

Chainsaw Milling Project, Ghana

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An annual project update of the EU Chainsaw Milling Project, Ghana, funded by the European Commission Programme on Environment in Developing Countries

The Project

The EU chainsaw project 'Developing alternatives for illegal CSM through Multi-Stakeholder Dialogue (MSD) in Ghana and Guyana' aims to find sustainable solutions to the problems associated with production of lumber for local timber markets by involving all stakeholders in dialogue, information gathering and development of alternatives to unsustainable chainsaw milling (CSM) practices.

The project is being implemented by Tropenbos International (TBI) in collaboration with the Forestry Commission (FC) and the Forestry Research Institute of Ghana (FORIG) in Ghana, and the Forestry Training Centre (FTCI) and Iwokrama in Guyana.

In Ghana, the project is being carried out in eight forest districts namely Goaso and Sunyani in the Brong Ahafo Region, Nkawie and Juaso in the Ashanti Region, Begoro, Kade and Akim Oda in the Eastern Region and Assin Foso in the Central Region.

Summary 2010

In 2010 the project's multi-stakeholder dialogue (MSD) extended and its activities at community level were shaped. The MSD focused its discussions on the three recommended policy options: (1) Sawmills only to supply legal lumber to the domestic market (2) Sawmills and artisanal millers to supply the domestic market with legal lumber, (3) artisanal millers only to supply the domestic market with legal lumber. This was done through a SWOT analysis of the three policy options and preparation of strategies for addressing the weaknesses and threats identified. In response to the need for a cost-benefit analysis of the three policy recommendations to inform discussions, FORIG commissioned an inter-

disciplinary team of experts to conduct this analysis. Preliminary results of the analysis, the outcome of the SWOT analysis and explanation of the concept of artisanal milling formed the basis for consensus by stakeholders (MSD) on option two as the most viable policy option to ensure legal timber supply to the domestic market.

Meanwhile, the Timber Industry Development Division (TIDD) has also been holding consultations with stakeholders on strategies to provide legal lumber to the domestic market. Since the two processes were pursuing a common agenda with similar research results and proposed policy options, the project and TIDD initiated in May 2010 the harmonisation of the two processes. In October participants of the TIDD and the EU CSM MSD reached together consensus on option two: **Sawmills and artisanal millers to supply the domestic market with legal timber.**

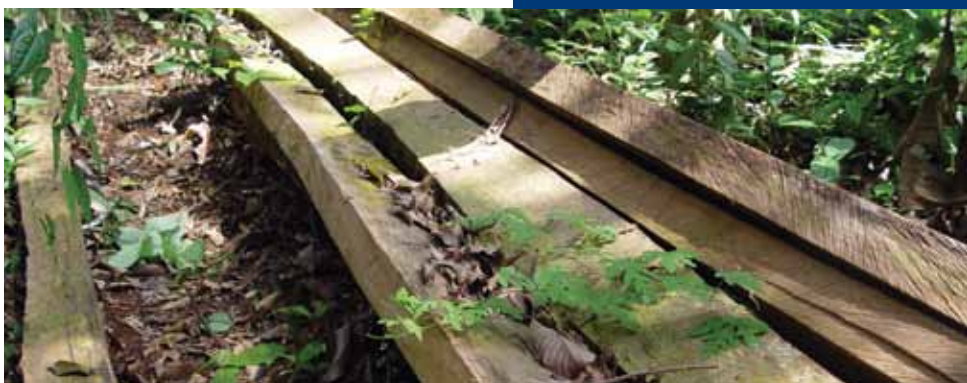
This decision will have consequences for stakeholders, including the community level. For any alternative option to illegal CSM, some form of community organisation will be needed to guide implementation and ensure sustainable forest management. In view of this the project staff's capacity was enhanced to effectively facilitate the implementation of the selected option at the community level.

What is Chainsaw milling?

Chainsaw milling in the context of the project means the on-site conversion of logs into lumber using chainsaws.

In this issue:

- > Summary 2010 1
- > Multi-stakeholder dialogue 2
- > Community Programme 4
- > Phase II of the Project 5
- > Publications 6



Multi-stakeholder dialogue

The multi-stakeholder dialogue (MSD) is the main strategy by which the project seeks to achieve its objectives. It has been established to:

- provide a mechanism for stakeholders to share information, interact, participate in and influence national policy processes and outcomes;
- enhance levels of trust between different actors;
- mitigate conflict between stakeholders; and
- generate shared views of solutions and relevant good practices for CSM among stakeholders.

Policy options

Stakeholders increased their understanding of the main issues associated with illegal chainsaw milling and identified acceptable options to address them and to ensure the domestic timber market is supplied with legal lumber. They then discussed three possible policy directions for ensuring a legal supply of domestic timber:

- Option 1: Sawmills alone to supply the domestic market with legal timber. This would require strict enforcement of the current CSM ban and the development of a range of options to encourage sawmills to supply domestic markets rather than exporting lumber.
- Option 2: Both sawmills and artisanal millers to supply the domestic market with legal timber. This would imply lifting the ban and allocating harvesting rights to regulated artisanal millers and the logging industry.
- Option 3: Artisanal millers alone to supply the domestic market with legal timber. This would imply lifting the ban and allocating harvesting rights to regulated artisanal millers.

Stakeholders agreed that option 2 was the best policy direction for supplying legal lumber to the domestic market. This policy direction needs to be further elaborated to provide clear recommendations to on-going policy review processes in the government. The MSD process will continue to support this decision making, amongst others through a cost-benefit analysis.

An MSD is more than just meetings. It is a process that is supported by several crucial elements: (see figure 1)

- To allow for informed decision-making, participants need to have access to sound information. A technical expert committee (TC) supports MSD participants in reviewing information and presents findings to the participants in an easily understood way.
- Skilled and sensitive facilitation is critical for successful management of the dialogue.
- An MSD steering committee (MSD SC), comprising representatives from the key stakeholder groups, is responsible for guiding the MSD process and ensuring that follow-up on consensus decisions is carried out. That guarantees a sense of ownership of the process.
- It is important that — throughout the process — capacities and skills are built to empower stakeholders, particularly those at the community level, to participate effectively in the MSD.
- A communication mechanism is needed to ensure that information is provided to stakeholders within and outside the process.
- An effective monitoring framework needs to be in place. This enables stakeholders to assess whether the MSD is contributing to the realisation of goals, or whether there is a need to make changes.

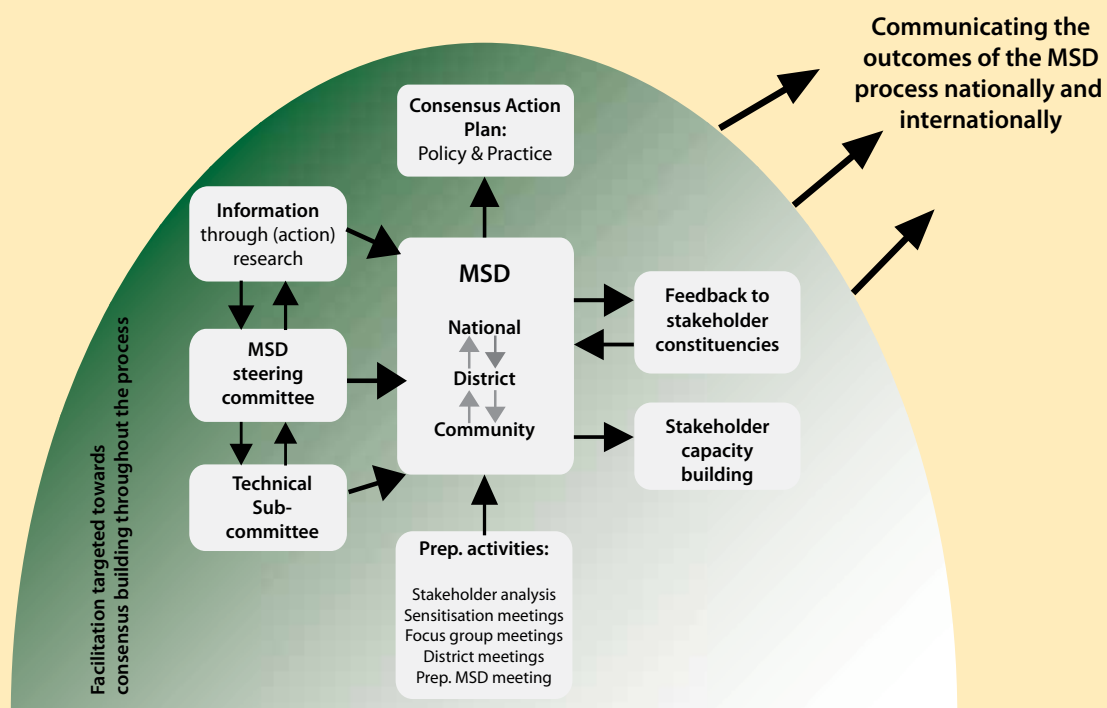


Figure 1. MSD Process in Ghana

MSD meetings

In 2010, two national, 16 district level MSD and two consensus meetings were held. The national MSD meetings were attended by a total of 181 people made up of 133 MSD participants from 23 stakeholder groups, 24 invited guests and 24 observers while district level MSD meetings were attended by a total of 412 people made up of 384 district level MSD members, 23 observers and 5 invited guests from 26 stakeholder groups. Key issues discussed and activities carried out include: code of conduct for MSD meetings; SWOT analysis of the three recommended policy options; strategies for addressing threats and weaknesses; the concept of artisanal milling; the national plantation programme and harmonization of the MSD with the TIDD process.

Prior to each MSD meeting, a joint Project Management Team (PMT) and MSD-Steering Committee meeting is organised to evaluate the previous meeting, discuss agenda and plan for the next meeting. To ensure good feedback to communities and stakeholder constituencies, community and stakeholder group meetings were held prior to or after each national and district-MSD meeting. This is to allow representatives of stakeholder groups to communicate outcomes of the meetings to their constituency and collate stakeholders' inputs into impending MSD.

The outcomes of the MSD meetings were: consensus on the preferred policy option; proposed concept of artisanal milling; agreement to harmonize the MSD process with the TIDD process; and strategies for policy maker and other stakeholder engagement.

Technical committee

The Technical Sub-Committee (TC) of the MSD is a committee that analyses and advises on technical issues associated with the domestic market. In August 2010, the TC met at Abono to analyse, discuss and develop the following:

- SWOT analysis of the three recommended policy options and clean the outcome;
- Strategies for addressing perceived threats and weaknesses of option 2;
- The concept of artisanal milling, in the context of type of equipment, mode of operation, scale of operation, market, legal access to resource, fiscal and social obligation, training, certification and licensing. It refers specifically to a regularised, well-trained and licensed

form of chainsaw milling. Artisanal millers use more efficient equipment than a standard chainsaw, such as Logosol or Wood-Mizer; and

- Proposed strategies to enhance government buy-in.

The outcomes of the TC meeting and cost-benefit analysis were discussed at MSD 4 and that influenced consensus by stakeholders on option 2 as the most suitable policy direction to address illegal CSM.

Harmonization of the process

The EU chainsaw milling MSD process, the National Forest Forum (NFF) and the VPA (mandated under TIDD) have decided to coordinate their efforts with regard to CSM issues. An informal meeting was held with officials from TIDD in April during MSD 3 to plan a way forward for harmonising the two processes to address the problem of domestic timber supply. In May a joint TIDD-EU CSM project meeting was held in Kumasi. Representatives from Forest Services Division (FSD), Resource Management Support Center (RMSC), Forestry Research Institute of Ghana (FORIG), and Kwame Nkrumah University of Science and Technology (KNUST) participated in the meeting. The following key agreements were reached:

- The two processes should prepare their stakeholders for a joint meeting for consensus on a viable policy option before the end of the year. TIDD and EU-CSM project should participate in each other's meetings.
- The EU-CSM project should complete its study on the cost benefit analysis of the three recommended policy options by August 2010. The cost-benefit analysis report will form the basis for the joint MSD consensus meeting.
- After consensus on the preferred option, both processes will work together to elaborate conditions for the selected option.
- The outcome of the joint stakeholder meeting and the elaborated conditions will be jointly presented to the Ministry of Lands and Natural Resources (MLNR), the FC board and policy makers.
- Officials from TIDD will serve on the Project Advisory Committee (PAC), Project Management Team (PMT), and the MSD-SC.

Following the agreements made in May by TIDD and EU chainsaw project, TIDD and the project organised a joint multi-stakeholder meeting on 29th October 2010 to reach consensus on a viable policy direction for supplying legal



timber to the domestic market in support of the VPA process. Stakeholders endorsed agreement reached by the two processes: **Saw millers and artisanal millers to supply the domestic market with legal lumber.**

The meeting was attended by 75 participants from 14 stakeholder groups and 12 media houses. It was chaired by Osahene Kweku Aterkyi II, President of the Brong Ahafo Regional House of Chiefs, member of the FC board and PAC and facilitated by Mr. Edward Obiaw, Director of RMSC and Dr Kyereh Boateng, Scientific Coordinator of the TBI Ghana Programme.

Other key decisions made were:

- Freehand chainsaw milling is wasteful and should remain banned.
- The need to develop new policies/laws that will ensure a level playing field for all responsible actors to supply the domestic market with legal lumber.
- Chainsaw operators should be considered in the artisanal milling concept.
- TIDD and TBI should meet with the industry (GTMO, GTA, WAG and FAWAG) to address their concerns.
- The two processes are to work together to prepare a work plan on decisions made. The work plan should include presentation of the selected policy option to policy makers and key stakeholders for buy-in.

Cost-benefit-analysis

Participants of the MSD requested a cost-benefit analysis of the three recommended policy options for building consensus of a viable policy option for addressing illegal CSM. The implementation of any of the options will involve interventions like social mitigation measures, capacity building, fiscal regime reforms and an assessment of resource availability.

A multi-expert research team, including a forest manager, forest economist, socio-economist and a policy scientist, has been contracted under the supervision of FORIG to do the cost-benefit analysis with the following objectives:

- to assess the cost implications for implementing any of the three recommended policy options; and
- to assess the comparative economic, social and environmental benefits for implementing any of the three recommended policy directions.

The first draft technical report was submitted in September 2010 and has been reviewed by an international discussant. In December 2010, a validation meeting was organised where a team of national experts reviewed the outcomes of the research. Comments have been sent to the researchers to finalise the report.

Community Programme

Any decision on the policy level will have consequences for stakeholders especially those at community level. For any alternative option to illegal CSM some form of community organisation will be needed to guide implementation.

A 5-days training programme was organised for project staff in June 2010 in Sunyani to select pilot communities, community organisations and strategic alliances in developing alternatives for illegal chainsaw milling. The training focused on recommended policy option 2.

The outputs of the training workshop were a preparatory action plan for developing a detailed work plan for achieving the transition from “illegal use” to legal use or alternative development option; pre-selection criteria for pilot communities; and guidelines for description of pre-selected communities.

Community activities

Following the staff training programme, the CFWs pre-selected pilot communities for livelihood activities and collected information to describe them. A total of 18 communities were pre-selected and their description covered: community size; livelihood strategies; percentage of population involved in CSM; available forest resources (on- and off-reserve); trend in deforestation; CSM conflicts; and community location in relation to forest reserves, rivers, major town, etc. In August 2010 a CFW meeting was held to review progress made and develop criteria with scores for selecting pilot communities. Ten communities were finally selected based on: political district's interest in forestry issues; proximity to timber resources and the prevalence of chainsaw in the communities; road network; ease of organising community members; community's commitment to forest management and participation in the EU chainsaw project; and existence of community based forest groups.

The selected institutions and organisations in the pilot communities were reviewed with key stakeholders. The review was based on the organisation/institution's ability to:

- Represent the community/stakeholders;
- Contribute to policy development process (local/district/national level) and play advocacy role (equitable benefit sharing of timber revenue, land/tree tenure reforms, community and CSM interest);
- Invest in improved CSM technology and provide training;
- Create awareness (forest management, laws and policies, etc.) and support afforestation and sustainable forest management;
- Implement alternative livelihoods;
- Provide advice and build capacity in business management skills and opportunity; and
- Build linkages between and among small and medium enterprises to markets, service providers and credit facilities.

A total of 48 CBOs and 93 non-governmental and governmental organizations/institutions were identified.

CFWs also made a total of 190 community visits to carry out the activities such as capacity building of stakeholders to effectively participate in the MSD process; support feedback to and from national and district level MSD meetings; and create new CFA/groups and revive existing ones.

Selected communities for the piloting of alternative livelihoods activities:

Region	District	Community
Central	Assin Foso	Akropong, Ando
Eastern	Akyem Oda	Apoli
	Begoro	Feyiase
	Kade	Techiman, Pramkese
Brong Ahafo	Sunyani	Atronie
	Goaso	Akrodie
Ashanti	Nkawie	Kyekyawere
	Juaso	Obogu

Livelihood surveys

In 2009, the first livelihood survey was conducted in three forest districts (Assin-Fosu, Oda and Sunyani) as part of activities to support the adoption of alternative livelihoods that does not depend on timber. The objectives of the survey were to: assess the extent to which stakeholders depend on chainsaw milling for their livelihoods; identify alternative livelihoods that are not dependent on timber; and identify options for supplying viable alternative livelihoods.

Following the outcomes of the first livelihood studies, the research team organised a number of meetings with the stakeholders to validate and disseminate the survey findings. During the meetings, stakeholders recommended that situations in districts are not similar and so the survey must be conducted in all the project districts to gather detailed information to enhance discussions on alternative livelihood at district level MSD meetings. In response to stakeholders' recommendations, a second survey was carried out with the following objectives: to obtain baseline information on CSM that can be used to monitor changes over the project period (conflicts, reduction in chainsaw activities and contributing factors); assess on-going alternative livelihoods initiatives; identify how the EU chainsaw project can collaborate with existing livelihoods initiatives in the project areas; and draw lessons from existing livelihoods initiatives. The first draft report indicated that:

- About 5% of lumber brokers and between 55%-75% of chainsaw operators are involved in other livelihood activities apart from CSM.
- The level of CSM related conflicts between the stakeholders in the project districts has reduced, the main reason being decline in timber resources. However, some districts also mention that the MSD was responsible for the reduction in chainsaw related conflicts.
- With the exception of Sunyani District (no change), trend in illegal timber seized in the project area has also declined. Again, the main reason is dwindling timber resources.
- Viable alternative livelihoods that do not depend on timber vary from district to district, but common amongst them are poultry farming and food crop cultivation.
- The report recommended that introduction of any viable alternative livelihood intervention should collaborate with institutions/organisation with experience in that area and also learn from past failures and successes.

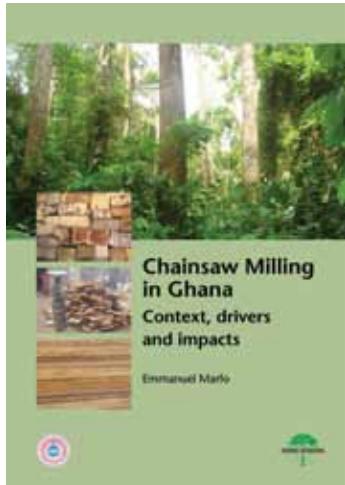
Phase II of the Project

Even before the finalisation of the first phase the EU has approved a second phase of the project, implicitly recognising the importance of our project. Starting in 2011, we hope to increase the impact of our work on the effective regulation of the domestic timber market, thus supporting the implementation of the Voluntary Partnership Agreement (VPA). The new phase is scheduled to commence in April 2011 (for four years) and will be run concurrently with the last year of phase I.

FLEGT VPA

The European Union (EU) Action Plan for Forest Law Enforcement Governance and Trade (FLEGT) is the EU's response to concerns around illegal logging. Voluntary Partnership Agreements (VPAs) between the EU and timber exporting countries are being developed to implement FLEGT. The VPA is a mutual commitment between the EU and a producing country to combat the problem of illegal logging by facilitating trade in legal timber and improving forest governance. In November 2009, Ghana became the first country to sign and ratify a VPA, which included the domestic timber trade.





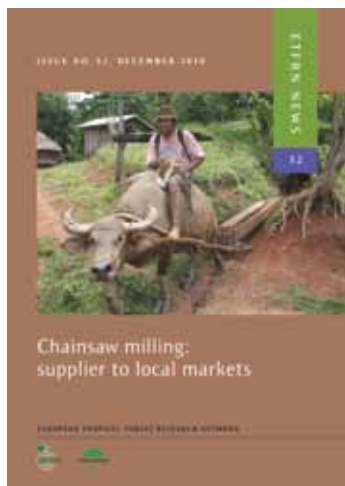
Chainsaw milling in Ghana: Context, drivers and impacts

In January, the project published a book titled "Chainsaw milling in Ghana – context, drivers and impacts", authored by Dr. Emmanuel Marfo from FORIG. This synthesis report examines the evolution of the policy, legal and institutional framework of chainsaw milling in Ghana. Based on new research and a review of recent studies, it provides insights into the social, political, legal and economic factors that drive CSM and assesses the practice's impacts on livelihoods, forests and the timber sector. The report recommends a number of measures to more effectively regulate the practice to meet stakeholders' needs and help Ghana achieve sustainable forest management goals.

In spite of being banned in 1998, chainsaw milling continues to be a major supplier of Ghana's domestic lumber needs, with an annual estimated volume of 487,000 m³ (i.e. 800,000 trees per year, 84% of local consumption). The total annual harvest in Ghana is estimated around 4.4 million m³ (RWE), which is far beyond sustainable levels. The loss of stumpage revenue to the state is estimated at more than USD 18 million per annum. CSM

provides jobs for about 97,000 people and supports the livelihoods of more than 650,000 people.

CSM challenges Ghana's ambitions to develop a legal and sustainable forestry sector. Discussions on CSM have become an important part of the EU-Ghana Voluntary Partnership Agreement; the country cannot fully meet the legality assurance aspect of the agreement without addressing CSM. Dealing with the issue in an equitable way will reduce conflicts in the forest sector, diminish forest degradation and support rural livelihoods.



ETFRN News 52: Chainsaw milling: supplier to local markets

Chainsaw milling supplies a large proportion of the lumber at local timber markets at low prices. Chainsawn lumber's share of total domestic market production ranges from 30–40% in Guyana, Congo, DR Congo and Uganda to more than 50% in Cameroon, Ghana and most Latin American countries and to nearly 100% in Liberia. While it offers socio-economic opportunities for local people, it is often associated with corruption and illegalities. Regulating and controlling the practice is a challenge due to the mobility of CSM operations.

Governments of tropical countries around the world have failed to address the domestic timber demand and have struggled to deal with the CSM subsector, which is often informal. International negotiations and agreements on tropical timber production also tend to disregard local timber consumption, although the local timber trade is affected by these international agreements and vice versa. The European Union (EU) Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) and future climate change

agreements (through REDD+) might be able to provide incentives to regulate the local timber trade.

This issue of ETRN News has 28 articles, with contributions from more than 20 countries in South America, the Caribbean, Asia and Africa. They provide an overview of the nature, extent and implications of chainsaw milling as a supplier to local and regional timber markets in various countries. The publication also gives a good picture of the key issues, challenges and opportunities of chainsaw milling and illustrates the importance of including local timber flows in national and international forest initiatives such as FLEGT and REDD+.

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Infosheets

Two infosheets were published in 2010 on 'Recommendations to control illegal chainsaw milling in Ghana' and 'Best practices addressing illegal chainsaw milling'.

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This annual project update was produced within the framework of the “Developing alternatives for illegal chainsaw milling in Ghana and Guyana through multi-stakeholder dialogue” project. This chainsaw milling project is being carried out by Tropenbos International in collaboration with the Forestry Research Institute of Ghana (FORIG), the Forestry Commission (FC) of Ghana and the Forestry Training Centre (FTCI) and Iwokrama in Guyana. It aims to find sustainable solutions to the problems associated with the production of lumber for local timber markets by involving all stakeholders in dialogue, information gathering and the development of alternatives to unsustainable chainsaw milling practices. The project’s overall objectives are to reduce poverty and promote viable livelihood in forest-dependent communities; reduce illegal logging; and promote the conservation and sustainable management of tropical forests in Ghana and Guyana.



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