

Chainsaw Milling Project, Ghana

Project updates

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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 chainsaw lumbering 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's overall objectives are to reduce poverty and promote viable livelihoods in forest-dependent communities; reduce illegal logging; and promote the conservation and sustainable management of tropical forests in Ghana and Guyana.

The 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. The total budget of the project is €2,7M (about GH¢3.8M) for the period 2007-2012.

In Ghana, the project is being implemented 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 2009

In 2009, the project completed its case study on CSM in Ghana. The results of this study were presented at a regional meeting in Accra (25-26 May), where participants from West Africa gathered to share information and experiences on approaches for addressing CSM. The results have also been used to inform the MSD-process in Ghana. Based on the case study of chainsaw milling in Ghana, the outcomes from the

regional workshop on CSM and a two-day technical working committee meeting in Abono (10-11 June), recommendations to control illegal logging in Ghana have been drafted, which identified three possible options for policy directions for addressing CSM. These options have been the basis for the discussions at the MSD. Prior to the first MSD-meeting in September, a joint dissemination workshop was organised by the project and the Timber Industry Development Division (TIDD) of the FC, to inform the FC on the outcomes of the case study.

The MSD-process in Ghana started in March with a preparatory workshop aimed at the establishment of the MSD. In September and December, the first two national MSD meetings were held, followed by district level meetings. The facilitation team has been trained in April in Monitoring and Evaluation of the MSD-process. Capacity building of the various stakeholder groups has been an ongoing effort by the facilitation team. A separate communication strategy has been prepared for the MSD, targeting all key stakeholders. The project's management has also undertaken steps to integrate the MSD into the National Forest Forum (NFF) of Ghana. The MSD has been officially recognized by the government of Ghana as a viable process for finding solutions to the illegal CSM problem.

What is Chainsaw milling?

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

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Case study on chainsaw milling in Ghana

In May 2009, FORIG completed the case study report on CSM in Ghana which contained 13 specific research activity reports identifying the drivers and impacts of CSM. Based on the results of this research and on all major studies and reports on CSM in Ghana, a synthesis report was compiled in order to help disseminate information about the issue. This synthesis is very useful for both national and international stakeholders, particularly those involved in policy dialogue processes (including those between Ghana and the EU). The publication has been widely distributed to the stakeholders in Ghana. A summary of the CSM statistics from the report is presented below.

Summary of CSM statistics

description	estimate
Total annual gross revenue from CSM	GH¢ 279 million
Annual gross revenue retained by chainsaw operators	GH¢ 52 million
Total annual profit from CSM	GH¢ 37 million
Net profit of CSM	GH¢ 66.6/m ³
Volume of trees annually harvested by CSM	2.5 (2.2–2.9) million m ³
Number of trees harvested	842,000 (745,000–970,000)
Conversion efficiency of CSM, based on total usable tree volume	30.3%
Number of species processed by CSM	72
Dominant species supplied to the domestic market	mahogany, wawa, dahoma, ofram
Volume of CSM lumber sold in the domestic market	558,054 m ³
Volume of chainsawn lumber consumed in Ghana from the domestic market	496,815 m ³
Proportion of chainsawn lumber in the domestic market	84%
Number of people directly engaged in CSM	97,000
Annual potential stumpage revenue lost by the FC	GH¢ 25 million
Estimated annual value of informal payments	GH¢ 33.5 million

(Source: Marfo, Emmanuel. 2010. Chainsaw milling in Ghana: context, drivers and impacts)

The study found that six major factors contribute to the ineffective enforcement of the CSM ban:

1. corruption among officials from the Forest Services Division (FSD) and law enforcement agencies;
2. the high rate of rural unemployment;
3. lack of political will to enforce the ban and implement alternatives;
4. strong domestic market demand for cheap lumber and the inability of formal sawmills to supply this market;
5. political interference in FSD operations; and
6. strong support for CSM by local communities, particularly farmers.

Regional workshop on chainsaw milling

The regional workshop on CSM for the West Africa Region was successfully held from 25–26 May 2009 at Erata Hotel, Accra, Ghana. The workshop was attended by a total of 65 participants, including forest managers, researchers, chainsaw operators, saw millers, forest-dependent communities and numerous other stakeholders from ten countries. Eight country case studies from Ghana, Guyana, Liberia, Nigeria, Cameroon, DR Congo, Kenya and Uganda presented the causes and consequences of CSM and the ways in which the practice has been managed in these countries. Participants identified best practices and discussed options by which governments could balance the positive and negative aspects of CSM.

CSM is found in countries with all levels of resource availability, socio-economic conditions and forest development. The cases presented at the meeting showed that several factors drive CSM. The main factor is the strong local demand for cheap timber, which is rarely addressed in national forest policies. The livelihood opportunity provided by CSM is very important in poor rural areas with high unemployment. The low capital investment requirements of CSM make it an easily accessible business. Limited access to forest resources for small operators coupled with the low enforcement capacity in most countries invite illegal practices. In some countries, forests have decreased to such a level that large investments in logging have become impractical and CSM is the best alternative for processing trees.

VPA in Ghana

In November 2009, Ghana became the first country to sign and ratify a Voluntary Partnership Agreement (VPA) with the EU on legal timber exports, including the domestic market. VPAs between the EU and timber exporting countries are being developed to implement the European Union (EU) Action Plan for Forest Law Enforcement Governance and Trade (FLEGT). FLEGT is the EU's response to concerns about illegal logging; it aims to facilitate trade in legal timber and improve forest governance.

Illegal CSM challenges Ghana's ambitions to develop a legal and sustainable forestry sector; in spite of being banned in Ghana since 1998, CSM is responsible for 84 percent of the local market supply, equivalent to a harvest of 2.5 million m³.

By implementing legal assurance systems and beefing up law enforcement, a strict application of VPA measures could spell the end of CSM, which provides a living for hundreds of thousands of people in Ghana. Bridging the numerous conflicting local and global interests that characterize CSM requires meaningful and inclusive dialogue among all stakeholders. The MSD on CSM is therefore crucial for an effective implementation of the VPA in Ghana.

The workshop concluded that policy responses that effectively address CSM issues are rare. Where the practice is legalised, it is often associated with extensive abuse and illegalities. Where it is banned, regulation is difficult and compromised; enforcement is better in cases where CSM has been legalised. Best practices are few and include; license from state, payment of stumpage and taxes, direct negotiation with tree owners, formation of associations and self regulation, use of chainsaw attachments, and MSDs (Ghana).



Recommendations for controlling illegal CSM in Ghana

Following the regional meeting in Ghana, the case study on CSM by the FORIG, and a technical expert meeting in Abono, Ghana on June 10–11, 2009, policy recommendations were formulated to control illegal CSM in the country.

Domestic market demand was identified as the major driver of CSM. Therefore, it was recommended that any solution must address the problem of domestic lumber supply. Legal supply must either come from the formal logging industry or by incorporating some improved form of CSM in the formal sector.

The way forward lies thus in reconciling the demand for adequate legal timber for the domestic market with the sustainable production capacity of the forest. Export policies should be fully aligned with domestic market policies since both markets draw timber from the same resource. Ultimately, supplies may have to come from plantations and elsewhere. For now, however, three possible policy directions are identified to address the domestic market demand from existing forest resources:

1. Sawmills alone to supply the domestic market with legal timber

This policy option implies the maintenance and full enforcement of the CSM ban, and the development of a range of options to encourage sawmills to supply domestic markets.

2. Sawmills and artisanal millers to supply the domestic market with legal timber

This policy option implies allocation of harvesting rights to artisanal millers and the logging industry. Objectives for on and off-reserve forest management will have to be determined. Strategies must be developed to create equitable conditions for saw millers and other players on the domestic market.

3. Artisanal millers alone to supply the domestic market with legal timber

This policy option implies allocation of harvesting rights to artisanal millers to be the sole supplier of legal lumber to the domestic market. Objectives for on and off-reserve forest management will have to be determined.

Artisanal milling is the use of more efficient equipment, such as Logosol or Wood-Mizer to process timber.

Equitable benefit-sharing to include farmers, tree tenure reforms and provision of competitive alternative livelihood schemes are crucial in the ultimate success of any policy intervention to address CSM.

Since the various stakeholders have divergent perspectives, a MSD process is needed where participants negotiate acceptable solutions. Whichever option stakeholders choose, the current degree of overharvesting cannot be sustained and painful adjustments seem unavoidable.

Multi-Stakeholder Dialogue

The Project focuses on MSD as a mechanism to reduce conflict, adjust perceptions on the nature of the problems and create shared views of solutions among stakeholders. This dialogue is supported by analysis of issues and action research. These help identify and clarify the issues surrounding CSM. The MSD aims at the adoption of a broadly supported agenda of action. Actions at the national level address the strategies needed to reduce illegality and balance different visions of forest sector development, including CSM. Local-level actions contribute to transforming CSM activities into more acceptable and sustainable forms.

In 2009, the MSD process started. Different groups of stakeholders were identified, and the project gathered their views on the form and content of the dialogue process and built their capacities to participate. The dialogue is structured into interrelated national and district level meetings (see diagram 1).

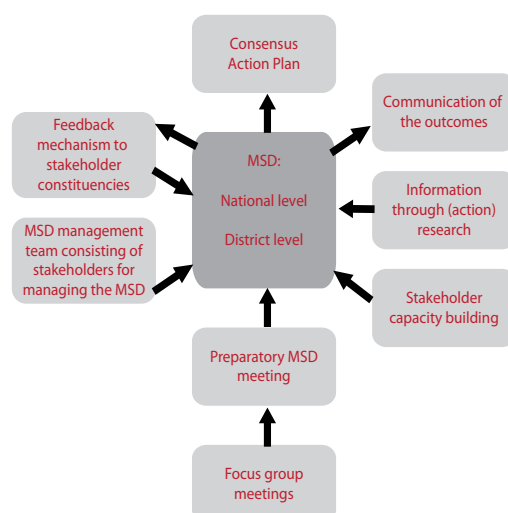


Diagram 1. MSD Process in Ghana

Stakeholder analysis

After the first identification of stakeholders of CSM in Ghana, the stakeholder analysis continued through a number of reviews to ensure that all relevant groups of people with a stake in CSM in Ghana are involved in the project, especially the MSD process.

The following groups of stakeholders were identified:

- > Forestry Commission, incl. VPA secretariat
- > Government organisations concerned with forest management
- > Government organisations concerned with environmental protection
- > Law enforcers
- > Politicians, incl. Parliamentary select committee on chainsaw milling
- > Forestry research institutes & academia
- > Chainsaw operators, carriers and loaders
- > Transporters
- > Lumber brokers
- > Chainsaw machine dealers / owners
- > Farmers
- > Forest dependent people (NTFP Collectors, Hunters, communities etc)
- > Saw millers
- > Timber companies
- > District Assemblies
- > Traditional authorities
- > Resource owners
- > Timber consumers
- > Civil Society, NGOs and CBOs
- > Media

Preparatory MSD meeting

A one-day preparatory meeting towards establishing the MSD was held in March 2009, in Kumasi. The aim of the meeting was to agree on the set up, structure and modalities for the establishment of the MSD. Key issues discussed included; a review of the stakeholder list, form, scope, structure, number of participants and venue for MSD meetings. Also, strategies for reducing and managing conflicts within the MSD, and selection criteria for and responsibilities of the MSD management team were also discussed. In all 40 people attended the meeting with at least one representative from each stakeholder group identified during the stakeholder analysis. Stakeholders agreed that a total of 57 representatives from five major stakeholder groupings should attend the national MSD meetings and, for continuity, representatives should be as much as possible permanent. Representatives for district level MSDs should be at most 30 with at least one from each stakeholder group. Kumasi was selected as the venue for national MSD meetings. It was also agreed that participants from the districts are to select suitable venues at the district capitals for district level MSD meetings.

Participants agreed that since illegal CSM issues cuts cross social, environmental, economic and political realms and involve wide range of stakeholders with different interests, a MSD process is needed to discuss the issues and options and agree on a viable solution to address the problem.



Dissemination workshop at FC

As part of activities to address the main forest governance issues in Ghana today, the EU chainsaw project and the Timber Industry Development Division (TIDD) of the FC separately carried out research activities on the causes and consequences of CSM and on the supply of lumber to the domestic market. To this end, a joint dissemination workshop was organized on the 25th of September, 2009 at the FC's auditorium in Accra. It was attended by 117 participants who represented 27 stakeholder groups. The aim of the workshop was to allow stakeholders to contribute to the research findings and identify the forest sector's priorities with regard to illegal CSM and supply of legal lumber to the domestic market in light of the VPA.

MSD I

The first national MSD referred to as MSD I was organized on the 25th of September 2009 at the FC conference room in Accra. It was attended by 97 participants representing 19 stakeholder groups namely; people directly involved in CSM, sector ministry, national government agencies (dealing with forest, tax and law enforcement), regional and district governments and forums, affected owners and right holders of forest resources, NGOs in the forestry sector, timber contractors and industries, and academia and research institutions. The agenda for MSD I was to present the research findings and recommend options from the technical meeting, to discuss and prioritise issues emanating from the research and recommendations.

MSD II

MSD II was organized on the 11th of December 2009 at the conference room of the Wood Industry Technology Center at Akyiawkrom in the Ashanti Region. 21 stakeholder groups were present at the meeting to carry out a SWOT (strengths, weaknesses, opportunities and threats) analysis on the three recommended policy options. The MSD steering committee, responsible for the management of the MSD process was also inaugurated during this meeting.

District level MSDs

The MSD set-up in Ghana includes district level MSDs, which provides a mechanism for information exchange between the district and national MSDs. In 2009, in each pilot district, a meeting was organised discussing key CSM issues. Stakeholders expressed the opinion that massive tree planting to help save the forest is very crucial. The meetings also agreed that identifying, developing and implementing alternative livelihoods, transforming CSM into a viable forest dependent enterprise, and addressing tree ownership and tenure are key issues that have to be looked at under any policy option selected.

On the website of the project www.chainsawmilling.org, the minutes of the MSD-meetings are posted, together with other relevant information.

Integration of MSD into the NFF

The National Forest Forum (NFF) is a well established national forum which has been given formal recognition by the government; any policy recommendation through the NFF should be well considered by policy makers. In early 2009, the project initiated a process of integrating the MSD into NFF at its initial stages of establishment. Two meetings were held with the NFF executives in March and July 2009 to agree on the integration and discuss modalities, form and structure of the MSD. The outcome of the meetings was the successful integration of the national MSD into the NFF. A total of 12 NFF members; one from each region and 2 national executives are now participating in the MSD.

Monitoring and Evaluation training

As part of efforts to create capacity to effectively facilitate the multi-stakeholder learning platforms in Ghana and Guyana, a 5-day training workshop on monitoring and evaluation (M&E) was organised for project staff from 20-24 May. The training was provided by WUR Centre for Development Innovation, the Netherlands. The aim of the training workshop was to contribute to the knowledge and skills of facilitators to help develop an effective M&E framework that will help track change the MSD process as it unfolds. The M&E framework developed was to help facilitators monitor the MSD and decide whether the process is heading in the right direction and contributing to the realisation of set goals of the project.

Alternative livelihood survey for chainsaw dependent communities

The project conducted a livelihood survey with the aim to assess stakeholders' level of dependency on chainsaw lumber production for their livelihood. The study also identified alternative livelihood options that do not depend on timber and options for supporting good alternative livelihoods. From the study, lumber retailers who are in the large communities and district capitals were found to be more dependent on CSM for their livelihood than other stakeholders. While 72% of the chainsaw operators

for example were also farmers, only 15% of the retailers were into other businesses. On the other hand, there were varying opinions about alternative livelihoods for chainsaw dependent communities. Among the many alternative livelihoods that were mentioned by the stakeholders, fish farming, vegetable, Griffonia, and voacanga cultivation, poultry and livestock rearing were ranked high as good alternatives that would bring benefits to chainsaw dependent communities and must be explored. However alternative livelihoods are not always successful and the study revealed the presence of some earlier schemes that have had mixed success due to their design flaws. It was therefore recommended that the alternative livelihoods should be focusing more on providing financial assistance and technical support for improving agricultural productivity and business development. Access to market and credit facilities, formation of associations and collaboration with government institutions and other stakeholders were also found to be important in the search for alternative livelihood for CSM.



Planned activities for 2010

MSD:

- > Organise three national MSD meetings and related district level MSDs
- > Conduct action research based on information gaps identified by the MSD
- > Build capacity of stakeholders
- > Undertake cost-benefit analysis of the three policy options

Community support:

- > Strengthen existing community forestry associations or create new ones
- > Conduct livelihood surveys
- > Initiate programmes to support the adoption of alternative livelihoods

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