

IN TURMOIL!

Uganda's Forestry Industry Suffers As Ban On Timber Exports Creates Vacuum

On June 21, 2023, President Yoweri Kaguta Museveni issued a directive prohibiting the export of raw timber and veneer.

"I said nobody should export unprocessed timber. So if you are a furniture maker, that is what I want. Keep the timber and make the furniture here. So, if you want to export, you export the furniture, not the timber," Museveni said.

This directive was swiftly reinforced by Prime Minister Robinah Nabbanja during the National Policy Committee on Environment meeting on June 29, which led to the cancellation of all timber export permits effective July 10 2023.

The Uganda Timber Growers Association (UTGA) has since raised concerns about the implications of this directive on the forestry industry, urging a comprehensive policy review to manage the industry more effectively.

When one visits timber stalls in all the timber markets around the country, they

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Advisory on procuring quality seedlings

Attention esteemed members of UTGA. A concerning trend has been observed, where tree seedlings are purchased from uncertified sources, often through managers or supervisors. This practice will significantly impact fast and uniform growth and the quality of the trees, particularly the bole quality, which will compromise the ultimate goal of producing high-quality timber and poles.

We strongly encourage you to be in charge of the source of your seedlings to ensure the best results of your tree planting investment. The UTGA Nursery on Mityana Road in Kiwawu is a leading certified source of quality seedlings and will point you to the next best source if you are far away. Kindly give this important matter your full attention.

are fully stacked with timber. There are low sales. Previously, a lot of timber used to be bought and taken out to South Sudan, Kenya, Tanzania and Rwanda. This was a lucrative source of forex that had positive impact on the lives of tree growers, traders and other stakeholders along the trading value chain of timber.

Concerns over the ban on timber exports real

Decline and revival of Uganda's forests

Uganda's forest cover has experienced a dramatic decline over the past few decades, dropping from 24% in 1990 to a mere 9% in 2015. However, initiatives including the Uganda government and EU-



The industry can no longer make a case for investment in forestry

FAO Sawlog Production Grant Scheme (SPGS) project, have revitalized the forestry sector. These efforts attracted both foreign and local investors, who have made a contribution to commercial tree-planting activities. Consequently, forest cover improved to 13% by 2022, largely thanks to commercial forestry plantations.



SAD: kiln dried timber is not on the list of permitted products for export

UTGA highlights that commercial forestry plantations have not only increased forest cover but also created over 10,000 direct jobs and an estimated 60,000 ecosystem jobs, emphasizing the sector's economic, social and environmental significance.

Immediate impact

The Presidential directive on timber

exports mandates that timber-exporting companies must develop sustainable harvesting plans, aligning with the National Tree Planting Act (NTPA). Government should know that this is already in place. This act (NTPA) facilitates access to land for commercial forestry through leases and Tree Planting Licenses issued by the National Forestry Authority (NFA). All timber, including that from

disrupted the timber trade, affecting both domestic and international markets. Uganda produces more wood than its domestic demand requires, necessitating reliance on export markets. The ban on timber exports jeopardizes the sustainability of commercial forestry, as the surplus wood must find markets out of the country to ensure sector viability.

private plantations, must comply with sustainable forestry management plans and obtain necessary permits. UTGA members, managing over 35,000 ha of FSC-certified plantations, adhere to these practices.

However, the directive has

Regulatory & financial challenges

The forestry sector's regulatory landscape is fragmented, with conflicting guidelines from various governmental bodies, causing frustration among industry stakeholders. Additionally, the government's definition of value addition remains ambiguous, failing to recognize the significant processing involved in producing FSC-certified timber, veneer, and



Constricted processing has led to job losses and over supply of timber in the local market



kiln-dried graded timber.

UTGA also points out that the current six-month export permit duration is insufficient, advocating for at least a two-year extension to provide businesses with stability. High royalty fees imposed by the NFA are another financial burden that hinders industry growth, requiring re-evaluation to foster a conducive business environment. Access to capital for investments in wood processing is severely limited, with available funding options often being prohibitively expensive and unsuitable for the sector's specific needs. This financial constraint poses a significant challenge to potential investments in wood processing.

Legal & economic implications

The government must address the legal implications of the export ban to minimize losses to affected businesses. Failure to do so risks damaging Uganda's reputation as an investment-friendly destination, further compounding the industry's challenges.

Dialogue & sustainable practices

The UTGA urges the government to consult with private investors, industry stakeholders, and conservation organizations to promote responsible forestry practices. It is crucial to enforce regulations that support forest investments' profitability and sustainability while ensuring the livelihoods of communities surrounding forest operations.

Conclusion

The ban on timber exports has implications for Uganda's forestry. To mitigate the directive's negative impacts, a collaborative approach involving all stakeholders is essential. By fostering responsible forestry practices and supporting the industry's economic sustainability, Uganda can protect its forests and ensure long-term prosperity of its forestry industry.

OPINION

Need to revisit timber export ban for sustainable growth



Author: Irene Busingye

In last year's reinforcement of Uganda's ban on unprocessed timber exports, President Yoweri Kaguta Museveni urged timber dealers to focus on converting timber into furniture before exporting it to countries with fewer tree resources. While this directive aims to boost local value addition, it has sparked considerable debate regarding its clarity and potential impact on Uganda's forestry sector.

At first glance, the ban is a well-intentioned move towards promoting local industry and enhancing economic gains from the forestry sector. However, it overlooks a crucial point: timber, in itself, is a processed product. By not recognizing this, the directive risks missing its mark on fostering true value addition. This ambiguity needs to be addressed to ensure the ban effectively meets its objectives.

Another critical issue is the exclusion of input from forestry specialists and key organizations such as the National Forestry Authority and the Uganda Timber Growers Association. These entities hold invaluable expertise

in sustainable forestry practices and could provide balanced insights on conservation and economic interests. Their involvement is vital to creating regulations that not only protect the environment but also support the forestry industry's economic viability.

One of the most pressing concerns is the potential impact on timber prices. With the export restrictions in place, local factories might have less motivation to offer fair prices to tree growers. This could significantly affect the livelihoods of those dependent on the timber trade and undermine the overall health of the forestry sector. Ensuring fair compensation for tree growers is essential to maintain the sector's sustainability and incentivize continued investment in forestry.

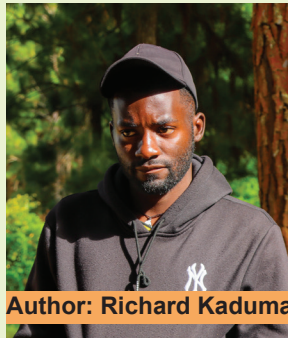
Therefore, it is crucial for the government to revisit this ban. Engaging with forestry experts and stakeholders will help develop clear, effective regulations that consider the entire forestry value chain. Policies must be crafted with a comprehensive understanding of the sector's dynamics, ensuring they are sustainable and inclusive.

While promoting local value addition is indeed a commendable goal, achieving it requires a nuanced approach. The government must strike a balance between conservation efforts and economic growth, ensuring that the forestry sector remains robust and beneficial to all stakeholders involved. Only through collaboration and informed policy-making can Uganda's forestry sector thrive sustainably.



Timber ban needs clarity to realize sustainable benefits

President Yoweri Kaguta Museveni's recent reaffirmation of Uganda's ban on unprocessed timber exports, urging timber dealers to convert timber into furniture before exporting, reflects a well-intentioned effort to promote local value addition. However, the implementation and communication of this directive have raised significant concerns and confusion within the forestry sector.



Author: Richard Kaduma

While the President's directive aims to boost local industry by keeping timber processing within Uganda, it highlights a critical oversight: the ban was implemented without sufficient consultation with forestry experts or key stakeholders. This lack of dialogue has led to ambiguity and confusion among tree growers, timber buyers, and market participants. Timber, a value-added forest product, is crucial for many, particularly Chinese-owned factories that export logs, and the ban's unclear definition has disrupted their operations.

The ban's impact has been twofold. On the positive side, it has helped reduce illegal tree felling, a serious issue threatening Uganda's forests. However, the negative consequences on private tree growers cannot be ignored. Many growers lack the facilities and resources for further value addition and have traditionally relied on selling standing trees to buyers. The directive, without providing a clear path for these growers, threatens their livelihoods and the economic stability of the forestry sector.

To address these concerns, the government must revisit the timber export ban with a collaborative approach. Engaging with forestry experts, the National Forestry Authority, and organizations like the Uganda Timber Growers Association is essential to create a policy that is clear, effective, and considers the entire forestry value chain. These stakeholders possess the expertise and insights necessary to balance conservation efforts with economic interests, ensuring the sustainability of Uganda's forests and the viability of the forestry industry.

Moreover, providing support and resources to private tree growers for value addition is crucial. Investing in facilities and training for furniture making and other timber processing activities can help growers transition smoothly and benefit from the new directive. This approach not only supports the local economy but also enhances the overall value derived from Uganda's forestry resources.

In conclusion, while the President's goal of promoting local value addition is commendable, achieving it requires a comprehensive understanding of the forestry sector's dynamics and inclusive policymaking. By consulting with experts and providing the necessary support to tree growers, Uganda can ensure that its forests are sustainably managed and its forestry sector continues to thrive.

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

Uganda's weather after seasonal rain

Implications & advisory



The Uganda National Meteorological Authority (UNMA) weather forecast for October to December 2024 indicated a near-normal to above-normal rainfall pattern for most parts of Uganda. Areas like Southwestern Uganda and parts of Karamoja were expected to see enhanced rainfall.

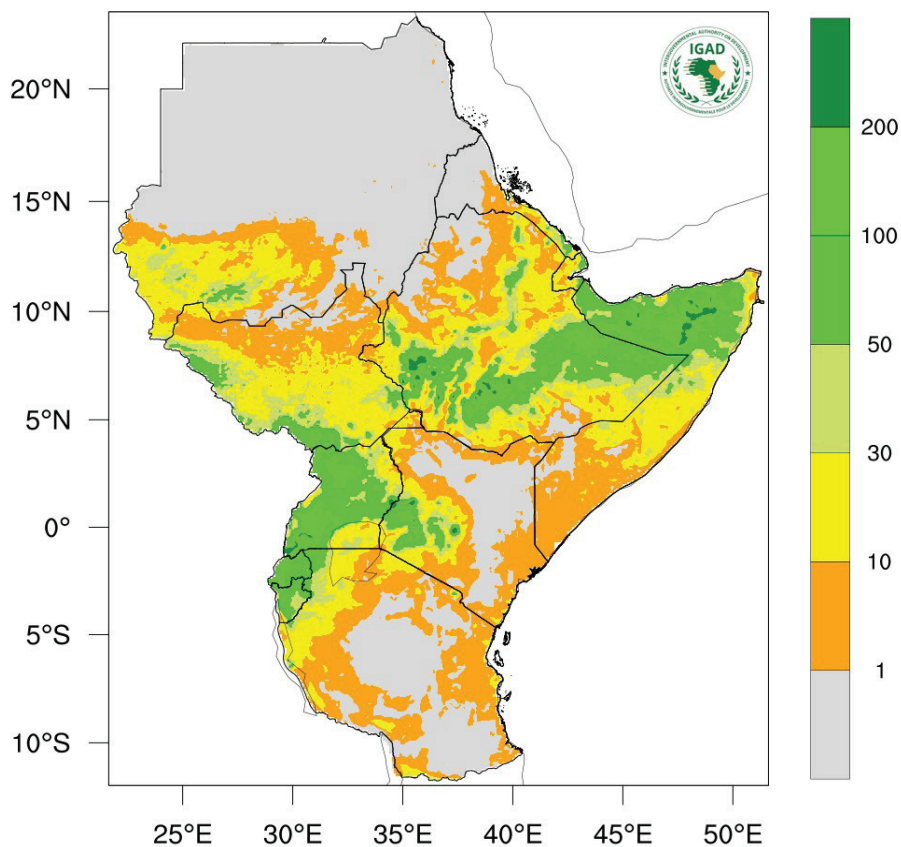
The rainfall forecast for December 2024 indicates a decrease in rainfall across much of the country, signalling the onset of the dry season. However, occasional rains are expected in regions of southwestern Uganda, Mt Elgon, and areas surrounding Lake Victoria.

December is generally a dry month, with rainfall patterns shifting from the northern to the southern region of the country. Areas such as West Nile, Acholi, and Karamoja are likely to experience suppressed rainfall.

Key factors influencing the December rain include a neutral phase of the El Niño Southern Oscillation (ENSO), a neutral Indian Ocean Dipole (IOD), and a southward shift of the Intertropical Convergence Zone (ITCZ).

The anticipated reduction in rainfall may create favorable conditions for harvesting but could also lead to a rise in malaria cases and increased risks of severe weather events in areas that do receive rain. Advisories recommend continuing harvests while ensuring proper post-harvest handling. It's essential to conserve pasture amid the

Total Rainfall (mm) for 16-23 Oct 2024



dry conditions and to use water wisely and to look out for pests and diseases. Health education and community inspections need priority. In previous months, Uganda experienced fluctuating weather patterns, with widespread rainfall across most regions. In the central areas, including Kampala and Entebbe, the weather was relatively cool, with temperatures of 28°C during the day, but frequent rain showers persisted throughout October, accompanied by low to moderate humidity. The north remained wet but experienced slightly warmer conditions due to intermittent dry spells. The rains were beneficial for crop growth but also led to localized flooding in some low-lying areas. Western Uganda, including

Fort Portal and surrounding highlands, saw a mix of heavy downpours and misty mornings due to its elevation, contributing to soil erosion on farm slopes. This trend continued into November. In the eastern parts, the rain was intense, occasionally leading to landslides impacting infrastructure and accessibility like in Bulambuli where people died.

The southern region faced similar rainfall patterns with impacts on agriculture, as prolonged rains affected the drying of harvested crops. The Ministry of Water and Environment issued advisories encouraging residents in affected areas to stay vigilant, particularly in flood-prone areas in the north and east.



Shakeup

Will NFA's move to MWE be valuable or flawed?

In a recent government decision, Uganda's National Forestry Authority (NFA) has been dissolved, with all its responsibilities and transferred to the Ministry of Water and Environment (MWE). This integration, aimed at streamlining operations, has sparked off a mix of optimism and skepticism among forestry stakeholders, particularly members of Uganda Timber Growers Association (UTGA). Concerns have emerged around potential job losses, increased bureaucracy, and possible disruptions to ongoing forestry projects.

This decision by government, announced this month, was intended to simplify the management of Uganda's forestry resources by consolidating oversight under the ministry. Yet many in the timber industry question if this move will achieve the desired efficiency gains. "I don't think there will be major changes. The restructuring may cause some

NFA staff to lose their jobs, but our growers' licenses should remain intact. The ministry will continue with their existing ones," stated Maria Nantege, a tree grower from Masaka.

However, some stakeholders express doubts about the plan's effectiveness, worrying that key operational knowledge may be lost in the transition.

"People are going to lose their jobs, and bureaucracy in decision-making will likely stay the same, warned highlighting fears of a stalled approval process will be stalled and lack of responsiveness," warned Jane Atema from Soroti.

Moses Ogera, a timber grower from Arua, is concerned about the financial implications of the transition.

"The NFA was improving, particularly in revenue generation. Its budget was 24 billion UGX, and it was collecting about 22 billion,"

He believes that this was improvement even if some internal adjustments were

necessary. A full transfer to MWE may disrupt ongoing efforts and risk mismanagement of essential data and operations.

Adding to these concerns, Siraje Mukasa, grower from Mukono noted that the potential loss of technical expertise within MWE would be with impact. "NFA's experts will now be supervised by less technically specialized staff within MWE," Mukasa said, expressing doubts about MWE's capacity to oversee complex forestry responsibilities previously handled by NFA's five directorates.

While MWE is now charged with all aspects of forest management, including the oversight of growers' licenses, timber growers worry that the structural changes could hinder efforts to protect and develop Uganda's forests.

It could however be argued that transferring the NFA to the MWE could enhance forest conservation efforts. This move might lead to increased oversight and accountability, potentially addressing concerns about past instances of illegal activities involving some NFA staff that have contributed to deforestation.