



For further information about the requirements see the CoC manual that accompanies the wood tracking system and which can be downloaded from [www.kwcgh.org](http://www.kwcgh.org).

For more information on KWC Certification Program

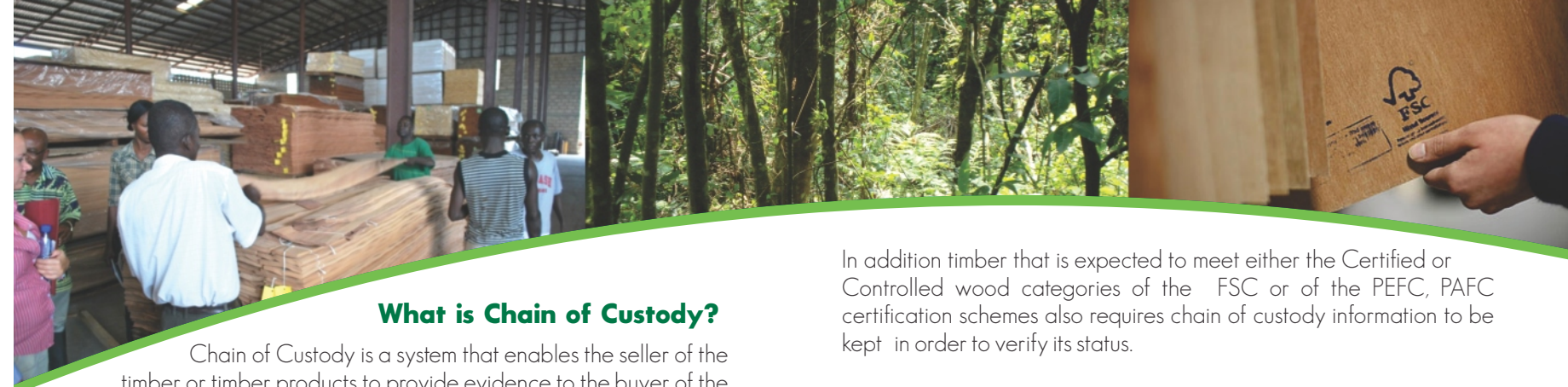


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## Chain of Custody Verification for Legality and Certification:

An Introduction for the Ghana Timber Industry.

ITTO PROJECT  
 TFL-SPD 007/09 REV.1 (M)  
 "STRENGTHENING THE CAPACITY OF SMALL - MEDIUM FOREST ENTERPRISES IN GHANA TO PRODUCE AND TRADE IN TIMBER PRODUCTS FROM LEGAL AND SUSTAINABLE SOURCES"

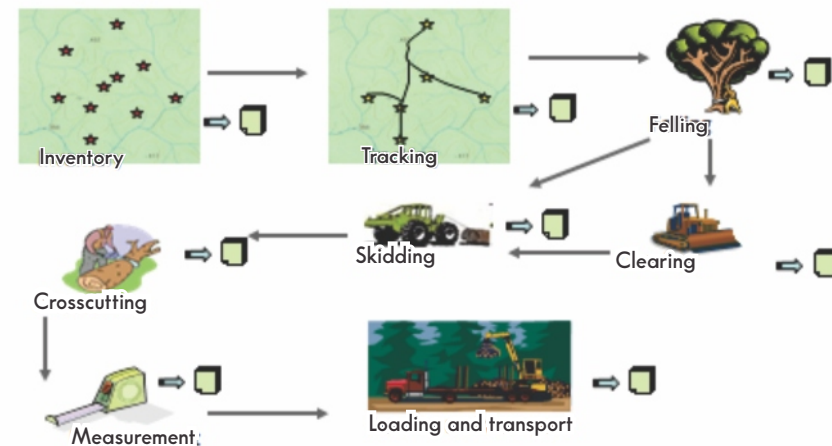


### What is Chain of Custody?

Chain of Custody is a system that enables the seller of the timber or timber products to provide evidence to the buyer of the goods about the status of the material being sold. This may for example be evidence that the material being sold is from legal sources or from certified sources.



### Stages in the forest



### Why do we need Chain of Custody?

Importers of timber products into Europe and the United States are required to provide evidence that the timber they import is from legal sources in the country where the trees were harvested. This is the case even if the timber has passed through other countries on its way to European and American market. For example where Iroko/Odum boards from Ghana are exported to China and manufactured into garden furniture for the European Market. The buyer in Europe must provide evidence that the timber in the furniture was legally harvested in Ghana.

In addition timber that is expected to meet either the Certified or Controlled wood categories of the FSC or of the PEFC, PAFC certification schemes also requires chain of custody information to be kept in order to verify its status.

### Who needs Chain of Custody?

Both the buyers and sellers of timber products that are certified or that will be imported into the United States or the European Union will require Chain of Custody Verification.

### What types of Chain of Custody Systems exist?

There are two basic types of chain of custody verification system. These are based either on tracking and tracing of the individual pieces of timber from the forest to the final product or on systems for accounting for the volumes and flows of timber. In both cases the chain of custody verification is based on the documented (physically or electronically) information about the location and possession of the material at all times. A complete Chain of Custody Verification system will usually be based on both tracking and volume control.

### How do the requirements for different systems vary?

There are at present two important demands for legality verification. These are the 2008 Lacey Act Amendment for the United States of America which is fully implemented and the European Union Illegal Timber Regulation, from 3rd March 2013. For Forest Certification under the two biggest systems FSC and PEFC there are requirements for both Certified and Controlled wood.

Lacey Act Amendment.

- A person knowingly importing illegal timber into the United States has committed a crime and will face penalties of up to \$500,000 and jail terms of up to five years. The timber will be confiscated.
- A person importing illegal timber into the US as a result of failing to take adequate care will have committed a misdemeanor and be subject to a fine of up to \$200,000.



The timber will be confiscated.

- Illegal timber is defined as timber that has been harvested in violation of any of the laws in the country in which it is felled. The importer must therefore know the source of the original raw material.
- It is the responsibility of the importer to take adequate care and to present evidence of the legality of the timber.
- The legislation is fact based and documentary evidence on its own does not protect the importer. Documents issued in support of legality in third countries where there is a history of corruption will not on their own confirm the legal status of the timber.
- Valid Third party certification under FSC or PEFC will be considered as good evidence of legality for both certified and controlled wood.

#### European Union Illegal Timber Regulation (ITR)

- The regulation is part of the FLEGT (Forest Law Enforcement Governance and Trade) process in the European Union.
- A person importing illegal timber into the European Union will be guilty of committing an offence and will face criminal prosecution. The illegal timber will be confiscated.
- The FLEGT process in Ghana has led to Ghana being the first country to sign a (VPA) Voluntary Partnership Agreement.
- Under the VPA Ghana will assure the European Union that only wood legally harvested in Ghana will be issued with a FLEGT licence.
- Inside Ghana the wood tracking system (WTS) of the Forestry Commission as audited by the Timber Validation Division is the principal tool for Chain of Custody verification.
- Only timber that has been tracked according to the rules of the WTS will be issued with a FLEGT licence.
- Only timber with either a FLEGT or a CITES licence will automatically be considered as legal for the purposes of the ITR.
- Timber coming from forests that are managed according to the relevant standards can be sold as certified.
- A minimum performance level is that the timber



Certified Timber for (FSC or PEFC)

is from Legal Source.

- The timber must be bought and sold, transported, stored and documented according to the requirements of the Chain of Custody standard of the relevant organisation.
- Certified timber may never be mixed with timber that is uncontrolled. This includes illegal timber. This means that no timber which cannot be demonstrated to be of legal origin may be present in any processing facility where certified timber is processed.

#### Controlled Wood

- Controlled wood may be mixed with certified timber (FSC, PEFC) where a volume accounting based system is used for Chain of Custody verification.
- Controlled wood must meet certain requirements. For all systems this includes evidence of legality. Other requirements include that timber cannot contain genetically modified organisms (GMOs), timber from areas in violation of civil rights, uncertified timber from high conservation value areas and timber taken from an area whose use is changing from forest to non-forest use.
- Some wood considered legal by Ghana cannot be considered as controlled wood for certification purposes. This includes salvage wood and wood that has been confiscated after being illegally harvested and then been legalised after a government auction.

#### Chain of Custody Verification in Ghana.

When the FLEGT licence system and the Wood Tracking System(WTS) are operational, only timber that has the necessary Ghanaian FLEGT licence can be sold into the European Union. Where the wood product is manufactured in a third country it is necessary for the manufacturer in the third country to present the original FLEGT licence information at the point of import into the EU. For markets outside the EU, FLEGT licence may not be required. FLEGT licences in Ghana will only be issued for wood that has been tracked by the WTS.

For other markets, including the USA for the requirements of the Lacey



Act, and all markets for certified and controlled wood, the CoC systems of the major certification systems will provide evidence of certification status and probably sufficient evidence of legality.

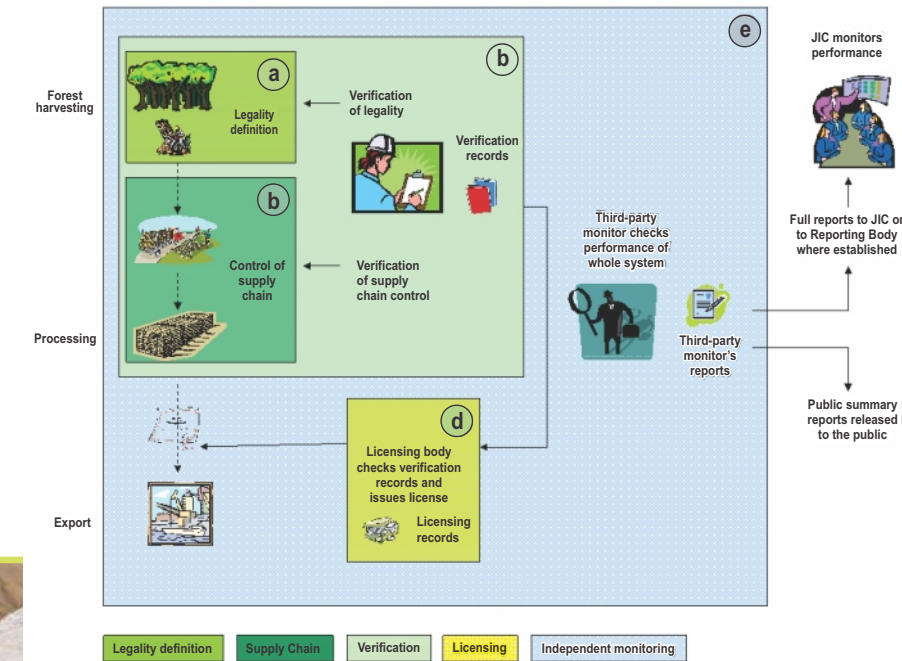
#### The Ghana Wood Tracking System.

The Ghana WTS is designed to track timber from the stump in the forest to the point of export. The system also has checks in it to ensure that the timber comes from a harvest that has been properly granted and that conforms to all of the legal requirements for timber. This includes checks that all necessary taxes and social contributions have been paid by the harvester.



The systems will track timber from the stump to the point of export using a mixture of electronic information and documents. Much of the electronic information will be captured using special hand held computers. Log and timber identification will be by means of bar-coded labels which will be controlled by the Forestry Commission. The system will

be able to take account of the flows outlined in the following diagram.



The information captured by the system will form the basis on which the Forestry Commission (TIDD) will issue the FLEGT licences for individual consignments. The information about the individual consignments (species, type of product, number of items, stock numbers of trees used to produce the consignment) will be transmitted to the European point of entry prior to the arrival of the shipment. Timber products from Ghana will not be permitted entry into the EU unless this information precedes the consignment.

