



**Working towards Efficient Operations in Establishment, Management and Harvesting of Plantations to allow for Maximum Profitability of Investing in Commercial Forestry.**



**Uganda Timber Growers Association**

**Annual Report 2012**

## Message from the Chairperson – UTGA



It gives me great pleasure to present the UTGA's Annual Report 2012, which updates our members, partners and the general public about what the Association has achieved in the past year, challenges met along the way and our future plans.

2012 has been an eventful year, with many key developments in terms of providing services to our members. While the national economic environment has been very challenging, it is encouraging that our income and project expenditure have held up well and in line with the budget.

This report highlights cornerstones we steered through regarding our services and key innovations in 2012. I would like to highlight four particular areas that aligned our focus to our strategic framework.

### Increased Membership

During 2012, our membership increased from 157 to 228 Members, while the total area planted by our Members increased from 42,000 to 45,000 hectares. The core strength of a member association such as UTGA is an active membership. While we welcome new members to the Association, UTGA strive to remain relevant and responsive to all of our Members' needs.

### Cluster Development

UTGA made its footprint this year by visiting growers in their plantations, organizing cluster meetings and facilitating the sharing of experiences and ideas. Judging from the results, this was an activity, which showed significant foresight and the important role that UTGA clusters will have in the future.

### Some Success against Encroachment

UTGA has been lobbying the Government, especially NFA and MW&E, to help us combat encroachment. It has been an uphill struggle, but towards the end of 2012, the removal of veterans from Kisombwa CFR is considered a very positive result that provides hope.

### Utilisation of Thinnings

In 2012, UTGA assisted some farmers to sell their first thinning. Thinning is mandatory as a silvicultural operation and to reduce the volume lost by thinning to waste, UTGA investigated new markets for thinnings in order to enable the growers to earn some cash from this forest product. Four members have made sales of thinnings and UTGA has earned a broker commission on this service. A number of planters are interested in participating in thinning deliveries under the UTGA umbrella.

More details of these and other projects are in the report. None of the achievements would have been

possible without service from the Secretariat, the UTGA Board, our Loyal and Generous Members, our Partners and other Stakeholders, e.g. RNE, MWE, NFA, SPGS and NORSKOG.

I would like to take this opportunity to thank our Secretariat staff for their continued dedication and hard work.

### Challenges

Although as a young organization UTGA is facing many challenges, I would like to focus on the two issues that I deem as most important:

- i. Land acquisition, especially in the CFR remains a challenge. UTGA planned to lobby the responsible authorities through our patron Dr. Mulwana (RIP), who passed away before he could take action on this important issue.
- ii. Limited funding of the Association makes meeting the needs of our Members a major challenge.

### Plans for 2013

With many of our Members beginning to undertake thinning, the issues of utilisation, value addition and development of wood markets are going to take center-stage in 2013. UTGA intend to activate our regional clusters in a bid to serve our members better. This will require competent and proactive technical staff as well as resources. I feel confident that the future of UTGA is shining bright!!

Baker Akantambira  
*Chairman - UTGA*

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## Acronyms:

CFR	Central Forest Reserve
CTA	Chief Technical Advisor
FSSD	Forest Sector Support Department
GIS	Geographical Information System
ISM	Information Sharing Meeting
MW&E	Ministry of Water and Environment
NaFORRI	National Forestry Research Institute
NFA	National Forestry Authority
NORSKOG	Norwegian Forestry Association
PM	Project Manager
PTA	Plantation Technical Advisor
PO	Plantation Officer
RNE	Royal Norwegian Embassy
SPGS	Sawlog Production Grant Scheme
UTGA	Uganda Timber Growers Association

## A word from the General Manager



On behalf of the UTGA office, it is my pleasure to present to you this Annual Report which gives us a chance to focus on the achievements and recognize the contributions that we, our Members, Partners and Stakeholders have undertaken in the preceding year, 2012.

This year's report is different from previous efforts because it makes considerably shorter but more impactful reading. More than being annual, it is an impact report. It is less comprehensive but clearly clarifies on outcomes that result from deliberate outputs and by adopting a culture of reporting impact, we think that this is a good way of encouraging service improvement.

The Association uses this report to support our dialogue and engagement with our Members and Donors, to build and strengthen relationships with our partners and for purposes of general outreach. While this report is geared to help us to focus and galvanize the organization by summarizing achievements and highlighting exemplary work, we are also open and transparent in reporting that we have not achieved all that we wanted. Identifying the roadblocks and learning to work round them is a lesson that we take very seriously.

We will primarily distribute the report online and have a run of the printed hard copies for those who need it. I would like to thank all those who have contributed to this report and those that have supported its compilation and editing.

**Dennis D. Kavuma**  
*General Manager - UTGA*

## Vision

### UTGA's Vision

A strong and profitable private-sector led commercial forestry industry in Uganda;

### UTGA's Mission

To promote a profitable, efficient and high profile Ugandan commercial forestry industry that represents Members' interests through a collective voice;

### UTGA's Core Values and Principles

- Honesty
- Accountability
- Mutual respect
- Gender Equity and diversity
- Participation

### UTGA's Principles

- Integrity
- Transparency
- Solidarity
- Objectivity
- Fairness
- Justice
- Non-partisan and non-discriminatory practices

### UTGA's Strategic Objectives

- Public Awareness, Lobbying and Advocacy
- Research, Training and Capacity Building
- Competitiveness of Commercial Forestry
- Networking and Information Sharing
- Institutional Sustainability of UTGA

## UTGA/NORSKOG Collaboration

### UTGA/NORSKOG Collaboration - Year 3 (January - December 2012)

The third year of collaboration between UTGA and NORSKOG was marked by limited collaboration with SPGS due to the long process of engaging a new Project Manager (SPGS-PM). The SPGS-CTA and SPGS-PTA made extra efforts to assist UTGA in carrying out the planned activities on the 2012 Work Plan. During the first half of 2012, the level of activity was maintained in a satisfactory manner, but as the year wore on, the lack of technical capacity within UTGA became more and more apparent. UTGA is still reliant upon the expertise that is found in SPGS and that SPGS is functioning in an optimal manner.

The Board of Directors and the Administration have used a variety of methods to improve on the operations of the Association. NORSKOG initiated a study of the organization and the supporting stakeholders to provide a common understanding of the form of association and development needs based on the membership of UTGA. The need for a shared vision for the development process would

also rejuvenate the team spirit that is necessary in small organizations and strengthen relations. The visionary exercise is in the final stages and a seminar and workshop to present the findings of the questionnaire and interviews will be held in the latter half of January 2013. The final report will be prepared and delivered at the end of the month.

The Administration has not expanded beyond the three (3) professional staff and one (1) support person that have been working together since August 2011. The office staff has had support from NORSKOG-TA throughout the year and SPGS-TA for specific assignments. The staff members are now qualified to carry out many functions of the Association and the membership increase during 2012 is a clear indication that the organization is meeting some of the needs of the tree growers.

NORSKOG has continued to provide assistance to the staff and Board in regards to strategies for communicating with the Members. This has been important in a phase where both the Board and staff needed to refine their

## UTGA/NORSKOG Collaboration

different roles in the organization. Special efforts were taken to improve the collaboration with SPGS and to the link with the largest plantation owners who are members in UTGA. A continuous effort has been made to keep a good co-operation with NFA and UTGA has been successful in attaining basic map files for all of the forest reserves in Uganda, where many of the UTGA members have leases.

NORSKOG has put effort into getting UTGA to be independent in regards to information presentation to the Members through Cluster Meetings and a regular newsletter. The UTGA News is now being presented on a twice monthly basis and attracting both advertisers and guest articles. The fact that UTGA could manage the cluster meetings in a semi-professional manner during a period when SPGS was not at full capacity is a good indicator that the capacity in UTGA for becoming a serious source of professional advice to tree growers is progressing satisfactorily.

The start-up of timber trading

showed promise in the first half of 2012. However due to a lack of support for field visits and a continuous presence in the market, the expected incomes from timber sales were not to a level that was anticipated. NORSKOG has prepared an application to the donor for dedicated support to UTGA for initiating timber sales through the engagement of a full time staff member with an understanding of private sector mechanisms and the capacity to meet tree growers in the field and advise on how to make an income from the first thinning. This service will be expanded in future to include the sale of Sawlogs and poles to industry, but needs to be started now so that UTGA can meet the market needs when the final harvest of timber gets started in 5-10 years' time. The need to attract potential users of timber is now a priority and initial discussions have been held with bio-energy companies and small saw millers.

The UTGA/NORSKOG collaboration, financed through an agreement with the Government of Norway also

provides support to SPGS through the provision of two (2) Technical Advisors. The financial support budgeted for Year 3 has proven sufficient to maintain a high level of services to Members and has allowed the association to carry out the plans laid down in the original strategy document. The lack of service support from SPGS however, has required UTGA to use funds for direct staff development in activities directed at Members. The NORSKOG-TA component has utilized some funds to start the development of a member database that will provide vital information to potential investors in the development of forest industries. The first resource maps are now prepared and the continuation of the mapping process will go hand in hand with the development of the timber trading business.

**Campbell Day**

*Programme Co-ordinator - UTGA/  
NORSKOG*

### A word from Project Manager - SPGS

The pride of SPGS is to see the growth, development and positive impact made by UTGA. Without doubt, this is happening and more so, very fast. The few days I have been at SPGS (Since December 1st, 2012), I have seen the desire, determination, zeal and unction in UTGA to achieve more for all her members. This is the reason why membership is growing more and more. SPGS is extremely happy about this development and we shall continue to work and support UTGA for a shared success story. We applaud the many achievements registered so far by UTGA. We look forward to more. The success of SPGS is strongly measured by looking at the growth and success of UTGA and to a large extent, SPGS exists to support this growth.

**B.D Sande**

*SPGS - Project Manager*

## Objective 1: Public Awareness, Lobbying and Advocacy

### UTGA Patron:

The UTGA Members requested the Association to appoint a Patron for the organization. The idea of having a person who could champion important issues for UTGA with government or the public was deemed important in raising awareness of the importance of a private tree growers' Association. H.E. Dr. James Mulwana was nominated by the Board, accepted and was formally introduced to Members at the Information Sharing Meeting on December 13<sup>th</sup>. At the time of writing this report it must sadly be reported that Dr. Mulwana passed away in mid-January, 2013. The process will be repeated in a timely fashion. UTGA membership learned this news with so much shock and sadness. May his soul Rest in Eternal Peace.

### Membership Status:

The registration of 71 new Members in 2012 gives a total of 176 paid up Members in UTGA. A campaign to collect subscription arrears was planned and implemented thus; UGX 7 million collections as registration fees as well as UGX 46 million as annual subscription fees.

### Encroachment:

Encroachment is a serious problem for many of the Growers operating on Central Forest Reserves

(CFRs). The primary source of encroachment is from forest adjacent communities who carry out grazing and agricultural activities in the members' plantations. 36 cases of encroachment were registered by UTGA in 2012. UTGA has had a dialogue going with the National Forestry Authority (NFA) to address the issues raised by the Growers planting on the Central Forest Reserves (CFRs) and these talks have begun to yield some visible action on the ground.

NFA has agreed to join forces with some UTGA Members and local government leadership to sensitise especially forest adjacent communities on activities that have to be done of land set aside for forestry. Fortunately; Veterans in Kisombwa CFR in Mubende district have been evicted and the police is maintaining a 24 hour surveillance of the area. Therefore; UTGA has advised Growers with allocations in Kisombwa CFR to use this opportunity to get their forests established and make their presence felt to minimize such stressful occurrences.

### Forest Fires:

Some Members suffered losses from the wildfires in their forests, especially in the dry season at the start of 2012. UTGA registered the loss of 942.5ha of plantations by fire amongst its Members. New Forests Company was the worst affected with a loss of more than 750 ha in the Namwasa plantation. UTGA therefore; embarked on a mass-media, sensitization drive against bush-burning and starting of intentional fires. Prevention of forest fires has become a theme at most of the Cluster meetings and all gatherings of UTGA Members.



*Pupils of Bukerenge P/S roleplaying at the Sensitisation Meeting on fighting forest fires at Core Woods in Bujaawe CFR in Hoima*

## PROGRAMME

UTGA organized two forest fire sensitization meetings on June 21<sup>st</sup> at Global Woods in Kikonda CFR in Kiboga District and on June 22<sup>nd</sup> at Core Woods in Bujaawe CFR in Hoima District. These meetings were held specifically for forest adjacent communities and were organized in conjunction with nearby schools, security forces and local government authority as well as locals in the areas, Forest workers among others with more than 300 participants in attendance for both.

### Cluster Meetings:

Recognition of Growers in the form of Clusters was an important strategic choice for UTGA in 2012. Four Cluster meetings were held between March and October. These meetings were facilitated by NORSKOG-TAs with assistance from the SPGS-CTA, PTA, the SPGS - POs and of course Secretariat staff.

1) The Mubende Cluster meeting had a theme: “Encroachment and forest fire prevention” and was held at the plantation of Mr. Robert Bariho on March 22<sup>nd</sup> with 100 participants in attendance.

2) The Central Cluster meeting was themed; encroachment and thinning extraction held in Luwero at Mr. John Ndamira Magezi’s plantation in Mbale CFR on May 10<sup>th</sup> with approximately 53 participants in attendance. The need to

develop, improve and maintain forest roads was an issue that was highlighted very strongly at this meeting.

3) The Victoria Cluster meeting was about popularizing the growing of hybrid eucalyptus clones at the Gatsby Trust Nursery located in Kifu –Mukono at NaFORRI and Fersult Engineering Service plantations situated in Lugazi –Buikwe district on August 2<sup>nd</sup> hosted by Mr. Byekwaso Richard with approximately 60 participants in attendance.

4) The Northern Cluster meeting was about Teak (*Tectona grandis*) growing, variations in planting seasons and site species matching and was held in Gulu at the plantation of CD Langoya in Opok CFR on October 4<sup>th</sup> with 60 participants in attendance.

Each Cluster, attendees elected a UTGA Cluster Head - volunteer position that will be UTGA’s contact point with other Members in the Cluster and also Participants shared experiences therefore; this was learning across the board on themes and common aspects in establishing as well as managing plantations. The meetings were attended by Members and other growers who are potential Members. Growers in West Nile and in Eastern Uganda asked UTGA to establish 2 more clusters in their areas as there is a distance challenge to the nearby Clusters.

### Investment and Tax:

A Breakfast Meeting on investment and tax policies for commercial forestry was organized by UTGA for Members on April 26<sup>th</sup> at the Fairway Hotel in Kampala. The main outcome of this forum was advice to Members to formally register their establishments and properties. Members were also asked to improve their book-keeping practices to ensure that they record all transactions undertaken. Members were then tasked to make annual returns to URA and that it would then enable URA to make decisions on tax incentives to formally recognized UTGA Members. 58 Members participated in the meeting.

### UTGA Database Development and GIS:

In March and December, UTGA engaged the NORSKOG GIS Consultant, Z. Sami working closely with two Nyabyeya Interns continued working on the database on Mubende Cluster, capturing all the attributes about compartment area, plantation area, species age, dominant average diameters and heights of trees and species name. This model will be used on other cluster and have a complete database for the whole country. A link with GIS was created to show spatial distribution of the properties on the map of Uganda.



The database will also be able to generate facts and figures on management aspects, e.g. forest fires; encroachment, which will be used in awareness raising and lobbying initiatives. The exercise was initiated in the Mubende Cluster, as a pilot, before rolling it out to the rest of the country. The resource and property register that has been generated is increasingly requested by prospective wood buyers and processors. It may also be used for lobbying purposes, as it will have the capacity to project the fiscal and financial contributions of forestry to the economy.

When fully developed and connected to a GIS mapping tool, it will provide Members with forest maps for their property and form the basis of a forest management plan. A request has been lodged with RNE-Kampala for direct support to expand this activity.

**Organizational Development Consultancy:**

UTGA engaged a local consultant to interact with Members, Office staff, the UTGA Board of Directors, the

Technical Advisors and other key Stakeholders to identify a shared common vision for the Association. The methods employed included a questionnaire and personal interviews along with small groups getting together. The expected outcome of the study will be a common shared vision that will equip UTGA to revise the focus that is part of the strategic planning and current business plan. The Consultant has been requested to look at UTGA in a 3-year perspective, but also to extrapolate the findings for recommendations for a more long-term vision. The final report is yet to be shared by all the concerned stakeholders.

**Targeted Grazing Guidelines Development:**

UTGA organized a Breakfast Meeting for key Stakeholders at City Royal



*UTGA growers from the Mubende Cluster attend the organizational self-assessment seminar at City Royal Hotel, Bugolobi*

Hotel in Kampala on date to discuss the issue of target grazing. A follow up meeting was agreed between UTGA and NFA for week 36/12 to discuss the Draft Grazing Guidelines prepared by the MW&E, but was postponed by NFA for unknown reasons. FSSD to adopt the Guidelines and support the process to amend this policy. This will enable members

reduce expenses on weed control as it is a biological cheaper method of managing weeds in plantations. However; the Draft Guidelines have to date not been passed and adopted by the Forestry Sector Support Department (FSSD), as advised by the participants at the Breakfast Meeting. UTGA will continue to lobby.

## **Objective 2: Research, Training and Capacity Building:**

### **Certification of Contractors:**

UTGA joined SPGS in the audit and certification of contractors throughout the country, as a means to provide Members with qualified labour to carry out operations in their plantations. A list of certified contractors has been developed and communicated to the Members. The certification is currently supported by SPGS, but in future will be financed by the Contractors who wish to show they provide a quality service to tree growers. At the end of 2012, there were 12 certified forestry Contractors in Uganda.

### **Nursery Certification:**

UTGA joined SPGS in the audit and accreditation of nurseries throughout Uganda, as part of the service package to Members. A list of certified nursery operators is now available to Members where they are ensured quality planting materials and this list is found on the UTGA and SPGS websites and by the end of 2012, there were 48 accredited nurseries in Uganda. The list is available at the UTGA Website.

### **Trainings and Capacity Building:**

UTGA has liaised with SPGS to facilitate technical trainings in areas such as plantation establishment and maintenance, weed control

and contractor development as per the organizations' Annual Operating Plans (AOPs). A number of 24 UTGA Members were direct beneficiaries of these trainings in 2012.

UTGA staff participated in activities related to improving planting materials, access to high quality seed, introduction of modern technology and access to new silvicultural skills as part of the capacity building of UTGA staff in service provision to Members.



*UTGA growers exchange views at Robert Barthe's plantation in Mpigi during a utilization & conversion forest excursion*

### **UTGA Field Visits to Plantations & Valuation and Assessment of Plantations:**

UTGA made routine visits to the plantations of some of the Members to see how to make the organization more relevant to them by sharing their success,

listening to them on their challenges, openly discussing the issues affecting them, charting a way forward and hearing their expectations of UTGA in the short- and medium-term. The field team always included TAs to assist the UTGA staff to identify gaps, meet on-site training needs and provide technical advice on issues where growers requested assistance or needed clarification. The field visits proved to be an excellent means for identifying the vision that Members had about the role of UTGA.

In this manner, the growers were able to share with UTGA Staff and NORSKOG/SPGS - TA, their dreams and expectations. The Members also benefited from professional advice, which at this time was free of charge, but definitely a service that in future will bring income to the Association. The Members received on-site technical advice on a wide range of silvicultural operations undertaken in the plantations. Each of these visits was highlighted in the UTGA News (online) to share the findings from the field with all the planters.



*Erling Bergsaker -NORSKOG TA training UTGA & SPGS on forest valuation and assessment at the Fersdult Plantation in Buikwe district.*

## Objective 3: Competitiveness of Commercial Forestry

### Seed Procurement:

UTGA is importing high quality seed on behalf of certified nurseries with an aim of promoting a use of recommended planting materials. UTGA takes orders, imports the seed and subjects it to laboratory as well as field testing, weighs and packages the seed, before distribution. In 2012, UTGA imported 375 kg of *Pinus caribaea* seed from Brazil, i.e. 150 kg of F1 and 50 kg of F2 in April/May and 65 kg of F1 and 110 kg of F2 in November/December. In addition, 10 kg of *Pinus caribaea* seed and 128 grams of *Eucalyptus* seed were imported from Australia. 24 grams of the latter have been sold.

### Status:

**Table 1: Seed Imported by UTGA in 2012**

F1 PCH Brazil	F2 PCH Brazil	PCH Australia	Eucalyptus	Total
215 kg	160 kg	10 kg	128 grams	385 kg & 128gms

**Table 2: UTGA Margin from Seed Imported by UTGA in 2012**

F1 PCH Brazil	F2 PCH Brazil	PCH Australia	Eucalyptus	Total
58,102,350/=	24,537,000/=	1,155,443/=	Ongoing sales	83,794,793/=

### Procurement of Tools

UTGA Secretariat has continuously stocked the tools and equipment shop for members at a negotiated price. On request UTGA has also been coordinating the import of high grade forestry tools from Norway, Sweden and South Africa.

There was a showcase during the Central Cluster Meeting in Luwero for appropriate harvesting technology applicable to Uganda, i.e. the Boogie sulky. And for sustainability purposes, the association realized UGX 876,000 as commission from the sale of locally procured tools.

### Insurance of Commercial Forests

A number of Insurance companies/brokers have expressed interest in offering insurance to the forest plantations of Members. These include; Insurance Company of East Africa, AON Company and Hill Crest Company Ltd.

However, this being a service to a new segment, a lot more information is required to be collected, processed and shared.

UTGA is currently doing this and the

necessary technical support is being sought before communication with the membership.

### Supply of Herbicide:

UTGA has a service agreement with external suppliers whereby Members may purchase herbicides at discounted rates. Hangzhou Agro Chemicals Ltd located at 7th Street in the Industrial area is the largest supplier and sold approximately 30,000 litres to UTGA Members in 2012. For future sustainability

UTGA receives a commission on sales of chemicals and in 2012 a total UGX 13.6 million was received.

Additionally; Hangzhou Agro Chemicals Ltd also appreciated the best and committed UTGA members by giving each a 15 litres knapsack and chemicals depending on the performance during the Information Sharing Meeting held on 13th December, 2012 at Hotel Africana, Kampala.



*The UTGA Chairman Baker Akantambira receiving a cheque from Mrs Agnes Kabwiso, General Manager of Hangzhou Agro-Chemical Ltd at the Information Sharing Meeting, Hotel Africana.*

## PROGRAMME

### Objective 4: Networking and Information Sharing:

#### UTGA News:

The UTGA Office disseminates information on commercial forestry to Members, local, regional and international partners. The type of information that is provided includes news articles, forestry events, information notes, advisories, abstracts and summaries in the science, economics and necessities of the forestry sector. Every fortnight, a digital copy of UTGA News is sent out to all UTGA members and associated partners.

#### UTGA Website Updates:

UTGA has a fully operational website that is used to disseminate information and news to members on issues concerning the association and the forest sector in general, the public, regional and local partners as well as international stakeholders are never left out. UTGA attempts to keep the site updated on a daily basis, with an IT consultant assisting with uploading of pictures and documents on a twice monthly basis. It has been noticed that the number of visits to the website is increasing and currently 400 hits a week is being recorded.

The website is [www.utga.ug](http://www.utga.ug) and all members are advised to check it out for informative news.

#### Annual General Meeting (AGM):

The General Assembly is the supreme policy making body of the Association and shall hold an Annual General Meeting no later than April each year. The AGM was held on March 29<sup>th</sup>, 2012 at the Fairway Hotel in Kampala with a total of 87 Members in attendance and representatives of NORSKOG/SPGS-TA were also present. In line with the business of the Association, the Annual Work Plan and Budget for 2012 were approved.

#### SPGS Collaboration:

Networking with SPGS was impaired in 2012 due to the termination of the SPGS - PM in February and the resignation of the SPGS - CTA in December. NORSKOG was tasked by RNE - Kampala to recruit a new CTA to take up the post as soon as possible in the New Year. A new PM (Mr. Dickens Sande) was appointed at SPGS in December and the collaboration that was built up during 2011 hopefully will be revived in 2013.

#### Information Sharing Meeting:

The Information Sharing Meeting (ISM) is an annual event on the UTGA Activity Calendar. The 2012 ISM was held at Hotel Africana on December 13<sup>th</sup>. The forum allows for the Members to share experiences, ideas and solutions to common challenges, in more sociable



*The late Dr. James Mulwana addressing UTGA Members at the ISM*

environs outside the forest. It also provides a good opportunity for the Board, staff and TAs to socialize with Members and have open discussions on issues that impact and have direct bearing on the development of the sector. The meeting was attended by 80 participants.

### SPGS Clients Meetings:

UTGA attended the SPGS Clients meetings that were held at the plantations of CD Langoya in Opok CFR in Gulu on the 21<sup>st</sup> and 22<sup>nd</sup> November, and the 28<sup>th</sup> and 29<sup>th</sup> November. This provided UTGA with an opportunity to present the Association for new SPGS Clients and offer them an opportunity to become UTGA Members. Fortunately; UTGA registered 2 new Members, contacts with small wood conversion and sawmilling experience were made.

### Partnerships Development:

UTGA/NORSKOG joined SPGS on a field trip requested by the EU and Norwegian Ambassadors to Uganda. The excursion involved visiting plantations of two UTGA Members who have planted in the Mubende Cluster. The purpose of the field trip was to update the development partners on the increasing need to look into the future to preserve the high valued resources that were nearing maturity. Both Ambassadors were impressed by the state of the plantation development and promised to see how the sector could be supported in future.



*Manual extraction is tedious and inefficient. We have to find better modes of wood extraction from the forest*



*Modern nursery methods are critical for the production of good planting material*

## Objective 5: Institutional Sustainability of UTGA

### Membership Status:

The registration of 71 new Members in 2012 gives a total of 176 paid up Members in UTGA. A campaign to collect subscription arrears was planned and implemented thus; UGX 7 million collections as registration fees as well as UGX 46 million as annual subscription fees. The number of supportive members to the Association has grown tremendously in 2012 and the Secretariat appreciated this a lot.

### Board and Staff Meetings:

UTGA held six Board Meetings in 2012, where 2 were arranged to address particular issues relating to the operations of the Association. On a routine basis, the staffs met on Mondays as a guiding tool to streamline and conduct planned activities in order to implement the operational and strategic plans of the Association. Meeting minutes are always compiled accordingly and kept on record for future reference.

### UTGA Working Groups:

UTGA set up a variety of working groups amongst its Members, staff and Board to address emerging issues that impact on the membership. One group was organized to address the issue of the ban on all timber harvesting initiated

by the Minister of MW&E. UTGA dispatched two teams to argue the case for commercial forestry and one of them is led by Dr. Henry Wamani (Treasurer), who met with officials from the MW&E and FSSD. The second team was led by the UTGA General Manager and engaged in a dialogue with the Minister and their efforts were fruitful as UTGA Members/ Commercial Growers were granted permission to carry out thinning in their plantations, which is considered a silvicultural operation.

### Big Planters Meeting:

UTGA brokered a meeting between NFA and the big four (4) growers who are Members of UTGA as a collective approach to address common issues that needed to be affecting the commercial forestry sector. It also provided a forum that if successful would provide improvements for medium- and small-scale growers. As a way forward, an action log for the meeting was prepared and NFA agreed to work more closely with UTGA and its Members in order to solve some of the persistent challenges. Mr. Israel Kikangi (Ag. Director Plantations - NFA) was nominated to work solely on issues impacting the commercial growers whether a need a raises.

### Challenges Experienced in 2012 and the Way Forward:

1. The logistical and human resources needed to meet the expectations of the Members are inadequate.
2. The need for a management information system including a mapping and management tool for plantations is urgently needed.
3. The issue of access to land, actions against encroachment and awareness-raising in regards to wildfires needs extensive lobbying and a receptive policy arm in government.
4. Inertia at SPGS for most of 2012 has hampered UTGA activities and affected the forest operations of some UTGA Members.
5. A large percentage of UTGA Members (estimated to be as high as 80%) are still facing labour problems using uncertified contractors.
6. The profile of services to Members is increasing and in order to meet these expectations, there is an immediate need for UTGA to engage qualified staff in appropriate numbers.

### Feedback:

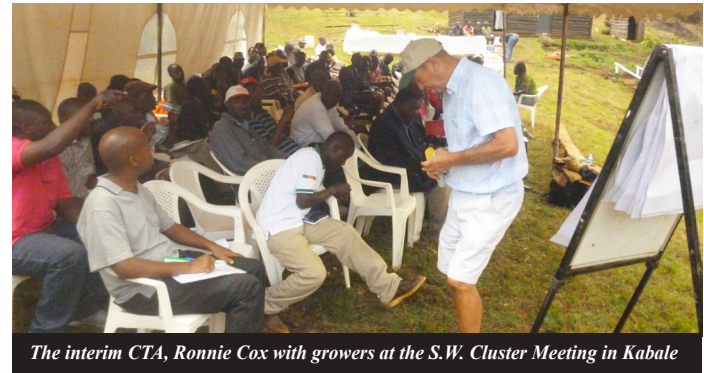
1. NORSKOG and SPGS need to focus on building the internal capacity of UTGA to be able to satisfactorily respond to issues and queries from the Membership.
2. UTGA has embarked on a pilot mapping exercise in the Mubende cluster and is collecting data on planted acreage, species and age in order to ascertain future wood volumes in the plantations. This needs to be planned and implemented at the national level.
3. UTGA is engaging NFA to develop an agenda for sensitizing local government and community leaders to enact by-laws on burning of bush and forests, fire risks, laws and penalties related to arson, fire by-laws and law enforcement, forestry investment, forests as an environmental protection strategy and forests as a community resource.
4. It is anticipated that SPGS will become fully operational in 2013 with a new PM and a new CTA in place; early 2013.
5. UTGA and SPGS shall initiate an audit of contractors and conduct training to increase the number of certified contractors that will be available to the Members.
6. The Operational Development Study will help identify a functional team that will be able to deliver qualitative services and development of the Association into a sustainable institution.

### Opinions

*As usual, we at UTGA always think it is important to get responses on issues that we have shared with the readers. Feedback on this annual report is almost as important as the report itself, because it will lead to possible reviews, amendments and improvements. While we continue to pledge our service to the Members, we also ask them to compliment these efforts by purchasing the services offered by the Association.*



*The woodmiser is able to convert timber with relatively good finish*



*The interim CTA, Ronnie Cox with growers at the S.W. Cluster Meeting in Kabale*

**APPENDICES:**

**Appendix i**

*Uganda Timber Growers Association  
Financial statements  
For the year ended December 31, 2012*

			Restated 2011 Ugx
Revenue	2	432311832	323,671,135
Administrative expenses	3	(168917070)	(145,343,297)
Other Expenses	4	<u>(121,516,871)</u>	<u>(61,453,511)</u>
<b>Operating Surplus</b>		<u><b>141,877,891</b></u>	<u><b>116,874,327</b></u>

The financial statements on pages 5 to 14 were approved for issue by the Board of Directors on 5<sup>th</sup>/03/2013 and signed on its behalf by:

  
.....  
Chairperson

  
.....  
Treasurer



## Appendix ii

*Uganda Timber Growers Association  
Financial statements  
For the year ended December 31, 2012*

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012		2012 Ugx	Restated 2011 Ugx
<b>Non-current assets</b>			
Furniture and Equipment	5	20,118,921	12,160,733
<b>Current assets</b>			
Inventory - Seed		7,480,818	46,510,648
Receivables	6	35,697,500	37,259,280
Cash at bank and in hand	7	275,414,710	113,363,860
		318,593,028	197,133,788
<b>Total Assets</b>		<b>338,711,949</b>	<b>209,294,521</b>
<b>RESERVES AND LIABILITIES</b>			
Reserves		333,088,712	190,855,821
<b>Current liabilities</b>			
Trade and other Payables	8	5,623,238	18,438,700
		5,623,238	18,438,700
<b>Total Reserves and Liabilities</b>		<b>338,711,949</b>	<b>209,294,521</b>

The financial statements on pages 5 to 14 were approved for issue by the Board of Directors on 5<sup>th</sup>/ 03/ 2013 and signed on its behalf by:

  
.....  
Chairperson

  
.....  
Treasurer

### Appendix iii

*Uganda Timber Growers Association*  
*Financial statements*  
*For the year ended December 31, 2012*

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#### STATEMENT OF CHANGES IN RESERVES

	<b>Reserves</b>
<b>Year ended December 31, 2012</b>	<b>Ugx</b>
At start of year	146,845,173
Prior Year Adjustment - Audit Fees	(2,500,000)
Prior Year Adjustment - Stock of seed	46,510,648
<b>Restated Reserves at start of the year</b>	<b>190,855,821</b>
Operating Surplus	142,232,891
<b>At end of year</b>	<b>333,088,712</b>

## Appendix iv

### *Uganda Timber Growers Association Financial statements For the year ended December 31, 2012*

#### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 Ugx	2011 Ugx
<b>Cash flows from operating activities</b>		
Operating Surplus	0	0
Adjustments for:		
Depreciation of office equipment	6,847,324	4,229,807
Audit fees - Prior year adjustment	-	(2,500,000)
Changes in operating assets and liabilities		
Increase/(decrease) in inventory	0	0
Decrease/(Increase) in receivables	(6)	(7,879,280)
Increase/(decrease) in trade payables	8	16,438,700
	<b>2</b>	<b>8,559,420</b>
<b>Cash generated from operations</b>	<b>2</b>	<b>10,289,227</b>
<i>Net cash from operating activities</i>		
	0	(3,507,800)
	<b>0</b>	<b>(3,507,800)</b>
<b>Movement in cash and cash equivalents</b>	<b>2</b>	<b>6,781,427</b>
At the start of the year	43,000,181	36,218,754
(Decrease)/ Increase in Cash and Cash Equivalents	2	6,781,427
Cash and cash equivalents at end of year	<b>43,000,183</b>	<b>43,000,181</b>

## APPENDICES:

### REGISTRATION FEES 2013

For All New Members	Fees
Registration Fees	UGX 100,000

### ANNUAL SUBSCRIPTION FEES SCHEDULE 2013

Plantation Size (Hectares / Ha)	UGX
Less than 25 ha	UGX 100,000
25- 50 ha	UGX 200,000
51 – 100 ha	UGX 300,000
101 – 500 ha	UGX 400,000
501 – 1,000 ha	UGX 500,000
More than 1,000 ha	UGX 2,000,000

Contractors & Nursery Operators  
UGX 200,000



*Training for UTGA Members in the Victoria Cluster on the growing of hybrid eucalyptus clones*



*UTGA/SPGS team carrying out the Annual nursery certification in Western Uganda.*



*UTGA Chairman Board – Mr. Baker Akantambira hands over a token of appreciation to a School drama group at Kikonda CFR - Hoima.*



*UTGA growers are trained on how to use a bitterlich stick to determine forest basal area.*



*UTGA members in northern Uganda listen to CD, one of their own.*



*The early planters are now converting their 2nd thinning to a product*



*Training for UTGA growers in the South Western Cluster*

