

WELCOME ADDRESS

BY

CHIEF DIRECTOR

MINISTRY OF FINANCE AND ECONOMIC  
PLANNING (MoFEP)

VALIDATION WORKSHOP ON SCOPING REPORT OF  
EXTENDING GHANA EITI TO THE FORESTRY  
SECTOR

GHANA EXTRACTIVE INDUSTRIES TRANSPARENCY  
INITIATIVE (GHEITI)

COCONUT GROVE REGENCY HOTEL- ACCRA  
ON THURSDAY 18<sup>TH</sup> MAY, 2012

**Colleague Chief Directors,  
Members of the GHEITI NSC,  
Distinguished Ladies and Gentlemen,**

Good Morning and Welcome to today's workshop on the validation of the scoping report on extension of the Ghana EITI to the Forestry sector. As per our initial plan, we seek to roll out the EITI process to the three most important natural resources sectors of this country (Mining, oil/Gas and Forestry).

Our intension to implement EITI in forestry did not start in a vacuum. We have had initial consultations with the Forestry sector, specifically, the Ministry of Lands and Natural Resources and the Forestry Commission and other stakeholders in November 2010. The report we are about to share with you today, is a product of that initial consultation.

Mr. Chairman, as we all know, forests are immensely important, both to society and the environment: they play a vital role in enriching the natural resources that support life on earth; millions of people are wholly or largely dependent on forest resources for their livelihoods; and, increasingly, we are learning of their role in combating climate change. In short, we are all highly dependent on their existence and survival.

Currently, Mr. Chairman, in Ghana, the forestry sub-sector contributes 3.5% to GDP, 2.5 million employment, and 4% to foreign exchange earnings. The sector also serves as a source of fuel and energy to many of our communities, protects our water bodies and houses our eco-system. The sector therefore has a huge potential to propel this economy to greater heights but yet it is the sector that is slow to reform and visible progress.

The sector receives incredible financial and technical support and commitment from our Development Partners and Government. As a matter of fact, worldwide, the international donor community has spent tens of billions of dollars since the late 1980s trying to reduce deforestation

and harness forests for economic growth in developing countries. These investments have consistently promoted industrial export-orientated timber production as the means to kick-start the economies of forest-rich developing countries. The reality, however, is that in virtually every country where this has been tried, practices such as illegal logging and trading of timber have become rife, with few lasting social or economic benefits for forest-dependent communities.

Mr. Chairman, in many forest-rich-but-economically-poor developing countries forestry sector governance is often weak and problems of law enforcement and revenue distribution are systemic. In Ghana the sector is perceived to be characterized by poor forest law enforcement and corruption. Simply put, the sector is challenged by its inability to effectively enforce its mandates and protect reserves, illegal mining in forest reserves, weak institutional capacity as we move down from national to municipal to district operations.

We of the Ghana EITI are of the view that some form of transparency exists in the forestry sector but there is a room for improvement. At least I am very much aware that the Forestry Commission has been consistent in the publication of the disbursement of royalties and other forms of revenues to their stakeholders since 2002. The information is published on their website and also copies are printed for distribution to stakeholders. But it will be very useful if communities and civil society groups are using the information to influence decision making at all levels.

Ladies and gentlemen you have been invited to this workshop today because you understand the workings of the sector and we believe you will help us shape and refine the document we are about to share with you. As many of you may know, the EITI is now operational in mining and oil/gas. Our involvement with the mining sector has significantly complimented the work of MDAs and MMDAs responsible for the sector. We are optimistic that GHEITI will bring value to the oil and Gas sector when we release our first audit report on the sector later this year.

Our goal today, is to get expert groups like you to help refine the document and make it good enough to guide the roll out to the forestry sector. We will surely call on some of you again after today and we hope you will open your doors to us when that day comes.

Distinguished ladies and Gentlemen, GHEITI has made some remarkable strides in the mining sector and I encourage those of you who are not familiar with our work to visit our website for more information at; [www.gheiti.gov.gh](http://www.gheiti.gov.gh)

Thank you all and God Bless Ghana.