

Validation of Legal Timber Programme (Ghana) An Overview



**CHANGING INTERNATIONAL MARKETS FOR TIMBER
WHAT AFRICAN PRODUCERS CAN DO**

TTF-IFIA ROADSHOW, KUMASI - GHANA: 17TH – 18TH MAY, 2005

Chris Beeko

Project Coordinator



Programme Objective

- To capture the 'real' share of forest revenue for State & stakeholders
- To conform forest management & control with forest laws/regulations, (national, regional, international)
- To align wood processing capacity with sustainable resource management objectives
- To ensure Ghana's continued access to major wood export markets.
- To attain sustainable forest management



The Old Tracking System: Problem



- Paper based and manually operated
- Multiple agencies involved without the appropriate networking and data reconciliation
- Management & control system only loosely meets emerging market requirements
- Producer export permits (data) only loosely linked with upstream data
- System based Certificates still an issue



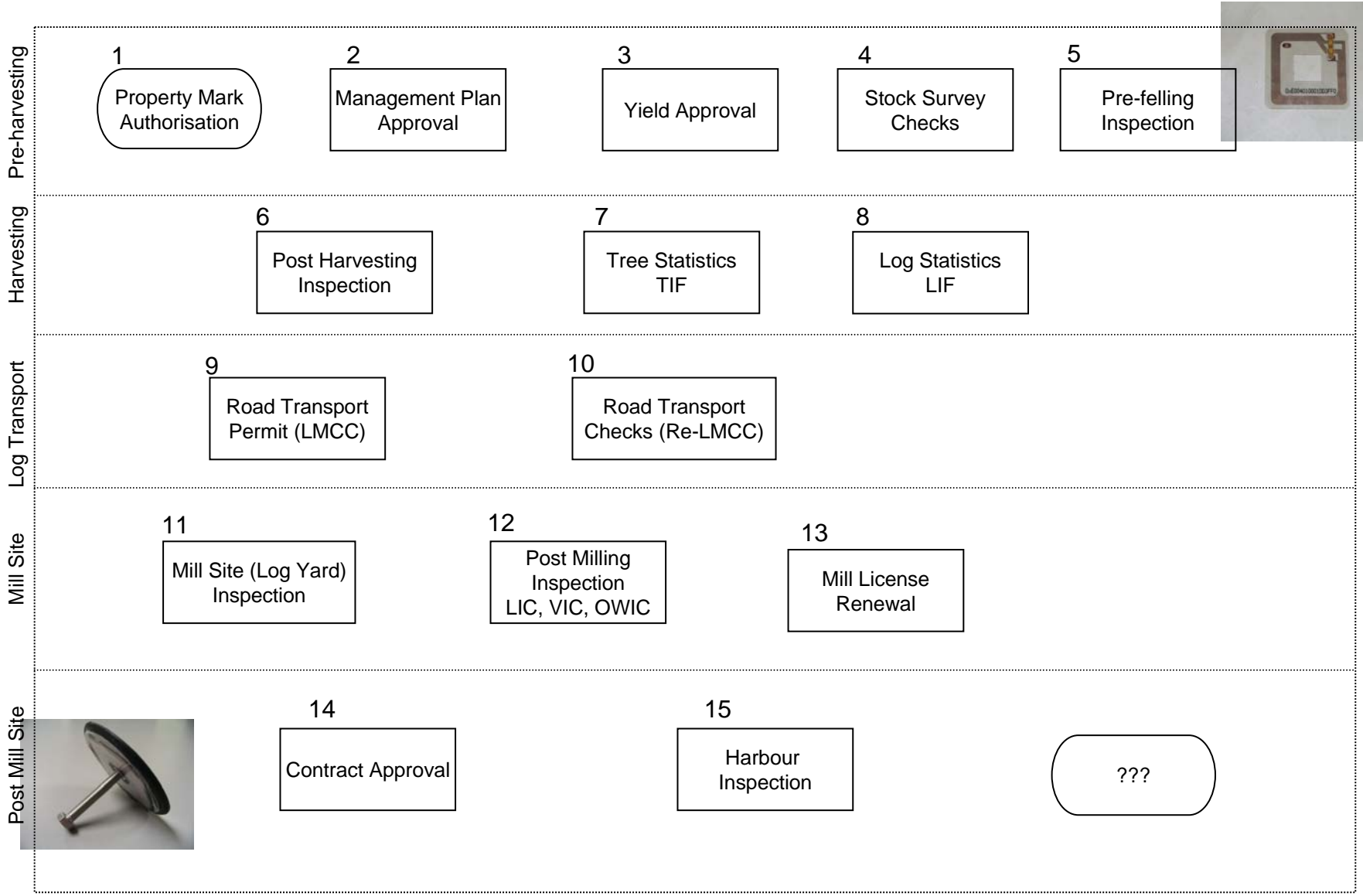
The Review



- The Forest Control System
 - Institutional Roles & Responsibilities
- Institutional Framework
- The Tracking System
- Required Participation and Obligations of the Industry
- Legal Framework
- System based certificates/licensing scheme (VLO, VLC)
- Phased approach to certification



Existing Forestry Control Mechanisms



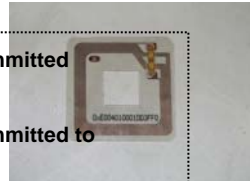
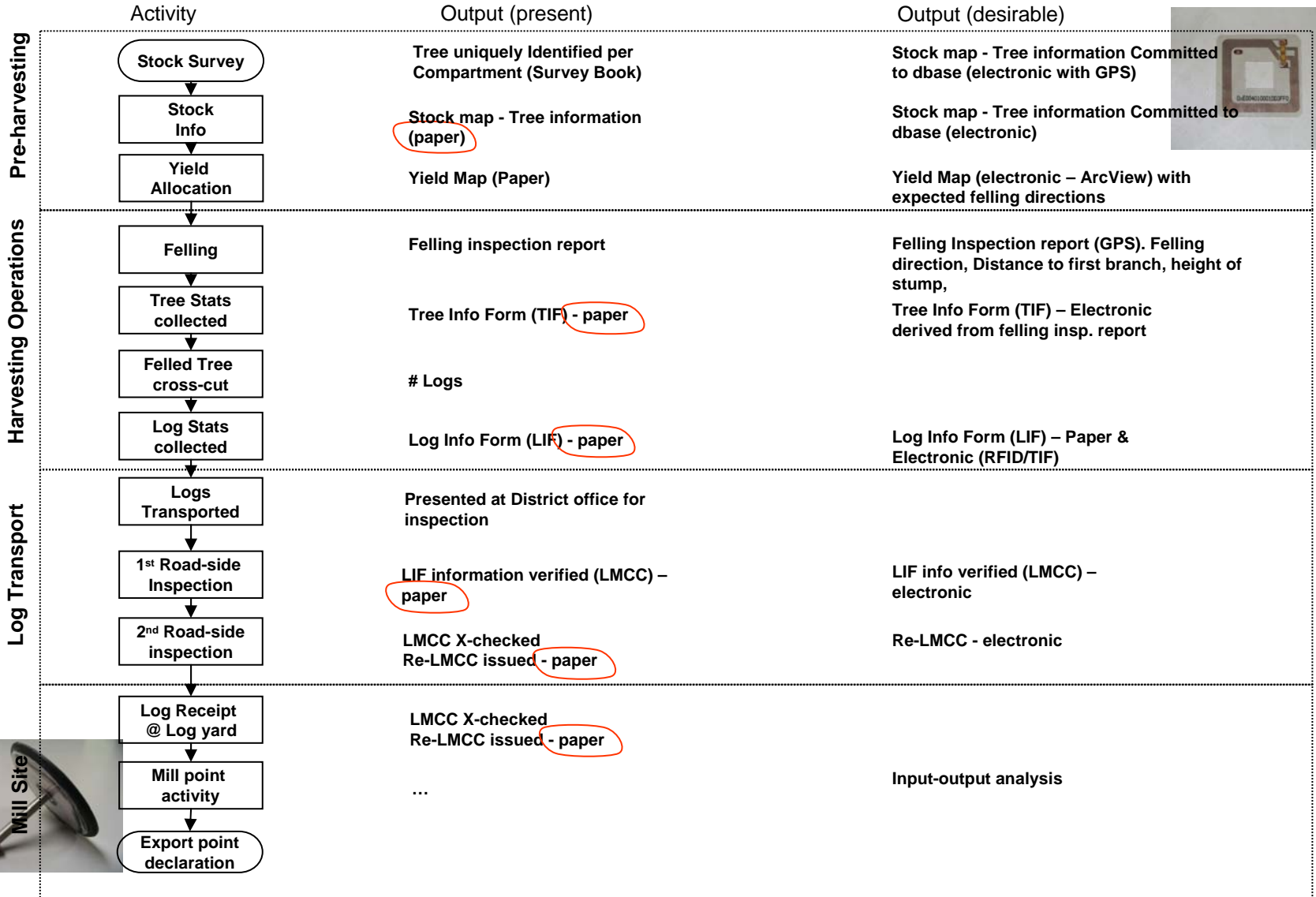
Control System Review



- What control system most answers to need
- Do we need all the controls in their present form
- How would the (retained) controls be made most efficient
- Who should exercise the control



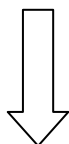
Ghana's Summary Timber Flow Process – As Is



The Ghana Forest Control System (As Is)

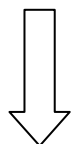


Verification/Supervision Services – FC/HQ??



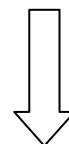
FSD
(Regions/Districts)

- Property Mark Authorisation (Logging Licensing)
- Road Transport Permits (Conveyance certificates)
- Post Harvesting Inspection
- Stock Survey Checks



RMSC

- Yield Approval
- Management Plans Approval
- Pre/Post Harvesting Inspection



TIDD

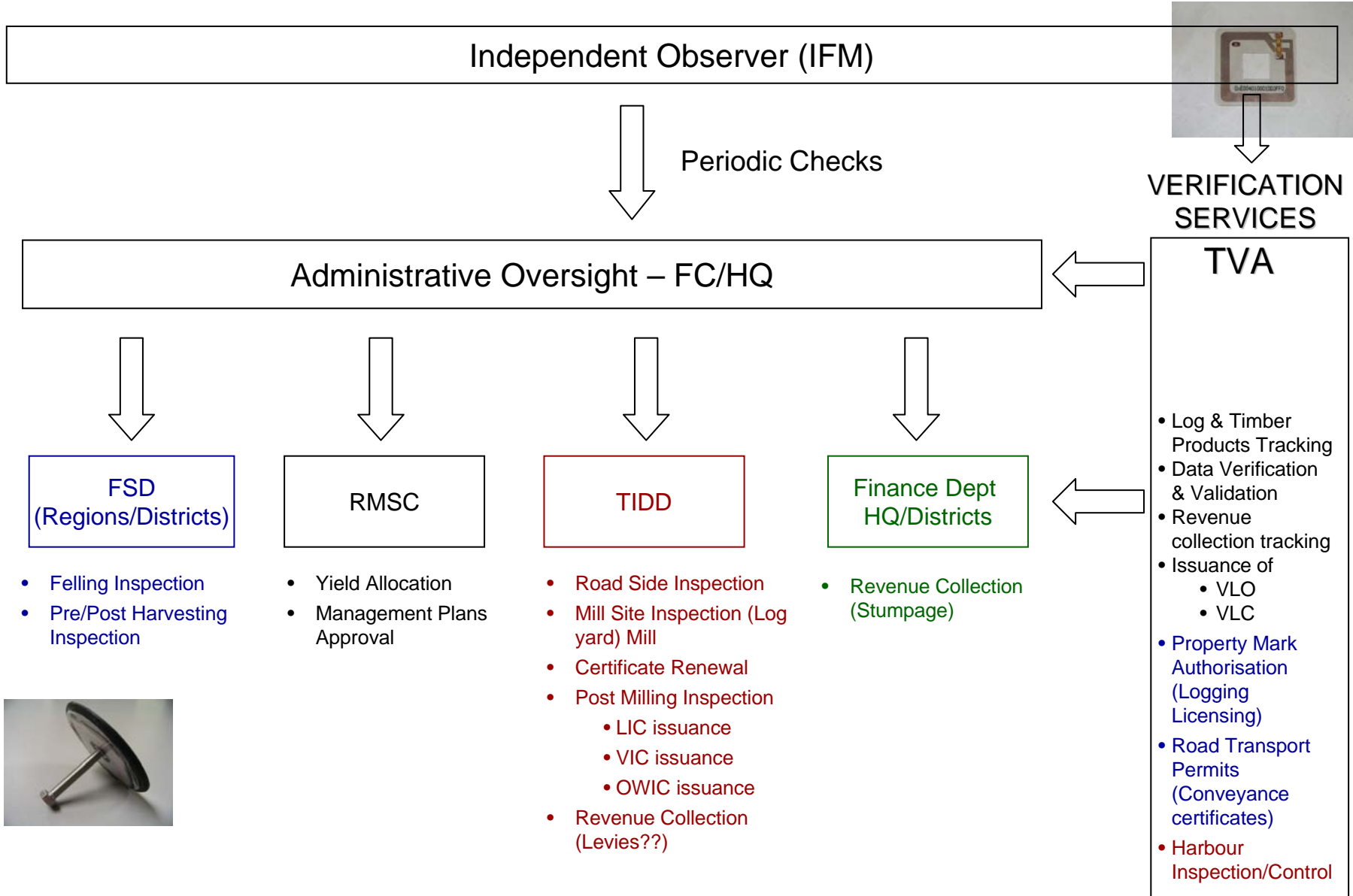
- Road Side Inspection
- Mill Site Inspection (Log yard)
- Post Milling Inspection
 - LIC issuance
 - VIC issuance
 - OWIC issuance
- Mill Certificate Renewal
- Harbour Inspection/Control
- Revenue Collection (Levies??)



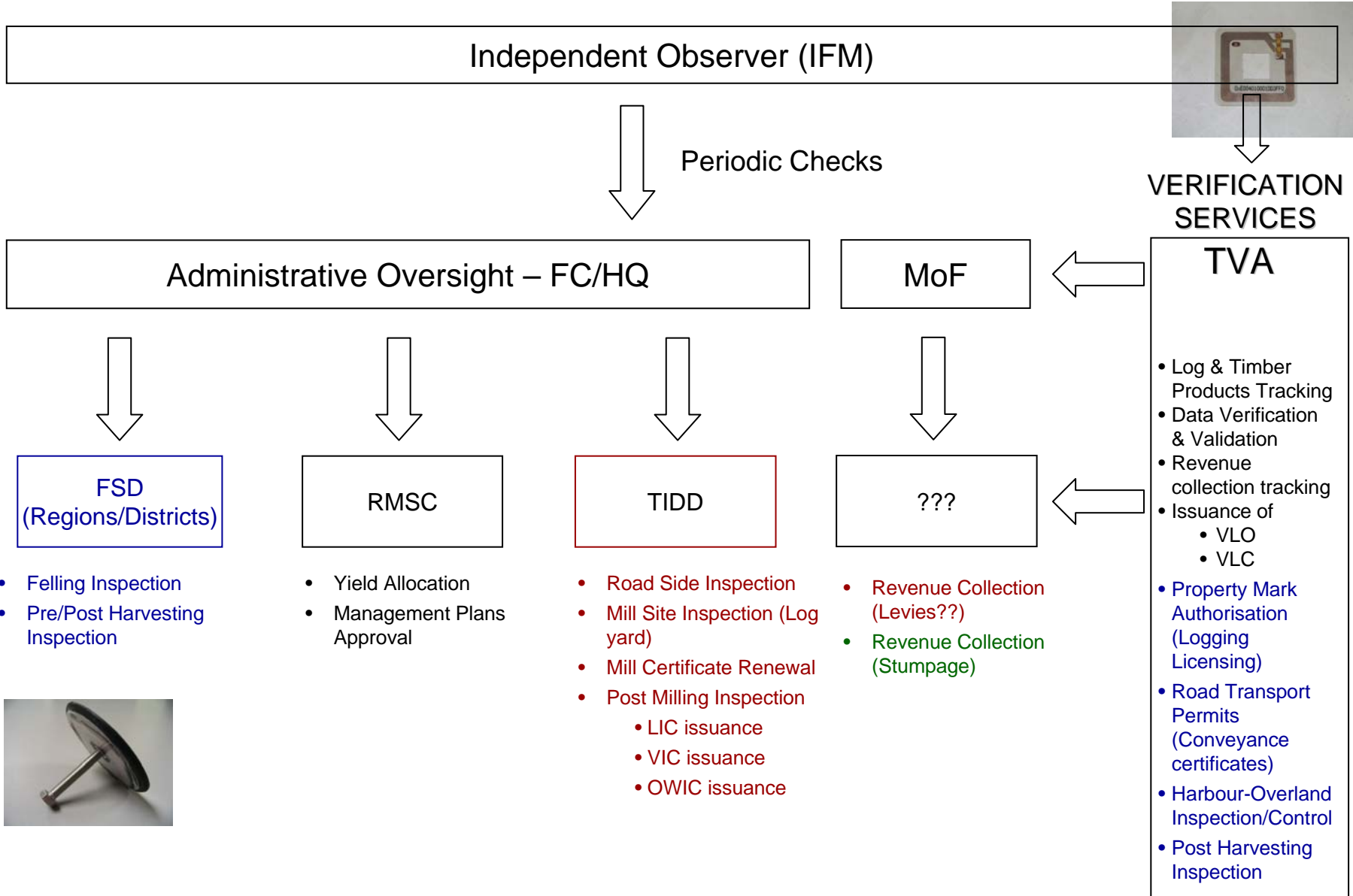
Finance Dept
HQ/Districts

- Revenue Collection (Stumpage)

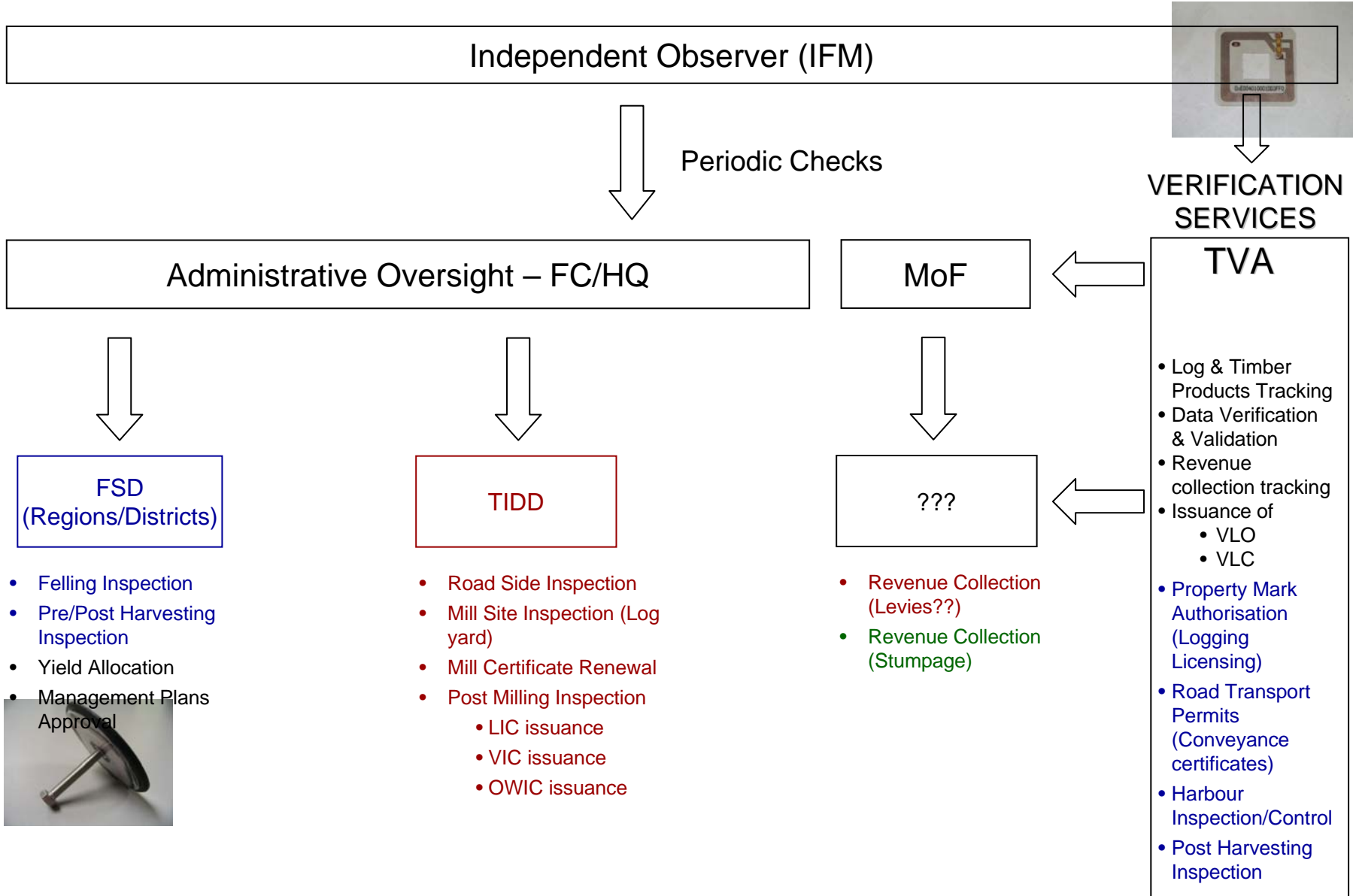
The Ghana Forest Control System (Proposed) Option 1



The Ghana Forest Control System (Proposed) Option 2



The Ghana Forest Control System (Proposed) Option 3



Review Considerations - Technological



- Technology enables efficient tracking
 - From standing tree/Stump to Mill and export point
 - Enables tree, log, processed wood labels and transport documentation
 - Security offered can withstand local fraud practices
- Agency systems are be able to interface with industry systems
- Able to monitor production on day to day basis
- Cost requirements are manageable



Review Considerations – Legal & Institutional

- The Legislative Limitations & Opportunities
- How conveniently legal gaps can be filled
- Institutional revision – TVA and reformulation of regulatory tasks of FC



Review Considerations – International Requirements



- Governance issues
 - Separation of Management & Control Roles & Responsibilities
- Participation of Independent Monitors/Observers
- Market changes



Required Participation of Industry

- A level of computerisation required in data capture and management
- Interfacing with systems of the Validation Agency
- Reconciliation of exporter's upstream data with granting of export permit
- Burden of proof with industry (exporter)



The Technical Requirements

- An internationally credible and auditable tracking system working within an Agency with
 - well defined boundaries of control responsibility and issuing
 - Certificates of Legal Origin (CLO)
 - Certificates of Legal Compliance (CLC)
- National framework within which legal compliance is determined
- Third party participation in endorsement of validity required for international acceptance

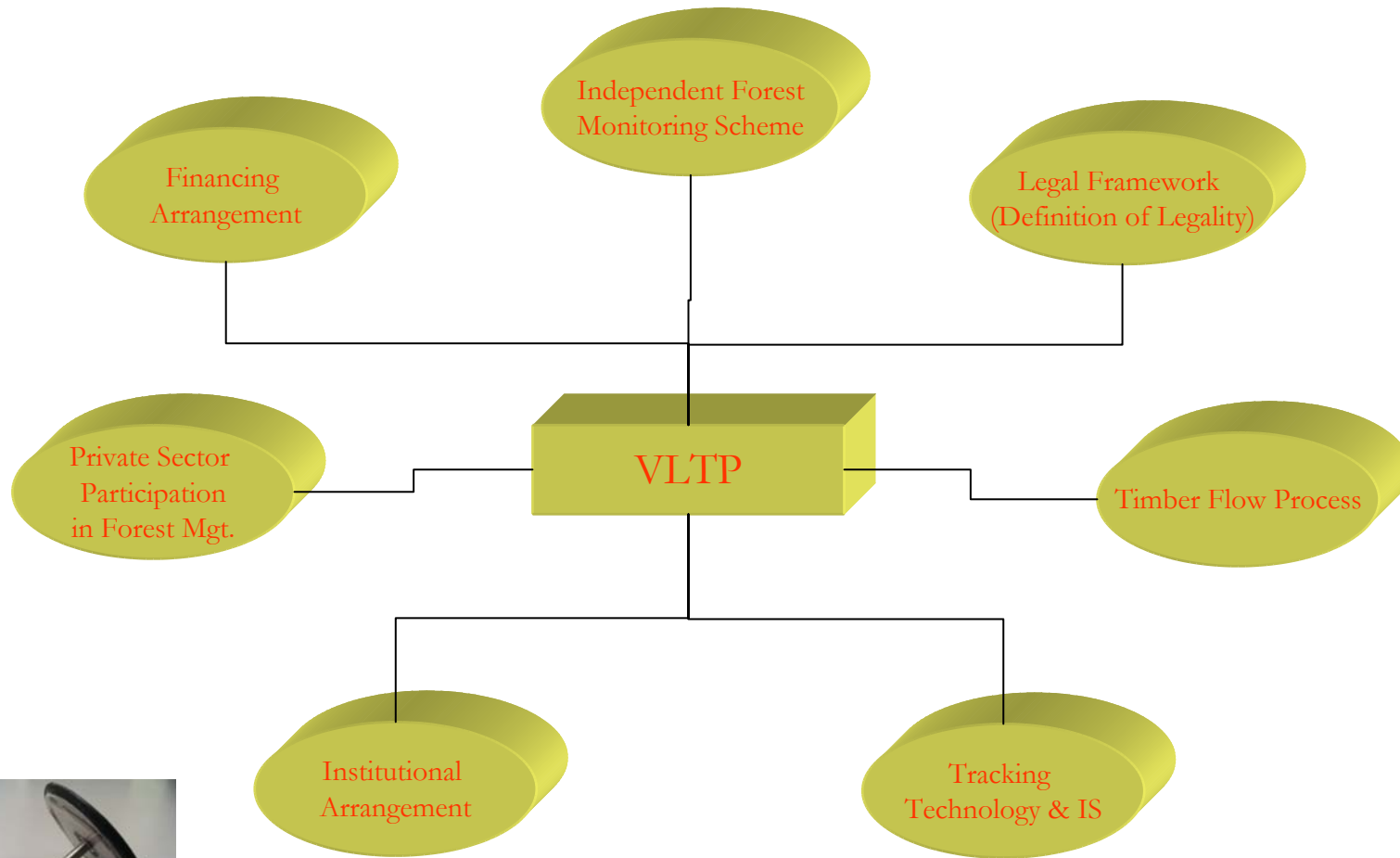


Benefits to Industry

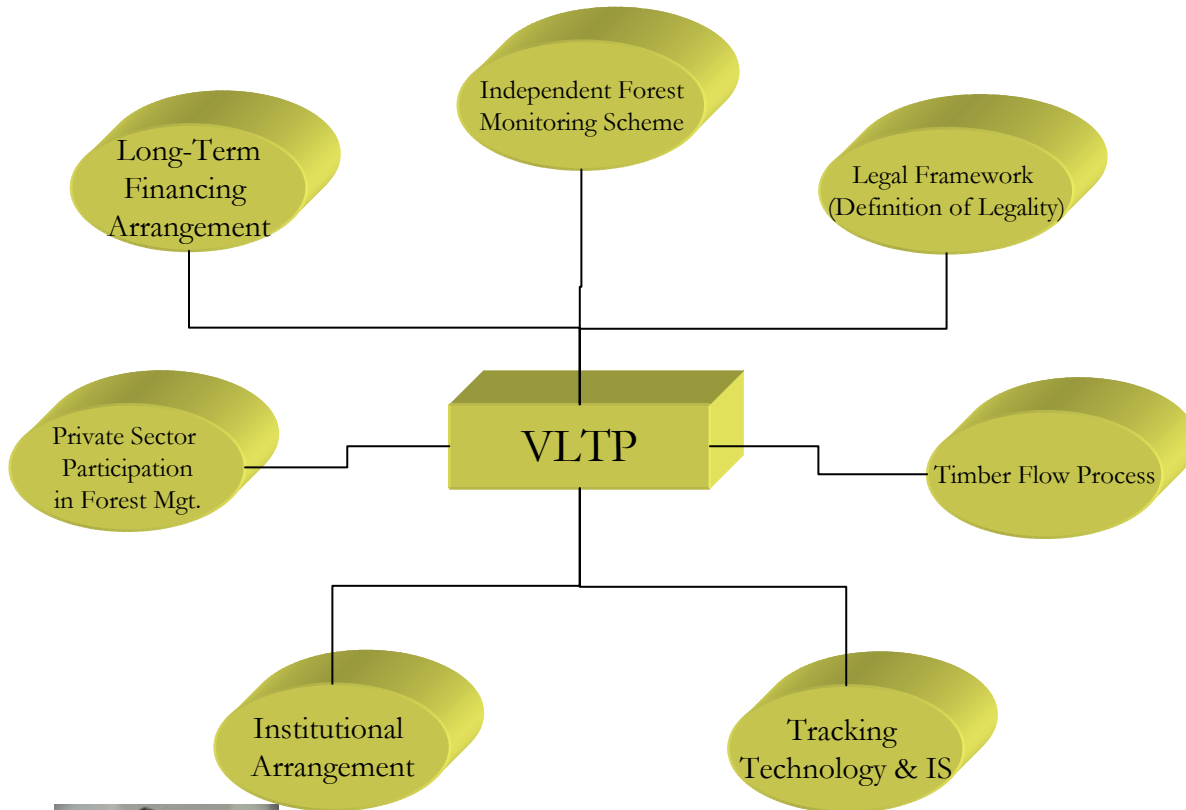
- Continued access to prime international wood markets
- Improved management of wood supply chain
- Better control of theft and fraud within company
- Better harvesting planning based on better information on spp., vol., grades of timber removed from FMUs.



Elements of VLTP



The Time Line - 2005



- Mid June, 2005
 - Discussion Papers Ready
- E. O. June, 2005
 - Discussion Papers Distributed
- E. O. August, 2005
 - Ghana's Direction Determined
- Early September, 2005
 - Tracking System identified & Procured
- October, 2005
 - Installation & Testing Commences
 - Piloting of Concept
- January, 2006
 - Roll Out