Joint TIDD-TBI Multi-stakeholder Workshop

Building Consensus on Policy Direction for Supplying Legal Lumber to the Domestic Market

Erata Hotel, Accra
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By

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Acronyms

BNI	Bureau of National Investigations
CEO	Chief Executive Officer
CFA	Community Forestry Advisor
CFC	Community Forest Committee
CFW	Community Forestry Worker
CSM	Chainsaw Milling
ED	Executive Director
EU	European Union
FAWAG	Furniture and Woodworkers Association, Ghana
FC	Forestry Commission
FDA	Fanteakwa District Assembly
FORIG	Forestry Research Institute of Ghana
FSD	Forest Services Division
GoG	Government of Ghana
GTMO	Ghana Timber Millers Organisation
HQ	Headquarters
KNUST	Kwame Nkrumah University of Science and Technology
MOFA	Ministry of Food and Agriculture
MLNR	Ministry of Lands and Natural Resources
MSD	Multi-Stakeholder Dialogue
SC	Steering Committee
NADMO	National Disaster Management Organisation
NFF	National Forest Forum
NF/	National Facilitator
NPC	National Project Coordinator
NREG	Natural Resource and Environmental Governance
PAC	Project Advisory Committee
RMSC	Resource Management Support Center
TBI	Tropenbos International
TIDD	Timber Industry Development Division
TUC	Timber Utilisation Contract
VPA	Voluntary Partnership Agreement
WAG	Wood Workers Association
WD	Wildlife Division
WITC	Wood Industry Training Centre

1.0 Introduction

The non-availability of sufficient legal wood for domestic use has created space for illegally sourced lumber on the domestic market. CSM continues to supply as high as 84% of the lumber used domestically after a decade of its ban. Today, the trade in illegal lumber has become one of the main forest governance issues in Ghana. A range of policies, laws and institutions have evolved to govern and control the processing and trade in illegal lumber, but the practise continues to flourish. This has raised intense public debate at various forums and different levels.

It is evident that so long as there is no alternative for the supply legal wood to the domestic market, the ban on processing and trade in illegal wood will remain un-enforceable. Revenue loss, resource destruction and associated conflicts will continue to be a major challenge to the forestry sector. The practice presents obstacles to implementation of Ghana's VPA with the EU on the domestic market.

In 2007, TBI and its partners initiated a project funded by the EU to bring all relevant stakeholders together to dialogue on the CSM menace so as to collectively develop a policy direction for supplying legal lumber to the domestic market. Again in 2008, TIDD of the FC under the NREG programme also commissioned a programme to help meet the VPA requirement of supplying legal wood to the domestic market. From independently commissioned studies, findings from both initiatives proposed similar policy directions as follows:

- Saw millers only to supply legal lumber to the domestic market
- Saw millers and artisanal millers to supply the domestic market with legal lumber
- Artisanal Millers only to supply the domestic market with legal lumber

As a result, a joint research dissemination workshop was organised at the conference room of the FC in Accra to present findings to stakeholders in September 2009. Stakeholders at the dissemination workshop agreed that each process engages its primary stakeholders in a multi-stakeholder consultation and dialogue to build consensus on a preferred policy direction. The EU chainsaw project and the TIDD has since then had parallel multi-stakeholder consultations and dialogue at different levels.

In June 2010, a joint TIDD-EU chainsaw project meeting was held to discuss how to harmonise the two processes and present a common position to policy makers. The meeting agreed that a joint multi-stakeholder meeting involving the primary stakeholders from the two processes be held after consensus on the policy directions by the two processes to discuss way forward. Both processes separately reached consensus on policy option two: **Saw millers and artisanal millers to supply the domestic market with legal lumber.**

The aim of the joint TIDD-TBI multi-stakeholder meeting was to build consensus on a policy direction for supplying legal lumber to the domestic market in support of the VPA process.

1.1 Workshop objectives and outputs

. The objectives of the workshop were to:

- Present updates of the activities of the two processes
- Harmonise consensus reached on the preferred policy direction
- Develop strategies for the way forward

The outputs were:

- Stakeholders informed about the two processes which seek to find possible ways to supply the domestic market with legal lumber.
- Consensus reached on the preferred policy direction by the stakeholders
- Strategies and process developed to engage key stakeholders and policy makers to adopt agreed policy direction
- Technical issues requiring further discussions highlighted
- Implications of the agreed policy direction on FC and relevant stakeholders' capacity and resource needs identified and discussed

This report presents a concise record of the workshop proceedings and key outcomes.

2.0 Participants

The workshop was attended by seventy-five (75) participants from fourteen (14) stakeholder groups (Forestry Commission, Civil Society, individuals directly and indirectly involved in CSM, formal and informal timber industries, Ministry of Lands and Natural Resources, Ministry of Food and Agriculture, Research and Academia, Law Enforcement Agencies, District/Municipal/Metropolitan Assembly and Traditional Authorities) and eleven (12) media personnel (Annex a).

The joint multi-stakeholder meeting was chaired by Osahene Kweku Aterkyi II, President of the Brong Ahafo House of Chiefs, member of the FC board and PAC of the EU Chainsaw project. Co-facilitation was by Mr. Edward Obiaw, Director of RMSC and Dr Kyereh Boateng, Scientific Coordinator of the TBI Ghana Programme.

3.0 Proceedings

3.1 Opening

The meeting was called to order at 9:30 am by Mr Edward Obiaw followed by an opening prayer by Mr Chris Beeko of the VPA secretariat. Participants introduced themselves. The chairman and dignitaries were introduced by Ms. Mercy Owusu Ansah, the NF/CFA of the EU Chainsaw Project.

3.2 Deductions from Chairman's opening remarks

In his opening remarks *(Annex B)*, the chairman highlighted the following:

- All discussions and decisions should be guided by the vision of the FC that is, 'leave behind a better forest and wildlife than we met'.
- Importance of timber resource and reasons for the saw mills focusing on export at the detriment of the domestic market resulting in illegal CSM.
- Some negative impacts of CSM
- Based on the expertise gathered, discussions and decisions should be geared towards finding a viable solution to supply the domestic market with legal timber

3.3 Deductions from welcome address

The welcome address was delivered by Mr. Alhassan Attah, the ED of the TIDD *(Annex C).* He expressed his delight about the objectives of the meeting and wish to see the meeting becomes a success. Below are Key highlights from his address:

- The process of combating the menace of illegal lumber supply on the domestic market has seen several attempts over time with little success. It may be explained that past attempts at dealing with the problem lacked multi-institutional and pro-people considerations and inputs

- Through the support of the NREG programme, under the VPA, TIDD in partnership with TBI and stakeholders in the timber trade and industry have been pursuing a roadmap of stakeholder consultations and dialogue, to find a permanent and sustainable solution to supply legal lumber on the domestic market whiles stringent and appropriate measures are put in place to deal with the impact of illegal CSM on our environment.

- The objective of meeting to build consensus on preferred policy option and way forward through discussions will strengthen the collective position on the supply of legal timber on the domestic market.

- One important output from interactions with all stakeholders in the consultative process is the quest to introduce a procurement policy to guide the trading in timber and wood products on the domestic market.

3.4 Deductions from keynote address

The CEO of the FC delivered the keynote address *(Annex D)*. He mentioned the constitutional mandate of the FC and explained how illegal CSM and logging are preventing the FC from achieving its objectives. He urged all stakeholders to consider the interest of the country during discussions to reach consensus on a viable policy direction for supplying the domestic market with legal timber. He revealed that the FC and MLNR are putting in modalities to compel concessionaires to remove the unexploited yield for processing to supply the domestic market. He finally wished all stakeholders well in their discussions.

4.0 Presentations

Three presentations were made:

- Updates on the TIDD process ***by Mr. Edem Zormelo;***
- Updates the EU CSM MSD process ***by Mr. James Parker; and,***
- Research results Cost-Benefit-Analysis of the three policy options; ***by Mr. Gene Birikorang***

The presentation on the updates on TIDD process *(Annex E)* focused on the following:

- Objectives of the TIDD process
- Key research findings and the three recommended policy directions
- Reasons for failures of past policies and directives for addressing illegal CSM
- TIDD's approach to finding permanent solutions for supplying the domestic market with legal lumber
- Updates on multi-stakeholder consultation process
- Consensus reached and way forward

The presentation on updates on EU CSM MSD process (Annex F) highlighted the following:

- EU CSM project objectives and strategy
- The MSD process and key updates
- Key achievements of the MSD
- Consensus reached
- Priority issues that needs attention
- Fears of stakeholders
- Remaining activities to be carried out

Stakeholders of the two processes separately reached consensus on policy option two: Saw millers and artisanal millers to supply the domestic market with legal lumber.

The presentation on the cost-benefit-analysis (Annex G) of the three policy options focused on the following:

- Forest governance in perspective
- Context of the research
- Scenarios under the VPA
- Key assumptions
- Modelling of policy options
- Recommendations

The presentation finally concluded that economically, the best policy option for supplying the domestic market with legal timber is option two: ***'Saw millers and artisanal millers to supply the domestic market with legal lumber'***. The study revealed that developing and building capacity of a trade association as a self-interest seeking body for the artisanal millers is needed and could cost at least US$300,000.

4.1 Concerns and suggestions

The following key concerns were raised by some of the representatives:

- <u>Nana Dwomoh Sarpong (GTMO President)</u> raised concerns that the GTMO which is an important stakeholder in the forestry sector was not well involved in both processes. He explained that about 80% of Ghana's timber resources are in the hands of the millers and wonder where government will get timber resources for the proposed artisanal millers.

  Again, he also disagrees with the consensus reached by the two processes and accuses TBI and TIDD for hiding behind artisanal milling concept to try and legalise CSM. In his opinion, mobile millers already exist and what should be done is to support them to supply the domestic market.

- Mr. Oppon Sasu of the FC expressed his fear that transforming CSM into artisanal milling alone will not solve the problem of illegal CSM, other programmes such as alternative livelihood programmes etc must also be rolled out to help get the operators out of the forest.

- Mr. Attah Alhassan, the ED of TIDD cautioned the recommendation made by the cost-benefit-analysis study on the importation of timber for processing and explained that this may not be an easy option for the artisanal miller, since it has not been smooth for sawmill companies.

4.2 Responses to concerns and suggestions

The following were key responses to the concerns and suggestions raised:

- Madam Akua Ansah Eshon (Chairperson, MSD-SC) was surprised about GTMO's stand. She explained that GTMO and other stakeholders like GTA, WAG and FAWAG have been well involved the two processes and the claim by the president of GTMO is not true. She also expressed surprise that 80% of Ghana's timber resources are in the hands of GTMO. She explained that the MSD considered the interest of all forest users and agreed on option two and therefore urge government to take a second look at the timber resource allocation since the artisanal milling concept can address the CSM menace.

- Mr. K.S. Nketiah (Director, TBI Ghana) made clarifications that contrary to the perception of GTMO, the TBI and TIDD processes do not have any agenda of trying to legalise CSM by promoting the artisanal milling concept. The two studies separately carried out by TIDD process and EU-Chainsaw project concluded that freehand CSM is destructive, low in efficiency and is difficult to monitor. Therefore, enforcement of the ban is accepted by all stakeholders. The MSD discussions have purely based on the three recommended policy options. He emphasized that the two processes have provided enough platform for all stakeholders including GTMO to discuss the issues and come to consensus on a policy direction. He therefore expressed surprise at GTMO's stand and advice that stakeholders should concentrate on way forward.

- Mr. Attah Alhassan (ED of TIDD) cautioned stakeholders not to derail the process by going back to old issues that have already been discussed in a number of fora and meetings, but focus on the way forward. On the mobile milling concept, he explained that in the past mobile mills were set up in key areas to supply domestic lumber. However, these mobile millers upgraded and joined the export market and since then no measures have been put in place to replace them and this is the concept we want to bring back.

- Mr. Edward Obiaw (Director, RMSC) suggested that plantation developers should also be involved in the process. He also explained that, the off-reserve timber resource situation is not as bad as perceived. There are still some timber resources that can be utilised by the proposed artisanal millers

5.0 Group work

The participants were put into three groups to discuss the following:

- **<u>Group one</u>** - Implications of agreed policy option FC and relevant stakeholders' capacity and resource needs.
- **<u>Group two</u>** – Strategies for engaging relevant stakeholders.
- **<u>Group three</u>** – Identification and prioritisation of critical issues on the chosen policy option for consideration.

Presentations on outcomes of the group work (Annex H) were presented and discussed in plenary

5.1 Key decisions taken

The following key decisions were taken:

- Stakeholders endorsed agreement reached by the two processes on the policy direction: that saw millers and artisanal millers to supply the domestic market with legal lumber.
- Free hand chainsaw milling is bad and should remain ban.
- The two processes are to merge and work together to present a common outcome on policy direction to policy makers and key stakeholders.
- TIDD should leads the merged process and EU chainsaw project facilitates/support since the government will listen more to initiative from the FC
- The need to develop new policies/laws that will ensure level playing field for all actors that will supply the domestic market with legal lumber.

- TIDD and TBI should meet with the industry GTMO, GTA, WAG and FAWAG to address their concern.
- The need to consider the chainsaw operators in the use of mobile mills to supply the domestic market with legal lumber.
- TIDD and TBI should meet and prepare action plan based on agreements made

6.0 Closing

The chairman thanked all stakeholders for actively participating in the discussions. He urged TIDD and TBI to work hard and move the process forward to find lasting solution to the CSM menace. The meeting closed at 3:30 p.m.

ANNEXES

Annex A: List of workshop participants

No	Name	Stakeholder
1	Mr. Edward Obiaw	Director, RMSC, Kumasi
2	Dr. Kyereh Boateng	Scientific Coordinator, TBI Ghana, Kumasi
3	Mr. Augustine Gyedu	District Manager, FSD, Asante Bekwae & MSC SC member
4	Mr. Alhassan N. Attah	ED, TIDD, Takoradi
5	Mr. J.H. Quansah	Manager, TIDD, Takoradi
6	Mr. K. A. Dadzie	Vice President, GTA, Takoradi
7	Ms. Portia Addae	TIDD, Takoradi
8	Mr. Awudi Cudjoe	Manager, FC, HQ, Accra
9	Mr. Kwamena Haizel	Manager, TIDD, Takoradi
10	Nana Owusu Aduamoah	Traditional Authority, Akyem Oda & MSC SC member
11	Dr Beatrice Obiri Darko	Research Scientist, FORIG, Kumasi
12	Mr. Solomon Bagaseh	NFF, Bolgatanga
13	Mr. Ben Bawa	NFF, Tamale
14	Mr. Emmanuel Boafo	CFC, Akyem Akokoaso
15	Rev. G.K. Fugah	Wood Village, Kumasi
16	Mr. Samuel Yaw Loggah	Wood Village, Kumasi
17	Mr. Moses Bukari Adayeng	FDA, Begoro
18	Nene Tei Djaning	NFF, Accra
19	Mr. William Koranteng	CFW, Kade
20	Mr. Musah Abu-Jam	Technical Director, MLNR, Accra
21	Mr. Prince Charles Appah	BNI, Bogoro
22	Mr. K. S. Nketiah	Programme Director, TBI Ghana, Kumasi
23	Mr. Joseph Osiakwan	Chief Planning Officer, MLNR, Accra
24	Mr. Mathew Ababio	MLNR, Accra
25	Seraphine Nyamekye	TIDD, Takoradi
26	Dr. C. Antwi Boasiako	Lecturer, FRNR, KNUST, Kumasi
27	Mr. Prince Anokye	Lecturer, FP, KNUST, Kumasi & MSD SC Member
28	Mr. E. K. Bonney	Manager, TIDD, Takoradi
29	Mr. Peter Edem Zormelo	Manager, TIDD, Takoradi
30	Mr. Sam Afari Dartey	CEO, FC, Accra
31	Mr. James Parker	NPC, EU Chainsaw Project, TBI, Kumasi
32	Ms. Ekua Ansah Eshon	NFF, Takoradi & Chairperson of the MSD SC
33	Dr. Emmanuel Acheampong	Lecturer, FRNR, KNUST, Kumasi
34	Mr. Anthony P. Asare	Lumber Dealer, Ashaiman-Accra
35	Mr. Dorothy Dompson	CFW, Goaso
36	Mr. Yaw Kwakye	Manager, Climate Change Unit, FC, Accra
37	Dasebre Ofosu Kwabi III	Traditional Authority & NFF, Akyem Oda
38	Mr. Joseph Yaw Oppong	WD, FC, Accra
39	Mr. John Tettey	MWRWH,Accra
40	Mr. Oppon Sasu	FC, Accra
41	Mr. Charles Dei-Amoah	FC, Accra

42	D.r Emmanuel Marfo	Scientist, FORIG, Kumasi
43	Mr. Richard Agyenim Boateng	Chainsaw Operator, Goaso & MSD SC member
44	Mr. Emmanuel K. Torsu	Chainsaw Operator, Juaso
45	Mr. Prince Henneh	Taungya Farmer, Sunyani
46	Mr. E.A. Sackey	FAWAG, Accra
47	Mr. Nana Adu Boafo I	FAWAG, Accra
48	Mr. Ben N. Donkor	FC, Accra
49	Mr. Emmanuel Fosu	PA, EU Chainsaw Project,TBI Kumasi
50	Mr. Alex K. Dadzie	Vice President, GTA, Takoradi
51	Mr. Theophilus Kpegah	WAG, Kumasi
52	Mr. Nana Amonoo	WAG, Accra
53	Mr. Abdulla Bin Abubakar	WAG, Accra
54	Mr. Alex Asare	Member, RMSC, Kumasi & MSD SC Member
55	Osahene Kweku Aterkyi II	President of BA House of Chiefs & PAC member
56	Mr. Chris Beeko	Manager, VPA, FC, Accra
57	Mr. Anthony A. Nkrumah	NFF,Takoradi
58	Mr. E. Kofi Ametepe	MOFA, Koforidua
59	Mr. F.S. Armah	FSD, Accra
60	Nana Atakora Kodua	NADMO, Kumasi
61	Mr. Raphael Yeboah	ED, FSD, Accra
62	Mr. Gene Birikorang	Hamilton Consult, Accra
63	Mr. U.K. Armoo	Legal Office, FC, Accra
64	Emmanuel Aboagye	NET 2TV
65	Emmanuel Entrew	NET 2TV
66	Nana Yaw	NET 2TV
67	Prince Amoako	NET 2TV
68	Nana Quao	SKYY TV
69	Ebenezer Mensah	SKYY TV
70	Fiasi Seribi	SKYY TV
71	Michael	Oman FM
72	Thompson Kumi	Metro TV
73	Ebo Ampah	Metro TV
74	Sammuel Allotey	Metro TV
75	Mark Addo	Metro TV
76	Doreen Ampofo	GBC Radio

<u>Annex B:</u> Chairman's opening remarks by Osahene Kweku Aterkyi II

The Chief Directors of the Forestry Commission,
Other Directors,
Members present,
Ladies and Gentlemen,

I am pleased to be invited to Chair this very important meeting. Since this is a meeting to address supply of legal lumber to the domestic market, I cannot say anything without mentioning the vision of the FC that is "Leave the future generation and its communities with richer and better and more valuable forest and wildlife endowment than we met". In an attempt to deal with deforestation, illegal CSM and supply the domestic market with legal lumber, we need to be guided by the FC's vision.

Ladies and gentlemen, timber is an important resource and needed not only for domestic use, but also for international use. For some time now, saw millers have focused on export at the detriment of the domestic market and this have created a huge gap which has fuel illegal CSM. The illegal activities have affected government revenue, royalties to land owners and conflicts amongst others.

Ladies and gentlemen, we have met here this morning to build on the ongoing processes by TIDD and TBI in finding a viable solution to supplying the domestic market with legal timber. With the crop of expertise gathered here this morning, I hope there will be quality suggestions from the floor to help find a way to deal with the domestic lumber issue.

I thank the organizers for giving me the honour to chair this function.

<u>Annex C</u>: Welcome address by Mr. Alhanssan Attah

Chief Executive of the Forestry Commission
Executive Directors and Directors of the Forestry Commission
Representatives of Government and Non-governmental Institutions
Members of the Timber Industry Trade Associations
Members of the Media
Distinguished Ladies and Gentlemen,

I wish to take this opportunity to welcome you all to this important joint consensus building workshop on the preferred policy direction for the supply of legal timber on the domestic market. I feel delighted that this forum, aimed in part, at addressing the longest existing challenge of illegal lumber trade on the domestic market has moved this far, with all stakeholders in the demand value-chain of the domestic lumber trade. I am very much humbled however, to be part of the event and wish to express my unalienable interest to seeing that this meeting becomes a success.

The process of combating the menace of illegal lumber supply on the domestic market has seen several attempts over time with little success. It may be explained that past attempts at dealing with the problem lacked multi-institutional and pro-people considerations and inputs, so that the process had to suffer eminent challenges from many interest groups. These past efforts and failures have provided the experience that has informed the present approach which has culminated into today's event.

Indeed, through the support of the Natural Resource Environmental and Governance (NREG) programme, under the VPA, TIDD in partnership with Tropenbos International (TBI) Ghana, and stakeholders in the timber trade and industry have been pursuing a roadmap of stakeholder consultations and dialogue, to find a more permanent and sustainable solution to the supply of legal timber on the domestic market whiles stringent and appropriate measures are put in place to deal with the impact of illegal chain-saw lumber trading on our environment.

Ladies and gentlemen, the objective of this joint session is to build consensus on the preferred policy option and develop strategies for the way forward. It is my expectation that the presentations to be made today will trigger and stimulate further discussions and strengthen our collective position on the preferred policy direction for the supply of legal timber on the domestic market.

One important derivative of strategy gained from interactions with all stakeholders in this consultative process, is the quest to introduce a procurement policy to guide the trading in timber and wood products on the domestic market. I will therefore urge you to consider the merits of the issues on the floor and their cost implications to our national development process so that we can make informed choices as far as procurement of timber on the domestic market is concerned.

Ladies and gentlemen, let me say once again that I am pleased to see all of you responding to our invitation to this consensus building workshop. It is my believe that the importance of the issues relating to legal timber supply, will be central to the whole discussions and that the best way forward will be found to ensure that Ghana succeeds in the protracted fight we have waged against unsustainable practices in our domestic timber trade. I wish you well in all of your deliberations.

Thank you and God bless you all.

<u>Annex D:</u> Keynote address by Mr. Sam Afari Dartey

Mr. Chairman, Executive Directors and Directors of F C,
Distinguished representatives from MDA's and Non-governmental institutions.
Private Business Owners
Members of the Press
Ladies and Gentlemen
Allow me to express my desperation at the manner in which the solution to the problem of domestic lumber supply has eluded us all this while by going straight to the topic. It is quite surprising that this issue has virtually turned into a catch-22 situation in which all suggested solutions so far seemed quite laudable from the onset but never take us to the desired goals – Is it a matter of:

- Weakness in law enforcement,
- Lack of commitment, or
- Inappropriate solution strategies

Mr. Chairman, I have had the chance to look at the report which forms the basis for our discussions today. Once again, all the three (3) proposed strategies are not different from those we have tried in the past. What that means is that those approaches remain appropriate, however in view of our inherent weakness in implementation of policies; we never get the required outputs from our strategies. Probably, we should endeavour to eschew any form of prejudices we may harbour against any of the solution approaches and adopt open-minded deliberations on all the proposed policies. Today, let us avoid shooting down others' ideas too soon in the discussions for that could lead us into the usual oblivion we find ourselves.
Ladies and Gentlemen, in order to appreciate the problem on our hands permit me to appraise you on the current state of the domestic forest industry in Ghana and the future prospects.

From the report we have, lumber which is supplied from 3 main sources (mill, bush-mill and bush-cut) is the dominant wood product sold on the domestic market. Approximations of supply and demand indicate 789,000 m3 and 665,000 m3 respectively, representing oversupply of about 124,000 m3. There are 72 wood species on supply with a strong indication of low market presence for the high demand species whilst utilization of the LUS' is on the ascendancy. The 112 product dimensions/specifications are patronised mainly by carpenters, building contractors and real estate companies. It is reported that 84% of lumber supplies are illegally sourced.

Ladies and Gentlemen, kindly take note of the under listed developments on our domestic market and come out with innovative strategies that would go into formulating a durable policy at the end of this consultative workshop:

- That at full implementation of the protocols under the voluntary partnership agreement (VPA) with the EU, which is due by close of 2010, illegally sourced wood MUST have no place on both our domestic and export markets; failing which would blacklist Ghana's wood products on the EU market which finances about 60% of our export revenue. It is a condition in the VPA agreement that illegally sourced wood SHOULD be restriction from entering the domestic market.
- That in view of diversification of species in use, domestic market, if well developed, could be a vehicle for optimum utilization of the resource – a sustainable management imperative
- There is strong indication from the tall list of lumber specifications that there is a woeful lack of standardization on the domestic market. However, based on the high strength properties of our forest species, and more so, the shift towards higher density LUS – the traditional 2x6, 2x4 and 2x2 could be stepped down and standardized to lighter dimensions – a way of reducing pressure on the forest

Mr. Chairman, under your astute leadership and guidance as the Chairman of the Board of Commissioners, we from the FC are doing everything possible through our Timber Industry Development Division (TIDD) to engage our stakeholders in the industry regarding institutional and policy reforms to tackle the problems in the domestic industry. In view of this the FC is undergoing major re-engineering to ***collaborate effectively with major stakeholders*** as follows:

Landowners:

- Develop transparent system to show accountability
- Effective involvement in management decisions
- Promote continuous dialogue

Government:

- Ensure sustainable forest management
- Reduce rural poverty and enhance food security
- Maximize GDP contribution
- Provide environmental services
- Provide employment for youth

Industry:

- Provide reliable supply of raw material
- Provide eco-tourism opportunities
- Create business friendly environment
- Reduce bureaucracy

Ladies and Gentlemen, as a way of finding alternative resources for the industry, the GOG has initiated a new private sector driven plantation programme under which 30,000 ha of plantation is to be established annually. You will all agree with me that commercial plantation development demands enormous resources that cannot be met by government alone. Hence the GOG is actively promoting private sector involvement in this programme and you are therefore welcome to take this opportunity to sustain your businesses. It is important to stress that parcels of government land are already demarcated mostly from degraded forest reserves to be made available for investors willing to participate. Depending on the level of investor responsibilities there are two forms of plantation development. That for:

- commercial sole investor
- small scale farmer, usually intercropped with food crops (known as modified taungya system)

Apart from plantations, studies by our Resource Management Support Center (RMSC) indicate that about 40% of yield allocations to Concessionaires never get harvested from the forest. Most of these unfelled trees constitute the LUS which has low patronage on the export markets. In view of the high utilization of such species on the domestic market the FC is considering modalities for partnering domestic market operators with such concessionaires to come up with agreements that would enable the release of such approved yield trees for domestic market consumption.
Thank you very much, and I wish you a successful deliberation.

Annex E: Updates on TIDD Process

TIMBER INDUSTRY DEV'T DIVISION
(FORESTRY COMMISSION)
TIDD-TBI JOINT CONSENSUS BUILDING WORKSHOP ON PREFERRED POLICY DIRECTION FOR THE SUPPLY OF LEGAL TIMBER TO THE DOMESTIC MARKET

29-10-2010
ACCRA

INTRODUCTION

- TIDD in collaboration with FORIG undertook a study of the domestic timber market in 2009 to determine the lumber supply and consumption pattern with the view of evolving a policy to address the adverse effect of CSL and significantly reduce its production and patronage / trade.

Introduction *(Contd.)*

The final report recommended 3 policy options

1. Sawmills should supply the domestic market with legal timber obtained from sustained yield.
2. Sawmills and other players supply the domestic market with legal timber obtained from sustained yields.

Introduction Cntd.

3. Artisanal improved mills to supply all lumber required by the domestic market whiles Sawmills focus on export, in keeping with sustained yields.

BACKGROUND

The government of Ghana in 1998 by the Timber Resource Act 571 and its operative instrument LI 1649, banned chain sawn lumbering (CSL).

Inspite of the clarity of the law on the ban, this illicit activity has continued to flourish due to:

i. <u>Failure of Past Polices and Gov't Directives</u>
Past government policies and programmes to eradicate or minimize CSL have not been successful

ii. <u>Lack of political will</u>
For eg. The Public Procurement Act 663 explicitly states that only sawmill lumber should be used in the execution of government projects contracted by MDA particularly MM&D Assemblies.

iii. <u>Weak enforcement of Laws/ Policies</u>
General apathy on the part of institutions and agencies mandated to enforce these laws and policies.

iv. <u>Lack of Fiscal Interventions and Incentives</u> to motivate sawmillers supplying the domestic market with legal timber.

v. <u>Lack of Negotiated Guiding Price</u> for the domestic market.
Uncompetitive domestic timber price as against export price is a disincentive to Local producers.

vi. Lack of effective monitoring and validation of production and supply.

vi. Lack of Product standardization

vi. Connivance of some law enforcement personnel and field staff of FC.

TIDD/FC'S APPROACH TO FINDING A PERMANENT SOLUTION.

1. Setting up of a technical committee at Divisional level to collate and develop a Draft National Procurement Policy on timber for the Domestic Market for a wider stakeholder consultations and adoption.

Work of the Committee

The committee has held 6 meetings and 2 stakeholders consultative meetings with industry operators and timber trade associations including GTMO, GTA, FAWAG and WAG.

GTMO was represented by its CEO whiles other groups had 5 representations each.

<u>Position on illegal chainsaw operation</u>

Participants at the 2 day meeting were unanimous in their position that the laws banning CSL should be enforced.

<u>**Policy Direction**</u>

Policy option one (1) of the final report of the DMS was adopted with some modifications.

Sawmills especially distressed and idle mills and identified loggers should be designated and equipped to produce solely for the DM.

<u>limitations.</u>

Strict monitoring is required for success.

Policy Implementation

Proposals sequel to the adoption of Policy option

i. Establishment of a limited liability company *to be managed by a strong management board drawn from institutions like AGI, GREDA, GTMO, GTA, FAWAG, FC & BRRI and mandated to procure and stock legal timber at established depots for sale to consumers.*

ii. Allocating specific LUS as quota in approved yields for production of lumber onto the DM

iii. Establishment of Timber Depots at strategic locations throughout the country. *Funds for seed capital to be sourced from VPA/ EU and other DP's*

iv. Sustaining supply of legal timber to the DM through:

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- *Policy option two was preferred by all the groups. Participants were however against the 'legalization' of the activities of the chain saw operators.*
- The following amended Policy Direction option 2 or (**Option 4**) was therefore adopted after the Group discussions:

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Policy Option "4"

That Sawmills and artisanal improved mills excluding chainsaw milling should supply the domestic market with legal timber obtained from sustained yields.

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Conditions for this Policy Direction to succeed include:

a. Tag species not exploited by sawmills for export for the local market

b. Sell these species to artisanal and other distressed mills to process for the local market as a short term measure

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c. Develop a policy directive to compel concessionaires to remove all timber tree species so that 'non-exportable species' would be sold for processing for the domestic market.

c. Put in place various tax and other fiscal incentive packages for millers to produce for the local market.

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e. Publish periodic tree journals advertising left over species /trees for purchase and processing for the local market

f. That the National Procurement Policy should be reviewed to involve FC in the area of ensuring that MDA's and other contractors execute government projects using only legal timber else FC would sanction them

g. Establish timber/log depots for effective distribution of legal raw materials on the local market to guarantee availability at all times while ensuring that producers have ready market for their produce on the local market at fair prices.

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Thank you for your time and attention

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Annex F: Updates on EU Chainsaw project

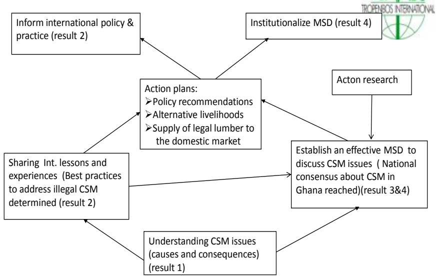
3. EU CSM project updates :

“Developing alternatives for illegal CSM through Multi-stakeholder dialogue in Ghana & Guyana”

March 2007-March 2012

Implementing organization: TBI
Partners: FC & FORIG
funding from EU

Project Strategy



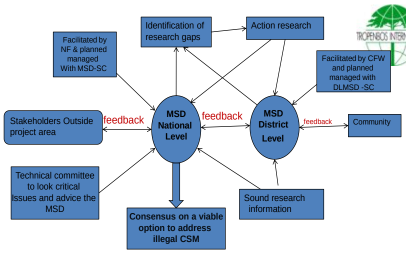
Core Strategy

- MSD is the core strategy of the project

Objectives of establishing the MSD are to:

- Enhance level of trust between stakeholders;
- Share information and knowledge
- Create mutual benefit
- Discover common ground and build consensus among diverse views,
- Develop a shared partnership approach and
- Create commitment

The MSD process



Updates

- 4 national MSDs
- 24 district level MSDs
- More than 720 community & stakeholder level meetings

Key activities/issues discussed at the MSD meetings

- Discussed research findings and prioritized issues to be discussed at the MSDs. The main issue was the 3 recommended policy option proposed by the technical committee:

a. Sawmills alone to supply the local market with legal timber
b. Sawmills and artisanal millers to supply the local with legal timber
c. Artisanal millers alone to supply the local market with legal timber

- Identified and prioritised research gap (cost-benefit-analysis)

- Defined current problem and developed a common aspired future
- Carried out SWOT analysis of the 3 recommended policy options
- Developed strategies to address the weakness and threats
- Built consensus on the preferred policy option (option 2)
- Discussed critical issues under option the preferred policy option
- Discussed the definition and concept of artisanal milling
- Discussed way forward

Work done by the technical committee

- The 3 policy option
- Concept of artisanal milling
- Technical issues under option 2

1. Option two: Domestic lumber supplied by sawmills and artisanal millers

No of MSD members	No. in support of the option	%	Reasons
51	48	95	✓ Will lead to creating of legal employment and improvement of rural livelihood ✓ Domestic market will be adequately supplied with legal and quality lumber ✓ Potentially lead to involvement of local communities in sustainable forest management ✓ Will address inequity in access to timber resources and ensure easy rural community access to legal lumber ✓ More compromise option that will satisfy most stakeholders than options one and three ✓ Will reduce/resolve conflicts associated with illegal chainsaw milling ✓ Opportunity for government to collect the needed taxes ✓ Opportunity to engage chainsaw operators in the ongoing massive afforestation programme ✓ This option will promote efficient milling and use of timber

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1. Option one: Domestic lumber supplied by artisanal millers only

No of MSD members	No. in support of the option	%	Reasons
51	1	2	✓ Will lead to creating of legal employment and improvement of rural livelihood. ✓ The sawmills will never supply lumber to the domestic market even under option 2. It will eventually turn into option 3. ✓ Opportunity for the development of forest based enterprises and rural development.

Consensus on policy option from the district MSD

Option	No. of members	Percent
Domestic lumber supplied by artisanal millers only	12	8%
Domestic lumber supplied by sawmills and artisanal millers	109	70%
Domestic lumber supplied by artisanal millers only	34	22%

Prioritized issues that need attention

Prioritised issues that have to be looked at irrespective of the option selected are :

- Tree planting/afforestation
- Alternative livelihoods
- Tree ownership/tenure and benefit sharing
- Alternatives to lumber
- Reviving/formation of CFCs in forest fringed communities

Fears

- Although a consensus have been reached on policy option two, stakeholders fear that if not well implemented, artisanal milled lumber will also be exported and the current problem will persist

- Ghana is well noted for its poor implementation /enforcement of policies/laws and may not implement/enforce fully the policy option. This will fail to address the supply of illegal lumber to the domestic market

Outstanding issues/activities We have about 5 national and 40 district level MSDs remaining to discuss and carry out the following issues/activities: ▪ The concept and definition for artisanal milling ▪ Scenarios under option two ▪ Conditions for implementing option two ▪ Process with timeline for engaging policy makers into buying into option two ▪ Alternative livelihood options ▪ Strategies for implementing viable alternative livelihoods options	*Thank You*	

Annex G: Cost Benefit Analysis Of three policy directions

EU/FORIG RESEARCH INTO POLICY OPTIONS FOR DOMESTIC LUMBER SUPPLY: COST BENEFIT ANALYSIS OF THREE POLICY OPTIONS: PRESENTATION OF RESEARCH RESULTS TIDD-MSD WORKSHOP OCTOBER 30, 2010 Presenter: Gene Birikorang Member, FORIG Project Management Team	**Outline of presentation** • DEVELOPMENT OF CONTEXT FOR RESEARCH • SEARCH FOR OPTIONS AD MODEL RESULTS • COST BENEFIT ASSESSMENT • EMERGING POLICY ISSUES • RECOMMENDATIONS	**Forest governance in perspective** • Guaranteeing future economic growth requires today sustainable use of natural resources • High forest dependence of rural poor demands "pro-poor" approaches to development
Context of research **Industry is consolidating** • Decline in number of players • Current players (300 in number): 30% potentially competitive • Rest, comprising micro-sawmills re-saw/dimensio mills linked to illegal sources of wood material • Resource control: Forest reserves are major sourc of future timber supply • 23 companies control 70% of FR harvest; They largely influence "free market" logs	**Context of research** **Changing market species** • Primary/High Demand Species likely to reduce from 12% to 2% of future legal harvest • Moderate and lower demand species are likely to account for about 65% • Challenge: Industry is accustomed to use of limited number of species	**Context of research** **Production and trade** • Industry produced 630,000m3 in 2007 and exported 530,000m3; 100,000m3 (close to 20%)sold on domestic market • Sawn timber production is declining but plywood volume is increasing Timber input for sawn wood production for less than 60% of total intake (close to 80% in 2005) • Domestic lumber market: Largely dominated by CSM

Context of research

Production and trade

- Ghana's import trade: 290,000 m^3 (80% sawn timber)-price: US$310 per m^3 (75% of lumber expo price in 2007
- Pricing: Domestic prices of formal sector lumber ar about 40% of the export price (Issue: grade of lumber and willingness to pay.
- In real terms, wood export prices are no better tha prices in 1993: Ghana's wood export policy is not contributing meaningfully to growth:

Context of research

Industry profitability

- The wood industry requires a minimum throughput in order to **break even** (Brooks and Associates, 2004). This is a problem rather than the solution
- Cross-subsidization in processing sector:
- ✓ remanufacturing improves profitability through additional recovery
- ✓ Rotary is not profitable
- ✓ Sawmilling barely meets anticipated minimum return to investors;
- ✓ sliced veneer production is satisfactorily rewarding and
- ✓ plywood is the most profitable

Context of research

CSM real business perspectives

- CSM generates positive benefits outside its environmental havoc – U$130m annual livelihood support + some US$12million in contributions to rural economies
- BUT CSM costs the economy and society US$150m annually

Context of research

Cost of complying with regulations and procedures

- Public sector regulation costs the industry as much as US$6.5/m^3 (exceeds FSD/OPD costs)
- Traditional Authorities imposing an estimated US$8/m^3 cost on key operators (informal transactions)
- If the institutional FM&R remains the same, the cost of total compliance and forest access could come close to US$30/m^3.
- This is a challenge to forest taxation regime
- Solution lies in institutional reforms that eliminates hig transaction costs.

Business-As-Usual Scenario under VPA

Current (2005)Tax Potential under Log Export Ban Policy US$m^{-3}	Subtraction from Real stumpage price of trees US$m^{-3}	
28	Operators' Compliance Cost	13.0
	Existing Transaction costs	6.5
	Informal SRA	8.0
	Verification Cost	3.0
	Total	30.5

Cost implications of legal enforcement

- Operators' compliance cost –US$ 13m^{-3}
- Cost of verification estimated at US$3 m^{-3}

State bureaucracy (monopoly) cannot finance itself at US$14m^{-3}

- Potential Stumpage price might reduce from US$28 to US$15 of which 50% share goes to forest owners

Context of research

Industrial Free Zone Status

Integrated large scale firms are registered under the Industrial Free Zones Act with the following conditions, inter alia, existing:

1. 10 years Tax holidays (since early 2000s)
2. Exports are not taxable
3. Companies are required to sell 30% of their output on the domestic market (Poses same problem as TRMA (Act 547) provisions on domestic supply

Modeling of policy options

Key Assumptions

- Improved saw milling efficiency from 40% to 50
- Importation of logs
- Domestic price of lumber: US$302 per m^3 -70% export price
- Full enforcement of ban on chain saw milling.
- Legal harvest: 1 million m3 2012-2015; 700,000m3 after 2015 of GTA logging businesse with timber processing

Modeling of policy options

Results (Scenario 1)

- Timber volume intake increases by 700,000 m3 through importation by both non-integrated/small sawmills (NINTs) and integrated large scale sawmills (INTs)
- Importation of timber can generate substantial employment in excess of the potential job losses under VPA, but this is not sustainable at a domestic price of US $ 300 (60% of fob lumber export price).
- There is no impact on the level of stumpage fees. The option will not constitute a risk for both FC, landowners and forest communities
- The ban on CSM eliminates livelihoods in its supply and marketing chain (US$130m) and community level support (US$12m). On the other hand, the element of avoided resource depletion resulting from enforcement of legality is estimated at US$150 million

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Modeling of policy options

Results (Scenario 2)

- Small scale sawmills compete with artisanal millers for free market logs and supplements their raw material intake with imports. Production costs are lowe than under the first option, but small-scale firms are just below their break-eve points. They will have just sufficient time to develop business strategies to surv in the long term.
- Artisanal millers supply about 50% of the domestic lumber requirement, but ar over-dependent on imports because they are in competition with small-scale sa millers. This pushes them to low level profits.
- Employment potential of AMs is high under this option (about 40,000 or 30% o CSM jobs lost), but tends to rely relatively more on imports, hence at a higher c Yet still, they have lower production costs than the formal sector
- Contribution to economic growth is a still a big question with sawmills. Howeve AMs begin to contribute positively to the nation's wealth.
- It is worth explaining here that AMs are under this scenario servicing debts and the model assumes that they will accelerate deprecation. This explains the nor realization of potential profits.

Modeling of policy options

Results (Scenario 3)

- AMs' timber volume from domestic origin doubles as a result of deliberate policy to promote their access directly to forests and indirectly through the market. They still import substantial amounts of logs (80% of total input, compared to 90% under scenario 2).
- Potential employment in AMs improves substantially and profits also begin to rise marginally as domestic log inputs also rises marginally.
- AMs unit production cost reduces further to US$280 per m^3 as a result of production opportunities. They turn out to be more competitive.
- Negative value added avoided stays the same with sawmills, but AMs' impact increases by 40% under this scenario (to US$340 per m^3 of output), characterized mainly by increased access to forests and their control over free market logs.
- AMs stumpage fees contribution rises in proportion to the increase in access to timber. It is worth noting that this notwithstanding, profits increase above those under scenario 2.

Modeling of policy options

Results of Cost Benefit Analysis (Net Present Values of discounted cash flows, US$,000

	Baseline	Sc.1 (Option 1)	Sc.2 (Option 2)	Sc.3 (Option 3)
Financial	1,057,673	-168,637	859,437	-156,291
Economic	***-979,660***	***572,011***	***535,944***	***595,746***

Emerging issues

- Enforcing the ban on CSM;
- Implications of legal enforcement for employment;
- Future domestic prices;
- Importance of the domestic market for future economic growth
- Promoting pro-poor growth through specific strategies for safeguarding informal employment and livelihoods;
- Institutional capacity to support the working of markets;
- Observing the specific (real) impacts of the policy choice; and
- Capacity building to "formalize" an informal sector.

Recommendations

- *Enforcing the CSM Ban* Three serial approaches:

+ Short –term incentives for law enforcement personnel;
+ Short-medium term injection of capital and offer of market incentives to turn informal operators into at least quasi-formal enterprises; and
+ A national commitment to enforcing VPA and imposing sanctions greater than proportionate to the economic impact of the offenc

- *A future arrangement of supply of lumber to the domestic market should be based on voluntary decisions*
- *Access to resource:* A deliberate policy should be put in place to influence legal access to timber resources by artisanal millers
- *Log importation:* Log importation without import duties. TIDD ca bring its market intelligence experience to benefit importers particularly artisanal millers.

Recommendations

- *Market incentives for lumber supply to the domestic market:* There should be sufficient market incentives to enable Artisanal mills to sell to the domestic market, without any administrative interference with the market norms.
- *Fiscal measures:*
  + Minimum pricing (US$300) for domestic lumber. It would include the element of stumpage fees. In the medium, say after 2015, minimum prices may be adjusted to US$340 per m3 to reflect wood scarcity, as expected
  + Imposition of stumpage fees and collection at sales point
  + Introduction of a special forest value added tax that would mop up stumpage fees and allow a plough-back to producers
- In addition to these measures: strategic export quotas and/or taxes may be imposed on exporters of lumber in specific species

Recommendations

Fiscal measures (cont)

- In addition to these measures: strategic export quotas and/or taxes may be imposed on exporters of lumber in specific species
- A future graduated tax on high valued species (traditional primary species the most) may grant rebates or exemptions against sale of LUS/LKS log quotas by integrated logger-processor-exporters to artisanal millers. The modalities for accomplishing the transactions may require special business propositions between parties.

Recommendations

Institutional regulation of compliance procedures

- The FC should focus more on regulatory roles (standards oriented) than on operational roles (management oriented) It should examine closely how it can implement a devolutio of management functions to the private sector along with t implementation of VPA.

Transaction costs

- There is a strong need to reduce transaction costs of the private sector doing business with government.
- The institutional reform when appropriately aligned makes the fiscal regime efficient and helps sustain market incentiv

Recommendations

Appropriate technology to substitute employment and livelihoods: focus is on substituting the positive effects of chain saw milling in terms of livelihood generation down the supply and marketing chain

- *Plantation development to generate alternative livelihoods:* Selected policy option offers opportunities for development of alternative livelihoods through plantation development
- *Building capacity of artisanal millers:* Developing and building capacity of a trade association as a self-interest seeking body for the artisanal millers is needed; could cost about US$300,000.

Annex h: Outcome of group discussion

Group 1: Implications of the selected option on FC's and relevant stakeholders' capacity and resource needs

Facilitator: Dr. Kyereh Boateng

Decisions:

- The 2 processes should be merged
- There should one platform

Stakeholder	Roles	Capacity Needs	Resource Needs	Any Other
FC	Monitoring	Skills Information Equipment	Human resource Financial	
	Request for services	Communication skills and gadgets Decentralization Devolution of powers & authority	Human resource Infrastructure Staff training	
	Managing stakeholder participation	Ability to Meet stakeholder expectation Institutional re-positioning Public relations/customer service	Financial resources	
	Simplify the business processes and ensure transparency	Cost effective management Information flow & feedback	ICT infrastructure	Need to change attitude
	Managing competition on the market	Skills Policy & market analyses Market intelligence	Survey cost Data Networked ICT infrastructure	
	Certification & licensing	Skills		
	Capacity building artisanal operators	Include modules in WITC programmes	Infrastructure (Machinery etc.) Resources persons Financial	

	Retooling of the industry	Sector planning Skills (technical & managerial)	Financial credits/Incentives	
	Promote alternative resources	Information dissemination	Financial	
	Awareness creation			
Ministry of LNR	Policy direction	Policy analysis Policy planning, implementation, monitoring & evaluation	Human resource(appropriate staff levels) Information	
Communities & land owners	monitoring	Monitoring skills Re-orientation		
	Awareness creation	Advocacy skills, lobbying, information dissemination information acquisition		
	Consent to resources allocation	Skills to interpret yield information & maps	Information (yield information, maps, site plans)	
	Co-management	Monitoring skills Re-orientation	MoPs Financial Incentives	
Chainsaw operators	Compliance with regulations	Skills to form & manage structures Knowledge of existing policies & laws	Financial Technical assistance Legal backing	
	Self regulating	Knowledge of existing policies & laws	Financial Technical assistance	
	Access & process timber resources	Negotiation skills Equipment & processing skills Managerial skills	Financial Technical assistance Extension services	
	Development of resources	Plantation establishment skills	Land Financial Incentives Training	

GROUP 2: What are strategies for engaging relevant stakeholders?

Facilitator: Mr Kwamena Haizel

Decisions:

- The merger of the two processes is the best.
- TIDD leads and EU chainsaw project facilitates/support since the government will lend more ears to initiative presumed to come from state institution.

Stakeholder	Objectives of engagement	What are the challenges of engagement	What are the strategies/methods of engagement and when?
• Policy makers- Cabinet, Min. of Land and Nat. Resources, Employment and Social Welfare, Trade, Finance, Environmental, Info, Judiciary, Law Enforcers	• By-in and ownership of process	• Political and socioeconomic implication • Change of mind may be difficult	• Need to meet all stakeholders to tell them where we are and get their by-in for selected option • Take them to a place where they can direct full attention • Political engagement and technical engagement • VPA as an entry point • Write to them and they select their reps themselves • We should be able to convince them that it will work- Birikorang's work will be useful
• Industry –GTA, GTMO, FAWAG, WAG	• Sustainable supply of materials • Alternative livelihoods for those who may lose out because of policy • Win their support	• Difficulty of integrating different interests	• Dialogue • Transparency in process • Let them nominate people themselves to meetings
• Small scale millers (instead of the word 'artisans')	• Transform their operations into legal forms	• How to identify them as most are underground • Alternatives for chainsaw people who have to move out • Resource access • Capital requirement for chosen option • Existing policy presents challenge • Reform is a challenge	• Education and sensitization • Policy review • Grow more trees

• Sellers- Wood Village Association	• Sustainable supply of legal lumber	• Pricing (minimum pricing may be difficult) • Still persistence of illegal chainsaw lumbering-inflow of illegal lumber • Difficulty in getting wood supplies from mills • Depots may kick small sellers out of business	• Create market for legal lumber • Meet local demand before you think of export • Depots should act as wholesale points to sellers and not consumers • No new depots by Government. They should evolve privately on their own • Communication • Wood import
• Financial institutions	• Finance emerging small scale millers • Re-orienting banks to accept wood dealers	• Eroded trust • Failure to pay back loans • High risk nature of sector • Timely supply of sawmill lumber	• Communication • Education • Association formation of small scale millers • Self regulation (agreement between sellers and wood suppliers) • Should be part of process design • Credible guarantors

Group 3: Identification and prioritisation of critical issues on the chosen policy option

Facilitator: Dr Emmanuel Marfo

Decisions:

- Merge the 2 process

a. Definition of artisanal milling
   Equipment should:

   - Meet minimum level of efficiency (Proposed 40% recovery rate)
   - Be movable from one location to another
   - Be mobile and powered by either electricity or a generator
   - Be mounted on a frame
   - Be a registered micro/small scale enterprise
   - Operators certified by FC
   - Lumber be sold solely for the domestic market

b. Probable sources of timber resources:

   - In partnership with TUC holders
   - From private plantation owners

- Unencumbered areas, renewable after set period
- Imports

c. Financing:
   - Government subsidies

d. Training:
   - Training by WITC and recognized institutions

e. Licensing :
   - Licensed by Forestry Commission

f. Systems :
   - As existed and supervised by TIDD
   - Recruit more Forest Guards for effective monitoring in Forest Reserves
   - Motivate Range Supervisors to avoid connivance.

g. Standards:
   - All Taskforces on the roads be banned
   - Deliberate attempt to register and organise existing chainsaw operators into trade associations.
   - Upgrade existing chainsaw operators to artisanal millers.
   - Should be a member of a recognised Association.
   - Should have resource development commitment arrangement with FC.
   - Should be open selection system for all who meet set standards