



“Empowering Small-Medium Forest Enterprises (SMFEs) through training and supervision for their effective compliance and active participation in VPA/FLEGT implementation in Ghana” (PO322914)

Country: “Ghana”

REPORT ON PROJECT CLOSE-OUT AND LESSONS LEARNED WORKSHOP

Service provider: Kumasi Wood Cluster Association

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LIST OF ACRONYMS

| | |
|--------|--------------------------------------------------------------|
| CARs | Corrective Action Requirements |
| DOLMAG | Domestic Lumber Millers Association of Ghana |
| DOLTA | Domestic Lumber Trade Association |
| EU | European Union |
| FAO | Food and Agricultural Organization of the United Nation |
| FAWAG | Furniture and Wood Products Association of Ghana |
| FC | Forestry Commission |
| FLEGT | Forest Law Enforcement, Governance and Trade |
| FSD | Forestry Services Division |
| GhLAS | Ghana Legality Assurance System |
| GSTSA | Ghana Sawn Timber Sellers Association |
| GTA | Ghana Timber Association |
| GTMO | Ghana Timber Millers Organization |
| LIF | Log Information Form |
| LI | Legislative Instrument |
| LMCC | Log Measurement and Conveyance Certificate |
| MLNR | Ministry of Lands and Natural Resources |
| NDF | Nature and Development Foundation |
| PC | Project Coordinator |
| PL | Project Leader |
| REDD+ | Reducing Emissions from deforestation and Forest Degradation |
| RMSC | Resource Management Support Centre |
| SIDA | Swedish International Cooperation Agency |
| SMFEs | Small Medium Forest Enterprises |
| TBI | Tropenbos International |
| TIDD | Timber Industry Development Division |
| TIF | Tree Information Form |

| | |
|-----|-----------------------------------|
| TUC | Timber Utilization Contract |
| TVD | Timber Validation Department |
| VPA | Voluntary Partnership Agreement |
| WAG | Wood Workers Association of Ghana |
| WTS | Wood Tracking System |

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1.0 Introduction

The Kumasi Wood Cluster Association (KWC) has implemented a project titled “Empowering Small-Medium Forest Enterprises (SMFEs) through training and supervision for their effective compliance and active participation in VPA/FLEGT implementation in Ghana” with project number PO322914 funded under the FAO EU FLEGT programme. The objectives of the project were to: 1) build the operational and technical capacity of SMFEs to employ Ghana’s legality standards, verification manuals and checklist as supportive means to comply with the Ghana’s legality Assurance System (GhLAS). The project covered a period of 15 months from September 2016 till December 2017.

A project close-out workshop was held on the 29th November, 2017 at the Crystal Rose Ambassador Hotel, Ahodwo- Kumasi. The aim of the workshop was to present project objectives, results, lessons learned and reflect on steps forward.

This report covers activities carried out at the workshop. It also includes remarks by the Chairman of the occasion, list of participants present and general discussions that went on during the workshop.

2.0 Introduction of Chairman and His Remarks

An opening prayer was said by Mr. Christopher Dadzawa after which participants introduced themselves. Mr. Gustav Adu, the PC, in an opening statement expressed appreciation on behalf of project implementers to the Assistant FAO Representative to Ghana who was able to attend the meeting representing the FAO. FAO provided the funds and resources to implement the project. The Facilitator for the workshop, Dr. Kwame Asamoah Adam in his introduction of the Chairman, informed participants that Dr. Ben Donkor, the Executive Director of TIDD of FC who was also the PSC Chairman had been asked earlier to Chair the workshop. However, he had to attend to other official duties. Hence in his absence, Mr. Mustapha Seidu, the Director of NDF had agreed to take up the mantle. NDF is implementing another industry focused project with similar objectives as that of the KWC. In his opening remarks, Mr. Seidu entreated all present to actively participate and cooperate in the workshop. Mr. Seidu said “the essence of a workshop close out workshop implies some results have been achieved on objectives set and approved by donor. Some achievements, issues, observations, experiences and lessons learnt are being shared by the project”. He said there were opportunities to work together once there are challenges so that the objectives of the workshop could be achieved.

2.1 Welcome by Project Coordinator- Mr. Gustav Adu

The Project Coordinator (PC), welcomed participants to the workshop. He mentioned for the participants who would recall that a joint project launch was held in November 2016 implemented by

KWC, GTMO and NDF. He then informed that KWC was organizing a close-out for its activities of its project. He lauded the collaboration in some joint activities of the three projects as it afforded implementers opportunity to work in unison and to use same training materials avoided targeting same companies and enabled more SMFEs to benefit from the projects. He said the KWC project came about due to the need for SMFEs to be supported to be legally compliant when FLEGT licenses come to be issued by Ghana. He announced that the workshop will present reports on the project implementation, findings, lessons learnt, recommendations and way forward for participants to deliberate on and offer inputs to enrich the reports.

Participants at the workshop included representatives of 1) the ten (10) SMFEs who went through the end-to-end legality verification audit; 2) GTA, GTMO, DOLMAG, DOLTA, FAWAG, WAG and GSTSA (timber trade associations); 3) TVD and TIDD of the Forestry commission, media and the FAO. Invitations were sent to the Chief Director of the Ministry of Lands and Natural Resources (MLNR), RMSC and Tropenbos International Ghana (TBI-Ghana) but unfortunately they were not able to participate. Unfortunately too, the EU Delegation Representative was not able to attend due to other official duties.

The PC reported that the project emphasis was not theoretical or mere awareness creation but more of coaching and guidance on what SMFEs needed to do to operate legally. He thanked all stakeholders consulted during the project implementation for their immense and diverse contributions. He thanked especially the FAO for the funds that supported the project and the PSC for their excellent overview and monitoring of the project, critical technical support and guidance. He also entreated all project beneficiaries to continue utilizing the skills and knowledge gained and propagated the benefits and encourages their colleagues to take advantage of any future skills training and capacity building that might come from KWC or any other organization. He also entreated all participants to share experiences on what they had learnt from the project. Refer to annex C 1 for the full address.

3.0 Presentations

There were a total of three presentations. One presentation on the status of the GhLAS and two on project i) objectives, methodology, outputs/outcomes and ii) results and lessons. (Refer to annex 2 for details).

3.1 Status of Gh-LAS- Mr. Mawuli Doe-TVD

Mr. Mawuli Doe represented the Director of TVD –Mr Chris Beeko. His presentation was titled “status of the Ghana legality assurance system”. Refer annex C 2.

The Chairman introduced the topic by explaining that it was a very critical part of the VPA process and since industry operators were key stakeholders and at any point in time they needed to know the updates and prepare their systems to synchronize with national systems so once a while, industry needed to know the status of the VPA process in Ghana from the regulators themselves despite the fact that they had a representative on the VPA process.

Mr. Doe gave a brief introduction of the VPA process and Ghana's commitment under the process. On the current status, Mr. Doe said among others that the following had been achieved: 1) Nationwide rollout of GWTS had been completed; 2) The Legality Field Audits have been fully established; 3) Three audits have been conducted by the Independent Monitor (2015-2017) and between the 2015 and 2016 audits, CARs raised for industry dropped from 78% to 50% whereas that of FC dropped from 69% to 61%. He emphasized that areas of improvement were SRA documentation; forest/logging hygiene and stumpage fees payments. 4) Switch over to a fully electronic WTS will start by 1st January 2018 and industry was expected to go along with the FC national WTS implementation programme. Additionally, industry was expected to respond to the required time framework set by Timber Validation Department. Mr. Doe also said, the WTS roll out was carried out in three phases between 2015 and July 2017. The first phase had District FSD offices being visited with staff trained and the WTS uploaded on district computers. Phase two was to link FSD accounting system with the WTS while currently 3 dummy FLEGT licenses had been issued as the phase three roll out. The licenses covered various timber shipped to EU destinations. Issues raised about the trial shipments are being addressed. Participants were also informed that from 1st January 2018 all exports will be covered by both the current export permit as well as dummy FLEGT licenses till the latter is fully rolled out. He also informed participants about the new Legal instruments- LI 2254- which is the timber resource management and legality FLEGT licensing operations which revoked previous LI 1649, LI 1729 and LI 1225.

3.2 Project Objectives, methodology and expected outcomes –Mrs. Esi A. Banful (Project Officer)

This presentation was to let the participants understand objectives and outputs of the project for them to appreciate the results and lessons learnt as well as the recommendations. Refer annex C 3.

3.3 Project Findings and Lessons Learnt-Mr. Gustav Adu-Project Coordinator

The PC reported that all the results and lessons were drawn from: 1) Conducting Training of Trainers workshop with the aim of creating the necessary awareness in the companies on basic skills of an auditor (attributes, principles of auditing, audit procedures among others) contributing to providing information and capacity building needs of companies and associations in relation to GhLAS auditing and legality verification.

2) Assessing the data capturing systems of 54 SMFEs to have firsthand information on how SMFEs generally capture data along the supply and value chains

3) Training, coaching and monitoring 35 SMFEs on the application of the developed data capturing forms and operational procedures to enable them adapt their operations to prove legality compliant and

4) Trial end-to end assessment of the 10 SMFEs for their legality compliance for FLEGT Licensing. Mr. Adu said the project team used classroom type training, desk study, field visits and hands on training through close monitoring and coaching to achieve the results. Refer annex C4.

3.4 Recommendations:

The workshop added the following recommendations to those reported by the project:

1. Promote the use of the developed data capturing systems and company operational procedures among SMFEs through skills development e.g. on-the-job coaching and monitoring
2. SMFEs need coaching to close gaps raised on them from TVD and TIDD audits.
3. Project implementing agencies to scale –up future project(s) to include more SMFEs.
4. SMFEs need to improve record keeping for reference purposes.
5. Land owners/traditional authorities need education and awareness of the VPA/FLEGT process and their roles
6. Strengthen advocacy roles of timber trade associations
7. Train and coach SMFEs on the requirements of the logging manual and support them to develop: 1) 5-year management plans; 2) annual logging plans; 3) use of the compartment map etc.

4.0 Discussions

Table 1, below summarizes the questions and their responses, contributions and suggestions made by participants. After the presentations, the Facilitator summarized all the presentations in simple language (a mixture of English and Asante Twi).

Table 1: Questions and Responses from the project team

| Questions/suggestions/contribution | Responses |
|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Is TVD capturing old stocks of other wood products apart from logs? | TVD captures all products across the entire supply and processing chain hence the WTS will take all stocks into consideration. Additionally, a company can write to TVD for explanations and direction if it has some stocks which have been kept longer than 2 years |
| Will there be a cut off period beyond which old stocks will not be captured on the WTS? | During TVD’s interactions with companies, it was gathered that firms kept logs longer than 2 years so back stocks are being taken from 2011. |
| Should companies continue keeping their opening and closing stocks? | Yes they have to. |
| Is the new LI 2254 in favor of industry? | Yes it favors industry- <ul style="list-style-type: none"> - Large and small scale TUCs will be issued. Small scale TUC for a period of 2 years will replace current Special Permits that will benefit SMFEs. - It will be mandatory for every timber operator to belong to a recognized trade association - TRFs will be a one off payment rather than annual fees. An industry technical committee is being put together to discuss with FC further reduction in the rate. - |

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| Are Audit reports publicly available? | Yes. They will be on the FC website as part of the LI 2254 but with all the confidentiality in auditing applying. In case anyone wants detailed report, an application should be made to FC. |
| With the replacement of current manual to electronic system of data capturing by FC how safe will the new system be? | The new system will work both on-line and off-line (can even go offline for a month). The equipment being used are robust enough not to breakdown unnecessarily. There are also safeguards and measures to protect the system. Also there are to be back-up data centers in place. |
| Are the CARs shown in the presentations of TVD in percentages | Yes, they were in percentages |
| Why has the TVD not taken down stream processors (furniture and furniture components, moldings, etc.) through FLEGT audit to prepare them for the domestic market? | Such Operators may form learning groups and request to TVD to be trained. |
| What provisions are there to train land owners/traditional authority on VPA requirements as their cooperation and collaboration will contribute immensely for its a successful implementation? | A special training program will have to be planned for them. It was recommended for CBOs and CSOs to take this up with FC and TVD |
| On the WTS, there are many modules and piloting has been done for exporters but not yet done for domestic market operators. So Domestic lumber operators need to have their capacity built on traceability issues from sourcing through to sale of finished products | Domestic operators may develop a concept for such training; volunteers are needed to pilot the process with domestic operators |
| More Education is needed on the new LI 2254 | |

Table 2: Challenges Faced by Project Beneficiaries and How They Are Addressing them to be legally compliant

| Challenge / Comments | Means of resolution |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instances where FSD allocate timber in riparian zones for harvest and site dumping areas on maps where physically turn out to be water logged areas. | Loggers advised to inform FSD in writing to address these challenges |
| No defined organizational structure and availability of trainable workers in SMFEs so data gathering in some instances is an uphill task. | Associations to organize group training and sharing of expertise for their members |
| If logs are of good quality their yield in lumber produced for the domestic market can be as much as 80%, however TIDD recommends that they apply 60% conversion factor which distorts their material balance | It is recommended for TIDD to review its convention factor rates to be realistic. Millers also encouraged to document actual Input-Output volumes realized during milling. |
| SMFEs have the challenge to synchronize material allocation for processing (e.g bolts to be milled) | This calls for expertise in production planning suitable for SMFEs. This must be flagged as an |

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| with production data capturing when factory operators run different shifts from data clerks; material traceability becomes complicated, if not difficult. | industry impact area that calls for support to address. |
| Hollow logs being felled without operator knowing. But stumpage paid on it | Associations to discuss issue with FSD/FC |
| Some companies are hesitant or even resistant in allowing workers to apply new knowledge gained at training workshops. It took project team longer (more than three visits excluding telephone calls) to convince company management to adopt the introduced systems. | Associations to collaborate with and assist projects to train their members. |
| Small mills need more training on the VPA | |

5.0 Quotes from Participants

“Initially it was difficult adapting to the data capturing systems-we just took data on the LMCC, but with the introduction of the project, we now know we need to keep data right from the forest (e.g. TIF, LIF, LMCC, log register, crosscutting, bolt input, [production records and consignment in-put-output capturing].” Clement Adjei Log Yard Supervisor, Logs Court Ltd.

“The advice of the project on Health and Safety has really supported my company since it was not considered in the company’s scheme of affairs” (Emmanuel Gyan- Ayipah Wood Co. Ltd).

“VPA has come to stay so we all have to work towards achieving legality. Very soon if the Procurement policy comes into force, only legal wood can be traded in Ghana” (Dr.Kwame Asamoah Adam).

6.0 Way Forward

Mrs. Esi Banful, the Project Officer presented the way forward. She mentioned that the final project report and its accompanying documents will be ready and submitted to the FAO EU FLEGT Programme Office. In addition there will be a synthesis of reports, data capturing templates and manuals to upload on KWC website for public access. For the FC to own the project the results will be submitted to TVD. She also mentioned that a proposal will be developed to seek funding for up-scaling project to include a larger number of SMFEs. Refer annex C5

6.1 Statement from FAO

Mr. Benjamin Adjei, Assistant FAO Representative in Ghana commended the Chairman and the Facilitator for the effective and efficient way the workshop was conducted. He said “FC’s presence at this closing workshop gives the feeling of belongingness in this project”. Mr. Adjei also congratulated project implementers and their collaborators for the work done. He reiterated the fact that DOLMAG needed to be given special support to be abreast with the FLEGT requirements. “As head of programs, I

can see the connectivity among regulators, operators and traditional authorities”, Mr. Adjei was quick to add. He commented that with FLEGT, a time will come when industry will be self-regulating and resource owning and that he could now see the linkage between FLEGT and REDD+.

He encouraged KWC and its partners to develop more dynamic proposals with industry players using it and owning it. He said the responses from participants during the discussion session indicated the project had been very effective. Mr. Ben Adjei, informed participants that FAO would like to form linkages with other entities. In concluding, he thanked EU, SIDA and UKAid for funding the project and promised that the results will be shared with all the donors to indicate their funds were being put to good use.

7.0 Closing Remarks

The Project Team distributed some of the demonstration PPEs (reflectors) purchased by the project and branded with the FLEGT Programme logo to serve as project visibility items to participants for use in their respective companies.

The Chairman in his closing remarks applauded participants for bringing about a good workshop. He commented that the project had been fruitful with lots of lessons learnt and that he personally learnt a lot from the different presentations. He reiterated the fact that NDF was implementing a similar project with a life of 24 months so he was very conversant with some of the issues raised by the project team. He also encouraged companies to volunteer for the piloting for the domestic market.

He noted that the way forward was clear and that the final report would go to the donors and recommendations will go to the FC and the trade associations.

8.0 Conclusions

The workshop was well attended by thirty-three (33) stakeholders even though thirty (30) were invited. The objectives of the workshop were achieved as indicated in the analysis of the evaluation at the end of the workshop (refer Annex C7) and the contributions of the project to the VPA process were also recognized.

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