



Three quarters of Ghana’s logging permits could break Europe’s new timber law

Global Witness analysis of official Ghana logging permit lists

Global Witness has reviewed two official data sets that catalogue logging permits in Ghana. The numerous inconsistencies between them, and the fact that only two of the six permit types listed fall within the government’s own definition of what is legal, calls into question the legality of much of the timber exported from Ghana. Buyers of timber in the EU should beware. Under the new European Timber Regulation, which came into force in March, anyone placing illegal timber on the European market can be subject to judicial penalties, which could extend to jail time.

In February 2013 the Forestry Commission provided Global Witness with seven lists of permits. It is important to note that inclusion in the list did not infer current validity, but for almost every permit this can be deduced from the expiry date given against their respective entries.

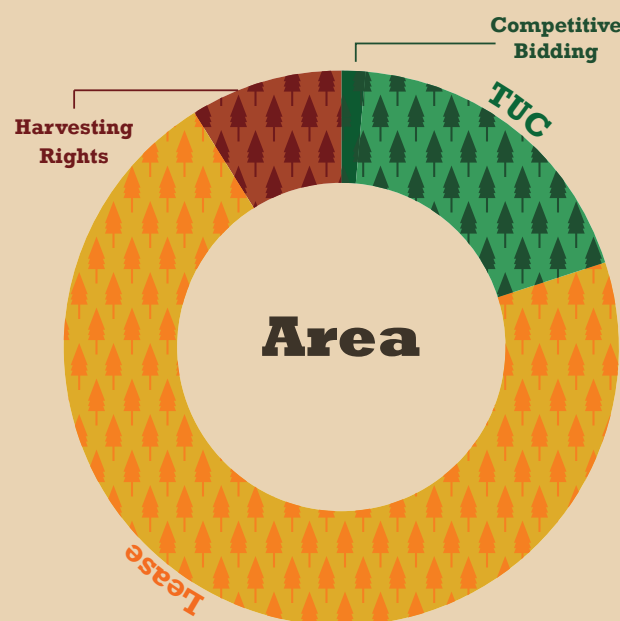
Types of permit

The lists present information, not according to type of permit, but according to the type of forest, for example forest reserves and off-reserve areas. So different types of permit, such as Timber Utilisation Contracts (TUCs) and Leases, appear in more than one list. The first stage of the analysis was therefore to calculate the current area under each permit type, as illustrated in the diagram on the right. The total area covered is 15,500 km² excluding Salvage Permits, for which the lists provide no relevant data. This equates to almost 15% of Ghana’s land area. The Timber Resources Management Act of 1998, and subsequent amendments, only refer to TUCs and Salvage Permits. This clearly suggests that the only legal ways to access timber commercially are through TUCs and Salvage Permits. However, as the diagram shows, the vast majority of permits (three-quarters of them, representing over 12,000 km²) fall under permit types other than TUCs.

Legislation to implement the 1998 Act stipulates the following stages in allocation of a TUC: (i) consent from landowner community, and other preliminary procedures; (ii) award made through a two-stage competitive bidding process; (iii) signature by Minister for Lands and Natural Resources, on the recommendation of the Forestry Commission; (iv) compliance with other initial contracting stages; and (v) ratification by Parliament. However, according to the lists, only seven of these permits are stated to have been issued through competitive tender: five ratified TUCs on a forest reserve

List	No. of permits	
	Total	Current
Forest reserve ratified Timber Utilisation Contracts	56	56
Off-reserve ratified Timber Utilisation Contracts	6	6
Forest reserve extant Concessions / Leases for conversion	68	48
Off-reserve extant Concessions / Leases for conversion	117	100
Off-reserve TUC harvesting rights	89	62
Entry permits for Sui River and Tonton Forest Reserves	74	23
Salvage Permits 2009-2012	430	11

Data provided to Global Witness February 2013



and two ratified TUCs off forest reserves. In the absence of any other publicly available information citizens are unable to verify that tender requirements have been met.

In Ghana, the term ‘for conversion’ has been used to identify Leases that existed before the 1998 Act, and that according to this law, should have been converted to TUCs within six months of its passage, yet at least 140 leases still exist.

The Forestry Commission's published list

In March 2013, a month after sending the seven lists of permits to Global Witness, the Forestry Commission published on its website another list of valid permits comprising on- and off-reserve permits.

This list contains 327 permits divided into 124 TUCs, 184 Leases, 16 Letters and three Alienations. In total, the permits cover over 19,000 km², and do not mention Salvage Permits, harvesting rights or entry permits. When contacted to explain the difference, a spokesperson for the Forestry Commission said "the version on the website should take precedence".

“To aid in the due diligence process to show proof of the legal sources of wood and wood product imports, the following information is being published for the benefit of EU buyers”

– Forestry Commission statement alongside its published list.

Comparing the two data sets

Cross-referencing of the two data sets suggests that some of the same permits go under two names. For example, what appears as 'Lease' on one list appears as 'lease', 'expired lease', or 'TUC not ratified' in another. Half of the TUCs in one list are described as 'harvesting rights' in another (see diagram below). This lack of clear permit labels that are consistent with the law should be a wake-up call to any company buying timber from Ghana. The discrepancies between the array of licences in use and the government's definition of a legal permit mean that importers in Europe will need to carry out rigorous due diligence on any wood products from Ghana. In particular, buyers should be careful to satisfy themselves

that they know the specific permit under which the timber they are being offered was cut, and not rely solely on the company's name as the source.

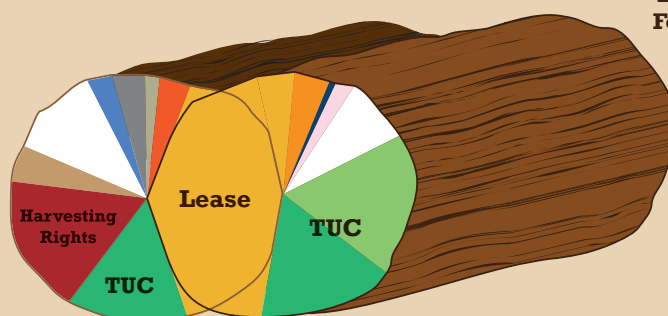
Meanwhile, a large number of leases were granted before the 1998 Act and are still in use. This poses a huge challenge to the government's efforts to bring these out-dated permits into line with the constitution and Ghanaian law, as it means most permits in current operation were awarded with no competitive bidding and chronically undervalue the timber they permit the lease holder to cut. The failure to convert leases into TUCs, as the 1998 law requires, is costing Ghana tens of millions of dollars annually in lost revenue.

Until the authorities publish clear information about the process by which permits are issued, and demonstrate that this process is being followed, Ghana will not live up to its progressive image.

Roughly two in five people in Ghana depend directly upon forests for some part of their daily needs. Forests also harbour half of all plant and animal species. The Government of Ghana, like other governments of forest-rich countries, has a responsibility to its citizens to protect these forests and ensure their management delivers positive environmental and developmental benefits. Providing more and better information to the public about how they do this will help citizens hold them to account, and ultimately help them fulfil this responsibility.

Current permits identified in lists provided to Global Witness

- TUC not ratified
- TUC
- Lease
- Lease expired / not ratified
- Entry Permit Approvals Granted
- Other Entry Permits
- Salvage Permits
- Not on FC list



List published by the Forestry Commission

- TUC
- Lease
- Letter
- Alienation
- Other
- Not on GW list

EU Timber Regulation, 2013, http://ec.europa.eu/environment/forests/timber_regulation.htm

EU-Ghana Voluntary Partnership Agreement, 2010, www.euflegt.efi.int/portal/home/vpa_countries/in_africa/ghana/

Forestry Commission, 2013, Timber Companies with valid Timber Holdings www.fcghana.org/news.php?news=57

Timber Resources Management Act, 1998, (and other forest legislation) www.fcghana.org/library.php?id=15

Lists of permits provided by the Forestry Commission to Global Witness, 2013, www.globalwitness.org/ghanapermits

Global Witness has been implementing a programme since 2009 called *Making the Forest Sector Transparent* in seven countries. In order to ensure that local people know what's happening to the forests they depend on, the programme has sought to assess the public availability of basic data on the number and types of logging permits in each country.