

Sustainable forestry in Ghana and Sierra Leone

Finnfund 20.8.2014 0.00
PRESS RELEASE



The company's operations began in late 2010. It owns Nicol Miro Forestry Company Limited and Miro Forestry (SL) Limited, which establish and manage plantation forests in Ghana and Sierra Leone respectively.

The plan is to increase planting and to reach a most efficient operating scale for maximum margin on timber product production.

"So far we have planted about 1050 hectares and plan to reach approximately 1800 hectares by the end of this year. From 2015 onwards we will be planting in excess of 1500 hectares across the group annually," explains Andrew Collins, Chief Executive Officer of Miro Forestry Company.

The company's present strategy is to focus on Ghana and Sierra Leone, he says. There are no plans to expand elsewhere. The company will sell wood from its plantation forests into local and regional markets.

Careful preparations

Most of Miro's plantations consist of eucalyptus but it also plants more valuable trees such as teak. Under long-term agreements, it has leased a total of about 30 000 hectares from private landowners and the government.

"We carry out diligent studies and a careful negotiating process before making a leasing agreement," Collins says. Part of the preparations is an exact assessment of environmental and social impact.

The CEO says that the company now employs about 350 people directly but its influence extends to a far greater number. In West Africa the average wage-earner supports five family members.

Jobs for the poor countryside



If operations expand as planned, the number of employees will increase significantly. This will also bring an increase in ancillary employment in impoverished rural areas.

Miro works closely with local communities. In Ghana, for example, it is involved in building a local vocational school in which skills such as masonry and carpentry are taught along with grounding in business.

It also works to train local farmers in more sustainable methods of agriculture than those currently used. Slash-and-burn farming is destroying natural forests and causing forest fires.

Miro has even tried out a scheme where local farmers are invited to grow food crops between rows of plantation trees during their first year of growth.

Illegal felling a major problem

Demand for wood – as construction timber, fuel, etc. – is steadily increasing in West Africa. Poor supervision of forested regions and a lack of sustainably grown plantation forests have led to significant illegal felling.

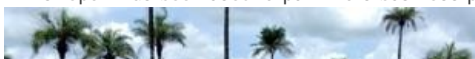
The arrival of players like Miro in the timber market is important for protecting the dwindling natural forests of West Africa. It will improve the availability of trees from verified legitimate sources, which in turn will reduce reliance on logging from natural forests.

Andrew Collins says that Miro intends to apply for international FSC certification, verifying that its forests are responsibly managed. He expects the company to reach this point in 2016.

Finnfund important to the project

Finnfund provided Miro with an early-stage project preparation grant, which was used to commission a report from the Pöyry consulting company about the end market.

"This report has been used to put Miro's business plan on a more realistic and concrete basis," says Finnfund director Hanna Skelly.



Finnfund will consider an investment in Miro if other development finance institutions, forest funds



or industrial players become involved. Skelly reports that there has been some interest.

Finnfund's preparations and analyses are available to other potential financiers to aid in their decision-making. Finnfund has accumulated considerable skills in the forest sector and also has previous experience of operations in Sierra Leone.

"These matters can be utilised in the Miro project and in developing the company's new business plan. Our expertise will be decisive in whether Miro develops from an aspiring forest project into a significant forest company," Skelly points out.

A pioneer in the region

Of Miro's target countries, Sierra Leone is one of the world's least developed. Fast-growing Ghana is a lower middle income country.

Skelly notes that Ghana already has a fairly well-developed wood processing industry. However, it is largely based on unsustainable fellings that are destructive and often also illegal.

"The forest sector of Sierra Leone is very underdeveloped and Miro is a pioneering project in the region. Finnfund finance can serve to help develop the country's forest sector."

Finnfund's first investment in Sierra Leone has been in Goldtree, a producer of palm oil. In a country recovering from a long civil war, it is bringing sorely needed income, especially to small farmers of a poor region.

For more information in Finnfund, please contact Ms Hanna Skelly, Director, [hanna.skelly\(at\)finnfund.fi](mailto:hanna.skelly@finnfund.fi), tel. +358 400 942 640.

FINNFUND TEAM FINLAND FINANCING

Team Finland

Team Finland's service number

+358 295 020 510

[Fill in a contact request form](#) 

[About this website](#) »

[Site map](#) »