



Social forestry

The NGP Annual Summit in Cape Town included presentations from a range of speakers, panel discussions, side meetings, and some robust exchanges with a diverse audience.

Here are 10 things we learnt...

1. An area the size of South America is ripe for restoration

Some 2 billion hectares of degraded forest land, and another billion hectares of degraded agricultural land, exists worldwide, according to Douglas Macguire from the UN Food and Agriculture Organization. There is huge scope for restoring this lost land to enhance ecosystem services and for bringing it into production, with corresponding benefits for people and nature. The Bonn Challenge has a goal of restoring 150 million hectares by 2020. So far governments have pledged 20 million hectares, with another 30 million hectares expected to be agreed very soon. There are big challenges to overcome, but also great opportunities for plantations to play a positive role. Examples like the sustainable forest mosaics initiative in Brazil's Atlantic forest showcase the exciting potential.

2. Inclusive business models can meet land and labour challenges

"The rise and fall of shareholder capitalism" and "The 99% fight back" were two of the provocative slide titles in a presentation by social scientist Jeanette Clarke, which focused on socially responsible investment in plantations. She pointed to some of the big, controversial issues surrounding land and labour. On the land side, these include the big increase in direct foreign investment into agriculture and forestry in developing countries since 2007 – seen by some as development opportunities, and by others as land grabs. Labour issues include rising inequality, with CEOs and shareholders pocketing ever-greater profits while workers' pay and conditions have declined.

Clarke proposed a range of more inclusive business models for the forestry sector, from outgrower schemes and cooperatives, through employees and/or community rights holders becoming shareholders, to full community ownership. Such models can reduce risk for investors and secure their social licence to operate, while still delivering results. Communities gain more than just jobs and income: they can also benefit from securing land tenure, and building skills and institutional capacity. Governments need to understand the benefits too, including rural economic growth that can reduce urbanisation and social spending, and bring more people into the formal economy.

3. Investing in communities can bring tangible financial benefits

Arjan Bhalla presented the International Finance Corporation's new financial valuation tool (fvtool.com), which helps calculate the financial value of social investments. The tool allows companies to identify the social issues and risks they face, and the potential financial consequences – for example, by showing the likelihood and costs of community unrest leading to a mill being shut for a day, or of water scarcity affecting production. They can then assess opportunities for mitigating such risks, and carry out a cost-benefit analysis of risk mitigation programmes.

The tool allows companies to see the costs and the value created by these initiatives, and the value protected – which means they can then calculate the total value community investments add per hectare. This makes a strategic case for investing in communities, helping companies to prioritize their activities and evaluate the value different investments create for the business and the community.

4. Even the worst situations can be turned round

Amerindians invading a pulp mill, a nursery trashed by landless workers, trees felled around clandestine charcoal furnaces: these were some of the images shown by Carlos Roxo, director of sustainability and corporate relations at Fibria, as part of an inspiring case study on Fibria's social initiatives. Fibria's predecessor, Aracruz, was mired in conflict: conflict with indigenous people, conflict with the Landless Workers Movement (MST), conflict with the Quilombola (descendants of slaves), conflict with neighbouring communities. Leaving aside any ethical considerations, it was no way to run a company: Aracruz was unable to get certified, its reputation was poor, customers and investors were targeted by NGO campaigns, workers' motivation was low, social unrest disrupted operations, and hundreds of thousands of tonnes of wood were being stolen every year.

In 2007, Fibria was formed, taking over the plantations run by Aracruz. Its vision is to "generate admired profit, together with environmental conservation, social inclusion and improvement in quality of life". From 2009 to 2013, Fibria invested US\$52 million into its social programmes – and while many challenges remain, the investment is paying off. The company reached an agreement with indigenous communities to transfer 11,000 hectares of its land to them, helped to settle 1,000 landless people in an agreement with the MST, and launched social projects with dozens of neighbouring communities, improving the lives of 5,000 families. Fibria is now close to its goal of achieving an 80% approval rating among neighbouring communities – which would have been unthinkable a decade ago.

5. Shared value should mean increased value

Shared value isn't about how you slice the cake, it's about growing the cake, said Morne du Plessis, CEO of WWF-South Africa. Mondi's work to restore land to community ownership provides a number of examples, as outlined by Maurice Makhathini, head of land at Mondi. Mondi currently leases the land back from community trusts, paying them an annual rent and a fee for the timber it harvests. Local contractors, who tend to employ more people, are taking over the forestry operations, and the income and capacity building are helping to create more opportunities.

One community trust, for instance, loaned money to the local municipality to pay for electrification. Another community is growing vegetables between the rows in a plantation: these supply Food for Forests, a programme Mondi set up to deliver nutritious meals to forest workers, which is now itself run by one of the community trusts.



Land-use

6. Landscape resilience is fundamental to societies and economies

Resilient landscapes provide goods, services and other values to society, without compromising the functionality of the social and ecological systems that provide the foundations of our societies and our economies. That was the definition provided by Morne du Plessis, CEO of WWF-South Africa. Another way of looking at it is “keeping together the little things that ultimately hold the big things together”. Water in South Africa provides a case in point: just 8% of the country’s land provides 50% of freshwater, which underwrites 75% of the economy. Keeping freshwater ecosystems in those areas healthy couldn’t be more important.

7. Macro and micro issues are equally important

Forestry companies have to look beyond the forest boundaries to deal with the big issues of the day, said Rod Taylor, director of forests at WWF, and Gary Dunning, executive director of The Forests Dialogue. Both are involved in the “4Fs Initiative”, which looks at the competing demands for food, fuel, fibre and forests. The initiative brings together different stakeholders to explore issues such as why farmers choose different land uses, food security, land use and climate change, consumption patterns and how to intensify production without causing environmental or social harm. It also identifies enabling conditions, such as access to capital, policies, partnerships and participation in decision-making.

Equally, though, it’s important to understand how these issues play out at a local level, and what specific actions need to be put into place in each landscape. Changing global systems is going to require a range of niche innovations and site-specific interventions.

8. Coordination is crucial

A successful landscape approach depends on bringing together everyone who has an influence on the landscape, including sectors such as forestry and agriculture, government, local communities and civil society. Academic institutions, other businesses in the value chain and consumers also have a part to play. Dunning spoke of the need for engagement between “the vertical and the horizontal” – the demands and governance issues that have an influence on the landscape, and what’s actually happening on the ground. He also mentioned the opportunity for closer coordination between interventions, such as the various commodities roundtables. Justin Smith from Woolworths, one of South Africa’s largest retailers, added that customers do care about their impact, and that it’s important to build understanding between consumers and producers.

For Romain Pirard, senior scientist on governance of planted forests at CIFOR, a landscape approach is about having the right governance system in place at the right scale. Rather than the aggregation of individual, often conflicting actions, it means having a proper landscape plan that accounts for all externalities.

