

**PRESS STATEMENT BY THE HON. MINISTER FOR LANDS AND NATURAL
RESOURCES HON. KWAKU ASOMAH-CHEREMEH
ON THE REPORT OF THE COMMITTEE OF INQUIRY INTO ALLEGATIONS OF
CORRUPTION IN ROSEWOOD TRADE IN GHANA
HELD AT MLNR CONFERENCE ROOM**

FRIDAY 14TH FEBRUARY, 2020

Good Afternoon Ladies and Gentlemen,

It is my pleasure to welcome you to the Ministry this afternoon.

I have invited you here today to provide you a brief on the findings of the Committee of Inquiry set up by my good-self in August 2019, to investigate allegations of corruption in Rosewood trade in Ghana.

I am aware that several individuals, the Media/Press and Civil Society Organizations are very eager to see the report and the findings of the Committee and the response of the Minister in respect of the way forward.

I am therefore happy to present to you the highlights of what we have all been waiting to hear for some time now.

Ladies and Gentlemen,

You may recall that, in July 2019, the Environmental Investigation Agency (EIA), published an investigative piece titled;

“Ban-boozled” How Corruption and Collusion fuel Illegal Rosewood Trade in Ghana”.

The publication alleged that there is an institutionalized scheme of corruption in Ghana in respect of illegal harvest, transport, and issuance of CITES permits for Rosewood exports. This scheme of corruption, it stated; involved the fraudulent use of Salvage Permits, the mis-declaration of timber species, the forging of official documents and the retrospective issuance of CITES Permits.

It is the position of the Government that these multifaceted allegations by the EIA on institutionalized corruption, collusion, trafficking, and the lack of law enforcement in the Rosewood trade in Ghana, stand to damage the country’s international reputation and its compliance with legality requirements under the upcoming VPA-FLEGT programme.

Ladies and Gentlemen,

In response to these allegations, you may recall that on August 26, 2019, I personally inaugurated a Seven-Member Committee, Chaired by the Deputy Minister for Lands and Natural Resources, Hon, Benito Owusu Bio to investigate these allegations.

The Committee had the following representation:

- Chairman of the Parliamentary Select Committee on Lands and Natural Resources;
- Representative of Ghana Customs ;

- Representative of Civil Society Organizations;
- Representative of Forest Research Institute of Ghana (FORIG);
- Representative of the Private sector;
- Representative of the Ministry of Lands and Natural Resources.

The Committee was specifically tasked to:

- i) Examine all anomalies in respect of Rosewood salvage permits, transportation and export trade;
- ii) Investigate if Rosewood is still being traded in spite of the ban imposed by myself in March, 2019; and
- iii) Make the necessary recommendations for appropriate actions to be taken.

Ladies and Gentlemen,

The Committee completed their investigations and presented their Report to me on December 23, 2019 and I wish to share with you the findings.

First of all, I would like to commend the Committee for the comprehensive work they carried out during the period. The Committee was initially tasked to carry out the exercise within five

weeks but had to extend the period to eight weeks due to the extensive field verification visits they undertook.

Due to the serious nature of the allegations raised by the EIA, the Committee's investigation encompassed the entire value chain of the species. Through field visits to the hotspots of Rosewood exploitation, the Committee sampled grass-root opinions of communities along with interviews with the respective District Assemblies.

The field investigations focused on exploring the interfaces between the operations of the Forestry Commission of Ghana, the Ghana Revenue Authority (GRA) – Customs Division, other Government agencies; such as the Metropolitan, Municipal and District Assemblies (MMDA's), and the Police and other Intelligence Agencies.

The Committee, then took testimony from individuals involved in the Rosewood trade in Ghana and those mentioned in the EIA report. As a final step in the preparation of the Final Report, the Committee used data sources from the TIDD Rosewood Export Statistics, GRA-Customs Export data on Timber export entries, Data from EIA and a host of other sources.

Ladies and Gentlemen of the Press,

I would now like to present the findings of the Committee under specific headings.

1) General Allegations of Corruption:

I am glad to state that the Committee did not have adequate evidence to establish corruption cases against any officials of government.

However, the field investigations revealed that there are several institutional weaknesses and lapses in the Rosewood trade; from the community level to the ports of exit. This is due largely to the highly informal nature of its trade; which is composed of communities who informally harvest the timber for sale to agents, who then aggregate for sale to Rosewood traders and who in turn resell to the buyers (mostly Chinese).

Several impounded truckloads of Rosewood which had no documentation to salvage or transport Rosewood, had managed to evade several checkpoints including the Police, National Security and District BNI officials, and had only been arrested at points very close to the harbor. Data capture of Rosewood exports at the port

was questionable as TIDD statistics of exports largely did not conform with GRA Customs Export data capture.

The Committee recommends extensive interagency collaboration between the Forestry Commission, the Police, the GRA-Customs, and the Intelligence agencies in ensuring that movement of banned and endangered tree species such as Rosewood is brought to a complete halt. Effective collaboration between GRA-Customs and TIDD at the port of exit is very essential especially in the identification of wood species before exports.

2) Allegations made by the EIA on Rosewood export volumes:

Ladies and Gentlemen,

The allegation by the EIA that Ghana has exported over **Six million Rosewood trees between the period 2012 - 2019** is a gross over-estimation of Ghana's Rosewood export trade volumes. Based on the inventory data available, Ghana does not have that quantity of merchantable Rosewood trees to be harvested and exported during the period in question. The Committee's assessment showed that the actual Rosewood timber harvested for the period 2012 -2019, using the Chinese import data is **489,766 (Four Hundred and Eighty-Nine thousand, Seven Hundred and Sixty-Six) trees** and not **Six Million**

(6,000,000) as inaccurately stated by the EIA. The EIA methodology used in the calculation of number of trees harvested in Ghana is not scientific and cannot be accepted.

The Committee on the other hand, admits that there are significant differences between the volumes of Rosewood timber imported by China and exported by Ghana, due principally to the deliberate misclassification and mis-declaration by freight forwarders, as a result of a lack of institutional capacity in GRA-Customs in relation to timber species identification.

3) Allegations made by the EIA on CITES Permits for Sale:

The Committee was unable to prove the allegations made by EIA that CITES permits were for sale based on investigations of witnesses; both material and persons. The video footages and other materials from the EIA did not provide enough evidence of collusion.

The then Focal Person for CITES Permits Nana Kofi Adu Nsiah has challenged anyone who claims he paid monies to him for CITES permits to come out and proof the allegations.

The Committee recommends that a forensic audit of the CITES Secretariat at the Forestry Commission of Ghana be conducted by

the BNI or any other State Intelligence Agencies to establish the veracity of the allegations made.

4) Forging of CITEs Permits

The Committee's investigations revealed that a number of permits issued for Rosewood were diverted to Vietnam and the volumes approved on the permits were altered. Collaboration with Vietnamese Customs showed that some companies produce such fictitious documents at the blind side of Ghanaian officials.

The committee recommends that a similar forensic audit should be conducted on some selected companies who have been engaged in this fraudulent export trade.

5) *Legalization of Illegal Timber:*

The Committee disagrees with the EIA assertion that illegally harvested Rosewood timber should not be seized and auctioned under the laws of Ghana. We are of the strong opinion that any illegally harvested timber seized by the Government of Ghana or by its relevant Security Organs or Institutions, which is subsequently auctioned following due process under the relevant Laws of Ghana is Legal Timber.

This process is enshrined in law, which guarantees that the State can through its legal statutes ensure that the integrity of its natural resources can be safeguarded and value can be generated from it.

6) Impact of the Ban on the Trade of Rosewood:

You may recall that, the last ban on the harvesting, transport, processing and export of Rosewood was pronounced on the 10th March 2019 by my good self. This was as a result of allegations of over exploitation of Rosewood from the fragile savanna landscape and some ecologically sensitive areas including National Parks (Mole and Kalakpa Resource Reserve).

The Committee's field assessments show that the ban has had mixed impact on the trade of Rosewood in Ghana, with the effect varying from one aspect of trade to the other. The ban's greatest impact can be seen in the reduced harvesting of the species by the local communities.

This is evidenced by the limited number of stockpiles of fresh logs in the sawmills and local communities. The ban has been an effective deterrent to communities who harvest Rosewood for sale to traders and the Rosewood mills located across the distribution range. However, there are reports of isolated incidences of

harvesting which appear to be limited to the Upper West Region (Fungsi and Tumu areas).

Ladies and Gentlemen,

The impact of the ban on the transportation of Rosewood has also significantly reduced compared to the pre-ban period. This is evident in the absence of truckloads of Rosewood logs along the major routes, which hitherto were a daily occurrence. Several numerous stockpiles of Rosewood logs were also observed scattered all over the Rosewood hotspots (the Savannah ecological zone and the Forest Savannah Transitional Zone) indicating the impact of the ban on the transportation of the species.

Several truckloads of Rosewood timber have further been impounded by the local communities, Police, District FSD & TIDD and MMDA offices signifying the vigilance of local communities and the effectiveness of law enforcement agencies in enforcing the ban.

The impact of the ban on processing of Rosewood has reduced very significantly, as major processing mills had ceased operations during the filed visits of the Committee. There were large stock piles of logs at the mills which were harvested before the ban. Large quantities of processed Rosewood were also piled up in the mills.

The export of Rosewood has also reduced very significantly due to the ban. However, the Committee observed that some stock pile of Rosewood was being exported through the practice of misclassification, mis-declaration and the general lack of capacity of the GRA-Customs Division to identify what is Rosewood timber and what is not. The Customs Division has been notified of these happenings and remedial actions are being taken.

The Committee firstly recommends periodic training for staff of GRA-Customs Export Division by the CSIR-Forestry Research Institute on Rosewood and timber identification. The Committee further recommends extensive and deepened collaboration between the GRA-Customs Division, the Ghana Shippers Council and the shipping.

Now, what is the Way Forward?

Ladies and Gentlemen,

Having provided the highlights of the findings of the Committee, I would now like to indicate what the next steps will be.

- 1) In the light of the above, I wish to direct that the ban on Rosewood harvesting, transport, processing and export announced in March, 2019 remains in force indefinitely;

- 2) I hereby direct the Forestry Directorate of this Ministry to liaise closely with the Forestry Commission to develop modalities to enhance the monitoring mechanism within the various hotspot Rosewood Districts. The Municipal, Metropolitan and District Assemblies (MMDAs) are directed to collaborate with other relevant state agencies to ensure that Rosewood is not transported through any routes from the districts.
- 3) In the interim, all lying logs of Rosewood would be evacuated to central locations across the hotspots and actioned to the general public for value added processing;
- 4) To enhance the general outlook of the Rosewood trade, I wish to advise all interested parties including the local and international media to focus attention on the consumer countries (largely China and Vietnam) who import illegal timber from Ghana.

Attention should also be on companies which forge documentation to cover wood exports (especially, Rosewood) to Vietnam. These companies should be named and shamed.

In a recent publication in the **“Goldstreet Business News”** of **February 12, 2020**, China has banned illegal timber imports from Ghana. This policy initiative is indeed good for Ghana’s Rosewood export trade and our efforts towards the issuance of FLEGT License under the Voluntary Partnership Agreement (VPA).

- 5) In the long term, the Forestry Commission has been tasked to conduct a comprehensive inventory of Rosewood resources to establish the sustainable exploitation levels of the resource.
- 6) The Forestry Commission is also promoting plantation development of Rosewood to ensure its sustainability.

Thank you and God Bless us all.

