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Chainsaw milling and its link with international initiatives such as FLEGT and REDD+

Rene Boot
with Emmanuel Marfo
& Marieke Wit



Making Knowledge Work for Forests and People

Chainsaw milling (CSM)

- Illustrating the practice and the problem: an example from Ghana
 - Forest degradation and dwindling forest resources
 - High level of conflicts
 - Illegal nature threatens formal export (VPA)

On site conversion of logs into lumber for commercial purposes using chainsaws



Production CSM is higher than the formal production



CSM production	2.5 million m ³
Formal production (dwindling)	1.6 million m ³

Annually harvested
volumes (RWE) in m³

Rural employment

- It provides direct and indirect employment to approx. **140,000** persons, providing livelihood for some **700,000** people (this compares well with the formal industry and involves approx. 7 % of rural population)

CSM is main supplier of the domestic market

CSM lumber production (591,000 m ³)	> 80%
Production by legal industry (95,000 m ³)	< 20%



CSM is a significant economic factor

	US\$ (million)
Total gross revenue from CSM	199
Gross revenue retained by chainsaw operators	37
Informal payments	24
Potential stumpage revenue lost by FC	18

Annual revenues and values based on estimated CSM production

Key drivers in Ghana

- Legal industry fails to satisfy the local demand
 - No incentives to produce for local markets
- CSM lumber is cheap
 - +/- 60% cheaper than saw milled lumber
- CSM lumber – more species and dimensions
- Rural unemployment and poverty

Key drivers in general

- National demand for timber (insufficiently provided by the industry)
- Cheap prices, a wider variety of species and more dimensions
- Rural unemployment and a lack of alternative livelihoods

Choices to be made...

- Is CSM an acceptable form of production?
 - Ban it or bring it under regulation?
- Who supplies the domestic market?
 - The sawmills or chainsaw millers?
- What is the forest for?
 - Export and national development or local consumption and rural livelihood?

Policy Directions

1. Domestic timber needs MUST be met from legal supply if chainsaw milling 'problem' can be addressed
2. Any policy must deal with two important suppliers, sawmills and chainsaw operators; either they share the market or one is eliminated HOW??
3. Must bring all production within sustainable levels

Comprehensive approach is needed

- The social, political, economic and environment ramifications are often complex
 - Serious alternatives for rural poverty must become available
 - Political will is needed to address the informality (or illegality) of the practice

CSM and the VPA

- Discussions on chainsaw milling have become an important part of the EU-Ghana VPA. The country cannot fully meet the legality assurance aspect of the agreement without addressing it adequately.
- CSM explicitly links trade policy (VPA) to rural livelihoods and development policy.

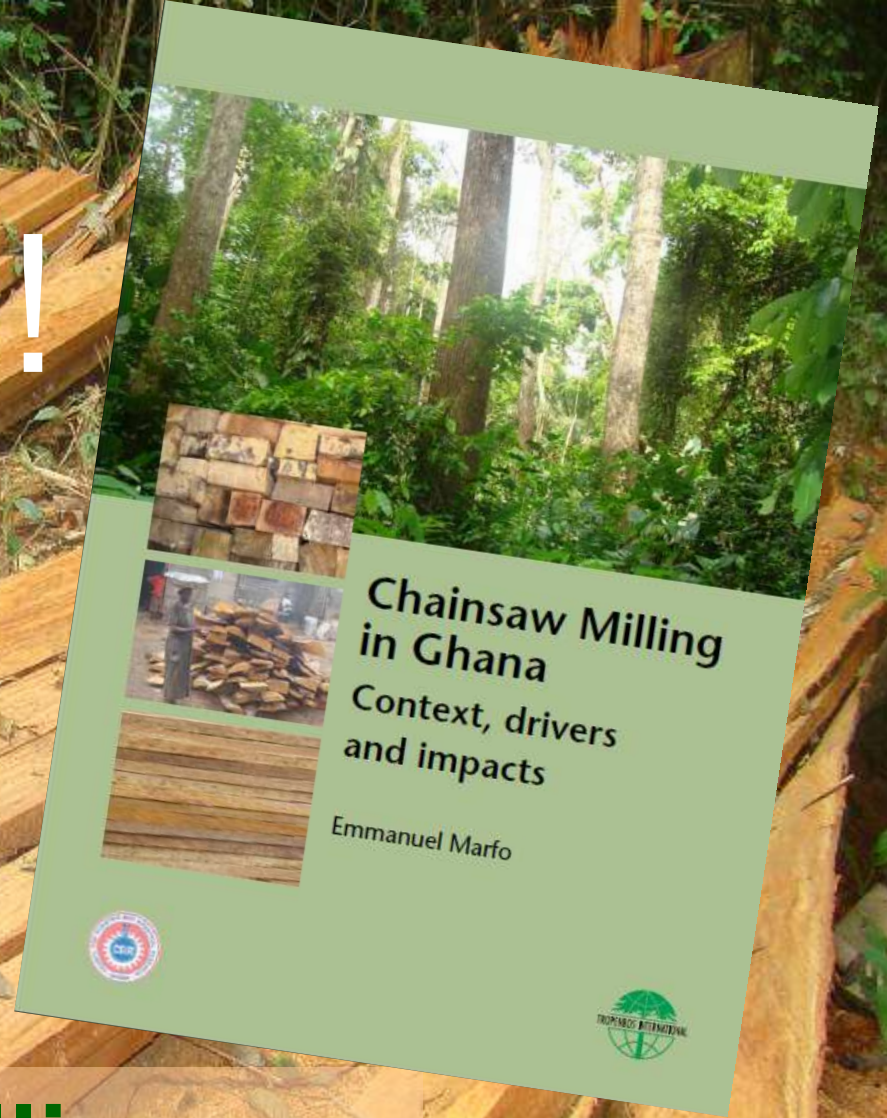
CMS and REDD+

- Discussions on CSM have implications for REDD+, especially when it deals with avoiding forest degradation (e.g. CSM and low carbon strategy in Guyana)
- CSM explicitly links rural livelihoods with REDD+

Concluding thoughts

- CSM is often a substantial but invisible part of the national timber production
- National demand for timber, low prices, and rural unemployment are the key drivers behind CSM
- International initiatives (FLEGT and REDD+) should address CSM as it links rural livelihoods with trade policies and REDD+
- Harmonizing FLEGT and REDD+ is a must given the focus on the same underlying causes

Thank You!



www.chainsawmilling.org

