

Combating Unacceptable Forest Practices in Ghana



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Acronyms

CEPS	-	Customs, Excise and Preventive Service
CSO	-	Civil Society Organization
DA	-	District Assembly
DFID	-	Department for International Development of United Kingdom
DPs	-	Development Partners
EPA	-	Environmental Protection Agency
FAO	-	Food and Agricultural Organization
FC	-	Forestry Commission
FLEGT	-	Forest Law Enforcement, Governance and Trade
FORIG	-	Forest Research Institute of Ghana
FRNR	-	Faculty of Renewable Natural Resources
FSC	-	Forest Stewardship Council
FSD	-	Forest Services Division
FWG	-	Forest Watch Ghana
GDP	-	Gross Domestic Product
GIF	-	Ghana Institute of Foresters
GII	-	Ghana Integrity Initiative
GTA	-	Ghana Timber Association
GTMO	-	Ghana Timber Millers Association
GIZ	-	German Development Cooperation
MLNR	-	Ministry of Lands and Natural Resources
MTS	-	Modified Taungya System
NCCE	-	National Commission for Civic Education
NFP	-	National Forest Programme
NGO	-	Non-Governmental Organization
NLBI	-	Non-Legally Binding Instrument on all types of forests
NTFP	-	Non-Timber Forest Product
NWG	-	National Working Group (on Forest Certification)
TA	-	Traditional Authority
TBI	-	Tropenbos International
TI	-	Transparency International
TIDD	-	Timber Industry Development Division



Introduction

Currently, Ghana's forest sector ranks fourth, accounting for about 11%, of the country's foreign exchange earnings. This ratio could have improved but for the unacceptable forest practices so prevalent in the forest sector. For example, a report¹ estimates the total revenue loss to the state from illegal logging operations alone, including chainsaw milling, at GH¢ 40.5 million per annum, equivalent to about 2% of GDP. This amount is about GH¢ 15 million more than what the Ministry of Finance and Economic Planning approved for the Forestry Commission in 2010.

Unacceptable forest practices pose serious threat to Ghana's forest resources. Corruption for instance is known to have

Actors involved in unacceptable forest practices in Ghana **State actors**

- Forestry officials (FSD, TIDD)
- Minerals Commission officials
- EPA officials
- CEPS officials
- District Assemblies
- Law enforcement agents

Non-state actors

- Forest fringe communities
- Farmers (including admitted farmers)
- Chiefs and land owners
- Galamsey operators
- Timber operators

¹ Schmithusen, F. 2006. Forest Utilisation contracts on public land in the tropics. Chapter 4: Ghana: FAO www.fao.org/DOCREP/003/AB567e/02.HTM (copied 07/06/11)

a direct relation with illegal activities. For instance, it can foster illegal logging and smuggling of forest products and inspire the wanton removal of forest cover, resulting in dire consequences including reduction in environmental quality, loss of revenue to the state and loss of livelihoods. Policies and measures taken towards reducing corruption, therefore, will help decrease illegal forest activities (e.g. illegal logging and smuggling of forest products) and consequently, depletion of forests. The problem of corruption in the forest sector is also complex, with a number of potential actors, varying consequences and remedies.

Unacceptable practices including corruption in the forest sector are driven by a combination of lack of accountability and transparency, inconsistent policies and laws and weak law enforcement, complex administrative procedures, abuse of discretionary powers, poor staff incentives and high rents. Putting decisive measures in place to deal with corrupt and other unacceptable forest practices can maximise the benefits Ghana currently receives from her forests. The purpose of this policy brief therefore is to highlight key unacceptable practices (both perceived and actual) in Ghana's forest sector and make suggestions for dealing with them. The publication is specifically targeted at policy and decision makers in the Forestry Commission, Ministry of Lands and Natural Resources and the Parliamentary Select Committee for Lands and Natural Resources. However, other forest stakeholders in Ghana including civil society groups can find it instructive for action.

Manifestations of corrupt and unacceptable practices in the forest sector

Unacceptable practices refer to any act by which one compromises professionalism, morality and ethical behaviour in the discharge of their duties. It may also infringe upon decorum, rule of

law and respect for fundamental human rights. Illegal forest activities in Ghana may manifest in many forms, including arson, occupation of forestlands, logging, timber transportation, trade and smuggling, accounting practices as well as forest products processing. The following chart presents specific examples of these manifestations.

Illegal occupation of forestlands

- Illegal farming and extension of admitted farms into forest reserves.
- Illegal small-scale mining in forest reserves with or without the complicity of stool-land owners and forestry officials.
- Hunting in protected areas during closed seasons.
- Cattle grazing in forest reserves.
- Illegal commercial NTFP exploitation in forest reserves

Illegal logging

- Timber companies deliberately felling outside approved yield.
- FSD officials colluding with timber contractors to exploit unapproved concessions.
- Way-side contractors illegally harvest timber with or without the complicity of forestry officials and stool-land owners.
- Chainsaw milling with or without the complicity of forestry officials and stool-land owners.

Forest arson

- Communities and farmers deliberately burning forest reserves and plantations to garner MTS allocation and to facilitate honey collection.
- Admitted farmers deliberately burning forest reserves to expand farms and to remove boundaries.
- Herdsmen deliberately burning forest reserves to induce growth of fresh grasses to feed livestock.

Illegal timber transport, trade and smuggling

- Timber companies conniving with forestry officials and law enforcers to illegally transport timber.
- Timber exporting companies conniving with forestry officials and law enforcers to smuggle and trade in timber without paying appropriate taxes.
- Timber exporting companies underdeclaring the specifications and volume of exports with or without the complicity of forestry and custom officials.

Illegal accounting practices

- Under-declaration of tree volumes and discrepancies in log volumes by timber contractors with the complicity of forestry officials.
- Conscious under-invoicing of timber companies by forestry officials.
- Forestry accounts officers deliberately delaying the generation of invoice to timber companies to lower their bills within a given time.

Non-compliance with standards

- Timber exporting companies commencing processing for foreign clients without officially vetted approval from TIDD.
- Failure to adhere to health and safety standards in the working environment for industrial workers, both at the mills and on the field.
- Processing companies grossly pollute the environment with industrial debris with tacit approval from local government and environmental law enforcers.

Effects of corrupt and unacceptable forest practices

Corrupt and unacceptable forest practices in Ghana have detrimental effects on the economy, environment and livelihoods.

Economic effects

The major adverse economic effect of illegal activities, especially illegal logging, is the loss of revenue to the state from unpaid

stumpage, permit and conveyance fees. It is estimated that the potential loss of revenue to the state through chainsaw operation alone could be more than GH¢ 25 million annually in stumpage¹. This



figure far exceeds the actual stumpage being collected by the Forestry Commission (FC) from licensed loggers. This is beside the economic loss attributed to forest corruption, arson and other illegal practices.

Where the economic value of forests is not felt by the state (partly resulting from such leakages), forests are perceived as worthless. This tends to affect future investments, protection efforts and political decisions that favour other competing land uses perceived as more profitable (such as mining in forests) at the expense of sustainable forest management. Each year in Ghana, huge sums of money are invested in the forests sector by both the state and development partners to reverse the effects of unacceptable forest practices. If there were no such illegal acts and their dire consequences to care for, these monies could have been used to meet other social needs such as poverty reduction and health care.

Environmental effects

Deteriorating environmental impacts of unacceptable forest practices can be rather enormous since forests deliver various environmental

¹ Marfo Emmanuel.(2010). Chainsaw milling in Ghana: Context, drivers and impacts. Tropenbos International, Wageningen, the Netherlands.

services. They protect and enrich soils through their roots, biomass deposition and plant cover; they filter and clean water, regulate the humidity and water concentration of the soil. Forests also provide sites for eco-tourism and recreation. Furthermore, forests absorb the increasing concentration of carbon dioxide (CO₂) in the atmosphere, given their enormous CO₂ storage capacity. Environmental costs of unacceptable forest practices resulting in

Factors contributing to unacceptable forest practices in Ghana

- Ambiguity in existing policies and laws
- Weak law enforcement
- Non-deterrent punitive measures for culprits
- Weak forestry institutions
- Remoteness of forests
- Low numerical staff strength
- Low motivation (in remuneration, hierarchical progression, facilities for field surveillance)
- Inadequate legislation
- Greed
- High demand for cheap lumber
- Tree tenure and ownership rights
- Inequitable forest benefit sharing

deforestation and forest degradation therefore include a reduction in the forests' ability to entirely fulfil these environmental functions. Other effects include loss of biodiversity and depletion of forest ecosystems, which is serious given that Ghana's forests house relevant flora and fauna including those that are endangered. It would require huge sums of money to restore the environmental functions that are lost through unacceptable forest practices in Ghana if left unchecked.

Social effects

Ghana's forests play a crucial role in the socio-economic well-being of the people of Ghana. They are particularly significant to the livelihoods of poor rural populations, which constitute about 60% of Ghana's population. Unacceptable forest practices resulting in deforestation and forest degradation mean loss of these livelihoods,

particularly income and jobs. Illegal logging causes social disruption due to the destruction of the living space of people and the ensuing deterioration of rural living conditions.

Other social costs include land use conflicts stemming from allocation of timber concessions. There are also reported cases of serious conflicts between chainsaw



operators and communities (farmers) related to consultation with farmers before logging and payment of compensation for crop damages, with the latter noted as one of the most pervasive conflicts in the forestry sector. Sometimes, confrontations between forestry



officials and illegal forest operators have resulted in injuries and loss of lives. Often timber companies try to buy off locals, engendering greed and envy which have the potential to threaten social peace in the

community. The state at the moment spends huge sums of money on joint military-Forestry Commission operations in policing forests, though with varying degrees of success. Where corrupt forest practices flourish, lack of respect for the law soars. The more perverse corruption is, the more rapidly society becomes corroded by distrust in the state and its representatives (law enforcers, the judiciary, forest officials and policy makers). This, in turn, creates difficulties in governing society.

Dealing with unacceptable forest practices in Ghana

Ghana's forest sector has the potential to improve the nation's economic performance and revenues, enhance environmental quality and optimise social benefits to people particularly, rural populations. The realisation of these potentials critically depends on the governance of the forest sector and the ways in which forests are utilised. Appropriate policies and measures taken can help reduce illegal forest activities and check deforestation and forest degradation. The following therefore are suggested for dealing with corrupt and unacceptable forest practices:

Strengthened Institutions and Law Enforcement

A key measure to effectively meliorate corrupt and unacceptable forest practices is to strengthen the capacity of institutions to prevent, detect and suppress forest crimes and improve law enforcement. An improved institutional quality increases trust in the state and reduces significantly transaction cost. It increases the will of investors to take riskier investment decisions, which not only has the potential to benefit the environmental sector but the economy as a whole. But, this will require securing a high-level government commitment to elimination of unacceptable forest practices.

Possible areas where dedicated attention can be given include reform of forestry laws, including sanctions for breaches, adjustment of timber concession allocation and monitoring procedures, reform of revenue collection arrangements, involvement of local stakeholders as well as regional collaboration in law enforcement. A regulatory reform towards the reduction in discretionary power of forestry officials is also regarded necessary in the fight against corruption.

Policy Reform

Policy reform is essential to remove the bottlenecks that spawn unacceptable forest practices. For instance, to address the issue of illegal chainsaw milling a reform that engenders supply of legal timber on a sustainable basis to meet the domestic market demand is necessary. This will require, among other things, a regulatory and fiscal framework to stimulate sawmills to supply more than 20% of their production to the domestic market. A regulatory framework for artisanal milling and enhancing forest stocks are also required. At the moment, a partnership between Tropenbos International Ghana and the Timber Industry Development Division of the FC is in place to jointly address the problem associated with domestic lumber supply in Ghana. It is recommended that the requisite political and policy support be given this process to find a lasting, sustainable solution to the supply of legal lumber to the domestic market.

Other critical forest sector issues awaiting policy reforms such as mining in forest reserves, equitable forest benefit sharing, tree tenure in off-reserve areas, public wood procurement policy, and industry retooling and efficiency should also be addressed.

Adequate Motivation of Forestry Officials

One way to improve the performance levels of forestry officials is the provision of better equipment with technical hardware and capacities which are all necessary for the personnel to execute their tasks. Forest authorities are, among other things, responsible for monitoring and oversight of concessions and laws. If those authorities are not highly mobile and do not have the technical equipment nor the manpower to show presence in the field, they will never be able to prevent unacceptable forestry practices such as illegal logging and forest encroachment.

Corruption involving these officials can also be dealt with when their economic conditions are made attractive, conducive and commensurate with the kind of work they do. This will eventually lead to job satisfaction and cut down on demand-side corruption. Internal control mechanisms such as the development and enforcement of codes of conduct for forestry officials can also prove useful. Other suggested measures to help forestry officials effectively monitor and control unacceptable forest practices include improvements in training, increasing numerical staff strength and strict enforcement of deterrent, punitive measures such as sanctions.

Equitable Distribution of Forest Benefits

Inequitable distribution of forest benefits has been identified to contribute to unacceptable forest practices. For instance, chainsaw milling has proliferated in spite of the ban, due to among other reasons, local people's support for the activity. Farmers prefer cooperating with chainsaw operators to mill trees on their farms because they can receive direct benefits in the form of cash and timber. Under the current constitutional arrangement, farmers do not receive such direct benefits from the exploitation of trees on their farms even though it is their decision not to cut trees during

farming that perpetuates their growth. It may be necessary for the state to consider incentives to ensure that adequate benefits from tree resources are paid, especially to farmers and land-owners. Many people support the idea of paying financial benefits directly to farmers as a way to build a state-community partnership that can address illegal logging.

Multi-stakeholder Participation

The drivers for unacceptable forest practices cut across social, political, environmental and economic realms and involve a range of interests. Focusing on long-term partnerships with relevant stakeholders in the process of addressing unacceptable forest practices, particularly corruption within the district forestry officials and the police, is a fundamental requirement. Comprehensive framework of measures designed with extensive multi-stakeholder participation would include support for the establishment of local representative networks at all levels and building their capacity to promote awareness of legality and sustainability issues.

Rural communities and civil society organisations should be adequately engaged when it comes to forest policy formulation, forest management and monitoring, as well as forest law enforcement, including corruption prevention. Since corruption is a social phenomenon it is best tackled by inter-agency forest law enforcement team. Those groups sometimes monitor activities in the forest and hold the government to account for its law enforcement operations and judicial processes. Civil society groups such as Forest Watch Ghana, Friends of the Earth and Ghana Wildlife Society have been at the forefront of unearthing and advocating against corruption in the forestry sector.

Civil society participation may not necessarily be a panacea

since ordinary citizens are also prone to corruption. Yet, it is usually a useful tool to control authorities. Studies have shown that the best protection against forest corruption is the creation of a joint management system comprising representatives of all key stakeholders including traditional authorities, civil society groups and forest fringe communities.

The following are suggested tools for combating corruption involving stakeholders as Ghana Institute of Foresters (GIF), District Assemblies (DA), Forest Watch Ghana (FWG), Forestry Research Institute of Ghana (FORIG), Faculty of Renewable Natural Resources (FRNR), Development Partners (DPs), Civil Society Organisations (CSOs) including forest forums, National Commission for Civic Education (NCCE), Ghana Integrity Initiative (GII), Ghana Timber Millers Organisation (GTMO), Ghana Timber Association (GTA) National Working Group on Certification (NWG) and Tropenbos International Ghana (TBI Ghana).

Tools¹	Suggested stakeholders
<i>Awareness Creation tool</i>	<i>FC, GIF, CSOs</i>
Create anti-corruption comic book	GIF, Environmental journalists
Create anti-forest corruption advertisement	GIF, DAs, FWG
Draw attention to lost forest revenue	FWG, FORIG, GIF, FRNR
Educate journalists	DPs, CSOs, NCCE
Create a forest corruption risk map	FORIG
<i>Procurement tools</i>	
Put together concession manual	FC, TBI Ghana
Create concession website	FC/GTMO/TVD
<i>Access to information tool</i>	<i>GIF/NWG/GII</i>

Encourage forest certification	FC/NWG/NCB
Programme to encourage forest whistleblowers	FC
<i>Business ethic tool</i>	<i>FC/GTMO/GTA</i>
Conference on professional responsibility	GIF/Trade associations
Create model professional ethic codes for foresters	FC/GIF
<i>Public institution tool</i>	<i>FC/MLNR/Parliament</i>
Document forest agency staffing and structure	FC
Agency-citizen workshops on corruption	CSOs
Create public stakeholder panel	CSOs/FC
<i>Diagnostic tool</i>	
Create an outlet for citizen complaint	FC
Document government performance on forest related tasks	FORIG/FWG
Collect statistics on forest law enforcement	FORIG/FRNR/GII/TBI Ghana

¹For further information, refer to toolkit.

Monitoring, Transparency and Accountability

The remoteness of forests offers rich opportunities for unacceptable forest practices. Detection, monitoring, and surveillance are important tools in combating these problems. The use of satellite data offers a cost-effective method to monitor forest cover. It also provides the option for a variety of stakeholders to use this information for effective surveillance and detection of forest crimes. Where local capacity is inadequate, hiring an independent forest monitor can make a positive contribution to increasing transparency and accountability.

However, these tools are less useful for monitoring small scale forest crimes that take place at the local level such as chainsaw milling in off-reserves, forest arson and illegal harvesting of forest products. Forest communities and their traditional leadership can be equal to this task. With adequate capacity building and provision of motivation for community level stakeholders, they can play watchdog roles at the local level.

Generally, the better and more open the business environment, the less the advantages there are to be gained from corruption. The purpose must be to establish a regular and open reporting system (with information available publicly), regular scrutiny of the forestry official's balance sheets (e.g. by auditors and/or a special anti-corruption unit), and possibly additional controls by a third party of the procedures most prone to corruption, like the awarding of contracts and concessions. Yet, when implementing regulations with the aim of better oversight and control it is important that this effort does not backfire - an overdose of regulations and red tape will be costly for business and will create opportunities for shortcuts on institutional procedures via corruption. The lower the returns from unacceptable forest practices, notably corruption, the less attractive the practice would be, thereby reducing the need to bribe officials. Conversely, limiting the discretionary powers of officials in charge of financial decisions will reduce the potential of being corrupted. Increasing economic competition can (but need not to) lead to less secrecy and incentives for corruption especially when accompanied by better law enforcement.

Promoting Information Flow

Information flow is pre-requisite for dealing with unacceptable forest practices in Ghana. For example, District Forest Managers have long relied on information on forest reserve encroachments, extension of admitted farms and illegal logging for action. Decision makers continuously need accurate and up-to-date forest sector information

in developing successful strategies for managing forest resources, controlling unacceptable forest practices and for strengthening law enforcement. It is important therefore to improve the information management process in the forest sector.

This can be done by generating and documenting information on forest and timber resources. This should be available to multiple stakeholders to access and to use for effective surveillance and detection of unacceptable forest practices and reporting. Magistrates, Judges and Police prosecutors also need to be familiar with the nature of illegal forest activities and the necessary legal provisions for prosecution.

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