



REPORT ON TEST TRAINING LEGALITY ASSURANCE SYSTEM MODULE

VENUE: LAMERTA HOTEL, KUMASI, GHANA

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1. INTRODUCTION

As part of the project 'Preparation of a training centre to support FLEGT implementation and the adoption of Sustainable Forest Management practises in Ghana and the West African Region' a test training on a Legality Assurance System (LAS) training module has been held in Kumasi, 11th May 2011. This report contains a summary of the training session and a description of the day. The project is sponsored by FAO and the ACP-FLEGT support program.

The training was carried out differently than was proposed in the project design: since the development of the LAS is behind schedule, one training early in the project would not be effective, as the development of the WTS and other LAS related elements is not yet developed in detail and the exact implementation of the LAS is not yet clear.

To accommodate this, it was decided to organise one training earlier in the project, October 2010, to collect input from the stakeholders and to organise a second training later in the course of the project, May 2011, to seize on possible new developments regarding LAS and WTS. Also during the second training extra room for discussion was built into the training sessions to allow for exchanges between the forestry commission and the private sector as well as other stakeholders.

There is the necessity to inform and involve the private sector parties. These parties have not been directly involved in the LAS development very much, but as became clear during the training, many of those present had in fact joined other workshops and the same companies that were present during the first training also joined this one, although different employees were sent. This proved to contribute meaningfully to the discussion rather than be in its way. For the people that were not yet informed, the four training sessions and the discussions proved a valuable source of information.

2. PROGRAM

Time	Activity	Responsible person
8:30-9:30	Registration of participants	Glen Asomaning
9:30-9:35	Opening prayer	
9:35-10:00	Introduction of participants, background to the training and project partners	Mustapha Seidu, WWF
10:00-10:40	Topic 1: Introduction of FLEGT & VPA	Debora van Boven, FORM International
10:40-11:00	Snack break	
11:00-11:30	Topic II: The legal Assurance System and Wood Tracking System in Ghana	Debora van Boven
11:30-12:00	Topic III: Elements of Wood Tracking/Chain of Custody	Debora van Boven
12:00 – 12:30	Topic IV: A concept for company internal data capturing to meet WTS requirements.	Aristotle Boaitey (KWC)
12:30-2:00	Group discussion <ol style="list-style-type: none"> 1. Legality compliance in Ghana: what are the main challenges from the forest to the log yard? 2. What is the role of industry in the further implementation of the LAS? 3. What will you recommend Government to do in order to facilitate legality compliance in Ghana and involvement of industry? 	Mustapha Seidu
2:00	Closing prayer and Lunch	

3. DESCRIPTION OF THE TRAINING

The training day started with four training sessions to provide the participants with the basic knowledge on the FLEGT, VPA and LAS. Although the levels of knowledge of the participants varied from well informed to not informed at all, after the training most of the participants were able to contribute meaningfully to the discussion.

Topic I FLEGT and VPA: The basics on FLEGT and VPA were presented. Information was presented on the backgrounds, the reason Ghana got involved in the VPA process and what the expected results are and effects or changes noticeable in Ghana.

Topic II LAS: the elements of the LAS were discussed. It was explained that in the VPA process it is essential to set up a system that can assure legality. In order to assure the legality in Ghana, it was first established what the law said on forestry and wood products. Based on this exercise a legality definition was developed with 7 principles and 22 criteria on which the whole LAS is based and the WTS as well. During this part of the training the LAS process and involved activities are addressed.

Topic III Keeping track: an explanation of the systematics of a working chain of custody was given. The LAS as well as a Chain of Custody known from the third party certification both have in common that the wood flow is followed from the forest to the harbour (LAS) or end customer (in case of the CoC and at a later stage also with the LAS). Keeping records and training people to do so form an important part of both. The generics of a Chain of Custody system were discussed.

Topic IV A concept for company internal data capturing to meet WTS requirements: Kumasi Wood Cluster presented their system developed to capture data in a systematic way, in order to facilitate meeting the WTS requirements. KWC analysed the existing systems of various companies and based on these systems, a general concept has been developed.

The concept is still under construction and will seek to develop a data capturing system of tracking wood from enumeration (forest) to export (port). It will also be adapted to WTS requirements under FLEGT as and when the modules are available.

4. RESPONSE TO THE PRESENTATIONS

4.1 Comments, questions and answers from presentations

1. Is FLEGT in any way useful for Ghana?
Yes, it most certainly is. Not only does it ensure easy access to the European and United States market, but also the Governance in Ghana will be much improved. This will increase revenues for the Government and also improved internal markets.
2. What about the off reserve forest areas? Are they also covered in the FLEGT process?
Yes, they are part of the LAS. The VPA and related annexes can be found on internet. LAS is Annex V and where relevant information on off reserve areas is included.
3. Was conflict management also part of the pilot tests?
No, as far as the project partners know it wasn't.
4. What happens with the confiscated timber?
It will be legalized and can enter the legality assurance system and wood tracking system. This is exceptional, since Ghana is the only country that was able to include it in the VPA.
5. Will a national conversion factor be determined or can each company apply its conversion factor?
There is no national conversion factor up till now. Probably guideline figures will be determined, to check if company figures are reasonable. Company figures will most probably be used.

4.2 Discussion

After each presentation room for discussion was part of the program. In order to facilitate the discussion, three questions were posed and the participants were divided in three groups to discuss these questions.

1. Legality compliance in Ghana: what are the main challenges from the forest to the log yard?
 1. Insufficient knowledge of laws
 2. Compliance comes with costs and industry is not willing to take on costs
 3. Lack of commitment to comply from industry
 4. High level of corruption among law enforcers
 5. Alternative market routes for non VPA compliant companies
 6. No premium price for legally sourced timber products.
 7. Existence of market for illegally sourced timber products is a disincentive for legality compliance
 8. Forest laws and policies should be amended to capture current international timber sourcing and trade requirements. The two should be linked.
 9. Corruption at all levels
 10. Cost
 11. Inadequate personnel and logistic on the part of FC to meet industry
 12. Lack of education and awareness on the part of implementing agencies

13. Non existence of management plans for the forest reserve (country is ill-prepared for LAS implementation)
14. Definition of FFCs (Beneficiaries) – SRAs
15. FFCs Understanding of Benefits – SRAs
16. Weak Enforcement of Laws – Institutional
17. (Morality)/Corruption
18. Financial Constraints / Cost of Production
19. Cost of Developing Management Plans
20. Equipment (reduced impact)
21. Cost of Safety Equipment
22. Inadequate Staff of FC
23. Willingness of companies to cooperate with FC staff and to comply with legality

2. What is the role of industry in the further implementation of the LAS?

1. Provision of accurate data
2. Training on workers to comply with LAS
3. Compliance with legality requirements
4. Investment in systems for record keeping
5. Invest in restructuring of industry to ensure efficiency and compliance with LAS
6. Industry must do retooling
7. Financial commitment to implementation of LAS
8. Developing efficient and reliable data capturing system
9. Capacity building of human resource to handle LAS
10. Complement Government Initiatives
11. Compliance with Laws
12. Identify and prompt the TVD on gaps in the LAS implementation

3. What will you recommend Government to do in order to facilitate legality compliance in Ghana and involvement of industry?

1. Government should push toward putting a system in place to regulate marketing of timber no matter what market outlet
2. Strengthen government agencies involved in issuance of FELGT license to track, monitor, evaluate
3. Adequate supply of legal timber to domestic market
4. Government should support training and capacity building sessions involving the timber industry
5. Laws should be enforced and deterrent enough
6. Government must be committed to providing adequate logistics and adequate personnel.
7. Political will on the part of government to clamp down illegal sourcing of timber
8. Government must ensure that only legal wood is used for government projects
9. Develop innovative system for funding forest management practices
10. Govt. should ensure the availability of legal timber on the local market (issuance of timber permits to selected SMEFES specifically for the local market)
11. FC should employ more staff – stricter law enforcement
12. FC should be checked by a 3rd party (Auditing)

13. FC should shed some roles to industry
14. Forest Fringe Communities (FFC's are beneficiaries) should be well defined
15. FFCs should be educated on their roles and entitlements as well as SFM in general
16. Government should facilitate the acquisition of forest equipment (especially for RIL)
17. Government can team up with industry and donor agencies to draw management plans for reserves and off-reserves

5. EVALUATION OF THE TRAINING

The table below shows that the participants of the pilot are very positive about the training logistics. The conference facilities and the snacks/lunch were good. The time used to cover each topic was long enough and there was enough time to rest.

To evaluate the topics the participants have to answer open questions.

1. Which topics were treated to your satisfaction?
 - Elements of wood tracking/chain of custody (7x)
 - The legal assurance system and wood tracking system in Ghana (8x)
 - Introduction of FLEGT en VPA (4x)
 - A concept for company internal data capturing to meet WTS requirement (4x)
 - All (6x)

2. Which topics do you need further explanation/elaboration about?
 - Elements of wood tracking/chain of custody (3x)
 - The legal assurance system and wood tracking system in Ghana (6x)
 - Internal data capturing
 - None (2x)

4. Which topic(s) can you apply with confidence?
 - All (5x)
 - Introduction to I FLEGT/VPA (5x)
 - III Keeping track (5x)
 - II LAS (2x)
 - II LAS & III Keeping Track
 - I FLEGT/VPA & III Keeping Track

5. What further assistance would you need to apply topics you have difficulties with?
 - Training for tertiary operators
 - I + Handouts (*the presentations have been sent to the participants after the training*)
 - Documents to read around
 - There should be another training
 - Written information/documents of them
 - Practical on the field implementation of the WTS
 - Further explanation of FLEGT/VPA

6. What recommendations will you give your organization to hasten and conclude LAS/WTS?
 - Assist in the development of management plans
 - To make available its members for training
 - The organisation should try as much as possible to comply with all laws
 - Support information sharing on the LAS/WTS
 - Provision of feedback to companies and stakeholders on the pilot phase
 - To conduct research on advanced wood tracking techniques such as DNA prints of log and lumber
 - To invest time and money into ensuring the implementation of FLEGT/LAS
 - Adopt more efficient wood tracking system like the Orion
 - Train and build the capacity of staff for the implementation of LAS

- Restructure the company to ensure efficiency invest in retooling and human resource capacity development
- Open up to the conditions required for LAS/WTS

2. What other training on LAS/WTS would you require?

- Current update of implementation (such as the pilot tests at the companies).
- Main challenges and how to deal with them.
- Internal data capturing
- Use of hand held computer
- The Legality Assurance System and wood tracking system in Ghana
- Constant training in tracking and tracing
- Awareness creation to whole industry
- The LAS and WTS in Ghana
- The practical implementation of WTS on the field
- Further explanation of terms and concepts of LAS/WTS

6. CONCLUSIONS

The conclusions that can be drawn from this workshop are similar to the conclusions from the first workshop. It's important to repeat them, since it indicates that during the project little has changed between the first workshop (October 2010) and the second one (May 2011).

1. Many of the companies present were already involved developing internal CoC systems for tracking their wood flow. Because of this they were very much aware of all the requirements within a CoC. However, they were not necessarily aware of the contents of the WTS. Until the WTS module for processing at the mill is fully developed and explained to industry, the role of industry remains unclear. Some of the roles the private sector attributed to itself, seemed to be more of a wish (being provided with training and equipment). Other roles seemed to be expected to happen within the WTS (companies doing their own data collection and FC just approving it). These are important points to clarify and it is important to track progress regarding these expectations as the WTS is tested within the industry.
2. Companies are very concerned that the WTS may come in addition to their own existing CoC systems, thereby creating two separate administrations within each company. This is an important point to raise with the FC as the WTS module for processing is currently still being developed and tested – it should be able to coordinate smoothly with existing wood tracking systems where companies have already developed one.
3. The lack of information currently available to companies, and the difficulties in getting the private sector industries involved and trained is something that worries the companies. The companies are essential to the implementation of the LAS. Therefore, it does not feel right for the companies to train only the government institutions in the pilot stage. Even the pilot companies feel uninformed and they would like to be more directly involved in the pilot testing as it is implemented and not only once it has been finished.
4. The need for incentives to encourage companies to comply with the legal requirements as soon as possible has been made very clear by the three discussion groups: it feels unfair that the small timber contractors (in the informal sector), that do not comply, would be able to continue their business, while the bigger companies will have to put their efforts into assuring legality, which will initially cost a lot of time and money.
5. The companies agreed that it is their due diligence to ensure the legal origin of the wood they purchase abroad.
6. FC should finish the forest management plans. The companies should apply for their land lease to be converted to Timber Utilization Contracts.
7. Some other issues that were raised concern specific training needs and information that are assumed to be covered in the WTS and it's implementation:
 - i. Training on use of hand-held devices
 - ii. Costing for implementing a wood tracking system – technical equipment and training costs
 - iii. Documented control systems – how to develop
 - iv. Field exchanges – such as the one with LLL
 - v. Company-to-company training opportunities, particularly to help bring smaller companies up to speed and share lessons learned from larger companies

From the evaluation the following conclusion can be drawn: The need for in-depth training on WTS is present. Companies want to know all the details on how to use hand held devices, computer systems etc. The way this training was set up, was satisfactory to most of the participants.

ANNEX 1: PARTICIPANTS

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