



*Forestry Commission Annual Report*  
*2017*

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## ABBREVIATIONS

AAC	Annual Allowable Cut
AfDB	African Development Bank
ARF	Applied Research Fund
CCU	Climate Change Unit
CE	Chief Executive
CREMA	Community Resource Management Area
CRMC	Community Resource 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
EU	European Union
FAD	Finance and Administration Department
FASYS	Forestry Commission Availability System
FC	Forestry Commission
FCIIS	Forestry Commission Internal Information System
FCTC	Forestry Commission Training Centre
FIP	Forest Investment Programme
FLEGT	Forest Law Enforcement, Governance and Trade
FR	Forest Reserve
GCF	Green Climate Fund
GHG	Greenhouse Gas
GhLAS	Ghana Legality Assurance System
GSBAs	Globally Significant Biodiversity Areas
GSGDA	Ghana Shared Growth and Development Agenda
GWTS	Ghana Wood Tracking System
HFZ	High Forest Zone
ICT	Information and Communication Technology
IGF	Internally Generated Funds
DOCUSYS	Document Management System
M&E	Monitoring and Evaluation
MLNR	Ministry of Lands and Natural Resources
MMDAs	Metropolitan, Municipal and District Assemblies
MTEF	Medium Term Expenditure Framework
MTS	Modified Taungya System
NGOs	Non-Governmental Organisations
OHCS	Office of the Head of Civil Service
PAs	Protected Areas

PAYINFOSYS	Payroll Information System
REVCOMSYS	Revenue Collection and Management System
SCF	Strategic Climate Fund
TA	Technical Assistance
UK	United Kingdom
UNFCCC	United Nations Framework Convention on Climate Change
VPA	Voluntary Partnership Agreement

## EXECUTIVE SUMMARY

### Introduction

The 2017 Annual Report of the Commission assesses the implementation of policies and strategies outlined in the Ghana Shared Growth and Development Agenda (GSGDA) II, 2014-2017. It represents the final assessment of the progress of implementation of GSGDA II.

The overall goal of GSGDA II is to accelerate the growth of the economy with a view of creating more jobs, generate more income, and reduce poverty. In order to contribute our quota, the Commission focused on the implementation of forest and wildlife development and management programme. This has been sub divided into four as follows:

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

The report provides results of the assessment of the status of indicators and targets adopted for monitoring the progress attained in the implementation of the stated sub programmes.

### Management/Production of Forest Resources

The Timber Resources Management Regulation, 1990 (LI 1649), 193, regulation 38 allows the Commission to grant salvage, special and plantation permits as well as TUCs. In accordance with the law, the Commission granted one hundred and ninety-three (193) salvage permits of which off reserve represents 95% and 5% for on reserve areas. Total of one hundred and sixty-two (162) plantation permits were also granted to harvest 114,880 m<sup>3</sup> of timber species including Teak, Cedrela, Gmelina, Ofram and Mansonia.

The total quantity of timber harvested decreased from 746,745 m<sup>3</sup> (on-reserve 507,813 m<sup>3</sup> and off reserve 238,933 m<sup>3</sup>) in 2016 to 654,505 m<sup>3</sup> (on-reserve 613,140 m<sup>3</sup> and off-reserve 41,365 m<sup>3</sup>) in 2017, representing 66% of AAC (Figure 3.3). Increases in timber harvested were recorded in on-reserve areas. The harvest of on-reserve timber increased by 16%, while off-reserve harvest recorded 83% decrease. Also, plantation timber harvested in 2017 was 117,874 m<sup>3</sup> (on-reserve 16,923 m<sup>3</sup> and off-reserve 100,951 m<sup>3</sup>), indicating a decrease of 7% as compared to 126,110 m<sup>3</sup> (on-reserve 35,671 m<sup>3</sup> and off-reserve 90,439 m<sup>3</sup>) recorded in 2016.

In terms of timber and wood products exports, the Commission recorded 15% decrease in the total volume exported compared to 2016. A volume of 339,227 m<sup>3</sup> was exported in 2017 as against 396,992 m<sup>3</sup> in 2016. The total value recorded from export was €189.9 million indicating 16% fall from €224.96 million recorded in 2016.

### Protection of Forest and Wildlife Resources

Total land area of the country is approximately 23.9 million hectares. This includes 266 gazetted forest reserves out of which 204 are located in the High Forest Zone and 62 in the Savanna Zone. There are

also 17 wildlife protected areas that include 7 National Parks, 6 Resource Reserves, 3 Wildlife Sanctuaries, and 1 Strict Nature Reserve.

As part of strategies to maintain the integrity of the reserves and protected areas, the Commission embarks on forest reserve boundary inspection and cleaning. In 2017, a total distance of 21,337 km of forest boundaries were inspected and 22,600 km cleaned as compared to a distance of 19,670 km inspected and 17,283 km boundaries cleaned in 2016. This implies an increase in output of 9% and 31% with reference to boundary inspection and cleaning respectively. The Commission also deployed Rapid Response Teams as a means to control encroachment and illegal entry into forest reserves and wildlife protected areas.

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

The implementation of the Ghana Forest Plantation Strategy, 2016-2040, aimed at restoring lost forest cover, is still constrained by inadequate resources. Out of the planned 25,000 hectares of plantation cover, only 34% was planted in 2017. Thus, a total of 8,725 hectares (5,540.5 hectares under government and 3,184.5 hectares by the private sector) was planted as compared to 6,727 hectares in 2016. Also, a total of 4,489 hectares of degraded landscape (mining sites, illegal farms in forest reserves, etc.) was restored through enrichment planting. In addition, 38,235.5 hectares (on-reserve 29,552.5 ha and off-reserve 8,683 ha) of established plantations were maintained. About 7.14 million seedlings were procured and distributed for planting.

The Commission prioritized ecotourism in order to develop wildlife protected areas. Agreements have been signed with three car rental companies for Mole National Park. Ecolodge Company Ghana Limited (ECGL) on the other hand, has been awarded the right to partner with the Forestry Commission to undertake ecotourism development at Shai Hills Resource Reserve.

The number of visitors to ecotourism sites and zoological gardens (zoos) has decreased over the period in the country. Total visits for 2017 were 187,261 compared with 217,903 for 2016. In 2017, the four (4) major protected areas, Kakum National Park, Shai Hills Resource Reserve, Mole National Park and Ankasa Conservation Area recorded total number of 111,910, 20,684, 17,758, and 1,156 visitors respectively, which is about 76% (151,508) of all tourists. The Accra zoo recorded 17,073 visitors, while the Kumasi zoo recorded 17,780 visitors. The two (2) zoos contributed 18% to total visitations.

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

In order to enhance law enforcement, the Commission deployed fourteen (14) Rapid Response Teams to some identified hotspots in forest reserves and wildlife protected areas. This included eleven (11) protected areas, nine (9) forest reserves and two (2) wildlife Protected Areas around Sefwi-Wiawso, Nkawie, Tarkwa, Juaboso, Bibiani, Bole, Bekwai, Ho, Achimota, Ankasa Resource Reserve and Bui. Through their operations, about 53,686 assorted lumber, 37 logs, 2 shotguns, and 158 chainsaws were seized. In addition, 79 vehicles together with 185 suspects were arrested for engaging in various forest & wildlife offences. One hundred and thirteen (113) “chanfan” and 45 water pumping machines were seized as well as the destruction of an estimated 953 hectares of illegal farms.

In executing the mandate of protection and conservation of the nation’s wildlife resources, the Commission continued its routine day and night patrols in protected areas. Through the patrols, 196 poachers were arrested, of which 78 were prosecuted with the support of FC trained prosecutors.



Also, ninety-five (95) shotguns, sixty-four (64) chainsaw machines, five (5) motorbikes, and a gold detection machine were confiscated in Kogyae, Mole, Kyabobo, Bia, Bui and Ankasa Conservation area.

### **Financial Management**

The revenue of the Commission is mainly derived from subvention from Government of Ghana (personnel emoluments, administration, services and investment), Internally Generated Fund (income from natural forest timber stumpage, plantation timber sales, export levies, zoos, and parks entrance fees) and funds from development partners (cash and assets).

The Commission recorded a total revenue of GH¢199.1 million which represents 29% increase on the GH¢153.9 million recorded in 2016. The amount generated also exceeded the annual budget by 62%. On expenditure, the Commission spent GH¢127.2 million as against the annual budget of GH¢91.1 million, representing 40% excess. Compensation accounted for 52% of the total expenditure whilst 45% and 3% was used on good and services as well as capital expenditure respectively.

### **Human Resource Management**

At the end of the year, the Commission recorded total of three thousand five hundred and thirty-five (3,535) staff consisting of 565 senior staff and 2,970 junior staff of which 3,080 were males and 455 females. Junior staff represents 84% of the total staff strength whilst only 16% constitute senior staff.

The Commission enhanced the capacity of one thousand one hundred and ninety-four (1,194) staff under various training programmes. Also, in a way of appreciating staff, the Commission spent an amount of GH¢14.7 million on payments to staff as various benefits. The amount was 35% higher than the GH¢10.9 million used in 2016.

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

The Commission collaborated with AROCHA to train 45 community members at the Muni-Pomadze Ramsar Site and also collaborated with other agencies and institutions to provide technical support to 21 existing CREMAs covering 178 communities across the country. In terms of sensitization on biodiversity conservation, 184 First and Second Cycle Schools and 258 communities around wildlife protected areas and Ramsar Sites were educated on importance of wildlife and their utilisation. In addition, 50 radio programmes were carried out at wildlife protected areas and Ramsar Sites.

Eleven (11) existing CREMAs covering 131 communities within Western region were also provided with technical and logistic support as well as the three (3) Northern regions of the country under the Forest Investment Programme and Sustainable Land and Water Management Projects.

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

As part of the implementation processes of the GSGDA II, the Commission organized performance assessment workshops after which progress reports were produced and submitted to the NDPC, OHCS and the Sector Ministry. In showcasing performance of an organization to the public domain for accountability, the Commission participated in the Meet – the – Press series organized by the Sector Ministry.

On the side of internal audit, the Commission issued four (4) consolidated quarterly audit reports that summarized findings and demanded responses to the identified issues which were presented at Audit Report Implementation Committee meetings. Two (2) M&E field visits were also undertaken 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 redress.

### **Programmes and Projects**

The Commission implemented programmes and projects which are mainly funded by development partners. In 2017, the key project implemented was the Ghana Forest Investment Programme (GFIP) under the Strategic Climate Fund (SCF). Under this programme, a total area of 241 hectares of identified degraded watersheds was planted against an annual target of 310 hectares. This shows that about 78% of the target was accomplished. In terms of the maintenance of planted watersheds, the targeted 87 hectares was achieved. Also, a total area of 49 hectares of the model plantation was established against the annual target of 30 hectares.

### **Challenges**

The Commission undertakes limited field operations as a result of inadequate allocation and release of funds. There is absence of real time monitoring within the catchment of protected areas, making the Commission unable to identify and quantify the extent of encroachment and illegalities in the protected areas of the country.

Other challenges included excess degradation due to illegal farming, logging, mining, fuel wood harvesting and wildfire, inadequate logistics (vehicles, motorbikes, GPS, etc) to collect and collate accurate data on forest plantations and trees-on-farm activities in off-reserve areas, difficulty in securing large-scale lands in the off-reserve areas for forest plantation development as a result of other competing land uses such as infrastructural development, agricultural expansion and free-range cattle ranching.

### **Conclusion**

The key policies and strategies implemented under the Ghana Shared Growth Development Agenda (GSGDA) II, 2014 – 2017, enabled the Commission to record significant improvements in operational activities despite logistical and financial constraints. The programmes and projects undertaken during the period will continue in order to attain the major goal of sustainable forest and wildlife development and management.

## CHAPTER ONE

### INTRODUCTION

The report offers an assessment of the implementation of policies and strategies as contained in the Ghana Shared Growth and Development Agenda (GSGDA) II, 2014 -2017. It presents results of the status of indicators and targets adopted for measuring the progress of programmes and projects undertaken in 2017.

The total land area of the country is approximately 23.9 million hectares, of which one-third represents the High Forest Zone (HFZ). There are 266 gazetted forest reserves which comprise 204 HFZ areas, occupying 1.6 million hectares and 62 Savanna Zone areas which also covers 0.6 million hectares. However, in the HFZ areas, only 16% of it can be said to be in a good state due to forest degradation. It is also identified that unreserved closed canopy forests located in the HFZ areas occupied about 0.4 million hectares.

Total of 17 wildlife protected areas including 7 National Parks, 6 Resource Reserves, 3 Wildlife Sanctuaries, and 1 Strict Nature Reserve were managed in the period. Altogether, they occupy 1.3 million hectares, representing about 5.5% of the total land area of Ghana.

In managing, protecting and developing the forest reserves and wildlife protected areas, the Commission implemented the Sector Medium-Term Development Plan, 2017. The thematic areas and policies based on which indicator targets were adopted is presented in the Table 1.

**Table 1.1: Thematic Areas and Policy Objectives**

Thematic Areas	Policy Objectives
Accelerated Agricultural Modernization and Sustainable Natural Resource Management	<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><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>
Human Development, Productivity and Employment	<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>

- Strengthen policy formulation, development planning, and M&E processes for equitable and balanced spatial and socio-economic development
- 

The Commission focused on forest and wildlife development and management. Therefore, the report is based on the progress of indicators categorized under four main programmes implemented during the period, namely:

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

### **Outline of the Report**

The report is categorized into five (5) chapters. Chapter one offers the background information, chapter two presents organizational structure of the Commission. In chapter three, the results of indicator targets are highlighted under various programmes and projects undertaken. Chapter four provides summary of the implementation of donor funded programme and projects and chapter five represents key challenges as well as the way forward and conclusion.

### **Preparation of the 2017 Annual Report**

The Research, Statistics and Information Management Unit of the Corporate Planning, Monitoring and Evaluation Department produced the draft report and subjected the document for departmental review. Workshops were further organized to allow Business Planning Managers and key technical staff, review and validate the contents of the report. The document is finally printed and disseminated to the respective stakeholders and government agencies.

### **Data Sources and Utilization**

Progress reports submitted by Divisions, Departments and Units of the Commission were consolidated to form the 2017 annual report.

The key challenges associated with data gathering were delays caused by the Divisions, Departments and Units in submitting their progress reports. The audited financial report for the period was also not made available on time, hence the late preparation of this 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

To be responsible for the regulation of the utilization of forest and wildlife resources, the conservation and management of those resources and the coordination 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 increase in the production of industrial timber

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

- Implement the framework for the sustainable management, development and protection of forest and wildlife resources
- Secure and enforce a 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 an efficient and effective organizational infrastructure and culture

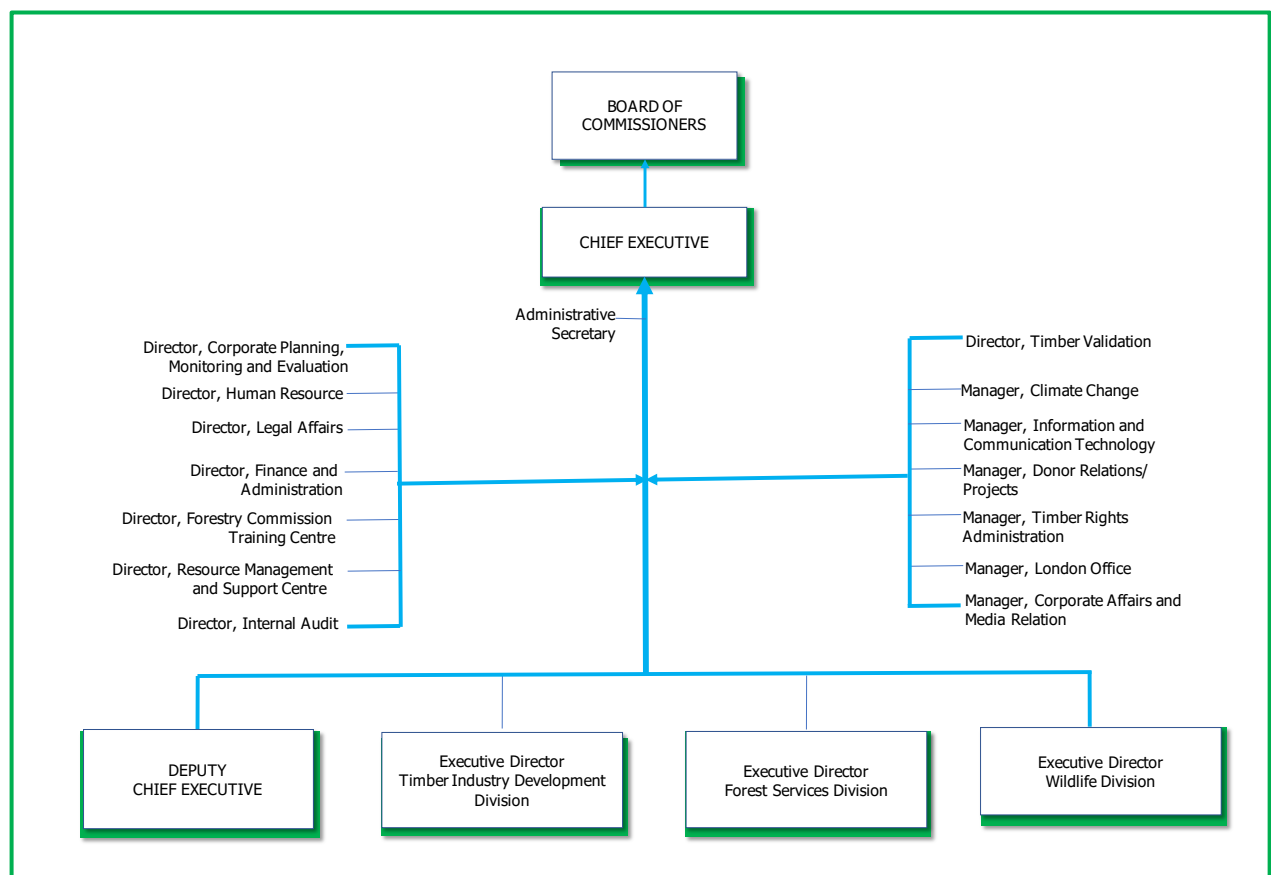
## Core Values

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 delivery of goals
- Promote diversity and
- Communicate effectively

## Organogram of the Commission

The Chief Executive who heads the Commission reports to a Board of Commissioners. His administration is assisted by a Deputy Chief Executive, an Executive Management Team which consist of Executive Directors, Directors and other functional Heads. Figure 2.1 below shows the organogram of the Commission.



**Figure 2.1: Organogram of the Commission**

The key functions of the Divisions and the two Special Units of the Commission are provided in Table 2.1.

**Table 2.1: Key Functions of Divisions and Special Units**

Divisions and Special Units	Key Roles/Functions
Forest Services Division	<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>
Wildlife Division	<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>
Timber Industry Development Division	<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>
Forestry Commission Training Centre	<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>
Resource Management Support Centre	<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 December 2017 in line with Act 571 of 1999. Table 2.2 presents the list of Board members and their respective roles.

**Table 2. 2: List of Board Members and their respective Roles**

	<b>Name</b>	<b>Role</b>
1	Brigadier General (Rtd) Joseph Odei	Chairman
2	Mr. Kwadwo Owusu Afriyie	Chief Executive
3	Kumbun Naa Yiri II	National House of Chiefs
4	Mr. Richard Duah Nsenkyire	Timber Trade and Industry
5	Mr. George Wireko-Brobby	Wildlife Trade and Industry
6	Hon. Henry Kwabena Kokofu (Esq.)	Institute of Professional Foresters
7	Mr. Issifu Suleman	NGO's in Forest and Wildlife Management
8	Dr. Wilfred Kueaba Anim-Odame	Lands Commission
9	Nana Akosua Agyeman Prempeh	Government Appointee
10	Togbega Gabusu VI	Government Appointee
11	Mr. Mahmoud Hamid Nassir-Deen	Government Appointee

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## CHAPTER THREE

### PERFORMANCE REVIEW

Forest and wildlife, which are natural resource endowments constitute an essential base for accelerated socio-economic development and transformation. Meanwhile, the high rate of illegalities has led to overexploitation, causing extensive damage to these resources over the periods.

This part of the report presents a comprehensive analysis of the performance of the Commission in the implementation of sub programme of the forest and wildlife development and management programme under the GSGDA II (2014-2017).

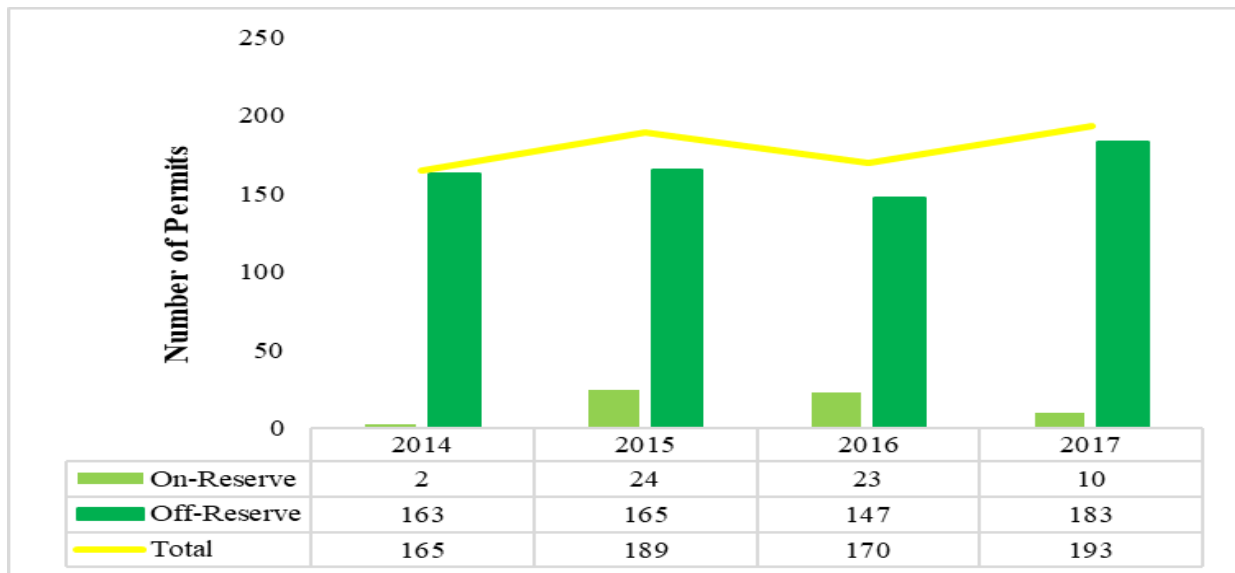
#### 3.1 Sustainable Management, Protection and Development of Forest and Wildlife Resources

The results obtained from the management, protection and exploitation of forest and wildlife resources are presented as follows.

##### 3.1.1 Management/Production of Forest Resources

The implementation of management prescriptions for the Forest Reserves and Globally Significant Biodiversity Areas (GSBAs) continued in 2017. The Commission conducted floral and socio-economic survey to review eight (8) management plans for some selected forest reserves. The process also accords the Commission an opportunity to sensitize stakeholders, mainly, local communities on the principles and regulations governing the use of forest resources of the country.

In accordance with the laws and procedures, the Commission processed applications towards the grant of salvage, special, TUCs and plantation permits under the Commission’s timber rights. One hundred and ninety-three (193) salvage permits were vetted and approved, comprising one hundred and eighty-three (183) permits for off -reserve and ten (10) for on- reserve areas. It indicates 12% increase in the one hundred and seventy (170) permits issued in 2016. The salvage permit is usually issued for harvesting trees on lands undergoing development such as road construction, human settlement, expansion and cultivation of farms.



**Figure 3.1: Salvage Permit Processed and Issued**

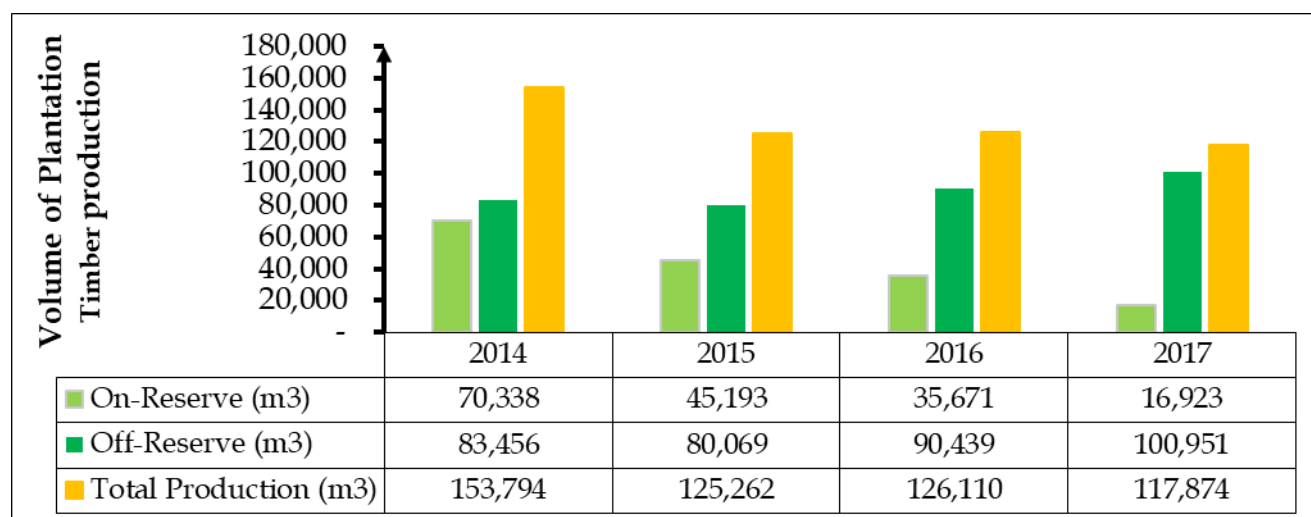
A total of one hundred and sixty-two (162) plantations permits were vetted and approved for harvesting 114,880 m<sup>3</sup> of timber species comprised Teak, Cedrela, Gmelina, Ofram and Mansonia. In 2016, total plantation permits vetted was one hundred and forty-eight (148) covering 134,249 m<sup>3</sup> of different timber species. This shows that 2017 recorded 10% increase and 14% decrease in the number of permits and

volume allocated respectively. Table 3.1 provides more details with respect to type of timber species and volume allocated.

**Table 3.1: Plantation Permits and Volume Allocations**

Timber Species	Number of Permits	Fresh Allocation (m <sup>3</sup> )	Re-Allocation (m <sup>3</sup> )	Total Allocation (m <sup>3</sup> )
Teak	126	31,714.51	38,995.41	70,709.93
Cedrela	26	14,798.23	23,163.59	37,961.82
Eucalyptus	1	2,737.40	-	2,737.40
Gmelina	8	1,202.30	1,752.10	2,954.40
Emire	1	516.9	-	516.90
<b>Total (m<sup>3</sup>)</b>	<b>162</b>	<b>50,969.35</b>	<b>63,911.10</b>	<b>114,880.45</b>

In terms of timber production, total of 117,874 m<sup>3</sup> of plantation timber was harvested in 2017 as matched to 126,110 m<sup>3</sup> recorded in 2016, representing a fall of 8,236 m<sup>3</sup> (7%). The continuous fall in the volume of production from the on-reserve areas could be attributed to the fact that we are harvesting more than we are establishing.



**Figure 3.2: Plantation Timber Production (2014-2017)**

The Commission developed programmes and projects to manage, develop and protect the forest resources of the country. For sustainability purposes, the scientific assessment of timber stock puts Ghana's Annual Allowable Cut (AAC) from the natural forests at 1 million cubic metres. The AAC excludes savannah and plantation timber resources. The AAC is further distributed as 500,000 cubic metres (m<sup>3</sup>) for on-reserve forest sources and 500,000 m<sup>3</sup> for off-reserve forest sources (remnant forest).

During the period, seven hundred and sixty-eight (768) Property Marks were renewed for harvesting natural forest timber in both on and off reserve areas.

The total quantity of timber harvested decreased from 746,745 m<sup>3</sup> (on-reserve 507,813 m<sup>3</sup> and off reserve 238,933 m<sup>3</sup>) in 2016 to 654,505 m<sup>3</sup> (on-reserve 613,140 m<sup>3</sup> and off-reserve 41,365 m<sup>3</sup>) in 2017, representing 66% of AAC (Figure 3.3). Increases in timber harvested were recorded in on-reserve areas. The harvest of on-reserve timber increased by 16%, while off-reserve harvest recorded 83% decrease. Also, plantation timber harvested in 2017 was 117,874 m<sup>3</sup> (on-reserve 16,923 m<sup>3</sup> and off-reserve 100,951 m<sup>3</sup>), indicating a decrease of 7% as compared to 126,110 m<sup>3</sup> (on-reserve 35,671 m<sup>3</sup> and off-reserve 90,439 m<sup>3</sup>) recorded in 2016.

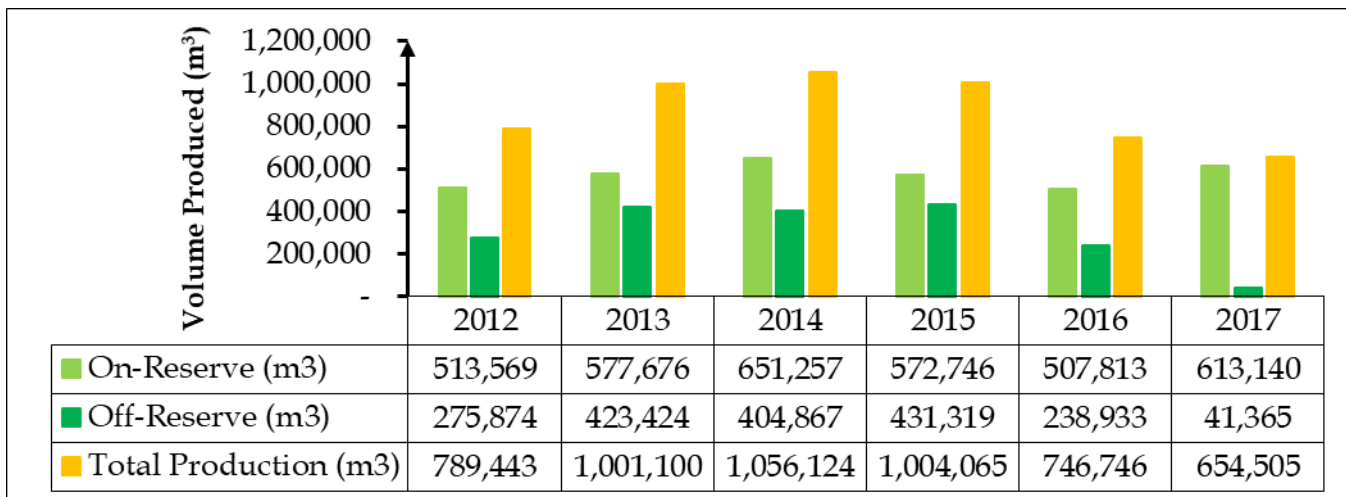


Figure 3.3: Natural Forest Production (2012 - 2017)

The total volume of all timber and wood products exported decreased to 339,227 m<sup>3</sup> in 2017 from 396,992 m<sup>3</sup> in 2016. The value of wood products exported to African, Asian and European destinations yielded €189.9 million in 2017, representing a decrease of 16%. Figure 3.4 provides the details on total timber volumes exported.

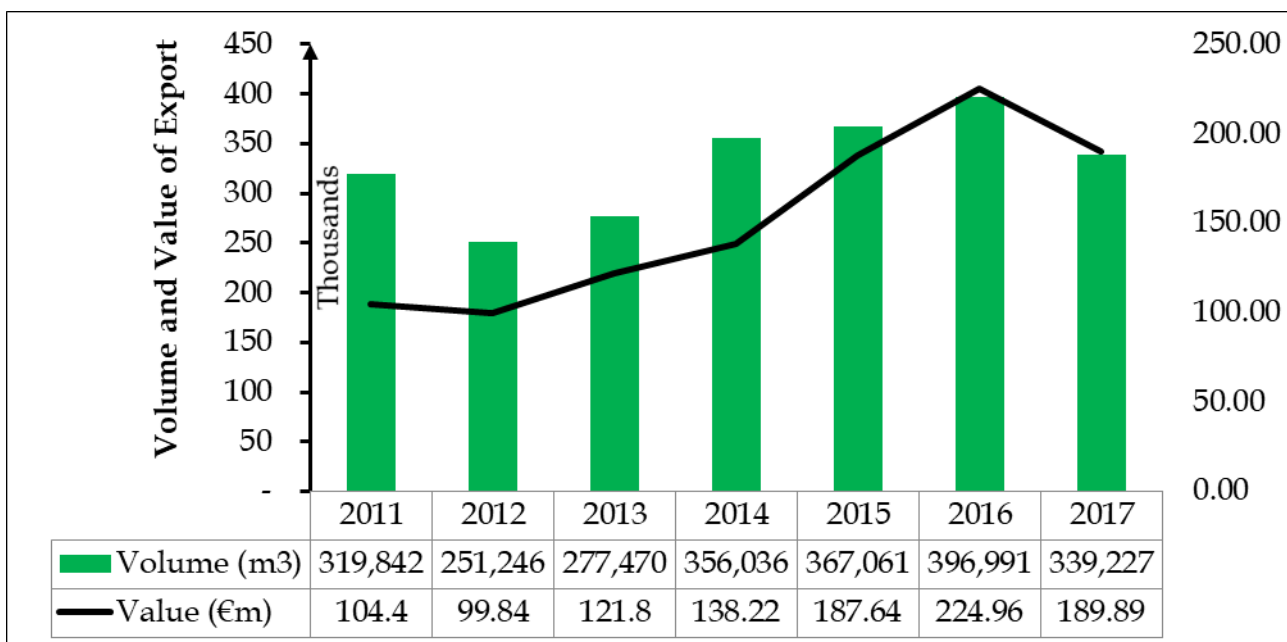
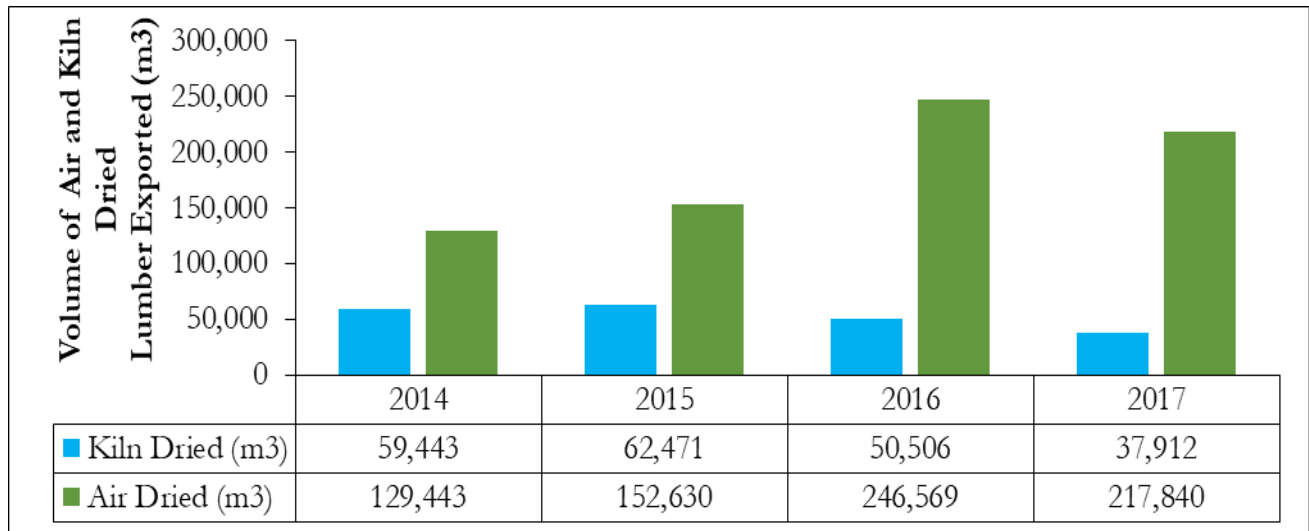


Figure 3.4: Exports of Timber and Wood Products

Export destination with greatest market share in 2017 was Asia/Far East (82%), followed by Europe (12%) and Africa/ECOWAS (6%). The ECOWAS market recorded a volume of 18,518 m<sup>3</sup> with a value of €10.4 million representing 45% and 10% decline in volume and value respectively compared to a volume of 33,461 m<sup>3</sup> with a value of €11.5 million in 2016. The Asian/Far East market recorded 255,867 m<sup>3</sup> of timber and wood products valued at €143.7 million which shows 12% and 13% decrease respectively over 290,494 m<sup>3</sup> valued at €165.9 million realized in 2016. The European market which includes Italy, France, Germany, Belgium and UK accounted for 37,785 m<sup>3</sup> valued at €21.2 million in 2017 as compared to 43,784 m<sup>3</sup> with a total value of €26.2 million achieved in 2016, indicating 14% and 19% decline respectively.

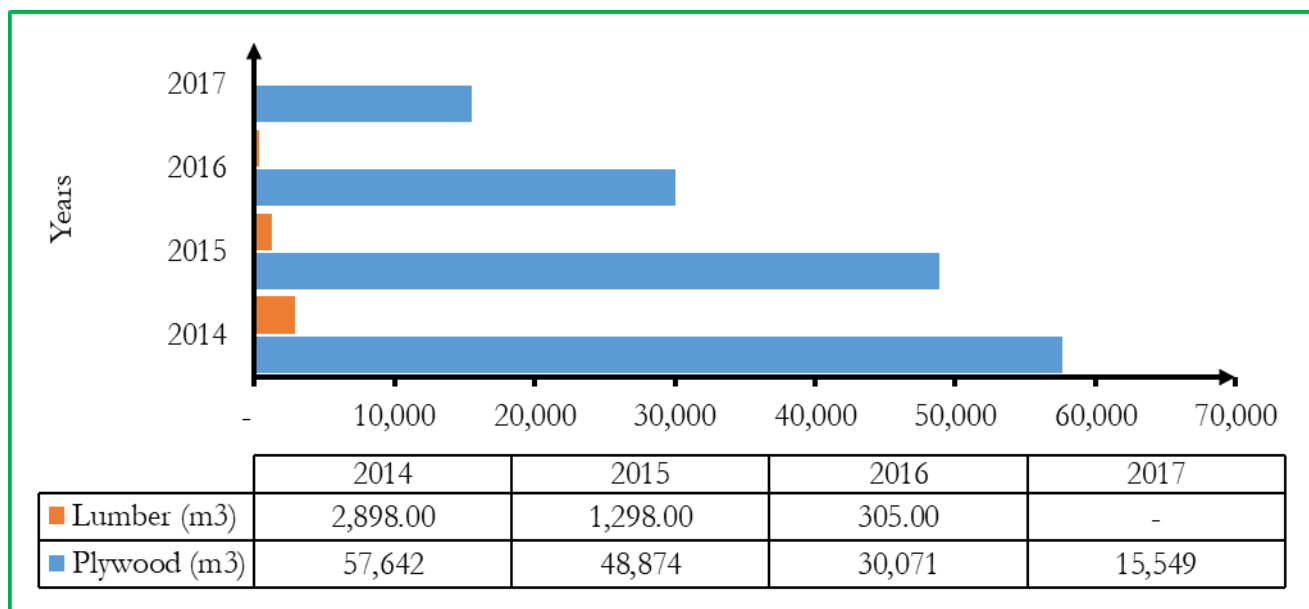
Lumber exports are categorized into air dried and kiln dried. Air dried lumber constituted the highest proportion (64%) of the total export recorded in 2017. However, total volume and value recorded decreased

from 246,569 m<sup>3</sup> valued at €147.7 million in 2016 to 217,840 m<sup>3</sup> valued at €126.6 million in 2017. This shows a decline rate of 12% and 14% in volume and value respectively. Kiln dried lumber exported represents only 11% of the total export in 2017 and decreased from 50,506 m<sup>3</sup> in 2016 to 37,912 m<sup>3</sup> in 2017 by 25%. The value recorded also decreased from €29.2 million in 2016 to €22.1 million in 2017 by 24%. The factor accounting for the decrease is high production cost emanating from energy supply. Figure 3.5 presents the volume of kiln and air-dried exports from 2014 to 2017.



**Figure 3.5: Kiln and Air-Dried Lumber Export**

Overland export of plywood decreased sharply at an average rate of 35% from 2014 to date. In 2017, total of 15,549 m<sup>3</sup> of overland plywood valued at €5.3 million was exported. This shows 49% decrease from 30,071 m<sup>3</sup> and 49% reduction from €10.3 million in value as recorded in 2016. Overland export of lumber reduced to zero in 2017 after declining by 77% in 2016. Figure 3.6 shows the details of volumes recorded from 2014 to 2017.



**Figure 3.6: Overland Export of Plywood and Lumber (2014 – 2017)**

Export contracts approved in 2017 reduced by 1% from 415,698 m<sup>3</sup> recorded in 2016 to 412,420 m<sup>3</sup>. Contracts for primary products (teak poles, billets and Gmelina logs) approved was 47,295 m<sup>3</sup> showing an increase of 39% of 33,977m<sup>3</sup> recorded in 2016.

Total permits processed for shipment of timber and wood products for both overseas and overland exports during the period was 4,657 indicating 6% fall from 4,963 permits processed in 2016. Two hundred and twenty-four (224) permits for overland export of plywood to the African market were also approved. This covers 20,717 m<sup>3</sup> of plywood compared to 31,454 m<sup>3</sup> recorded in 2016, representing a decline of 34%. Nigeria serves as the most preferred African destination. Most tertiary products of the industry went to the EU market.

### 3.1.2 Protection of Forest and Wildlife Resources

To maintain the ecological and productive integrity of the forest reserves, the Commission embarks on forest boundary inspection and cleaning. A total distance of 21,337 km of forest boundaries was inspected and 22,600 km cleaned. In 2016, a distance of 19,670 km was inspected and 17,283 km boundaries were cleaned. This implies an increase in output of 9% and 31% respectively with reference to boundary inspection and cleaning.

As part of strategies to protect the integrity of the forest reserves, the Commission deployed Rapid Response Teams as a means to control illegal farming, illegal harvesting of plantation and natural forest timber, illegal mining, sand winning, and illegal chain sawing among others. The results of their operations are captured under section 3.3 of this report.

In an effort to prevent encroachment in forest reserves and protected areas, the Commission conducted surveys, made demarcations and mounted pillars in some selected forest reserves. The Commission also made land lease registrations and signed benefit-sharing agreements with community resource owners. In order to avoid burning of forest reserves, fringe communities were sensitized on bush fires and supported in firefighting.

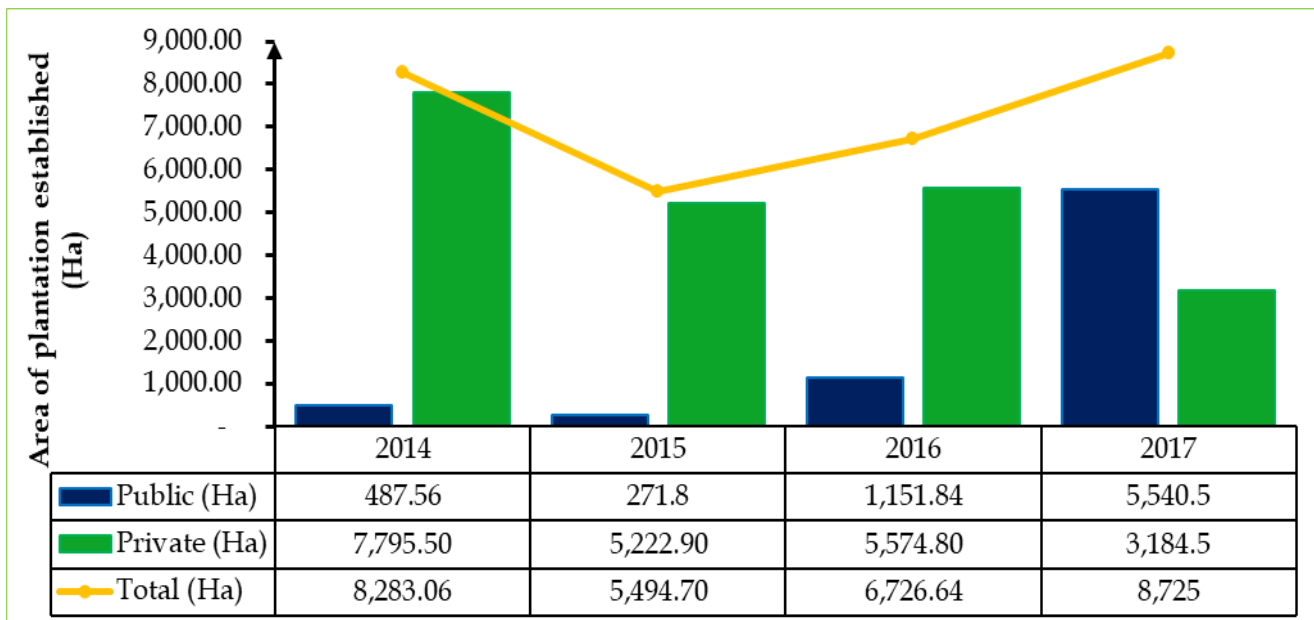
### 3.1.3 Development of Forest and Wildlife Resources

In accordance with the National Biodiversity Strategy Action Plan, 2017, the recent forest assessment of the high forest zone estimated the total forestland in Ghana at 9.34 million hectares. This includes 1.56 million hectares of closed forest and 7.78 million hectares of open forest. The forest degradation rate in Ghana as estimated by Forest Preservation Programme, 2013 was 45,931 hectares per annum since 1990. In their assessment, it was revealed that less than 20% of forest reserve areas have acceptable levels of ecological and productive integrity. Out of this, only 2% is considered to be in “Excellent” condition and another 14% in “Good” condition. It is clear that the survival of the remaining reserves is at risk of depletion from continued illegal-logging and agricultural clearing.

As a way of restoring and increasing the forest base of the country, the Commission implemented the 25-year Ghana Forest Plantation Strategy (2016-2040) which is aligned 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) as well as the Policy Objective 2 of the Ghana Forest and Wildlife Policy (2012). The goal of the plantation strategy is to achieve a sustainable supply of planted forest goods and services to deliver a range of economic, social, and environmental benefits.

#### ***(a) Forest Plantation Strategy***

The implementation of the Ghana Forest Plantation Strategy, 2016-2040, aimed at restoring lost forest cover, is still constrained by inadequate resources. Out of the planned 25,000 hectares of plantation cover, only 34% was planted in 2017 due to inadequate funding. Thus, a total of 8,725 hectares (5,540.5 hectares under government and 3,184.5 hectares by the private sector) was planted as compared to 6,727 hectares in 2016. Figure 3.8 represents the various plantations established from 2014 to 2017.



**Figure 3.7: Plantations Established from 2014 -2017**

A total of 4,489 ha of degraded landscape (mining sites, illegal farms in forest reserves, etc.) was restored through enrichment planting. Additionally, 38,236 ha (on-reserve 29,553 ha and off-reserve 8,683 ha) of established plantations were maintained over the period. About 7.14 million seedlings were procured and distributed for planting in 2017.

***(b) Climate Variability and Change***

The Forestry Commission organized a National REDD+ Forum to sensitize stakeholders and the general public and to galvanize high-level political support for its implementation of mitigation strategies in Ghana. The Forum reflected on the importance of strengthening law enforcement to ensure effective management of forest and wildlife resources.

The Commission also finalized the Ghana Cocoa-Forest REDD+ Programme (GCFRP) document and submitted it to form part of the Carbon Fund Portfolio. A draft Forest Reference Level was established and has been submitted to UNFCCC. Other mitigation measures undertaken during the period included development of Safeguards Information System web platform for transparent and easy access to basic principles and laws as well as the development of Feedback and Grievance Redress Mechanism (FGRM) to resolve challenges and complains regarding REDD+ implementation in Ghana. Three (3) Memorandum of Understandings (MOUs) were signed with Private Investors in area of climate related issues.

***(c) Ecotourism Development***

As an alternative source of 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 many areas. This approach has been adopted by the Commission in which some protected areas including Mole and Kakum National Parks as well as Accra and Kumasi zoos, are prioritised for enhanced ecotourism activities.

The Commission renovated the tourist’s reception and chalets at the Ankasa Conservation Area and completed a new reception at Shai Hills Resource Reserve. Abseiling and rock-climbing activities were introduced at the Shai Hills Resource Reserve to boost tourism in the park. Also, Warthogs and Zebras were introduced to Shai Hills Resource Reserve which has significantly enhanced visitation.

Ecotourism agreements were signed with three (3) car rental companies to improve ecotourism in protected areas at the Mole National Park. Ecolodge Company Ghana Limited (ECGL) has been awarded the right to



partner the Forestry Commission to undertake ecotourism development at Shai Hills Resource Reserve. Negotiations are yet to be initiated before the signing of a concession agreement. Also, Aikan Capital Ltd is still in the process of acquiring all the necessary permits to enable the Accra Eco-Park Project to proceed accordingly. Unique One Stop Ghana Limited, a local Ghanaian company with foreign partners, was awarded the right to partner the Forestry Commission to undertake the development of innovative ecotourism infrastructure at the Sakumo Ramsar Site.

Other developments in protected areas included:

- Completed the construction of a new office block at Kalakpa Resource Reserve.
- Construction of twenty-seven (27) houses with 120 rooms and a mosque for resettlement of the Gbele Community from the Gbele Resource is 80% complete.
- The Wahabu and Gbele Base Camp buildings under the Sustainable Land and Water Management Project (SLWMP) were renovated.
- Construction of an additional five (5) and six (6) rooms at Gbele and Wahabu camps in Gbele Resource Reserve is 60% and 70% complete respectively.
- Eight (8) senior staff bungalows and four (4) middle grade/junior staff quarters at Mole National Park and Ankasa Conservation Areas were maintained.
- One (1) well at Kananto in Mole National Park was rehabilitated.
- Completed the construction of an entrance gate and reception at Ankasa Conservation Area.
- Construction of one (1) borehole at Mole Motel in Mole National Park completed.

The number of visitors to ecotourism sites and zoological gardens (zoos) have decreased over the period in the country. Total visits for 2017 were 187,261 compared with 217,903 for 2016. In 2017, the four (4) major protected areas, Kakum National Park, Shai Hills Resource Reserve, Mole National Park and Ankasa Conservation Area recorded total number of (111,910), (20,684), (17,758), and (1,156) visitors respectively, which is about 81% (151,508) of all tourists. The Accra zoo recorded 17,073 visitors, while the Kumasi zoo recorded 17,780 visitors. The two (2) zoos contributed 19% to total visitations.

**Table 3.2: Performance of Visitation to Ecotourism Destinations**

No	Name of Ecotourism sites and Zoological Gardens (Zoos)	No. of visitors in 2016	No. of visitors in 2017	% Change
1	Mole National Park	16,868	17,758	5%
2	Kakum Conservation Area	133,100	111,910	-16%
3	Ankasa Conservation Area	1,237	1,156	43%
4	Bui National Park	142	67	-53%
5	Bia Conservation Area	234	71	-70%
6	Kyabobo National Park	501	357	-29%
7	Owabi Wildlife Sanctuary	92	88	29%
8	Shai Hills Resource Reserve	13,880	20,684	49%
9	Kalakpa Resource Reserve	138	130	-6%
10	Bomfobiri Wildlife Sanctuary	404	79	-80%
11	Songor Ramsar Site	101	56	-45%
12	Muni Pomadzi Ramsar Site	28	31	11%
13	Gbele Resource Reserve	0	7	
14	Accra Zoo	14,587	17,073	17%
15	Kumasi Zoo	36,591	17,780	-51%
16	Digya National Park	0	9	
17	Kogyae Strict Nature Reserve	0	5	

No	Name of Ecotourism sites and Zoological Gardens (Zoos)	No. of visitors in 2016	No. of visitors in 2017	% Change
	<b>TOTAL</b>	<b>217,903</b>	<b>187,261</b>	<b>-14%</b>

### 3.2 Forest and Wildlife Policy and Legal Regimes

In order to enhance law enforcement, the Commission deployed fourteen (14) Response Teams to some identified hotspots forest reserves and wildlife protected areas, which included nine (9) forest reserves and two (2) wildlife protected areas around Sefwi-Wiawso, Nkawie, Tarkwa, Juaboso, Bibiani, Bole, Bekwai, Ho, Achimota, Ankasa Resource Reserve and Bui National Park.

Through their operations, about 53,686 assorted lumber, 37 logs, 2 shotguns, and 158 chainsaws were seized. In addition, 79 vehicles together with 185 suspects were arrested for engaging in various forest & wildlife offences. One hundred and thirteen (113) “chanfan” and 45 water pumping machines were seized as well as the destruction of an estimated 953 hectares of illegal farms.

Under the Forest Law Enforcement Governance and Trade (FLEGT), the Commission rolled-out the Wood Tracking and Legality Assurance System in all FSD Districts. Outstanding issues towards full-scale implementation have been resolved to 80%. The Commission was also awarded a contract for the completion of preliminary work. Three (3) audit cycles and follow up audits were performed to check up on all Corrective Action Requirement (CAR) raised in the implementation of the Ghana Wood Tracking System (GWTS).

With regard to forest infractions, the Commission intended to reduce their occurrence by 25%. However, in 2017 it was identified that five (5) of the infractions recorded increased whilst four (4) of them also decreased. The status of one infraction could not be determined due to non-availability of data as indicated in Table 3.3.

**Table 3.3: Forest Infractions**

Indicator	2015 Baseline	Indicator Status in 2016	Indicator Status in 2017
Destroy illegal farming	423 ha	667 ha in 94 cases	294 ha in 108 cases
Control illegal harvesting of plantation timber	800 trees	229 trees in 74 cases	1,427 trees in 222 cases
Control illegal harvesting of natural forest timber	2,117 trees	3,281 trees in 112 cases	2,140 trees in 332 cases
Control forest fires	6 cases	484 ha in 40 cases	124,872 ha in 258 cases
Prevent illegal mining and sand winning	NA	12 ha in 33 cases	0.1 ha in 22 cases
Prevent illegal chain sawing	355 trees	1,139 trees in 199 cases	13,049 trees in 228 cases
Prevent squatting	NA	17 cases	5 cases
Control illegal charcoal production	6 cases	84 trees in 9 cases	3 cases
Control illegal harvesting of firewood	6 cases	2 trees in 1 case	NA
Control canoe/mortar carving	NA	45 trees in 7 cases	4 trees in 4 cases



In executing the mandate of protection and conservation of the nation’s wildlife resources, the Commission continued its routine day and night patrols in protected areas. Through the patrols, 196 poachers were arrested, of which 78 were prosecuted with the support of FC trained prosecutors. Also, ninety-five (95) shotguns, sixty-four (64) chainsaw machines, five (5) motorbikes, and a gold detection machine were confiscated in Kogyae, Mole, Kyabobo, Bia, Bui and Ankasa Conservation areas.

### 3.3 Sustainable Financial Management

The revenue of the Commission is mainly derived from subvention from Government of Ghana (personnel emoluments, administration, services and investment), Internally Generated Fund (income from natural forest timber stumpage, plantation timber sales, export levies, zoos, and parks entrance fees) and funds from development partners (cash and assets).

#### (a) Revenue

Altogether, the Commission recorded a total of GH¢199.1 million which represents 29% increase on the GH¢153.9 million recorded in 2016. This exceeded the total budget for the period by 62%.

The Commission budgeted a total of GH¢73.3 million as subventions from the Government. However, the total amount paid was GH¢66.1 million for wages and salaries for staff. This implies that, the actual amount received was less than that of the budgeted by 10%.

Internally Generated Fund (IGF) of the Commission recorded about 199% excess compared to the total budget for the period. An amount of GH¢109.8 million was recorded against GH¢36.7 million budgeted.

The Commission received an actual amount of GH¢23.2 million as against a budget of GH¢11.3 million from its development partners. The actual amount received exceeded the budget amount by 105%. The main reason for the high increase was the transfer of funds from the African Development Bank and the World Bank for the Forest Investment Programme (FIP 1 and 2).

Figure 3.8 expresses the performance of the various revenue items of the Commission from 2014 to date. The IGF increased steadily after recording 17% decrease in 2015. It remains the major source of revenue for the Commission’s operational activities.

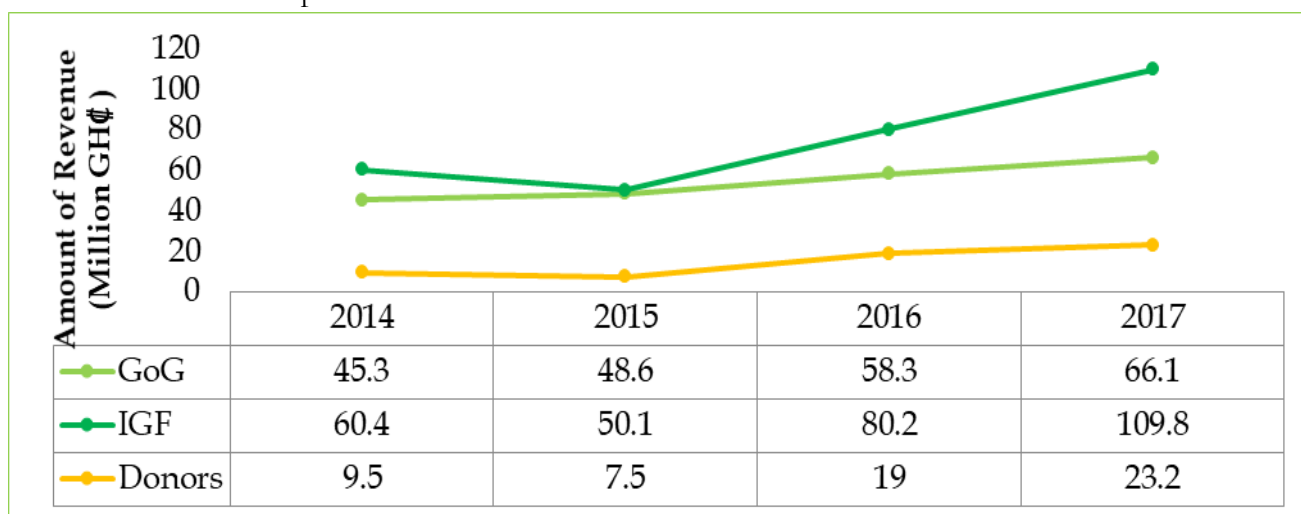
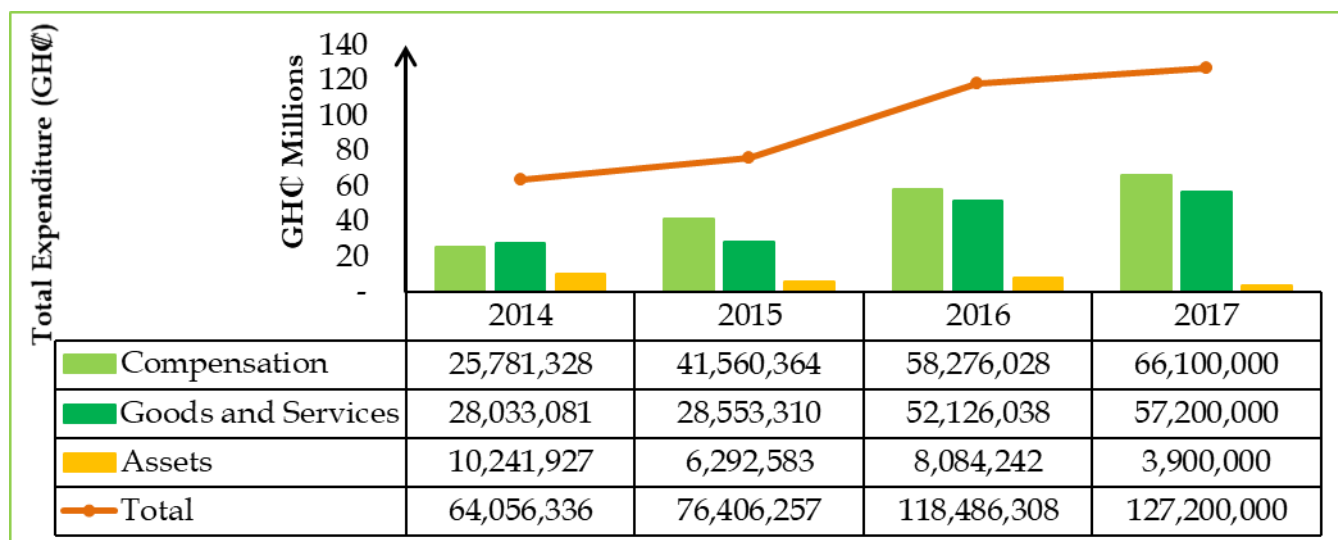


Figure 3.8: Revenue Performance from 2014 to 2017

**(b) Expenditure**

The total expenditure of the Commission as at the end of the period stands at GH¢127.2 million. This represents 40% increase over the GH¢91.1 million budgeted. Compensation accounted for 52% of the total expenditure whilst 45% and 3% was used on good and services as well as capital expenditure respectively. Figure 3.9 shows the details of expenditure performance of the Commission from 2014 to date.



**Figure 3.9: Expenditure by Economic Classification (2014-2017)**

The total amount incurred by the Commission on compensation was GH¢66.1 million as against a budgeted expenditure of GH¢55.0 million exceeding the budget by 20%. This was as a result of annual increment and revision of fuel price and other allowances for staff during the period.

On Goods and Services, a total amount of GH¢57.2 million was spent as against a budgeted expenditure of GH¢42.4 million, indicating an excess of about 35% over the budgeted.

The budgeted amount for acquiring Assets for the Commission for the year was GH¢4.2 million but the total amount spent was GH¢3.9 million. The Commission was able to retain about 7% of revenue allocation on the asset at the end of the year. The majority of the expenses were incurred through the renovation of official bungalows and the purchase of Information and Communication Technology equipment.

**(c) 2017 Audited Financial Statements**

The 2017 Audited Financial Statements of the Commission which covers the activities of the Divisions, Departments, and Units was presented by the Board of Commissioners to the Minister of Lands and Natural Resources and the Auditor General's Department (find attached as Appendix 1).

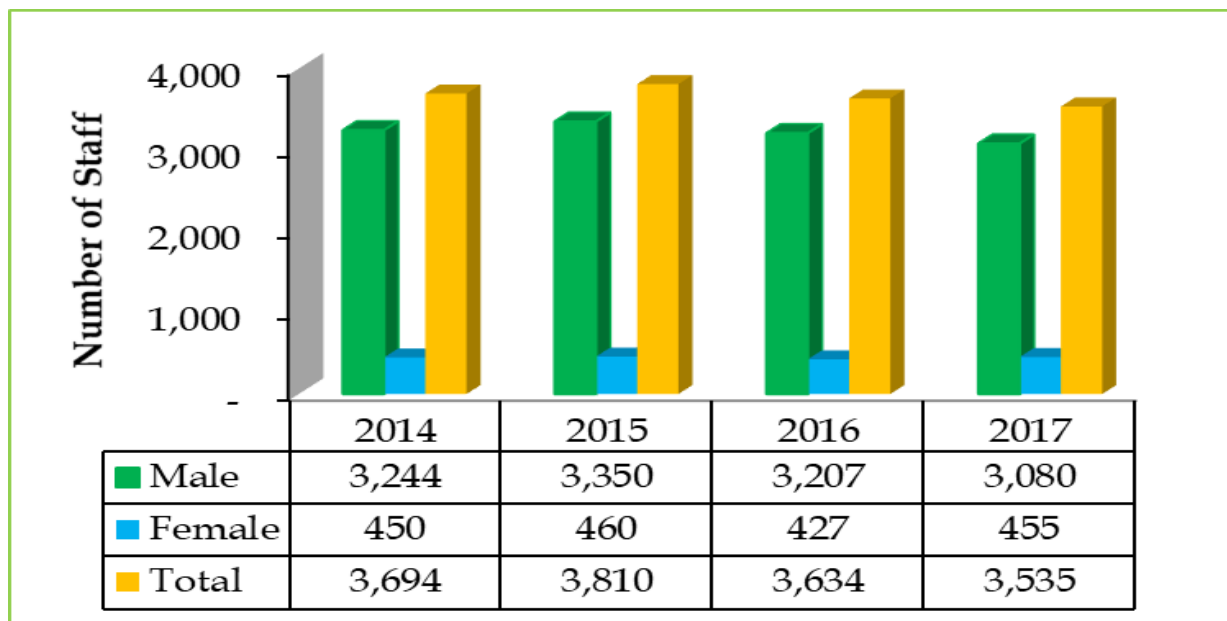
**3.4 Human Resource Management**

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.

The total number of staff for the year was three thousand five hundred and thirty-five (3,535) consisting of 565 senior staff and 2,970 junior staff of which 3,080 were males and 455 females. Figure 3.10 highlights the changes in staff status from 2014 -2017.



**Figure 3.10: Staff Demography (2014-2017)**

The compositions of staff for the year are presented in Table 3.4. junior staff represents 84% of the total staff strength of the Commission whilst only 16% represents the senior staff.

**Table 3.4: Categories of Staff**

	Senior Staff		Sub Total	Junior Staff		Sub Total	Total
	Male	Female		Male	Female		
<b>CHQ</b>	68	20	86	21	9	30	116
<b>FSD</b>	207	41	248	1835	249	2,084	2,332
<b>WD</b>	73	16	89	685	46	731	820
<b>TIDD</b>	65	27	92	44	21	65	157
<b>RMSC</b>	28	10	38	27	9	36	74
<b>FCTC</b>	8	4	12	21	3	24	36
<b>Total</b>	<b>447</b>	<b>118</b>	<b>565</b>	<b>2,633</b>	<b>337</b>	<b>2,970</b>	<b>3,535</b>

***(a) Staff Recruitment and Attrition***

Total of fifty (50) staff were recruited to replace portion of staff who exited. Two hundred and thirty-four (234) staff were also engaged on contract and stationed across the Divisions, Departments, and Units of the Commission. However, the Commission recorded total of one hundred and forty-six (146) staff turnovers, showing an increase of 12% over the total number of 128 recorded in 2016. This consists of retirement (107), death (28), resignation (3) and appointment termination (8).

Figure 3.11 details the turnovers as recorded. It is seen that the number of staff that went on retirement in 2017 is about 14% higher than the number that retired in 2016.

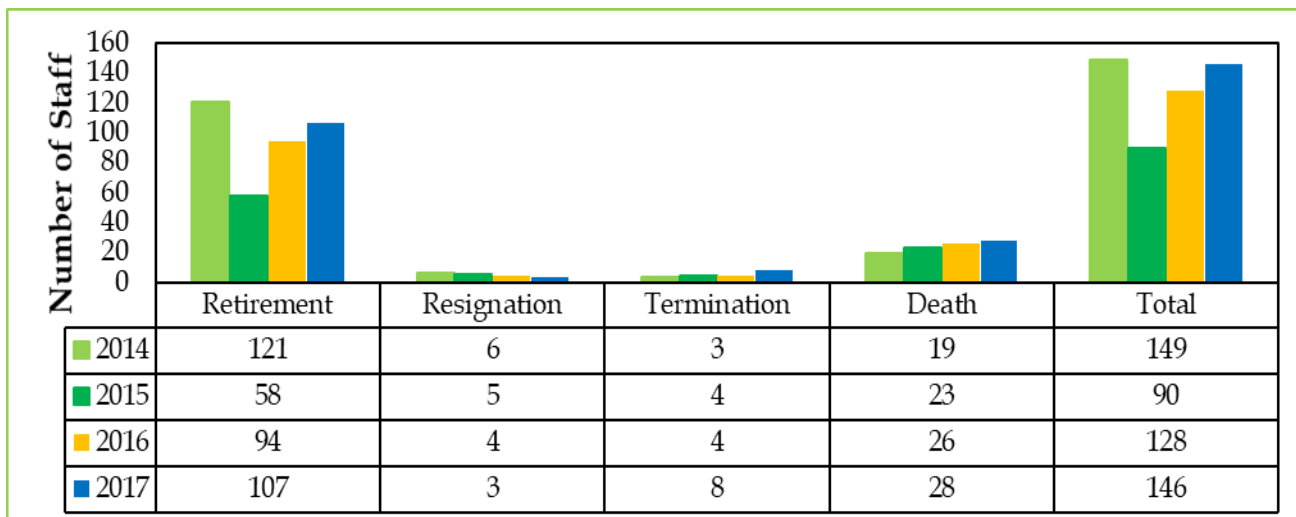


Figure 3.11: Staff Attrition (2014 - 2017)

**(b) Capacity Building and Staff Motivation**

Various short-term and refresher courses are provided by the Commission to enhance the capacity of its staff. One thousand one hundred and ninety-four (1,194), staff were trained under the various training programmes. Workshops/seminars/short courses, both internal and abroad were attended by 873 staff, one (1) staff attended Chinese Cooperation Training Programme, sixty (60) were given leadership training and two hundred (200) participated in retirement planning training organised. Sixty (60) non foresters were trained in Forest and Wildlife management and operations.

The Commission spent an amount of GH¢14.7 million as various payments to staff as benefits. These payments included Workman’s Compensation, Funeral Grants, Special Loans, Terminal Benefits and Retirement Benefits. It is recorded that the total amount paid to staff in 2017 is 35% higher than the total amount of GH¢10.9 million paid in 2016. This was due to an increase in the number of applicants resulting in the amount paid under Funeral Grants, Educational Grants, Retirement Benefits and Special Loans. Figure 3.12 provides the details of payments made to staff from 2014 to 2017.

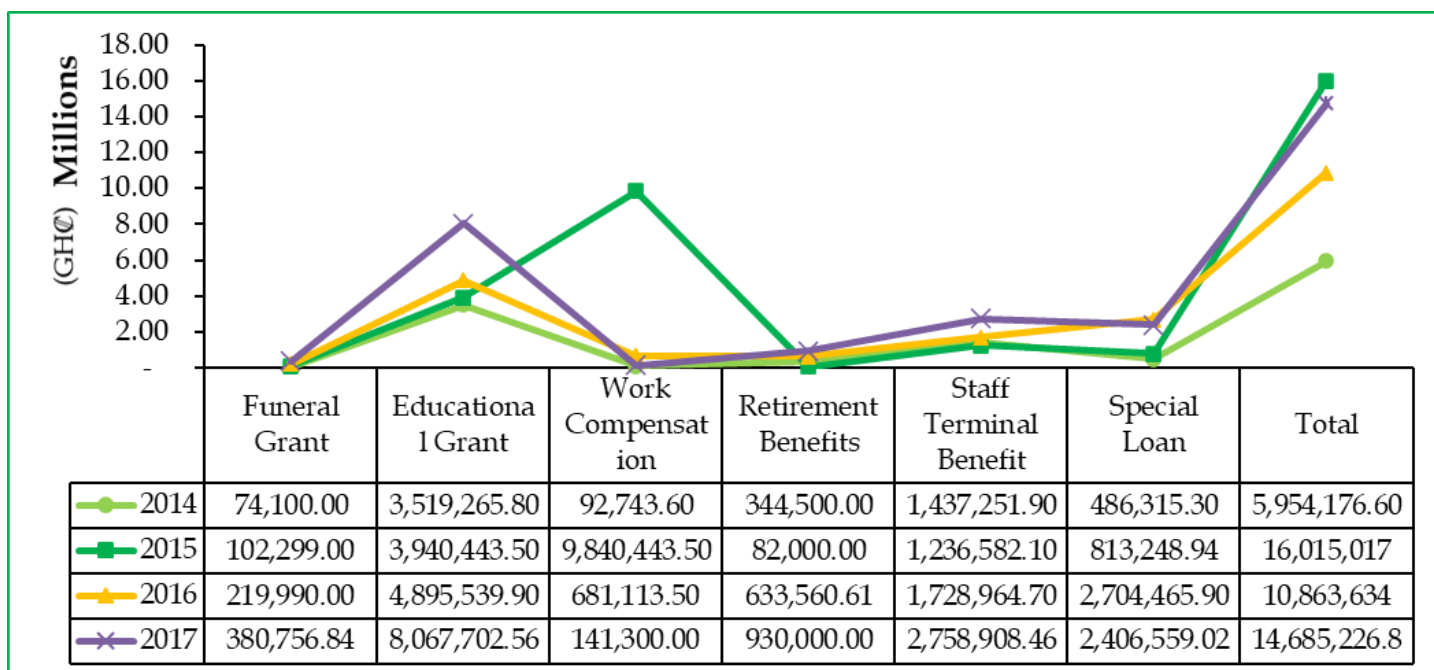


Figure 3.12: Benefits paid to staff

### 3.5 Forest and Wildlife Stakeholder Collaboration

Ghana has five (5) Ramsar sites of international importance, which have been duly gazetted as protected areas. They are Densu Delta, Songor Lagoon, Keta Complex, Muni-Pomadze, and Sakumo Lagoon. 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 them from degradation.

The Commission ensured local participation through Site Management Committees, comprising representatives of national and local governments, traditional authorities, resource users, and other stakeholders. On restoration of degraded areas within the protected areas and Ramsar sites, sixty-one (61) hectares of enrichment planting was carried out in degraded areas within Bia National Park under the Forest Investment Programme (FIP), 12,186 seedlings of mangroves were planted in the Songor, Keta Lagoon Complex and Muni Pomadze Ramsar sites in collaboration with schools, communities, and NGOs. In addition, a total of 34,854 seedlings of other species were also supplied to schools and communities within Songor, Keta Lagoon, and Muni-Pomadze Ramsar sites for planting. These seedlings were planted on about an area of 44 hectares.

A number of activities were undertaken under Community Resource Management Areas (CREMAs) initiatives. Eleven (11) existing CREMAs covering 131 communities within Western region were provided with technical and logistic support as well as the three (3) Northern regions of the country under the Forest Investment Programme and Sustainable Land and Water Management Projects.

The Commission collaborated with AROCHA to train 45 community members at the Muni-Pomadze Ramsar Site and also collaborated with other agencies and institutions to provide technical support to 21 existing CREMAs covering 178 communities across the country.

In terms of sensitization on biodiversity conservation, 184 First and Second Cycle Schools and 258 communities around wildlife protected areas and Ramsar Sites were educated on importance of wildlife and their utilisation. In addition, 50 radio programmes were carried out at wildlife protected areas and Ramsar Sites. The Commission also engaged the media in one (1) Press Briefing on Close Season with 10 media houses present. Two (2) television and six (6) media discussions were held with respect to sustainable biodiversity management. The Commission again participated in one (1) International and one (1) local exhibition/trade fair in UK and Ghana respectively.

### 3.6 Efficient and Effective Organization Infrastructural Development

The headquarters of the Commission plays a role of coordination and facilitation of forest and wildlife development. The Commission developed 2017 Action Plan which guided all operations of the Divisions, Departments and Units. In addition, Monitoring and Evaluation Plan was prepared for the purposes of checking the progress of the action plan implementation on quarterly basis. Two (2) M&E field visits were undertaken 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 redress.

As part of the implementation processes of the GSGDA II, the Commission organized performance assessment workshops after which progress reports were produced and submitted to the NDPC, OHCS and the Sector Ministry. In showcasing performance of an organization to the public domain for accountability, the Commission participated in the Meet – the – Press series organized by the Sector Ministry.

The Internal Audit Department of the Commission issued four (4) consolidated quarterly audit reports that summarized findings and demanded responses to the identified issues which were presented at Audit Report

Implementation Committee meetings. All issues identified were resolved and corrective actions taken. The audit operations were done mainly in the Greater Accra, Western, Central, Ashanti and Northern regions of the country.

On ICT, the Commission was committed to enhancing capacity of staff in efficient use of technological equipment that are available in order to speed job processes, thereby increasing productivity. In the light of this, the Commission undertook the following:

- Development of Business Continuity and Disaster Recovery Plan for FC
- Collocation of WTS Servers in TIGO Data Centre
- Development and implementation of REVCOMSYS at Shai-Hills Resource Reserve, Achimota Forest Reserve and Kumasi Zoo.
- Education of FC Staff on ICT Security Awareness.
- Development & implementation of Fleet Management System.
- Development & implementation of FC's Internal Information Systems Portal (FCIIS), FASYS, PAYINFOSYS, DOCUSYS.
- Development, training & deployment of FASYS for staff in FC Head Office.

In terms of systems and standards for improving forest and wildlife management that account on the state of the forests, the Commission undertook the following activities:

- Completed baseline studies on Rosewood and CREMA establishment
- Significant progress has been made to fully- furnished office for the Executives of the Coalition of Small and Medium Timber Association located at Sokoban
- Pre-and post-logging monitoring were carried out in all five major regions within the HFZ
- The 2017 annual report on the implementation of ARF-WOTRO /tree farm project was submitted.
- Atewa Range Extension Forest and Southern part of Atewa Range Forest Reserve have been earmarked for the Biodiversity Offset Programme by Newmont Mining Company.
- Wildfire monitoring was conducted in all the ten (10) regions
- Developed a draft MoP for enrichment planting



## CHAPTER FOUR

### PROGRAMMES AND PROJECTS

#### 4.1 Introduction

In 2017, the Commission embarked on projects as well as assisted existing programmes. The achievement of the Commission's mandate of protection, conservation, development, and regulation of forest and wildlife resources in the country are focused on the effective implementation of these projects and programme.

#### 4.2 Ghana Forest Investment Programme (GFIP)

Ghana Forest Investment Programme (GFIP) is funded by the World Bank, the Strategic Climate Fund (SCF), African Development Bank (AfDB) and the International Finance Cooperation (IFC). The fund finances country-specific efforts to address the underlying causes of deforestation and forest degradation. The overarching goal is to reduce greenhouse gas (GHG) emissions from deforestation and forest degradation, conserve biodiversity, and reduce poverty.

The Programme has three (3) main projects/components which are as follows;

- Enhancing Natural Forests and Agro-forest Landscapes (ENFAL) financed by the World Bank (USD 30 million)
- Engaging Local Communities in REDD+ (ELCIR+) financed by the Strategic Climate Fund (USD 10 million) and the African Development Bank (USD 5 million)
- Engaging Private Sector in REDD+ financed by the International Finance Cooperation (USD 10 million) which is a concessionary loan.

##### 4.2.1 Key Achievements – ENFAL

Within the ecological corridor, a total area of 241 hectares of identified degraded watersheds was planted against an annual target of 310 hectares. This indicates that about 78% of the target has been accomplished. In terms of the maintenance of planted watersheds, the target of 87 hectares was achieved. Also, 636,642 tree seedlings were distributed to farmers and communities within the ecological corridor. Three hundred and eleven (311) admitted farm owners were registered thus, 99 more than the target of 212 farm owners. 472 km of forest reserve boundaries were planted against a target of 391 km.

An area of 93 hectares of model plantations were established during the year. 272 hectares of model plantations were maintained which met the year's target. Also, 4,078 hectares of enrichment planting was done as against a target of 5,014 hectares representing about 81% achievement. In terms of maintenance of enrichment planting, 5,264 hectares were maintained as against a target of 4,161 hectares. To further reduce degradation of permanent forest estates, a total of 46 km of Bia Conservation Area boundaries were planted with indigenous tree species.

##### 4.2.2 Key Achievements – ELCIR+

A total area of 49 hectares of the model plantation was established against the annual target of 30 hectares. Also, for the development of plantations (green zone) around Sacred Groves and replanting of degraded areas within the Groves, a total area of 183 hectares was planted as against a target of 200 hectares which represents about 92% achievement. In addition, 31.2 hectares of off-reserve plantations were developed by tree planters' groups formed under the project. This however was way below the target of 1,500 hectares.

Establishment and maintenance of seed orchard far outstripped its target as 128 hectares were established against a target of 35.8 hectares. Furthermore, 334,999 tree seedlings of desirable species were supplied to

cocoa farmers for integration into their farms (old and new). Coupled with this, 172 hectares of woodlots were established out of a target 550 hectares for fuelwood and charcoal production. Finally, a review of existing plantation MoPs (A, B, C) to be consolidated into one user-friendly document is underway.



## CHAPTER FIVE

### CHALLENGES, WAY FORWARD AND CONCLUSION

#### 5.1 Challenges

In 2017, the Commission encountered some operational challenges that included the implementation of the Ghana Forest Plantation Strategy and then protection and development of forest and wildlife resources.

##### *A. Plantation Development*

One of the major challenges in plantation forestry is inadequate funding and investments for plantation establishment and maintenance. Besides the following challenges were faced during the year under review. They include:

- Limited funding to undertake effective maintenance of existing forest plantations
- Poor growth and development of plantations due to the inability of participating farmers to undertake expected roles in maintaining forest plantations using the MTS model
- Difficulty in accessing secure large-scale lands in the off-reserve areas for forest plantation development as a result of other competing land uses such as infrastructural and agricultural expansion and free-range cattle ranching
- Inadequate access to suitable long-term capital for forest plantations development.

##### *B. General Constraints (Protection and Development of Forest and Wildlife Resources)*

The under-listed constitute obstacles faced by the Commission during its execution of operational activities. Some include recurring constraints that need government intervention.

- Inadequate logistics (vehicles, motorbikes, GPS, etc) for field officers of the Commission
- Wildfires caused by activities of free-range cattle herders
- Dwindling stock of traditional wood species for export
- Increased incidence of illegal timber operations (illegal timber chainsawing/logging)
- Non-replacement of aging and retired field staff
- Degradation of forest and wildlife resources due to illegal farming, logging, mining, fuelwood harvesting, wildfires etc.
- Inadequate development and promotion of non-timber forest resources such as bamboo, rattan etc
- Low patronization of ecotourism development by investors within the wildlife sector.

#### 5.2 Way Forward

The implementation of sub-programme areas of the Forest and Wildlife Development and Management programme will be the key priority areas of the Commission under the programme-based MTEF budgeting.

The sub-programmes are 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. Effective and efficient implementation of these sub-programmes will motivate the Commission to reach all service and operational priorities.

Concerning the above sub-programme areas, the Commission's emphasis comprises of the following:

- Sustainable Forest Protection and Production
- National Forest Plantation Development
- Sustainable Wildlife Protection and Trade Development

- Timber Trade and Industry Development
- Ecotourism Development
- Law Enforcement (including FLEGT License and Legality Assurance System)
- Reducing Emissions from Deforestation and Forest Degradation

In terms of generating sustainable funds for plantation establishment and development, the Commission will prioritize measures for necessary actions to be taken.

### **5.3 Conclusion**

The achievement of the vision and mission of the Commission as well as the overall strategic objectives, goals, strategies and activities will yield to the sustainable forest and wildlife resource management. The Commission's mandate and productivity is in accordance with the implementation of the 2014 -2017 Sector Medium Term Development Plan which is being executed.

The Commission will adopt strategies to further improve sustainable management of forest and wildlife resources by strengthening staff capacity, intensifying revenue generation, provision of adequate field logistics as well as curbing the illegalities in our forest reserves and wildlife protected areas.

**APPENDIX**

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2017**

**FORESTRY COMMISSION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017**

**FORESTRY COMMISSION**  
***FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017***

**GENERAL INFORMATION**

<b>COMMISSIONERS:</b>	<b>DATE OF APPOINTMENT</b>
BRIGADIER GENERAL (RTD) JOSEPH ODEI	20/12/2017
KUMBUN-NAA YIN II	20/12/2017
MR. RICHARD DUAH NSEMKYIRE	20/12/2017
MR. GEORGE WIREKO-BROBBY (ENGR)	20/12/2017
HON. HENRY KWABENA KOKOFU ESQ.	20/12/2017
MR. ISSIFU SULEMAN	20/12/2017
DR. WILFRED KUEABA ANIM-ODAME	20/12/2017
NANA AKOSUA AGYEMAN PREMPEH	20/12/2017
TOGBEGA GABUSU VI	20/12/2017
MR. MAHMOUD HAMID NASSIR-DEEN	20/12/2017
MR. KWADWO OWUSU AFRIYIE	20/12/2017
<b>SECRETARY:</b>	MR. U.K. ARMOO, HEAD OF LEGAL UNIT
<b>INSTRUMENT OF INCORPORATION:</b>	FORESTRY COMMISSION ACT, 1999 (ACT 571)
<b>HEAD OFFICE:</b>	FORESTRY COMMISSION BUILDING GIMPA ROAD WEST LEGON P.O. BOX MB 434 ACCRA
<b>BANKERS:</b>	BANK OF GHANA 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
<b>AUDITORS:</b>	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 2017 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 (TIID) 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¢28,193,247 against a surplus of GH¢28,432,011 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, 2017, 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, 2017 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.

**PARTNERS: PETER OPOKU FCCA (MANAGING), STEPHEN BOATENG MENSAH ACCA, MAXWELL ANDOH ICAG**

## 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.

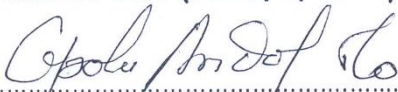
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could 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)**



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**OPOKU, ANDOH & CO.**

**(ICAG/F/2019/053)**

**CHARTERED ACCOUNTANTS**

**SDA 8, COMMUNITY 5**

**TEMA**

**DATED:** 05 - 09 - 2019



**FORESTRY COMMISSION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST DECEMBER, 2017**

	Note	2017	2016
<i>ASSETS:</i>		GHC	GHC
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	2a	20,023,396	20,076,798
Capital Work-in-Progress	2b	82,790	-
		<hr/>	<hr/>
		20,106,186	20,076,798
<b>CURRENT ASSETS</b>			
Inventories	3	1,173,955	374,838
Accounts Receivable	4	29,261,085	27,196,748
Cash and Cash Equivalents	5	231,379,873	164,108,376
		<hr/>	<hr/>
		261,814,913	191,679,962
<b>TOTAL ASSETS</b>		<hr/>	<hr/>
		<b>281,921,099</b>	<b>211,756,760</b>
<hr/>			
<i>FUNDS AND LIABILITIES</i>			
<b>FUNDS</b>			
Accumulated Fund		143,766,960	115,573,713
Plantation Development (Gmelina)		642,293	909,800
Mineral Development Fund		97,756,354	69,482,891
Forest plantation Programme (YEA)		6,000,000	-
Capital Grants	6a	-	-
Car loan Revolving Fund		1,334,170	1,334,170
		<hr/>	<hr/>
		249,499,777	187,300,574
<b>CURRENT LIABILITIES</b>			
Accounts Payable	7	32,421,322	24,456,186
<b>TOTAL FUNDS AND LIABILITIES</b>		<hr/>	<hr/>
		<b>281,921,099</b>	<b>211,756,760</b>
<hr/>			

  
 COMMISSIONER

  
 COMMISSIONER

*The notes on pages 9 to 16 forms an integral part of these financial statements*

**FORESTRY COMMISSION**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2017**

	Note	2017	2016
		GHC	GHC
<b>INCOME</b>			
Subvention from Government	8	66,283,564	66,548,548
Internally Generated Funds	9	119,490,122	96,311,766
Recurrent Grant from Donor Agencies	6b	8,445,166	15,098,981
		<u>194,218,852</u>	<u>177,959,295</u>
<b>EXPENDITURE</b>			
Compensation of Employees	10	69,672,603	59,295,479
Goods and Services	11	74,812,842	64,799,775
Depreciation charge		5,109,263	6,450,536
Project expenses		16,430,897	18,981,494
		<u>166,025,605</u>	<u>149,527,284</u>
<b>Surplus transferred to Accumulated Fund</b>		<u>28,193,247</u>	<u>28,432,011</u>
<b>ACCUMULATED FUND ACCOUNT</b>			
<b>FOR THE YEAR ENDED 31ST DECEMBER 2017</b>			
Balance as at 1st January 2017		115,573,713	87,141,702
Surplus transferred from statement of Financial Performance		28,193,247	28,432,011
Balance as at 31st December,2017		<u>143,766,960</u>	<u>115,573,713</u>

*The notes on pages 9 to 16 forms an integral part of these financial statements*

**FORESTRY COMMISSION****STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

	Note	2017 GH¢	2016 GH¢
<b>Operating Activities</b>			
Net Cash Inflow from Operating Activities	12a	38,249,793	47,986,524
<b>Investing Activities</b>			
Property, Plant and Equipment Purchased		(5,055,861)	(12,812,355)
Capital Work-In-Progress		(82,790)	(82,599)
Proceeds from Sale Of Property And Equipment		154,400	62,850
<b>Net Cash Outflow into investment activities</b>		<u>(4,984,251)</u>	<u>(12,666,906)</u>
<b>Financing Activities</b>			
Plantation Development Grant		(267,507)	(1,862,053)
Minerals Development Fund		28,273,463	28,256,385
Plantation Programme (YEA)		6,000,000	-
Net Cash Inflow from financing activities		<u>34,005,956</u>	<u>26,394,332</u>
<b>Net change in cash and cash equivalent</b>	12b	67,271,498	61,713,950
Cash and Cash Equivalents - 1 <sup>st</sup> January		164,108,376	102,394,425
Cash and cash equivalent - 31 <sup>st</sup> December		<u>231,379,873</u>	<u>164,108,376</u>

*The notes on pages 9 to 16 forms an integral part of these financial statements*

# FORESTRY COMMISSION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

### 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 Equipment	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 realized 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 2017

#### 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 2017**

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

	<b>Building &amp; Civil Works</b>	<b>Plant &amp; Machinery</b>	<b>Motor Vehicles</b>	<b>Computer &amp; Accessory</b>	<b>Office Equipment &amp; Furniture</b>	<b>Residential Equipment &amp; Furniture</b>	<b>Total</b>
	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>	<b>GHC</b>
<b>Cost</b>							
Balance at 1st January 2017	10,331,755	1,087,347	22,000,085	12,751,163	3,374,180	730,105	50,274,635
Additions	945,837	9,171	-	3,158,603	692,807	249,443	5,055,861
Disposal	-	-	(339,880)	-	-	-	(339,880)
Balance at 31 <sup>st</sup> December 2017	<b><u>11,277,592</u></b>	<b><u>1,096,518</u></b>	<b><u>21,660,205</u></b>	<b><u>15,909,766</u></b>	<b><u>4,066,987</u></b>	<b><u>979,548</u></b>	<b><u>54,990,616</u></b>
<b>Depreciation</b>							
Balance at 1st January 2017	1,621,858	903,925	15,020,147	9,591,308	2,474,917	585,682	30,197,837
Charge for the year	287,740	71,640	3,052,509	1,318,696	299,863	78,815	5,109,263
Disposal	-	-	(339,880)	-	-	-	(339,880)
Balance at 31 <sup>st</sup> December 2016	<b><u>1,909,598</u></b>	<b><u>975,565</u></b>	<b><u>17,32,776</u></b>	<b><u>10,910,004</u></b>	<b><u>2,774,780</u></b>	<b><u>664,497</u></b>	<b><u>34,967,220</u></b>
<b>Net Book Value:</b>							
At 31 <sup>st</sup> December 2017	<b><u>9,367,994</u></b>	<b><u>120,953</u></b>	<b><u>3,927,429</u></b>	<b><u>4,999,762</u></b>	<b><u>1,292,207</u></b>	<b><u>315,051</u></b>	<b><u>20,023,396</u></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>899,263</u></b>	<b><u>144,423</u></b>	<b><u>20,076,798</u></b>

## FORESTRY COMMISSION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

	2017	2016
	GH¢	GH¢
<b>2b. Capital Work-in-Progress</b>		
Balance at 1st January	-	-
Addition	82,790	-
Transfers to Property, Plant and Equipment	-	-
Balance at 31st December	<u>82,790</u>	<u>-</u>
<b>3. Inventories</b>		
Hardware	399,892	185,752
Stationery	774,063	189,086
	<u>1,173,955</u>	<u>374,838</u>
<b>4. Accounts Receivable</b>		
Trade Debtors -Stumpage Fees	3,823,886	4,034,562
Less: Provision for Doubtful Debts	(2,550,396)	(2,550,396)
	<u>1,273,490</u>	<u>1,484,166</u>
Trade Debtors -Plantation	26,098,571	25,936,122
Less Provision for Doubtful Debts	(13,555,444)	(13,555,444)
	<u>12,543,127</u>	<u>12,380,678</u>
Export Levy Debtors	1,323,853	1,611,924
Plantation Development (W.I.P) Debtors	8,877,813	8,877,813
Sundry Debtors	449,383	364,588
Staff Debtors	4,793,419	2,076,316
Accountable Imprest	-	401,263
	<u>29,261,085</u>	<u>27,196,748</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 2017**

	<b>2017</b>	<b>2016</b>
	<b>GHC</b>	<b>GHC</b>
<b>5. Cash and Cash Equivalents</b>		
Fixed Deposits	191,087,310	129,878,943
Call Accounts	10,278,677	3,874,346
Bank Balances:		
Local	23,621,628	22,908,463
Foreign	1,071,187	641,685
Project Balances	5,321,071	6,804,939
	<u>231,379,873</u>	<u>164,108,376</u>
<b>6a. Capital Grants</b>		
Forest Preservation Programme (Japanese's Grant)	-	-
Less: Amortization transferred to Recurrent Grant	-	-
	<u>-</u>	<u>-</u>
<b>6b. Recurrent Grants from Donor Agencies</b>		
Wood Tracking System (VPA) (DFID)	2,641,957	12,451,646
Forest Carbon Partnership Facilities (World Bank)	2,676,419	-
Food and Agriculture Organisation	-	179,802
GEF (SLWMP)	3,126,790	2,399,014
COTVET/SDF	-	51,643
GoG Grant	-	16,876
	<u>8,445,166</u>	<u>15,098,981</u>
<b>7. Accounts Payable</b>		
Office of the Administrator of Stool Lands:		
Stumpage Fees Payable	17,178,567	16,146,691
Plantation	443,797	523,797
Sundry Creditors and Accruals	14,798,958	7,785,698
	<u>32,421,322</u>	<u>24,456,186</u>



**FORESTRY COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

	<b>2017</b>	<b>2016</b>
	<b>GHC</b>	<b>GHC</b>
<b>8. Subvention from Government of Ghana</b>		
Consolidated Fund Account	66,283,564	57,465,548
Natural Resources Environmental Governance (NREG) – Technical Assistance	-	9,083,000
	<u>66,283,564</u>	<u>66,548,548</u>
<b>9. Internally Generated Fund</b>		
Stumpage Fees	6,907,222	6,769,311
Plantation and Natural Forest Timber	10,150,385	24,903,134
Export Levy	47,501,125	41,261,956
Investment Income	10,681,240	8,948,798
Park Entrance fees	2,378,180	1,351,054
Other Income	41,871,970	13,077,513
	<u>119,490,122</u>	<u>96,311,766</u>
<b>10. Compensation of Employees</b>		
Salaries and Wages	62,750,074	52,986,025
Staff Allowances	101,671	72,459
SSF – Employer’s Contribution	6,820,858	6,236,995
	<u>69,672,603</u>	<u>59,295,479</u>

**FORESTRY COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

11. Goods and Services	2017 GH¢	2016 GH¢
Electricity and Water	1,776,789	1,561,951
Postal, Telephone and Internet Subscription	658,380	617,705
Cleaning and Sanitation Charges	582,987	386,394
Security Service	438,383	710,744
Office consumables	1,814,198	1,523,887
Printing and Publications/ Advertising	1,374,859	1,643,854
Donation, Contributions and Staff Welfare	2,269,758	1,955,606
Travel and Transport (Local and Foreign)	13,353,750	8,134,838
Vehicle Running cost and Repair & Maintenance	8,554,745	5,434,043
Repairs and Maintenance of Building and Equipment	4,154,790	1,625,422
Software Maintenance	1,156,011	917,513
Consultancy/Professional and Legal fees	1,586,197	3,542,339
Audit fees	157,500	157,500
Board expenses	308,860	1,282,202
Bank charges	505,283	445,232
Property Rate and Ground Rent	187,839	33,647
Committee Sitting Allowances	3,404,793	1,793,122
Medical expenses	735,722	371,119
Training and Conferences	4,230,619	1,902,645
Educational Grant	8,449,434	4,861,921
Insurance and Compensation	212,971	492,792
Hotel Accommodation	1,483,077	917,559
Residential Accommodation	235,758	81,792
Trade Promotion	11,580	25,500
Uniform and Protective Clothing	520,296	440,538
Operation Halt Campaign (Monitoring)	5,303,546	4,789,445
Maintenance of Zoo Animals	293,348	366,351
Fire Prevention Campaign	261,308	137,726
Plantation Development cost	6,810,542	17,899,150
Retirement benefit	1,179,519	747,237
Reclamation of Mined Areas	2,000,000	-
Social Intervention Development Programme	800,000	-
	74,812,842	64,799,775
	74,812,842	64,799,775

**FORESTRY COMMISSION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2017**

	2017	2016
<b>12a. Reconciliation of Surplus to Net Cash Inflow from Operating Activities</b>	<b>GH¢</b>	<b>GH¢</b>
Surplus for the year	28,193,247	28,432,011
Adjust for:		
Depreciation	5,109,263	6,450,536
Gain on disposal	(154,400)	(62,850)
(Increase) /Decrease in Inventory	(799,117)	175,777
Increase in Accounts Receivable	(2,064,336)	109,899
Increase / (Decrease) in Accounts Payable	7,965,136	12,881,152
<b>Net Cash inflow in the year</b>	<b>38,249,793</b>	<b>47,986,524</b>

**12 b. Analysis of Movements in Cash and Cash Equivalents**

	Balances as at 31 <sup>st</sup> December			Changes in the year	
	2015	2016	2017	2017	2016
<b>Bank Balances</b>	21,620,427	34,229,433	40,292,563	6,063,130	11,059,034
<b>Short term Investment</b>	80,773,998	129,878,943	191,087,310	61,208,367	35,795,516
	<u>102,394,425</u>	<u>164,108,376</u>	<u>231,379,873</u>	<u>67,271,497</u>	<u>46,854,550</u>