



**Uganda Timber Growers  
Association**

**Annual Report 2013**

**Supporting Growers to plant trees, manage and harvest from plantations**

**PICTORIAL**



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

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## Acronyms:

<b>CFR</b>	Central Forest Reserve
<b>AAO</b>	Admin/Accountant Officer
<b>AOP</b>	Annual Operations Plan
<b>AGM</b>	Annual General Meeting
<b>CFR</b>	Central Forest Reserve(s)
<b>CSO</b>	Civil Society Organisation(s)
<b>CTA</b>	Chief Technical Advisor
<b>DFO</b>	District Forest Officer
<b>EoGA</b>	Extra-ordinary General Assembly
<b>FMP</b>	Forest Management Plan(s)
<b>FSSD</b>	Forestry Sector Support Department
<b>GM</b>	General Manager
<b>HR</b>	Human Resource
<b>KEFRI</b>	Kenya Forestry Research Institute
<b>MoU</b>	Memorandum of Understanding
<b>MW&amp;E</b>	Ministry of Water and Environment
<b>NaFORRI</b>	National Forestry Research Institute
<b>NFA</b>	National Forestry Authority
<b>NFTPA</b>	National Forestry and Tree Planting Act
<b>NORAD</b>	Norwegian Agency for Development Cooperation
<b>NORSKOG</b>	Norwegian Forestry Association
<b>OD</b>	Organisational Development
<b>PCH</b>	Pinus caribaea var. hondurensis
<b>PM</b>	Project Manager
<b>PO</b>	Programme Officer (UTGA); Plantation Officers (SPGS)
<b>PTA</b>	Plantation Technical Advisor
<b>RNE</b>	Royal Norwegian Embassy
<b>SPGS</b>	Sawlog Production Grant Scheme
<b>SSC</b>	SPGS Steering Committee
<b>TA</b>	Technical Advisor(s)
<b>TAFORI</b>	Tanzania Forestry Research Institute
<b>URA</b>	Uganda Revenue Authority
<b>UTGA</b>	Uganda Timber Growers Association
<b>WFD</b>	World Forestry Day

## Message from the Chairperson - UTGA



It gives me great pleasure to give an account of UTGA's long journey through the Annual Report 2013, which integrates performances of the board, secretariat as well as our partners. 2013 has been an eventful year, with many key developments in terms of our services to our members and this has attracted 46 new members making the total of 171 members. While funding uncertainties at SPGS has been very challenging, it is encouraging that our technical team has been assisting our members in other silvicultural practices such as thinning, timber trade, forest valuations among others.

This report highlights how we have been delivering on our operations and the General Manager writes on our services and key innovations in 2013. However, I would like to highlight a few achievements that for demonstrate the range and quality of what we have done:

Memorandum of Understanding. After long engagements with the Ministry of Water and Environment, a Memorandum Of Understanding between UTGA and MWE has been signed and this does not only prove a sign of good confidence that the Government has in the association, but also opens new opportunities for us to engage with other Agencies world over as a recognized organization.

New Patron Following the demise of our late Patron (James Mulwana) a new patron - Martin Alier was appointed and our interaction with him so far gives a clear indication of his commitment to get us to the next level in matters of lobbying and public relations.

Marketing of forests and forest products UTGA continues to help some farmers earn some income from their thinning as well as engaging UEDCL so as to secure market for our forest products. More details of these and other projects will be found in the report but of course none of our achievements would have been possible without selfless service of the UTGA Board, our loyal and generous members, our partners and stakeholders including RNE, MWE, NFA, SPGS and NORSKOG. Plans for 2014 With many of our early growers crossing into harvesting, the issues of utilization, value addition and development of wood markets is going to take center-stage in 2014. This will call for more capacity at the secretariat in terms of human resource and equipment. UTGA has compiled and handed in a proposal requesting for further support from the Government of Norway. We hope that UTGA phase II will enable us achieve a lot. Finally, I would like to thank my colleagues the board members, our technical team (staff and TAs) at the secretariat, our partners and stakeholders including RNE, MWE, NFA, SPGS and NORSKOG for their continuing dedication and hard work.

*Baker Akantambira  
Chairman-UTGA*

## A word from the General Manager



The UTGA 2013 Annual Report highlights the organization's successes and challenges in the past year showing the areas where we expended effort in providing services to the Growers. It shows our quest to expand the Membership and recognition for all those that generously helped to provide the

financial, logistical and technical resources we employed in carrying out activities that help to reach UTGA's goals and objectives.

The report contains evidence of deliberate and specific UTGA endeavor to look at opportunities that test the resources on the ground and an outlook to primary processing, utilisation, the initial development of markets and research in the hope that they shine as a beacon of hope and motivate us to work harder and probably faster.

There are highlights of UTGA's ongoing drive towards fulfilling every Member's final goal - an optimal return on their investment. Every day we remind ourselves that whatever we do should have a link to this objective.

The report also outlines the successes and challenges of the past year but also looks at the visible, potential and latent prospects of the future including plans of organizing Uganda's first forestry fair, hatched in 2013, to be implemented in 2014. A word of thanks to all those who have made it possible to produce this Annual Report especially the UTGA Secretariat.

*Dennis Kavuma  
General Manager-UTGA*

## UTGA/NORSKOG Collaboration

### 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

The UTGA/NORSKOG collaboration on capacity building has continued with strong efforts to strengthen the organisational structure in order to ensure the sustainability of the Association. After 4 years of close co-operation, the major issues in regards to the institutional structure have now been addressed and the focus is now changing to building an improved relationship with the membership.

The engagement of a new CTA and the continuation of collaboration with SPGS under a new Project Manager (PM) have demanded attention in 2013. Although new personnel bring certain challenges, it also provides opportunities for making changes in processes that can improve on efficiencies. The UTGA/SPGS co-operation is challenging, but provides UTGA the opportunity to become more self-reliant in reaching out to the SPGS Clients and UTGA Members. The result has been a vast improvement in the number of Growers who have joined the Association and the role of UTGA in the commercial forestry sector has become more clearly defined. The importance of UTGA was clearly shown by the Minister for Water and

Environment in his closing remarks to the assembly at the UTGA Retreat in July. The government clearly sees the importance of a professional, scientific organisation that promotes forestry as a business for utilisation of resources in a sustainable manner.

The Organisational Development Study carried out in 2012 was followed up by a set of meetings with the staff, UTGA Board and Members in order to put focus on the changing needs of the membership, as the forest resources grow and add value. The NORSKOG-TA with assistance from the CTA and PTA has concentrated on showing the Growers the current and potential value of the resources. In this process the immediate need for engagement of expertise in forest resource management and industrial development was crystallised.

UTGA is still reliant upon local forestry expertise found in SPGS, but needs to incorporate this expertise to some degree into the Association. The provision of professional management services to Members and other Growers is necessary to develop a sustainable forestry sector. In UTGA-Phase II, an expansion of the UTGA Secretariat

## UTGA/NORSKOG Collaboration

will be necessary.

The UTGA Office continues to have only three (3) professional staff and one (1) support person. NORSKOG-TA has put focus on getting the Office to function in an efficient and harmonious manner. The staff members have a clear understanding of their duties, but the limited human capacity still results in delays in carrying out some activities. The introduction of working committees to support the staff in the investigation of issues that need lobbying or an increase in focus for the membership will hopefully improve service delivery. The organisation is reaching a broader section of the membership and beginning to show that UTGA has a voice that is recognised by the decision-makers in Government.

The issues of timber trading and market development for timber resources are two areas where UTGA and NORSKOG now need to set in a collaborative effort. An increase of activity in the field with professional forest officers will be the next major step in getting the Association to be sustainable. The income potential from sales of resources into a growing market is deemed sufficient to provide UTGA with the necessary financial base to run the operations of the Association. Although SPGS has provided some professional capacity, the

current reduction in activity in SPGS needs to be absorbed by UTGA as quickly as possible to maintain the momentum in Uganda for investments in forest plantations.

The ongoing collaboration has a small budget for the first half of 2014. UTGA/NORSKOG will put focus on consolidating the current membership and providing professional services to those Growers who take an active interest in the plantation forest business. A new business plan has been developed and emphasis will therefore be concentrated on implementation of the strategy that has been fostered through the UTGA/NORSKOG collaboration. Although there is always a risk for failure, here-in lays the possibility for the successful development of the Association.

NORSKOG will provide continued support to development of the Association in lines with the findings of the OD study. Increased efforts will also be given to realisation of the increasing values of the forest resources owned by UTGA Members. The CTA will continue to work with market development strategies to provide future sources of revenue for a sustainable sector and indirectly a vibrant UTGA.

*Campbell Day*  
**NORSKOG/UTGA Coordinator**

## A word from the Project Manager-SPGS



The Sawlog Production Grant Scheme (SPGS) is most happy to see Uganda Timber Growers' Association (UTGA) continue to make progress in the right direction. SPGS believes that no one is more interested in UTGA more than SPGS. To achieve sustainability and smooth implementation of activities, both UTGA and SPGS need each other. We are more than brothers according to the bible "we are friends who stick closer than brothers" (Proverbs 18:23-24). Whilst SPGS is succeeding in attracting private sector investment in commercial plantation establishment, commercialization of forestry inputs, tools and services is best handled by UTGA through a membership system that support investors to access services that SPGS wouldn't otherwise be in position to provide. Meanwhile, SPGS will focus on Grant Management, Specialized commercial forestry training and promoting standards in commercial forestry plantations. The rest of the objectives required in commercial forestry in Uganda, will be implemented by UTGA. I pray and wish everybody all the success there ahead of us all.

*Sande Dickens Bueno*  
**SPGS Project Manager**

## Objective A: Public Awareness, Lobbying & Advocacy

### PROGRAMME

#### Membership

The registration of **46 new Members** in 2013 gives a total of **171 paid up Members**. UTGA collected a total of **UGX 4,600,000** in registration fees from new Members and a total of **UGX 52,685,000** as Membership fees.

#### New UTGA Patron

After the passing of the UTGA Patron, Dr. James Mulwana, at the beginning of 2013, UTGA approached and requested Dr Martin Alier to replace Dr Mulwana. Dr. Alier accepted and on 21st June 2013 and visited the UTGA office to meet with Members of the Board and staff. He had a discussion with UTGA on the future of commercial forestry in Uganda from his standpoint. Dr Alier is a Senior Presidential Adviser, a former Minister, a diplomat, a highly influential person and a high profile achiever, especially in promoting private sector business.

#### Encroachment

##### Encroachment sensitisation meeting

In its efforts to fight encroachment, UTGA working closely with the National

Forestry Authority (NFA) organised and conducted an encroachment sensitisation meeting on April 24th 2013 at the NFA/ Lwamunda sector offices in Mpigi District. There were 128 participants that included UTGA Members, SPGS Clients, NFA planters, District Forest Officers, forest adjacent communities, some of whom are illegally using the forest land (encroachers), and local leaders. The mode for communicating the message, in order for it to be well received, was the use of a series of drama skits by a local secondary school in the area. This was an opportunity for UTGA to reach out to



**Students of Bujuku High School in act in a drama skit**

the community, but also to strengthen its working relationship with NFA and other stakeholders.

#### Re-opening the Forest Boundary in Bukaleba CFR, Mayuge District

As a result of the periodic meetings UTGA organises with NFA for the large scale tree growing companies, Busoga Green Resources Company, planting in Bukaleba CFR, Mayuge District was able to get the NFA Surveyors to re-open the boundaries of the land allocated to them. Clearly defined boundaries are a first step to avoid conflicts related to encroachment. Hopefully this will be a starting point that can be embraced by other growers.

#### Forest Fires

Forest fire management has been one of the major themes at most UTGA meetings and get-togethers. At the onset of the two dry spells in the year and following the silvicultural and weather calendar, UTGA used internet and phone services to relay relevant messages on fire management. One result has been a noticeable reduction in loss of forests to wildfires. While 500ha were lost to fire in 2011 and 1,500ha lost in 2012, only 200ha was reported and recorded by UTGA Members for 2013.

## Objective B: Training, Research and Capacity Building

### PROGRAMME

#### UTGA/SPGS Training Collaboration Contractors Development

Contractors directly impact on the scale and quality of work that is done in the field during the establishment and maintenance of plantations. Owing to the need to monitor their operations, train new contractors and ensure that they do a good job, UTGA attended an SPGS-organised development training for contractors on 12th-16th August 2013 at Kabanyolo Agriculture Training Centre in Wakiso District. There were twenty-five (25) participants, some of whom were UTGA Members.



*The Nursery operators who participated in the training*

#### Clonal Nursery Training

UTGA participated in the first ever clonal nursery training course in Uganda, which was organized by SPGS and facilitated by two technical personnel from the Tree Bio-Technology Programme Trust in

Kenya. The training took place on 6th - 10th May 2013 at Uganda Tree Resources Ltd. in Mbale and targeted clonal nursery operators and those who were planning to set up clonal nurseries.

#### SPGS Exchange Visit organised for Tree-planting Communities

UTGA joined a group of commercial tree planting communities for an exchange and learning visit to Bushenyi at Kamusiime

Memorial Rural Development Group Ltd. between 1st-3rd and 15th-17th August 2013 respectively. The visit was organised and facilitated by SPGS and targeted commercial community tree-planting groups from the South-western region (Mbarara, Ibanda, Bushenyi and Rukungiri), Victoria region (Mukono, Buikwe, Wakiso, Kampala) and Central region (Luwero, Mpigi and Nakasongola). 38 participants joined the exchange visit.

#### Plantation Establishment Training

UTGA participated in an SPGS-organised, plantation-establishment training course for managers and supervisors aimed to provide hands-on skills in setting up forestry plantations. Twenty five (25) participants comprising of SPGS/UTGA Clients/Members attended the course that ran from 20th - 23rd May, 2013 in Kyahi CFR in Insingiro.

## PROGRAMME

### Forest Investment Planning and Management Training

The UTGA/NORSKOG Technical Advisor, Mr. Erling Bergsaker, facilitated training on Forest Investment Planning and Management for UTGA and SPGS staff between 23rd and 24th February 2013 at the SPGS offices in Bugolobi. The 6-day course aimed at building the training capacity of the staff in both organisations so that they can transfer knowledge to the Growers and Clients in the two organisations.

### Forest Economic and Finance Training

UTGA participated in an SPGS organised Forest Economics and Finance training session that was facilitated by Prof Michael Jacobson, Professor of Forest Resources, Department of Ecosystems Science and Management from

Pennsylvania State University. The training took place on 5th-9th July 2013 at City Royal Hotel in Bugolobi and participants included UTGA and SPGS staff, commercial tree growers and representatives from key stakeholders like NaFORRI, FSSD, NFA and the big forestry companies.



*Commercial tree planting communities' members at a 3-year-old PCH plantation of Kamusiime Memorial Association in Bushenyi district*

### Tree Improvement Conference

The UTGA General Manager, Dennis Kavuma and a Board Member, Prof Philip Nyeko, were invited and attended a regional Tree Improvement Conference in Nairobi

from 18th-20th February 2013. The aim of the conference was to come up with a strategy and framework of action through which the region would address the need to continuously improve germplasm and make it available to growers in good time and at minimal cost. The General Manager made a presentation on the Status, Experience & Strategy of growing high quality trees in Uganda.

### Staff Development Training

UTGA staff attended and received training in a number of areas relevant to their work. The Accounts and Administration Officer (AAO) received training in recording, preparation and reporting of final accounts, while both the Programme Officer (PO) and AAO attended a session on Investment Planning.

### Commercial Forestry Study Tour to South Africa

The UTGA-GM was part of a joint ministerial and forestry study tour to South Africa from 1st -13th December 2013. The trip was sponsored by the Ministry of Finance with the main aim to gain knowledge about the well-developed commercial forestry sector in South

## PROGRAMME

Africa for transferring some aspects of this to Uganda. Issues of immediate interest were fire management, pest and disease management and means of safe-guarding the commercial forestry sector.

### Certification of Contractors and Nursery Operators

A joint team from UTGA and SPGS carried out nursery and contractor audits and accreditation throughout the country in 2013. Thirty nine (39) Nursery Operators and seven (7) Contractors were visited, inclusive of both established operations and new applicants. Meetings for both Contractors and Nursery Operators were held later with those who met the Certification Standards and these were awarded Certificates. A list of certified nurseries and contractors will be put on the UTGA and SPGS websites in January 2014 for information purposes. An increase of interest in clonal nursery development by some nursery operators was noted and requests for more training augurs well for the sector, as this will increase the availability of high quality clonal planting materials in future.

## Objective C: Support Services for Commercial Forestry

### Seed

Procurement of High Quality Seed  
In April 2013, UTGA imported 200kg of PCH seed from Brazil, -100kg F1 and 100kg F2.

### Seed Status

Table 1: Seed Imports in 2013

F1 PCH - Brazil	F2 – PCH - Brazil	PCH - Australia	Eucalyptus – S.A	Total
100	100	0	0	200

### Procurement of a Seed Storage Facility

Many growers feared that since SPGS-Phase II was coming to an end, there was a possibility that support to the commercial forestry sector would halt. Many Growers did not prepare to plant, especially in the second planting season of 2013 and as a result, there was only a limited purchase of seed. To store the seed properly, UTGA had to procure an appropriate cold storage facility for the excess seed. UTGA purchased a fridge/freezer with an inverter and battery back-up to ensure seed viability was maintained.

### Nursery Sensitisation Meeting

UTGA organised a tree nursery sensitisation meeting targeting all nursery operators at the Green Spirit Forestry Services nursery in Mukono district. The meeting was attended by thirty seven (37) participants from all over Uganda and aimed to create a forum that would enable participants to

share ideas, experiences and solutions to common challenges. The meeting was also to collectively look at future opportunities for offering quality

planting materials to commercial forestry investors. The meeting was facilitated jointly by UTGA and SPGS.

### Appropriate Technology

UTGA continued to develop and provide appropriate technology to its Membership including sulkies used to skid and extract thinning from the plantations. Two growers were able to purchase sulkies from UTGA and now UTGA has one at the office that smaller scale members can hire at a nominal fee.

### Specialized Tools

A number of specialised forestry tools were ordered by UTGA on behalf of its Members from Norway, Sweden and South Africa. The most common items were Sunnto height gauges, diameter tapes and callipers.

### Forest Valuation

UTGA with the help of NORSKOG and SPGS carried out forest valuations in forest plantations for four Members. 38.1ha of *Pinus caribaea* in Lwamunda CFR in Mpigi District on 17th June 2013; 41ha of *Pinus caribaea* in Nakaseke District on 13th August 2013; 13.7ha of *Pinus caribaea* in Luweero District on 27th March 2013 and an area of 60m x 1650m in Nakasongola that was to be felled in connection with the construction of power transmission lines. This is a good example of a paid-for-service that is increasingly being demanded and offered to UTGA Members.

## Objective D: Market Development for Forestry Products

### GIS Forestry and Database Development

UTGA started the process of acquiring information needed for decision-making at the property level, but also on a national scale in respect of industrial forestry development. Data about properties and the forest resources will allow UTGA to determine the vicinity and volume of standing timber in the plantations that have been planted over the past decade and form the basis for development of Forest Management Plans (FMP) in the near future. The process was initiated in the Mubende

Cluster, but was halted when funding for planned additional activities was tied to the approval of UTGA-Phase II.

### Timber Trade

UTGA has continued to broker thinning from its Members to Nile Ply Ltd. Thinning from 2 UTGA Members and a parcel of

mature trees from the Uganda Golf Club for a total value of UGX12 million were brokered by UTGA.

The early Growers are now carrying out



*Some farmers are doing 2nd thinning and need market for their wood*

2nd thinning and UTGA therefore organised a forest day for the Growers in Mpigi where it showcased primary processing using a WoodMizer mobile sawmill. The purpose was to demonstrate for Members the requirements and dynamics of value addition.

## PROGRAMME

### Objective E: Ensure an Effective Management of UTGA

#### Board and Staff Management Meetings

UTGA had five (5) Board meetings in 2013 with at least one in each quarter that were conducted to address management, strategies and operational issues of the Association. A staff meeting was held weekly to guide staff in addressing priorities when carrying out planned activities. Minutes of meetings were compiled and are kept on file.

#### Revised UTGA Human Resource Operations Manual

UTGA used the services of a local consultant to review, revise and edit the Operations Manual. The working document was approved by the Board and is now being implemented.

#### Organisational Development Consultancy

UTGA used the services of an external consultant to facilitate and conduct an organisational development (OD)



**Prof Ephraim Kamuntu Minister of Water and Environment with the UTGA Board, staff and TAs at the UTGA Retreat**

exercise. All UTGA Members were consulted online while meetings were held with each Cluster to generate ideas and elicit views on how to identify and acquire a shared common vision. A study

report was compiled and circulated and a Board/Staff Retreat was held on 7th – 9th July 2013 in Ggaba with participation of the NORSKOG and SPGS Technical Advisors to get a broader perspective on the challenges, time needed and processes

required to leverage and make the Association more relevant to its Members, as well as assessing UTGA's role in transforming the timber industry. The Retreat was closed by the Minister of Water and Environment (MW&E), Professor Ephraim Kamuntu with words of encouragement to continue the important endeavour of supporting the commercial forestry sector.

#### Staff Performance Appraisal

As part of ensuring optimal management performance at the Secretariat, appraisals were held for UTGA staff whereby the General Manager was appraised by the Chairman while the other employees were appraised by the General Manager. The appraisals were made in the presence of the external consultant who had helped in the review and redrafting of the Operations Manual.

Reports were compiled accordingly.

### Working Committees

The Board has established four (4) working committees to ensure a continuous emphasis on the strategic direction of the Association and to guide and complement planned activities by involving UTGA Members other than the Board in the structural development of UTGA. The Committees help foster institutional development by tapping the professional expertise found amongst the UTGA membership.

The current Committees are:

- i) The Finance and Audit Committee (met 3 times);
- ii) The Technical Committee (met once);
- iii) The Lobbying and Advocacy Committee (met twice);
- iv) The Human Resource Committee (met once in week 1/14);

## PROGRAMME

### Objective F: Networking and Information Sharing

#### UTGA Annual General Meeting (AGM)

The UTGA Annual General Meeting is the supreme policy-making body of the Association. The 6th UTGA-AGM was held on 26th March 2013 at the City Royal Hotel in



**Members at the 2013 UTGA Annual General Meeting**

Bugolobi. A total of seventy-two (72) paid up members attended the meeting together with representatives from NORSEKOG and SPGS. In line with the business of Association, the Annual Work Plan, Budget, Annual Report 2012 and 2012 AGM Minutes were presented, reviewed and approved. A new Board was

also elected. The minutes of the AGM are compiled.

#### UTGA Cluster Development

There has been growth in each of the six (6) UTGA Clusters, as Growers become more aware of the importance and opportunities that accrue from coming together to share ideas, to learn from each other and to plan as a unit. With inputs from SPGS and NORSEKOG, UTGA organised 4 Cluster meetings in 2013 that addressed a variety of themes.

The South Western Cluster development meeting was held on 7th and 8th February 2013 at Fidel Begumisa's plantation and Ninsiima Evelyn's nursery in Mafuga CFR in Kabale. The theme was "Determining Thinning Readiness, Marking for Thinning and Nursery Issues". A total of 75 participants attended including UTGA Members and other Growers, SPGS Clients, NFA and District Forestry Officers (DFO). Felix Basigire was elected as the Cluster Head.

## PROGRAMME

The Albertine Cluster development meeting was held on 4th and 5th July 2013 at Dr. Henry Wamani's plantation in Buhimba, Hoima with the theme "Commercial Thinning/Planning of Timber Harvests". The meeting attracted 45 participants.

The Mubende cluster development meeting was held at Gen. Katumba Wamala's plantation in Kasana Kasambya CFR in Mubende district on 19th and 20th September 2013 with the theme "Commercial Thinning/Planning of Timber Harvests". The meeting attracted 52 participants on day one and 38 on day two and included UTGA Members and other Growers, SPGS Clients, NFA, DFO and District and Local Leaders.

The West Nile Cluster development meeting was held on the 7th and 8th November 2013 at Moses Obeta's plantation. He was also elected as the Cluster Head. The Farmers were taken through basic teak silviculture with regards

to planting and weeding. The forum attracted forty-four (44) participants from the districts of Zombo, Adjumani, Arua, Koboko, Maracha, Moyo, Nebbi and Yumbe and the theme for the meeting was "Promoting fast growing and high quality teak".

UTGA has plans for the Clusters in 2014 that will set focus upon the critical needs of each Member and how the organisation can become more relevant to the Growers.

### UTGA Newsletters

The UTGA Secretariat sent out a digital copy of the UTGA NEWS every second week. The UTGA NEWS communicated forestry news from Uganda, technical

articles, forestry events, information notes, advisory articles, abstracts and summaries in forest science and economics. The newsletter was sent to over 500 recipients that include all UTGA Members, Associates, Partners and other relevant Stakeholders. In 2013, fifteen editions were sent out and some copies printed out.

### UTGA Website

In order to make the UTGA website more user-friendly and attractive, as well as to transform it into a working portal, the website [www.utga.org](http://www.utga.org) was redesigned in 2013 with new features that hopefully will increase its relevance to the Members and provide ample information to visitors.



**Growers in South Western Uganda attend a cluster meeting**

### UTGA on SPGS Steering Committee

The UTGA General Manager was invited to attend the SPGS Steering Committee meetings as an observer. In February 2013, SPGS opened a Regional Office for Northern Uganda in Gulu and provided UTGA with a desk in the Office.

### UTGA hosts visitors from Rwanda

On 19th February 2013 a team from

Rwanda visited UTGA offices to ideas acquire information on how to establish a similar organisation in Rwanda. The organisation in Rwanda is to be called- “Rwanda Wood Energy Growers (Rwego)”. They sought information on how they could form the Association, run operations, attract Growers and serve the membership. The visit was extremely interesting for the visitors and the team was taken to visit a plantation and nursery operated by two UTGA Members.

**World Forestry Day Supplement**

UTGA provided input to a supplement in the Monitor Daily newspaper to commemorate and recognise the World Forestry Day on 21st March 2013. In addition to marketing UTGA in the sector along with other forestry stakeholders, UTGA used the forum to promote its public relations and to reach out to the general public.

**UTGA Tax Seminar**

UTGA organised a half-day seminar on taxation and record keeping on 3/10/2013 at City Royale Hotel in Bugolobi. The seminar attracted 74 participants and was aimed at sensitising the Growers on the importance of keeping records for all activities within or related to plantation development and maintenance. The forum was facilitated by two tax consultants from URA who are also UTGA Members.



**Training for the Members of the Albertine cluster in Hoima**

**Big Planters’ Meetings**

UTGA organised two (2) meetings between NFA and the big four (4) growers and this is now a regular forum on the

UTGA and NFA calendars. It provides a lobbying opportunity for the Growers in relation to pertinent issues affecting their operations and the need to consult collectively and get immediate attention from NFA. A representative from each of the medium- and small-scale Growers attends this forum.

**Extra-Ordinary General Assembly**

UTGA held an Extra-ordinary General Assembly (EoGA) on 15th August 2013 at City Royal Hotel, Bugolobi with 71 members in attendance. The Members elected Mr. Gervase Ndyanabo as the new Vice-Chairman to replace Mr. Tonderai Kachale. Mr. Issac Ampeire was elected to replace Gervase and Dr Sam Zaramba was elected as a new Board Member. Mr Kachale who was the General Manager for the New Forests Company left Uganda on 3rd July 2013 for Mozambique after being posted as the new Managing Director of a forestry company called Florestas de Niassa.

## Objective G: Institutional Sustainability of UTGA

### UTGA Phase II

UTGA developed and submitted an application for further support from the Government of Norway for Phase II. The proposal was presented to RNE-Kampala in mid-June 2013 and after a number of meetings, a revised budget was submitted, as part of a renewed application request by RNE. It is hoped that a formal consent to the Proposal can be made at the UTGA/RNE Annual Meeting.

### Challenges in 2013

- I. A change of policy to allow grazing in mature forest plantations has not been addressed by GoU despite an active UTGA lobby;
- II. The Presidential ban on access to additional land in the CFR remains in place despite the fact that MW&E and NFA have increasingly admitted that this impact negatively on the sustainability of the sector;
- III. The effect of the 'SPGS slowdown' impacted on the rate of planting and the resulting reduction in procurement of seed, chemicals and implements;
- IV. Despite some positive signs by government to address the issues of encroachment, the challenges remains real and menacing;
- V. The engagement of forest industry investors in the development of the commercial forestry sector has been hampered by the lack of information that is available in relation to the exact quantity, quality and location of the plantation forest resources;

## The Way Forward

- I. A growing Membership, with growing expectations requires an increase in human resources, creativity and operational efficiencies;
- II. There is a need for a revised UTGA Business plan to plot a realistic and strategic way forward;
- III. The Phase II application defines the additional activities necessary to meet the immediate needs for property and resource information, structural development of the institution, implementation systems and industrial development support. The activities include a Members' register database, a software management tool, an assessment of the industrial resource base and support to technical training;
- IV. A collaborative co-operation with SPGS during the upstart of UTGA-Phase II will provide UTGA with professional, local, technical support until the necessary human resources are found

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UGANDA TIMBER GROWERS ASSOCIATION FOR THE YEAR ENDED DECEMBER 31, 2013**

**Report on the financial statements**

We have audited the accompanying financial statements of Uganda Timber Growers Association (Association) set out on pages 5 to 14. These financial statements comprise the Statement of Comprehensive Income, Statement of Financial Position as at December 31, 2013, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Directors' responsibility for the financial statements**

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements, based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the Association as at December 31, 2013 and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards.

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*Uganda Timber Growers Association  
Financial statements  
For the year ended December 31, 2013*

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

	2013	2012
Note	Ugx	Ugx
Revenue	2    395,638,652	432,311,832
Administrative expenses	3    (175,364,825)	(168,917,070)
Other Expenses	4 <u>(103,122,910)</u>	<u>(121,516,871)</u>
<b>Operating Surplus</b>	<b><u>117,150,917</u></b>	<b><u>141,877,891</u></b>

The financial statements on pages 5 to 14 were approved for issue by the Board of Directors on ~~21<sup>st</sup>~~ ~~Nov. 2013~~ ~~2014~~ and signed on its behalf by:

  
.....  
Chairperson

  
.....  
Treasurer

*The accounting policies and notes on pages 9 to 14 form an integral part of these accounts.*

**ACCOUNTS:**

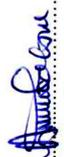
*Uganda Timber Growers Association  
Financial statements  
For the year ended December 31, 2013*

**STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013**

	2013	2012
	Ugx	Ugx
<b>Non-current assets</b>		
Furniture and Equipment	5    23,120,236	20,118,921
<b>Current assets</b>		
Inventory - Seed	12,236,200	7,480,818
Receivables	87,236,410	35,342,500
Cash at bank and in hand	7    331,286,671	275,414,710
	430,759,281	318,238,028
<b>Total Assets</b>	<u>453,879,517</u>	<u>338,356,949</u>
<b>RESERVES AND LIABILITIES</b>		
Reserves	449,884,629	332,733,712
<b>Current liabilities</b>		
Trade and other Payables	8    3,994,888	5,623,238
	3,994,888	5,623,238
<b>Total Reserves and Liabilities</b>	<u>453,879,517</u>	<u>338,356,949</u>

The financial statements on pages 5 to 14 were approved for issue by the Board of

Directors on 21st March 2014 and signed on its behalf by:

  
Chairperson

  
Treasurer

*The accounting policies and notes on pages 9 to 14 form an integral part of these accounts.*

**ACCOUNTS:***Uganda Timber Growers Association**Financial statements**For the year ended December 31, 2013***STATEMENT OF CHANGES IN RESERVES**

	Reserves
	Ugx
<b>Year ended December 31, 2012</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	141,877,891
<b>At end of year</b>	<b>332,733,712</b>
<b>Year ended December 31, 2013</b>	
At start of year	332,733,712
Operating Surplus	117,150,917
<b>At end of year</b>	<b>449,884,629</b>

*The accounting policies and notes on pages 9 to 14 form an integral part of these accounts.*

**ACCOUNTS:**

*Uganda Timber Growers Association*  
*Financial statements*  
*For the year ended December 31, 2013*

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2013**

	Note	2013 Ugx	2012 Ugx
<b>Cash flows from operating activities</b>			
Operating Surplus		117,150,917	141,877,891
Adjustments for:			
Depreciation of office equipment	5	7,736,385	6,847,324
Changes in operating assets and liabilities			
Increase/(decrease) in inventory		(4,755,382)	39,029,830
Decrease/(Increase) in receivables		(51,893,910)	1,916,780
Increase/(decrease) in trade payables		(1,628,350)	(12,815,463)
<b>Cash generated from operations</b>		<b>(58,277,642)</b>	<b>28,131,147</b>
<i>Net cash from operating activities</i>		<b>66,609,661</b>	<b>176,856,362</b>
<b>Cash flows from investing activities</b>			
Purchase of equipment		(10,737,700)	(14,805,512)
<i>Net cash used in investing activities</i>		<b>(10,737,700)</b>	<b>(14,805,512)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>55,871,961</b>	<b>162,050,850</b>
<b>Movement in cash and cash equivalents</b>			
At the start of the year		275,414,710	113,363,860
(Decrease)/ Increase in Cash and Cash Equivalents		55,871,961	162,050,850
<b>Cash and cash equivalents at end of year</b>	7	<b>331,286,671</b>	<b>275,414,710</b>

*The accounting policies and notes on pages 9 to 14 form an integral part of these accounts.*

**PICTORIAL**



*Mobile sawmills like woodmisers are versatile but a study should be undertaken to determine their usage, applicability and suitability that considers cost, efficiency, labour and wastage*



*The future and sustainability of commercial forestry in Uganda lies in the ability of the private sector to continue planting trees every year*



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