest plantation Mosaic - Tanzania