Ghana

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Ghana has a tropical climate and is a major producer of timber. In 2017, Ghana updated its regulations to combat illegal logging and improve forest management practices. In 2022, the Cabinet of Ghana, with the approval of Parliament, approved the conversion of 156 timber concessions into Timber Utilization Contracts (TUCs) as timber harvesting is illegal without a TUC (mandated under the Timber Resources Management Act 1997). This was one of the final steps taken to prepare for issuing FLEGT licenses under the Voluntary Partnership Agreement (VPA) with the European Union (EU). Ghana is on track to be the first country in Africa (and second globally) to issue FLEGT licenses. Ghana continues to face illegal chainsaw and mining activities, the expansion of cocoa production, as well as unlawful forest activities within its forest reserves, that have resulted in higher rates of illegal logging and deforestation. As one of the major drivers of deforestation in Ghana, recent efforts demonstrate that the cocoa sector is learning and adopting lessons from the timber sector to improve economic, environmental and social sustainability.

Forest Management

Forest Governance

According to the <u>Ghana Forest and Wildlife Policy (2012)</u>, Ghana has two ecological zones: the high forest zone that occupies a third of the country, predominantly in the south-western part of the country, and the savannah zone. Most of Ghana's biological diversity is found in the high forest ecological zone where most of the forest activities are carried out.

In Ghana, forests are classified as on-reserve and off-reserve. On-reserve forests are natural or plantation forests designated for production or protection, while other activities are carried out in off-reserve forests, such as agriculture or other timber production on plantations. All on-reserve and naturally occurring off-reserve trees and their products are managed by the State under Timber Utilization Contracts (TUCs) and other permits.

The following agencies/ministries oversee the regulation and management of forest lands and products in Ghana:

- Ministry of Lands and Natural Resources (MLNR): This ministry oversees the country's
 management of land, forest, wildlife, and mineral resources. It includes reviewing, updating,
 and consolidating existing Ghanaian legislation and policies.
- Ghana Forestry Commission (FC): Responsible for regulating the use of forests and forest resources, establishing procedures for forest harvest, production, transport and trade, monitoring forest activities, and providing services for the protection and development of Ghana's forests.
- (Ghana) Lands Commission (LC): This commission manages public lands, including zoning and non-registration of land demarcated as forests or protected areas.
- Environmental Protection Agency (EPA): The EPA regulates the environment and manages policy. It is also responsible for granting Environmental Permits for undertakings

requiring permits. This includes undertakings like logging, establishment of forests in areas previously not forested, and forestry services.

Transparency

For information regarding transparency and risk scores in Ghana, head to these links:

- Transparency International's Corruption Perceptions Index
- The World Bank's Worldwide Governance Indicators

Laws and Regulations

Forest Laws

- Timber Resource Management Act 1997 (Act 547) (Amended by Timber Resources Management (Amendment) Act 2002 (No. 617 of 2002)): Aims to ensure the sustainable management and use of Ghana's timber resources. The 1997 Act requires individuals and companies to hold a Timber Utilization Contract (TUC) before harvesting timber and outlines the procedures for the TUC application and the areas in which timber rights can be granted (Articles 3 and 4). TUCs must be ratified by Parliament (Article 9). The 2002 Amendment grants timber rights (i.e., lands with private forest plantations are now excluded), duration, and maximum size of timber harvest area. It also establishes the disqualification of rights for a person's involvement in illegal logging operations and creates benefits and incentives for those who invest in any forestry or wildlife enterprise.
- Forest Plantation Development Fund Act 2000 (Act 583) (Amended by Forest Plantation Development Fund (Amendment) Act 2002 (Act 623): Establishes the Forest Plantation Development Fund, which provides for the grant of financial assistance to develop private forest plantations on lands suitable for commercial timber production. Under certain circumstances, these funds may also be used for research and technical advice for those already involved in commercial forestry plantations.
- Forests Act 1927 (Cap. 157) (Amended by Forests (Amendment) Act 1957 and Forests (Amendment) Ordinance 1954): Establishes the rules on creating and declaring forest reserves.
- Concessions Act, 1924 (Cap 136) as amended by the Concessions Act, 1962 (Act 124):
 Regulates the granting of rights in respect of land, including rights over lands classified as
 forest reserves.
- Forests Protection Act, 1974 (NRCD 243) as amended by Forest Protection
 (Amendment) Act, 2002 (Act 624): Provides for the duties and powers of Forest Officers and identifies offences related to Forest reserves.
- Timber Resource Management and Legality Licensing Regulations 2017 (LI: 2254): Regulates areas subject to timber rights, small- and large-scale timber rights, forests and forest products, and licensing for legal timber. Small- and large-scale forest activities require a Timber Utilization Contract (TUC). This regulation provides procedures for obtaining rights to harvest in areas under a TUC which includes holding a harvesting plan (Article 56).

- Ghana Forest and Wildlife Policy (2012): Aims to address the conservation and sustainable development of forest and wildlife resources for continued environmental stability and socioeconomic uses. This policy establishes several objectives on promoting ecological integrity, restoring degraded landscapes, developing timber industries and trade, and improving governance structures and multistakeholder involvement in forest management.
- Manuals of Procedure for Forest Resource Management Planning in the High Forest Zone of Ghana (1998): These Manuals of Procedure (MoP) are guides for forest officers when preparing and implementing forest resource plans but can be used by resource owners and anyone with a TUC to assist with legal forest use, management, and operation activities.

Processing/Manufacturing Laws

• Timber Resource Management and Legality Licensing Regulations 2017 (LI: 2254): Prohibits the use of chainsaws, regardless of their registration status, for converting timber into lumber for sale, trade, or commercial purposes (Regulation 70). Chainsaw users must mark the timber with the timber registration number of that person (Regulation 71).

Transport Laws

• Timber Resource Management and Legality Licensing Regulations 2017 (LI: 2254): A timber conveyance certificate is required for the transfer or movement of any timber from a forested area (Regulation 62). Transporting timber or timber products is permitted between 6:00am and 6:00pm on a working day. To transport timber or timber products outside of these hours, written authorization from the Forestry Commission is required (Regulation 57).

Tax Laws

- <u>Timber Resource Management and Legality Licensing Regulations 2017 (LI: 2254)</u>: TUC holders are required to pay stumpage fees on their contracted area. Stumpage fees are royalties that contribute to the costs of forest management and timber regulations (Regulation 60). See the Fifth Schedule for stumpage fee rates. TUC holders must also pay rent on the contract area, as established in the Sixth Schedule and Regulation 65.
- Value Added Tax Act 2013 (Act 870) (Amended by Value Added Tax (Amendment) Act 2017 (Act 948)): Imposes a value added tax (VAT) on various goods and services, including goods harvested or produced by the forestry sector. This Act establishes individuals and businesses that are liable to pay VAT, their registration requirements, and the rate of VAT for specific goods.
- <u>Income Tax Act, 2015 (Act 896) as amended</u>: The Act provides for the imposition of income tax and allowable deductions on revenue earned from employment, business, and investment, including the timber sector.

Trade Laws

• Timber Resource Management and Legality Licensing Regulations 2017 (LI: 2254):

- Individuals and companies that intend to export forest products must apply for a legality license (Article 39).
- Trees and Timber (Amendment) Act 1994 (Act 493) (Amends Trees and Timber Act 1974 (N.R.C.D. 273)): Mandates registration of property marks before harvesting, exporting or processing any forest products. These Acts provide the registration requirements and the renewal terms and costs for property marks. The Schedules establish export levy amounts based on species type.
- Timber Industry and Ghana Timber Marketing Board (Amendment) Act 1977 (S.M.C.D 128): Prohibits any individual or company except for the Ghana Timber Marketing Board or anyone authorized by the Board from exporting timber and timber products (Section 1).

Criminal Laws

- <u>Timber Resource Management and Legality Licensing Regulations 2017 (LI: 2254)</u>: Regulation 75 outlines offenses and their associated penalties.
- Forest Protection Decree 1974 (N.R.C.D. 243) (Amended by Forest Protection (Amendment) Act 2002 (Act 624)): Establishes a list of forest offenses within forest reserves and the applicable penalties for these activities.
- <u>Timber Resource Management Act 1997 (Act 547)</u> (Amended by <u>Timber Resources Management (Amendment) Act 2002 (No. 617 of 2002)</u>): Section 17 details forest offenses that are punishable by law.

Bilateral Agreements

- Ghana European Union (EU) Voluntary Partnership Agreement (VPA): Aims to ensure timber exported to the EU has been produced according to Ghanaian laws and regulations. In 2009, Ghana became the first country to ratify a VPA, a bilateral agreement that promotes improved forest governance, traceability and transparency within forest product supply chains. In 2023, the Government of Ghana and the EU announced that Ghana was fulfilling the last steps towards issuing FLEGT licenses, becoming the first African country to issue FLEGT licenses for timber and timber products. Provisions of the VPA are enforced through court action.
 - The <u>Ghana Legality Assurance System (GhLAS)</u> is being developed under the VPA. An essential component of the GhLAS, the <u>Wood Tracking System (WTS)</u> is a centralized database that manages and records data using critical control points (CCPs) throughout the timber supply chain. The system contributes to ensuring compliance with the VPA, the traceability of timber and verifying legal origin throughout the supply chain.
 - Ghana Timber Transparency Portal: In 2018, Ghana launched the Timber Transparency Portal to increase public access to information on logging and forestry management required in the VPA and Regulation 76 of the <u>Timber Resource</u>
 Management and Legality Licensing Regulations 2017 (LI: 2254).

CITES

The <u>Convention on International Trade in Endangered Species of Wild Fauna and Flora</u> (<u>CITES</u>) is an international agreement among governments whose purpose is to ensure that the international trade of wild animals and plant species does not threaten the survival of these species. It is up to each country to draft their own domestic legislation to comply with its CITES obligations. Ghana signed onto the Convention in 1976.

The Wildlife Resources Management Bill (2023) governs the implementation of CITES regulations in Ghana. *The final text is not available online*.

The species under the protection of CITES are listed in three Appendices based on how threatened they are by international trade. The species listed in Appendix I are the most endangered and international trade in these species is prohibited unless the purpose of import is noncommercial. The species listed in Appendix II are tightly controlled in international trade and may be authorized with an export permit or re-export certificate. Appendix III lists species at the request of a Party that needs other countries' cooperation to regulate the trade in the species. International trade in Appendix III is allowed with appropriate permits or certificates.

If you don't know if the species you are interested in sourcing from this country is CITES listed, please check this <u>link</u>. If it is, please use this <u>database</u> to identify the National CITES Authority. In Ghana, the CITES managing authority is the Forestry Commission (FC).

Forest Resources

Resources Overview

In 2010, Ghana had 7.00 Mha of natural forest, extending over 30% of its land area.

According to the <u>Timber Resource Management and Legality Licensing Regulations 2017</u> (<u>LI: 2254</u>) and <u>Ghana Forest and Wildlife Policy (2012</u>), the country divides forest resources into two categories:

- On-reserve forests: State-owned and managed forests for production and protection. The **Ghana Forest Plantation Strategy: 2016-2040** breaks down on-reserve forest classifications from 1994 in Table 1 (below).
- **Off-reserve forests**: Consists of any forests outside of the forest reserves/on-reserve forests. Forest activities and use are managed by the State, even if the land is privately owned.
 - Stool and skin forest lands: Land claimed by traditional owners.
 - **Private forests and plantations**: Privately held forests or plantations owned by individuals or companies.

Table 1. Area of Forest Reserves in the High Forest Zone

Source: Ghana Plantation Strategy: 2016-2040

Forest Management Category	Area (Ha)	Percentage (%)
Timber Production Area	762,400	47.0
Permanent Protection Area	352,500	22.0
Convalescence Area	122,000	7.0
Conversion Area	397,000	24.0
Total Reserve Area	1,633,900	100.0

Contacts

Below are incomplete lists of government ministries, industry associations, civil society groups, and research institutes involved with forestry, trade, and efforts to combat illegal logging and associated trade.

Industry Associations

- Forest Industry Association of Ghana (FIAG)
- Wood Workers Association of Ghana (WAG)
- Ghana Timber Millers Organization (GTMO)
- Ghana Timber Association (GTA)
- Domestic Lumber Millers Association of Ghana (DOLMAG)
- Domestic Lumber Trade Association
- Ghana Sawn Timber Sellers Association (GSTSA)
- Women in Timber Ghana Association (WiTG)
- Furniture and Wood Products Association of Ghana (FAWAG)
- Federated Association of Ghanaian Exporters (FAGE)
- Association of Ghana Industries (AGI)

Civil Society Organizations

- Kumasi Wood Cluster Association (KWC)
- Forest Watch Ghana (FWG)
- Tropenbos International
 - Tropenbos Ghana
- Nature & Development Foundation (NDF)
- Kasa Initiative Ghana
- ClientEarth (Ghana)
- TaylorCrabbe Initiative

Government Ministries

- Ministry of Lands and Natural Resources (MLNR)
- Ghana Forestry Commission (FC)
 - Timber Industry Development Division (of Forestry Commission) (TIDD)
 - Forest Service Division
- (Ghana) Lands Commission (LC)
- Environmental Protection Agency of Ghana (EPA)
- Ministry of Trade and Industry
- Ghana Export Promotion Authority

Research Institutes

• Forestry Research Institute of Ghana

References and Resources

For more information regarding forest legality in Ghana, head to these links from our partners:

- Forest Trends Illegal Deforestation and Associated Trade (IDAT) Risk Ghana
- FAO TimberLex
- FAO (2020) Global Forest Resources Assessment: Ghana
- Timber Trade Portal: Ghana
- Preferred by Nature: Timber Sourcing Hub (Ghana)
- Chatham House Forest Governance and Legality (Ghana)
- VPA Africa-Latin America Facility (Ghana)
- Global Forest Watch (GFW) Country Profiles
- BVRio (2017) Practical Guide to Conducting Due Diligence of Tropical Timber Products: Ghana