

Is Ghana's FLEGT VPA grinding to a halt and failing to achieve improvements in forest governance?



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Summary

Even though forests remain important in Ghana's socio-economic sectors, they have been declining at an alarming rate (approximately 135,000 ha annually).¹ As a result their ability to provide raw materials, employment, income and support for rural livelihoods is under threat.

In 2009, Ghana ratified a Voluntary Partnership Agreement (VPA) with the European Union (EU) to halt deforestation and illegal logging, and to improve governance in the forest sector by regulating the trade in timber and timber products – both domestically and internationally (principally to the EU but also to other international destinations). According to the VPA, Ghana needs to reform its policies and legislative framework relating to the forest sector in order to improve governance. The VPA also states that Ghana needs to set up a Legality Assurance System (LAS) to monitor and verify the legality and traceability of processed timber for the domestic and international markets.

Five years after the VPA was ratified, however, poor governance remains a problem within the forestry sector, and in some respects the problems have actually worsened. Overexploitation of timber resources is continuing at an alarming rate, fuelled in part by chainsaw milling (CSM). There is still unclear and inequitable access and benefit-sharing of naturally occurring trees on agricultural land. Governmental abuse of the permits regime (especially salvage permits) is on the rise. Concession leases have not been converted to Timber Utilization Contracts (TUCs) as mandated by law and planned for in the VPA. There is inadequate accountability, transparency and disclosure of information on forestry operations. Stumpage fees have not been revised since 2004, as planned and as stipulated by law;² resulting in the loss of millions of US dollars in revenue from timber exploitation, as well as a high social cost. Finally, the dynamics of Civil Society Organizations (CSOs) have weakened due to lack of momentum and limited active involvement in the implementation phase of the VPA. These challenges threaten the ability of the VPA to live up to the expectations it created of improving forest governance in the sector, halting the trade in illegal timber and improving sustainable forest management.

Therefore all stakeholders now need to work urgently towards achieving the objectives of the VPA. The government should move beyond rhetoric and actively demonstrate commitment to governance reform by reviewing and enforcing new stumpage fees, converting all leases to TUCs, and actively engaging all stakeholders in the process to develop verification protocols to put the LAS into operation. The private sector should

1. Figure obtained from the Ghanaian government's Forest Investment Plan. Available at www.fcghana.org

2. The Timber Resources Management (Amendment) Regulation (2003) LI 1721 provides for timber rights-holders to pay stumpage fees which 'shall be reviewed to reflect market demand and inventory levels of timber species'.

demonstrate its willingness to engage the government in the conversion of leases to TUCs, and pay the appropriate rent for timber utilization. Parliament, which has the role of overseeing government action, should exercise this responsibility by investigating abuses in the awarding of permits (especially salvage permits), and recommending and implementing corrective measures.

CSOs should reorganise and re-strategize to fulfil their role in the implementation of the VPA effectively, and influence the process to ensure that reforms respond to the agreed objectives. CSOs need to provide workable and credible proposals and constructive alternatives on the way forward. They need to hold the government accountable to all forest stakeholders. The EU and other donors to the forestry sector need to put pressure on the government to ensure that there is progress on governance reforms, and that the release of funding is tied to the achievement of governance reform targets. A reformed land and tree tenure regime that fairly and equitably shares the benefits from timber exploitation, and rewards farmers for nurturing naturally occurring trees on their farms, should be pursued vigorously by the government and all actors in the sector.

In conclusion, all stakeholders must rise to the challenge and show the same level of commitment, enthusiasm, optimism and goodwill that characterised the negotiation process. Only then can there be a chance that Ghana's VPA will achieve its objective of ensuring improvements in transparency, accountability and good governance in the forest sector.

1. Introduction

1.1 Ghana's forest sector

Forests remain important in the socio-economic sectors of Ghana. For local communities, forests remain a sacred place of connection for spiritual and cultural purposes. Forests provide raw materials for building, and they are an important source of food for communities living on the forest fringe. They offer employment and income, and support hundreds of different types of rural livelihoods. Nationally, the forest sector is estimated to contribute 4% to GDP. However, Ghana's forest cover has reduced from an estimated 8.6 million ha to 1.6 million ha since the turn of the century. Timber exports provided 10% of all foreign exchange for the country between 1990 and 2000; this declined to 8.1% in 2005 and to 1.3% in 2011. The forest sector provides direct employment for more than 270,000 people (in the formal and informal sectors) and livelihoods for around 650,000 people³ (indirect employment/income). The contribution of chainsaw milling (CSM) to

3. This represents 2.6% of the population of the country.

the domestic timber market is estimated at US \$554 million (GHc 280 million),⁴ whilst the formal sector in terms of timber exports provided around US \$180 million between 2009 and 2010.⁵ The EU remains an important export destination for Ghana's timber.⁶

1.2 Forest Law Enforcement, Governance and Trade (FLEGT)

In 2009 Ghana and the European Union ratified a Voluntary Partnership Agreement (VPA) to regulate the trade in timber and timber products within the framework of the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. On the demand side (European Union), significant progress has been made with the coming into force of the EU's Timber Regulation (EUTR) in March 2013, which prohibits the import of illegal timber and places a responsibility on importers to check their suppliers to ensure that they are purchasing legal timber. Penalties are determined by individual EU countries but can be up to two years' imprisonment or a €50,000 fine.⁷ Even though, in the EU, the responsibility for proving legality rests with the importing companies, there is the potential risk of blacklisting exporting companies in Ghana when it is proven that their sources of timber are illegal, once the VPA comes into force. Under the EUTR, importing companies are responsible for ensuring that due diligence is undertaken on all timber products imported, and for demonstrating measures to mitigate any risks involved with their trade.

On the supply side, the VPA aims to ensure that a FLEGT licence covering all shipments of timber to the EU will prove that it complies with the country's laws regarding forestry and forest products. As shown below, it is very likely that most of Ghana's exported timber does not currently meet the legality definition of the VPA, as the necessary legal reforms in the sector have not yet been achieved. The VPA also aims to assist timber-producing countries to improve governance in the forest sector in return for guaranteed market access for timber in the EU. Ghana's VPA includes a wide range of necessary policy and legal reforms to promote transparency, accountability and good governance.⁸ Since the VPA came into force in 2009, most activities have focused on how to implement the technical specifications of the Legality Assurance System (LAS) and piloting the Wood

4. GHc stands for Ghana cedis (Ghana's national currency). The exchange rate is GHc 1 to US \$1.98 at the time of writing.

5. Data sourced from the Ghana government's Forest Investment Plan. The Plan is the government's proposal for funding from the Forest Investment Program of the Climate Investment Fund run by the World Bank (WB), the African Development Bank (AfDB) and the International Finance Corporation (IFC).

6. According to the June 2013 edition of the Forestry Commission's TIDD report on the trade and export performance of the industry, Europe emerged as the major destination for Ghana's wood products export from January to June 2013. Exports to various European countries from January to June 2013 amounted to 29.76 million Euros (48.48%), from a volume of about 56,700m³ (41.28%). Report available on http://www.fcghana.org/assets/file/Publications/Industry_Trade/Export_Reports/year%202013/June_2013.pdf

7. Information sourced from a recently published study of Global Witness that alleges the massive abuse of Ghana's timber permits systems. Available on <http://www.globalwitness.org/ghanapermits>

8. Press release from the first (1st) Joint Monitoring and Review Mechanism (JMRRM) of the Ghana-EU VPA published on 29 January 2010. Available at the Forestry Commission website: www.fcghana.org

Tracking System (WTS), which is part of the LAS to ensure traceability of timber along the value chain from the forest of origin to the port of export. However, since the pilot system was completed in 2012, little progress has been made with regard to scaling it up to the national level.

1.3 Governance reforms envisaged by the VPA

The promised improvements in governance, incorporated into the VPA in order to increase transparency and accountability, have failed to materialize. The fundamental challenges are deepening rather than abating. Ghana is moving at a snail's pace with the implementation of its VPA, and this calls into question the credibility of the process and whether the VPA is an appropriate tool for improving forest governance. This paper highlights the persisting challenges in the forest sector, and explains why CSOs must put pressure on the government and the EU to move forward or risk plunging the whole FLEGT VPA into a crisis of credibility. The paper further aims to inform the general public on the remaining challenges, in order to galvanize stakeholder support to demand the necessary governance reforms. The focus of this paper is on the governance reform aspects of the Ghana VPA that are necessary to ensure accountability, transparency and coordination of capacity for participation. It indicates what progress has been made since the VPA was ratified in 2009, and concludes by providing recommendations on the way forward.

2. Challenges to the forest sector

2.1 Overexploitation of timber and chainsaw milling

One of the main challenges to the forest sector is the overexploitation of forest resources. The capacity of the timber processing mills (5 million m³ installed log-processing capacity)⁹ is excessive compared to the supply of raw material. Currently Ghana is harvesting timber at unsustainable levels, both in the on- and off-reserve areas. An estimated 4.5 million m³ is being extracted annually, which is more than double the Annual Allowable Cut (AAC) of 2 million m³ set by the Forestry Commission. This problem of overharvesting is closely linked with the issue of chainsaw milling (CSM). According to estimates from recent studies,¹⁰ CSM alone is currently supplying 2.5 million m³ (above the ACC) to the domestic and international wood markets. Most of the lumber found in the various timber markets across the country (Takoradi, Ofankor, Koforidua, Sokoban wood village, etc.) comes from chainsaw milling operations.

9. The Annual Allowable Cut (based on sustainable levels) of timber in Ghana is set at 2 million m³ by the Forestry Commission.

10. The 2010 report 'Chainsaw milling in Ghana: Drivers, contexts and impacts' by Emmanuel Marfo (who works with the Forest Research Institute of Ghana, FORIG) provides information and statistics on the dynamics and impacts of chainsaw milling in Ghana. Most of the statistical data on chainsaw milling and its impacts were taken from this publication.

There are several underlying causes for the overexploitation of timber and CSM. These include; unfair benefit-sharing arrangements; lack of clear and secure tenure arrangements for land and trees; and unfair access to the forests, especially for local communities. The domestic timber market policy and the procurement policy have been the subjects of stakeholder discussion for a considerable time (having commenced in 2012). There is scepticism among some civil society organizations (CSOs) as to whether these policies can halt and reverse the trend of deforestation or tackle the problem of CSM head on. For any proposal to work, it should involve the chainsaw operators in the bidding process for timber permits, so that their operations can be regulated. It should also include strategies to make their operations adopt more efficient machinery such as logo saws, and improve benefit-sharing between government, farmers and landowners.



Remnants of illegal logging activities deep in the heart of a forest reserve in Ghana. ©Civic Response

2.2 Administrative abuse of the timber permits regime

Ghana's timber permit regime still faces irregularities, and the underlying challenge of corruption and abuse of the system has worsened since the VPA was ratified. CSOs have tried to draw attention to this challenge, but the authorities (the Forestry Commission and its parent ministry) have failed to find lasting solutions or even to acknowledge the depth of the problem that exists. An example of the challenge facing the permits regime

is the administrative abuse of salvage permits.¹¹ In 2010, Forest Watch Ghana contacted the Ministry of Lands and Natural Resources and the Parliament's Select Committee on Lands and Forestry regarding alleged cases of abuse of the timber permits regime, after having analysed the award process and content of over 100 salvage permits that had been issued between 2009 and 2010. These concerns were also raised during the Joint Monitoring and Review Mechanism (JMRRM)¹² of the VPA. The analysis showed that for the salvage permits (in excess of 100), issued an average of 130 trees were allocated per permit. Several permits were granted for harvesting more than 300 trees and at least one permit had been issued for an excess of 1000 trees. In total, the number of trees according to the Forestry Commission that needed salvaging in 2009 and 2010 was in excess of 15,800. However, it is intriguing to note that the Forestry Commission – in contrast to its own practice – had in the past auctioned off Timber Utilization Contracts (TUCs)¹³ for lots as small as 40 trees. According to a recent report by Global Witness,¹⁴ there has been a sharp increase in salvage permits issued since 2010. The number of salvage permits issued between 2011 and 2012 had increased by about 360% (from 120 to 430)¹⁵ from the number issued between 2009 and 2010.

There are a number of legal difficulties that arise from the abuse of salvage permits. First, these permits are awarded in contravention of the Timber Resources Management Act (1997), Act 547 and its amendments. Section 9 of the Timber Resources Management Regulations, 2003 (LI 1649) says that timber rights can only be allocated by auction involving pre-qualified bidders. As far as the records available to CSOs indicate, none of these were auctioned (at least not publicly). Secondly, Article 268 of Ghana's Constitution requires parliamentary ratification of all grants of natural resource rights. CSOs maintain that salvage permits, as a category of permits, need parliamentary ratification, thus enabling parliament to verify that due process has been followed. However, none of these salvaging permits received parliamentary ratification. When this issue was raised

11. Section 38 (1) of the Timber Resource Management Regulations, 1998 (LI 1649) as amended allows the FC to issue salvaging permits 'for the salvage of trees from an area of land undergoing development *such as road construction, expansion of human settlement or cultivation of farms*' (emphasis added). This is contained in FWG's media statement challenging the administrative abuse of salvage permits. In law, there is no exact number of trees to be awarded for salvage; however, in practice if the number is reasonably high (more than 40 by the FC's own standards), it is prudent instead to allocate the rights to harvest the timber through a TUC than a salvage permit, to allow for the maximum revenue to be derived from the operation.

12. The JMRRM is made up of representatives of the EU and the government of Ghana responsible for monitoring and reporting on the implementation of the VPA. The concerns raised are recorded in the memorandum of the JMRRM held on 4–6 July 2011 and available at the FC website at www.fcghana.org.

13. TUCs are the only type of permits that allow medium- to large-scale timber companies to harvest timber and process it for trading. Permits are awarded through competitive bidding according to the Timber Resources Management Regulation (2003) and are expected to bring in the maximum revenue possible to the government from the exploitation of timber resources.

14. Records on permits issued between 2009 to 2012 obtained by GW from the Forestry Commission were used in its analysis and subsequent report on the abuse of the permits system in Ghana; available on <http://www.globalwitness.org/ghanapermits>

15. Data on permits issued by government, provided to GW by the Forestry Commission, contained information on all types of permits including salvage permits issued from 2009 to 2012. The analysis is also based on data sourced by FWG in 2011 which showed the number of salvage permits issued by Forestry Commission in 2009 and 2010.

recently with the Forestry Commission, their response was that they have acted within their legal remit. They cited provisions in the 1992 Constitution article 269 (2) which states that ‘parliament may, by resolution supported by votes of not less than two-thirds of all the members of parliament, exempt from the provisions of clause (1) of this article any particular class of transactions, contract or undertakings’. However, there is no evidence that such a waiver has been provided by parliament. The Forestry Commission must therefore publicly declare the rationale for the rate of increase in issuance of salvage permits in recent years (2009 to 2012). A number of crucial questions need answering: What processes did the Forestry Commission go through to determine that so many trees needed salvaging? What assessments were carried out in each case? Who was consulted? What was the District Assembly’s involvement? What other alternatives were considered? How is all of this documented? Until these questions can be answered, Ghana’s timber carries a high risk for EU importers. In light of the EUTR, such importers should be concerned; the Forest Commission’s blatant abuse of the salvage permits not only undermines the credibility of Ghana’s timber exports to the EU and the credibility of the Ghana – EU VPA, it also poses a high risk to EU buyers and is being used as a decoy to evade the transparency and competition requirements of the law.¹⁶

2.3 Non-conversion of ‘old’ leases to Timber Utilization Contracts (TUCs)

The coming into force of the Timber Management Regulation (2003) obliged the government to convert all old (pre-1997) leases¹⁷ to the new permit type (i.e. TUC). An important reason for the introduction of the law was to block all revenue losses to government and forest stakeholders from exploitation of timber resources, and also to ensure that the correct market prices are paid for timber. Ghana’s legality matrix recognizes the TUCs, as opposed to the leases, as the legal permit required for harvesting timber for domestic and international trade. The VPA thus enforces an obligation on the government to convert all these leases into TUCs, and for the correct timber rent fees to be charged. Since the law came into force, this conversion has not been undertaken due to disagreements between the industry and government regarding technicalities and alleged illegitimacy (or locus) of the government to perform this task. So far the government has been weak in dealing with this challenge, despite persistent pressure from CSOs.¹⁸ Only a handful of TUCs have actually been granted by the Forestry Commission (62 out of over 800).¹⁹ The majority

16. Timber Resources Management Act, 1997 and the Timber Resources Management Regulations, 2003.

17. Leases were another permit type but this was outlawed by the Timber Resources Management Regulation, 2003. The leases were not granted upon competitive bidding processes. Also the TUC had different regimes for revenue collection to ensure that the government maximizes its economic benefit from the exploitation of the resource.

18. CSOs also raised the issue at the 4th JMRM of the VPA held on 13–16 March 2012, available at the Forestry Commission website, www.fcghana.org. This is in addition to the letters sent to the FC and MLNR by FWG to protest about the administrative abuse of the salvage permits.

19. The information is sourced from Global Witness analysis of official Ghana logging permits lists which shows that three quarters of Ghana’s logging permits could break Europe’s new timber law. It is available at <http://www.globalwitness.org/ghanapermits>

of permits are salvage permits, TUPs, leases and special permits. This only maintains the status quo, by compelling poor forest communities to continue subsidizing the operations of the timber companies. It also means that, by continuing to operate these permits, Ghana will flood the market with timber that cannot be given a FLEGT licence; this will cause a delay in the date of issuing FLEGT-licensed timber to Europe and other markets. This will not only have an impact on the domestic market, but also calls into question Ghana's political commitment to implementing the VPA negotiated with the EU in 2008.

2.4 Inadequate disclosure of information, transparency, accountability and multi-stakeholder participation

Along with the challenge of disclosure of information, transparency and accountability, there is the problem of weak stakeholder participation and consultation in the sector. Ghana's VPA negotiations were hailed locally and internationally as an inclusive, multi-stakeholder participatory process. It was a marked improvement in the level of trust and engagement between government and CSOs. As pointed out in the press release of the first JMRM, the European Commission commended and encouraged Ghana to continue with the participatory approach it had established during the negotiation phase and to further strengthen stakeholder involvement.²⁰ There was an indication from the EU that increased support to the forestry sector was in recognition of these good governance and multi-stakeholder processes. However, since the ratification of the VPA in 2009, the level of involvement and trust between CSOs and government has dwindled. Although there has been one isolated case²¹ of truly participatory and inclusive multi-stakeholder policy-making since the VPA was ratified, the general multi-stakeholder and participatory governance environment in the sector has been weak. It is hoped that the multi-stakeholder process that characterised the review of the Forest and Wildlife policy becomes the norm rather than an isolated case.

In general, participation and stakeholder involvement in reforms has amounted to little more than attendance at information-sharing meetings, at which the government's proposals are expected just to be rubber-stamped, since concerns raised by CSOs are barely incorporated in the outcome of these processes or in the final versions of the documents. Furthermore, CSOs are given less time and information to undertake proper consultation so as to take into account the views of their constituents (forest communities, etc.). The lack of a genuine multi-stakeholder approach in the REDD+ process has undermined the FLEGT VPA process, as they run parallel to each other. Even

20. Reference is made to the press release from the first JMRM meeting on 27–29 January 2010 and available on the FC website at www.fcghana.org

21. With regard to the development of the new Forest and Wildlife policy, progress was made in the multi-stakeholder consultation process. There was substantial time allowed for CSOs to consult with the constituents, and the views proposed in memoranda and documented comments to the draft texts were on the whole incorporated in the final document that was passed.



In spite of continuous NGO's facilitated community meetings, there is inadequate information on forest management to hold government accountable. © Civic Response

though both processes are managed by the Forestry Commission and the Ministry of Lands and Natural Resources (MLNR), there does not seem to be a common approach or any attempt to address synergies in forest governance.

There has been a drastic change in approach by the government in consulting with stakeholders, compared with the negotiation phase. For instance, CSOs were barely consulted during the development of the VPA legality verification protocols and manuals,²² which are a key element of the VPA.²³ Disclosure of information on the performance of both parties to the implementation of the VPA has also been inadequate. In the 4–6 July 2011 memorandum of the JMRM,²⁴ parties agreed to publish an annual report on progress in implementing the VPA. Such reports are important for CSOs to monitor the government's performance and inform their constituents, encouraging transparency, accountability and good governance in the sector. Such reports also help to expose

22. CSOs' concern about reduced consultations on the legality verification protocols and manuals is contained in the 28–31 May 2013 JMRM memorandum. Available at www.fcghana.org

23. The third JMRM memorandum of 4–6 July 2011 states that these manuals have been drafted and are ready to be tested on the field. Available on the FC website at www.fcghana.org

24. The memorandum of the JMRM of 4–6 July 2011 mentioned that a structure of a 2010 report had been agreed and that the 2010 report would be published as soon as possible. However, at the time of writing (August 2013) no such report was in the public domain.

malpractice, for instance in the awarding of permits. Additionally at the last JMRM²⁵, the government encouraged CSOs to provide a list of information that would be useful to have in the public domain. CSOs have so far not responded to this request; however it is important that they do so to increase transparency and accountability in the forest sector.

While the government clearly has not respected the multi-stakeholder nature of the process during the VPA implementation, it is fair to say that since the VPA was ratified in 2009, the CSO dynamics have also changed. Some key front-line CSO activists have gone on to different assignments, leaving a vacuum. The transition process has not been as coherent and effective as it should have been, and has clearly taken some energy and enthusiasm out of the CSO movement in the sector. This reduced civil society engagement might also have contributed to the slow pace at which the Ghana VPA has been moving, since there is inadequate pressure from CSOs on the government to move forward on meaningful governance reforms. In the VPA implementation phase, the CSOs' campaigns have often been reactive rather than proactive. There is obviously a need for reorganisation and the injection of some new energy and potentially younger activists into the civil society movement, to drive the agenda forward.

2.5 Non-revision of stumpage fees

Stumpage fees represent the price paid by timber companies to government for the harvesting rights of trees. The Timber Resources Management (Amendment) Regulation (2003), LI 1721 specifies that holders of timber rights permits shall pay stumpage fees which 'shall be reviewed to reflect market demand and inventory levels of timber species'. It was recommended that the review should take place quarterly. However, since 2004 the stumpage fees²⁶ for timber exploitation have not been reviewed, contrary to the requirements in the legal provisions. FWG alerted the Forestry Commission to the fact that there had been no review for nearly 10 years. In response, the Forestry Commission stated that a review was intended in 2011,²⁷ but there has still been no action. The non-revision of stumpage fees leads to loss of revenue for the government, traditional authorities and district assemblies. Forest communities and the public are thus heavily subsidising timber extraction and the industry. Documents sourced (internally)²⁸ from the Forestry Commission in June 2011 indicate that the current prices being charged are

25. Memorandum of the fifth JMRM held on 28–31 May 2013, and available at the FC website: www.fcghana.org

26. Regulation 21 (3) of the Timber Resources (Amendment) Regulation, LI 1721 states that the stumpage fee represents royalties which provide a basic return to the landowner and contributes to the cost of forest management and timber regulation.

27. FWG has sourced a document from within the Forestry Commission that indicates a proposal for revision of the stumpage fees with old and new figures. The understanding is that there is strong lobbying from powerful lobby groups' within the sector to prevent these proposals from being approved and implemented.

28. FWG sourced a document through its allies within the Forestry Commission on the proposal of a review of the stumpage fees.

absurdly low; the average proposed stumpage fee is in excess of about 250% per species compared to the current prices charged. Therefore, there is currently a high social cost related to timber exploitation in terms of lost revenue to stakeholders. For example, in the case of *Milicia excelsa/regia* (local name Odum), its proposed revised fee is Ghc 94.49 (US \$187.09) per cubic metre, compared with the current fee of Ghc 25.16 (US \$49.82).²⁹

Coupled with the sheer increase in the number of timber permits (particularly salvage permits), the government, traditional authorities and forest communities are losing millions of dollars. Attempts to push through the revision are blocked by the industry and the Forestry Commission. In 2005, Forest Watch Ghana (FWG)³⁰ conducted a study that revealed that as much as US \$50 million had been lost from uncollected stumpage and irregularities in the permits regime.³¹ It is safe to conclude that traditional authorities (as custodians of the forest resources in trust for the people) and forest communities are losing millions of dollars in timber revenue as a result of the non-revision, and therefore need to put pressure on the government to make these changes immediately.

29. Using exchange rate of Ghc1 to US \$1.98 at the time of writing.

30. Forest Watch Ghana is a civil society coalition formed in 2004 which campaigns for fair access to forest resources especially for communities, fair benefit-sharing of forest revenues especially for communities and participatory forest governance. FWG was actively involved in Ghana's negotiation of the VPA and served on the Steering/Implementation Committee and several working groups. It is also involved in monitoring and engaging other forest sector initiatives such as REDD+. Its membership is made up of CBOs, NGOs and individuals and currently stands at around 35.

31. FWG through the Forest Governance Learning Group published a study (including featuring in the dailies) which highlighted irregularities in the permits regime in Ghana and its impact on the forest sector. Visit the website of IIED for more information under its Forest Governance Learning Group on <http://www.iied.org/forest-governance-learning-group>

3. Conclusions and Recommendations

While there has been progress in the deployment of the technical specifications of the VPA (Wood Tracking System, legality verification protocols and manuals), the governance reform which is crucial to the VPA is moving very slowly. In addition there has been much less multi-stakeholder consultation in the implementation phase than there was in the negotiation phase. To date, most of the policy and legislative reforms undertaken have occurred with little local participation or meaningful consultation, contrary to the government's claims.³² The contents of the policies on the domestic timber market and timber procurement give us less cause for optimism about the reforms envisaged in the VPA, as they direct less attention to VPA governance objectives.³³ Ensuring that the concerns and recommendations of forest communities are heard and incorporated in the new policy and legislation will be a crucial part of bringing about the reform in governance that the sector needs. The processes at national level have not been sufficiently coherent and clear, and – discouragingly – have often lacked the political will to fully take on the difficult reform issues regarding land and tree tenure.

There is an increasing tendency to maintain the status quo, even around the processes that are taking place, and the CSOs have not galvanised strongly enough around the issues. This is due partly to the changed dynamics in the CSOs concerned. In addition, the government appears to lack the political will to really shift the dynamics of power and give more control to communities, as was hoped with the VPA. The government should move beyond rhetoric and actively demonstrate its commitment to governance reform in the sector. Along with the new Forest and Wildlife Policy that has been passed, the new Consolidated Forest Act should be revisited and concluded. It should clarify and strengthen the tenure of forest communities to their forest resources (especially in off-reserve areas in granting economic rights to planters or farmers who cultivate naturally occurring trees). The government should also have full disclosure on all permits in the sector; it should review stumpage fees, and work to convert all leases into TUCs within the year.

There is urgency for the WTS to be implemented at a national scale and for the other aspects of the LAS to be put in place. Any delay in issuing FLEGT licences will only serve to strengthen the current distortions, inequities and unfairness in the system. There is need for political will from government to reform the land/tree tenure regimes through a consultative and multi-stakeholder process. Parliament should exercise its supervisory

32. In the 4th memorandum (13–16 March 2013) of the JMRM, the government asserts that the domestic market policy was subjected to a wider consultation. See www.fcghana.org.

33. The VPA document indicates policy and legal reforms with clear governance objectives bordering on rural livelihoods, rights and sustainable cultural and industrial development. Ghana VPA Annex II, page 58.

responsibility over government and ensure that all permits granted for timber rights pass parliamentary ratification. This is to ensure accountability by clamping down on administrative abuses of the permits regime, ensure that revenues due to the government actually accrue to it, and that all the stakeholders constitutionally mandated to receive a share of the revenue actually receive proper compensation for the loss of the resource.

CSOs should reorganise and re-strategize as a matter of urgency to campaign vigorously for coherent forest governance reforms focusing on land and tree tenure. CSOs must continue to ensure that the permits regime in Ghana fully complies with the laws and regulations agreed in the VPA. In this regard, there is a need for sustained action on the campaign for the conversion of all old leases to TUCs. There should be a review of stumpage fees, following which the correct fees should be collected by the government. There is a need for improved efficiency in the use of the district assemblies' and traditional authorities' share of the revenue accruing from timber exploitation. Any attempt to amend sections of the legality definition of the VPA to include 'special permits' should be rejected³⁴; this will only add to existing permit regime challenges and provide further opportunity for abuse and corruption, as is the case with salvage permits.

Lastly, the EU and donors to the forestry sector have a responsibility to put pressure on the government to ensure that the reforms to improve forest governance are in place and working. Thus the EU and other donors need to tie the funding of the sector firmly to the government's performance in achieving governance targets, and use the performance to trigger the release of funds.

There is every reason to be optimistic that the Ghana VPA is capable of achieving its desired objectives of improving governance in the forest sector, transparency and accountability, as long as all stakeholders rise to the challenge. All hands must be on deck to make this change happen.

34. This proposal is contained in the 5th JMRM memorandum (28–31 May 2013). Available at www.fcghana.org

Civic Response was founded in 2003 and works mainly as an advocacy organization providing networking support to self-organized citizens' groups seeking to change social arrangements that entrench marginalization, exclusion and divisions. CR also participates in regional and international discourses towards achieving social justice in natural resource governance. Our logo celebrates the creative capacity of ordinary people to overturn power structures to serve real and popular needs.

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