

# On-farm tree management in Ghana – Policy Brief



## Key messages

Farmers' benefits from and control over trees on their farms is higher in the informal chainsaw sector than in the formal concessions system.

Formally recognising local and informal tree rights improves the prospects of achieving the aims of REDD+ and the FLEGT VPA.

## Summary

- Major policy initiatives such as the FLEGT VPA and REDD+ aim to achieve sustainable forest management by eradicating illegal logging, reversing the expansion of cocoa farms and increasing the shade cover on farms.
- The ECOLIMITS project investigated the formal (state) and informal (customary) rights concerning trees on cocoa farms. The informal system allows farmers greater levels of control and benefits than the formal system; though these benefits are far less than market prices.
- Focussing on eradicating illegality risks undermining local access to timber and benefit-sharing, as well as sustainable landscape management more generally. Governance reform should focus instead on legalizing existing informal systems of on-farm tree management.
- **Three steps could be tested in HIAs to advance maintenance and enhancement of tree cover, more equitable benefit-sharing and achievement of climate-smart cocoa shade management recommendations:**
  - **Grant farmers full management rights to trees on their farms.**
  - **Legalize chainsaw operators and tax processed timber.**
  - **Phase out timber concessions/permits on farmland.**

## Background: On-farm trees – linking REDD+ and FLEGT VPA

On-farm timber is a key issue that links two major forest policy initiatives. Ghana's REDD+ strategy aims to address deforestation caused by cocoa farming and enhance carbon stocks by increasing shade levels on cocoa farms. The voluntary partnership agreement (VPA) is a bilateral agreement between Ghana and the EU which aims to eradicate illegal logging. Understanding how formal and informal rights influence the management of trees on cocoa farms is useful for refining forest policy strategies and associated legislative reform. The ECOLIMITS project studied cocoa farming communities in the Central region for 4 years. This policy brief outlines the key findings of the research.

## Formal rights to on-farm trees and their local impact

In Ghana, the economic rights to naturally occurring trees are vested in the state, while trees that are planted belong to the person who planted them. These are then granted to timber companies through a variety of concessions. Farmers rights are limited to: 1. Right to refuse concessionaires permission to fell trees; 2. Compensation for cocoa tree losses; 3. Community-level benefits received through social responsibility agreements negotiated between the company and the paramount chief on behalf of the community. Our case study revealed challenges with all of these mechanisms.



## Case study statistics

- Farmers had 16 shade trees per hectare (all naturally regenerated), the Cocoa Research Institute of Ghana (CRIG) recommend between 15-18 shade trees per hectare.
- Only 13% of surveyed farmers wanted to increase their shade levels, 60% were happy with the shade levels and 27% wanted to reduce their shade.
- Farmers sell individual trees for 20-50 cedis which, on average, is about 4% of the final value of the timber in the market
- 0% of the benefits stated on a Social Responsibility Agreement have been delivered to the community

### 1. Farmers can feel forced to give permission to concessionaires:

*'Initially, we were reluctant about the timber operations [concessionaire]. But the team from the paramountcy and the company said the trees are state property and so our hands were tied, we had to agree. Initially most people were opposed, but cocoa has its seasons, during the lean season it is difficult so when they [the farmers] are broke they go to the company to get a little extra money and now most are selling their trees [to the concessionaire].'*

### 2. Compensation is rarely paid for damage to cocoa and avenues for complaint are hindered by hierarchies:

*'The company tells them, if you have a problem then you have to go to your chief and to the government because they have given them the right to take the timber. But they can't just go to the paramount chief. There is a hierarchy. You cannot just go there for some small 30 cedis dispute and since they [the paramountcy] have already agreed, then there's no point.'*

**3. Social Responsibility Agreements do not guarantee farmers' control over trees on their farm or ensure that they share in the benefits of timber harvest.** Proposals to better enforce SRAs and/or to develop community concessions will not remove farmers'

incentives to work with chainsaw operators and will have very limited impact on the informal chainsaw sector. Reforms should focus instead on phasing out timber concessions on farms and legalizing traditional and informal systems for managing trees on farms, including the use of chainsaw milling.

## Informal rights and the management of on-farm timber

Due to the challenges in the formal sector, farmers prefer to work informally with chainsaw operators. There are several benefits from the farmers perspective: *Chainsaw operators do less damage whereas the timber contractors can spoil a lot of cocoa; the compensation or payment from timber contractors is lower than chainsaw operators because the contractor says they have already paid the government; the farmers get fertilizer from chainsaw felled trees [because they slice the trees into lumber on the farm].'*

Despite being able to remove as many trees as they like, cocoa farmers in our study area retain shade trees on their farms because it benefits cocoa production.

Informal rights to trees are locally negotiated between the farmer and landowner and are context specific. In many instances the farmer has full rights to the trees, but in others they require the permission of the landowner to fell trees and may share a portion of the related income or timber.

## Policy priorities and prospects

The following policies could be tested in HIAs:

- **Granting farmers full management rights to natural and planted trees on their farms.**
- **Legalising chainsaw operators and taxing processed timber.**
- **Developing agreements to not issue timber concessions/permits on farmland.**

*For further information:*

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