

## Raising the stakes

Forestry is a good, if risky, business in South Africa. A handful of private companies, together with government, have dominated a commercial forestry sector based on plantations. Today, world market trends are causing companies to focus on what they do best, and to outsource everything else. Government is privatising its plantations and is pursuing policies aimed at empowering formerly marginalised people. This means that forestry is changing fast. Forest certification is one response to change, and is helping some companies who were already practicing reasonable management, to make further improvements and consolidate their reputations. Another response is to run outgrower schemes. These have been quite good for company business, and have also improved community livelihood assets, but have not yet pulled poor people out of poverty.

This report is based on the findings of some 20 sub-studies and widespread consultation in South Africa. It argues that current trends in South African forestry will not miraculously combine to produce a balance of economic efficiency, environmental sustainability and social empowerment. For such a balance to be achieved, a strong vision needs to be generated and spread – involving a new pattern of ownership with an increase in the numbers of medium and small-scale players.

### Instruments for sustainable private sector forestry series

Forests provide society with many goods and services. The private sector has come to play an increasingly dominant role in the production and distribution of many forest goods. Often, this has come at a price – environments have been degraded, social inequalities increased. Forest services that benefit society as a whole, notably climate moderation, biodiversity and heritage, are overlooked or undermined because they offer no opportunity for private profit. Securing these forest goods and services has traditionally been a government function. However, faced with limited resources, many governments now face the challenge of finding ways to ensure the private sector manages forests such that they optimise benefits to society. Some industry leaders have already taken the initiative and are working towards better forestry.

This series of publications comprises both thematic and country studies. The studies aim to better understand private sector motivations and to identify effective market and regulatory instruments to ensure that the private sector produces social and environmental benefits from forest management. By considering new instruments within the wider context of policy reform, the series aims to provide practical guidance on how best to ensure that the private sector manages forest resources sustainably.

ISSN 1560-9308  
ISBN 1-899825-88-6

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Impacts of privatisation, certification and partnerships in South African forestry

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