



Forestry Commission Annual Report
2018

TABLE OF CONTENTS

TABLE OF CONTENTS	II
LIST OF TABLES.....	III
LIST OF FIGURES	IV
ABBREVIATIONS.....	V
EXECUTIVE SUMMARY	VII
CHAPTER ONE: INTRODUCTION.....	1
CHAPTER TWO: ORGANIZATIONAL STRUCTURE	5
CHAPTER THREE: PERFORMANCE REVIEW.....	9
3.1 Introduction.....	9
3.2 Sustainable Management, Protection and Development of Forest and Wildlife Resources	9
3.2.1 Management/Production of Forest Resources	9
3.2.2 Protection of Forest and Wildlife Resources.....	13
3.2.3 Development of Forest and Wildlife Resources	13
3.3 Forest and Wildlife Policy and Legal Regimes	15
3.4 Sustainable Financial Management.....	17
3.5 Human Resource Management.....	18
3.6 Forest and Wildlife Stakeholder Collaboration	20
3.7 Efficient and Effective Organization Infrastructural Development.....	21
CHAPTER FOUR: PROGRAMMES AND PROJECTS	22
4.1 Introduction.....	22
4.2 Forest Investment Programme (FIP) – ENFAL	22
4.3 Forest Investment Programme (FIP) – ELCIR+	22
4.4 Sustainable Land and Water Management Programme (SLWMP)	22
4.5 Forest 2020	23
4.6 REDD+ Safeguards	24
4.7 Ghana Cocoa Forest REDD+ Programme (GCFRP).....	25
4.8 Partnership for Forest (P4F)	25
4.9 Emission Reductions Payment Agreement (ERPA).....	25
4.10 Ghana Shea Landscape Emission Reduction Project (GSLERP)	25
4.11 Coastal Mangrove Emission REDD+ Programme.....	25
4.12 Forest and Farm Facility (FFF) Phase II.....	26
CHAPTER FIVE: CHALLENGES, WAY FORWARD AND CONCLUSION	27
5.1 Challenges	27
5.2 Way Forward	28
5.3 Conclusion	28
APPENDIX: AUDITED FINANCIAL ACCOUNT.....	29

LIST OF TABLES

Table 2.1: Key Functions of Divisions and Special Units	7
Table 2.2: List of Board Members and their respective Roles	8
Table 3.1: Plantation Permits and Volume Allocated	10
Table 3.2: Performance of Ecotourism Destination Visitations	15
Table 3.3: Forest Infractions.....	16
Table 3.4: Composition of staff.....	19

LIST OF FIGURES

Figure 2.1: Organogram of the Commission.....	6
Figure 3.1: Salvage Permit Approved	9
Figure 3.2: Timber Production from Plantation Forest.....	10
Figure 3.3: Timber Production from the Natural Forest.....	11
Figure 3.4: Export of Timber and Wood Products.....	11
Figure 3.5: Export Air and Kiln Dried Lumber.....	12
Figure 3.6: Overland Export of Plywood and Lumber (2014 - 2018)	12
Figure 3.7: Plantation Established from 2014 - 2018.....	14
Figure 3.8: Revenue Performance from 2014 – 2018	17
Figure 3.9: Expenditure Performance for last 5 years.....	18
Figure 3.10: Status of Human Resources from 2014 - 2018	19
Figure 3.11: Benefits paid to staff	20
Figure 3.12: Staff attrition (2014 - 2018).....	20

ABBREVIATIONS

AAC	Annual Allowable Cut
BoC	Board of Commissioners
BSP	Benefit Sharing Plan
CCU	Climate Change Unit
CE	Chief Executive
COCOBOD	Ghana Cocoa Board
CPME	Corporate Planning, Monitoring and Evaluation
CREMA	Community Resources Management Area
ECOWAS	Economic Community of West African State
ELCIR	Engaging Local Communities in REDD+
ENFAL	Enhancing Natural Forest and Agroforest Landscape
EO LAB	Earth Observation Laboratory
EPMD	Effective Patrol Man-Days
ERPA	Emissions Reduction Payment Agreement
EU	European Union
FAD	Finance and Administration Department
FAO	Food and Agriculture Organization
FC	Forestry Commission
FCPF	Forest Carbon Partnership Facility
FCTC	Forestry Commission Training Centre
FFF	Forest and Farm Facility
FGRM	Feedback and Grievance Redress Mechanism
FIP	Forest Investment Programme
FLEGT	Forest Law Enforcement, Governance and Trade
FORIG	Forestry Research Institute of Ghana
FR	Forest Reserve
FVS	Fire Volunteer Squad
GCF	Green Climate Fund
GCFRP	Ghana Cocoa Forest REDD+ Programme
GIS	Geographic Information System
GSBAs	Globally Significant Biodiversity Areas
GSLERP	Ghana Shea Landscape Emission Reduction Project
HATOF	Hands Across the Ocean Foundation
HFZ	High Forest Zone
HIAs	Hotspot Intervention Areas
ICT	Information and Communication Technology
IGF	Internally Generated Funds
IPP	International Partnership Programme
IUCN	International Union for Conservation of Nature
KNUST	Kwame Nkrumah University of Science and Technology
M&E	Monitoring and Evaluation
MESTI	Ministry of Environment, Science, Technology and Innovation

MLNR	Ministry of Lands and Natural Resources
MMDAs	Metropolitan, Municipal and District Assemblies
MoFA	Ministry of Food and Agriculture
MTEF	Medium Term Expenditure Framework
MTS	Modified Taungya System
NGOs	Non-Governmental Organisations
NREG	Natural Resources and Environmental Governance
NREG-TA	Natural Resources and Environmental Governance- Technical Assistance
NRWG	National REDD+ Working Group
PAs	Protected Areas
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RMSC	Resource Management Support Centre
SFPs	Safeguard Focal Persons
SIS	Safeguard Information System
SLWMP	Sustainable Land and Water Management Programme
SOI	Summary of Information
SRA	Social Responsibility Agreement
TFA	Tropical Forest Alliance
UK	United Kingdom
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
VPA	Voluntary Partnership Agreement

EXECUTIVE SUMMARY

Introduction

The 2018 report provides an assessment of the policies and strategies implemented under the National Medium-Term Development Policy Framework (2018-2021). It provides results based on indicators and targets adopted to measure the progress of implementation status of the Sector Medium –Term Plan (2018-2021) of the Commission. The major goal of the Commission is to ensure sustainable forest and wildlife management and development.

Management/Production of Forest Resources

With reference to Timber Resources Management Regulation, 1990 (LI1649), 310 salvage permits were granted. On-reserve constituted 21 and 289 for off-reserve. A total of 179 plantation timber permits were issued covering allocation of 97,641 m³ standing volume across the production forests.

The total volume of natural plantation timber harvested decreased from 654,505 m³ (on-reserve 613,140 m³ and off-reserve 41,365 m³) in 2017 to 685,020 m³ (on-reserve 572,472 m³ and off-reserve 112,548 m³) in 2018, representing a 69% of Annual Allowable Cut of 1 million m³.

Plantation timber harvested in 2018 was 91,957 m³ (on-reserve 20,189 m³ and off-reserve 71,768 m³), a 28% decrease over 117,874 m³ (on-reserve 16,923 m³ and off-reserve 100,951 m³) recorded in 2017.

Timber and wood products exported decreased by 1% in 2018 from 339,227 m³ in 2017 to 332,928 m³ in 2018, despite the increase in total natural forest timber harvested. The revenue from the export to Africa, Asia and Europe yielded €171.4 million as compared to €175.4 million recorded in 2017 indicating a decrease of 2.3%. About 238,935 m³ of timber and wood products valued at €133.92 million were exported to the Asia/Far East markets, 33,396 m³ valued at €13.4 million to Africa and 41,584 m³ valued at €24.03 million exported to Europe.

Protection of Forest and Wildlife Resources

The total land area of the country is approximately 23.9 million hectares, with 266 gazetted forest reserves of which 204 are in the High Forest Zone and 62 also in the savanna zone. There are 17 wildlife protected areas, which include 7 National Parks, 6 Resource Reserves, 3 Wildlife Sanctuaries, and 1 Strict Nature Reserve.

The Commission as mandated to protect the forest and wildlife resources of the forest reserves and wildlife protected areas embarked on cleaning of 21,172 km of forest reserve boundaries, which decreased by 6% of the total distance cleaned in 2017. In terms of boundary inspection and patrolling, there was also a decrease of 6% from 21,337 km recorded in the previous year to 20,056 km.

Day and night patrols were undertaken in wildlife protected areas to combat illegalities. A total of two hundred and thirty (230) Effective Patrol Man Days per Officer per year was achieved in the 17 protected areas whilst 1,000 km of protected area boundaries were cleaned.

Development of Forest and Wildlife Resources

On forest development, the Commission implemented the Ghana Forest Plantation Strategy (2016-2040) in order to restore lost forest cover. Out of the target of 25,000 hectares to be planted under the two components (Government and Private Sectors), about 77% was achieved in 2018. Thus, a total of 19,314 hectares (14,979 hectares under government and 4,335 hectares established by the private sector) was planted compared to 8,725 hectares planted in 2017.

The Commission also commenced activities to further develop and pilot the Ghana Cocoa-Forest REDD+ programme (GCFRP) in the High Forest Zone. A new method was developed to reduce emissions from deforestation and forest degradation. Accuracy level of change maps for the Forest Reference Level (FRL) was developed with the population of Emission Reduction Payment Agreement (ERPA) Term sheet by the negotiating team.

With regards to ecotourism development, the Commission recorded an increase in the number of visitors to ecotourism sites and zoological gardens (zoos). A total of 206,834 visitors was recorded in 2018 compared to 187,261 visitors in 2017. This indicates an increase of 19,573 (11%). Kakum Conservation Area, Mole National Park, Shai Hills Resource Reserve and Ankasa Conservation Areas contributed 171,606 (83%) of the total visitors recorded. The two zoos also contributed 32,871 (16%) of the number of visitors.

Forest and Wildlife Policy and Legal Regimes

Fourteen (14) Rapid Response Teams were deployed to combat illegal activities in forest reserves and wildlife protected areas. Their operations resulted in destroying 1,666 hectares of illegal farms, seizure of 73,314 assorted lumber, 22 logs, 133 chainsaw machines, 43 “chanfan” machines, 36 water pumps, 51 shovels and pickaxes. A total of 128 vehicles and 15 motorcycles were arrested with 155 suspects.

The Commission completed Phase 3 of the WTS roll-out to cover all outstanding districts and ensured the issuance of dummy FLEGT license on every export licence issued. The dummy license for some parcels were not issued due to delay in the extra work because some of the permits had multiple contracts and vice versa. The WTS roll-out also allowed the stumpage accounts transfer in all 38 FSD high forest districts to complete development of the roll-out of the plantation module.

A total of 164 poachers and other offenders were arrested in 154 cases of which 112 were successfully prosecuted using the law enforcers and the Commission’s trained prosecutors. Fifty-three (53) shot guns, 27 chainsaws, 2 gold detection machines, 2 “chanfan” machines, 1 tractor and 3 crane trucks were confiscated.

Sustainable Financial Management

The Commission realized a total revenue of GH¢202 million in 2018 which is just about 2% higher than the total amount realized in 2017. The amount exceeded the total budget of GH¢105 million by 92%. Also, Internally Generated Fund (IGF) recorded GH¢104.2 million as against a budgeted amount of GH¢48.2 million, which showed an excess of about 116% over the budgeted amount. The Commission budgeted to receive an amount of GH¢14 million from Development Partners but actually received an amount of GH¢27 million, exceeding the budget by 95%. Subvention from Government was GH¢71 million as against the amount of GH¢78 budgeted.

A total of GH¢139 million was spent under the various expenditure items as against a total budget of GH¢126 million, thus, making the total expenditure about 10% higher than expected. On compensation, an amount of GH¢78 million was budgeted but 91% of the budget representing GH¢71 million was spent. Goods and services constituted GH¢59 million as against a budgeted amount of GH¢45 million indicating excess of 29%. Assets utilised GH¢10 million as against a budget of GH¢3 million, implying that the Commission spent more than thrice of the amount budgeted for the period.

Human Resource Management

The Commission designed, developed and monitored the implementation of Human Resource Management Policy to ensure consistency, fairness and equity to engender employees' engagement and commitment. Three thousand seven hundred and ninety-four (3,794) staff, with a gender composition of 3,185 males and 609 females, was reported active at the end of the period. This was made up of 751 senior staff and 3,403 junior staff.

The Commission enhanced the capacity of one thousand one hundred and forty-three (1,143) staff under various training programmes. Also, the Commission spent an amount of GH¢15.1 million on payments to staff as various benefits. The amount was 3% higher than the GH¢14.7 million utilized in 2017.

Forest and Wildlife Stakeholder Collaborations

The Commission provided thirty-seven (37) existing Community Resources Management Areas (CREMAs) within Western region and the three (3) Northern regions with technical and logistic support under the Forest Investment Programme and Sustainable Land and Water Management Projects. The Mole National Park in collaboration with A Rocha Ghana trained 200 CREMA stakeholders to enhance their beekeeping skills. Also, 57 CREMA stakeholders from five (5) communities were sensitized on CREMA by-law gazette process at Mole National Park. CREMA members were also trained from the five (5) FIP CREMAs in the Western Region on how to disseminate their CREMA Constitution to the larger populace within the CREMAs.

In terms of corporate social responsibility, the signing of benefit sharing agreements on plantations was completed for three (3) Private/Commercial Developers. The Commission recorded a total of over GH¢1 million under its Social Responsibility Agreements (SRA) for the natural forest timber production areas.

In addition, sensitization programmes were organised for 200 schools and 323 communities to educate them on wildlife conservation in various wildlife stations. Also 61 radio programmes were carried out to educate the public on wildlife laws and their applicability.

Efficient and Effective Organization Infrastructural Development

The Commission developed the 2018 Action Plan which served as the guide for all activities carried out in the year. In addition, Monitoring and Evaluation Plan was prepared for the purposes of checking the progress of the action plan implementation on quarterly basis. One (1) M&E field visit was undertaken to selected FSD District offices in the Ashanti and Brong-Ahafo regions and the findings of the visits were collated with actionable recommendations and submitted to the Chief Executive for his action.

As part of the tools for measuring the progress of the implementation of the National Medium-Term Development Policy Framework (2018-2021), the Commission prepared and submitted annual progress reports to the National Development Planning Commission (NDPC) and other key stakeholders.

On ICT, the Commission has completed review of the ICT policy, which is to ensure that, all users become aware of their individual responsibilities with regard to security threats and vulnerabilities, and how to optimize the use of ICT resources of the Commission. It is also to ensure adherence to standards so as to promote efficiency and effectiveness in delivery of outputs. The document is currently with the Executive Management Team for their approval and usage.

Programmes and Projects

The Commission undertakes programmes and projects supported by Development Partners. These projects form major aspects of the organizational development as they are target specific and are meant to accomplish a specific task or challenges.

In 2018, programmes and projects implemented by the Commission included; Forest Investment Programme (ENFAL and ELCIR+), Sustainable Land and Water Management Programme (SLWMP), Forest 2020 and Forest Carbon Partnership Facility/ REDD+.

Challenges

The major challenges of the Commission had to do with the inability to secure designated funding for the establishment and maintenance of plantation stands as well as low capacity of private plantation developers to achieve their annual set target.

The Commission was also hindered in many areas of operations including: continual dwindling of natural forest timber resources and reduction in forest resources base of the country, difficulty in securing overseas export contracts especially from EU countries, inadequate use of ICT infrastructure across the various Divisions/Departments and Units, illegal logging and mining in forest reserves, social unrest in forestry and mining communities, inadequate community participation in natural resource management, loss of unique coastal habitats and ecosystems, ineffective enforcement of relevant laws and regulations, encroachment on biodiversity hotspots, over exploitation and inefficient use of forest resources, illicit trade in forest and wildlife resources and low institutional capacity to adapt to climate change and undertake mitigation actions.

Conclusion

The importance of forest and wildlife resources are numerous and occupy key areas in economy transformation and development. It is important to note that abundance of forest resources has a significant impact on economic stability. One thing that is frequently mentioned in the report is degradation of forest and wildlife resources of the country.

It is necessary that the government and related agencies come on board to contribute their quota in management, protection and development of forest and wildlife resources base of the country while the Forestry Commission adopt systems to refocus on the implementation of forest and wildlife development and management programmes in order to tackle emerging trending issues of the forestry sector.

CHAPTER ONE

INTRODUCTION

The Commission, based on the adopted strategies and policies, developed in the National Medium-Term Development Policy Framework (2018-2021), highlights the performance in the implementation of the Commission’s Sector Medium-Term Development Plan (2018-2021). The 2018 report therefore provides the first assessment of indicators and targets adopted to measure the progress of implementation of the plan.

Ghana has approximately a total land area of 23.9 million hectares of which about 33% constitute High Forest Zone (HFZ). There are 266 gazetted forest reserves in Ghana comprising of 204 located in the HFZ and 62 located in the Savannah Zone. They occupy 1.6 million and 0.6 million hectares of the land area respectively. There are also 17 wildlife protected areas which include 7 National Parks, 6 Resource Reserves, 3 Wildlife Sanctuaries, and 1 Strict Nature Reserve. Together they occupy 1.3 million hectares representing a little over 5% of the total land area of the country.

The Commission continued the implementation of forest and wildlife development and management programme. Specific issues adopted in order to achieve the policy objectives have been aligned with their respective mitigation strategies in Table 1.1.

Table 1.1 Adopted Policy Issues and Mitigation Strategies

Key focus area	Policy objectives	Issues	Strategies
Protected Areas	Expand forest conservation areas	Loss of forest cover	Promote alternative sources of livelihood, including provision of bee-hives to forest fringe communities
		Poor demarcation of conservation areas	Re-survey and demarcate forests with permanent concrete pillars
		Encroachment on conservation areas	Map and assign conservation status through bye-laws to mangrove forests, wetlands and sensitive marine areas in district spatial plans
		Inadequate capacity of relevant institutions	Strengthen Forestry Commission and related institutions to effectively implement the National Environmental Protection Programme (NEPP) and the Environmental Action Plan (EAP).
		Increasing loss of endangered species	Establish gene banks for indigenous species and refuge areas for threatened, endemic and rare species
	Protect forest reserves	Illegal farming and harvesting of plantation timber	Support the protection of the remaining network of natural forest and biodiversity hotspots in the country
		Forest fires	Support the protection of the remaining network of natural forest and biodiversity hotspots in the country
		Inadequate staff	Enhance capacity of MDAs and MMDAs to mainstream biodiversity into development planning and budgeting processes

Key focus area	Policy objectives	Issues	Strategies
		Weak enforcement of regulations	Strengthen involvement of local communities in the management of forests and wetlands through mechanisms such as co-management systems Accelerate the implementation of the National Biodiversity Strategy and Action Plan Develop an early warning system for detection of invasive alien species Develop guidelines for reporting and managing invasive alien species Promote research, public education and awareness on biodiversity and ecosystem services
		Insufficient logistics to maintain boundaries of protected areas	Strengthen environmental governance and enforcement of environmental regulations
Deforestation, Desertification and Soil Erosion	Combat deforestation, desertification and soil erosion	Weak collaboration between stakeholder institutions	Strengthen implementation of Ghana Forest Plantation Strategy and restore degraded areas within and outside forest reserves
		High incidence of wildfires	Promote and develop mechanisms for transparent governance, equity sharing and stakeholder participation in the forest, wildlife and wood fuel resource management (e.g. Community Resource Management Areas Programme (CREMAs))
		Inappropriate farming practices	Promote training, research-based and technology-led development for sustainable forest and wildlife management
		Indiscriminate use of weedicides	Implement the green infrastructure recommendation in the National Spatial Development Framework
		Over-exploitation and inefficient use of forest resources	Promote and develop financing mechanisms for forest value chain management
		Illicit trade in forest and wildlife resources	Ensure enforcement of National Wildfire Management Policy and local bye-laws on wildfires
			Promote alternative livelihoods, including eco-tourism, in forest fringe communities Improve incentives and other measures to encourage users of environmental resources to adopt less exploitative and non-degrading practices in agriculture Improve incentives and other measures to encourage users of environmental resources

Key focus area	Policy objectives	Issues	Strategies
			to adopt less exploitative and non-degrading practices in agriculture
			Enact and enforce Legislative Instrument on tree tenure
			Promote the use of Lesser Used Species (LUS)
			Promote the development of viable forest and wildlife-based industries and livelihoods
			Develop efficient energy technologies
			Enact and enforce strict and punitive legislation for wildlife crimes, including poaching and trafficking
			Promote information dissemination to both forestry institutions and the general public.
Climate Variability and Change	Enhance climate change resilience	Low institutional capacity to adapt to climate change and undertake mitigation actions	Promote and document improved climate-smart indigenous agricultural knowledge
		Inadequate inclusion of gender and vulnerability issues in climate change actions	Promote climate-resilience policies for women and other vulnerable groups in agriculture
		Inadequate institutional capacity to access global funds	Collaborate with international partners to have more access to the Green Climate Fund (\$30 billion Global Fund) for climate change purposes
	Reduce greenhouse gases	Loss of trees and vegetative cover	Accelerate the implementation of Ghana REDD+ Strategy (2016-2036)
		Degraded landscapes	Initiate Green Ghana campaign with chiefs, queen mothers, traditional authorities, civil society, religious bodies and other recognized groups
			Accelerate programmes to significantly reduce environmental risks and ecological scarcity, focusing on energy, agriculture, forestry and waste sectors

The assessment of performance is with respect to indicators and targets developed to address specific adopted issues under the various sub programmes of the Commission which includes:

- 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

Chapter one provides introduction of the report. Chapter two talks about the organizational structure of the Commission, highlighting the vision and mission statements as well as the strategic imperatives. Chapter three presents the performance review based on adopted indicators and targets. Chapter four provides summary of donor funded programmes and projects. Chapter five highlights key challenges and recommended solutions.

Stages of Report Preparation

The report was initially drafted by the Research, Statistics and Information Management Unit of the Corporate Planning, Monitoring and Evaluation Department and handed over for departmental review. Business Planning Managers of the various Divisions, Departments and Units in addition to some technical experts of the Commission met to discuss the document for validation. The report is afterwards printed and disseminated for stakeholders and public consumption.

Data Sources and Utilization

Reports submitted by Divisions, Departments and Units have been consolidated to form the 2018 annual report for the Commission.

The key challenges encountered were delays in report submissions and in some cases failure to report on specific indicators. Facts and figures used in the report are as reported by the Divisions, Departments and Units.

CHAPTER TWO

ORGANIZATIONAL STRUCTURE

Introduction

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.

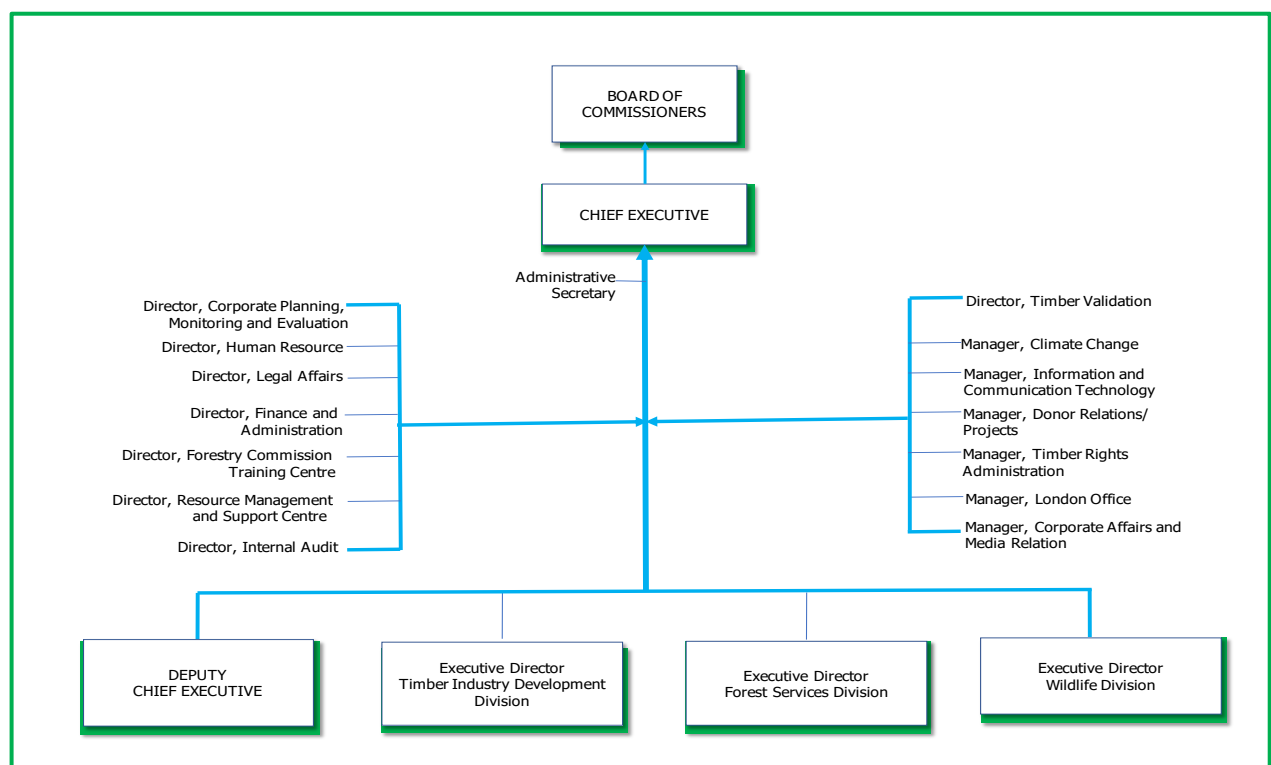


Figure 2.1: Organogram of the Commission

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"> • Forest protection and conservation • Forest production and regulation • Forest plantation development • Implement prescriptions of FR management plans
Wildlife Division	<ul style="list-style-type: none"> • Conservation and law enforcement in wildlife protected areas • Regulation and utilization of wildlife resources • Maintenance and rehabilitation of protected areas infrastructure • Ecotourism development and revenue enhancement
Timber Industry Development Division	<ul style="list-style-type: none"> • Timber trade/industry development and modernization • Timber trade/ industry regulation • Wood products inspection and grading • Market development and promotion
Forestry Commission Training Centre	<ul style="list-style-type: none"> • Provide short-term and refresher training courses for FC staff and the forestry sector • Assist the wood industry with appropriate technology in downstream processing • Provide consultancy and extension services in forestry, wildlife, wood industry environmental issues • Introduce staff to new technical tools and emerging issues in the forestry sector
Resource Management Support Centre	<ul style="list-style-type: none"> • Improve on the operational capacity of the Forestry Commission • Develop systems and standards to improve forest and wildlife management that report on the state of the forests • Test and certify externally developed systems on forest and wildlife management for adoption • Promote strategies to improve forest governance

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

	Name	Role
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

CHAPTER THREE

PERFORMANCE REVIEW

3.1 Introduction

The natural resource endowment, which includes forest and wildlife resources, constitutes an indispensable basis for accelerated socio-economic development and transformation. In Ghana these resources suffer overexploitation and underutilization. Illegalities have taken over the country with respect to timber production, conservation and protection of biodiversity.

This chapter provides information on indicator targets and strategies adopted to measure the progress of implementation of the Commission’s Sector Medium-Term Development Plan (2018-2021) focusing on forest and wildlife management and development.

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

The Commission implemented several projects and activities to enhance sustainable and effective utilisation of forest and wildlife resources of the country. These activities consist of the review and application of management plans, regulation of natural forest and plantation timber exploitation, forest development as well as export of timber and wood products.

3.2.1 Management/Production of Forest Resources

Management prescriptions for forest reserves and Globally Significant Biodiversity Areas (GSBAs) were applied in the maintenance and preservation of forest resources. In 2018, ten (10) plans were reviewed after the Commission undertook floral and socio-economic surveys in consonance with the review process. The process involved in reviewing the plans provides the Commission a better platform to educate forest fringe communities on the need to conserve the biodiversity of the country.

As the laws imply, the Commission regulates processing of all applications towards the grant of Salvage, Plantation and Special permits to any prospective timber contractor. The Commission also processes Timber Utilisations Contracts (TUCs) under the timber rights granting policy. In 2018, three hundred and ten (310) salvage permits were approved to harvest trees on lands under-going development such as road construction, human settlement, expansion and cultivation of farms. This indicates a 61% increase from the 193 permits approved in 2017. Figure 3.1 shows that 2018 recorded the highest salvage permit since 2014.

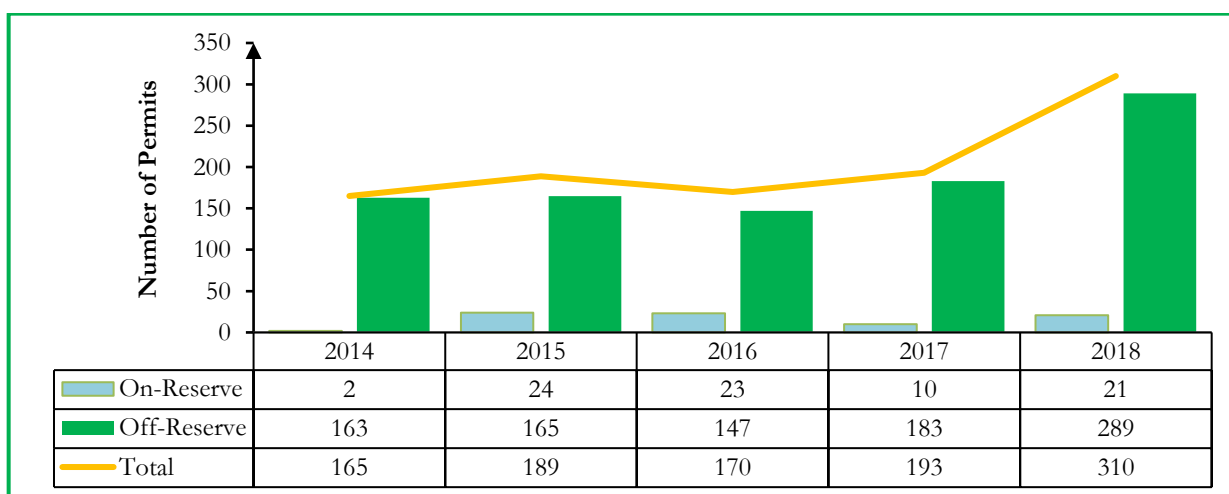


Figure 3.1: Salvage Permit Approved

A total of one hundred and seventy-nine (179) permits (covering 97,640 m³) were also approved to harvest plantation timber species such as Teak, Cedrela, Gmelina, Ofram, Wawa and Emire. In 2017, one hundred and sixty-two (162) plantation permits were approved indicating that the number of plantation permits approved in 2018 increased by 15% whilst the volume of timber allocated decreased by 15%.

Table 3.1: Plantation Permits and Volume Allocated

Timber Species	Number of Permit	Fresh Allocation (m ³)	Re-Allocation (m ³)	Total Allocation (m ³)
Teak	138	56,217.61	2,663.18	58,880.78
Cedrela	25	29,967.96	2,427.57	32,395.53
Gmelina	12	3,354.81	307.98	3,662.79
Ofram	2	249.60	-	249.60
Wawa	1	1,153.00	-	1,153.00
Emire	1	1,299.00	-	1,299.00
Total (m³)	179	92,241.97	5,398.73	97,640.70

(a) Timber Production

The Commission harvests timber from two sources; plantation and natural forest. In 2018, a total of 91,957 m³ of plantation timber was produced indicating a 22% decrease of the total of 117,874 m³ recorded in the previous year. Figure 3.2 clearly shows that the decrease was recorded in the off-reserve areas whilst timber harvested from on-reserves recorded 19% increase. Meanwhile, the total volume harvested from on-reserve areas have been decreasing from 2014 to 2017.

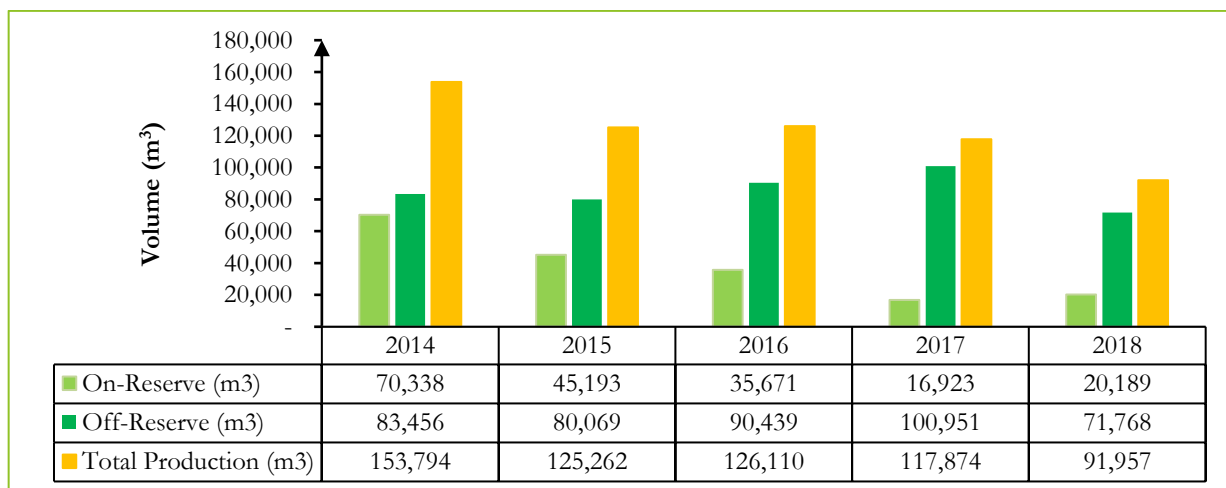


Figure 3.2: Timber Production from Plantation Forest

The Commission allows 1 million cubic metres threshold of timber production from the natural forest. Thus, 500,000 cubic metres for on-reserve and off-reserve forest sources respectively. This is implemented as Annual Allowable Cut (AAC) purposed to ensure sustainability of timber resources.

In 2018, the Commission renewed one thousand and seventy-one (1,071) Property Marks for timber contractors to harvest timber from the natural forest while in 2017, seven hundred and sixty-eight (768) Property Marks were renewed indicating a 60% increase.

The total volume of timber harvested increased from 654,505 m³ (on-reserve 613,140 m³ and off-reserve 41,365 m³) in 2017 to 685,020 m³ (on-reserve 572,472 m³ and off-reserve 112,548 m³), representing 69% of AAC (Figure 3.3). The harvest of on-reserve timber reduced by 7% between 2017 and 2018, whilst off-reserve harvest recorded over 100% increase.

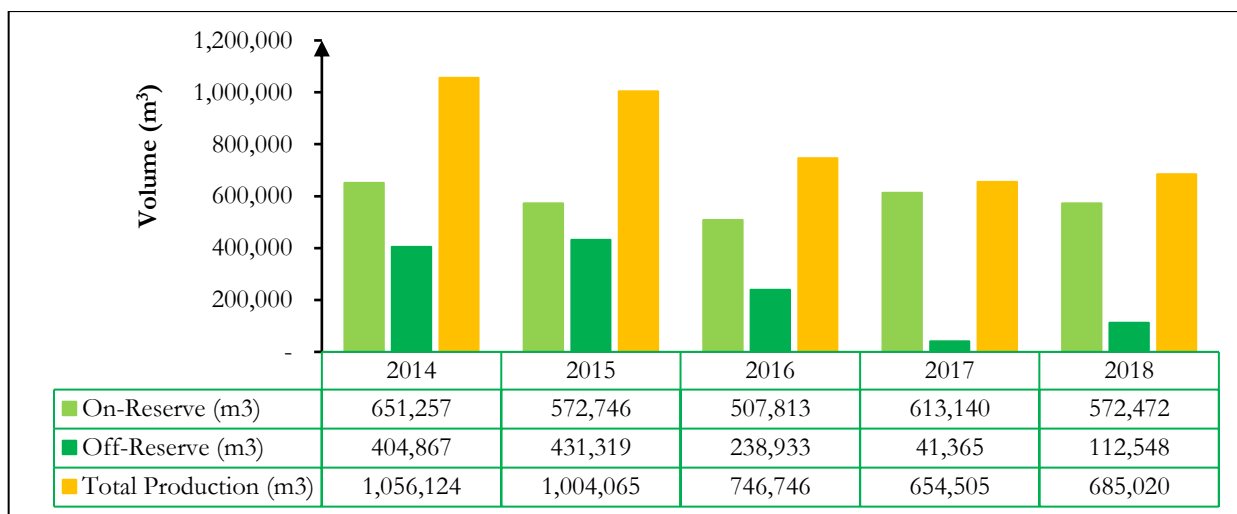


Figure 3.3: Timber Production from the Natural Forest

(b) Export of Timber and Wood Products

Ghana’s timber export trade recorded a 1.9% decrease in volume from 339,227 m³ in 2017 to 332,927 m³ in 2018. In terms of export revenue, 2018 recorded €188 million as against €190 million achieved in 2017 representing 1% depreciation. In 2016, the highest export volume and value were recorded and started declining from 2017 to 2018 (Figure 3.4).

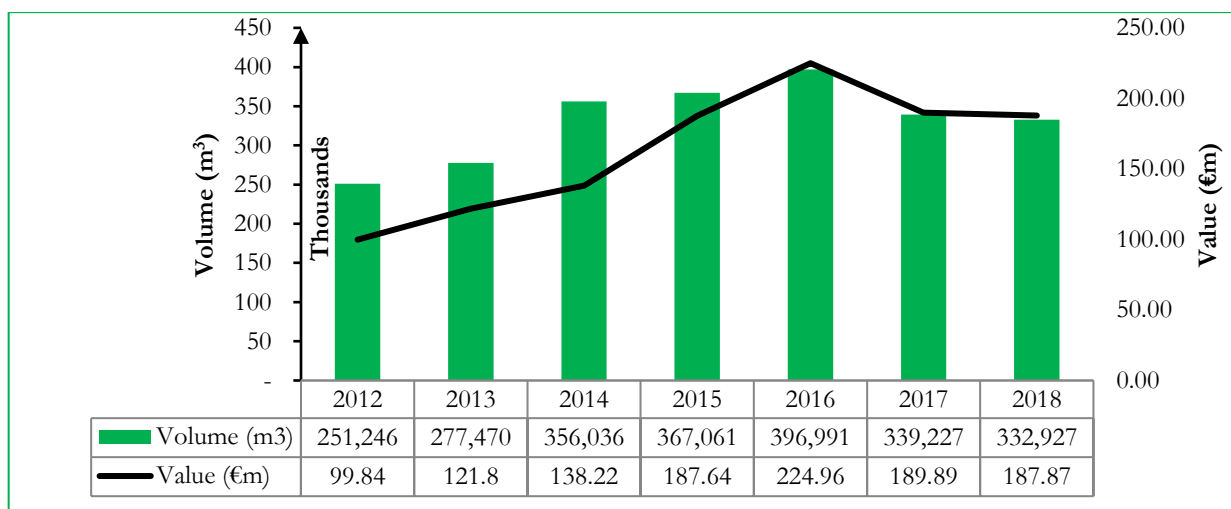


Figure 3. 4: Export of Timber and Wood Products

The Asia/Far East markets remain the major export destination for Ghana’s timber and wood products (72%). A total of 238,935 m³ was recorded with a value of €134 million in 2018 compared to 255,867 m³ with a value of €144 million in 2017 representing a decrease of 8% and 11% in volume and value respectively.

The European market (Italy, France, Germany, Belgium and UK), the second major export destination accounted for 41,584 m³ (13%) with a value of €24 million in 2018 compared to 37,785 m³ valued at €21 million recorded in 2017 indicating an increase of 9% each in volume and value respectively.

The ECOWAS market recorded a volume of 33,397 m³ (10%) with a value of €13 million in 2018 compared to 25,882 m³ with export value of €10 million recorded in 2017 representing an increase of 11% in volume and 34% in value respectively.

Lumber export has been categorized into air-dried and kiln-dried. In 2018, air-dried lumber recorded the highest proportion (85%) of the total volume exported. Total air-dried lumber exported decreased by 5% from 217,840 m³ recorded in 2017 to 207,322 m³ in 2018. Kiln-dried lumber represents 18% of the total lumber exported. Thus, a total of 44,882 m³ was recorded in 2018 compared to 37,912 m³ in 2017, indicating 18% improvement (Figure 3.5). In terms of value, air-dried lumber recorded €119 million in 2018 as against €127 million in 2017 whilst kiln-dried lumber recorded €27 million as compared to €22 million in 2017.

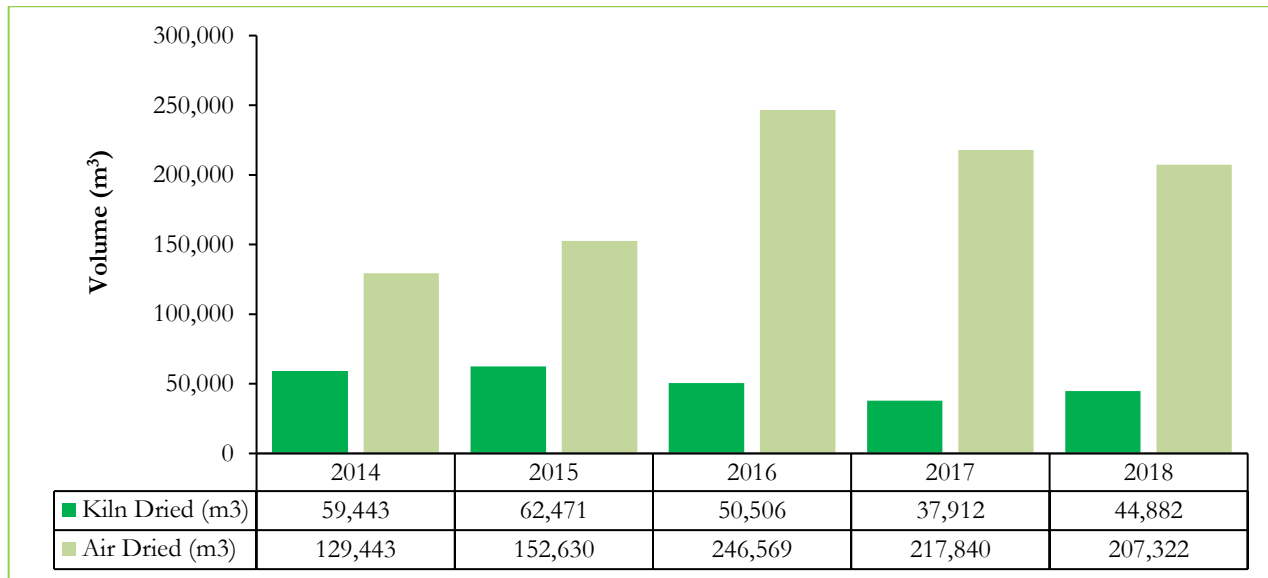


Figure 3.5: Export Air and Kiln Dried Lumber

Between 2017 and 2018, no contract was signed for exporting overland lumber hence no volume was recorded. Overland export of plywood however, increased by 44% from 15,549 m³ in 2017 to 22,405 m³ in 2018. It is very clear from Figure 3.6 that overland export of plywood reduces every year at an average rate of 36% from 2014 to date.

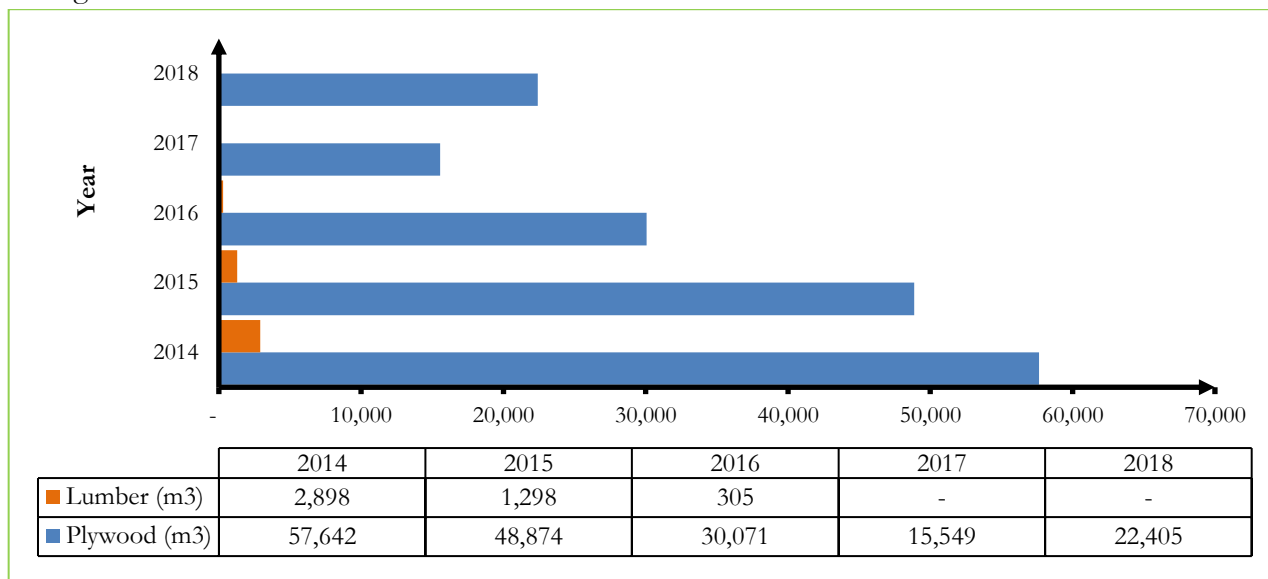


Figure 3. 6: Overland Export of Plywood and Lumber (2014-2018)

(c) Contracts and Permits Processed and Issued

Contract volumes approved for export in 2018 increased by 7% compared to the total approved in 2017. Thus, total of 450,010 m³ was recorded as related to 417,402 m³ recorded in the previous year. Contracts for primary products (teak poles, billets and Gmelina logs) approved was 45,907 m³ more than the total of 41,240 m³ recorded in 2017 by 11%.

A total of 4,919 permits were approved for shipment of timber and wood products for both overseas and overland export destinations compared to 4,657 permits approved to exporters in 2017 indicating 5% improvement. This covers total volume of 33,977 m³ of teak poles, billets and logs as well as 18,472 m³ of lumber and plywood transported to the Indian market and neighbouring countries (Nigeria, Niger, Benin, Mali, etc.).

3.2.2 Protection of Forest and Wildlife Resources

In order to protect and maintain the ecological and productive integrity of the forest reserves and wildlife protected areas, the Commission undertakes boundary inspection and cleaning. In 2018, a total distance of 20,172 km forest reserve boundary was cleaned and 20,056 km inspected as compared to 22,600 km boundary cleaned and 21,337 km inspected in 2017, representing 11% and 6% reduction in performance respectively. A distance of 1,000 km of wildlife protected area boundaries were also cleaned.

In addition, the Commission also deployed Rapid Response Teams as a strategy 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.

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 and other stakeholders were sensitized on bush fires and supported in firefighting for the period.

3.2.3 Development of Forest and Wildlife Resources

Effective natural resource management and the restoration of degraded landscapes are critical to ensuring that natural resources contribute to greater wealth creation and sustainable economic growth. The policies, programmes, and strategies implemented in 2018 were aimed at reversing forest land degradation, as well as promoting efficient land use and management systems across the country.

As indicated in the National Biodiversity Strategy Action Plan, 2018, 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 the 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 part of processes to restore and increase the forest base of the country, the Commission is implementing the 25-year Ghana Forest Plantation Strategy (2016-2040) which is aligned with Ghana’s National Medium Term Development Policy Framework (2018-2021), the 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).

(a) Forest Plantation Strategy

The Ghana Forest Plantation Strategy is being implemented to restore lost forest cover. 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.

Out of the target of 25,000 hectares to be planted under the two components (Government and Private Sectors), about 81% was achieved in 2018. Thus, a total of 20,169.2 hectares (15,312.7 hectares under government and 4,856.5 hectares established by the private sector) was planted in 2018 compared to 8,725 hectares planted in 2017. This represents over 100% improvement in plantations established during the period. The increase was largely recorded under the government components as seen in Figure 3.7.

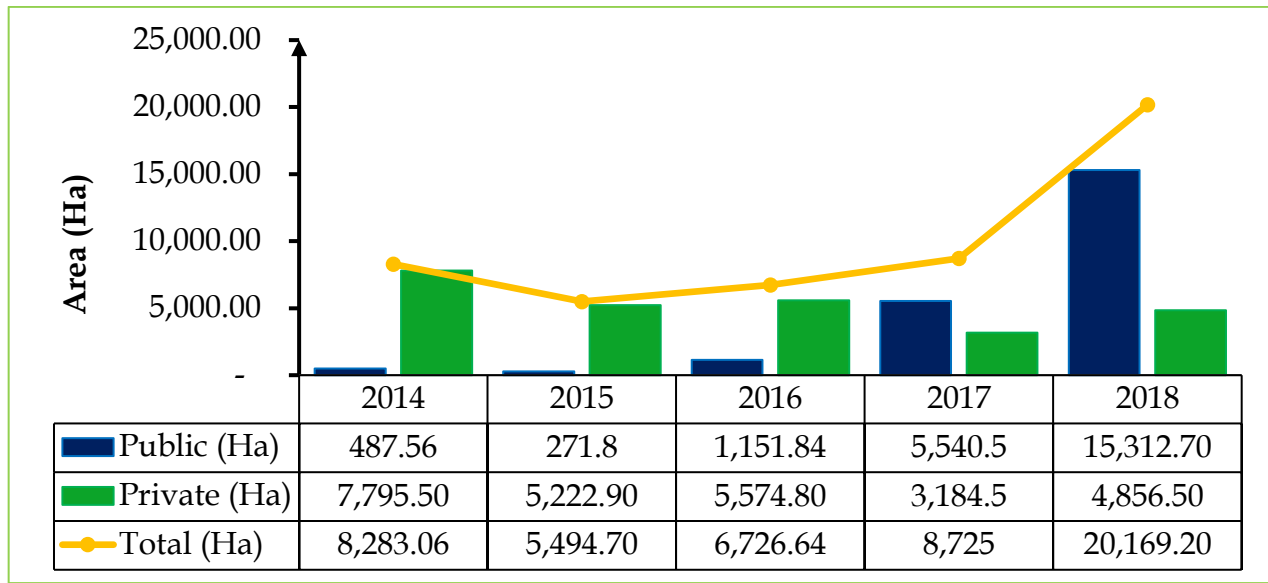


Figure 3. 7: Plantation Established from 2014 - 2018

In 2018, a total of 4,866 hectares of degraded landscape (mining sites, farms in forest reserves, etc.) was restored through enrichment planting as compared to 4,489 hectares in 2017. This indicates 8% increase in performance over the period. Maintenance was undertaken in 38,236 hectares and 44,166 hectares of forest plantations established within on-reserves and off-reserves in 2017 and 2018 respectively. Therefore, a total area of 82,402 hectares of forest plantations was maintained over the two-year period. The Commission procured and distributed 25.69 million out of 33 million seedlings for planting across the various plantation sites.

(b) Ecotourism Development

The Commission prioritized Mole National Park, Shai-Hills Resource Reserve, Kakum National Park, Sakumo Ramsar Site and Ankasa Resource Reserve for ecotourism development. Also included are the Achimota and Cape Three Points Forest Reserves, targeting innovative ecotourism infrastructure development through the government approved public-private-partnership programme. Because of the potential of ecotourism development in revenue generation and safeguarding ecological integrity of ecosystems, ecotourism has been used by many countries as a major sustainable environmental and socio-economic development tool in the rural areas.

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

In 2018, the Commission targeted to improve ecotourism facilities and this resulted in the construction of 27 houses (120 rooms) and a mosque for resettlement at Gbele Community from the Gbele Resource Reserve which is 95% complete. Six (6) staff accommodation was also maintained at Nsogyanafour and Dadetokuro camps in Digya National Park. Minor repair works were carried out on seven (7) Junior Staff quarters in Mole National Park. The documentation of six (6) parcels of land earmarked for construction of camps at Kakum National Park was completed. As well, 462 km of access roads were maintained in various protected areas.

The total number of visitors to ecotourism sites and zoological gardens (zoos) in 2018 recorded was 206,834 compared to the 187,261 visitors in 2017. This indicates an increase of 19,573 (11%). Kakum Conservation Area, Mole National Park, Shai Hills Resource Reserve and Ankasa Conservation Areas contributed 171,606 (83%) of the total visitors recorded. The two zoos also contributed 32,871 (16%) of the number of visitors for the period as clearly indicated in Table 3.2.

Table 3.2: Performance of Ecotourism Destination Visitations

No.	Name of Ecotourism sites and Zoological Gardens (Zoos)	2017 Achievements	2018 Achievements	% Change
1	Mole National Park	17,758	16,806	-6%
2	Kakum Conservation Area	111,910	129,525	14%
3	Ankasa Conservation Area	1,156	1,612	28%
4	Bui National Park	67	32	-109%
5	Bia Conservation Area	71	41	-73%
6	Kyabobo National Park	357	454	21%
7	Owabi Wildlife Sanctuary	88	931	91%
8	Shai Hills Resource Reserve	20,684	23,663	13%
9	Kalakpa Resource Reserve	130	93	-40%
10	Bomfobiri Wildlife Sanctuary	79	408	81%
11	Songor Ramsar Site	56	0	-100%
12	Muni Pomadzi Ramsar Site	31	372	92%
13	Gbele Resource Reserve	7	3	-133%
14	Accra Zoo	17,073	16,954	-0.7%
15	Kumasi Zoo	17,780	15,917	-12%
16	Digya National Park	9	23	61%
17	Kogyae Strict Nature Reserve	5	0	-100%
	TOTAL	187,261	206,834	110%

3.3 Forest and Wildlife Policy and Legal Regimes

The Commission deployed 14 Rapid Response Teams to 15 forest reserves and 3 wildlife reserves identified at Sefwi-Wiawso, Nkawie, Tarkwa, Juaboso, Bibiani, Begoro, Bole, Bekwai, Goaso, Asankragwa, Achimota, Sunyani, Mankraso, Mampong, Tema, Gbele Resource Reserve, Shai Hills Resource Reserve and Sakumo Ramsar site to control and limit the occurrence of illegal practices. Their operations resulted to destroying 1,666 hectares of illegal farms, seizure of 73,314 assorted lumber, 22 logs, 133 chainsaw machines, 43 chanfan machines, 36 water pumps, 51 shovels and pickaxes. A total of 128 vehicles and 15 motorcycles were arrested with 155 suspects.

The Commission targeted to ensure legality assurance of timber and wood products exported particularly to the European market. Therefore, many structures that will enable Ghana issue FLEGT/Legality license under the Ghana-EU VPA have been implemented. The Commission completed Phase 3 of the WTS roll-out to cover all outstanding districts and ensured the issuance of dummy FLEGT license on every export licence issued. The dummy license for some parcels could not be issued due to the absence of multiple contracts/multiple permits functionality in the GWTS. This is to be corrected in the change request contract to upgrade the WTS. The WTS roll-out also allowed the stumpage accounts transfer in all 38 FSD high forest districts and therefore enabled the development and roll-out of the plantation module to be completed.

The Commission intended to reduce all forest infractions by 25%. Table 3.3 shows that only two cases recorded an increase in 2018 as compared to 2017. All the other cases recorded decreases in number of cases except for one which cannot be determined.

Table 3.3: Forest Infractions

No.	Indicator	2016 Baseline	Indicator Status in 2017	2018 Target	Indicator Status in 2018
	Destroy illegal farming	94 cases	108 cases	Reduce by 25%	55 cases
	Control illegal harvesting of plantation timber	74 cases	222 cases	Reduce by 25%	4 cases
	Control illegal harvesting of natural forest timber	112 cases	332 cases	Reduce by 25%	117 cases
	Control forest fires	40 cases	258 cases	Reduce by 25%	8 cases
	Prevent illegal mining and sand winning	33 cases	22 cases	Reduce by 25%	32 cases
	Prevent illegal chain sawing	199 cases	228 cases	Reduce by 25%	255 cases
	Prevent squatting	17 cases	5 cases	Reduce by 25%	NA
	Control illegal harvesting of firewood	NA	6 cases	Reduce by 25%	2 trees in 1 cases
	Control canoe/mortar carving	7 cases	4 cases	Reduce by 25%	3 cases

In order to ensure conservation and protection of forest and wildlife resources integrity, the Commission continued in the routine day and night patrols particularly in wildlife protected areas. A total of 164 poachers and other offenders were arrested in 154 cases of which 112 were successfully prosecuted using the law enforcers and the Commission's trained prosecutors. Also, 53 shot guns and 27 chainsaws were seized. Two (2) gold detection machines, 2 chanfan machines, 1 tractor and 3 crane trucks were confiscated. Sugarcane crushing machines and distillation equipment were also dismantled. One (1) olive Ridley Sea Turtle and 14 Leatherbacks Sea Turtle were rescued at Keta Lagoon Complex Ramsar Site.

3.4 Sustainable Financial Management

The Commission generates revenue from three (3) main areas namely; subvention from Government of Ghana (personnel emoluments, administration, services and investment), Internally Generated Fund (income from natural forest timber stumpage, plantation timber sales, and export levies, zoos, and parks entrance fees) and funds from development partners (cash and assets).

(a) Revenue

In 2018, the Commission realized a total revenue of GH¢202 million which is just about 2% higher than the total amount realized in 2017. The amount exceeded the total budget of GH¢105.1 million by 92%. This was as a result of the under listed factors:

- Revenue generated from rose wood
- Blockage of revenue leakage
- The use of quality Financial Management Information Systems as a result of computerisation of the revenue collection
- Funds received from donors under the Forest Investment Programme, Sustainable Land and Water Management programme, the Voluntary Partnership Agreement, Forest Carbon Partnership Agreement

A total amount of GH¢70.5 million was received as wages and salaries for staff as against the GH¢77.9 million budgeted. This implies that the actual amount of money received for compensation was 10% less than the amount budgeted.

Internally generated funds amounted to GH¢104.2 million as against a budgeted amount of GH¢48.2 million, which showed an excess of about 116% over the budgeted amount.

The Commission budgeted to receive an amount of GH¢14 million from our Development Partners but did actually receive an amount of GH¢27.3 million. Thus, the Commission received actual amount that exceeded the budget by 95%. These funds were meant for the Forest Investment Programme, Forest Carbon Partnership Facility, Voluntary Partnership Agreement and the Sustainable Land and Water Management Project some of which was budgeted under the sector Ministry and the Ministry of Environment, Science, Technology and Innovation (MESTI).

Figure 3.8 indicates the performance of the various revenue items for the past five years. It is clear from the graph that the Commission recorded 5% decrease in IGF collected whilst subvention from Government and Development Partners recorded 7% and 18% increase respectively.

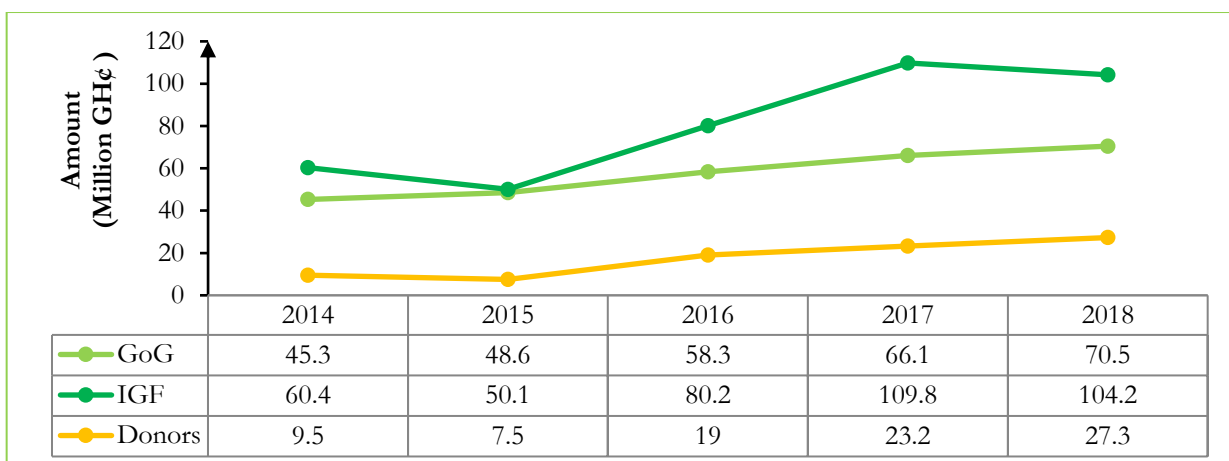


Figure 3.8: Revenue Performance from 2014 – 2018

(b) Expenditure

The Commission in 2018 spent a total amount of GH¢138.7 million under the various expenditure items as against a budget of GH¢126.1 million, thus, making the total expenditure about 10% higher than the expected amount (Figure 3.9).

On Compensation, an amount of GH¢77.9 million was budgeted but about 91% of the budget representing GH¢70.5 million was spent at the end of the period. Comparing to 2017, the total amount utilised in 2018 was about 7% higher.

A total amount of GH¢58.7 million was spent on Good and Services as against a budgeted amount of GH¢45.4 million indicating excess of about 29% over the budgeted.

Also, a total amount of GH¢9.5 million was spent in acquiring assets for the Commission as against a budget of GH¢2.8 million. This implies that the Commission has actually spent more than thrice of the amount budgeted for the period.

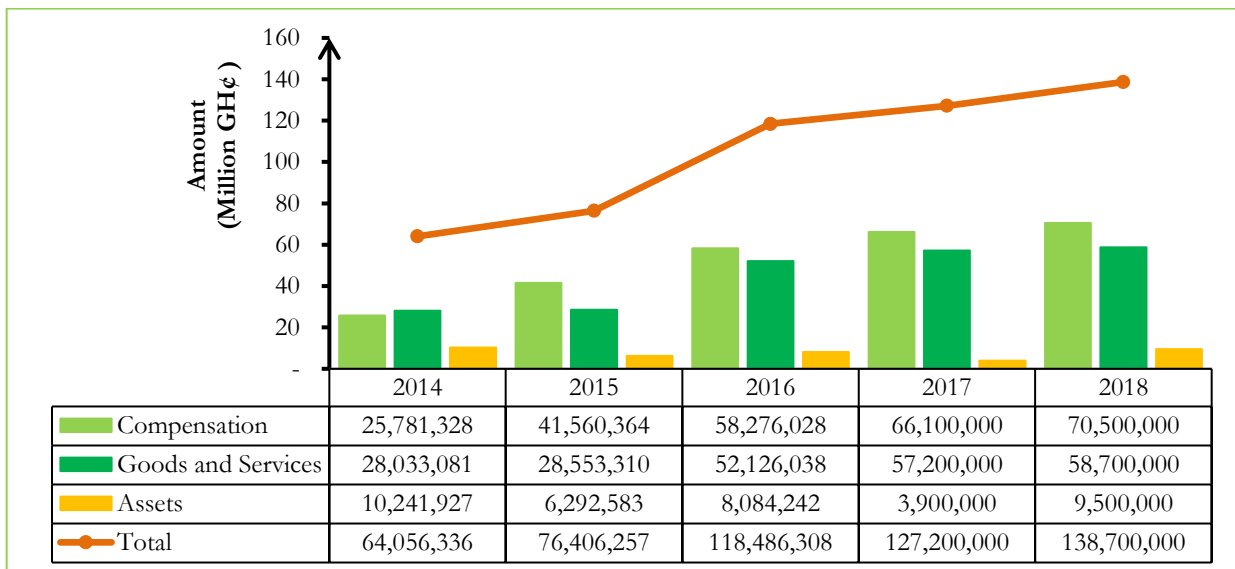


Figure 3.9: Expenditure Performance for last 5 years

3.5 Human Resource Management

The Commission concentrated on the human resource functions that included:

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

Human Resource played a critical role in achieving the strategic imperatives of the Forestry Commission in respect to attracting, developing and retaining a well-motivated, skilled and efficient workforce as well as developing a least cost, enabling organizational infrastructure that inspires and drives value.

Three thousand seven hundred and ninety-four (3,794) staff comprising of 3,185 males and 609 females were recorded at the end of the period. This was made up of 751 senior staff and 3,043 junior staff. The Figure 3.10 presents the changes in the human resource status from 2014 to date.

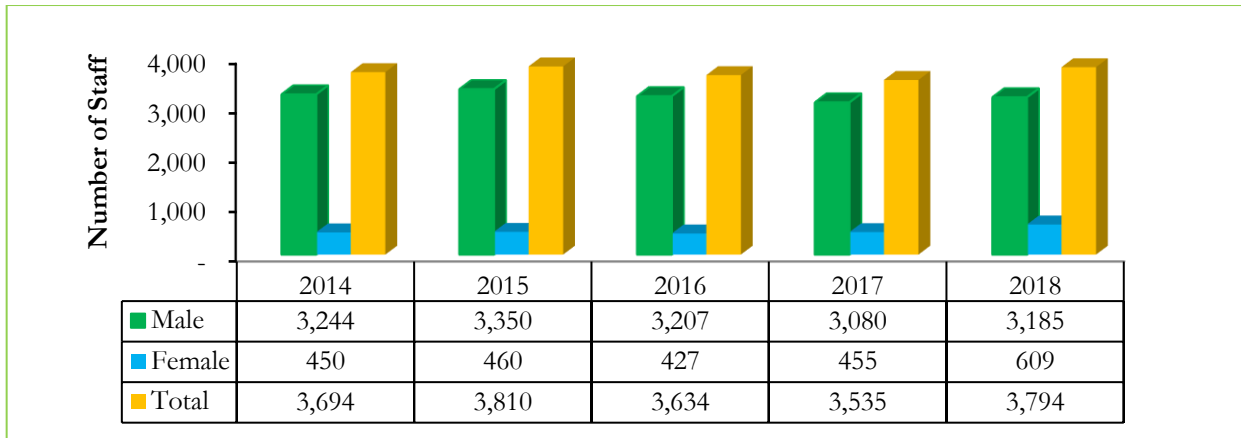


Figure 3.10: Status of Human Resources from 2014 - 2018

The increase in the number of staff in 2018 was as a result of low staff attrition with replacement in some cases. The gender ratio of the staff presented at the end of the period is expressed as 84% of males against 16% females. Table 3.4 provides the detailed breakdown of the composition of staff of the Commission.

Table 3. 4: Composition of staff

	Senior Staff		Sub Total	Junior Staff		Sub Total	Total
	Male	Female		Male	Female		
CHQ	99	38	137	26	14	40	177
FSD	196	38	234	1,844	316	2,160	2,394
RSMC	39	16	55	26	9	35	90
TIDD	110	57	167	42	21	63	230
WD	95	48	143	675	46	721	864
FCTC	11	4	15	22	2	24	39
Total	550	201	751	2,635	408	3,043	3,794

(a) Capacity building and staff motivation

The Commission provides short-term and refresher courses which are intended to improve the capacity of staff. One thousand, one hundred and forty-three (1,143) staff benefitted from the Commission's training programme. One (1) person was trained by the Korea International Cooperation Agency and two (2) through the Chinese Cooperation Development Training Programme. As well, 53 and 300 participants were given Leadership and Retirement Planning training respectively, in order to transform their leadership role and to create awareness on proper planning towards exiting the Commission. Sixty-eight (68) Forest Range Managers and 70 staff of the Wildlife Division were trained. An orientation programme was conducted in phases for 400 new entrants of the Commission.

In order to motivate staff and increase productivity, the Commission spent an amount of GH¢15.1 million as payments for various benefits to staff in 2018. The payments were categorized into Workman's Compensation, Funeral Grants, Special Loan, Terminal Benefits and Retirement Benefits. However, the total amount paid to staff in 2018 was 3% more than what was paid in 2017, due to high workman's compensation payment (Figure 3.11).

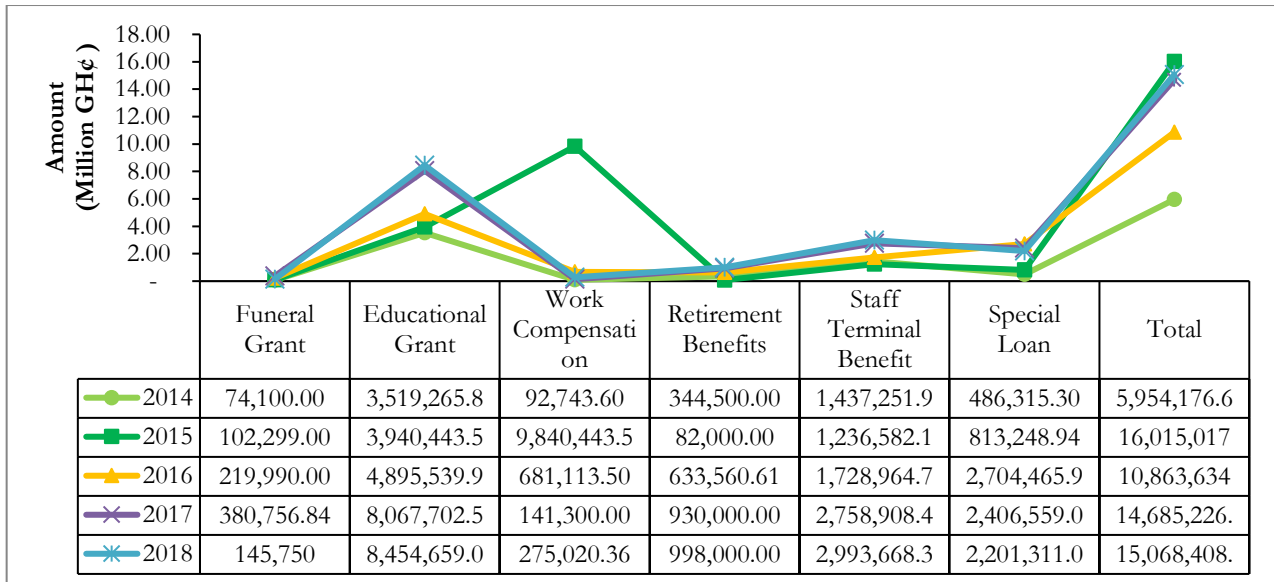


Figure 3.11: Benefits paid to staff

(b) Staff recruitment and attrition

There was four hundred (400) permanent recruitment of staff between January to March 2018. However, promotion interviews were conducted for 154 staff across all the Divisions, Departments and Units of the Commission. About seventy thousand one hundred (70,100) field staff were also engaged under the Youth in Afforestation Programme.

A total of 139 staff turnovers were recorded in 2018, showing a decrease of 5% over what was recorded in 2017. Ninety-six (96) members of staff retired, 30 died, 12 resigned and 1 appointment was terminated. Figure 12.0 below details the turnovers as recorded. It is seen that the number of staff that went on retirement in 2018 is about 10% lower than the number that retired in 2017 (Figure 3.12).

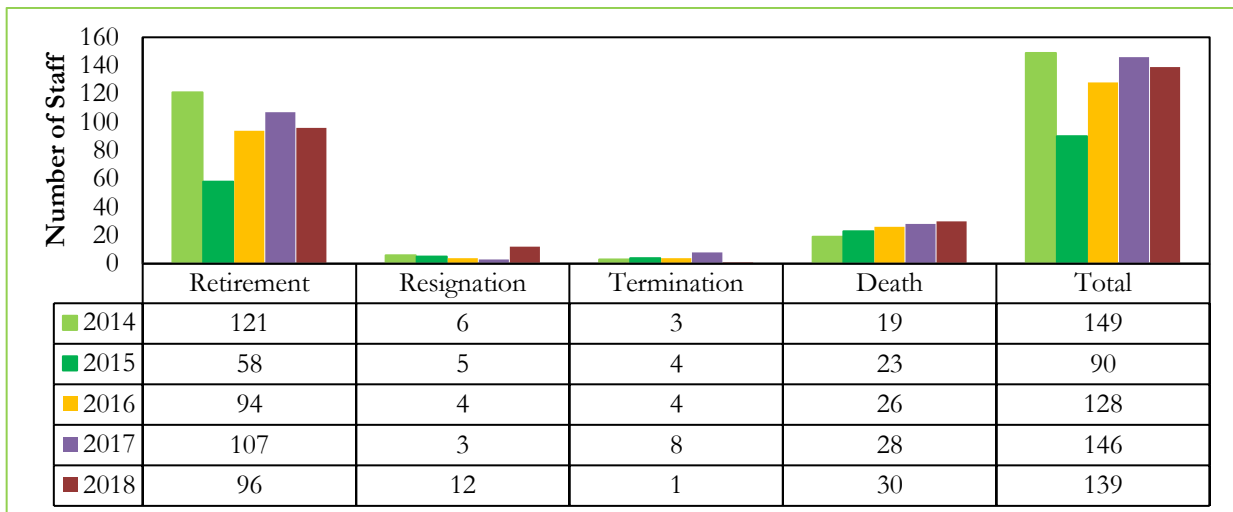


Figure 3.12: Staff attrition (2014 - 2018)

3.6 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.

Thirty-seven (37) existing Community Resources Management Areas (CREMAs) within Western region and the three (3) Northern regions were provided with technical and logistic support under the Forest Investment Programme and Sustainable Land and Water Management Projects. The Mole National Park in collaboration with A Rocha Ghana trained 200 CREMA stakeholders to enhance their beekeeping skills. Also, 57 CREMA stakeholders from five (5) communities were sensitized on CREMA by-law gazette process at Mole National Park. CREMA members were also trained from the five (5) FIP CREMAs in the Western Region on how to disseminate their CREMA Constitution to the larger populace within the CREMAs.

In terms of Corporate Social Responsibility, the signing of benefit sharing agreements on plantations were completed for three (3) Private/Commercial Developers. The Commission recorded a total of GH¢1,012,668 under its Social Responsibility Agreements (SRA) for the natural forest timber production areas.

In addition, sensitization programme was organised for 200 schools and 323 communities to educate them on wildlife conservation in various wildlife stations. Also, 61 radio programmes were carried out to educate the public on wildlife laws and their applicability.

3.7 Efficient and Effective Organization Infrastructural Development

The Departments and other Units at the headquarters play a role of coordination and facilitation of forest and wildlife development. The Commission developed 2018 Action Plan which served as the guide for all activities carried out in the year. In addition, Monitoring and Evaluation Plan was prepared for the purposes of checking the progress of the action plan implementation on quarterly basis. One (1) M&E field visit was undertaken to selected FSD District offices in the Ashanti and Brong-Ahafo regions and the findings of the visit were collated with actionable recommendations and submitted to the Chief Executive for his action.

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

As part of the tools for measuring the progress of the implementation of the Sector Medium-Term Development Plan (2018-2021), the Commission prepared and submitted annual progress reports to National Development Planning Commission and other key stakeholders.

On ICT, the Commission has completed review of the ICT policy, which is to ensure that, all users become aware of their individual responsibilities with regard to security threats and vulnerabilities, and how to optimize the use of ICT resources of the Commission. It is also to ensure adherence to standards so as to promote efficiency and effectiveness in delivery of outputs. The document is currently with the Executive Management Team for their approval and usage.

CHAPTER FOUR

PROGRAMMES AND PROJECTS

4.1 Introduction

This section of the report provides information on various programmes and projects undertaken by the Commission which are supported by Development Partners. Projects form major aspects of organizational development as most of them are target specific and are meant to accomplish a specific tasks or challenges.

4.2 Forest Investment Programme (FIP) – ENFAL

Under this project, a total area of 150 ha of degraded watersheds within the ecological corridor was planted. This implies that 100% of the target for 2018 has been achieved and tending is ongoing within the planted sites. A total number of 568,017 tree seedlings of various species were supplied to farmers, communities, etc. within the corridor. This activity was completed for the year and was undertaken in collaboration with COCOBOD and MoFA and field reports submitted. Under this activity, 35.8 km of boundary planting of admitted farms were established.

4.3 Forest Investment Programme (FIP) – ELCIR+

The implementation of this project yielded the following output during the period:

- Seventy-six (76) community-level durbars were organized in the Bechem, Asankrangwa, Bibiani, Sefwi Wiawso, Sunyani, Kintampo and Dormaa Forest Districts. Also, 149 community radio/information centres broadcast was done to sensitize beneficiary communities on the project.
- 1,528,783 seedlings were supplied to plant over 10,000 ha in the Enchi, Bibiani, Juaboso, Asankrangwa, Takoradi, Tarkwa, Sunyani, Dormaa, Bechem, and Kintampo Forest Districts.
- Under the provision of seedlings and other materials for the other agricultural systems, 165,178 seedlings were supplied to Asankrangwa, Sunyani, Kintampo, Dormaa Forest Districts.
- About 190.3 hectares of woodlots were established in Sunyani, Kintampo and Atebubu Forest Districts, indicating about 46% out of the annual target of 410 ha.

4.4 Sustainable Land and Water Management Programme (SLWMP)

The project is being carried out in the Upper West and Upper East regions and the districts involved are Tumu, Wa/Lawra and Navrongo Forest Districts. Pudo Hills, Mawbia, Kulpawn Tributaries, Ambalara, Chiana Hills, Sissili North, Sissili Central and Bepona are the forest reserves used for this project. Parts of the project is also being undertaken in some selected wildlife protected areas. The implementation of the programme recorded the following achievements:

- Publication of four (4) management plans have been completed and printed and copies are yet to be disseminated to the various stakeholders. Awareness creation in wildfire management and biodiversity conservation for communities is ongoing effectively. Community members are being sensitized on wildfire control and management. In addition, a total of 350 km of fire rides have been constructed and maintained which implies that the target for the year has been achieved. Finally, Fire Volunteer Squads (FVS) have been revived with the provision of equipment and incentives for fire prevention and control with this activity ongoing effectively.
- Undertook local study tours for farmers, extension service providers and SLWMP Governance Structures to best SLWM practice and community-based conservation sites. It was achieved through the organization of study tours for the FVS and selected field staff in Navrongo, Lawra and Tumu Districts. The sites visited included Yameriga, Gozir and Du West. In addition, subprojects have been prepared in all the three (3) implementing districts with provision of extension support by FSD. Again, 24 hectares of degraded areas within the agricultural landscape have been restored in the Lawra Forest District, 23 hectares have been planted in the selected

sites in the Tumu Forest District and 10 hectares in the selected sites in the Navrongo Forest District was also restored.

- Twenty-seven (27) selected community members in the Tumu Forest District were trained in bee keeping techniques. In addition, bee hives and other necessary equipment were supplied to the trainees in their various communities.
- Twenty-five (25) hectares of green fire breaks were established around Ambalara and Kupalwn Forest Reserves respectively. In addition, 31,447 tree seedlings were procured by the Navrongo Forest District, 31,330 by the Tumu Forest District and 98,100 seedlings by the Lawra Forest District.
- Under the Management of Riparian Biological Corridor, six (6) CREMAs covering an area of 6,071 km² and spanning across seven (7) districts in the three (3) northern regions were established in the Western Corridor, exceeding the target of four (4) CREMAs
- A corridor-wide management plan encompassing all six (6) CREMAs was developed and it seeks to provide management interventions to support community-based corridor-wide development between Mole National Park in Ghana and Nazinga Game Ranch in Burkina Faso.
- Eighty hundred and seventy (870) individuals (500 females & 370 males) benefited from training in bee-keeping and accessories to start bee-farming for honey production.
- Nine (9) communities were provided with shea-nuts processing facilities for shea-butter production, improving time spent on shea-butter processing and generating revenue to mostly women in the beneficiary communities.
- Under the Gbele Resource Reserve, 19 staff were trained in the use and application of the computer-based Monitoring Information System Tool (MIST) to enhance field patrol duties and law enforcement. Also, 35 km out of the 112 km boundary perimeter was cleaned. An estimated 24 km internal access tracks were cleaned using hired labour from the fringe communities.
- One hundred and twenty-five (125) women from three (3) fringe communities were trained in processing and storage of organic shea-nuts from the Gbele Resource Reserve.
- A historic data on human-wildlife conflict was collected from six (6) communities to understand the human-wildlife conflict phenomenon. A report will be prepared with recommendations aimed at improving wildlife conservation within the corridor landscape and promote food security.
- Renovation of existing staff accommodation with the construction of six (6) unit additional rooms at Wahabu base camp was completed and five (5) for Gbele base camp is currently at roofing level.

4.5 Forest 2020

Forest 2020 is a major investment by the UK Space Agency, as part of the International Partnership Programme (IPP). It is to help protect and restore up to 300 million hectares of tropical forests by improving forest monitoring in six partner countries through advanced uses of satellite data. The countries are Brazil, Colombia, Indonesia, Kenya, Ghana and Mexico.

In Ghana, the project focuses on identifying and filling the gaps within the forest monitoring using earth observation applications. RMSC, KNUST, FORIG, Carbomap, Ecometrica and Universities of Leicester and Edinburgh execute the project jointly. The key achievements recorded under this project are indicated as follows:

- Project baseline and scoping reports were completed and submitted to our UK partners. The report provides an assessment of the start conditions of Forests 2020 project in Ghana, including the status of forest monitoring systems. The baseline condition for forest monitoring and the project objectives were clearly spelt out in the report. Data in the baseline report will be used as a benchmark to compare project progress at mid-line and end line stages. Data requirement, methodologies and capacity needs were all identified in the baseline report.
- Earth Observation Laboratory (EO LAB) training was organized for key institutions in forest monitoring at KNUST. The EO LAB is an online platform where Geographic Information Systems (GIS) experts and other related professionals upload spatial data and perform spatial analysis. This platform is developed and managed by Ecometrica one of the leading implementers of the project. Participants for this training were from institutions that are involved in forest monitoring and reporting and also have background in GIS and Remote Sensing. Participants were taken through the steps of uploading spatial data on the platform and performed spatial analysis such as query and clipping.
- Window areas were identified based on gaps identified through stakeholder consultation and community engagement. The window areas (project sites) were visited and stakeholder meeting held with the forest fringe communities and district assembly representatives. The outcome of the interaction was used to determine the boundaries of the window areas. Subsequently, the window areas were delineated, mapped, and shape files developed.
- Under forest degradation monitoring, two time points (2000 and 2015) landcover maps were developed for all the forest reserves that fall within the window areas. The Permanent Sample Plots (PSPs) were manually digitized from the reserve progress maps and the shapefiles of the plots created. The PSPs shapefiles were overlaid on the maps and disturbed PSPs were identified and selected for re-measurement. The degraded plots were identified and their details taken. Six (6) plots (one-hectare plot) were identified for re-measurement.
- Synergies with other relevant projects/programmes were formed in collaboration with FIP project coordinator to use the Hectares Indicator model to assess carbon stocks within the FIP intervention areas.
- There was a collaboration with VPA secretariat to use the Hectares Indicator model to assess the impact of VPA within the satellite communities. Field data sheets for both Forests 2020 and REDD+ activities have been harmonized and the same field were used for the data collection.

4.6 REDD+ Safeguards

Ghana's Safeguards architecture towards REDD+ implementation begins with focal persons based at the district, park and regional levels of the Commission across the country. These Safeguards Focal Persons (SFPs) are responsible for ensuring REDD+ Social and Environmental Safeguards compliance as well as leading institutional capacity building initiatives in the Hotspot Intervention Areas (HIAs). In line with this, sixty (60) SFPs were sensitized and trained on key global, donor and national level safeguards requirements for REDD+ implementation.

The Commission also organized a two-day training workshop on the functions of Ghana's REDD+ Safeguards Information System (SIS) and Feedback and Grievance Redress Mechanism (FGRM) at the Forestry Commission Training Centre (FCTC) in Kumasi for regional and district safeguards focal persons within the HIAs of the GCFRP.

On the development of the Benefit Sharing Plan (BSP), consultations have been undertaken with comments consolidated into an Advance BSP, which is published on Forest Carbon Partnership Fund (FCPF) website. With the SIS development, principles, criteria and indicators for the GCFRP was developed and validated. Also, the final draft of the Summary of Information (SOI) on REDD+ Safeguards was validated and ready for submission to the UNFCCC.

4.7 Ghana Cocoa Forest REDD+ Programme (GCFRP)

A series of information sharing and consultative programmes were undertaken to enhance awareness of the GCFRP and ensure that there is shared understanding of the critical roles of key stakeholders. Stakeholder consultations included Cocoa Private Sector actors', Multi-stakeholder Policy Actors, Legislators, Metropolitan, Municipal and District Assemblies (MMDAs), National REDD+ Working Group (NRWG) amongst others. There was a presentation on the GCFRP at the Africa Implementation Dialogue during the Tropical Forest Alliance (TFA 2020) global conference held in Accra, Ghana.

Landscape level engagements of Ministries, Department and Agencies (MDAs) and MMDAs occurred in ten (10) forest districts across all the six (6) Hotpot Intervention Areas (HIAs) identified for the GCFRP. The districts are; Sefwi Wiawso, Cape Coast (Kakum National Park Area), Kade, Bechem, Juaso, Goaso, Nkawie, Ho, Begoro and Juaboso. Participants were 850 consisting of 580 males and 270 females. These landscape activities were done in active collaboration with some Civil Society Organisations in Ghana namely Civic Response, International Union for Conservation of Nature (IUCN) and Hands Across the Ocean Foundation (HATOF).

4.8 Partnership for Forest (P4F)

With funding support from the Partnership for Forest (P4F), a pilot project under the programme dubbed 'Partnership for Protection, Productivity and Resilience in Cocoa Landscapes' (3PRCL) is being implemented in the Juaboso-Bia HIA (premiere HIA). Some activities include provision of increased extension services, setting up of rural service centres for easy access to farm inputs, incorporation of shade trees on cocoa farms and law enforcement and HIA management plan development (small scale land-use planning).

4.9 Emission Reductions Payment Agreement (ERPA)

As part of preparations towards negotiating and signing an Emission Reductions Payment Agreement (ERPA) with the Carbon Fund Participants for the GCFRP, Ghana inaugurated the ERPA Negotiating Team. The team is made up of legal practitioners and forest experts led by the Attorney General's Department. The team submitted Ghana's ERPA term sheet to the Carbon Fund of the World Bank for comments to kick start negotiations.

4.10 Ghana Shea Landscape Emission Reduction Project (GSLERP)

In line with the Ghana REDD+ Strategy, the Commission submitted the Ghana Shea Landscape Emission Reduction Project (GSLRP) proposal to the Green Climate Fund (GCF) Secretariat through UNDP. The GCF subsequently sent preliminary comments on the GSLERP proposal for which responses have been provided and currently being run by the UNDP internal review prior to onward submission to GCF.

4.11 Coastal Mangrove Emission REDD+ Programme

In collaboration with UNDP, a concept note on the mangrove programme was developed and sent to ENI (Italian Private Company) which has expressed interest in supporting the development and implementation of an Emission Reduction Programme for the coastal mangroves.

4.12 Forest and Farm Facility (FFF) Phase II

Ghana was included in the Phase II of the Forest and Farm Facility (FFF) project, which is being funded by the Food and Agriculture Organization (FAO). The Commission was chosen as the government-implementing partner to provide technical support and capacity building for the project implementation. The project was launched by the Honourable Minister of Lands and Natural Resources to mark the commencement of the project implementation.

CHAPTER FIVE

CHALLENGES, WAY FORWARD AND CONCLUSION

5.1 Challenges

The implementation of the National Medium-Term Development Policy Framework (2018-2021) and the Ghana Forest Plantation Strategy (2016-2040) were constrained in various areas of operation. The key challenges which are of major concerns are grouped under plantation development and general constraints.

(a) Plantation Development

The major challenge has to do with the inability to secure designated funding for the establishment and maintenance of plantation stands. There is an absolute low capacity of private plantation developers to achieve their annual set target. Other challenges associated with plantation development are stated in the 2017/2018 plantation report as follows:

- 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 Commission was hindered in many areas of operation as listed.

- Continual dwindling of natural forest timber resources and reduction in forest resources base of the country
- Difficulty in securing overseas export contracts especially from EU countries.
- Inadequate use of ICT infrastructure across the various Divisions, Departments and Units
- Illegal logging and mining in forest reserves
- Social unrest in forestry, wildlife and mining communities
- Inadequate community participation in natural resource management
- Loss of unique coastal habitats and ecosystems
- Ineffective enforcement of relevant laws and regulations
- Encroachment on biodiversity hot spots
- Over exploitation and inefficient use of forest resources
- Illicit trade in forest and wildlife resources
- Low institutional capacity to adapt to climate change and undertake mitigation actions
- Loss of carbon sinks

It is highly recommended that government and private investors develop special interest in assisting the forestry sector overcome these challenges.

5.2 Way Forward

The Commission will focus on the implementation of the National Medium-Term Development Policy Framework (2018-2021). The goal of the framework is to address degradation of forest and wildlife resources, and ensure the effective and efficient management of these resources for sustainable development and poverty reduction. In doing this, the Commission will operationalize four (4) sub-programmes of Forest and Wildlife Development and Management under the programme-based MTEF budgeting.

The sub-programmes include; 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.

In implementing the sub-programmes, attentions will be paid to the following prioritized development areas of operations:

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

The Commission will employ expert advice in investigating additional revenue sources in order to generate sustainable funds for plantation development and maintenance activities.

5.3 Conclusion

The importance of forest and wildlife resources are numerous and occupy key areas in economy's transformation and development. It is important to note that abundance of forest resources has a significant impact on economic stability. One thing that is frequently mentioned in the report is degradation of forest and wildlife resource of the country.

A good and efficient leadership comes from the role played in dissolving the issue of forest degradation and illegalities resulting to dwindling of forest resource base of the country. It is necessary that the government and related agencies come on board to contribute their quota in management, protection and development of forest and wildlife resource base of the country while the Forestry Commission adopt systems reviews to refocus on the implementation of forest and wildlife development and management programme in order to tackle emerging trending issues of the forestry sector.

It is recommended that, the Commission establish and operationalize a robust monitoring and evaluation systems, making use of modern technological equipment that will provide necessary checks on implementable indicator targets as well providing adequate means to control and minimize the increasing rate of illegalities within forest reserves and protected areas.

APPENDIX
AUDITED FINANCIAL ACCOUNT

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 2018

FORESTRY COMMISSION

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018

GENERAL INFORMATION

COMMISSIONERS:		DATE OF APPOINTMENT
BRIGADIER GENERAL (RTD) JOSEPH ODEI	- CHAIRMAN	20/12/2017
KUMBUN-NAA YIN II	NATIONAL HOUSE OF CHIEFS	20/12/2017
MR. RICHARD DUAH NSEMKYIRE	- TIMBER TRADE & INDUSTRY REPRESENTATIVE	20/12/2017
MR. GEORGE WIREKO-BROBBY (ENGR)	- WILDLIFE TRADE AND REPRESENTATIVE	20/12/2017
HON. HENRY KWABENA KOKOFU ESQ.	- GHANA INSTITUTE OF PROFESSIONAL FORESTERS REPRESENTATIVE	20/12/2017
MR. ISSIFU SULEMAN	- NON-GOVERNMENTAL ORGANIZATION INVOLVED IN FOREST & WILDLIFE MANAGEMENT REPRESENTATIVE	20/12/2017
DR. WILFRED KUEABA ANIM-ODAME	- LANDS COMMISSION	20/12/2017
NANA AKOSUA AGYEMAN PREMPEH	- PRESIDENT'S NORMINEE	20/12/2017
TOGBEGA GABUSU VI	- PRESIDENT'S NORMINEE	20/12/2017
MR. MAHMOUD HAMID NASSIR-DEEN	- PRESIDENT'S NORMINEE	20/12/2017
MR. KWADWO OWUSU AFRIYIE	- CHIEF EXECUTIVE	20/12/2017
SECRETARY: INSTRUMENT OF INCORPORATION:	MR. DENNIS OSEI-HWERE (ESQ.) FORESTRY COMMISSION ACT, 1999 (ACT 571)	
HEAD OFFICE:	FORESTRY COMMISSION BUILDING GIMPA ROAD WEST LEGON P.O. BOX MB 434 ACCRA	
BANKERS:	BANK OF GHANA GCB BANK LIMITED NATIONAL INVESTMENT BANK LIMITED BARCLAYS BANK (GHANA) LIMITED STANDARD CHARTERED BANK (GHANA) LIMITED UNIVERSAL MERCHANT BANK (GHANA) LIMITED ADB BANK LIMITED ECOBANK (GHANA) LIMITED CAL BANK LIMITED	
AUDITORS:	OPOKU, ANDOH & CO. CHARTERED ACCOUNTANTS ACCOUNTANCY HOUSE SDA 8, COMMUNITY 5 P.O.BOX CO 1364 TEMA	

REPORT OF THE BOARD OF COMMISSIONERS

The Commissioners have the pleasure in presenting the financial statements of Forestry Commission for the year ended 31st December 2018 to the Minister of Lands, Forestry and Mines. The financial statements covered the activities of the divisions and units of the Commission.

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

(a) Principal Activities

The Commission's principal activities include:

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

conservation and management of forest and wildlife resources;

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

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

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

(b) Results of operations

The Commission registered Deficit of GH¢49,009,977 against a surplus of GH¢28,193,247 the previous year.

This has been transferred to the Accumulated Fund Account.

BY ORDER OF THE BOARD


.....
COMMISSIONER


.....
COMMISSIONER

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 2018**

Opinion

We have audited the financial statements of **FORESTRY COMMISSION** which comprise the statement of financial position as at December 31, 2018, 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 31st December, 2018 and of its financial performance and its cash flow for the year then ended in a manner required by the companies Act 2019 (Act 992) and Forestry Commission Act, 1999 (Act 571)

Report on Other Legal and Regulatory

The Ghana Companies Code 2019, (Act 992) 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, 2019(Act 992), 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)



OPOKU, ANDOH & CO.

(ICAG/F/2020/053)

CHARTERED ACCOUNTANTS

SDA 8, COMMUNITY 5

TEMA

DATED: 25 - 06 - 2020

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2018**

	Note	2018 GH¢	2017 GH¢
<i>ASSETS:</i>			
NON-CURRENT ASSETS			
Property, Plant and Equipment	2a	24,716,253	20,023,396
Capital Work-in-Progress	2b	114,993	82,790
		<u>24,831,246</u>	<u>20,106,186</u>
CURRENT ASSETS			
Inventories	3	24,738,000	1,173,955
Accounts Receivable	4	33,642,275	29,261,085
Cash and Cash Equivalents	5	272,241,626	231,379,873
		<u>330,621,901</u>	<u>261,814,913</u>
TOTAL ASSETS		<u>355,453,147</u>	<u>281,921,099</u>
 <i>FUNDS AND LIABILITIES</i>			
FUNDS			
Accumulated Fund		94,756,983	143,766,960
Plantation Development (Gmelina)		726,455	642,293
Minerals Development Fund		120,456,446	97,756,354
Forest plantation Programme (YEA)		-	6,000,000
Capital Grant	6a	-	-
Car Loan Revolving Fund		1,334,170	1,334,170
		<u>217,274,055</u>	<u>249,499,777</u>
CURRENT LIABILITIES			
Accounts Payable	7	138,179,092	32,421,322
TOTAL FUNDS AND LIABILITIES		<u>355,453,147</u>	<u>281,921,099</u>

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


COMMISSIONER


COMMISSIONER

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	2018	2017
		GH¢	GH¢
INCOME			
Subvention from Government	8	172,355,177	66,283,564
Internally Generated Funds	9	118,861,872	119,490,122
Recurrent Grant from Donor Agencies	6b	10,253,615	8,445,166
		301,470,664	194,218,852
EXPENDITURE			
Compensation of Employees	10	91,961,301	69,672,603
Goods and Services	11	100,205,879	74,812,842
Depreciation charge		3,769,840	5,109,263
Hired Labour (YEA)		137,878,120	-
Project expenses		16,665,500	16,430,897
		350,480,640	166,025,605
Surplus transferred to Accumulated Fund		(49,009,977)	28,193,247
ACCUMULATED FUND ACCOUNT			
FOR THE YEAR ENDED 31ST DECEMBER 2018			
Balance as at 1st January 2018		143,766,960	115,573,713
Surplus transferred from statement of Financial Performance		(49,009,977)	28,193,247
Balance as at 31st December,2018		94,756,983	143,766,960

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

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	Note	2018 GH¢	2017 GH¢
Operating Activities			
Net Cash Inflow from Operating Activities	12a	32,643,904	38,249,793
Investing Activities			
Property, Plant and Equipment Purchased		(8,604,470)	(5,055,861)
Capital Work-In-Progress		(32,203)	(82,790)
Proceeds from Sale of Property and Equipment		70,267	154,400
Net Cash Outflow into investing activities		(8,566,406)	(4,984,251)
Financing Activities			
Plantation Development Grant		(84,162)	(267,507)
Minerals Development Fund		22,700,092	28,273,462
Plantation Programme (YEA)		(6,000,000)	6,000,000
Net Cash Inflow from financing activities		16,784,255	34,005,955
Net change in cash and cash equivalent	12b	40,861,753	67,271,498
Cash and Cash Equivalents - 1 st January		231,379,873	164,108,376
Cash and cash equivalent - 31 st December		272,241,626	231,379,873

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

2a. Property, Plant and Equipment

	Building & Civil Works	Plant & Machinery	Motor Vehicles	Computer & Accessory	Office Equipment & Furniture	Residential Equipment & Furniture	Total
	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Cost							
Balance at 1st January 2018	11,277,563	1,096,518	21,660,205	15,878,151	3,857,149	1,221,000	54,990,586
Additions	2,619,452	33,673	2,981,346	1,909,164	852,152	208,684	8,604,470
Disposal	-	-	(196,300)	-	-	-	(196,300)
Balance at 31 st December 2018	<u>13,897,015</u>	<u>1,130,191</u>	<u>24,445,251</u>	<u>17,787,315</u>	<u>4,709,300</u>	<u>1,429,684</u>	<u>63,398,756</u>
Depreciation							
Balance at 1st January 2018	1,909,597	975,564	17,732,776	10,904,083	2,712,967	749,276	34,984,263
Charge for the year	336,824	21,485	1,672,389	1,316,352	284,734	138,056	3,769,840
Disposal	-	-	(71,600)	-	-	-	(71,600)
Balance at 31 st December 2018	<u>2,246,421</u>	<u>997,049</u>	<u>19,333,565</u>	<u>12,220,435</u>	<u>2,997,701</u>	<u>887,332</u>	<u>38,682,503</u>
Net Book Value:							
At 31st December 2018	<u>11,650,593</u>	<u>133,142</u>	<u>5,111,686</u>	<u>5,566,880</u>	<u>1,711,600</u>	<u>542,352</u>	<u>24,716,253</u>
At 31st December 2017	<u>9,367,966</u>	<u>120,954</u>	<u>3,927,429</u>	<u>4,974,068</u>	<u>1,144,182</u>	<u>471,724</u>	<u>20,006,323</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	2018 GHC	2017 GHC
2b. Capital Work-in-Progress		
Balance at 1st January	80,790	-
Addition	34,203	82,790
Transfers to Property, Plant and Equipment	-	-
Balance at 31st December	<u>114,993</u>	<u>82,790</u>
3. Inventories		
Hardware	23,874,449	399,892
Stationery	863,551	774,063
	<u>24,738,000</u>	<u>1,173,955</u>
4. Accounts Receivable		
Trade Debtors -Stumpage Fees	5,306,752	3,823,886
Less Provision for Doubtful Debts	<u>(2,550,396)</u>	<u>(2,550,396)</u>
	2,756,356	1,273,490
Trade Debtors -Plantation	26,337,821	26,098,571
Less Provision for Doubtful Debts	<u>(13,555,444)</u>	<u>(13,555,444)</u>
	15,538,733	12,543,127
Export Levy Debtors	3,394,569	1,323,853
Plantation Development (W.I.P) Debtors	8,877,813	8,877,813
Sundry Debtors	273,769	449,383
Staff Debtors	5,080,971	4,793,419
Accountable Imprest	239,592	
	<u>33,405,447</u>	<u>29,261,085</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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2018**

	2018 GHC	2017 GHC
5. Cash and Cash Equivalents		
Fixed Deposits	226,887,009	191,087,310
Call Accounts	11,900,611	10,278,677
Bank Balances:		
Local	23,976,610	23,621,628
Foreign	578,192	1,071,187
Project Balances	8,899,205	5,321,071
	<u>272,241,626</u>	<u>231,379,873</u>
6a. Capital Grants		
Forest Preservation Programme (Japanese's Grant)	-	-
Less: Amortization transferred to Recurrent Grant	-	-
	<u>-</u>	<u>-</u>
6b. Recurrent Grants from Donor Agencies		
Wood Tracking System (VPA) (DFID)	3,514,332	2,641,957
Forest Carbon Partnership Facilities (World Bank)	3,986,162	2,676,419
Food and Agriculture Organisation	-	-
Global Environment Facility (SLWMP)	2,578,421	3,126,790
REDD+	174,700	-
	<u>10,253,615</u>	<u>8,445,166</u>
7. Accounts Payable		
Office of the Administrator of Stool Lands:		
Stumpage Fees Payable	14,113,778	17,178,567
Plantation	1,694,447	443,797
Trade Creditors	26,250,373	-
Sundry Creditors and Accruals	96,120,494	14,798,958
	<u>138,179,092</u>	<u>32,421,322</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	2018	2017
	GHC	GHC
8. Subvention from Government of Ghana		
Consolidated Fund Account	86,731,722	66,283,564
Natural Resources Environmental Governance Plantation Grant -YEA	85,623,455	-
(NREG)-Technical Assistance	-	-
	<u>172,355,177</u>	<u>66,283,564</u>
9. Internally Generated Fund		
Stumpage Fees	10,392,613	6,907,222
Plantation and Natural Forest Timber	10,331,798	10,150,385
Export Levy	20,769,196	47,501,125
Fumigation Income	2,181,065	-
Investment Income	9,366,567	10,681,240
Park Entrance fees	2,224,935	2,378,180
Other Income	63,595,698	41,871,970
	<u>118,861,872</u>	<u>119,490,122</u>
10. Compensation of Employees		
Salaries and Wages	81,282,064	62,750,074
Staff Allowances	57,073	101,671
SSF – Employer’s Contribution	10,622,164	6,820,858
	<u>91,961,301</u>	<u>69,672,603</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	2018 GH¢	2017 GH¢
11. Goods and Services		
Electricity and Water	1,581,550	1,776,789
Postal, Telephone and Internet Subscription	793,697	658,380
Cleaning and Sanitation Charges	815,993	582,987
Security Services	902,447	438,383
Office consumables	2,399,305	1,814,198
Printing and Publications/ Advertising	2,246,047	1,374,859
Donation, Contributions and Staff Welfare	3,291,086	2,269,758
Travel and Transport (Local and Foreign)	17,851,375	13,353,750
Vehicle Running cost and Repair & Maintenance	10,378,019	8,554,745
Repairs and Maintenance of Building and Equipment	3,179,578	4,154,790
Software Maintenance	970,620	1,156,011
Consultancy/Professional and Legal fees	1,749,007	1,586,197
Audit fees	157,500	157,500
Board expenses	1,647,992	308,860
Bank charges	485,383	505,283
Property Rate and Ground Rent	235,727	187,839
Committee Sitting Allowances	3,550,094	3,404,793
Medical expenses	858,174	735,722
Training and Conferences	5,861,662	4,230,619
Educational Grant	10,106,634	8,449,434
Insurance and Compensation	1,615,032	212,971
Hotel Accommodation	2,225,065	1,483,077
Residential Accommodation	138,529	235,758
Trade Promotion	24,690	11,580
Uniform and Protective Clothing	1,023,723	520,296
Operation Halt Campaign (Monitoring)	9,547,387	5,303,546
Maintenance of Zoo Animals	336,481	293,348
Fire Prevention Campaign	231,189	261,308
Plantation Development cost	13,918,140	6,810,542
Retirement benefit	690,204	1,179,519
Reclamation of Mined Areas	-	2,000,000
Social Intervention Development Programme	1,100,000	800,000
	293,549	-
	<u>100,205,849</u>	<u>74,812,842</u>

