

## Massive agroforest project in Mpumalanga bets on appeal of green investment

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An agroforest project in Mpumalanga could create over 50 000 jobs.

- **A planned agroforest project in Mpumalanga is aiming to create 50 000 jobs by 2030.**
- **The company behind the project hopes to create a new business model for corporate social responsibility.**
- **The project's backers say South Africa was chosen as it offers the best chance of success.**
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A London-headquartered private organisation, TERRAGRAN, has launched an ambitious agroforest project in South Africa with the aim of creating social, environmental, and

economic benefits for local communities while generating healthy returns for patient investors.

The project – TERRAGRN's first – broke ground last month. Work is now well under way to plant bamboo, fruit trees, fire-breakers and integrated pest management plants on a 220-hectare plot. The project hopes to plant 93 000 plants and trees by April.

The group plans to grow the agroforest located in the coal heartland of Mpumalanga from small beginning to some 200 000 hectares by 2030, making significantly larger than the City of Johannesburg. Regenerated soils will support sustainable harvests of food crops and other plant species.

### **Big plans**

Over the next decade, the company says the project and spinoffs are expected to create some 50 000 jobs. By planting over 200 million plants and trees in total, the agroforest will also be able to sequester over 3.7 million tons of CO<sub>2</sub> annually.

In partnership with Webber Wentzel, TERRAGRN has signed a Memorandum of Understanding to secure some 350 000 ha of land with the Manala Mgibe Traditional Council and the Royal Household of Mpumalanga.

Although the aim is to create social, environmental, and economic benefits, TERRAGRN is not to be mistaken for an NGO, says CEO and co-founder Sundar Bharadwaj.

"There is a commercial strand running through the whole thing, and the business model is very simple," he says.

"We invest a lot of time and effort with communities in the initial years to regenerate soils that are pretty much degraded, where nothing really grows today."

"We're [then] able to create sustainable harvests from these forests. And that could be food that is sold in the local markets, as well as sustainably harvested bamboo that can be put to good use, both in terms of creating energy solution as well as material solutions that are sold in local and international markets."

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Profits generated through the operations will ultimately allow TERRAGRN to pay back patient capital investors who, the company hopes, would have funded some \$2 billion (~R34 billion) through multi-phased financing over ten years.

The idea is to roll out the massive forest in the initial seven or eight years and to create economic value from it beyond 2030.

All the while, the project aims to generate local economic and environmental benefits – with improved soil health and groundwater levels expected to benefit neighbouring areas too.

### **Location is key**

South Africa was selected as the location for the project because it holds vast amounts of arable land, has excellent climatic conditions and is a country in desperate need of employment opportunities.

The country is also a more accessible environment than others for investors to enter. At the same time, its "community-oriented approach" is the perfect environment in which such a project can thrive, says Bharadwaj.

"In many regions of Africa, you don't see Community Property Association (CPA) law; you don't see community-based land models that you could readily engage into. So when we saw all of those aspects, it ticked many boxes for us straight away," he says. "Our intention was to start a project in a region that had the maximum chance of success. And we felt that we would start with South Africa and then expand across Southern Africa."

Due to the "warm welcome" from the community in Mpumalanga, the site was selected over two others – one in Limpopo and another in KwaZulu-Natal, where there were vast amounts of unutilised land and where non-invasive species of bamboo would be able to grow.

"It took us a good nine to 12 months of discussion with the Mpumalanga communities, the traditional leaders and the CPA towards convincing them about the plan and what this project could bring as benefit to the community," says Bharadwaj.

With teams on the ground now, TERRAGRAN has to date recruited over 45 people from the community who are on the company payroll and helping with soil regeneration.

While the project may have worked as well on the other sites, it's now located in a regional economy built on coal mining and which is ill-prepared for the coming energy transition. "It gives us the opportunity to create jobs for people who are coming out of the coal sector and into the greener economy," Bharadwaj says.