



# AF NEWSLETTER

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## FROM THE WOODLAND!



**Dr. Felician Kilahama**  
Chairman - African Forestry

**T**he African Forestry (AF) is non-governmental organization (NGO) aiming at instituting a common forum through which business firms in forestry could get and effectively interact with the policy and decision makers at all levels. Unfortunately, for many years there have been inadequate advocacy and consultations between the private investors in forestry and the public sector particularly the government policy and decision makers. The consequence of this has been weak relationships between the private sector in the field of forestry and the key government institutions responsible for forestry matters. As result the challenges facing the forestry industry have persisted for quite long due to absence of a tool that could facilitate effective and useful dialogues leading to up-calling and enhancing forestry industries' investments and business operations in the country for the betterment of both parties. Under any circumstances the forestry industry needs to be well conceived and articulated within the policy and Government decision making machinery. In that context, having the African Forestry in place, is indeed, a noble move and highly appreciated.

The African Forestry was founded in 2016 and registered as an NGO operating in Tanzania uniting all business firms regardless of their operational size. The objective is to promote and advance best forestry

industrial practices as well as addressing sustainable forest resources management challenges through undertaking regular dialogues and consultations with the government authorities at national and sub-national levels. Since my tenure as the Chairperson of the AF (about one year ago) it has been note that majority of the private sector business firms in forestry have not joined the organization. I would like to take this opportunity to encourage all business firms and other players in forestry through the private sector initiatives; to join and become active members of the African Forestry. Remember the saying "Umoja ni nguvu utengano ni udhaifu" implying that when you stand together for a common destiny you become strong but when divided you become weak.

Since AF is there to advocate for the entire business community operating in forestry, it is imperative that you stand united through AF and become one and the same regardless of the firm's business turnover. Furthermore, I trust AF will cater across the spectrum providing services to all AF members regardless of where they are as well as ensuring that the expectations and business values of its members are well met through engagement in best dialogues with the government and other key stakeholders hinging on the principle of win-win situations in the context of commitments, accountability & transparency. In order for AF to create competitive forestry industry environment that will ensure value added industrial production & marketing systems as well as addressing challenges linked to Sustainable Forest Management (SFM), it is important that majority of the private business firms in forestry become members of AF and support the organization accordingly for a common voicing. With these few words I wish all good successes in your business and remember forestry is here to stay let us utilize forest resources sustainably for the good of all.



**Francis Rwebogora**  
CEO - African Forestry

**O**n behalf of African Forestry, I would like to thank you for your support over the last 18 months. Your continuous support significantly assists AF's mission to grow the forestry sector commercially and create a more conducive business environment. In addition, it enables the organization to be an advocate for the needs of the forestry sector in Tanzania to the government and our national bodies.

African Forestry (AF) being a unique membership based organization has an exciting future and potential to contribute significantly to the forestry sector development in Tanzania. Since AF started, we have worked with our members and other stakeholders towards enhancing the timber and electric poles trade, advocated for an efficient taxation system, a fair forestry land rent, eliminating unnecessary transport barriers, encourage Tax compliance and business formalization and many other initiatives to develop a smoother trading and investments in the forestry sector, we have NOT reached yet, but we are PUSHING forward and there are promising signs of achievements.

It is our intention to be the voice

of the forestry sector to the government expressing the forestry potential and be the platform to advocate conducive business environment to reach maximum potential for the benefit of the two partners, the government and the forestry sector, while encouraging formalization and compliance to enhance our country's economic development.

AF has huge objectives and an ambitious strategy and we realize we can't do it on our own and therefore we need our members, development partners, the government and other forestry stakeholders to continuously support us and work in partnership in order to meet our objectives for the forestry sector and economic development.

Finally, I would like to thank all our members and partners that have supported us along the way.

I wish you all a prosperous new year 2018.





# AFRICAN FORESTRY

WHO WE ARE? | OUR OBJECTIVES AND SUCCESS



**African Forestry (AF)** is a non-profit and non-governmental Organization operating on the will of the members/stakeholders, and endeavors to fulfil its objectives as per the constitution and work plan. The goal of the Organization is promoting responsible forest management in Tanzania and the region in future.

#### AF - Objectives:

The general objective of the Organization is to promote the development and management of forests in Tanzania in an economically viable, socially just and environmentally responsible manner.

#### AF specific objectives:

##### Biomass and Reforestation

- To promote and foster responsible utilization of forest products without the detriment to their longer-term sustainability.
- To promote the growth, development and well-being of the forestry industry, both locally and internationally.
- To promote, through lobbying and advocacy, policies and operating practices, which support free competition in all spheres of activity and which foster and encourage entrepreneurship and innovation in the forestry industry development.
- To promote, encourage and support education and training, research and development and technology transfer in the forestry industry.

AF, in fulfilling the objective of which it was founded; it focuses in addressing the following issues so as to create an enabling environment for responsible development of the forestry sector in Tanzania.

- Forest Land rent
- Tax Administration & Compliance and encouraging business formalization
- Timber Quality Standards/Specifications & Market
- Wooden Utility Pole Quality Standards/Specifications
- Wooden Utility Pole tender/markets
- Mixed wood products for 'Export vs Import' market (e.g., export of timber size > 4x10, etc)
- Forest planting materials
- Financing in the forest sector (Bank special window), specifically for SMEs
- Skills development
- Research, development & innovation

#### Towards achieving Strategic Goals

- **Lobbying and advocacy**  
AF makes efforts to lobby and advocate for policies, legislation and forest management practices that are supportive of responsible forest management, to create an enabling environment for trading and development of the forestry industry in Tanzania. We engage in Private Sector dialogues, sectoral dialogues, private meetings with policy influencers and the rest to ensure our member's issues are tabled and solutions are realized collectively.

- **Land rent**

We have engaged in dialogues with the Ministries of Agriculture, Lands, Finance, Natural Resources and Tourism over reduction of forest land rent. In consideration of the long gestation period of forest management, we advised the government to differentiate forestry land rent and agriculture land rent. We are in a good stage for discussion and we believe that the government will understand and reduce the forest land and enhance the business environment to attract more investment.

- **Tax Administration & Compliance and encouraging business formalization**

AF encouraged unregistered timber and poles traders to register their companies towards formalizing their businesses for compliance. We encourage the unregistered businesses to register, therefore creating a level playing field especially in the timber and poles business.

- **Timber Quality Standards/ Specifications & Market**

We have engaged BEST-Dialogue to advocate for timber quality standards and specification towards enhancing the timber business. We hope the quality standards and specifications will improve products quality the business overall.

## THE REVIEWED NATIONAL FORESTRY POLICY ON THE WAY!

The Ministry of Natural Resources and Tourism (MNRT) through the Forestry and Beekeeping Division (FBD) and in collaboration with the Food and Agriculture Organization of the United Nations (FAO) finalized the review process of the National Forest Policy of 1998.



On the 19th January 2018, a two day workshop was organized to provide opportunity to the forestry stakeholders to validate the draft policy before it is submitted to the government for approval. African Forestry presented comments from its members and the private sector as a whole to this important meeting.





# SAO HILL'S RENEWABLE ENERGY INITIATIVE

In the recent months, SAO Hill Industries Ltd has signed contracts to process its waste wood for supply of sustainable carbon and wooden briquettes with one of Tanzanian companies based in Mafinga Iringa Region. SAO Hill Industries has installed a processing plant for production of wood briquettes from wood waste. The investment cost was USD 1.4 million and the production capacity is 3 tons of wood waste per hour. The contracts signed are intended to utilize the full capacity of the plant.



The wood waste comes from saw milling and other processing of trees from forest plantations, either government plantations or from Green Resources' own certified plantations. The processed wood waste will be used for industrial heating and residential cooking. Using wood waste from plantations has major environmental benefits compared with the use of charcoal produced from natural forest and other thermal fuels. Using waste from forest plantations is sustainable as greenhouse gases are

absorbed in the forest plantations in the same amount as they are emitted.

Green Resources, the parent company, and SAO Hill Industries are committed to providing benefits to the countries and communities in which they operate. In the last financial year, Green Resources and SAO Hill Industries made over 6.3bn TSh in taxes and payment to

the government in Tanzania. Products- Qualities. Apart from the wood briquettes, Sao hill Industries has improved the qualities of its products and managed to get TBS certificates for Treated Timber, and Transmission poles.

Furthermore, the company is accredited by Plant Health Service under Ministry of Agriculture Food Security and Cooperatives as certified wood packaging treatment facility following the conformity to Heat Treatment Regulations of wood packaging materials in international Trade.

# WE SALUTE THE GOVERNMENT FOR IMPROVING SECTORAL DIALOGUES



On the 6th December 2017, in collaboration with TPSF, the Minister for Finance and Planning met with private sector stakeholders on a special dialogue to discuss fiscal issues affecting the business environment.



African Forestry (AF) was well represented by the CEO, Mr. Francis Rwebogora and AF's chairman Dr. Felician Kilahama. AF presented our tax-related challenges to the Minister on behalf of our members, which included Land Rent issues, Nuisance taxes, One-stop-shop for all in-transit products to avoid unnecessary transport barriers, 0-tax on unplanted and conservation land, tax incentives to promote forestry investments.



## KVTC 25 Years

One of our members, the Kilombero Valley Teak Company, has reached a milestone in 2017 and celebrated its 25 year anniversary in December of last year.

Following many years of hard work and dedication by investors, managers and employees KVTC is now one of the leading teak companies in Africa and a supplier of high quality timber products both to domestic as well as international markets.

To mark this anniversary KVTC has published a brochure which provides a good overview of the company's history as well as its vision going forward.

During a special event held in Dar es Salaam on the 14th of December the company launched the KVTC Biomass Challenge in cooperation with the Private Forestry Programme and the Ministry of Environment. The KVTC Biomass Challenge is further proof of KVTC's commitment to minimising its environmental impact and finding solutions to one of the industries biggest challenges.

### KVTC BIOMASS CHALLENGE

CALL FOR:  
ENTREPRENEURS, BUSINESSES,  
NGO's, CBO's

AWARD FOR BEST BUSINESS PLAN  
(judged against environmental and commercial criteria)

ONE PRIZE:  
75,000,000 TZS  
+  
6 MONTHS OF FREE BIOMASS SUPPLY

ENQUIRIES:  
kvtc@kvtc-tz.com  
info@pandamiti.or.tz

MORE HERE:  
<http://kvtc-tz.com/the-kvtc-biomass->



# PFP ORGANIZES THE SOUTHERN HIGHLANDS FORESTRY AND WOOD INDUSTRIES TRADE FAIR



**P**ivate Forestry Programme is hosting the first Tanzanian Forestry and Wood Industries Trade Fair, in Mafinga on 20 and 21 March 2018.

This Trade Fair is for companies, trade associations, financial service providers, other organizations, and individuals involved in forestry, wood industries and retailing wood products to showcase their latest products and services, meet with industry partners and customers, and seek new business opportunities.

The Trade Fair is particularly for small and medium plantation tree growers and wood processors in the Southern Highlands. It aims to increase their awareness of technology, products, and services that can support them in improving their businesses.

The Programme aims to provide the trade fair free of cost to participants who showcase their products and services, and to the public. The Programme will allocate stall positions on a first come first served basis. Participants will be welcomed to visit the site in advance to plan their stalls with PFP staff.



The trade fair categories are:

- Forestry and Wood Industries Training Centre Vocational Training Services
- Tree Grower and Wood Industry Associations
- Financial services for tree

- growers and wood processors
- Forest tree nursery equipment and supplies
- Foest harvesting and log haulage equipment
- Saw milling and wood processing equipment suitable for small and medium enterprises
- Wood drying and preservation equipment and supplies
- Sustainable wood products from local plantations
  - Packaging
  - Sawn wood
  - Panel boards
  - oinery and Furniture
  - Construction
- Sustainable charcoal manufacturing equipment and products
- Rural power supply for industrialization
- Transmission poles
- Others

The trade fair will be open to the public on the 20th and 21st March. The overall schedule will probably be as follows:

- 17-Mar-18 Saturday, Set up stalls
- 18-Mar-18 Sunday, Set up stalls
- 19-Mar-18 Monday, High level briefing and inspection
- 20-Mar-18 Tuesday, Open to public
- 21-Mar-18 Wednesday, Open to public
- 22-Mar-18 Thursday, Dismantle stalls and customer follow up
- 23-Mar-18 Friday Dismantle stalls and customer follow up

Companies, trade associations, financial service provides, organizations,

and individuals involved in forestry and wood industries who and wish to participate and showcase their latest products and services should email [tradefair@privateforestry.or.tz](mailto:tradefair@privateforestry.or.tz)

## PRIVATE SECTOR DIALOGUE ON THE 2018/2019 FISCAL POLICY WITH HON. DR PHILLIP MPANGO, MINISTER FOR FINANCE AND PLANNING - 6TH DECEMBER 2017 IN DODOMA

**T**PSF organized another meeting on 19th, January 2018, at the Treasury Square in Dodoma. This High Level Public Private Dialogue (PPD) on Doing Business in Tanzania involved all Cabinet Ministers led by Hon. Dr Philip Mpango (MP) Minister of Finance and Planning and Hon. Charles Mwijage (MP) Minister of Industry Trade and Investment. The meeting was centered on government plans to overcome trade challenges hampering the Private Sector in Tanzania. We are informed that much of which was discussed and agreed upon are currently in the process of implementation.



On behalf of our members, African forestry (AF) commend and appreciate the efforts from the Tanzania Private Sector foundation (TPSF) and the government at large for the deliberate efforts made to include the Private Sector in different aspects and agree to create a conducive business environment including within the forestry trade.



# JOIN AF TODAY

## Membership categories

Joining African Forestry is EASY with significant benefits!

### African Forestry Membership Categories:

- Ordinary Members (large (corporate), medium/ small)
  - Forest Plantation Companies
  - Small Tree Growers
  - Tree Grower Associations
  - Pole producers
  
- **Associate Members (non-tree growers, but forest industry stakeholders)**
  - Forest Industries
  - Small sawmillers and timber traders Cost
  - Consultants
  - Forest industry service providers
  - NGO's, Industry bodies and associations (sawmillers/timber traders, etc)
  - Forestry Professionals
- Honorary Members (elected by the AF Board)
- Observer status (subject to approval by the AF Board)
  - NGOs, Media

**Please email or call us today to become a member of AF:**

**African Forestry (Af)**

**P.o Box 4730**

**Dar Es Salaam**

**Tanzania**

**Tel: +255 753 565525**

**Info@Africanforestry.org**

**Www.africanforestry.org**

**African Forestry (AF) Membership Categories and Fee Structure**

	Fee, \$	Fee, TSh.
Ordinary Members		
<i>Corporate</i>	6,000	
<i>Medium</i>	3,000	
<i>Small</i>		300,000
<i>TGA Apex body</i>	3,000	
<i>Village TGAs</i>		250,000
Associate Members		
<i>Corporate</i>	2,000	
<i>Associations</i>		4,000,000
<i>Individuals</i>		120,000
Honorary Members		
Observers	-	-
<i>NGOs</i>	120	
<i>Media</i>	120	

Please note, there is an additional fee for Tree Growers: Area Fee \$0.5/ha and 0.05% of annual turnover.

