

# **FLEGT LICENSING PROCESS IN GHANA**

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November 2015

- 1. Set up to (a) provide information and data for (b) report generation on FLEGT license performance
- 2. Factors by which market impacts will be measured.

**Content**

- **Standard:** FC permit a requirement to market timber products
- **TIDD-** Export permit/FLEGT license (**EU**) after assessing legality compliance from WTS through TVD audit.
- TIDD transmits data to CEPS for release of cargo for loading onto a vessel
- Domestic market products issued with Product Permits (Lumber Inspection Cert./Plywood Inspection Cert.)
- Overland Certificate issued cover exports to neighbouring countries

## **Info & data generation: The Licensing Process**

- **Obligations of Buyer**

- Request inspection/grading of wood products (per contract).

- **Obligation of Exporter**

- Request Permit to export product

- **Obligations of TIDD**

- Issues export permit (FLEGT License) based on legality compliance by TVD Audit and approval of Trade documentation

**Export permit**

- Design of 3 modules of the WTS (electronic & paper based) completed, tested and training carried out – i. TVD/Administrative module, ii. Forest module, iii. Transport module
- Processing (Mill) module designed and piloted (data input and report generated)
- Trade Module designed and (contract data uploaded)

**Roadmap to VPA/FLEGT Licensing**

- Verification protocols, which provide guidance on processes and procedures for verifying legal compliance field tested.
- 10 Selected companies: Large, Medium, Small trained on the WTS
- 75% (25) Forest Districts given GLAS training
- TVD and CSO Training auditors
- *END-TO-END TESTING OF WTS BY END 2015*

**Capacity Built for WTS & Licensing**

- **Start 1<sup>st</sup> – 2<sup>nd</sup> Quarter 2016, subject to:**
  - Stepping up training of actors in 2016
  - Technical Operation of the Systems (Forestry Commission Operational Staff, Timber Companies, Customs Officials)
  - Advocacy & Non-Statutory Monitoring functions by Actors external to the System (Civil Society, Media etc.)
  
- **Resolving outstanding legal/regulatory gaps**
  - Technical evaluation corrective actions
  - Civil society transparency concerns (access to info & on time)
  - Stumpage fees
  - Conversion of leases to TUC
  - Completion of forest management plans

**FLEGT LICENSE TARGET**

1. SOFTWARE- Web-enabled Relational Database Management System
2. HARDWARE- Servers (4Key hubs)
3. NETWORK AND COMMUNICATION - Dedicated Internet Links
4. TRAINING - Data Management, Advance Statistics, Web Development

**REQUIREMENT IN TIDD  
FOR THE ISSUANCE OF FLEGT  
LICENSE**



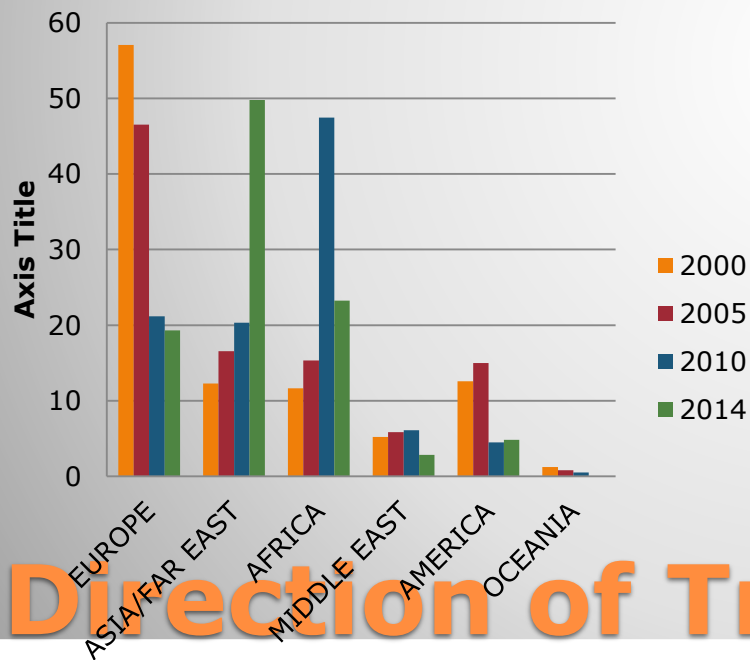
- Categorization: Primary; Secondary; Tertiary
- Structure: Driven by contract opportunity (not company specialization)
- 5 exporting companies direct business: 3 companies investing in technology – new ones not investment focused
- Business dictated buyers

**Factors to impact markets:  
Industry Structure & Composition**

# DIRECTION OF TRADE

# DIRECTION OF TRADE BY PERCENT

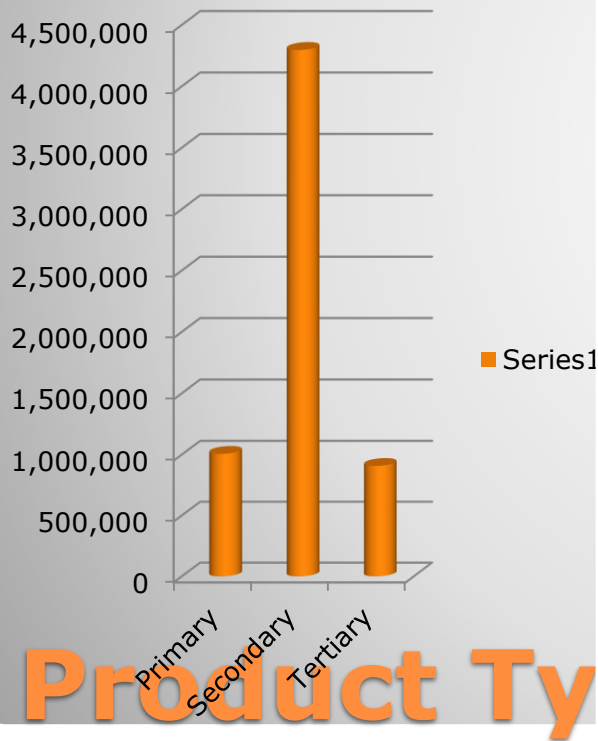
## DIRECTION OF TRADE BY PERCENT



|          | 2000  | 2005  | 2010  | 2014  |
|----------|-------|-------|-------|-------|
| EUROPE   | 57.09 | 46.52 | 21.15 | 19.29 |
| ASIA     | 12.27 | 16.55 | 20.31 | 49.80 |
| AFRICA   | 11.65 | 15.31 | 47.47 | 23.23 |
| MID EAST | 5.21  | 5.85  | 6.09  | 2.85  |
| AMERICA  | 12.57 | 14.98 | 4.49  | 4.83  |
| OCEANIA  | 1.21  | 0.80  | 0.49  | 0.02  |

# Category of Product

## Wood Product Type



| List      | Product  | Percent |
|-----------|--|---------|
| Primary   | Poles, Billets   | 16      |
| Secondary | Lumber, Veneers, Plywood, Blockboard   | 69      |
| Tertiary  | Mouldings, Dowels, Floorings, Profile boards, Furniture parts, Layons, Flush doors | 15      |

|    | 2000       |         | 2005      |        | 2010               |         | 2014                    |        |
|----|------------|---------|-----------|--------|--------------------|---------|-------------------------|--------|
| 1  | WAWA       | 147,366 | WAWA      | 99,963 | CEIBA              | 119,109 | TEAK                    | 89,351 |
| 2  | CEIBA      | 90,169  | CEIBA     | 86,525 | WAWA               | 54,230  | CEIBA                   | 53,046 |
| 3  | TEAK       | 50,854  | TEAK      | 70,943 | TEAK               | 49,882  | GMELINA                 | 46,232 |
| 4  | OFRAM      | 33,935  | OFRAM     | 29,324 | OFRAM              | 21,765  | WAWA                    | 37,505 |
| 5  | ODUM       | 25,206  | MAHOGANY  | 27,649 | MAHOGANY           | 20,502  | ROSE<br>WOOD/KPAT<br>RO | 20,824 |
| 6  | CHENCHEN   | 25,101  | ASANFINA  | 17,686 | MIXED<br>WHITEWOOD | 20,317  | MAHOGANY                | 16,036 |
| 7  | ASANFINA   | 20,837  | CHENCHEN  | 16,799 | CHENCHEN           | 18,732  | OFRAM                   | 11,784 |
| 8  | MAHOGANY   | 16,056  | NIANGON   | 16,713 | ASANFINA           | 12,603  | PAPAO/APA               | 9,135  |
| 9  | KOTO/KYERE | 11,891  | ODUM      | 14,285 | MIXED<br>REDWOOD   | 9,548   | SENYA                   | 6,898  |
| 10 | OTIE       | 11,122  | PAPAO/APA | 11,497 | SAPELE             | 8,900   | DENYA/AFRI<br>CA TEAK   | 6,240  |

# TEN LEADING SPECIES ANNUALLY 2000 - 2014

**THE END**