

Treasures of the Volta

A new contract with a Canadian firm to harvest the submerged forests of the Volta Lake may be the quintessential model for the West to counter the Chinese onslaught on Africa.

By Emmanuel Kwablah

It is a cold and gloomy Monday morning, in October, with the usual mist just about clearing over the Volta Lake.

The sullen faces of the youthful local divers, disembarking from the narrow wooden boat, revealed their frustration and disappointment at not finding any more survivors, or bodies of victims of the previous night's boat disaster at Wusuta Tornu, one of the numerous poverty stricken communities dotting Ghana's Volta Lake.

The news of the disaster would reach the district and regional capitals later in the day. It would be featured in all major news media across the country.

The National Disaster Management Organization (NADMO) officials are not on the scene yet, but they will surely arrive later to assess the extent of the disaster and what interventions would be appropriate to assist victims.

Almost three days after the accident, local divers would abandon the search for bodies because the communities had run out of funds to support their effort.

Later, much later, 18 bodies of the more than 20 mostly women and children feared drowned would be recovered.

Survivors would recount their harrowing experiences and how they managed to cheat death – for some of them one more time, since this would not be their first experience of such fatal boat accidents on the lake.

Statements on efforts to forestall future accidents would be issued by relevant government agencies and token relief items distributed to surviving victims, as well as families of the deceased.

And then, it would seem, the whole nation would agonizingly hold its breath

till the next boat disaster on the Volta Lake.

This has been a recurrent ritual since 1964, when Ghana's Volta Lake was created following the construction of the Akosombo Dam. Construction of the Dam resulted in the submergence of large tracts of forest, and forced the relocation of some 80,000 people to 52 newly created towns on the Lake's higher banks.

The Lake is now a transportation corridor for the residents of the various lake-side communities, as well as a source of fish and water-related wildlife.

For years, the Government of Ghana and the Volta River Authority (VRA) have been seeking solutions to remove standing trees that create safety hazards resulting in boating accidents on the Lake, while at the same time the government has been searching for strategies to enhance the socio-economic development of the area.

Technology and funding have been the main challenges.

In February 2006, the VRA and Government of Ghana, represented by the Ministry of Energy and the then Ministry of Harbors & Railways, signed an agreement for harvesting, processing and marketing of timber from the Volta Lake with a Canadian company, Clark Sustainable Resource Developments Ltd. (CSR Developments), which was established in 2005.

The Agreement granted a concession to CSR Developments to harvest the submerged forests of the Volta Lake. The agreement was ratified by the Parliament of Ghana on July 28th 2006.

The Agreement, which was comprised of a Preparatory Phase (Phase 1) and a

Commercial Phase (Phase II) allowed CSR Developments to develop and launch a privately financed timber salvage and processing operation on the Volta Lake.

Phase 1, estimated to cost US\$17 million, was primarily, "... a demonstration project to assess the timber resources potential in the Volta Lake; to determine best harvesting, processing and marketing techniques; to determine relevant environmental and social interventions and financing arrangements required to develop the underwater logging industry and associated value added activities in Ghana."

In that regard, CSR Developments was responsible for the underwater stock survey and inventory of commercial tree species, undertaking comprehensive Environmental and Social Impact Assessment (ESIA) studies prior to commencement of commercial operations.

The company is to execute the project at no cost to the Government of Ghana, in addition to securing all required financing of the project and identifying, sourcing and financing appropriate technology for the underwater harvesting of timber from the Volta Lake.

The current Minister of Lands, Forestry and Mines Alhaji Collins Dauda says the project offers the best opportunity to make transportation on the Lake safer.

"We're impatient to have the commercial harvesting of trees in the lake begin, but this is a project of gigantic proportions and implications and we must ensure everything about it is right," he says.

CSR Developments says it plans to work closely with the Ghanaian Government

and other stakeholders to develop a comprehensive strategy to address Lake transportation safety issues, but former Canadian Prime Minister Joe Clark, Founder and Chairman of CSR Developments is looking beyond that.

“The project will establish Ghana as a world leader in underwater timber harvesting, bringing certified timber products from Ghana to the global market, in addition to developing technologically advanced processing and other value-added capabilities in the country,” he said, addressing journalists about the amalgamation of his company and Triton Logging, another Canadian company, in pursuit of the implementation of the project.

Undoubtedly there is bound to be huge profits for all involved. Initial conservative estimates have the vast volume of submerged trees to be worth over US\$2.8 billion.

Project consultants expect a 25-year lifespan for the project, 30 years on the outside, and estimated volumes to be harvested means timber from the Volta Lake could account for over 40 percent of the country’s total timber output, five years from expected commencement of harvesting in late 2010.

Officials of Ghana’s Forestry Commission calculate that logs from the Volta Lake could provide the critically needed supplies that allow wood millers to operate at current installed capacity, while reforestation programmes run.

It is estimated that Ghana is depleting its remaining forest cover at a rate of 62,000 hectares per annum and the annual forest depletion is quantified to be 3% of GDP. At that rate of depletion, the country is expected to soon lose its remaining virgin forest.

“Hopefully, supplies from the Volta Lake will help reduce the rate of depletion of the natural forest,” opines Mr. Nanyon Bilijo, former Deputy Minister of Lands, Mines and Forestry and now Director, Strategic Relations, CSR Developments; “more especially as those logs command more value than those from the natural forest, because they have been cured by their decades of submergence in the water.”

Joe Clark says that the harvesting of 100,000 cubic metres of wood usually creates 1,400 jobs and for their

operations they hope to create employment opportunities for between 2,000 to 3,000 people, of which 95 percent will be locals.

“Obviously, beyond the commercial aspect the project will be making a strong statement for a new approach to how the advanced world engages the developing world in pushing the agenda of sustainable development,” he says.

He elaborates that multinationals should be setting the context and creating conditions that allow for a partnership with the developing world that is mutually beneficial. He observes that a relationship in which the benefits flow only one way is not healthy and not sustainable.

“Both technologically advanced countries and Africa must endeavour to deploy world-class technologies to projects on the continent to ensure efficiency,” says Clark.

Clark’s position seems to be resonant of an observable tune of the West in recent times in the face of an incessant Chinese push into Africa.

China, for more than a decade, has been slowly infiltrating its way into the African natural resource scene, traditionally home to Western firms. Deals revolving around infrastructure in return for preferential rights to petroleum and other industrial resources have been their standard operating procedure.

Many African governments are seen to prefer the Chinese way of doing business as it does not interfere with their sovereign policy while evading the West’s ever constant transparency demands.

With the majority of African countries needing a boost to help develop their domestic infrastructure and lacking the funds to kick these activities off, the deals with China and Chinese firms could be seen as a win-win situation for all concerned. Well, except for the Western firms, that is.

And so, now, Western companies must compete on their superior technology to remain attractive to Africa.

“With [our] agreement with Triton, CSR Developments is taking a significant step to deliver on our commitment to safe,

efficient and environmentally-friendly underwater logging in Ghana,” Clark says, adding that Triton is a proven world leader in underwater technology and this partnership will create the world’s biggest underwater logging operations.

Triton is expected to deliver both its SHARC and Sawfish underwater logging systems to the Volta Lake by the second half of 2010. The SHARC operates in shallow water in depths of up to 25 meters while the Sawfish is designed for deeper waters.

All stakeholders presently seem upbeat about the Volta Lake Project and anxious for its Phase 2, the commercial harvesting period during which an integrated timber harvesting, processing, and marketing industry is expected to be developed in Ghana. But it has not really been all smooth sailing.

“We’ve had our fair share of bashing. We were nervous initially because it was unexpectedly strong and early in the day,” says Nanyon Bilijo

In 2006, immediately following the signing of the agreement between government and CSR Developments, a leading local daily, The Chronicle newspaper, was vitriolic in its attack on the project. It stated that it was the West’s new approach of gaining access to Africa’s vast unexploited natural and industrial resources.

A recent initial geo-sensing survey report, in 2004, established that the land mass bordering the full stretch of the Volta River, from the north-easternmost part of the country to the south, named the Voltaian Basin and comprising about

40 percent of Ghana’s 227,500 sq.km. total land area, was potentially a treasure trove of hydrocarbon deposits and other industrial metals such as diamond, bauxite and iron ore.

The Chronicle contended the project to harvest the submerged forest was a guise for the secret exploitation of the industrial minerals.

Other commentators were equally hostile. They were concerned about the project’s impact on the breeding patterns of fish in the Lake. Fishing is the major industry of the communities dotting the banks of the Volta Lake.

CSR Developments may have escaped a sustained negative media attack on its engagement with Ghana because Canada really does not cut a picture of an imperialistic and exploitative country in Ghana (agencies from Canada collaborating with the Ghanaian government to promote development are among the most trusted in the country), but undoubtedly Ghana's desperation to clear the ever-menacing tree stumps in the Volta Lake was a major contributory factor.

Its good fortunes notwithstanding, CSR Developments seems not to have taken anything for granted. The company claims the successful completion of Phase 1 of the project, which was financed entirely with US\$17 million private capital, included the world's first ever comprehensive Environmental and Social Impact Assessment of an underwater timber project.

"We are also in constant touch with the Environmental Protection Agency and other research institutions, should our activities have a negative impact on fish breeding patterns and fish stocks in the Lake, we would immediately vary our methods to ensure the fishing industry is not jeopardized," says Dr. Joseph Cobbinah, a Board member of CSR Developments.

The irony of the Volta Lake Timber Project cannot be lost on critical observers of Africa's struggles to develop and the developed world's engagement in that effort.

The Volta Lake created by the Akosombo Dam, which incidentally was funded and constructed by the West, by US firm Kaizer, and has been the major source of power supply to the country over the past half century.

However its submerged forest has also been the cause of numerous fatal boating accidents to users of the lake. The superior technology and funding from another Western global company from Canada has been contracted to help in making the Volta Lake less hazardous as a transport corridor, while also providing alternative employment and livelihood for communities along the Lake.

The tone of the agreement no doubt helped the Canadians, even given Ghana's desperation to have the stumps removed. So an industry expected to last over a quarter of a century is in the

offing and the West is very much entrenched in the country.

However, just north of the Volta Lake is another Hydro-electric project. The Bui Project has been one hundred years on the drawing board. It only recently got funding of over US\$650 million from – who else? – but China, which is also undertaking the construction of the Bui Dam.

The Bui Dam is expected to flood surrounding forest purposely reserved in anticipation of its construction.

By the time the Volta Timber Lake Project is winding up with all submerged trees harvested, the Bui submerged forest would have been cured enough to attract premium value.

Will Canadian technology prove so superior as to remain relevant to Ghana? Could the Chinese have improved much in that area to control that project, or could Ghana have gained enough from its collaboration with Canada in underwater logging to undertake the Bui underwater logging by itself?

Obviously, the competition between the West and China for Africa's vast natural resources, and its attention, is creating new dynamics for multinationals on the continent - and models like that offered by CSR Developments in the Volta Lake Timber Project make an exciting case.

You can't help wondering who the ultimate winner will be a quarter of a century from now: the West, China, or Ghana?