



PRESS STATEMENT

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Accra, Ghana.

POSITION OF CIVIL SOCIETY ON CONVERSION OF EXTANT LEASES TOWARDS FLEGT LICENSE ISSUANCE

Civil Society notes that Ghana is on the brink of making history with the imminent issuance of FLEGT license and trading in legal timber on both the domestic and international market. It is also noted, however, that there has been a dip in the pace of implementation of certain critical final steps that will anchor home this honour for Ghana. One key final step that has stalled in the FLEGT-VPA process in recent months is the conversion of extant leases and permits into valid timber utilization contracts which includes ratification by Parliament.

We note that, it has taken over a decade to reach where we are in the VPA process. As partners in the process, Civil Society is very proud of the milestones Ghana has achieved collectively. We are also very committed to support the Government of Ghana to complete the process in accordance with Ministry of Lands and Natural Resources' timelines of issuing a FLEGT license before or by the end of 2020. In the light of this commitment, Civil Society has observed with a bit of worry the seemingly slow pace at which the conversion process is progressing because Ghana's ability to meet our commitments in the FLEGT-VPA is largely dependent on this very important process.



We recall that the report of the 2016 Joint Assessment observed that, only 4% of all existing timber contracts meet the VPA criteria for valid timber right. Majority of the remaining 96% are extant leases and permits that need to be converted to Timber Utilization Contracts (TUCs) ratified by Parliament before they become valid timber rights for harvesting and trading in legal timber. This problem has arisen because Forestry Commission and the Ministry failed to set in motion the processes to convert these extant leases and permits since 1998, when the Timber Resources Management Act, 1998 (ACT 547), which made these extant leases illegal, was passed.

We understand that the conversion process has begun, and a list of over one hundred contracts have been prepared and submitted to the Ministry for signature and onward submission to Parliament for ratification. We commend the recently sworn-in CEO of Forestry Commission for His leadership in the process so far. We understand it was under His directions that the Forestry Commission speedily prepared the individual Timber Utilization Contracts which are now locked up in political bureaucracy at the Ministry of Lands and Natural Resources.

It is very important and crucial that the conversion process is concluded and submitted to Parliament for ratification before Parliament rises this year to avoid possible repercussions that the failure to complete the conversion process might have on Ghana's reputation internationally. Ghana's credibility on the international timber market and in the eyes of the European Union in particular is at stake. This may affect future commitments and declarations made by Ghana on such bilateral/multilateral commitments. Ghana's failure to issue a FLEGT license this year could also raise further barriers for our already ailing timber industry.

Presently, due to the good standing and efforts Ghana has made in forest governance through the FLEGT-VPA process, companies exporting to the EU and other jurisdictions enjoy a bit of leeway in due diligence compliance. Issuing a FLEGT license will solidify the position of Ghana's timber industry as industry players will enjoy the "green lane" with respect to EU timber regulation



due diligence requirements. This benefit can however not be realized if the extant leases and permits are not immediately converted to valid timber utilization contracts to pave way for FLEGT license to be issued.

Once again, Ghana has been presented with an opportunity to become a shining example to the rest of the world, to become only the second country in the world and the first in Africa to trade in FLEGT licensed timber. A successful issuance of FLEGT license will also greatly remedy our ailing timber industry and assist in redirecting much needed funds and staff time from being used in responding to due diligence requests and invest them in supporting the welfare of their workers in this COVID-19 era.

We call on the Forestry Commission, the Ministry of Lands and Natural Resources, and the Parliament of Ghana to undertake their respective responsibilities as mandated by law and convert extant leases and permits to valid timber utilization contracts to allow for successful issuance of FLEGT license before the end of 2020.

Thank you.

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