

Labour is central to commercial forestry operations

CONTRACTORS HOLD THE FUTURE-UTGA

Under the theme 'The role of contractors in a commercial forestry setting, challenges and way forward,' UTGA held a contractors' forum on 14/8/2015 at City Royale Hotel in Bugolobi, whose theme was to analyze the current capacity of contractors and hence come up with key strategic interventions to support and strengthen them.

Various people presented key issues about the theme.



Leonard Muteesasira, an entrepreneur, educationist, tree farmer and financial expert engaged and passed on skills to contractors on how to manage finances

One speaker summarized the role of segmentation and specialization of contractors as they contribute to the different operations in forestry management. He stressed the need for individual contractors to understand how to deal with various forest owners given the fact that people are not the same, in terms of things like levels of education, background, way of life, age e.t.c. Contractors were advised to approach each classification appro-

priately. The means of working with them are therefore customer tailored. Some plantation owners may accept advance payments; others want work finished before any payment is done. Yet others will not pay out money until they are pushed for payment. Different parts of the country have got unique demands for forestry business to thrive and survive. That led one contractor to state that because we need quality, we cannot compromise it to take the

lowest offer in terms of payment. She advised the contractors to be very calculative when looking at how much to cost for any given task.

Role of forestry contractors in commercial forestry

Contractors play many roles in promoting the sector. They offer specialized labour to carry out specific forestry management operations. These range from plantation establishment, maintenance, harvesting and processing.

Importance of Contractors



Contractors during a spraying activity

They offer forest management services to the sector. This is critical especially where many people are not skilled in forestry management yet they are the ones who have the money and interest in promoting tree planting. Now is the time for contractors to position themselves as a necessity in the sector. One must not be highly skilled in forestry as a profession to own a commercial plantation. It is time for contractors to equip themselves with the skills needed, to carry out the work so that other players can simply invest in the sector but look up to the experts to manage them on their behalf as independent businesses. But for this to happen, contractors must have certain things in place. Some of the requirements are;

- They should have right skills in each particular operation. This may be establishment, forest management or harvesting.
- They need to hire adequate labor in terms of numbers and manage them correctly. Labour should be well remunerated, trained, motivated and be cared for.

- Contractors should have good working relationships with plantation owners so that they can jointly run the business as partners. That will ease solving of any challenges that may crop up in the investment.

- They need to have enough tools and equipment so that work is handled professionally with minimum fears of risk during work.

- Contractors may need to beef up their financial capabilities. This will enable them to bargain much better while negotiating for service contracts for plantation owners.

- There is need for continued training so that they can keep up with the pace for increased work and general innovation in the industry. That will ensure that they remain competitive in the market place.

- They may need to acquire some management skills to help them manage their businesses right from work and labour to maintaining financial records. These are helpful because they may lead to a reduction in total

operating costs in their business. Certainly, contractors face many challenges in the process of running their investments in the sector. Some of the notable ones include;

- A general lack of financial discipline. Many of them do not keep financial records. They cannot therefore trace where the money which they are paid is spent after a short time from date of payment. As a result, some of them cannot go to financial institutions like banks for financial help when need arises. Unfortunately some of them end up borrowing from money lenders at exorbitant interest rates like 30% per month. That is not sustainable and may lead to the collapse of the business.

- The rate of labour turnover is high when compared to other sectors. That is basically caused by failure of some employers to pay their labour adequately and in time after employing their services. The results of such misbehavior are enormous. Skilled people desert them, performance is negatively affected, efficient work completion is compromised, and a lot of time is lost in acquisition and training new staff.

- Some plantation owners take too long to pay up contractors. That compounds the financial crisis which may already be existent amongst some contractors.

- Some contractors lack the right inputs applicable for giving high quality work output. Workers may be deployed without the necessary gear. That exposes them to hazards which may be costly to the former. It slows down the speed of work execution and that reduces the productivity per person per day.

- There is evidence of poor planning. Some contractors do not coordinate their activities to take advantage of the limited resources at their exposure. That leads to inefficiencies and negatively affects profits.

Growers In Central Cluster Hold Forest Day



Group work during thinning training at the Central cluster meeting

In order to reach out to the planters in Central cluster i.e. Luwero, Nakaseke and Nakasongola districts, UTGA organised a meeting for its Growers in the Central Cluster on Thursday, 30th July, 2015 at Dr. Peter Ngategize's plantation in Mbale CFR, Luwero District. The theme was "The impact of timely thinning on the final timber products". This forum helps to facilitate growers to share ideas, experiences and solutions to common challenges plus collectively looking at future opportunities." Discussions included; defining what is thinning, reasons why commercial forest plantations must be thinned, how to determine thinning readiness, thinning regimes and marking for thinning and thinning control. The meeting was attended by seventy (70) attendees while facilitation and training was by UTGA and SPGS including

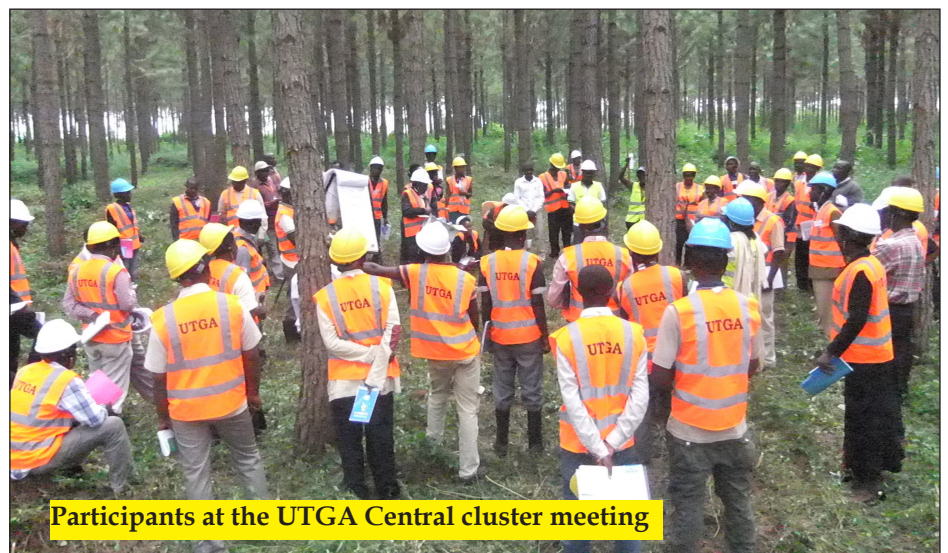
Josephat, Nelly, Lwanga and Irene.

The meeting is a forum to increase knowledge and skills on commercial forestry through training, networking, information sharing and capacity building. It also provided planters the opportunity to associate with other commercial tree growers within the cluster and was also used as a platform to market UTGA to all non-members in order to increase membership and strengthen

the collective lobbying and advocacy voice.

Members appreciated the need to carry out timely thinning in order not to lose out on growth due to delayed, over thinning, top-down thinning, disorganized thinning or under thinning.

The Growers present were taught how to determine thinning readiness using basal area using a simple relascope known as a Bitterlich stick. Mr. Mupada Edward who is the National FSC Focal Point in Uganda informed participants that certification is very important especially at this time when preparations are underway to begin harvesting and trading. The Nakaseke Sub-Cluster head and who is a UTGA Board Member, called upon members to join him so that they form the Nakaseke Cooperative Tree Farmers Association. He said that this would help the group to collectively create a market for their trees in order to realise maximum value and to also tap into possible financial sources.



Participants at the UTGA Central cluster meeting

Tea and Irish Potatoes to replace forests in Kisoro

Recent Information from Kisoro District indicates that the famous Pocket forests of Kafuga and Buniga, will soon be cut down and replaced with tea and Irish Potatoes. These are pocket forests of Bwindi Impenetrable National Park, and lie in the Southern Sector. Unfortunately, these are the only forests remaining around Bwindi. Initially, Kisoro District under the NAADs program had expressed interest to cut the forests in a bid to acquire land for planting and multiplying Irish seeds imported from Switzerland. The district received a total of 850 bags of Irish which will be multiplied to feed the factory of chips recently launched by the President in Kisoro Town. Interviews from the District NAADs coordinator Col. Kayita Deo, however indicated that, the district dropped interest from the forest land due to conservation reasons. The district has since obtained alternative land from Nyarusiza sub county, where cultivation is being done.

Pressure from Agriculture

Despite this, the forests have continued to face pressure from the local tea growers. Of recent, Mr. Garuga a local investor entered into an arrangement with Uganda Wild Life Authority (UWA) to secure and plant tea in the buffer zone around Bwindi Impenetrable National Park. To support this project, he and others encouraged community members to prepare nursery beds, so that they would later supply seedlings. Communities were also asked to establish communal nursery beds. Individuals in the area have since expensively invested in nursery beds with a view of making profit. Evidence on the ground indicates that, the land available is not enough to

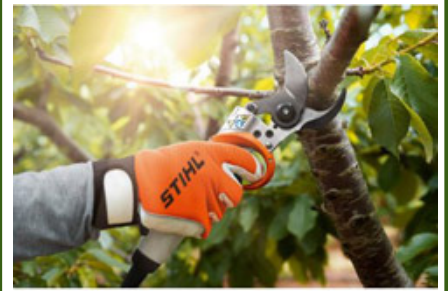
accommodate the available seedlings of tea, and no single farmer is willing to incur losses. As a result of this speculation, every farmer is looking at these pocket forests as alternative land. Some of the local leaders, who also have prepared tea nursery beds and are mobilizing the community members in, large numbers to attack and cut the forest in preparation for planting during the coming rainy season. They claim to have been authorized by the Minister of Agriculture, Hon. Tress Bucanayandi. Illegal committees have also been put in place to spearhead the cutting. When contacted, the Minister denied any authorization and involvement and said that all this was happening without the knowledge of Kisoro District Leadership.

Meanwhile a team from Pro-biodiversity Conservationists in Uganda (PROBICOU), Nkuringo Community Conservation and Development Foundation (NCCDF) both- NGOs working in the area, at the time of receiving this report had camped in villages adjacent to the forests to counter the problem. They held a number of consultative and awareness meetings with leaders and communities-especially in those villages where people had already bought axes. They initiated a campaign – Save Kafuga Campaign, and also mobilized community members, elected a task force to save the forests. The consultative meetings continue, but the situation is tense and requires effort of every stakeholder in conservation and development.

Information shared by Twebaze Paul Deputy, Executive Director, Pro-biodiversity Conservationists in Uganda (PROBICOU)

Forestry tit bits

STIHL perfects pruning



German-based company STIHL, synonymous with top quality, innovative power tools and equipment has brought a new ASA 85 cordless pruning shears make any pruning task easier and faster. They are ideal for the demanding conditions of the forestry industry.

Designed for professional applications and challenging work performances such as pruning in plantations. The recommended AP 180 STIHL lithium-ion battery can work for up to 8 hours at a time,

Shear perfection

The ASA 85's aluminium blades are surgically sharp and can precision-slice through branches up to 45 mm in diameter for maximum productivity and instant powerful performance. The blade settings can be changed quickly.

Practical control

It has an electronic control unit worn at the user's hip as part of the battery-carrying system. This unit controls and clearly displays details about blade settings, number of cuts and the battery charge level, and operating status.

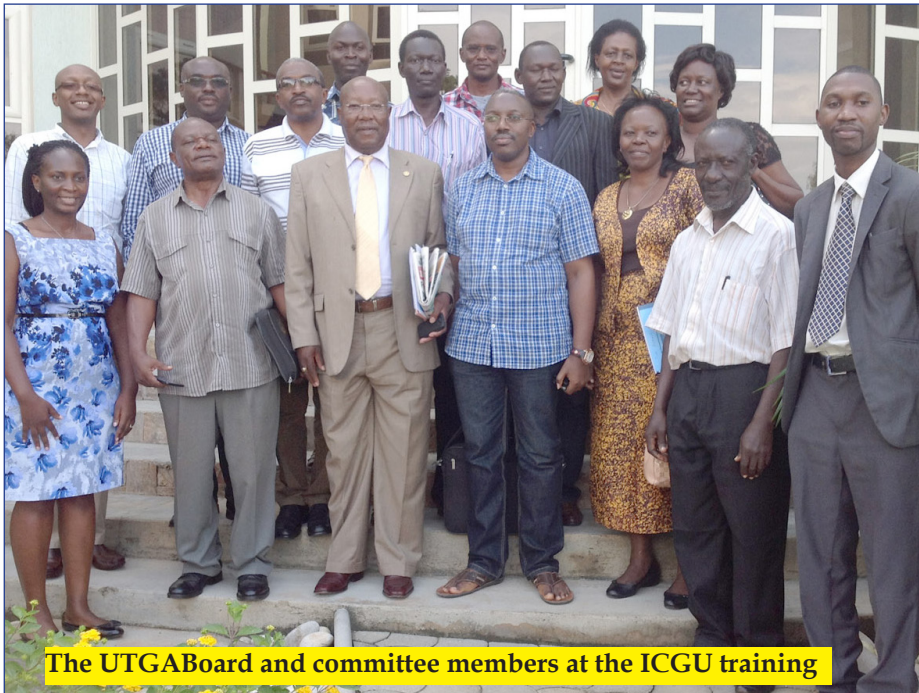
Comfortable and convenient

The ergonomically shaped shears handle is comfortable to use, hour after hour, and suits both right- and left-handed operators.

Tough and durable

The ASA 85's robust aluminium housing protects it from the daily grind no matter what its working environment.

ICGU Training & Symposium For New UTGA Board



In order to quickly bring them to speed and equip them with the necessary skills and knowledge after being elected into office, the new UTGA Board and Board Committees underwent training under the auspices of the Institute of Corporate Governance Uganda (ICGU). The two day workshop was held in Entebbe between 25th and 26th June 2015 and covered 5 thematic areas of foundation of Corporate Governance principles and practices, the Role and Functions of the Board, the Board and Strategy Implementation, Understanding Financial Statements and Risk Management.

One of the actions coming out of that retreat was the the symposium on 13/8/2015 at Royale Bugolobi, about best business approach. The theme of the symposium was to Strengthen UTGA Clusters; Best Business Approach. The meeting was held in a free atmosphere with the aim of generating ideas to feed the UTGA Board so that it can easily come up with the best way of supporting Members to get value for their

trees. The meeting addressed issues relating to challenges facing the current wood markets and proposed strategic interventions, sustainable sourcing of funds to keep UTGA afloat. It was pointed out that one of the impediments to commercial forestry development in Uganda wapoor implementation of regulations and policies in the sector. Challenges were identified and recommendations made on the way forward.

Current wood markets

An analysis of the current wood markets was made and buyers identified. They included; the Chinese processors, Nileply, individual buyers of timber panels, the buyers in Ndeeba and Bwaise, plus new opportunities given by Hima cement and Mubende Cooperative proposed arrangements, the last two being work in progress. Weaknesses and strength of each trading system was made.

Sustainable funding for UTGA

An analysis of current funding was made and discussed. This

PAYMENT OF ANNUAL FEES

The Secretariat is very grateful to all the members who have paid their Annual Subscription fees for 2014 and arrears. This is to kindly remind all those who have not yet paid to do so. Payments for arrears can be received in installments. Payments to meet the financial liabilities for the current year plus those who have arrears can be made at the:

1. Office

A receipt is availed immediately.

2. By Direct Debit to the Bank

Account, a receipt is written after confirmation with the bank and scanned to the Payee.

3. Mobile money

Charges for withdrawing must be included in the amount sent, a receipt is written and scanned and sent to the Payee.

4. Collection of payment

A call/email may be made to the secretariat for Members in and around Kampala. UTGA Staff will pick the payment from agreed location and a receipt availed immediately.

Payment of the Annual fees is highly appreciated and allows for the efficient running of the Secretariat, facilitating and supporting UTGA activities.

Be informed that the Association currently provides the following services directly to its Members:-

- Forest Valuation, a paid for service at cost;
- Specific needs-training required and requested by Members;
- Technical forest visits to Members plantation to offer onsite advice;
- Direct lobbying on aspects that touch on commercial forestry
- Importation of specialised forest tools and equipment that may not be in Uganda.
- Importation of improved, high quality seed

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Contractors

The list of challenges is much longer than what has been summarised. Some are site specific and require adjustments from contractors to manage them.

Way forward

There is no doubt that the future of commercial forestry lies in the hands of contractors. Many investors are non-forestry professionals. It is therefore critical that the investors collaborate with the contractors. The need to work together should not be over emphasized. Contractors have to work together as partners. They should share experiences, challenges, successes, knowledge and skills as much as possible. They should identify areas for training and skills improvement and get the appropriate assistance accordingly.

Acquisition of enough financial, planning, management, collaborative, multi-tasking and communication skills is a must. With the recent formalization of their association, their abilities to promote commercial forestry should be fully exploited. That is why at the end of the forum, the contractors elected a committee to spearhead the registration of their association so that they begin to work together and enjoy benefits of collective and joint action. UTGA has promised to work with and support contractors.

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was juxtaposed with the situation of the wood markets while considering other successful stories from countries like USA and SA. Members agreed that for the good of UTGA, the sector and the timber/ wood industry in Uganda, every effort needs to be put to

formalise it. It was proposed that the industry needed regulation and a committee was named to work on the same. The growers on the committee include Mr Isaac Ampeire, Mr Michael Mugabira, Mrs Tina Achilla and Mr Ponsiano Besesa.

Other proposed interventions

- UTGA should continue to lobby for better regulation on issues like taxation, timber trade policies and acquisition of land from NFA.
- UTGA should strengthen working collectively.
- UTGA should be open to new ideas in the sector that will ensure value on return on investment for its members.
- UTGA Growers should



The new UTGA Chairman Dr Sam Zaramba hands over a wooden gift set and plaque to outgoing Vice Chairman Gervase Ndyanabo

continue to expand plantation acreage in order to get attention from international players.

- More research and experiments about the value of processing wood needs to be explored and findings shared amongst stakeholders.
- Innovation and continuous improvements about technology in the sector need to be promoted.
- Members should keep records of all their transactions and everything that takes place at their plantations so that an aggregation of all costs is possible. This will in future help to guide business decisions, measure profitability and also be a basis to negotiate for offsets against proposed taxes.

UTGA News is a digital newsletter for the Uganda Timber Growers Association. It is published semimonthly (twice a month) to briefly summarize recent forestry-related publications, projects, activities, and news.

Do you have news, content, or ideas that you want to share in upcoming newsletters? Please send us your segments on articles and opinions on your organization, partnership, project, group, field stories, successes, challenges, fact sheets,

papers, books, guides, or other resources, upcoming or past events.

UTGA News is a great way to reach a wide audience of foresters, natural resource persons, practitioners, scientists and the public across the Uganda, East Africa and across the globe. If you have friends (*of forestry*) or anyone you think will benefit if they receive UTGA News, please send their email addresses to dennisk@utga.org.

Contact: Uganda Timber Growers Association (UTGA)
P.O.Box 75063 Kampala.
Tel: 256-785-343564
Email: info@utga.org
Website: www.utga.org

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