



*Forestry Commission Annual Report*  
*2016*

## TABLE OF CONTENTS

---

TABLE OF CONTENTS.....	II
LIST OF TABLES .....	III
LIST OF FIGURES .....	IV
ABBREVIATIONS.....	V
EXECUTIVE SUMMARY .....	VIII
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background.....	1
CHAPTER TWO: ORGANIZATIONAL STRUCTURE .....	4
CHAPTER THREE: PERFORMANCE REVIEW.....	9
3.1 Introduction.....	9
3.2 Sustainable Management, Protection and Development of Forest and Wildlife Resources .....	9
3.2.1 Management/Production of Forest Resources .....	9
3.2.2 Protection of Forest and Wildlife Resources.....	18
3.3 Forest and Wildlife Policy and Legal Regimes.....	18
3.2.3 Development of Forest and Wildlife Resources.....	21
3.4 Sustainable Financial Management.....	29
3.6 Forest and Wildlife Stakeholder Collaboration.....	36
3.7 Efficient and Effective Organization Infrastructural Development.....	38
CHAPTER FOUR: PROGRAMME AND PROJECTS.....	42
4.1 Introduction.....	42
4.2 Natural Resources Environmental Governance (NREG) - Technical Assistance Project .....	42
4.3 Key Achievements - ENFAL .....	44
4.4 Key Achievements - ELCIR+ .....	45
CHAPTER FIVE: CHALLENGES, WAY FORWARD AND CONCLUSION .....	46
5.1 Challenges.....	46
5.2 Way Forward.....	47
5.3 Conclusion .....	47
APPENDIX.....	48

## LIST OF TABLES

---

Table 1.0 Thematic Areas and Policy Objectives .....	1
Table 2.0 Key Functions of the Divisions and the two Special Units.....	6
Table 3.0 List of Board Members and their respective Roles .....	7
Table 4.0 Plantation Allocation.....	10
Table 5.0 Forest Infractions .....	20
Table 6.0 Performance of Visitation to Ecotourism Destinations .....	28
Table 7.0 IGF Classification by Sub - Programme .....	30
Table 8.0 Staff Demography.....	33

## LIST OF FIGURES

---

Figure 1.0 Structure of the Commission.....	6
Figure 2.0 Salvage Permit Processed and Issued .....	10
Figure 3.0 Plantation Timber Production (2013-2016).....	11
Figure 4.0 Natural Forest Production (2011 -2016) .....	12
Figure 5.0 Performance of Export of Timber and Wood Products (2010-2016).....	13
Figure 6.0 Performance of Kiln and Air Dried Lumber Export.....	14
Figure 7.0 Overland Export of Plywood and Lumber (2012-2016) .....	15
Figure 8.0 Plantations Established from 2013 -2016 .....	25
Figure 9.0 Revenue Performance from 2012 to 2016 .....	30
Figure 10.0 Expenditure by Economic Classification (2012 - 2016).....	32
Figure 11.0 Trend in Staff Numbers.....	33
Figure 12.0 Staff Attrition (2014 - 2016) .....	35
Figure 13.0 Corporate Social Responsibility to Staff .....	36

## ABBREVIATIONS

---

AAC	Annual Allowable Cut
AfDB	African Development Bank
AFOLU	Forestry and Other Land Use
BOD	Board of Directors
COCOBOD	Ghana Cocoa Board
CCU	Climate Change Unit
CCTP	Chinese Cooperation Training Programme
CE	Chief Executive
CERSGIS	Centre for Remote Sensing and Geographic Information Services
CPME	Corporate Planning, Monitoring and Evaluation
CREMA	Community Resources Management Area
CRMC	Community Resources Management Council
ECOWAS	Economic Community of West African State
ELCIR	Engaging Local Communities in REDD+
ENFAL	Enhancing Natural Forest and Agroforest Landscape
EPM	Effective Patrol Man-days
ERPD	Emissions Reduction Programme Document
EU	European Union
EUTR	European Union Timber Regulation
FAD	Finance and Administration Department
FAO	Food and Agriculture Organization
FC	Forestry Commission
FCPF	Forest Carbon Partnership Facility
FCTC	Forestry Commission Training Centre
FIP	Forest Investment Programme
FLEGT	Forest Law Enforcement, Governance and Trade
FORIG	Forestry Research Institute of Ghana
FPP	Forest Preservation Programme
FR	Forest Reserve
GCF	Green Climate Fund
GDP	Gross Domestic Product
GHCT	Ghana Heritage Conservation Trust
GHG	Greenhouse Gas
GhLAS	Ghana Legality Assurance System
GIS	Geographic Information System
GNFS	Ghana National Fire Service

GSBAs	Globally Significant Biodiversity Areas
GSGDA	Ghana Shared Growth and Development Agenda
HRD	Human Resource Department
HFZ	High Forest Zone
ICT	Information and Communication Technology
IGF	Internally Generated Funds
IUCN	International Union for Conservation of Nature
LCA	Leadership for Conservation in Africa
MLNR	Ministry of Lands and Natural Resources
MMDAs	Metropolitan, Municipal and District Assemblies
MTEF	Medium Term Expenditure Framework
MTS	Modified Taungya System
M&E	Monitoring and Evaluation
NBSAP	National Biodiversity Strategy and Action Plan
NREG	Natural Resources and Environmental Governance
NREG-TA	Natural Resources and Environmental Governance- Technical Assistance
NGOs	Non-Governmental Organisations
OHCS	Office of the Head of Civil Service
PPP	Private Public Partnership
PAs	Protected Areas
SMEs	Small and Medium Scale Enterprises
SRA	Social Responsibility Agreement
SNV	SNV Netherlands Development Organization
TA	Technical Assistance
UK	United Kingdom
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
VPA	Voluntary Partnership Agreement



## EXECUTIVE SUMMARY

---

### Introduction

The Forestry Commission was established in 1999 under Act 571 as a corporate body charged with the mandate of managing, protecting and developing the forestry and wildlife resources of Ghana. The Commission adhered to programmes and projects that were geared towards the delivery of targeted goals.

### Management/Production of Forest and Wildlife

In consonance with Regulation 38 of the Timber Resources Management Regulation, 1998 (LI1649), 170 salvage permits were granted. On-Reserve constituted 23 and 147 for Off-Reserve. A total of 148 plantation timber permits were issued covering the allocation of 134,250m<sup>3</sup> standing volume across the production forests.

The total volume of natural timber harvested decreased from 1,004,065m<sup>3</sup> (on-reserve 572,746m<sup>3</sup> and off-reserve 431,319m<sup>3</sup>) in 2015 to 746,754.08m<sup>3</sup> (on-reserve 507,813m<sup>3</sup> and off-reserve 238,933m<sup>3</sup>) in 2016, representing a 37.3% of Annual Allowable Cut of 2 million m<sup>3</sup>. The decrease was recorded in both on-reserve and off-reserve areas. The harvest of on-reserve timber maintained a declining rate of 6% while off-reserve harvests recorded a 29% decrease in 2016.

Plantations timber harvested in 2016 was 126,110m<sup>3</sup> (on-reserve 35,671m<sup>3</sup> and off-reserve 90,439m<sup>3</sup>), a 1% increase over 125,262m<sup>3</sup> (on-reserve 45,193m<sup>3</sup> and off-reserve 80,069m<sup>3</sup>) recorded in 2015.

Timber and wood products exported increased by 8.2% in 2016 from 367,060m<sup>3</sup> in 2015 to 396,992m<sup>3</sup> in 2016, despite the decrease in total natural forest timber harvested. The revenue from the export to Africa, Asia and Europe yielded €225.0 million as compared to €187.6 million recorded in 2015 indicating an increase of 20%. About 290,494m<sup>3</sup> of timber and wood products valued at €165.85 million were exported to the Asian/Far East markets, 41,781m<sup>3</sup> valued at €16.18 million to Africa and 43,784m<sup>3</sup> valued at €26.20 million exported to Europe.

### Protection of Forest and Wildlife Resources

Ghana has a land area of approximately 23.9 million hectares, with 266 gazetted forest reserves of which 204 are in the High Forest Zone and 62 in the Savanna Zone. There are 17 wildlife protected areas that include 7 National Parks, 6 Resource Reserves, 3 Wildlife Sanctuaries, and 1 Strict Nature Reserve.

The Commission as mandated to protect the resources of the forest reserves and wildlife protected areas embarked on the cleaning of 19,670km of forest reserve



boundaries, which deviates by 8% of the total distance cleaned in 2015. In terms of boundary inspection and patrolling, there was a decrease of 16% and an increase of 15% covering the total distance of 17,282km and 148,918km respectively. Two hundred and seventy (270) Effective Patrol Man Days per Officer per year was achieved in the 17 protected areas with three hundred and sixty-two (362) staff. Eight hundred and twenty kilometres (820km) of wildlife protected area boundaries were cleaned.

### **Development of Forest and Wildlife Resources**

An area of 5,390 ha of forest plantation was established on – reserve comprising 650ha FC/Industry Plantation Fund in Dormaa Forest District; 4,238ha of plantations by 26 Private Commercial Developers on-reserve nationwide (1,694ha under Public-Private Partnership (PPP) with the Commission) and 502ha under the Forest Investment Programme (FIP). African Plantations for Sustainable Development (APSD) established 1,337ha of Eucalyptus plantations in off-reserve areas.

Funds were released for the tending of 4,411ha of 2010 -2013 plantation coupes. At the end of the plantation year, an area of 3,068ha had been tended representing 70% of the target. The inability to achieve the tending target was mainly due to demands by local communities for higher pays for the tending activities.

Twelve (12) nurseries were set up in 12 forest districts within the Transitional and Savannah Zones. With high rates of charcoal production, proceeds from the Charcoal Conveyance fees was used to raise and provide free seedlings for the establishment of woodlots and amenity planting. 537,199 seedlings of various tree species were produced during the year at the nurseries with 331,641 duly distributed.

The Commission launched Ghana’s National REDD+ strategy (2016-2035) for implementation. This strategy has been designed to meet the requirements of the Warsaw Framework on REDD+ and other decisions of the Conference of Parties of the United Nations Framework Convention on Climate Change. The process took due cognizance of major national policies including the National Climate Change Policy (2013) and the Revised 2012 Forest and Wildlife Policy of Ghana.

The number of visitors to ecotourism sites and zoological gardens (zoos) continues to increase annually throughout the country. Total visits for 2016 were 217,452 compared with 209,054 for 2015. For 2016, the 4 major protected areas, Kakum National Park (133,100), Shai Hills Resource Reserve (13,800), Mole National Park (16,868) and Ankasa Resource Reserve (810) altogether received about 76% of the total visits. The Accra Zoo recorded 14,587 visitors while the Kumasi Zoo recorded 36,591 visitors. This implies that the zoos received about 24% of all tourists.

## **Forest and Wildlife Policy and Legal Regimes**

On law enforcement, the Commission continues to strengthen its capacity to deal with the menace of illegal logging, mining, farming and use of chainsaws in forest reserves. The 14 Rapid Response Teams were deployed to combat illegal activities in forest reserves and wildlife protected areas. An estimated 658 hectares of illegal farms in some forest reserves were destroyed, 196 chainsaws were seized, 678 illegal miners (galamseyers) were evicted from FRs, 199 chanfan machines and 52 pumping machines were seized and destroyed.

The Commission continues to put all structures in place to implement the mandate of coordinating key activities that will enable Ghana issue FLEGT/Legality license under the Ghana-EU VPA. This will lead to the verification and validation of the processes leading to the issuance of Timber Legality Licenses as prescribed under the Timber Resources Regulation of 2012, L.I. 2184. The European Union Timber Regulation (EUTR) No.995/2010, which came into force in 2013, now seeks to restrict access of illegal timber to the Union. FLEGT licensed timber, which is the expected output of the Legality Assurance System currently under development, would answer the demands of the EUTR. Ghana's FLEGT licenses however, could not be ready in 2016.

In prosecution of forest and wildlife offences, the 28 members of staff who underwent the 8 weeks' prosecutors training continued to help the Ghana Police Service in prosecuting forestry and wildlife-related offences nation-wide. For wildlife protection, 185 poachers and other offenders were arrested of which 103 were successfully prosecuted.

## **Sustainable Financial Management**

In 2016, a total amount of GH¢153.9 million was realised as against budgeted revenue of GH¢110.1 million. The actual revenue generated for the year exceeded the budgeted figure by 40%. A total of GH¢80.2 million was generated as against GH¢50.1 million realised in 2015, indicating 60% increase in IGF performance. GH¢58.3 million was paid as wages and salaries, exceeding the value of GH¢48.6 million spent in 2015 by 20%.

The Commission had donor grant of GH¢14.5 million for the implementation of Forest Investment Project, Forest Carbon Partnership Facility and the Sustainable Land and Water Management Project which is being undertaken in the Northern part of the country.

## **Human Resource Management**

The Commission designed, developed and monitored the implementation of Human Resource Management Policy to ensure consistency, fairness and equity to engender employees' engagement and commitment. Three thousand six hundred and thirty-four

(3,634) staff, with a gender composition of 3,207 males and 427 females were reported active at post at the end of the period. This was made up of 519 senior staff and 3,115 junior staff. A total of 485 staff benefitted from the Commission's training programme.

### **Forest and Wildlife Stakeholder Collaborations**

The Commission recorded a total of about GH¢1.007 million payment of Social Responsibility Agreements (SRA) for natural forest timber harvesting. This covers 17 off-reserves and 6 on-reserves in 5 regions namely; Ashanti, Brong Ahafo, Western, Eastern and Volta. On the other hand, the total GH¢ 7.54 million was realised as SRA signed for plantation timber. The Agreement was signed between the Forestry Commission and 51 companies in Ashanti, Eastern, Western, Central, Volta, Brong Ahafo and Northern Region, covering a total volume of 1,690,283m<sup>3</sup> of plantation timber.

Under the Commission's Alternative Livelihood Scheme, sixty-eight (68) people from fringe communities of Bia Conservation Area benefitted from alternative livelihood programme under UNESCO Man and Biosphere Project.

The Wildlife Division in collaboration with some NGOs (SNV-Netherland Development Organisation and AROCHA) carried out 32ha of enrichment planting in Bia Conservation Area. 11,400 seedlings of *Avicinnia germinans* were planted at Obane and Kwalakpoyom communities in the Songor Ramsar site and 15,600 seedlings of mangroves planted in the Keta Lagoon Complex and Muni Pomadze Ramsar Site.

The Commission launched a Regional "REDD EYE" campaign which targets the enhancement in awareness creation amongst the youth on the need to reduce deforestation and forest degradation in Ghana as part of national efforts aimed at mitigating climate change. Over 1,000 participants from second cycle institutions and the public were sensitized.

One hundred and seven (107) first and second cycle schools, 105 communities around wildlife protected areas and Ramsar sites were also educated on the importance of wildlife conservation.

### **Efficient and Effective Organization Infrastructural Development**

The Commission develops systems and standards and also test to certify externally developed systems for adoption to improve forest and wildlife management that report on the state of the forest. A status assessment and reserve inspection on illegal mining operations were carried out by the floral team on the Bion River and Compartment 272 in Tano Offin forest reserves respectively.

The Internal Auditors of the Commission issued four (4) consolidated quarterly audit reports that summarized findings and demanded responses to the identified issues to

be validated at Audit Report Implementation Committee meetings. The audit operations covered the Greater Accra, Western, Central, Ashanti and Northern regions of the country.

The Commission has drafted an ICT policy, which is to ensure that, all users become aware of their individual responsibilities and potential consequences associated with a breach of responsibility. It is also to ensure adherence to standards so as to promote efficiency and effectiveness in the delivery of outputs. The document is currently under review by the Executive Management Team for their approval.

The Commission facilitates and coordinates the implementation of the corporate strategic plan. Two (2) M&E field visits were conducted in some selected forest and wildlife districts in the Northern and Eastern regions of Ghana. This was to ensure the adherence to goals and targets set in the annual work plan and to check on the status of implementation of integrated forest reserve management plans and manuals of operations. Evaluated reports with actionable recommendations were addressed to the Chief Executive of which actions were taken.

### **Programme and Projects**

The Commission implemented programmes and projects which included NREG - Technical Assistance, FIP 1 - Enhancing Natural Forest and Agro - forest Landscape and FIP 2 - Engaging Local Communities in REDD+. The NREG-TA has been a very useful intervention in the forestry sector, in spite of initial implementation challenges, significant progress has been made in achieving the targets set under the project. All activities were fully completed before the project's official closure in December, 2016. There is therefore, the need for a successor project to implement the identified policy reforms and also scale up the gains made during the period.

### **Challenges**

The Commission was limited in funding most operational activities including the establishment of new forest plantations, maintenance of established plantations and coppice management of harvested plantations, due to unsustainable and unpredictable funding sources for the forestry sector.

Some other challenges are the continual dwindling of both natural and plantation timber, limited supply of field equipment and other logistics, massive encroachment, expansion of settlements and admitted farms in the forest reserves and wildlife protected areas. Other issues such as the weaknesses in legal frameworks of the forestry sector in ensuring that there is a proper balance between the long-term conservation and sustainable use of forest and, wildlife resources and pressures to maximize profits affected the delivery of targets.

## Conclusion

To sum up, all activities undertaken during the period were geared towards achieving the vision and mission statements of the Commission as well as the overall goals, strategies and policies implementation that results in the sustainable management of Ghana's forest and wildlife resources. Outputs delivered are in line with the GSGDA II, 2014-2017 and the sector medium-term plan. Staff capacity enhancement, investigating new revenue sources and increased supply of field logistics were and will be the main focus. This was to position the Commission to improve forest and wildlife resource development and management as well as deal with the menace of illegalities which is fast deteriorating the natural resources.

## CHAPTER ONE

### INTRODUCTION

---

#### 1.1 Background

The report provides an annual assessment of the implementation of policies and strategies outlined in the Ghana Shared Growth and Development Agenda (GSGDA) II, 2014 -2017, during the year 2016.

Ghana has a land area of approximately 23.9 million hectares, with about a third of the area comprising High Forest Zone (HFZ). There are 266 gazetted forest reserves of which 204 are in the HFZ and occupy 1.6 million hectares and 62 in the Savanna Zone covering 0.6 million hectares. Only 16% of the HFZ may be categorized as being in a good state, while the rest are in various stages of degradation. Unreserved closed-canopy forests in the HFZ currently cover only about 0.4 million hectares.

The analysis shows that 175,000 hectares of forest reserves in the HFZ and 300,000 hectares of forest reserves in the Savannah Zone (constituting about 75%) are potential areas for plantation development. A total area of at least 600,000 hectares of unencumbered off-reserve lands is suitable for plantation development nation-wide (NBSAP, 2016).

There are also 17 wildlife protected areas that include 7 National Parks, 6 Resource Reserves, 3 Wildlife Sanctuaries, and 1 Strict Nature Reserve. Together they occupy 1.3 million hectares and represent about 5.5% of Ghana's land area.

In managing, protecting and developing the forest reserves and wildlife protected areas, the Commission implemented the sector Medium-Term Development Plan, which sets out targets of the various categories of operations and also forms the basis of the annual budget. The plan of the Commission has three thematic areas aligned with the adopted policy objectives as summarized in Table 1.0.

**Table 1.0 Thematic Areas and Policy Objectives**

Thematic Areas	Policy Objectives
<b>Accelerated Agricultural Modernization and Sustainable Natural Resource Management</b>	<ul style="list-style-type: none"><li>• Ensure sustainable management of natural resources</li><li>• Reduce loss of biodiversity</li><li>• Ensure sustainable management of natural resources</li><li>• Promote awareness on climate change and its interrelationships with the forestry sector</li></ul>

Thematic Areas	Policy Objectives
	<ul style="list-style-type: none"> <li>• Enhance the capacity of natural ecosystems and communities to adapt to climate change impacts</li> <li>• Promote ecosystem-based climate change mitigation</li> <li>• Ensure sustainable management of timber resources</li> <li>• Promote the use of lesser-used species and alternatives such as rubber wood, bamboo, rattan, etc</li> </ul>
<b>Human Development, Productivity and Employment</b>	<ul style="list-style-type: none"> <li>• Strengthen institutional and regulatory frameworks for sustainable natural resource management</li> <li>• Enhance natural resources management through community and other stakeholders' participation.</li> <li>• Rationalize and define structures, roles and procedures for state institutions</li> <li>• Promote and improve the efficiency and effectiveness of performance in the Forestry Commission</li> </ul>
<b>Transparent, Responsive and Accountable Governance</b>	<ul style="list-style-type: none"> <li>• Strengthen policy formulation, development planning, and M&amp;E processes for equitable and balanced spatial and socio-economic development</li> </ul>

The performance indicators with their corresponding baselines and targets were used to assess the progress of the GSGDA II through the implementation of the Forest and Wildlife Development and Management Programme. The report provides progress mainly on the implementation of the following sub-programme of the Commission, namely:

- Forest and wildlife coordination and facilitation.
- Protection, utilization of forest resources and restoration of degraded forests.
- Protection and sustainable utilization of wildlife resources.
- The timber industry and trade development and technology transfer.

### Organization of the Report

The 2016 annual report has five (5) chapters. Chapter one provides the background to the report, as well as the preparation procedures and data sources. Chapter two presents the background of the Commission, legal mandate and the strategic policies of the Commission. It gives information on the Board of Commissioners, the

organizational structure and the key functions of Divisions and the two Special Units of the Forestry Commission. Chapter three gives the status of selected indicators and outlines the actions taken to implement policies, programme and projects in the three (3) thematic areas of GSGDA II. Chapter four provides a summary of the implementation of donor-funded programme and projects and Chapter five highlights some key challenges faced by the Commission during the period. It provides the way forward and conclusion.

### **Preparation of the 2016 Annual Report**

The Research, Statistics and Information Unit of the Corporate Planning, Monitoring and Evaluation Department drafted the report and subjected the document for departmental review. The CPME Department further organized a workshop, bringing together all the Business Planning Managers as well as key technical staff of the various Divisions, Departments and Units to verify and validate the contents of the report. The document is finally printed and circulated to the respective stakeholders and agreed on government agencies.

### **Data Sources and Utilization**

The data used in the preparation of the 2016 annual report is from the end of year Division, Department and Unit reports submitted to the Corporate Planning, Monitoring and Evaluation Department as well as some facts gathered during the conduct of M&E.

The challenge associated with the data has to do with the inability to gather the relevant information on time since some Divisions, Departments and Units delay the submission of their reports. The greatest challenge that delayed the printing and distribution of the annual report is with the late completion of the 2016 audited financial report.



## CHAPTER TWO

### ORGANIZATIONAL STRUCTURE

---

#### Legal Status of the Forestry Commission

The Forestry Commission is a Public Service institution, set up subject to the provisions of the 1992 Constitution, Chapter 21, Article 269, sub-section 1. The Commission was re-established by Act 571 of 1999 in order to take along the main public bodies and agencies implementing the functions of protection, development, management and regulation of forests and wildlife resources and to provide for related matters.

#### Mandate

The mandate of the Commission is as follows:

- The Commission shall be responsible for the regulation of the utilization of forest and wildlife resources, the conservation and management of those resources and the co-ordination of policies related to them.

Without limiting the scope of sub-section (1), the Commission shall:

- ✓ Regulate the use of forest and wildlife resources
- ✓ Manage the nation's forest reserves and protected areas
- ✓ Assist the private sector and other bodies with the implementation of forest and wildlife policies and
- ✓ Undertake the development of forest plantations for the restoration of degraded forest areas, the expansion of the country's forest cover and an increase in the production of industrial timber.

The Commission is guided by strategic policies: vision and mission statements, six (6) strategic objectives and as well as organizational behaviours (core values).

#### Vision Statement

To leave future generations and their communities with richer, better, more valuable forestry and wildlife endowments than we inherited.

#### Mission Statement

To sustainably develop and manage Ghana's forestry and wildlife resources.

## Corporate Strategic Objectives

The Commission is steered by six (6) strategic objectives that when implemented will lead to the achievement of the stated vision and mission of the organization. The objectives are:

- Implement the framework for the sustainable management, development and protection of forest and wildlife resources
- Secure and enforce policy and legal framework that ensures a liberated Forestry Commission
- Activate a diversified portfolio of sustainable revenue sources without compromising the integrity of the resource
- Attract, develop and retain well-motivated, skilled and efficient workforce
- Create an enabling environment for forest and wildlife stakeholders (especially industries, communities and landowners) to thrive and
- Develop and implement efficient and effective organizational infrastructure and culture

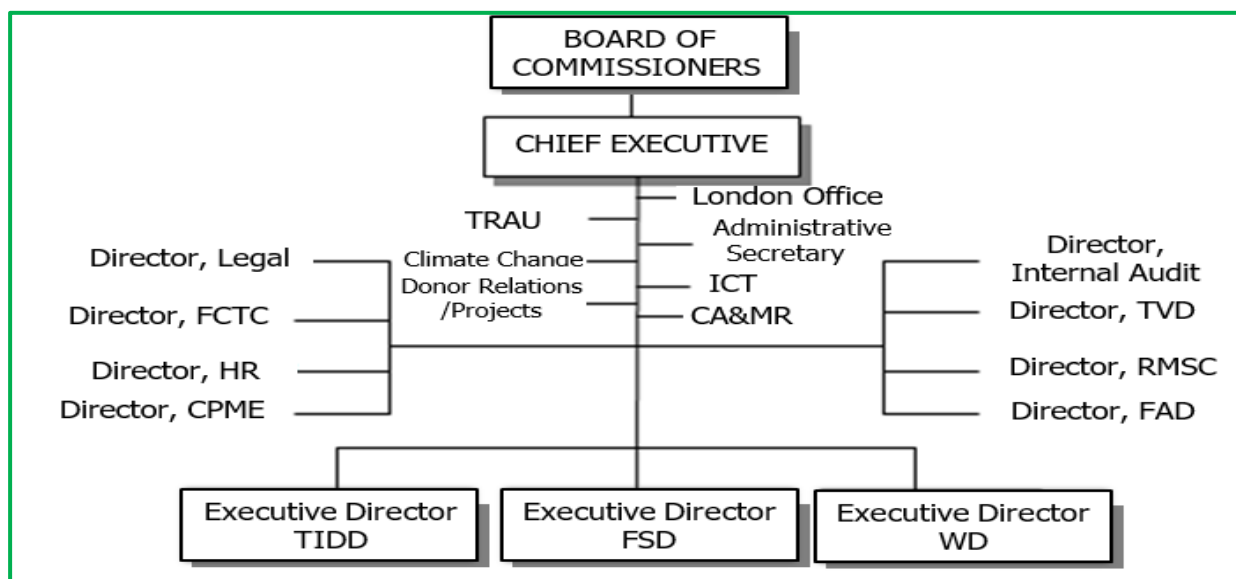
## Core Values

The Commission's operations and services are guided by the following organizational core values and behaviours:

- Be business-oriented
- Create a mind-set of interdependency
- Become customer focused
- Embed a culture of integrity and honesty
- Create trust at all levels
- Promote transparency and fairness
- Become accountable to self and to all
- Be committed to the delivery of goals
- Promote diversity and
- Communicate effectively.

## Organogram of the Commission

The Chief Executive, who reports to a Board of Commissioners, heads the Commission. His administration is assisted by an Executive Management Team made up of Executive Directors and other Directors. Figure 1.0 represent the organogram of the Commission in 2016.



**Figure 1.0 Structure of the Commission**

### Key Functions of the Divisions and two Special Units

The key functions of the Divisions and the two Special Units are elaborated in Table 2.0 as follows:

**Table 2.0 Key Functions of the Divisions and the two Special Units**

Divisions and Special Units	Key Roles/Functions
<b>Forest Services Division</b>	<ul style="list-style-type: none"> <li>• Forest protection and conservation</li> <li>• Forest production and regulation</li> <li>• Forest plantation development</li> <li>• Implement prescriptions of FR management plans</li> </ul>
<b>Wildlife Division</b>	<ul style="list-style-type: none"> <li>• Conservation and law enforcement in wildlife protected areas</li> <li>• Regulation and utilization of wildlife resources</li> <li>• Maintenance and rehabilitation of protected areas infrastructure</li> <li>• Ecotourism development and revenue enhancement</li> </ul>

Divisions and Special Units	Key Roles/Functions
<b>Timber Industry Development Division</b>	<ul style="list-style-type: none"> <li>• Timber trade/industry development and modernization</li> <li>• Timber trade/ industry regulation</li> <li>• Wood products inspection and grading</li> <li>• Market development and promotion</li> </ul>
<b>Forestry Commission Training Centre</b>	<ul style="list-style-type: none"> <li>• Provide short-term and refresher training courses for FC staff and the forestry sector</li> <li>• Assist the wood industry with appropriate technology in downstream processing</li> <li>• Provide consultancy and extension services in forestry, wildlife, wood industry environmental issues</li> <li>• Introduce staff to new technical tools and emerging issues in the forestry sector</li> </ul>
<b>Resource Management Support Centre</b>	<ul style="list-style-type: none"> <li>• Improve on the operational capacity of the Forestry Commission</li> <li>• Develop systems and standards to improve forest and wildlife management that report on the state of the forests</li> <li>• Test and certify externally developed systems on forest and wildlife management for adoption</li> <li>• Promote strategies to improve forest governance</li> </ul>

### Board of Commissioners

The Commission is governed by an eleven (11) member Board of Commissioners, which was inaugurated in May 2009 in line with Act 571 of 1999. Table 3.0 highlights the list of Board members and their respective roles.

**Table 3.0 List of Board Members and their respective Roles**

	Name	Role
1	Mr. Eddie Prah	Chairman
2	Mr. Samuel Afari Dartey	Chief Executive
3	Naa (Dr.) Puoure Puobe Chiir VII	National House of Chiefs
4	Mr. Richard Duah Nsenkyire	Timber Trade and Industry
5	Mr. Gerad H. O. Boakye	Wildlife Trade and Industry
6	Mr. Kingsley K. F. Ghartey	Institute of Professional Foresters
7	Dr. Ernest Asare Abeney	NGO's in Forest and Wildlife Management
8	Dr. Winfred Anim-Odame	Lands Commission
9	Awulae Attibrukusu III	Government Appointee

<b>10</b>	Alhaji Alhassan Moomen	Government Appointee
<b>11</b>	Madam Agnes Bertha Amenuvor	Government Appointee

## **CHAPTER THREE**

### **PERFORMANCE REVIEW**

---

#### **3.1 Introduction**

The natural resource endowment of the country, the forest and wildlife resources, constitute an essential foundation for accelerated socio-economic development and transformation. However, due to the menace of overexploitation and illegalities, extensive damage has been done to some of these resources. The chapter provides a comprehensive analysis of the performance of the Commission during the implementation of sub-programme of the forest and wildlife development and management programme under the GSGDA II (2014-2017).

The Chapter gives information on selected indicators as well as baselines and targets set to reduce or eliminate the adopted issues as contained in the Sector Medium Term Development Plan, 2014 - 2017.

#### **3.2 Sustainable Management, Protection and Development of Forest and Wildlife Resources**

##### **3.2.1 Management/Production of Forest Resources**

###### **Forest Reserve Management Plans**

Implementation of management prescriptions for the approved 30 forest reserves and 30 Globally Significant Biodiversity Areas plans continued. The revision of additional 30 forest reserve management plans that started in 2016 will be finalized for approval, publication and distribution in 2017.

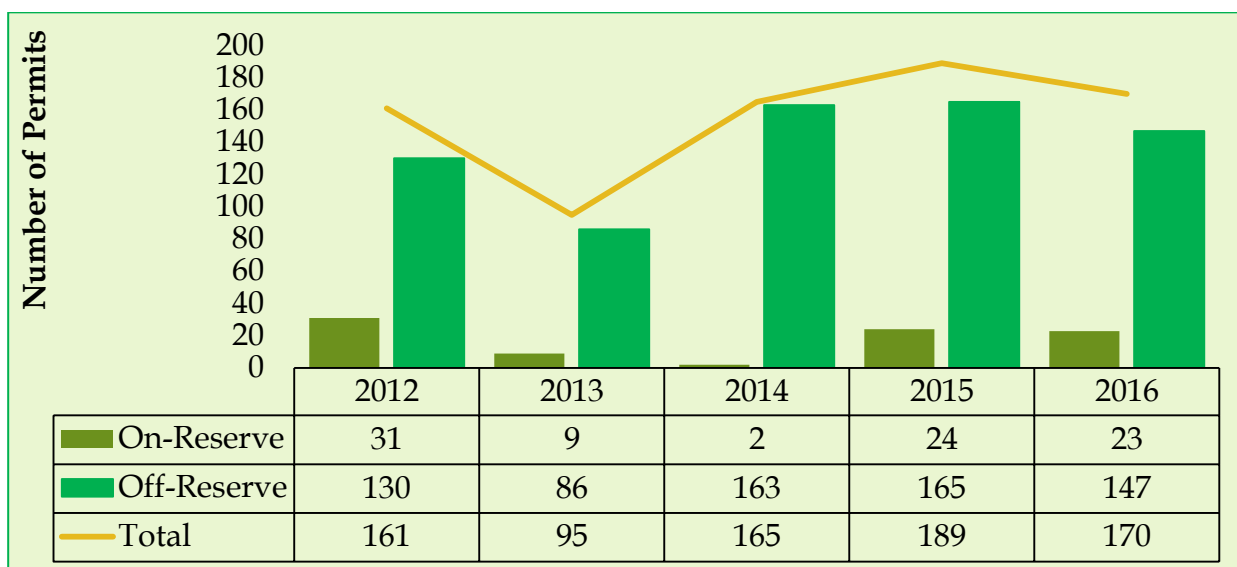
The Commission undertook floral and socio-economic surveys to inform management plans preparation and review of the selected forest reserves. In the process, the stakeholders were sensitized on rights and responsibilities governing forest resources management.

###### **Grant of Timber Rights**

In pursuance of the various laws and procedures, the Commission processed applications towards the grant of salvage permits, permits (special), TUCs and plantation permits under the Commission's timber rights.

## Salvage Permits

The Commission approved permits to salvage trees on lands under-going development such as road construction, human settlement, expansion and cultivation of farms. One hundred and seventy (170) of such permits were approved and issued in 2016, which represent about 10% fall from the 189 processed and issued in 2015. From Figure 2.0, it is clear 2015 recorded the highest number of permits since 2012.



**Figure 2.0 Salvage Permit Processed and Issued**

## Plantation Permits

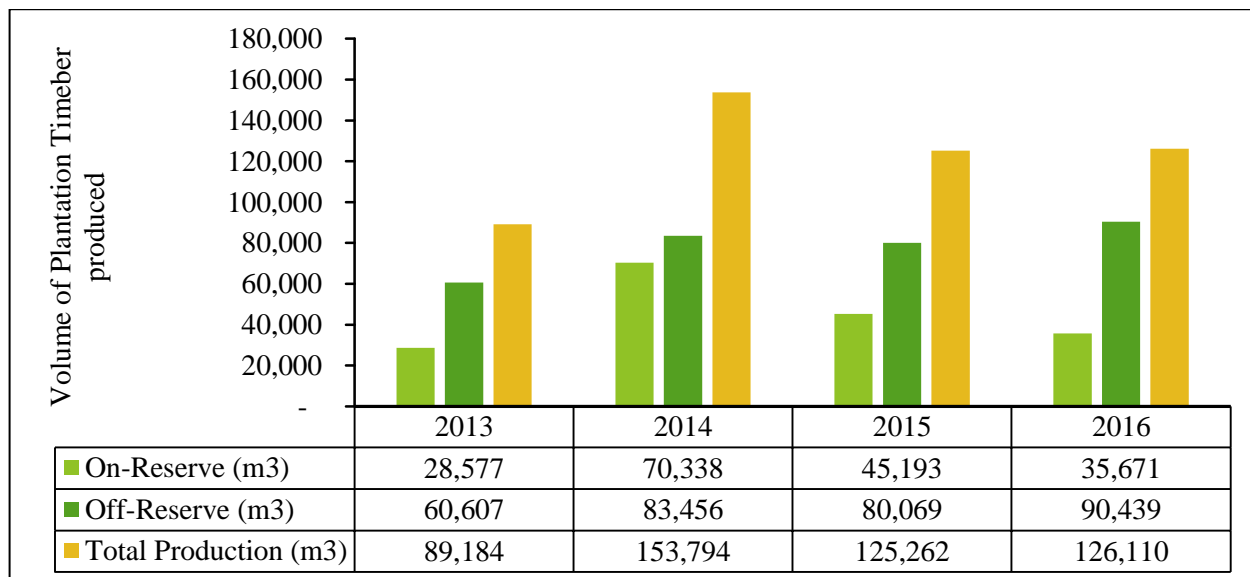
A total plantation volume of 134,249m<sup>3</sup> was allocated, covering timber species such as Teak, Cedrela, Gmelina, Ofram and Mansonia. This corresponds to 148 permits processed and issued. The details are provided in Table 4.0.

**Table 4.0 Plantation Allocation**

Timber Species	Number of Permit	Freshly Allocation (m <sup>3</sup> )	Re-Allocation (m <sup>3</sup> )	Total Allocation (m <sup>3</sup> )
Teak	131	54,596.42	32,820.32	87,416.74
Cedrela	12	33,859.60	9,772.48	43,632.08
Gmelina	5	3,120.464	-	3,120.46
Ofram	-	63.35	-	63.35
Mansonia	-	17.07	-	17.07
<b>Total (m<sup>3</sup>)</b>	<b>148</b>	<b>91,656.904</b>	<b>42,592.80</b>	<b>134,249.70</b>

### Plantation Timber Production

In 2016, the total volume of 126,110m<sup>3</sup> of plantation timber was produced. This, when compared to the volume produced in 2015 recorded only 1% improvement. However, looking at the 4-years interval, 2013-2016, the Commission recorded about 41% in 2016 compared to the total volume in 2013. The decreasing trend of on-reserve plantation timber production can be attributed to the dwindling stock during the periods.



**Figure 3.0 Plantation Timber Production (2013-2016)**

### Property Marks for Forest Production

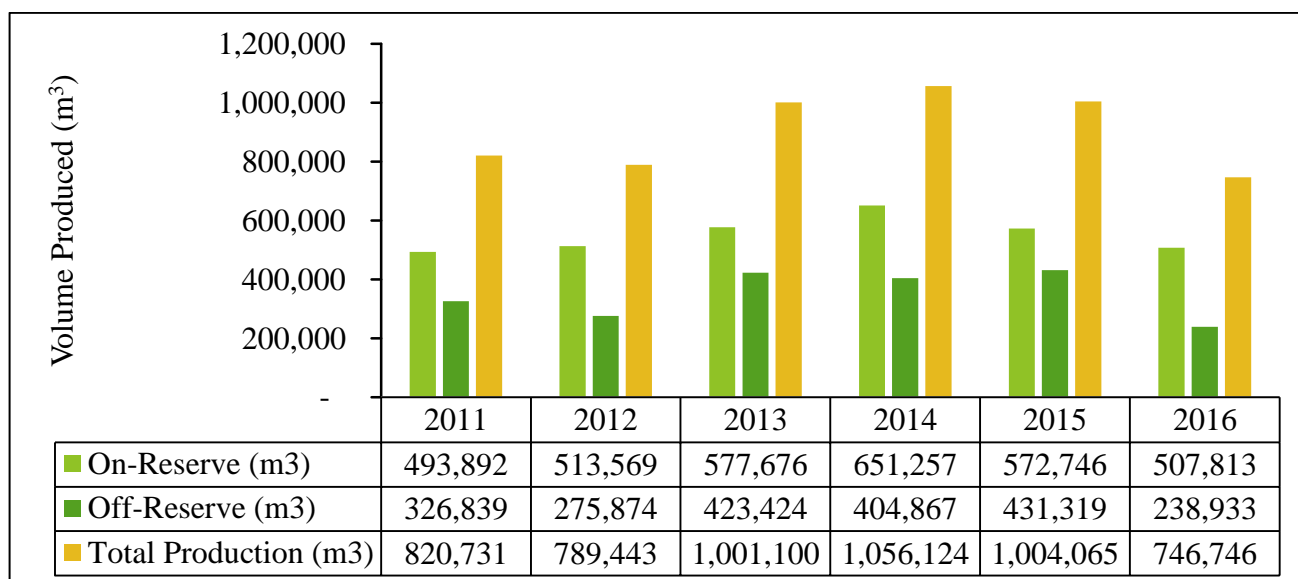
Six hundred and thirty-two (632) Property Marks were renewed in 2016 for timber exploitation.

### Implementation of Annual Allowable Cut (AAC) and Timber Production

A total of 746,745m<sup>3</sup> of natural forest timber were harvested (On-reserve-507,813m<sup>3</sup> and Off-reserve-238,933m<sup>3</sup>), representing 37.3% of AAC of, at most, 2,000,000m<sup>3</sup>. This compared to the total of 1,004,065m<sup>3</sup> of timber harvested in 2015 (On-reserve-572,746m<sup>3</sup> and Off-reserve 431,319m<sup>3</sup>), representing 50.2% of the AAC, showed that 2016 recorded 13% decrease in the harvested volume.

Figure 4.0 below represents the trend of timber production based on the implementation of AAC. It can be observed that from 2014, the timber production dropped in both On and Off-Reserve areas.



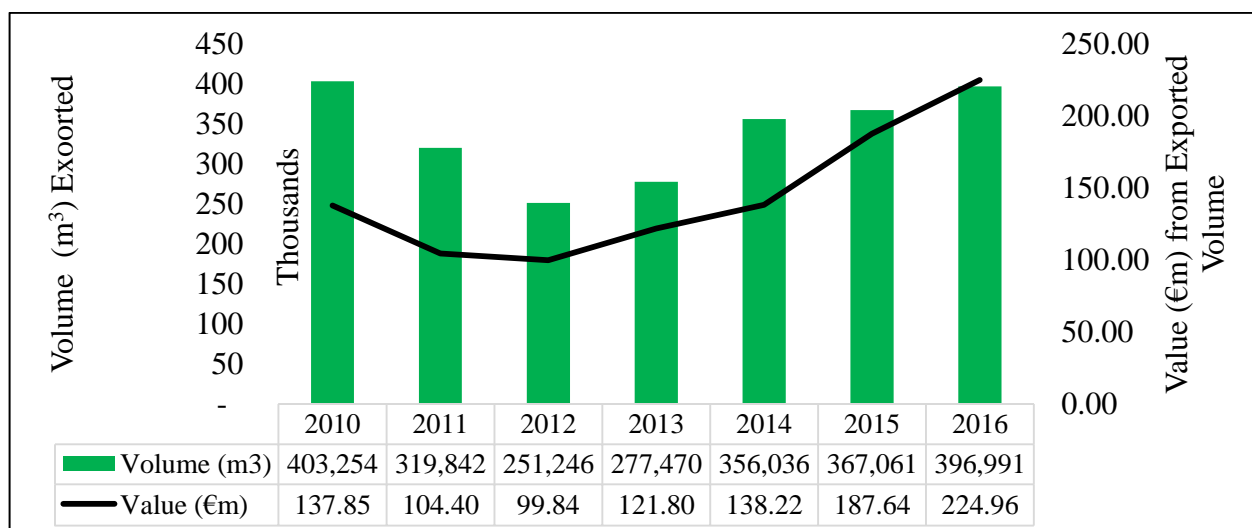


**Figure 4.0 Natural Forest Production (2011 -2016)**

### Export of Timber and Wood Products

Ghana’s timber export trade recorded an increase in volume from 367,061m<sup>3</sup> in 2015 to 396,992m<sup>3</sup> representing an increase of 8.2%. In terms of export revenue, 2016 recorded €224.96 million as against €187.63 million achieved in 2015 representing 19% appreciation.

Figure 5.0 provides the trend in timber export trade recorded for the last seven years. In 2010, the export of timber and wood products was as high as 403,254m<sup>3</sup>, thereby affecting the GDP status of the forest sub-sector. From 2010 to 2012, there had been a downward trend until 2013, when it increased by 10% in volume and 22% in value. Following the trend from 2014, the total volume of timber and wood product exported every year increased at an average rate of 6%.



**Figure 5.0 Performance of Export of Timber and Wood Products (2010-2016)**

### Export Markets for Ghana's Timber Products

In 2016, the traditional market of Ghana's timber, Europe, especially Italy, France, Germany, Belgium and UK accounted for 43,784m<sup>3</sup> of Ghana's timber and wood products and valued at €26.20 million. This compared to 54,734m<sup>3</sup> valued at €29.55 million achieved in 2015 representing a decline of 20% in volume and 11.3% in value respectively.

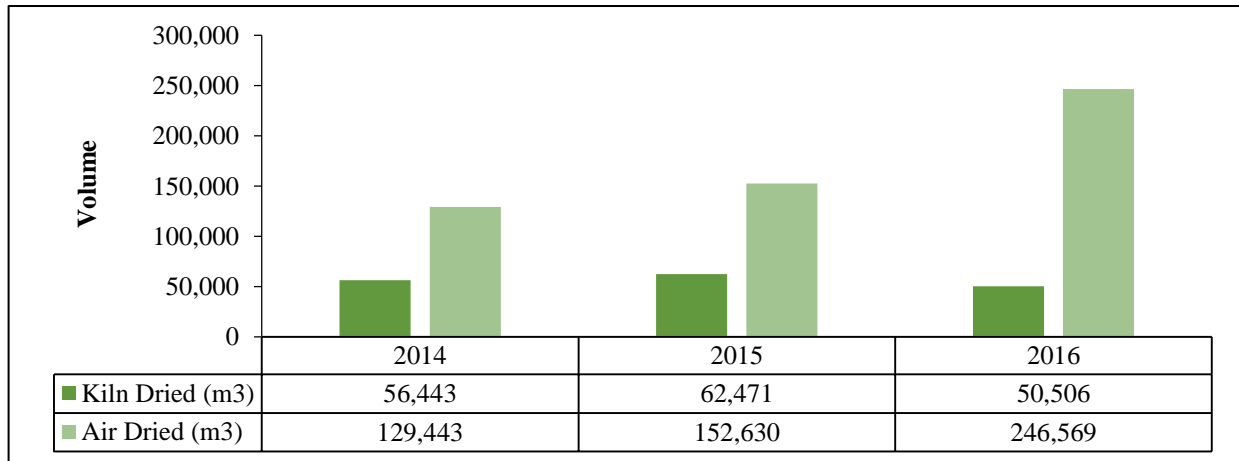
Exporters have shifted attention to the Asian markets due to growing demand and the positive business environment as against the African market. The Asian/Far East market recorded 290,494m<sup>3</sup> of timber and wood products export valued at €165.85 million in 2016 compared to 215,343m<sup>3</sup> valued at €107.78 million achieved in 2015 representing an increase of 74% and 65% in volume and value respectively.

In 2016, a total volume of 41,781m<sup>3</sup> and revenue of €16.18 million went to Africa. Out of this, the ECOWAS market recorded a volume of 33,461m<sup>3</sup> with a value of €11.47 million, representing 80% and 71% respectively. This is compared to 67,950m<sup>3</sup> with an export value of €26.93 million achieved in 2015 representing a decline of 39% in volume and 40% in value respectively.

### Kiln and Air Dried Lumber Export

Air-dried lumber continued its dominance in the export trade increasing from 152,630m<sup>3</sup> valued at €86.0 million in 2015 to 246,569m<sup>3</sup> valued at €147.75 million in 2016 in spite of special levies and premiums imposed to discourage export in air-dried

lumber. Kiln-dried lumber export however, declined from 62,471m<sup>3</sup> to 50,506m<sup>3</sup> representing a decrease of 19.2%. This could be due to the high cost of kiln drying as a result of growing overhead cost especially energy and unreliable supply of power. The corresponding value also decreased from €36.7 million in 2015 to €29.2 million in 2016. Figure 6.0 shows how Kiln and Air Dried Lumber did in the export market from 2014 to 2016.

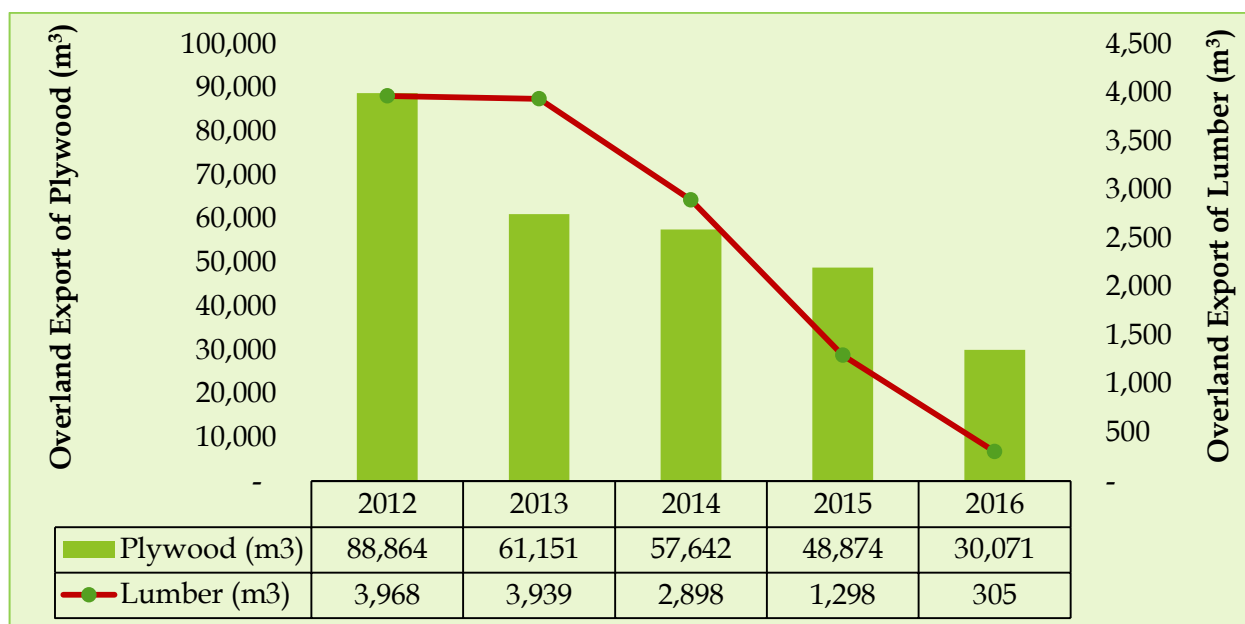


**Figure 6.0 Performance of Kiln and Air Dried Lumber Export**

### Overland Exports of Lumber and Plywood

Overland export of lumber recorded a decrease from 1,298m<sup>3</sup> valued at €350.7 million in 2015 to 305.326m<sup>3</sup> valued at €107.5 million representing a drop of 77% in volume and 69% in value respectively. Overland export of plywood recorded a volume of 30,071m<sup>3</sup> valued at €10.33 million compared to 48,874m<sup>3</sup> with a value of €17.85 million in 2015.

Figure 7.0 below represent the performance of both plywood and lumber that are exported overland. It is clear from the Figure that from 2012, the overland export of lumber decreased rapidly to about 92% in 2016. In the same way, the overland export of plywood followed a downward trend from 2012 to 2016.



**Figure 7.0 Overland Export of Plywood and Lumber (2012-2016)**

### Contracts Processed and Issued

There was a drop of 18% in contract volumes approved in 2016 compared to that of 2015. The year recorded 415,698m<sup>3</sup> compared to 505,879m<sup>3</sup> recorded in 2015. Contracts for primary products including Teak poles, billets and Gmelina logs processed and approved was 33,977m<sup>3</sup> compared to 51,240m<sup>3</sup> recorded in 2015.

### Export Permits Processed and Issued

A total of 4,963 permits were processed, approved and issued in 2016 compared to 4,690 permits processed, approved and issued to exporters in 2015 for shipment of timber and wood products for both overseas and overland exports.

Three Hundred and Forty-six (346) permits with a volume of 33,977m<sup>3</sup> were issued for the shipment of Teak poles, billets and Gmelina logs to India compared to 305 permits with a volume 28,983m<sup>3</sup> issued in 2015. This represents an increase of 13% in nominal export permits and 17% increase in volume respectively over 2015.

Also, 220 permits with a volume of 18,472m<sup>3</sup> were processed, approved and issued to export lumber and plywood overland to neighbouring countries including Nigeria, Niger, Benin, Mali, etc. as compared to 857 permits with a volume of 81,275m<sup>3</sup> issued in 2015.

## **Industry Development Performance**

### **Restructuring of the Domestic Timber Market**

The process of restructuring the timber industry to ensure that only legal timber is supplied to the domestic market continued under Domestic Timber Trade Network (DottNet). A meeting between the major stakeholders, Domestic Lumber Trade Association (DOLTA) and Domestic Lumber Millers Association of Ghana (DoLMAG) was held in Kumasi to finalize a draft Memorandum of Understanding (MoU) proposed by the Timber Industry Development Division (TIDD). This MoU was meant to formalize arrangements between the major stakeholders involved in the domestic lumber supply chain.

Both DoLMAG and DOLTA agreed to respect and demonstrate commitment to the terms and conditions spelt out in the general framework of the document under which both parties will operate, as well as the level of involvement in promoting supply of legal timber to the domestic market.

### **Introduction and Roll-out of the Domestic Timber Sales Waybill**

As part of measures to address illegalities in the production, processing and supply of timber and timber products to the domestic market in anticipation of the full implementation of the VPA, the Commission developed the Domestic Timber Inspection Certificate (DOTIC) and Waybill to serve as documentary evidence of legality as espoused in the Public Procurement Policy and the Implementation Guidelines of the policy to ensure compliance to legality standards.

The DOTIC and Waybill have been designed as value books to ease the capture, storage and retrieval of important data on the supply of timber to the domestic market to ensure effective monitoring and tracking of the Chain of Custody for domestic market supply. These are also to inform stakeholder decisions on various policies and regulations pertaining to the domestic market supply chain and trade.

Consequently, public sensitization meetings were held with the Executives of the Sokoban Wood Village Lumber Traders Association at Kumasi and DOLTA at Ashiaman timber market.

## Trade Mission to Nigeria

In 2010, a total volume of about 111,875.83 m<sup>3</sup> of plywood amounting to \$48.57 million was exported from Ghana to Nigeria, constituting over 81% and 84% of volumes and values of total exports to the ECOWAS sub-region respectively. However, volumes of trade have seen continuous decline since 2011, with 2016 experiencing the lowest export volumes.

The total export volumes of plywood exported to Nigeria by the end of 2016 for example was about 6,674 m<sup>3</sup> with a total revenue of \$3.1 million, representing a mere 28% and 32% in terms of volume and value respectively compared to 2015.

This worrying trend was a source of great concern to both the Forestry Commission and industry stakeholders resulting in the trade mission activities to destination markets in the ECOWAS sub-region particularly Nigeria with the view of finding a permanent solution to address this haunting problem.

The main purpose of the trade mission which took the delegation to the most concentrated plywood trading centres in Nigeria, namely: Mushin and Victoria Island timber and plywood markets in Lagos State; Onitsha and Ogbonike building material markets in Anambra State; and Dei-dei International Building Materials Market and Abuja timber market in Abuja, was to investigate and understand the causes of decline in plywood export to Nigeria and propose strategies to reposition the timber industry in Ghana to become more competitive.

## Recommendations

The trade mission made recommendations including the following that the Commission:

1. Should undertake a sub-regional market survey to identify key opportunities in the ECOWAS timber market with the view to come up with a comprehensive market development strategy for market penetration and expansion.
2. Should leverage knowledge gained from the above study to develop new products to meet market needs.
3. Collaborate with industry and FORIG to undertake product development activities aimed at promoting the utilization of lesser used timber species as a means of market diversification.
4. Should undertake a study of market barriers and trade obstacles in the sub-region which impact negatively on cost of doing business and come out with practical solutions as cost reducing measures.

### **3.2.2 Protection of Forest and Wildlife Resources**

#### **Protection of Forest Reserve Boundaries**

Under the protection of forest reserves, a distance of 17,283km forest reserve boundaries was cleaned and 19,670km inspected by Forest Guards to maintain the ecological and productive integrity of the reserves. In the forest reserves, effective operations were undertaken to: destroy illegal farming, control illegal harvesting of plantation and natural forest timber, prevent illegal mining and sand winning, prevent illegal chain sawing, etc., with the active involvement of the Rapid Response Teams.

The Commission has also undertaken survey, demarcation and pillaring in some forest reserves. It has undertaken registration of land lease and benefit-sharing agreements, together with fire education within forest fringe communities as well as, supported firefighting at its own cost as part of its contribution to the partnership with the communities.

#### **Wildlife Resources Protection**

The Commission continues to execute its mandate of protecting and conserving the nation's wildlife resources. This is being done through the routine activities of law enforcement and boundary cleaning in the wildlife protected areas to secure their ecological integrity.

As at the end of 2016, a total of 270 Effective Patrol Man Days per Officer per year was achieved in the 17 protected areas with three hundred and sixty-two (362) staff. A distance of 820km of wildlife protected area boundaries was cleaned.

### **3.3 Forest and Wildlife Policy and Legal Regimes**

#### **Law Enforcement**

The 14 Rapid Response Teams of the Commission were engaged in combating illegal activities in some identified hotspots forest reserves and wildlife protected areas.

To minimize all manner of illegal activities occurring in forest and wildlife protected areas and general off-reserve areas across the country, eleven (11) protected areas (9 forest reserves and 2 wildlife reserves) were identified at Sefwi-Wiawso, Nkawie, Tarkwa, Juaboso, Bibiani, Bole, Bekwai, Ho, Achimota, Ankasa Resource Reserve and Bui National Park for the Rapid Response Teams' operations.

During the year, about 50,801 assorted lumber, 9 logs, 2 shot guns, 196 chainsaws were seized and 72 vehicles involved in illegalities were also arrested including 434 suspects of forest and wildlife offences.

Six hundred and seventy-eight (678) illegal miners were evicted, 24 excavators, 199 "chanfan" and 52 water pumping machines were seized.

As well, an estimated 658ha of illegal farms were destroyed. Encroachment activities in the Sakumo Ramsar Site, dumping of refuse and littering in the Achimota Forest Reserve were brought under control.



*Rapid Response Teams and their Operations*



### **FLEGT Licensing (Wood Tracking and Legality Assurance Systems)**

The Commission continues to put all structures in place to implement the mandate of coordinating key activities that will enable Ghana issue FLEGT/Legality license under the Ghana-EU VPA. This will lead to the verification and validation of the processes leading to the issuance of Timber Legality Licenses as prescribed under the Timber Resources Regulation of 2012, L.I. 2184. The European Union Timber Regulation (EUTR) No.995/2010, which came into force in 2013 now seeks to restrict access of illegal timber to the Union.

FLEGT licensed timber, which is the expected output of the Legality Assurance System currently under development, would answer the demands of the EUTR. Ghana's FLEGT licenses however, could not be ready in 2016. There is therefore, the challenge of sustaining Ghana's access to the EU timber market between now and when the legality licenses can be issued.



## Rolling out of Ghana Wood Tracking System (GWTS)

The FC organized LAS –GWTS orientation exercise for over eight hundred and fifty (850) personnel of FC. The objective was to orient staff on managing change as a result GWTS implementation and also minimise occurrence of avoidable ‘red flag’ in the system which was about 70% complete. Completion of the Phase II roll out of the GWTS in 17 Forest Districts and 6 TIDD Area Offices was also about 65% done. Other activities included development and testing of the Sun-GWTS interface as well as progress on the plantation module of the GWTS.

## Field Audit Verification System

Several activities were undertaken in 2016 under the Field Audit Verification System. The activities carried out included conducting of a nation-wide Legality Audits and reporting on compliance, which was 90% complete. The Field Audit activities comprised two (2) audit cycles involving 44 Forest Services Division and Timber Industry Development Division Offices and 54 timber companies.

## Forest and Wildlife Infractions

The Commission monitored a number of infractions that occurred in forest and wildlife protected areas across the country. Efforts continue to be made to reduce these infractions through strategies that include deploying the Rapid Response Teams.

There is an absence of comprehensive data on the extent of degradation in wildlife protected areas; however, significant changes were recorded in the number of infractions in forest reserves over the period. Table 5.0 below indicates infractions that were recorded in forest reserves in the year 2016.

**Table 5.0 Forest Infractions**

No.	Indicator	2014 Baseline	Indicator Status in 2015	Indicator Status in 2016
1	Percentage of degraded areas within areas under protection	31% of the area within forest reserves	31% of the area within forest reserves	31% of the area within forest reserves
2	Destroy illegal farming	361.53ha	422.74 ha	667.313 ha in 94 cases
	Control illegal harvesting of plantation timber	1,726 trees	800 trees	229 trees in 74 cases

No.	Indicator	2014 Baseline	Indicator Status in 2015	Indicator Status in 2016
	Control illegal harvesting of natural forest timber	903 trees	2,117 trees	3,281 trees in 112 cases
	Control forest fires	90 cases	6 cases	484 ha in 40 cases
	Prevent illegal mining and sand winning	89 cases	NA	11.50 ha in 33 cases
	Prevent illegal chain sawing	427 trees	355 trees	1,139 trees in 199 cases
	Prevent squatting	8 cases	NA	17 cases
	Control illegal charcoal production	NA	6 cases	84 trees in 9 cases
	Control illegal harvesting of firewood	NA	6 cases	2 trees in 1 case
	Control canoe/mortar carving	NA	NA	45 trees in 7 cases

### Wildlife Infractions

In relation to wildlife resource protection, Wildlife Guards arrested 185 poachers and other offenders of which 103 were successfully prosecuted. In addition, the Guards confiscated fifty-one (51) shot guns, 10 chainsaw machines and 2 motor bikes in various Protected Areas.

### Prosecution of Forest and Wildlife Offences

The twenty-eight (28) members of staff who underwent the 8 weeks prosecutors training continued to help the Ghana Police Service in prosecuting forestry and wildlife-related offences nation-wide.

### 3.2.3 Development of Forest and Wildlife Resources

Efficient natural resource management and the restoration of the degraded environment are critical to ensuring that natural resources contribute to greater wealth creation and sustainable economic growth. The policies, strategies and programme implemented in 2016 were aimed at reversing forest and land degradation, as well as promoting efficient land use and management systems across the country.

In accordance with the National Biodiversity Strategy Action Plan, 2016, the recent forest assessment of the high forest zone estimated the total forestland in Ghana at 9.337 million hectares.

This is made up of 1.556 million hectares of closed forest and 7.781 million hectares of open forest. The forest degradation rate in Ghana is estimated at 45,931 hectares per annum since 1990 (Forest Preservation Programme report, 2013).

The assessment further revealed that less than 20% of forest reserve areas have acceptable levels of the ecological and productive integrity. Only 2% are considered to be in “Excellent” condition and another 14% in “Good” condition. Currently, the survival of the remaining reserves is at risk of depletion from continued illegal-logging and agricultural clearing (RMSC, 2014). However, there are increases in the populations of some forest tree species, and generally, there has been an increase in forest cover, but the forest quality has declined (Forestry Development Master Plan, 2016). Based on the deforestation rate of 2% of Ghana’s forest, the projection is that the country’s forests will be near degraded in 26 years, and the country would be compelled to import timber.

### **Forest Plantation Strategy**

In line with Ghana’s Medium Term Development Plan - the Ghana Shared Growth Development Agenda (GSGDA II, 2014-2017), the anticipated 40-year National Socio-economic Transformational Plan, the United Nations’ Universal Sustainable Development Goals, Ghana’s Nationally Determined Contributions to address Climate Change, the Paris Climate Change Agreement (2015) and consistent with Policy Objective 2 of the Ghana Forest and Wildlife Policy (2012), the Ghana Forest Plantation Strategy 2016-2040 was developed. The goal of the strategy is to achieve sustainable supply of planted forest goods and services to deliver a range of economic, social and environmental benefits.

The strategy outlines plans by the government, private sector and rural communities to restore degraded landscapes through the development of commercial forest plantations, smallholder plantations, enrichment planting of degraded forests and to provide support for the incorporation of trees within farming systems. The Strategy identifies challenges to past efforts and consequently outlines the strategic direction, actions and resources required to promote the development of productive and sustainable forest plantations. It indicates the technical and financial resources required and performance measures necessary to track progress over the period (2016 to 2040).

The proposed interventions are expected to support the development of a sustainable forest resource base that will satisfy future demand for industrial timber and enhance environmental quality. These interventions are expected to relieve the pressure on the existing natural forests, enhance connectivity between the agricultural and forest

landscapes to promote biodiversity conservation, manage barriers to forest plantation investments while providing optimum income generation opportunities for forest plantation owners, the timber industry, forest-fringe communities and the national economy.



*Consultative workshop at Capital View Hotel, Koforidua*

A national stakeholder validation workshop was held at the Miklin Hotel in Accra, in which the Strategy was finalized. The final document was published and launched at the Accra International Conference Centre on 23<sup>rd</sup> November, 2016.



*Participants at the validation workshop on the Forest Plantation strategy at Miklin Hotel*

## Launch of 25 –Year Ghana Forest Plantation Strategy (2016-2040)



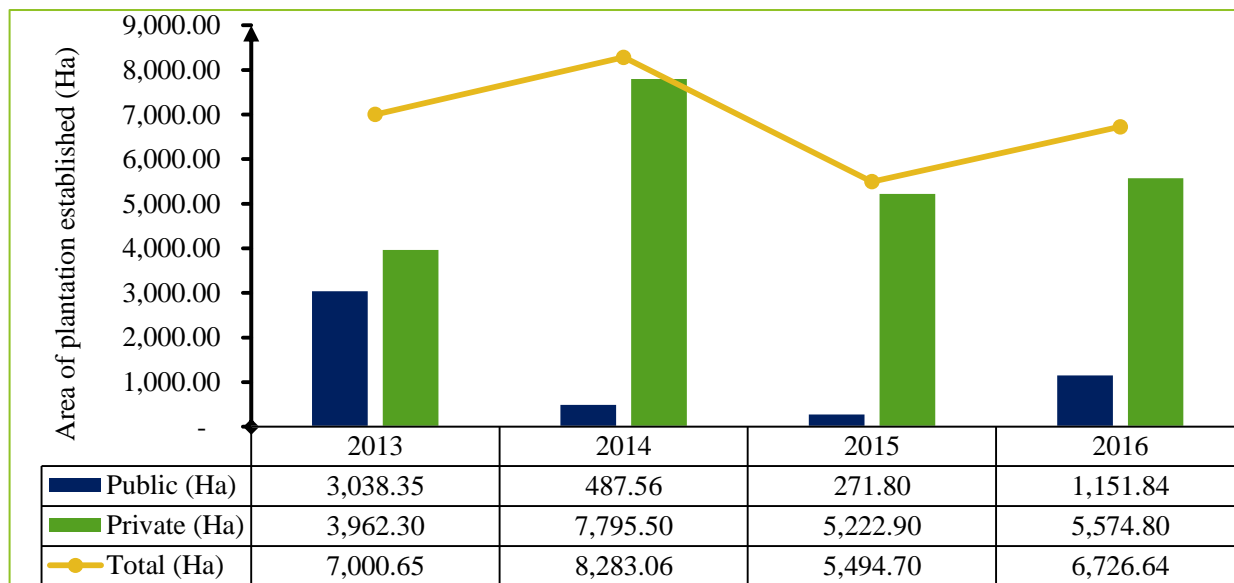
### Plantation Establishment by Government and Private Sector

The Strategy required to plant 25,000ha of degraded landscape with 10,000ha and 15,000ha through government sector and private sector plantings respectively.

In 2016, an estimated 6,727ha of the plantation was established by government and private sectors. An area of 5,390ha of forest plantation was established On - reserve. Out of the total On - reserves plantation, 1,152ha was planted by the government, which comprised of 650ha FC/Industry Plantation Fund in Dormaa Forest District and 501.84ha under the Forest Investment Programme (FIP). A total of 4,238ha of plantations were established by 26 Private Commercial Developers on-reserve nationwide of which 1,694.3ha was under Public-Private Partnership (PPP) with the Commission.

African Plantations for Sustainable Development (APSD), a private forest plantation developer, established 1,337ha of Eucalyptus plantations in off-reserve areas.

From 2013 to 2016, an estimated area of 27,505ha of forest plantations was established, of which the private sector constituted 22,555ha (82%) and 4,950ha (18%) by the public sector. In 2016, plantation established increase by 22% over the total area established in 2015. However, between 2013 and 2016, plantations establishment increased by 2% on the average.



**Figure 8.0 Plantations Established from 2013 -2016**

### Maintenance of Established Plantation

In 2016, an amount of GH¢1.7 Million was released by the Government of Ghana for the maintenance of an estimated 12,797ha of 2010 - 2013 plantation coupes. This area comprised 9,940ha plantations established between 2010 and 2012 on-reserve by Messrs Zoil Services Ltd and Ecotech Services Ltd and handed over to the Forestry Commission in 2013 and 2,857ha plantations established directly by the Forestry Commission in 2013.

A rapid assessment of the established areas On-reserve was undertaken which revised the estimated 2010 - 2013 plantation area downwards to 8,635ha from the previously verified area of 12,797ha. At the end of the plantation year, part of the funds released was used to tend an area of 3,068ha. The inability to achieve the tending target was mainly due to demands by local communities for higher rates for the tending activities.

## Seedling Production

The Commission established 12 tree nurseries in the Transitional and Savannah Zones, within forest districts with high rates of charcoal production, using proceeds from the Charcoal Conveyance fees. The nurseries will provide free seedlings for the establishment of woodlots and amenity planting. Some 537,199 seedlings were produced out of which with 331,641 was duly distributed for planting.



*Black hyedua (Guibourtia ehie seedlings)*

## Climate Variability and Change

The Commission commenced activities under the additional Funding Phase of the Forest Carbon Partnership Facility's REDD+ Readiness Project after the successful completion of activities in 2014 under the original grant. The Commission also coordinated Ghana's REDD+ Readiness process, supported with a grant from the Forest Carbon Partnership Facility (FCPF) of the World Bank.

The Commission has submitted the final draft of the Emissions Reduction Programme Document to the FCPF for Ghana's Cocoa -Forest REDD+ Programme in the High Forest Zone, which seeks to reduce emissions from deforestation and forest degradation and also contribute to efforts towards carbon stock enhancement, conservation and sustainable forest management.

Technical field training on the estimation of Carbon Emissions for REDD+ was conducted in which about 30 participants from the Commission, IUCN, CERSGIS and COCOBOD were trained.

To secure and enforce policy and legal frameworks, the Commission has developed and launched a Ghana REDD+ Strategy, 2016 -2035.

## Ecotourism Development

Due to the potential of ecotourism development in revenue generation and safeguarding the ecological integrity of ecosystems, ecotourism has been used by many countries as a major sustainable environmental and socio-economic development tool in rural areas.

The Commission prioritized Mole National Park, Shai-Hills Resource Reserve, Kakum National Park, Sakumo Ramsar Site and Ankasa Resource Reserve for ecotourism development. Also included are two forest reserves, Achimota and Cape Three Points Forest Reserves, targeting innovative ecotourism infrastructure development through the government approved public-private-partnership programme.

This paradigm shift from timber to ecotourism development reflects the commitment of the Commission to explore other innovative avenues to contribute to the attainment of FC's strategic financial objective, therefore contributing to the national development goal of ensuring a sustainable, predictable and adequate financing as stipulated in Ghana's Shared Growth and Development Agenda.

So far, evaluation of bids for the development of tourism infrastructure in Shai Hills Resource Reserve by Ecolodges Ghana Ltd has been completed. Twenty five (25) Ecolodges have been constructed by Ecolodges Ghana Limited at the Mole National Park.

In 2016, the Commission targeted to improve ecotourism facilities and this resulted in the maintenance of 96km visitors trail in Kyabobo, Owabi, Mole and Kogyae Conservation Areas and constructed a summer hut at Bomfobiri Wildlife Sanctuary as a reception for visitors.

A 2-year contract agreement was signed with Bravehearts Expeditions to operate abseiling and biking adventure in Shai Hills Resource Reserve. There was a handing over of the 3 luxury tented camps constructed by the Leadership for Conservation in Africa in Shai Hills Resource Reserve.

Other developments in protected areas include:

- Maintenance of 1 office block in Kogyae Strict Nature Reserve
- Construction of 4 new cages at Accra Zoo
- Construction of 5 new culverts in Mole National Park
- Construction of 6 new canoes at Digya National Park
- Construction of entrance gate at Bomfobiri Wildlife Sanctuary
- Extension of electricity to 16 blocks staff accommodation in 2 Range Camps at Kyabobo National Park
- Rehabilitation of armoury at Kogyae Strict Nature Reserve
- Completion of a new sign post at Gbele Resource Reserve



- Maintenance of 97km access roads in Kogyae Strict Nature Reserve, Shai Hills and Gbele Resource Reserves
- Construction of 13km new access road (Gbele Village to Yelibie Camp) in Gbele Resource Reserve.

### Visitation to Wildlife Protected Areas

The total number of visitors to ecotourism sites and zoological gardens (zoos) in 2016 recorded was 217,903 compared to the 209,054 visitors in 2015. This indicates an increase of 8,398 (4%) in the number of people who visited ecotourism sites and zoological gardens (zoos) in 2016. Table 6.0 provides details on the number of visitations recorded during the period.

**Table 6.0 Performance of Visitation to Ecotourism Destinations**

No	Name of Ecotourism sites and Zoological Gardens (Zoos)	2015 Achievements	2016 Achievements	% Change
1	Mole National Park	17,750	16,868	-5%
2	Kakum Conservation Area	132,072	133,100	1%
3	Ankasa Conservation Area	801	1,237	54%
4	Bui National Park	0	142	100%
5	Bia Conservation Area	208	234	11%
6	Kyabobo National Park	151	501	70%
7	Owabi Wildlife Sanctuary	101	92	-8.9%
8	Shai Hills Resource Reserve	15,269	13,880	-10%
9	Kalakpa Resource Reserve	167	138	-21%
10	Bomfobiri Wildlife Sanctuary	275	404	32%
11	Songor Ramsar Site	87	101	14%
12	Muni Pomadzi Ramsar Site	62	28	45%
13	Gbele Resource Reserve	1	0	-100%
14	Accra Zoo	8,065	14,587	45%
15	Kumasi Zoo	34,045	36,591	7%
	<b>TOTAL</b>	<b>209,054</b>	<b>217,903</b>	<b>4%</b>

### 3.4 Sustainable Financial Management

The Commission derives its revenue mainly from:

- i. Subvention from Government of Ghana, which comprises subvention for personnel emoluments, administration, services and investment
- ii. Internally Generated Fund which includes income from natural forest timber stumpage, plantation timber sales, export levies, zoos and parks entrance fees and
- iii. Development partners, which includes cash and assets.

In 2016, a total amount of GH¢153.9 million was realised as against budgeted revenue of GH¢110.1 million. The actual revenue generated for the year exceeded the budgeted by 40%. The factors that accounted for the increased revenue include the following:

- The actual compensation paid to employees of the Commission exceeded the ceiling granted by the Ministry of Finance.
- Executive Directors of the various Divisions and Unit heads were tasked to bring to bear other revenue sources.

#### Revenue Performance by Sources

##### Government Subvention

The total amount of GH¢58.3 million was paid as wages and salaries for staff whereas the budgeted was GH¢50.7 million, under Government subventions. This implies that, the actual amount spent exceeded that of the budgeted by 15%. The main reason for this disparity was that the Ministry of Finance under-budgeted the Compensation of Commission's employees.

##### Internally Generated Fund

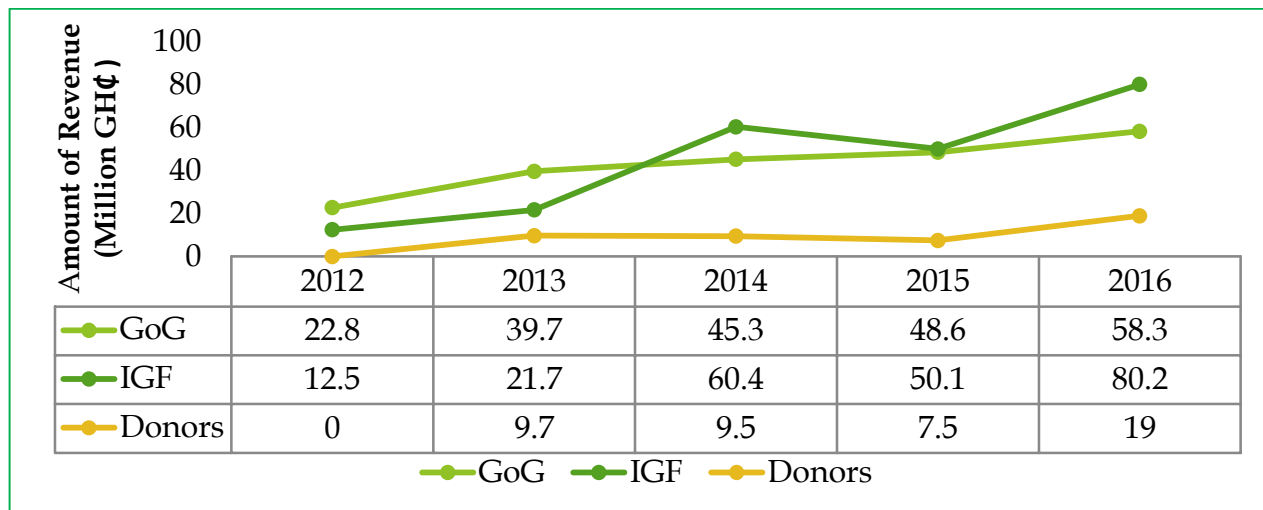
Internally generated funds amounted to GH¢80.2 million as against a budgeted amount of GH¢40.4 million, which showed an excess of about 99% over the budgeted amount.

##### Donor Funding

The Commission budgeted to receive an amount of GH¢19 million but did actually receive an amount of GH¢14.5 million. Thus, the Commission was able to meet 76% of its budget. These funds were meant for the Forest Investment Project, Forest Carbon Partnership Facility and the Sustainable Land and Water Management Project, which is being undertaken by both the Forest Services and the Wildlife Divisions in the Northern part of the country.

Figure 9.0 below indicates the trend of financial performances from 2012 to 2016. The values are recorded in millions of Ghana Cedis. It is clear from the figure that, in 2016,

revenue realization from all the three sources increased unlike in 2015 where only Government subvention increased.



**Figure 9.0 Revenue Performance from 2012 to 2016**

### IGF Revenue Contribution by Sub Programme

The breakdown of the internally generated fund according to the contribution by the various sub-programme implemented under forest and wildlife management programme is presented in Table 7.0 below.

**Table 7.0 IGF Classification by Sub – Programme 2016**

Sub Programme	1 <sup>st</sup> Qtr. (GH¢)	2 <sup>nd</sup> Qtr. (GH¢)	3 <sup>rd</sup> Qtr. (GH¢)	4 <sup>th</sup> Qtr. (GH¢)	Total for the Year (GH¢)
1. Protection, Utilization of Forest Resources and Restoration of Degraded Forest	9.46	11.27	8.93	10.34	40.00
2. Timber Industry and Trade Development and Technology Transfer	6.14	11.77	10.39	8.73	37.04
3. Protection and Sustainable Utilization of Wildlife Resources	0.38	1.03	0.45	0.35	2.21
4. Forest and Wildlife Sector Coordination and Facilitation	0.31	0.18	0.12	0.34	0.95
<b>Total (GH¢)</b>	<b>16.29</b>	<b>24.25</b>	<b>19.89</b>	<b>19.77</b>	<b>80.20</b>

From the Table 7.0, the Commission generated total IGF of GH¢40.0 million under the sub-programme 1, denoting the highest contribution for the period, followed by the sub-programme 2, which also generated thirty-seven million and forty thousand Ghana Cedis (GH¢37.4 million). The lowest IGF realized in terms of sub-programme performance came from the Forest and Wildlife Coordination and Facilitation, which in most cases played a check and balance role between the other three sub-programmes.

### **Expenditure by Economic Classification**

The Commission in 2016 spent a total amount of GH¢118.5 million under the various economic classifications as against a budget of GH¢91.4 million, thus, making the total expenditure about 30% higher than the expected.

#### **Compensation**

Under Compensation, an amount of GH¢50.07 million was budgeted as wages and salaries for the employees, however, the Commission at the end of the period exhausted the budget by an extra of about 17%, pegging the total amount spent on Compensation at GH¢58.3 million.

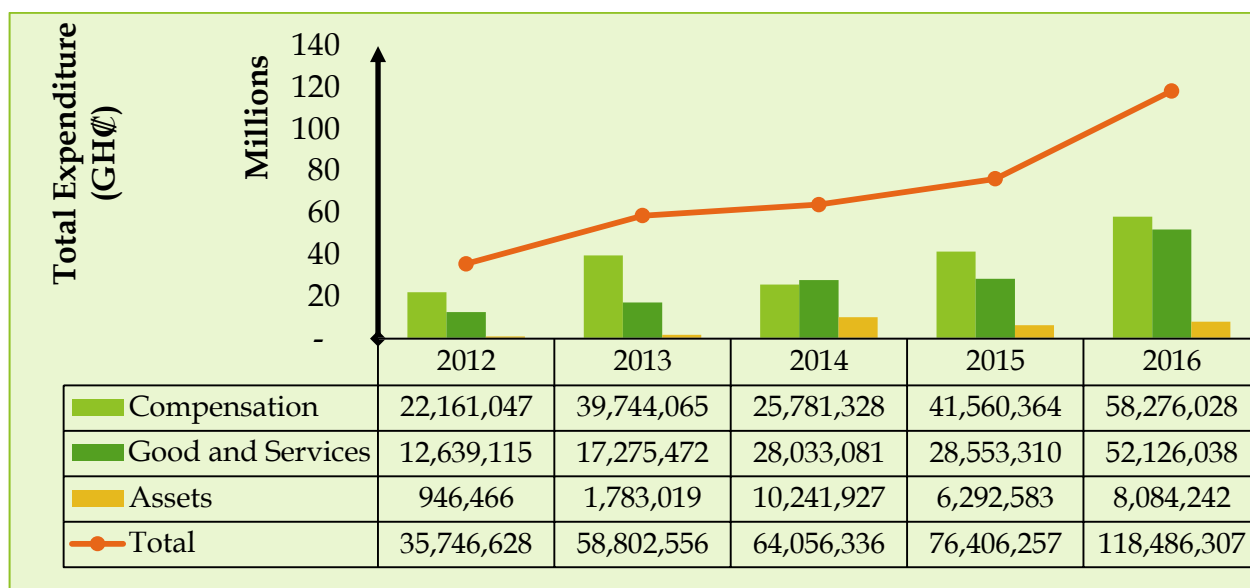
#### **Goods and Services**

On Goods and Services, a total amount GH¢52.1 million was actually spent as against a budgeted expenditure of GH¢31.9 million, indicating an excess of about 63% over the budgeted.

#### **Assets**

A total amount of GH¢8.1million was spent in acquiring Assets for the Commission as against a budget of GH¢8.9 million. This shows that, the Commission was able to retain about 9% of revenue allocation on the asset for the period. Most of these expenses under assets cover the costs of renovation of official bungalows and the purchase of Information and Communication Technology equipment.

It can be seen from Figure 10.0 below that, the total expenditure of the Commission increased every year. The rate of increase in 2016 from 2015 was about 36% higher than the increase in 2015 from 2014. In 2016, it can be seen that the expenditure increased across the economic classifications hence shifting the expenditure level to about 56% over that of 2015.



**Figure 10.0 Expenditure by Economic Classification (2012 - 2016)**

### Donor Funded Activities

The UNDP provided support for the National REDD+ Forum and "REDDEYE" Campaign Launch. UNDP is also providing support in the development of project proposal for Ghana Shea Landscape REDD+ programme in which a concept note was submitted to the Green Climate Fund (GCF). A number of computers were received from the FAO for the establishment of a GIS laboratory at the Resource Management Support Centre.

### 2016 Audited Financial Statements

The Board of Commissioners presented the 2016 Audited Financial Statements of the Commission to the Minister of Lands and Natural Resources and the Auditor Generals Department (find attached as Appendix 1). The financial statements covered the activities of the Divisions, Departments and Units.

### 3.5 Human Resource Management

The Commission concentrated on the human resource functions that included:

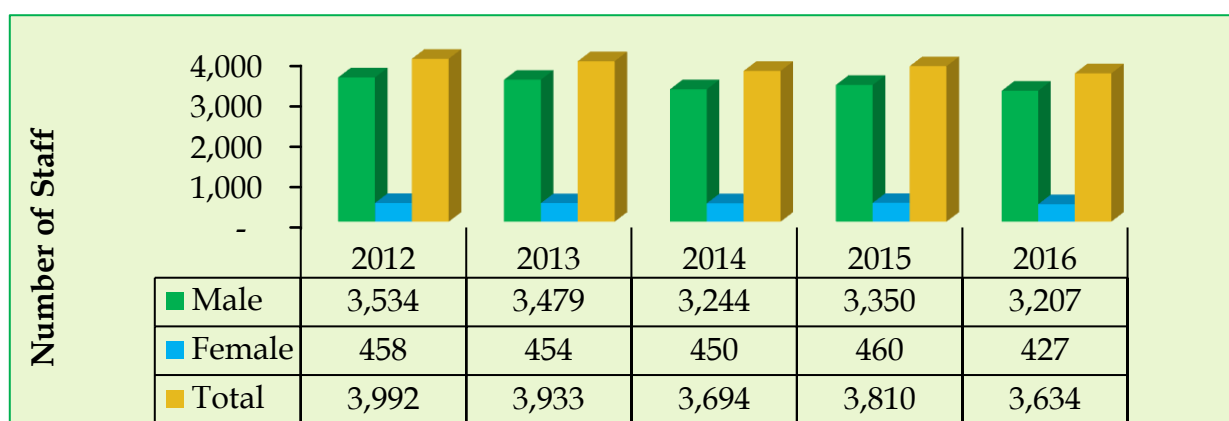
- Human Resource Development
- Employee Resourcing
- Reward Management (Corporate Staff Social Responsibility)
- Organizational Development
- Performance Management

- Human Resource Information Management System

The Human Resource Department played a critical role in achieving the strategic imperatives of the Forestry Commission in respect of attracting, developing and retaining a well-motivated, skilled and efficient workforce.

### Staff Demography

Three thousand six hundred and thirty-four (3,634) staff comprised of 3,207 males and 427 females were active at post at the end of the period. This was made up of 519 senior staff and 3,115 junior staff. Figure 11.0 highlights the changes in staff status from 2012.



**Figure 11.0 Trend in Staff Numbers**

The Commission experienced dwindling staff numbers from 2012 till 2015, when an increase of 3% was recorded, but further decreased by 5% in 2016. The reduction in the number of staff was due to the high staff attrition with few or no replacement in some cases. The sex ratio of the staff presented at the end of the period is expressed as 88% of males against 12% females. Table 8.0 below represents the breakdown of staff demography for 2016, characterized by sex and staff category.

**Table 8.0 Staff Demography**

	Senior Staff		Sub Total	Junior Staff		Sub Total	Total
	Male	Female		Male	Female		
CHQ	65	15	80	23	6	29	109
FSD	205	36	241	1,920	244	2,164	2,405
RSMC	19	7	26	42	5	47	73

	Senior Staff		Sub Total	Junior Staff		Sub Total	Total
	Male	Female		Male	Female		
TIDD	59	19	78	53	24	77	155
WD	71	15	86	720	49	769	855
FCTC	41	4	8	26	3	29	37
<b>Total</b>	<b>460</b>	<b>96</b>	<b>519</b>	<b>2,784</b>	<b>331</b>	<b>3,115</b>	<b>3,634</b>

### Capacity Enhancement and Training

The Commission provides short-term and refresher courses which are intended to improve the capacity of staff.

Four hundred and eighty-five (485) staff benefitted from the Commission's training programme. One person was trained under the Self-Initiated Training Programme and 14 through the Chinese Cooperation Training Programme. Sixty (60) and 100 participants were given Leadership and Retirement Planning Training respectively, in order to transform their leadership role and to create awareness on proper planning towards exiting the Commission.

Three hundred and ten (310) staff were also trained through other professional training programme, workshops and forums, both local and international including 64 staff who attended the Forestry for Non-Foresters training programme. The outcome of the Forestry for Non-Foresters training is to make staff, especially those without forestry background, to become familiar with the nitty-gritty of forestry and for them also to appreciate the duties of foresters.

The Forest Plantation Department staff acquired training in Collect Earth Software for the Agriculture, Forestry and Other Land Use (AFOLU) sector under the West Africa Greenhouse Gas (GHG) Project.

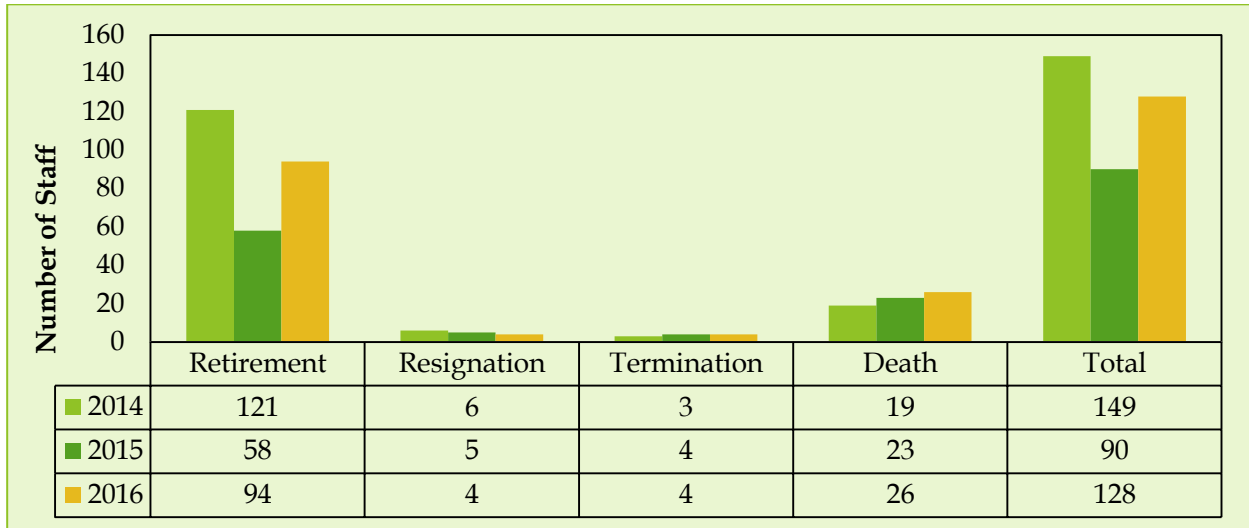
### Staff Recruitment

There was no recruitment of permanent staff during the period, however, 59 people were engaged on contract and stationed across the Divisions of the Commission. Thirty (30) Interns were also engaged across the Divisions and Units of the Commission.

### Staff Attrition

Total of 128 staff turnovers were recorded in 2016, showing an increase of 42% over what was recorded in 2015. Ninety-four (94) members of staff retired, 26 died, 4

resigned and 4 appointments were terminated. Figure 12.0 below details the turnovers as recorded. It is seen that the number of staff that went on retirement in 2016 is about 62% higher than the number that retired in 2015.

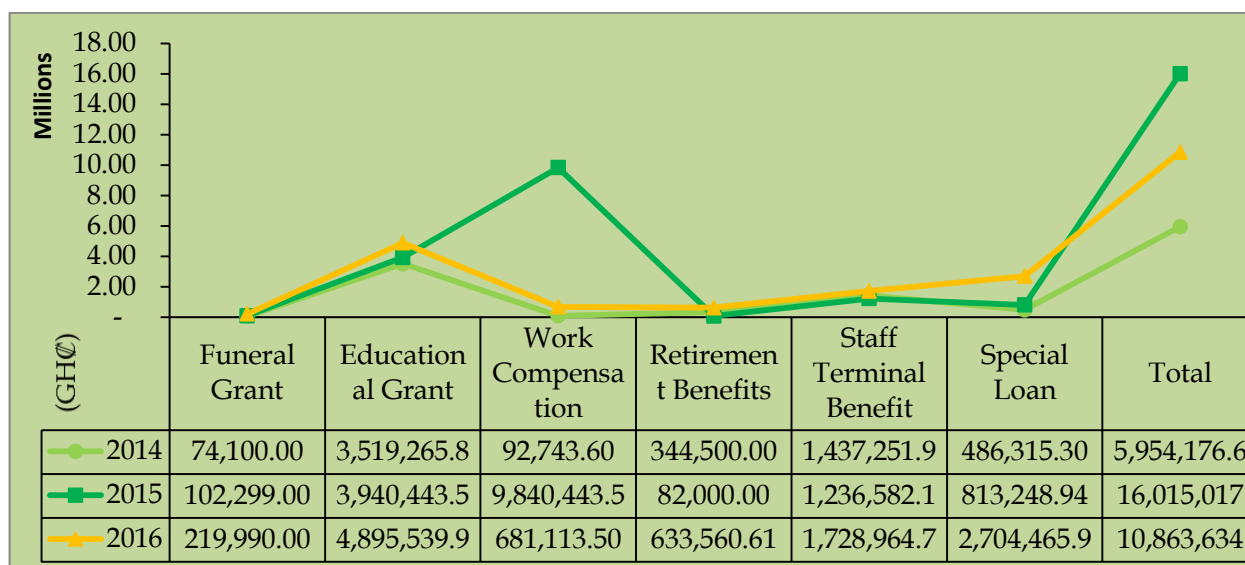


**Figure 12.0 Staff Attrition (2014 - 2016)**

**Corporate Social Responsibility to Staff**

As a way of motivating staff to improve work habits and key behaviours, the Commission spent an amount of GH¢10.7 million as payments for staff in 2016. The payments were categorized into Workman’s Compensation, Funeral Grants, Special Loan, Terminal Benefits and Retirement Benefits. However, the total amount paid to staff in 2015 is 32% bigger than the value paid in 2016, because of the high amount paid as a workman’s compensation. Figure 13.0 provides the performance of the Commission’s policy of Corporate Social Responsibility to staff from 2014 to 2016.





**Figure 13.0 Corporate Social Responsibility to Staff**

### 3.6 Forest and Wildlife Stakeholder Collaboration

#### Wetlands Management

The wetlands cover communal and family lands with extensive human settlements and are managed as multiple-use areas in accordance with the tenets of the Ramsar Convention. It also has designated zones that are given varying degrees of protection.

Ghana has five (5) Ramsar sites of international importance, which have been duly gazetted as protected areas. They are Densu Delta, Songor, Keta Complex, Muni-Pomadze, and Sakumo Lagoons. The wetlands located in the forest and wildlife reserves are those in the Mole National Park, Black Volta, Sene, Bia, and Owabi Wildlife Sanctuaries, while those outside the conserved wetland areas are the rivers Ankobra and Pra.

Efforts were made to ensure that these designated protected and wetland areas are effectively managed through the enactment of appropriate legislation to protect wetlands from degradation.

Local participation is assured through Site Management Committees at each site, comprising representatives of national and local governments, traditional authorities, resource users and other stakeholders. The Commission in collaboration with some NGOs (SNV-Netherlands Development Organisation and AROCHA) carried out 31.5 hectares of enrichment planting in Bia Conservation Area. About 11,400 seedlings of *Avicinnia germinans* were planted at Obane and Kwakpoyom communities in the Songor Ramsar site.

As well, 15,600 seedlings of mangroves planted in the Keta Lagoon Complex and Muni Pomadze Ramsar Site. About 5,720 Acacia and 700 Cassia seedlings were supplied to schools and communities within the Keta Lagoon and Muni-Pomadze Ramsar Sites for planting. About 4 ha woodlot was established at Obengkrom and Abeka Nkwanta at Kakum National Park with a support from Ghana Heritage Conservation Trust.

### **Management of CREMAs and CRMCs**

A number of activities were undertaken under the Community Resource Management Areas (CREMAs) initiatives. Forty-nine (49) CREMA/Community Resource Management Committees (CRMC) meetings were organised in three (3) protected areas.

Under the Commission's Alternative Livelihood Scheme, sixty-eight (68) people from fringe communities of Bia Conservation Area benefited from the alternative livelihood programme under the UNESCO Man and Biosphere Project.

### **Corporate Social Responsibility to Stakeholders**

The signing of benefit-sharing agreements on plantations were completed for 3 Private/Commercial Developers and 23 Modified Taungya System farmers.

The Commission recorded a total of GH¢1,007,964.09 under its Social Responsibility Agreements (SRA) for the natural forest timber production areas. This covers 17 Off-reserves and 6 On-reserves in 5 regions namely, Ashanti, Brong Ahafo, Western, Eastern and Volta. On the other hand, the total SRA signed for plantation timber production resulted in the payment of GH¢7,538,408.41. The agreements were signed between the Forestry Commission and 51 companies in Ashanti, Eastern, Western, Central, Volta, Brong Ahafo and Northern Regions, covering a total volume of 1,690,283m<sup>3</sup> of plantation timber.

### **Forest and Wildlife Conservation Education**

In all, 107 First and Second Cycle Schools and 105 communities around wildlife protected areas and Ramsar sites were educated on the importance of wildlife conservation. In addition, 29 radio programmes were carried out at wildlife protected areas and Ramsar sites.

A series of information sharing and consultative programmes were undertaken to enhance awareness of the REDD+ programme in order to ensure that there is shared understanding of the critical roles of key stakeholders, which include Cocoa Private Sector actors, Multi-stakeholder, Policy Actors, Legislators, MMDAs, NRWG and Traditional Authorities.

The Commission launched the Regional “REDD EYE” campaign, which targeted the enhancement in awareness creation amongst the youth on the need to reduce deforestation and forest degradation in Ghana as part of national efforts aimed at mitigating climate change. Over 1,000 participants from second cycle institutions and the public were sensitized.

In order to facilitate downstream processing, over one hundred (100) timber industry operators (SMEs) were trained.

### **Promotion of Strategies for Improved Forest Governance**

The Commission undertook activities to improve forest governance that included the following:

- Lecture on wildlife field operations and inventory techniques was organized for students on industrial attachment and non-foresters.
- Elections and inauguration of local and district executives of the various committees established under the Landscape Restoration Project was conducted.
- Validation workshop for stakeholders on “Improving Social Responsibility Agreements in support of a Functional Voluntary Partnership Agreement (VPA)” project was organized.
- Community Wildfire User Guide was prepared for off-reserves and review workshops were carried out with participants from FIP Districts and Regional FSD offices, staff from FC Headquarters and MLNR as well as other stakeholders like FORIG and GNFS.
- Technical support was provided to farmers on forest plantation establishment in Ahinsan near Effiduase in which 2,160 teak seedlings was planted.

### **3.7 Efficient and Effective Organization Infrastructural Development**

Activities of sustainable management, protection and development of forest and wildlife resources were facilitated and coordinated, thereby ensuring that the corporate strategic plan of the Commission was implemented.

#### **Corporate Planning Systems**

The Commission engaged the service of a Consultant to assist in the review of the 2010-2015 Corporate Strategic Plan. Three (3) leadership journey workshops were organized for the Commission’s management staff, in which inputs and ideas were gathered from the Divisions, Departments and Units.

A team of Finance and Planning staff collaborated and developed the 2016-2019 Programme-Based Budget, which was further submitted through the Sector Ministry to the Ministry of Finance.

## **Monitoring, Evaluation and Control**

The 2016-2019 Monitoring and Evaluation Plan was prepared by the M&E Unit of the CPME Department, Business Planning Managers and representatives of Departments and Units of the Corporate Headquarters. A validation workshop was organized after which the document was disseminated for action and also uploaded on to the Commission's website.

The Commission organized the 2015 Annual Performance Review workshop in which reports submitted by Divisions, Departments and Units were collated to develop the 2015 Annual Report. Other performance reports were also prepared and submitted to the NDPC, OHCS and the Sector Ministry.

The Mid-Year Performance Review for 2016 was organized by the Sector Ministry at Ho, where presentation was made on priority issues that required the attention of the Sector Ministry for their action. Achievements were highlighted and challenges submitted for redress.

As part of the implementation of the GSGDA II and delivery of indicator targets, the Commission prepared and participated in the 2016 Meet - the - Press series organized by the Sector Ministry. Progress of activities in the forestry sector were made available to the public domain.

Two (2) M&E field visits were undertaken during the year to randomly selected FSD District offices, WD Protected Areas (Parks) and TIDD Area Offices. The findings of the visits were collated with actionable recommendations and submitted to the Chief Executive for his action.

## **Internal Auditing**

The Internal Auditors of the Commission issued four (4) consolidated quarterly audit reports that summarized findings and demanded responses to the identified issues to be validated at Audit Report Implementation Committee meetings. The audit operations covered the Greater Accra, Western, Central, Ashanti and Northern regions of the country.

## **Information and Communication Technology Policy**

The Commission has drafted an ICT policy, which is to ensure that, all users become aware of their individual responsibilities and potential consequences associated with a breach of responsibility. It is also to ensure adherence to standards so as to promote efficiency and effectiveness in the delivery of outputs. The document is currently with the Executive Management Team for their approval and usage.

In an attempt to ensure efficient utilization of ICT, the Commission has undertaken the following key activities:

- Development of business continuity and disaster recovery plan. Two (2) workshops were organized bringing together all the technical staff who completed the first and second draft document, awaiting review by the Executive Management Team.
- An internet-based comprehensive corporate e-mail system was procured, installed and configured on the hosting site. This is always active even outside the Commission's Virtual Private Network.
- Conduct of security awareness programme for all staff within the corporate headquarters, which shall later be extended to the staff in outstations.
- The Commission in collaboration with the National Information Technology Agency (NITA), smoothly migrated from the existing Long-Term Evaluation data communication system to an Optical Fibre Platform which is more stable and transfer data packets with faster speed.

### **Resource Management and Support Systems**

The Commission has set for itself five (5) well-defined objectives that aim to drive all activities in a manner consistent with achieving the overall corporate goals. These objectives include:

- continuous improvement on the operational capacity;
- development of systems and standards to improve forest and wildlife management that report on the state of the forests;
- testing and certifying externally developed systems on forest and wildlife management for adoption;
- promotion of strategies to improve forest governance, and
- attracting, retaining and building highest-level technical expertise to enhance capacity and also to explore prospects for improving the Commission's revenue generation.

To develop systems and standards for improving forest and wildlife management that report on the state of the forests, the following activities were undertaken:

- rapid assessment on fire outbreak in research plots affected by wild fires of which a report was submitted to EMT for action.
- upgrade of the Production Statistics software to automate repeated fields in the capturing of Rosewood species. The upgrade was tested at RMSC and later installed at the Brong Ahafo Regional Office.
- inventory of four (4) forest reserves in the Upper East and Upper West Regions.

- social, cultural and economic data were gathered from fringe communities for the review of management plans of some selected forest reserves.
- status assessment and reserve inspection on illegal mining operations was carried out by the floral team on the Bion River and Compartment 272 in Tano Offin forest reserve respectively.
- baseline survey and inventory on MTS/NTFP plots in the study areas under the WOTRO project.

## CHAPTER FOUR

### PROGRAMME AND PROJECTS

---

#### 4.1 Introduction

The Commission undertook projects and supported programme in 2016. The outputs from the implementation of these projects and programme constitute to the achievement of the Commission's mandate of protection, conservation, development and regulation of forest and wildlife resources in the country.

#### 4.2 Natural Resources Environmental Governance (NREG) – Technical Assistance Project

The Project was designed to help government improve policies, develop technical tools and skills, and solidify institutional capacities needed to sustain Ghana's NREG programme in achieving desired policy reforms. Under the implementation of this programme, the focus was on the development of Forestry Development Master Plan, preparation of forest management plan for three (3) priority reserves, finalization of the plantation strategy, a framework for tree tenure and benefit-sharing options drafting as well as the development of a monitoring and evaluation system for the forestry subsector. The key outputs recorded under the implementation of the project are as follows;

##### Forestry Development Master Plan

The first draft of the Forestry Development Master Plan framework submitted by the Consultant was used as the base document for discussion to solicit views. Three (3) regional consultative workshops involving all the ten (10) regions of Ghana were held to review the draft document.

The Forestry Development Master Plan was finalized by the Consultant after a national stakeholder validation workshop held at the Miklin Hotel in Kumasi in June 2016. The final document was launched and disseminated for implementation.



*A Cross - Section of Participants at the Validation Workshop*

### **Three Model Integrated Management Plans**

The Model Integrated Management Plans were developed for three (3) ecological regions of Ghana. In the northern region, the Yakombo forest reserve under the Buipe District (Guinea Savannah ecological zone), Old Buipe and Lito communities were engaged in the socio-economic surveys. In the Ashanti Region, the Tinte Bepo forest reserve under the Mankranso District (Moist Semi-Deciduous ecological zone), Asuodei, Wioso, Betinko, Nsuta, Abesewa, Kwamensiakrom communities were engaged in the socio-economic surveys. In the Western region, the Fure Headwaters forest reserve under the Asankrangwa district (Moist Evergreen ecological zone), the communities engaged were Kwaw Mensah, Simpa, Asasetre, Dunkwawura, and Amuni.

The process started by the selection of the three targeted forest reserves followed by an inception workshop. Activities including fauna, flora, biological and socio-economic surveys were intensively undertaken in all the three (3) forest reserves and the fringe communities that share boundaries with these reserves.

Three (3) regional consultative workshops involving all the ten (10) regions were held to review the first draft document, after which the final document was published, launched and disseminated.

### **Monitoring and Evaluation System**

The aim of the NREG - TA for the forestry sector is to finance studies and consultations in support of policy reforms and capacity building activities in the forestry sector on various themes. Among the priorities agreed upon, the TA supported the establishment of an efficient forestry sector Monitoring and Evaluation System. The system when developed is to enhance the measurement of performance and achievement of sector-wide objectives.



The M&E system is also expected to facilitate the decision-making process of stakeholders involved in the natural resources and environment sector by making available required information when needed by all stakeholders.



The draft document prepared by the Consultant was reviewed by expert groups in which three (3) stakeholder consultation workshops were held. The review meeting was conducted for the Commission’s Business Planning Managers who developed indicators to finalize the Monitoring and Evaluation system and training in the use of the System was conducted.

### **4.3 Key Achievements – ENFAL**

A total of 87ha of degraded watersheds within the ecological corridor was planted out of the annual target of 92ha. This implies that about 95% of the target had been achieved. The activity was undertaken through community participation after an elaborate training programme for work gangs on the activity. Tree seedlings were also distributed to the prospective farmers under the monitoring and supervision of teams from FSD/FC Headquarters, Regional and District offices to ensure it conforms to standards. The activity was completed and the field report was submitted. Under this activity, a total of 580km of forest reserve boundaries was planted as against the target of 170 km, indicating excess of over 200% in the achievement recorded. The activity took place in all Districts under the project in the Western and Brong Ahafo regions.

One hundred and forty-five (145) degraded compartments with an area of 19,666 ha was identified and proposed for commercial plantation development in Tain II forest reserve in the Brong Ahafo Region. Maps were produced for the identified areas. Three (3) model

plantations of 272ha were established out of the annual target of 300ha. This represents about 91% achievement. This activity was done through community participation in the areas around Kintampo and Dormaa Forest Districts.

#### **4.4 Key Achievements – ELCIR+**

- Fifty-six (56) community-level durbars were organized in the Tarkwa, Asankrangwa, Bibiani, Enchi, Sunyani, Kintampo and Dormaa Forest Districts. Also, 37 community radio broadcast was done to sensitize beneficiary communities on the project.
- Twenty-five (25) tree planters were formed, out of which 20 were trained. These planters were given 20,390 seedlings of which they planted 116ha out of the target of 1,500ha.
- Fifty (50) communities with approximately 442,204 people were sensitised in the Bibiani and Sunyani Forest Districts.
- About 621,454 seedlings were supplied to plant over 5,000ha in the Enchi, Bibiani, Asankrangwa, Tarkwa, Sunyani, Dormaa, Bechem, Goaso and Kintampo Forest Districts.
- Under the provision of seedlings and other materials for other agricultural systems, 184,517 seedlings were supplied to Asankrangwa, Sunyani, Kintampo, Dormaa and Atebubu Forest Districts.
- About 118ha of woodlots were established in Tarkwa, Kintampo and Atebubu Forest Districts.

## CHAPTER FIVE

### CHALLENGES, WAY FORWARD AND CONCLUSION

---

#### 5.1 Challenges

The challenges faced during the year under review are categorized into two: the challenges associated with plantation development and the general constraints.

#### Plantation Development

The key challenge has to do with the unsustainable funding for plantation establishment and maintenance. Many established plantation stands have not received any maintenance since establishment leading to stunted growth through intense competition with weeds, development of crooked boles and profuse branching, which reduces the optimum wood quality on maturity. The intense competition with weeds has led to high mortality with resultant large gaps of failed areas within some of the stands.

A more serious consequence of the long years of neglect and lack of maintenance is the annual ritual of wildfires that ravage many of these plantations resulting in either complete loss of some stands, retarded/stunted growth and reduction in wood quality.

Suspension of planting activities due to the unusual cessation of the major rainy in order to prevent seedlings from becoming desiccated. This may hinder the timely achievement of the planting targets and also expose planted seedlings to a high risk of failure.

#### General Constraints

The operations of activities of the Commission were in one way or the other hindered due to the following key challenges;

- Non-replacement of ageing and retired field staff.
- Increased incidence of illegal timber harvesting and lumbering activities (illegal chain-sawing/logging).
- Dwindling stock of traditional wood species for export.
- Degradation (due to illegal farming, logging, mining, fuel-wood harvesting and wildfires).
- Inadequate promotion of bamboo as an alternative timber resource and viable alternative to traditional timber species.
- Inadequate promotion of ecotourism investments within the wildlife sector.
- Inadequate logistic support in the monitoring of illegal timber activities.
- Lack of data to enable development and implementation of Payment for Ecosystem (Environmental) Services (PES) scheme.

## 5.2 Way Forward

The Commission will focus on the implementation of the four (4) sub-programme areas of the Forest and Wildlife Development and Management programme under the programme -based MTEF budgeting. The sub-programme which includes; Sustainable Forest Management and Plantation Development, Protection and Sustainable Utilization of Wildlife Resources, Timber Industry, Trade Development and Technology Transfer and Coordination and Facilitation of Forest and Wildlife Development and Management, when implemented effectively and efficiently will enable the Commission meet all service and operational priorities.

In line with the above sub-programme areas, the key priority activity programmes that will be of focus are as follows:

- Sustainable Forest Protection and Production
- National Forest Plantation Development
- Sustainable Wildlife Protection and Industry Development
- Timber Trade and Industry Development
- Ecotourism Development
- Law Enforcement (including FLEGT License and Legality Assurance System)
- Reducing Emissions from Deforestation and Forest Degradation

The Commission will also pay attention to identifying essential means for mobilizing sustainable funds for plantation establishment and development.

## 5.3 Conclusion

To sum up, all activities undertaken during the period were geared towards achieving the vision and mission statements of the Commission as well as the overall goals, strategies and policies implementation that results in the sustainable management of Ghana's forest and wildlife resources. Outputs delivered are in line with the 2014-2017 Sector Medium Term Development Plan, which is being implemented.

Staff capacities enhancement, investigating revenue means and increased supply of field logistics were and will be the main focus, directed towards positioning the Commission to improve in forest and wildlife resources development and management and to also deal with the menace of illegalities which is fast deteriorating the natural resources.

**APPENDIX**

---

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2016**

**FORESTRY COMMISSION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

**FORESTRY COMMISSION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016**

**GENERAL INFORMATION**

<b>COMMISSIONERS:</b>		<b>DATE OF APPOINTMENT</b>
MR. EDWARD ALOYSIUS PRAH	- CHAIRMAN	3/10/2014
MR. RICHARD DUAH NSENKYIRE	- TIMBER TRADE AND INDUSTRY REPRESENTATIVE	3/10/2014
MR. GERARD H. O. BOAKYE	- WILDLIFE TRADE AND INDUSTRY REPRESENTATIVE	3/10/2014
MR. KINSLEY K. F. GHARTEY	- INSTITUTE OF FORESTERS REPRESENTATIVE	3/10/2014
DR. ERNEST ASARE ABENEY	- REPRESENTATIVE OF NGO'S IN FOREST AND WILDLIFE MANAGEMENT	3/10/2014
DR. WILFRED K. ANIM-ODAME	- LANDS COMMISSION	3/10/2014
NAA (DR) PUOBE CHIR VII	- NATIONAL HOUSE OF CHIEFS	3/10/2014
AWULAE ATTIBRUKUSU III	- GOVERNMENT NOMINEE	3/10/2014
ALHAJI ALHASSAN MOOMEN	- GOVERNMENT NOMINEE	3/10/2014
MADAM AGNES BERTHA AMANUVOR	- GOVERNMENT NOMINEE	3/10/2014
MR. SAMUEL AFARI-DARTEY	- CHIEF EXECUTIVE	3/10/2014

**SECRETARY:** MR. U.K. ARMOO, HEAD OF LEGAL UNIT  
**INSTRUMENT OF INCORPORATION:** FORESTRY COMMISSION ACT, 1999 (ACT 571)

**HEAD OFFICE:** FORESTRY COMMISSION BUILDING  
GIMPA ROAD  
WEST LEGON  
P.O. BOX MB 434  
ACCRA

**BANKERS:** BANK OF GHANA  
**LOCAL:** GCB BANK LIMITED  
NATIONAL INVESTMENT BANK LIMITED  
BARCLAYS BANK (GHANA) LIMITED  
STANDARD CHARTERED BANK (GHANA) LIMITED  
UNIVERSAL MERCHANT BANK (GHANA) LIMITED  
ADB BANK LIMITED  
ECOBANK (GHANA) LIMITED  
CAL BANK LIMITED

**AUDITORS:** OPOKU, ANDOH & CO.  
CHARTERED ACCOUNTANTS  
ACCOUNTANCY HOUSE  
SDA 8, COMMUNITY 5  
P.O.BOX CO 1364  
TEMA

## FORESTRY COMMISSION

### REPORT OF THE BOARD OF COMMISSIONERS

The Commissioners have the pleasure in presenting the financial statements of Forestry Commission for the year ended 31<sup>st</sup> December 2016 to the Minister of Lands, Forestry and Mines. The financial statements covered the activities of the divisions and units of the Commission.

The divisions of the Commission are: Forest Service Division (FSD), Wildlife Division (WD) and Timber Industry Development Division (TIDD) and the supporting units are: Corporate Head Office; Forestry Commission Training Centre (FCTC); Resource Management Support Centre (RMSC) and London Office of Forestry Commission.

#### **(a) Principal Activities**

The Commission's principal activities include:

regulation of the utilization of forest and wildlife resources including the conduct of pre-shipment inspection and examination of timber, wood and wildlife products;

conservation and management of forest and wildlife resources;

co-ordination of policies related to forest and wildlife resources;

undertaking the development of forest plantations for the restoration of degraded forest areas; and

expansion of the country's forest cover and increase in the production of industrial timber.

#### **(b) Results of operations**

The Commission registered Net Surplus of GH¢28,432,011 against a surplus of GH¢18,114,681 the previous year.

This has been transferred to the Accumulated Fund Account.

#### **BY ORDER OF THE BOARD**



.....  
COMMISSIONER



.....  
COMMISSIONER

## FORESTRY COMMISSION

### STATEMENT OF COMMISSIONERS' RESPONSIBILITIES

The Board of Commissioners are responsible for preparing the financial statements for each financial year which give a true and fair view of the financial position of Forestry Commission at the end of the financial year and of its net surplus or deficit for that period.

In preparing these financial statements, the Board of Commissioners are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Commission will continue to carry on its operations in the foreseeable future.

The Board of Commissioners is responsible for ensuring that the Commission keeps accounting records which disclose, with reasonable accuracy, the financial position of the Commission and which enable them to ensure that the financial statements comply with International Accounting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Commission, and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of respective responsibilities of the Commissioners in the Independent Auditor's Report





**INDEPENDENT AUDITORS REPORT TO MEMBERS OF FORESTRY COMMISSION ON THE  
FINANCIAL STATEMENTS OF FORESTRY COMMISSION FOR THE YEAR ENDED 31ST  
DECEMBER 2016**

**Opinion**

We have audited the financial statements of **FORESTRY COMMISSION** which comprise the statement of financial position as at December 31, 2016, and the statement of financial performance, cash flow statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory notes as set out on pages 9 to 16.

In our opinion, the accompanying financial statements present fairly in all material respects (or give a true and fair view) of the financial position of the Commission as at 31<sup>st</sup> December, 2016 and of its financial performance and its cash flow for the year then ended in a manner required by the companies Act 1963 (Act 179) and Forestry Commission Act, 1999 (Act 571)

**Report on Other Legal and Regulatory**

The Ghana Companies Code 1963, (Act 179) requires that in carrying our audit we consider and report to you the following matters. We confirm that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit
- In our opinion, proper books of account have been kept by the commission, so far as appears from our examination of those books and
- The statement of financial Position and Statement of Financial Performance of the Commission are in agreement with the books of account.

**Basis for Opinion**

We conducted our audit in accordance with international Standard of Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

**Responsibilities of the Board of Commissioners for the Financial Statements**

The Board of Commissioners is responsible for the preparation of financial statements in accordance with Companies Code, 1963 (Act 179), and for such internal control as the Board of Commissioners' determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, The Board of Commissioners is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Commissioners either intends to liquidate the commission or to cease operations, or has no realistic alternative but to do so. The Board of Commissioners are responsible for overseeing the Commission's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

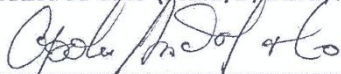
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Commissioner's.
- Conclude on the appropriateness of The Board of Commissioners' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with The Board of Commissioners regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PETER OPOKU (ICAG/P/1009)



OPOKU, ANDOH & CO.

(ICAG/F/2018/053)

CHARTERED ACCOUNTANTS

SDA 8, COMMUNITY 5

TEMA

DATED: 28<sup>th</sup> December 2018

**FORESTRY COMMISSION  
STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER, 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
<i>ASSETS:</i>		<b>GHC</b>	<b>GHC</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	2a	20,076,798	13,714,979
Capital Work-in-Progress	2b	-	82,599
		<hr/>	<hr/>
		20,076,798	13,797,578
<b>CURRENT ASSETS</b>			
Inventory	3	374,838	550,615
Accounts Receivable	4	27,196,748	27,306,647
Cash and Cash Equivalents	5	164,108,376	102,394,425
		<hr/>	<hr/>
		191,679,962	130,251,687
<b>TOTAL ASSETS</b>		<hr/> <b>211,756,760</b> <hr/>	<hr/> <b>144,049,265</b> <hr/>
 <i>FUNDS AND LIABILITIES</i>			
<b>FUNDS</b>			
Accumulated Fund		115,573,713	87,141,703
Plantation Development (Gmelina)		909,800	2,771,853
Mineral Development Fund		69,482,891	41,226,506
Capital Grants	6a	-	-
Car loan Revolving Fund		1,334,170	1,334,170
		<hr/>	<hr/>
		187,300,574	132,474,232
<b>CURRENT LIABILITIES</b>			
Accounts Payable	7	24,456,186	11,575,033
		<hr/>	<hr/>
<b>TOTAL FUNDS AND LIABILITIES</b>		<hr/> <b>211,756,760</b> <hr/>	<hr/> <b>144,049,265</b> <hr/>

  
COMMISSIONER

  
COMMISSIONER

**FORESTRY COMMISSION**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2015**

	Note	2016	2015
		GHC	GHC
<b>INCOME</b>			
Subvention from Government of Ghana	8	66,548,548	53,710,530
Internally Generated Fund (IGF)	9	96,311,766	62,508,304
Recurrent Grant from Donor Agencies	6b	15,098,981	13,158,915
		177,959,295	129,377,749
<b>EXPENDITURE</b>			
Compensation of Employees	10	59,295,479	54,284,961
Goods and Services	11	64,799,775	42,164,751
Depreciation charge		6,450,536	5,006,838
Project expenses		18,981,494	9,806,518
		149,527,284	111,263,068
<b>Surplus transferred to Accumulated Fund</b>		28,432,011	18,114,681

**ACCUMULATED FUND ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2016**

Balance as at 1st January 2016		87,141,702	69,027,022
Surplus transferred from statement of Financial Performance		28,432,011	18,114,681
Balance as at 31st December, 2016		115,573,713	87,141,703

## FORESTRY COMMISSION

### STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER 2016

	Note	2016 GH¢	2015 GH¢
<b>Operating Activities</b>			
Net Cash Inflow from Operating Activities	12a	47,986,525	22,604,335
<b>Investing Activities</b>			
Property, Plant and Equipment Purchased		(12,812,355)	(3,669,212)
Capital Work-In-Progress		82,599	(82,599)
Proceeds From Sale Of Property And Equipment		62,850	43,650
<b>Net Cash Outflow into investment activities</b>		<u>(12,666,906)</u>	<u>(3,708,161)</u>
<b>Financing Activities</b>			
Capital Grants		-	(1,494,021)
Car Loan Revolving Fund		-	-
Plantation Development Grants		(1,862,053)	(424,739)
Minerals Development Fund		28,256,385	29,877,136
Net Cash Inflow from financing activities		<u>26,394,332</u>	<u>27,958,376</u>
<b>Net change in cash and cash equivalent</b>	12 (b)	61,713,951	46,854,550
Cash and Cash Equivalents - 1st January		102,394,425	55,539,875
Cash and cash equivalent - 31 <sup>st</sup> December		<u>164,108,376</u>	<u>102,394,425</u>

## FORESTRY COMMISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

#### 1. Accounting Policies

The following are the significant accounting policies adopted by the Commission in the preparation of the financial statements.

##### a. Basis of Accounting

The financial statements have been prepared using the Historical Cost basis of accounting and in accordance with generally accepted accounting principles considered applicable to the Commission.

##### b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less depreciation

Depreciation

Depreciation is provided on a straight-line basis at rates calculated to write off the cost of each Property Plant and Equipment over its estimated economic useful life. The annual rate in use are as follows:

Building	2.5%
Furniture and Equipment	10%
Plant and Machinery	10%
Motor Vehicles	25%
Computers and Communication Equipment	25%
Tools and other Equipment	25%

##### c. Inventory

Inventory is valued at lower of cost and net realizable value. Cost is the aggregate of cost of purchases, cost of conversion and other costs incurred in bringing the item to its present location and condition. Net realizable value is the price at which the inventory can be realised in the normal course of business after allowing for cost of realization. Provision is made for obsolete, slow moving and defective inventory.

## **FORESTRY COMMISSION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2014 (CONTINUED)**

#### **d. Debtors**

Debtors are stated at book value less provision for specific debts which are considered doubtful.

#### **e. Grants**

##### **(i) Capital Grant**

The costs of property, plant and equipment acquired through grants are set off against the contributed capital grants.

##### **(ii) Revenue Grant**

Revenue grants are recognized in the statement of financial performance as and when received and utilized.

#### **f. Foreign Currency Transactions**

Transactions involving foreign currencies are translated into cedis at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities are translated at the rates ruling at the date of financial position. Exchange differences arising are dealt with in the Income Statement.

#### **g. Project Expenses**

Project expenditure which does not result in the creation of property, plant and equipment to be employed in the operations of the Commission is expensed as incurred.

Expenditure which results in the creation of Property Plant and Equipment is capitalized and depreciated on a straight-line basis over the expected useful lives of the assets concerned.

**FORESTRY COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2016**

**2a. Property, Plant and Equipment**

	<b>Building &amp; Civil Works GHC</b>	<b>Plant &amp; Machinery GHC</b>	<b>Motor Vehicles GHC</b>	<b>Computer &amp; Accessory GHC</b>	<b>Office Equipment &amp; Furniture GHC</b>	<b>Residential Equipment &amp; Furniture GHC</b>	<b>Total GHC</b>
<b>Cost</b>							
Balance at 1st January 2016	9,459,536	1,057,302	14,229,690	9,523,011	2,897,265	649,076	37,815,880
Additions	872,219	30,045	8,123,995	3,228,152	476,915	81,029	12,812,355
Disposal	-	-	(353,600)	-	-	-	(353,600)
Balance at 31 <sup>st</sup> December 2016	<b><u>10,331,755</u></b>	<b><u>1,087,347</u></b>	<b><u>22,000,085</u></b>	<b><u>12,751,163</u></b>	<b><u>3,374,180</u></b>	<b><u>730,105</u></b>	<b><u>50,274,635</u></b>
<b>Depreciation</b>							
Balance at 1st January 2016	1,355,854	798,190	11,867,290	7,420,384	2,129,695	529,489	24,100,901
Charge for the year	266,004	105,735	3,506,457	2,170,925	345,222	56,194	6,450,536
Disposal	-	-	(353,600)	-	-	-	(353,600)
Balance at 31 <sup>st</sup> December 2016	<b><u>1,621,858</u></b>	<b><u>903,925</u></b>	<b><u>15,020,147</u></b>	<b><u>9,591,308</u></b>	<b><u>2,474,917</u></b>	<b><u>585,682</u></b>	<b><u>30,197,837</u></b>
<b>Net Book Value:</b>							
At 31 <sup>st</sup> December 2016	<b><u>8,709,897</u></b>	<b><u>183,422</u></b>	<b><u>6,979,938</u></b>	<b><u>3,159,855</u></b>	<b><u>899,264</u></b>	<b><u>144,422</u></b>	<b><u>20,076,798</u></b>
At 31 <sup>st</sup> December 2015	<b><u>8,103,682</u></b>	<b><u>259,112</u></b>	<b><u>2,362,400</u></b>	<b><u>2,102,628</u></b>	<b><u>767,570</u></b>	<b><u>119,587</u></b>	<b><u>13,714,979</u></b>



## FORESTRY COMMISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	GHC	GHC
<b>2b. Capital Work-in-Progress</b>		
Balance at 1st January	-	-
Addition	-	82,599
Transfers to Property, Plant and Equipment	-	-
Balance at 31st December	<u>≡</u>	<u>82,599</u>
<b>3. Inventories</b>		
Hardware	185,752	227,970
Stationery	189,086	322,645
	<u>374,838</u>	<u>550,615</u>
<b>4. Accounts Receivable</b>		
Trade Debtors -Stumpage Fees	4,034,562	4,432,965
Less: Provision for Doubtful Debts	(2,550,396)	(2,550,396)
	<u>1,484,166</u>	<u>1,882,569</u>
Trade Debtors -Plantation	25,936,122	27,133,579
Less Provision for Doubtful Debts	(13,555,444)	(13,555,944)
	<u>12,380,678</u>	<u>13,577,635</u>
Export Levy Debtors	1,611,924	785,539
Plantation Development (W.I.P) Debtors	8,877,813	8,689,641
Sundry Debtors	364,588	333,670
Staff Debtors	2,076,316	1,650,648
Accountable Imprest	401,263	386,945
	<u>27,196,748</u>	<u>27,306,647</u>

Plantation Development (W.I.P) Debtors- is the cost of failed areas established by Service Contractors from 2010 to 2013.  
The cost of rehabilitation has been secured by financial bonds by the Contractors (Zoil and Ecotech Services).

## FORESTRY COMMISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2016

	2016	2015
	GHC	GHC
<b>5. Cash and Cash Equivalents</b>		
Fixed Deposits	129,878,943	75,374,462
Call Accounts	3,874,346	5,399,536
Bank Balances:		
Local	22,908,463	8,810,319
Foreign	641,685	7,223,832
Project Balances	6,804,939	5,586,276
	<u>164,108,376</u>	<u>102,394,425</u>
<b>6a. Capital Grants</b>		
Forest Preservation Programme (Japanese's Grant)	-	1,494,021
Less: Amortization transferred to Recurrent Grant	-	(1,494,021)
	<u>-</u>	<u>-</u>
<b>6b. Recurrent Grants from Donor Agencies</b>		
Wood Tracking System (VPA) (DFID)	12,451,646	5,549,049
Forest Carbon Partnership Facilities (World Bank)	-	2,798,080
Amortization transferred	-	1,494,021
Food and Agriculture Organisation	179,802	518,317
GEF (SLWMP)	2,399,014	2,698,432
COTVET/SDF	51,643	-
GoG Grant	16,876	101,016
	<u>15,098,981</u>	<u>13,158,915</u>
<b>7. Accounts Payable</b>		
Office of the Administrator of Stool Lands:		
Stumpage Fees Payable	16,146,691	6,311,874
Plantation	523,797	1,495,314
Sundry Creditors and Accruals	7,785,698	3,767,845
	<u>24,456,186</u>	<u>11,575,033</u>

**FORESTRY COMMISSION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2016**

	<b>2016</b>	<b>2015</b>
	<b>GHC</b>	<b>GHC</b>
<b>8. Subvention from Government of Ghana</b>		
Consolidated Fund Account	57,465,548	53,054,440
Natural Resources Environmental Governance	9,083,000	656,090
	<hr/>	<hr/>

(NREG) – Technical Assistance

66,548,548	53,710,530
------------	------------

**9. Internally Generated Fund**

Stumpage Fees	6,769,311	6,718,317
Plantation and Natural Forest Timber	24,903,134	18,288,384
Export Levy	41,261,956	19,169,898
Investment Income	8,948,798	7,951,317
Park Entrance fees	1,351,054	1,050,559
Other Income	13,077,513	9,329,829
	<u>96,311,766</u>	<u>62,508,304</u>

**10. Compensation of Employees**

Salaries and Wages	52,986,025	49,107,824
Allowances	72,459	62,702
SSF – Employer’s Contribution	6,236,995	5,114,435
	<u>59,295,479</u>	<u>54,284,961</u>

**FORESTRY COMMISSION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2016**

**11. Goods and Services**

	<b>2016 GH¢</b>	<b>2015 GH¢</b>
Electricity and Water	1,561,951	944,111
Postal, Telephone and Internet Subscription	617,705	585,855
Cleaning and Sanitation Charges	386,394	268,180
Security Service	710,744	428,289
Office consumables	1,523,887	1,434,947

Printing and Publications/ Advertising	1,643,854	845,203
Donation, Contributions and Staff Welfare	1,955,606	737,605
Travel and Transport (Local and Foreign)	8,134,838	7,712,115
Vehicle Running cost and Repair & Maintenance	5,434,043	4,359,707
Repairs and Maintenance of Building and Equipment	1,625,422	1,396,256
Software Maintenance	917,513	431,903
.Consultancy/Professional and Legal fees	3,542,339	3,310,120
Audit fees	157,500	115,000
Board expenses	1,282,202	222,862
Bank charges	445,232	384,806
Property Rate and Ground Rent	33,647	14,087
Committee Sitting Allowances	1,793,122	212,936
Medical expenses	371,119	312,377
Training and Conferences	1,902,645	1,502,079
Educational Grant	4,861,921	3,977,647
Insurance and Compensation	492,792	583,649
Hotel Accommodation	917,559	798,457
Residential Accommodation	81,792	121,878
Trade Promotion	25,500	87,922
Uniform and Protective Clothing	440,538	101,045
Operation Halt Campaign( Monitoring)	4,789,445	4,455,141
Maintenance of Zoo Animals	366,351	266,591
Fire Prevention Campaign	137,726	153,590
Plantation Development cost	17,899,150	5,870,198
Retirement benefit	747,237	530,195
	<u>64,799,775</u>	<u>42,164,751</u>

**FORESTRY COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2016**

	<b>2016</b>	<b>2015</b>
<b>12a. Reconciliation of Surplus to Net Cash Inflow from Operating Activities</b>	<b>GH¢</b>	<b>GH¢</b>
Surplus for the year	28,432,011	18,114,681
Adjust for:		
Depreciation	6,450,536	5,006,838

Gain on disposal	(62,850)	(43,650)
Increase in Provision for doubtful Debts	-	-
(Increase) /Decrease in Inventory	175,777	252,059
Increase /Decrease in Receivable	109,899	(3,750,010)
Increase /(Decrease)in Accounts Payable	12,881,152	3,024,417
<b>Net Cash inflow in the year</b>	<u>47,986,525</u>	<u>22,604,335</u>

#### 12 b. Analysis of Movements in Cash and Cash Equivalentents

	Balances as at 31 <sup>st</sup> December			Changes in the year	
	2014	2015	2016	2016	2015
<b>Bank</b>	10,561,393	21,620,427	<b>34,229,433</b>	<b>12,609,006</b>	<b>11,059,034</b>
<b>Balances</b>					
<b>Short term</b>	44,978,482	80,773,998	<b>129,878,943</b>	<b>49,104,945</b>	<b>35,795,516</b>
<b>Investment</b>	<u>55,539,875</u>	<u>102,394,425</u>	<u><b>164,108,376</b></u>	<u><b>61,713,951</b></u>	<u><b>46,854,550</b></u>