Potential of Commercial Forestry in Malawi
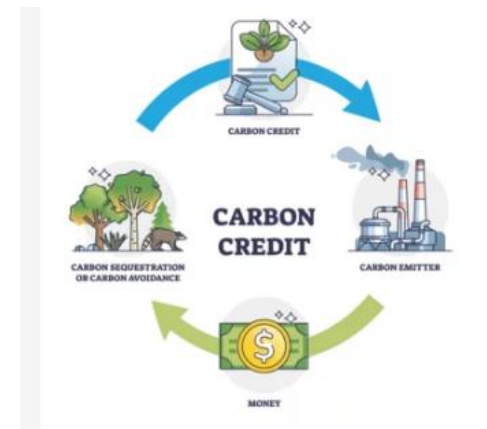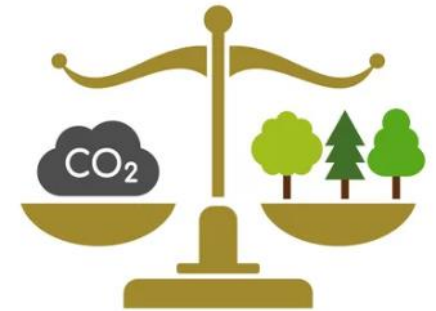

HENRY KADZUWA *henry@scotland-malawipartnership.org*

Why Malawi?

A dignified partnership of over 150 years

Today that **equal friendship** remains **unique**…..

13 CLIMATE ACTION

94,000 Scots & 198,000 Malawians involved

46% of Scots have a friend with a Malawi link

4x awareness of Malawi links than any other country

Scot & Mw
• Love forests (Pines) & green spaces.
• Parties to UNFCCC, CITES, CBD etc.

ScotlandMalawi
P A R T N E R S H I P

Key History of Forest Cover

1950s est.,1964 >53 mil ha-Viphya

1964s-1980s; Government monopoly

1980s-1990s; Commercial Concessions-Pvt. companies i.e. VIPLY to RAIPLY & WICO etc.
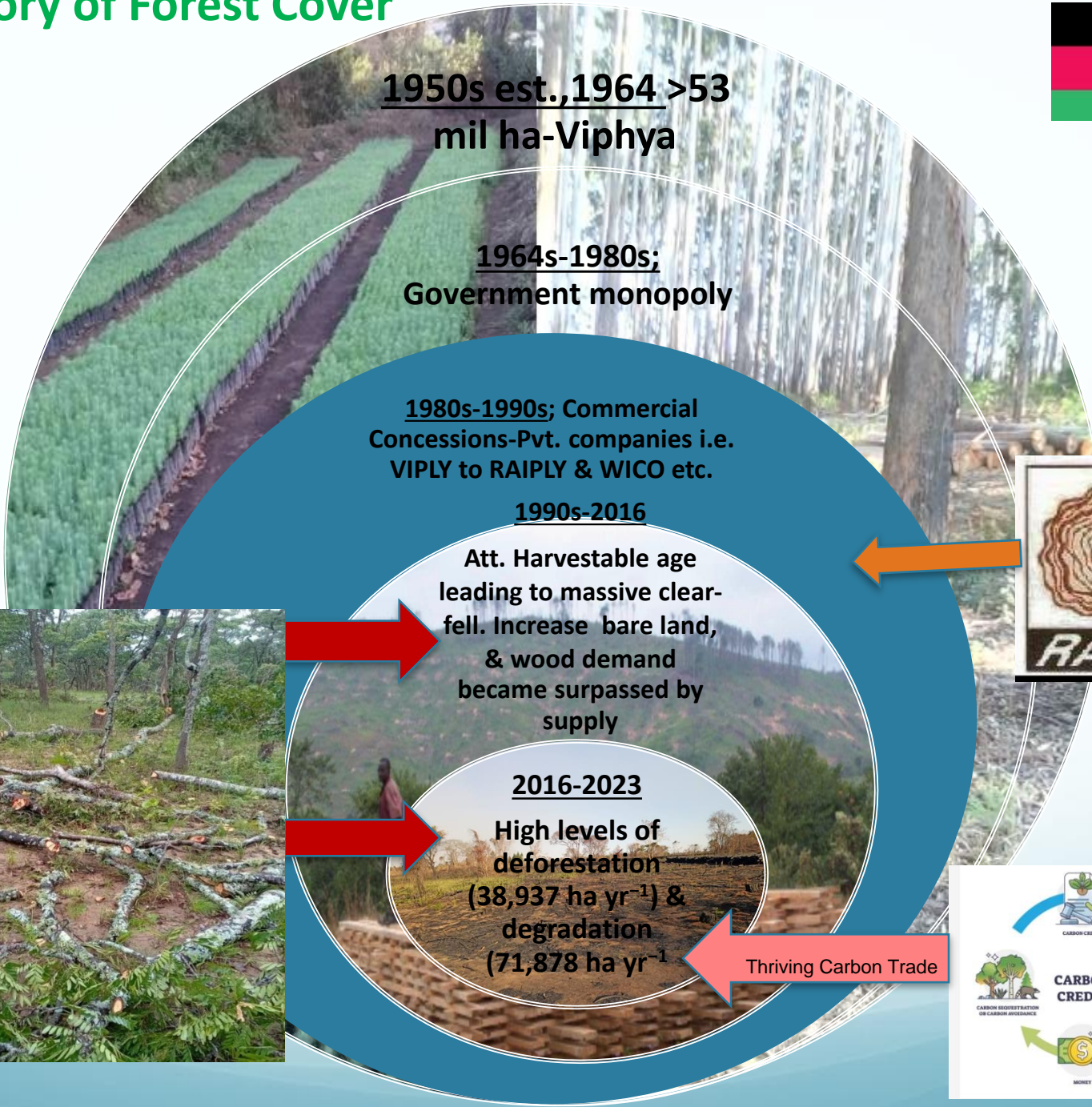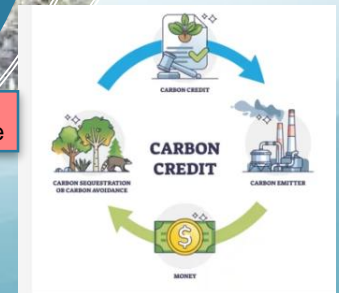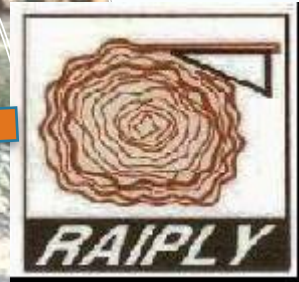
1990s-2016

Att. Harvestable age leading to massive clear-fell. Increase bare land, & wood demand became surpassed by supply

2016-2023

High levels of deforestation (38,937 ha yr^{-1}) & degradation (71,878 ha yr^{-1}

Thriving Carbon Trade

Current Statistics & Distribution of Forests

MAIN OBJECTIVE & KEY FOCUS AREAS

ScotlandMalawi PARTNERSHIP

AREA 1.
Current status of Mw's forest industry, (forest cover & preferred commercial species inclusive)

Main Objective
Investigate the potential of investing in commercial forestry in Mw which does no harm,(i) but rather supports climate-friendliness, (ii) ethically sound, (iii) culturally acceptable, (iv) fits into a country's setting, (v) environmentally and commercially sustainable, and (vi) stands to provide a return on investment.
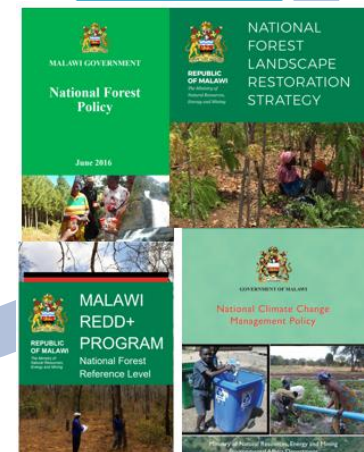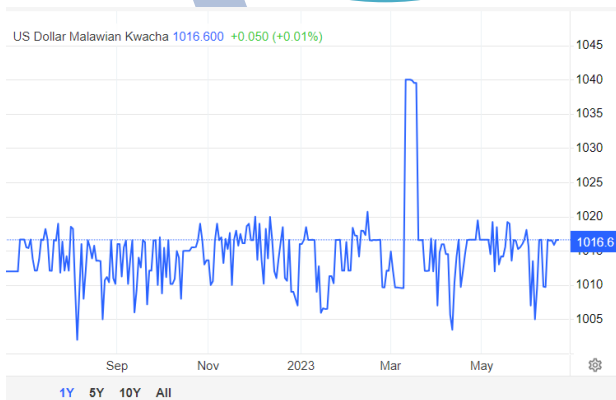
AREA 2.
Legal & Regulatory Policy Framework supporting commercial forestry

AREA 4.
Prospects/ forces/risks/impacts of running commercial forestry

AREA 3.
Socio-economic, cultural & environmental benefits-associated with commercial forestry

US Dollar Malawian Kwacha 1016.600 +0.050 (+0.01%)

https://tradingeconomics.com/malawi/currency

Key Findings & Considerations

1.0 Species-Site-matching

- *Pinus* & *Eucalyptus*- key species suitable for commercial forestry in Mw

2.0 Political Will/Vision for Forestry-Enabling Environment

- National Tree Planting Season Prog. (every year Dec.15-Apr.15)

- Supporting policy framework;

- ✓ National Forest Policy,

- ✓ Climate Change Policy,

- ✓ Fore LandscR Prog. (350 million ha of trees globally) 4.5mil ha of trees for Mw by 2030)

- ✓ Malawi Youth Forest Restoration Program

- ✓ REDD+ Prog, & Modern Cooking for Healthy Forests Project.

H.E Dr. Lazarus Chakwera the President Malawi leading by example. Source: Dept. of Forestry NTPS Archive.

- Govt. call out for Plantation concessions

3.O Land Ownership and Forest Policy

➢ Land ownership in Mw (private, customary, public/state-owned)

Advantage

• Govt. Forest Concessions-'clean land tenure agreements'

• -assured of no land-ownership wrangles since govt./state controls proprietorship

• Guarantees investment security, concessions ranging from 15 to 60 yrs (lease), with provision of extension.

4.0 Carbon Market Policy within the Mw context

➢ REDD+ & Voluntary Carbon Markets (VCM) systems,-UNFCCC.

➢ Malawi Carbon Market Initiative- MK6bn (£4,000,000) fortune to be tapped

➢ Launched;

23-06-2023

➢ Success stories on carbon market in MW;

(a) Trees of Hope (South)-2011

(b) Forest Conservation Project in Mkuwazi & Nyika PA (North)-REDD+ Scheme-2008; UK-based Plan-Vivo

Challenges

- Requires dev. of NFMS, MRV & certification systems-tedious & expensive

- Limited buyers

5.0 Certification & Export of Forest Produce

- Costly for small-scale forest operators

6.0 Forest Fire

- Causes;(i) land clearing, (ii) hunting/honey harvesting etc. (Accidental);

  & (iii) incendiarism;

- Incendiarism-rivalries & conflict of interest btwn. communities surrounding the forests & forest operators

Advantage

- Avoidable/manageable

Mitigation Approaches (viable for Dept. of Forest., Tafika, Umodzi)

- **1**–**Psychological** –Awareness, good rapport (buy-in from the surrounding communities), i.e., employment; security guards, nursery/forest mgt. operations

- **2**–**Silvicultural practices**- weeding, slashing/boundary clearing, firebreaks etc.

- **3**–**Agroforestry-** bee keeping, coffee or vegetable growing i.e., tomatoes, onions or cabbages etc. **Rapport & reduction of fire hazard**

7.0 Theft

- Mitigated through the same approach as fire.

8.0 Cash Flow Level and Capital Investment

Requires sufficient funds/capital investment & knowledge and skills in finance mgt.

9.0 Pests and Diseases;

- **(A)***Aphids and Grasshopper Infestations*

    (i) Grasshoppers-1970s

    (ii) Woolly pine needle aphid

      -1980s,

    (iii) Cypress aphid- 1990s

    (iv) Pine shoot beetles

    (v) Red gum lerp psyllid, **(Glycaspis brimblecombei)-2016-current**

(B*)* *Pine Amelia merea & Cypress* **canker diseases**

➤ Forestry Research Institute of Malawi successfully controlled these;.

(i) intro. biological/natural enemies,

(ii) resistant spp.,

(iii) perfect spp.-site matching, &

(iv) use of chemicals

10. Natural disasters-i.e Cyclones/Storms/Drought

(i)spp.-site matching,

(ii) breeding spp. that can adapt
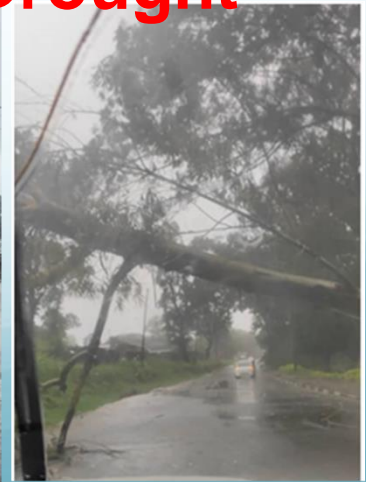
Other factors to Consider

Key drivers of deforestation & degradation

(i) Booming population (17 mill. in 2016 to 20.5 mill. 2023) affecting demand of wood resources (>available stock)

(ii) Cost of living/Food security/Energy demands leading to overdependence on forests for livelihood

Table 2.1: Total population 1966-2018

Year of Census	Total Population	Average Annual/Intercensal Growth Rate
1966	4,039,583	3.3
1977	5,547,460	2.9
1987	7,988,507	3.7
1998	9,933,868	2.0
2008	13,077,160	2.8
2018	17,563,749	2.9

Figure 2.1: Annual intercensal growth rates 1966-2018

Source: Malawi National Statistical Office 2019
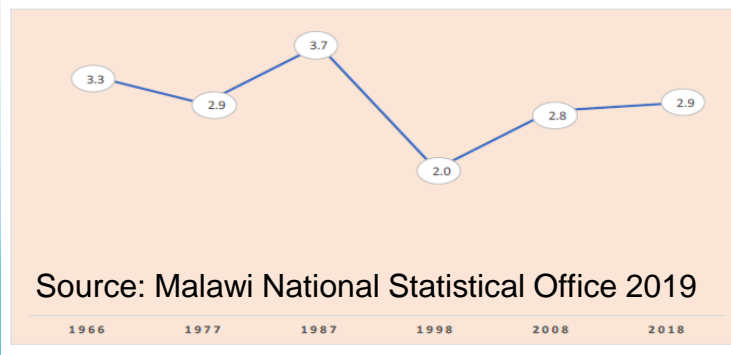
Drivers of deforestation and forest degradation

firewood production 32%

timber production 11%

Infrastructure development 13%

agricultural expansion 4%

charcoal production 40%

▩ charcoal production ▢ firewood production
▨ timber production ▨ Infrastructure development
■ agricultural expansion
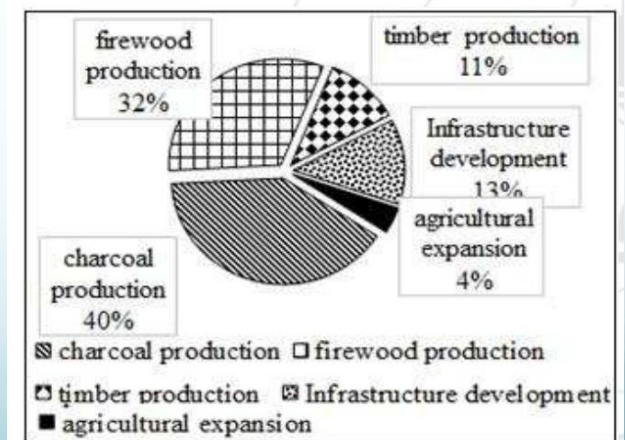
Source: Katumbi et al., 2015

Benefits of Commercial Forestry in Malawi

- **Key Socio-Economic Benefits**

  (i) revenue generation,

  (ii) job creation,

  (iii) forex,

  (iv) maintenance of ecosystem services, &

  (iv) growth of infrastructure & development of value-added wood products.

➢ All contribute to 33% of Malawi's GDP, 'Agric., Water Dev. & CC' key priority area-MGDS

Conclusion & Recommendations

➢ Commercial forestry is a viable enterprise in Mw, capable of generating >100% financial returns

To realise its full potential;

➢ Make informed choices on spp., sites & understand the legal & regulatory policy framework supporting it, otherwise huge political will available,

➢ Understand challenges faced by small-scale operators & foreign investors,

➢ Include community involvement in mgt. plans

Recommendations

➢ Let SMP in collabo. with MaSP & Edinburgh Climate Change Institute (through Prof. Woodhouse), assist-identify carbon markets & brokering such deals.

➢ Newly launched Market Initiative in Mw –tap the 6bn MK Carbon Credit Facility

Limitation

➢ Scant literature on commercial forestry initiatives pursued in Mw, worse-still on carbon market-relatively new concept.

Acknowledgement

- Thankful to the SMP for entrusting me with such a noble responsibility.

- Grateful to all the individuals/officers consulted, &

- those that supported the interest of this work.

THANK YOU

ZIKOMO

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