

# Role of capital in enhancing participation of women in commercial forestry

A case study of the Sawlog Production Grant Scheme (SPGS) project in Uganda

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## Key messages

- ▶ Commercial forest plantations are important in meeting the increasing global demand for wood products.
- ▶ Establishing commercial forest plantations requires substantial capital investment.
- ▶ Women are often constrained in their access to and control over resources such as land and capital to invest in commercial forestry.
- ▶ Well-packaged, long-term incentive schemes can enhance participation of women in commercial forestry.

## Introduction

Forest plantations are increasingly becoming important sources of wood to supplement the diminishing supply from natural forests. Demand for wood products in Africa is growing steadily at 5%–7% per year, with population growth and urbanization being the key drivers. To meet the growth in wood demand, over 300,000 hectares (ha) would need to be reforested or afforested each year - based on an assumed average growth rate for Africa of 18 m<sup>3</sup>/ha/year. (CAP and Indufor 2017). Establishing commercial forest plantations requires substantial capital investment. However, due to the long payback period in forestry, access to capital from financial institutions remains a challenge.

Incentives from governments have been used widely to finance development of forest plantations in many countries around the world. Examples include; interest-free loans in Australia; a government grant covering 75% of reforestation costs in Chile (1974–1994); and long-term loans at about 2% interest payable over 30–55 years, in Japan (Kazooru 2007). In

Uganda, the Sawlog Production Grant Scheme (SPGS) provides a financial grant to commercial tree farmers.

Women participate in commercial forestry through tree planting for fuelwood, poles and timber production. In addition to employment on forest plantations, women also engage in forest related income-generating enterprises such as tree nurseries. Their contribution to forestry and agroforestry value chains are important for improving their livelihoods and wellbeing through improved incomes and food security for their households.

However, globally, forestry remains largely a patriarchal sector. Due to inherent gender inequalities, women have less access to land and capital, hence they do not participate in commercial forestry to the same extent as men.

Drawing lessons from the SPGS project, this paper examines the role of capital in enhancing more equitable participation of women in commercial forestry.

## Case study: Sawlog Production Grant Scheme (SPGS) in Uganda

In 2004, the Government of Uganda recognized the need for a critical mass of forest plantations to meet the country's growing demand for wood. The Sawlog Production Grant Scheme (SPGS), an incentive based scheme was initiated to promote intensive afforestation in the country, by private sector players. Funded by the European Union, the first phase of the project (2004–2009) supported planting of 10,000 ha. In the second phase (2009–2015), an additional 37,000 ha of timber and fuelwood species such as eucalypts, pines and *maesopsis eminii* locally known as Musiizi was planted. Implemented by the Food and Agriculture Organization of the United Nations (FAO), the third phase (2015–2020) will support establishment of 30,000 ha by small, medium and large-scale private sector tree farmers. To date, over 900 individuals and corporate companies have benefited from the SPGS grant since its inception.

### How the scheme works

The scheme has three major components:

- 1. Financial Grant:** Individuals and/or corporate investors receive a direct financial subsidy to establish forest plantations. Beneficiaries receive a one-off, non-refundable, retrospective grant of Uganda Shillings 935,000<sup>1</sup> per hectare for beneficiaries with  $\geq 15$ ha  $\leq 500$ ha and Uganda Shillings 600,000 per hectare for  $\geq 501 \leq 3000$ ha. The grant is conditional, payable upon establishment of the plantation to minimum

<sup>1</sup> 1 USD: 3883 Uganda Shillings

quality standards. Beneficiaries are not allowed to intercrop trees and food crops. The grant is estimated to cover 30% of the total cost incurred to establish and maintain a plantation for the first two years (Table 1). The project is based on the principle of co-investment. The beneficiary is therefore expected to have his or her own startup capital since the scheme does not provide advance payment. Participation of women in commercial forestry at medium- and large-scale levels is only 13%, mainly attributed to limited access to land and capital.

- 2. Inputs (seedlings):** The project provides inputs (planting material) to landholder community groups with very small acreage ( $\geq 0.5$  acres  $\leq 5$  ha) per member of the community group. Beneficiaries receive seedlings and/or cuttings, which is the most significant proportion of the total cost of establishing a forest plantation. Under this category of support, beneficiaries can intercrop trees and food crops to supplement their livelihoods. This support has been particularly popular among low-income, smallholder community members, including women who constitute 17% of beneficiaries.
- 3. Technical support:** The project provides technical support in form of training and onsite advice. In particular, there is a special program for developing and promoting commercial tree nurseries. Operators of tree nurseries are trained, audited annually and issued a certificate of compliance. Certification of tree nurseries aims at ensuring reliable supply of planting material for tree farmers. Women have carved out a niche in operating tree nurseries. Of the tree nurseries certified by the project, 21.7% are owned and operated by women. The average number of female employees in tree nurseries is estimated at 70%.

**Table 1. Establishment cost for *Pinus Caribaea* in Uganda for the first two years (in Uganda Shillings).**

Operation	Year (From/to)	Cost (UGX)	Year	
			1	2
Surveying	1	100,000	100,000	
Land clearing	1	267,000	267,000	
Land preparation (slash and burn)	1	78,000	78,000	
Pre- plant weeding spraying)	1	111,000	111,000	
Lining out and marking	1	91,000	91,000	
Pitting	1	70,000	70,000	
Planting (including seedlings)	1	537,400	537,400	
Blanking	1	142,880	142,880	
Pre-plant manual weeding (ring hoeing)	1 to 3	249,000	249,000	249,000
Pre-plant manual weeding (slashing)	1 to 3	84,000	84,000	84,000
Pre-plant manual weeding (chemical weeding)	1 to 3	280,000	280,000	280,000
Fire Protection	1 to 18	35,000	35,000	35,000
<b>Total Cost/ha</b>			<b>2,045,280</b>	<b>648,000</b>
<b>Grand Total</b>				<b>2,693,280</b>

Source: SPGS (unpublished).

## Lessons learned

Establishing forest plantations at a feasible scale requires substantial capital investment. Incentives in form of grants and/or low-cost capital are essential to trigger investment in commercial forestry, given the long payback period and eminent risks associated with a long-term investment. However, women's participation depends on the appropriateness of incentive packages in meeting their needs.

Women can participate effectively in commercial forestry, albeit at different levels of the value chain compared to men. Although forestry is considered largely "men's work", women have carved out spaces for their participation. While men are largely involved in more physically demanding jobs such as logging and harvesting, women are more engaged in tasks that require precision, such as raising tree seedlings, planting and tending to planted trees. For this reason, however, women are often remunerated less compared to men since theirs are considered "soft" jobs.

Limited access to land is another key constraining factor for women's participation in commercial forestry. One of the key success factors of the SPGS project is availability of land for establishment of tree plantations. Through the National Forestry Authority (NFA), the government licenses public land on degraded Central Forest Reserves to private developers to establish forest plantations. This is in line with Uganda's 2001 National Forestry Policy, which seeks to promote the role of the private sector as investors and managers; encourage more active participation of local communities and farmers in the management of the country's forests; and enable active participation and affirmative action of all women and men in forest sector development.

Under this tenure arrangement, plantations belong to the licensee, but the land remains the property of government, which holds it in trust of the people.



**Women involvement in forestry and forestry related enterprises is not only beneficial for their socio-economic well-being, but also for sustaining livelihoods of their communities and conservation of the environment and biodiversity.**

Source: FAO/SPGSIII

Through this arrangement, women – who generally have less access to land have had an opportunity to acquire land from the government to establish forest plantations. Under the SPGS project, 62% of women participants planted trees on Central Forest Reserve land leased from the government; only 38% planted on own private land. In the case study presented (in Box 1), a woman beneficiary of land from the NFA grew her forest plantation estate from just 0.5 ha to 200 ha.

### Box 1. The story of Clare Kabakyenga

Clare Kabakyenga is a woman beneficiary of the SPGS project, based in Mbarara, Western Uganda. She is one of the few lucky women within the Africa traditional setting who got an opportunity to inherit land from her father. *"My share of inheritance was of course much less than for my brothers because they are men and I am a woman"*, said Clare.

Clare conceived the idea of planting trees from a neighbor who had educated his 14 children using income from his small eucalyptus woodlot. She, too, planted eucalyptus trees on her approximately half hectare of land. Later, she learned she could lease land from the government through the NFA at a low rate to establish a forest plantation. She saw this as an opportunity to expand her future fortune. The NFA approved her application for 200 ha of land for a 25-year lease.

At the time she had just graduated with no job and no reliable source of income. Planting 200 ha seemed like an impossible dream. Starting with some savings from her small business of selling produce (maize and beans), she planted her first 10 ha. Subsequently, she learned of the SPGS project and applied for support. From the SPGS, she was reimbursed for some of the funds invested, which she in turn re-invested.

Clare has been able to plant the 200 ha and employs 10 permanent workers at her forest plantation, 4 of whom are women. The total number of workers more than triples during the peak season. She has earned revenue from thinning her five-year-old pine plantation. She sells the wood to a local carpentry workshop that makes pallets and the smaller logs as firewood to schools. Her dream is to start up a value addition enterprise, where she can make products out of wood from her plantation.

## Conclusions and recommendations

**Gender-responsive incentives:** Financial incentives can bridge the financing gap for forestry investment. However, for effective participation of women in commercial forestry, the design and implementation of incentive schemes should be gender-responsive with deliberate policies to encourage participation of women.

**A gender-responsive Value Chain Map:** Men and women play different roles along the forestry value chain. Effective participation of women therefore requires clear mapping of the value chain and gender division of labour along the value chain.

**Gender-responsive tenure reforms:** Effective participation of women in commercial forestry is greatly dependent on women's access to land. Tenure reforms should therefore focus on promoting empowerment of women to secure rights to land, trees and forest resources.

## References

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### About this brief series: Lessons for gender-responsive landscape restoration

Forest Landscape Restoration (FLR) aims to achieve ecological integrity and enhance human well-being in deforested or degraded landscapes. Evidence shows that addressing gender equality and women's rights is critical for addressing this dual objective. Against this backdrop, CIFOR and a number of partners hosted a Global Landscapes Forum workshop on FLR and gender equality in Nairobi, Kenya in November 2017. The objective of the workshop was to identify and discuss experiences, opportunities and challenges to advancing gender-responsive FLR in East African countries, as well as to join together various stakeholders working at the interface of gender and FLR as a community of practice. This brief set is a tangible outcome of this collaboration, featuring a number of useful lessons and recommendations rooted in the experience and expertise of partners in civil society, multilateral organizations, research community and private sector – all working in different ways to enhance the gender-responsiveness of restoration efforts.

**The Global Landscapes Forum (GLF)** is the world's largest knowledge-led multi-sectoral platform for integrated land use, bringing together world leaders, scientists, private sector representatives, farmers and community leaders and civil society to accelerate action towards the creation of more resilient, equitable, profitable, and climate-friendly landscapes.



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