



Apaklas Consultancy International

Premium Forestry Solutions

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Executive Summary: Afforestation through Out-grower Schemes - Zimbabwe

Forests play multiple roles in environmental protection, economic development and social advancement of people's lives. The bulk of the world's biodiversity is habitat in forests. Forests are carbon sinks; serve as ecological regulators and protectors for air, temperature and rainfall. The contribution of forests in people's daily lives encompass being sources of raw material for timber, fuel wood, pulp, paper, medicines and various other timber and non timber products. The indispensable importance of forests to present and future generations is highlighted by the fact that education and commerce are virtually dependent on paper. Timber is vastly used in construction. Forests play host to various traditional and cultural activities. A stroll in an unspoilt forest is a unique refreshing event – worth paying for. The need to ensure the continued availability of forest produce demands that deliberate actions be taken to promote, protect, preserve and defend forests.

Despite their vast importance, Zimbabwean forests have suffered increasing human inflicted destruction. Tree cutting and loss of forest cover have become menaces that are far outweighing efforts to stem them. The prevailing high levels of forest resource depletion are clearly unsustainable. The nation's area under plantation forests dwindled by over 25 % in the opening decade of the new millennium. Moreover, the health and vitality of the remaining forests is greatly compromised. Underlying causes of forest destruction are the undervaluing of tree resources; arson; absence of conservation incentives; ignorance; politics; poor property rights and short term rewards from cutting trees. Environmental degradation is both a cause and a consequence of poverty. Poverty leads to unsustainable natural resource exploitation which in turn exacerbates poverty.

Despite the challenges of the past and present, there is an energetic and eager population that is ready and able to move into a different future. There are vast tracts of geo climatic, well suited land for commercial afforestation in the Eastern Highlands of Zimbabwe. The bulk of this land is bare and lying idle. There exists limitless potential and opportunity in the project areas hidden in a legacy of suspicion, division, non co-operation and pessimism. We desire to harness the value, skills and resources of each other to create long term partnerships for a common goal – vast afforestation.

We seek to confront the underlying causes of forest damage by advancing the cause of the less privileged through aggressive planting and growing of trees. We want to source and direct aid for pro-poor tree asset formation and expansion. Taking advantage of global climate change treaties, we shall increase efficiency in use of the tree assets formed through carbon trading. Ultimately both poverty and environmental degradation will be overcome. Demand for timber and timber related products are strong and forecast to strengthen further in the future. The project will take advantage of this to address the timber deficit now grappling Southern Africa.

A multi sectoral inclusive approach will be adopted in project implementation. This approach will reduce operational risk, enhance sustainability and foster intersectoral linkages between forestry and other important policy sectors like mining, agriculture, industry and commerce. The project will include local financial institutions with the aim of demonstrating to them the feasibility, viability and profitability of such afforestation projects. This will exhibit the projects as bankable to commercial banks and eventually facilitate future access of funding from local financiers. Ultimately, this will enhance the successful accomplishment of the project goals.

The main activities of the project will be split into three main consecutive phases;

- 1. The feasibility and viability study** will seek to establish a legal basis and institutional framework for afforestation proprietorship by smallholder farmers. This will be through detailed technical, legal and investment analysis coupled with stakeholder engagement, consultations and lobbying.
- 2. Pilot projects** will be undertaken as a “learning and testing” prototype to the main forest out-grower schemes. Around 2 500 – 5 000 Ha of land will be planted to trees and managed along scientific lines. A comprehensive review of the pilot projects will be done after 1 – 2 years. Every effort shall be expended for these schemes to trade in carbon assets.
- 3. Full Scale forest out-grower schemes** will follow the pilot projects. Based on the experiences gained on the pilot project; refocusing, retooling and refinancing of the schemes will be done. Thereafter; rapid, widespread, full scale afforestation by out-grower schemes will be undertaken. It is envisaged that at least 30 000Ha will be planted with commercial trees species and brought under active management over a 13 year period.

The project will be funded through a mixture of capacity building grants and revolving activity specific loans for afforestation and forest management over a 13 year period. Additional funding in the form of prepayment for carbon credits, over an 18 year period, will be required to make the project viable for smallholder farmers. Prepayments will be subject to the achievement of set benchmarks of tree growth. Carbon credit prepayments will have a great and immediate impact against poverty. These loans and grants, will overcome restricted participation by the poorest in environmental conservation and economic empowerment. The project is well capable of repaying borrowed loans – which will be used for onward funding of afforestation by other small holder farmers. A Net Present Value of **US\$ 2 849 per Ha**; **IRR of 94.5 %** and mean annual net profit of **US\$ 406 per Ha** of land planted to trees were established over a 20 year period. Total cost of the project is US\$ 41.5 million of which 72 % will be repaid at an interest rate of 8.75 % per annum.

Risk management, capacity building together with continuous monitoring and evaluation are integral components of the project. The project design reduces market risk through underwriting of carbon assets. Operational risks are mitigated by appropriately designed risk management strategies. Smallholder farmers will fully and actively participate in all project activities. Their skills and management capacity will be developed and tested during the project’s life. Eventually they will take full charge of the projects. Continuous monitoring and evaluation will monitor the project’s inputs, outputs and outcomes on an ongoing basis. This will enable the timely ratification of errors, adoption of best practices and designing of timely precision responses to emerging challenges.

We want to help people start up their sustainable and environmentally friendly income generating ventures that will combat climate change. We seek to demonstrate innovative, practical and commercially viable community tree planting and tree growing that can be replicated worldwide. We intend to use afforestation to achieve a combination of desired outcomes. These include poverty alleviation, provision of environmental services and meeting several developmental goals.

Coupling international policies with strong local ideas that exploit untapped opportunities, together we shall achieve vast afforestation accompanied by mega local and global benefits. Let us unleash a green revolution of tree planting and tree growing.