By Joseph Mudingu

The New Forests Company is Rwanda's fast growing only forestry and value added wood products company pursuing a triple bottom line investment model and simultaneously supporting the government's economic strategy of job creation, poverty alleviation; import substitution and economic growth.

In July 2011, the Government of Rwanda represented by the Ministry of Natural Resources and Rwanda Development Board (RDB) signed a 49-year concession agreement with New Forests Company (NFC) to manage, develop and make productive the Nyungwe forest buffer zone.

Today, The New Forests Company is managing an area of 10,046 hectares around Nyungwe National Park with a planted area of 8,215 hectares of which 65% is pine, 15% eucalyptus and 20% other spicies. Simbarashe Dube, the CEO of The New Forests Company explains that, the buffer zone was established for conservation purposes with the main goal of ensuring that people do not encroach the national park. After years of planting it was realised that there was actually a resource which could be exploited commercially and at the same time be done in a sustainable manner.

So it was in this spirit that The New Forests Company was contracted through a long tender process to manage and commercialize something that was primarily for conservation.

The company is committed to tree replanting in all areas around Nyungwe forest with improved tree species in line with sustainable rotation and socioeconomic management strategy where new species of trees are planted to keep the cycle going and to improve the carbon footprint. The company currently operates in three business units; wooden CCA treated electric poles mainly for REG – strategically supporting the government's high priority rural electrification programme; structural sawn timber for the growing Rwandan building and furniture industry and industrial charcoal renewable energy (biomass converted into energy). Because of the previous management regime, the forest is not yielding a lot of pole material that meets quality standards calling for external supply of raw poles from other 3rd parties.

"We have established a pole treatment plant in Nyanza with the capacity of treating 120,000 poles per year allowing us to meet current demand. This is the only pole

treatment plant in Rwanda", explains Simbarashe, "And it meets the highest international standards of quality". NFC is able to win most of the tenders that come from REG due to lower logistic costs and significantly contribute to the "Made in Rwanda" campaign. The country is now saving $7-10 million per annum in foreign exchange. In the past, treated poles were imported as final product from Uganda or shipped from as far as South Africa but today, 100% value addition is done in Rwanda and the poles are affordable.

In February 2016, NFC commenced its first saw mill operation with an annual input capacity of 13,000 cubic meters and the board of directors recently agreed to immediately double the capacity to 26,000 cubic meters by the 1st of July 2017. The company has already procured equipment and they are en route from the United States of America.

"We are doing this because after completing our market analysis for value addition, we will now need more volumes. So we started off with one mill and will double roduction," says Mr Dube. The company will also start kiln drying of timber by early 2018 so as to produce the best quality timber which will be the first of its kind in the country.

Timber value addition starts with proper drying of the timber, this allows for a stable product for use in construction and good quality furniture.

With the kiln dried timber, NFC will start making construction materials like trusses, tounge and groove timber, various moldings, decking material, doors and door frames, window frames, ceiling which will all cut down the costs of importation of a number of products in the country.

Benefiting the communities

Whilst NFC is a private company seeking to deliver profitability to its investors and shareholders, the company also fundamentally believes it must do the right thing for people and the planet by creating jobs, improving the lives of workers, neighbours and protecting the environment by reducing greenhouse gas emissions.

NFC also supports local communities in building schools, beekeeping projects, among other communally owned projects. Currently, the Company is employing 350 people around the Nyungwe Forest that straddles across five districts. With the doubling of production and value addition, these numbers will definitely double to

further benefit communities living around the forests. NFC also buys pole materials from out-growers and local farmers which encourage them to plant trees thus helping to preserve environment while earning an income.

NFC gives seedlings to farmers at no cost to grow wood-lots, makes followups on performance of the trees and advise farmers when it’s time to thin & prune. To date, NFC has distributed more than 633,622 seedlings for over 495.4 hectares to private local growers.

“Our philosophy as a forest company is economic, social and environment oriented. So we look at all the three aspects; the community and how it should benefit from the forest; the environment and making a profit, making it a win-win situation for everyone.” NFC has so far spent $450,000 on community projects; executed ten clean water projects in communities around the forest; built four classroom blocks; established 150 beehives in various cooperatives and supported third parties that grow seedlings for the company.

“Lastly we have launched a graduate training program and we are sending local foresters to Nelson Mandela Metropolitan University in George, South Africa to complete a three year diploma course,” explains Simbarashe.

NFC is proud to have RSSB and BRD as shareholders

”With the good governance and the leadership of His Excellency the President of Rwanda, Paul Kagame, there is a clear indication that Rwanda is continuously being trusted by investors and we hope we shall realize the country’s full potential in the next few years,” Simbarashe notes. Mauritius based NFC has management services offices in Johannesburg and currently operates in the East African countries of Uganda, Rwanda and Tanzania. The company spent considerable efforts and time building good working relationships with the governments of these countries in order to build a business that will endure and meet East Africa’s economic development goals.