

## BRIEF REPORT OF THE 7:30 BREAKFAST DEBATE – JULY 27<sup>th</sup> 2012

### Investing in Forestry: is it sustainable and who benefits?

The forests provide over 92 per cent of the energy resources, support the development of other important sectors (such as agriculture and tourism) through provision of water resources and catchments, maintain hydrological balance and soil protection, recycle atmospheric gases, provide construction materials, employment sources and others. The forestry sector has a very important role to play in Tanzania's economy, although in absolute terms, its contribution to total gross domestic product (GDP) is low by about 35 per cent.

This is why Policy Forum dedicated its July 2012 debate on the issue of forestry investment, the debate is titled: **Investing in Forestry: is it sustainable and who benefits?**

The debate included two presentations:-One was done by Mr. Ben Sulus, Federation President of the Tanzania Forest Industries Federation (SHIVIMITA) and the other by Ms. Rahima Njaidi, Executive Director, *Mtandao wa Jamii wa Usimamizi wa Misitu Tanzania* (MJUMITA).

The Debate was facilitated by Geoffrey Mwanjela from Tanzania Natural Resource Forum (TNRFF).

The first presentation was done by Mr. Ben Sulus, who talked about the challenges and opportunities offered by investments in forestry in Tanzania.

He defined forest as a dense growth of trees, plants, and underbrush covering a large area.

He said Forestry Investment is done by: Government, Private Sector (Foreign/Local), FBOs/ CBOs, Local Communities.

He mentioned the legal frameworks governing the forest sector as: National Forest Policy (1998), TIC & other Cross-cutting Ones, Legal Frameworks: Forest Act No. 14 (2002) & other Cross-cutting Ones, Regulatory Frameworks: Forest Regulations (2004) & Forest Harvesting Guidelines (2006), etc.

He said, despite all these legal frameworks the Governance framework lags behind, and the operating environment is not conducive.

He said, investments in forests in Tanzania in the sector are not sustainable. He mentioned some of the key reasons to include: high level illegal forestry activities and Illegal exports, over harvesting trends and declining raw

material availability for sawmills, poor and wasteful production technologies used, low entrepreneurial, technical and managerial skills.

He continued to mention the way forward to the paused challenges in the sector as: Strengthening Forest Law Enforcement and Governance and Trade by: encouraging sharing of information on trade in illegally harvested forest products; Forest products trade documentation harmonization, Strengthening Private Sector Governance and Stakeholder Participation, establishment of Private Sector Development and Forest Industry Department at TFS/ MNRT to handle well Forest Investment issues, evolving sustainable and beneficial forest projects and programmes, having effective monitoring and enforcement systems, improving local communities rights and duties awareness as stewards, sensitizing the local populations in the sustainable use of forest resources, employing local people in Forest investment undertakings and programmes, ,promoting partnerships at all levels e.g. SFM, PFMs, JFMs and Promoting Forest certification programmes awareness, joining and adherence.

He concluded by saying that, the challenges and opportunities offered by investments in forests in Tanzania are yet to receive adequate attention.

The second presenter, Ms. Rahima Njaidi focused on Investments in Forests: perspectives from local communities.

She started by introducing MJUMITA to the participants as a community forest network which was established in 2000 with 90 members (local area conservation networks).

She said, investment in Tanzania has been on various aspects such as agriculture, alternative energy-biofuels.

She mentioned some parts of Tanzania which are being invested as: Diligent Tanzania Ltd (Dutch)-Arusha, handeni, babati, singida, Monduli, EcoEnergy (Sweden)-Bagamoyo ,EcoEnergy-Rufiji, Kilombero Valley Teak Company, BioShape Tanzania Ltd (Dutch)-Kilwa, Sun Biofuels Tanzania Ltd (British)-Kisarawe

Bio-energy Tanzania Ltd-Bagamoyo, Tanzania Biodiesel Plant Ltd-Bagamoyo, Green Resources – Iringa and Lindi.

She pointed out that, these investments bring the following promises such as increased employment, infrastructure, Provision of education, health, water and electricity etc and paused a question to the participants are these promises really honored?

She continued to say that, local communities are not well informed about possible negative consequences and are therefore rarely given the opportunity to provide their free, prior, and informed consent to the proposed investment, despite having been invited to a consultation meeting for

instance the exact size of land acquired by the investor is usually not disclosed to the communities/stakeholders.

She mentioned other negative impacts of investment in the land as: Loss of Biodiversity due to clearing of forests/vegetation's, Kilwa 30,000ha forest, Bagamoyo 25,000ha, Rufiji 50,000, Extreme poverty due to landless and sustainable means of livelihoods etc.

In her presentation she concluded by giving the following recommendations, Improve Village Land Tenure by supporting the establishment of Village Land Use Plans, Village Land is a capital for communities therefore they should be considered Joint partners in investment, In case the investor does not develop land, the land should be returned to Villagers without conditions and more genuine research on biofuel investments is needed.

The discussant of the event was Mr. Gerald Kamwenda, Principal Forest Officer, Forestry Investment, Forestry and Beekeeping Department.

He started by thanking the presenters for their informative presentations and said there are a lot of issues regarding various kinds of forest investment.

He said, the framework for forest investment is very clear but the problem goes back to governance where there is a lot of corruption and blamed private sectors for triggering this corruption and said private sectors are not good investors but mere speculators.

He continued to say that, there should be serious investment in the sector for instance there should be increased investments in planting and joint forest management is required.

He concluded by stressing out that, the sector is very sustainable but with a lot of challenges as paused by Mr. Ben Sulus which are mostly from the Traffic Act.

#### **Comments and Questions from Plenary Discussion:**

- There is quite a big disconnection between the policies and what is happening on the ground.
- There is a lack of coordination in the sector
- Investors should not disturb the villagers who have developed their land
- Land is a very valuable asset, If it is misused today then the future generation will not benefit from it.

- What are our priorities exactly?
- Who is the private sector bribing exactly?
- There is the problem in the accountability structure in the sector
- The policies about the forest sector should be clear
- We don't have a non-utilized land in Tanzania
- The land in Kiteto has all been grabbed, the question is who is the land grabber there, is it us Tanzanians or external investors?
- The laws are there but not well implemented
- Information should be made very transparently
- Land grabbing is done by the government and not otherwise
- As Tanzanians we should all be responsible as we can see that corruption is a very big problem.

**Respond to the comments and Questions:**

- Stakeholders participation is required
- The forest sector should be made to make tangible contributions to the economy
- All the updated laws and regulations should be made public
- Local communities should really be involved so as to address some of the mentioned challenges.
- Participants were advised to read the Traffic Report as all these matters are covered in the report.
- The government should clearly state the contribution of the forest sector to the GDP.

Mr. Geoffrey Mwanjela closed the discussion and he welcomed again participants for the next 7:30 Breakfast Debate the coming month.