



2025/1888

6.10.2025

Decision No 3 of the Joint Monitoring and Review Mechanism set up by the Voluntary Partnership Agreement between the European Community and the Republic of Ghana on Forest Law Enforcement, Governance and Trade in timber products into the Community as regards amendments to its Annexes I, II, IV and V [2025/1888]

THE JOINT MONITORING AND REVIEW MECHANISM,

Having regard to the Voluntary Partnership Agreement between the European Community and the Republic of Ghana on Forest Law Enforcement, Governance and Trade in timber products into the Community, which following ratification by the Parties entered into force on 1 December 2009 following its ratification by the Parties,

Whereas:

- (1) Pursuant to point 3 of Article 26 the Voluntary Partnership Agreement between the European Community and the Republic of Ghana on Forest Law Enforcement, Governance and Trade in timber products into the Community ('the Agreement') the Joint Monitoring and Review Mechanism may adopt amendments to the Annexes to the Agreement.
- (2) The Parties have agreed to update Annexes I, II, IV and V to the Agreement in order to take into account the relevant legal and technical advancements that have occurred since the Agreement's conclusion.
- (3) The proposed amendments strengthen the Ghanaian Legality Assurance System reflect in the legality definition positive changes effected in the Ghanaian legislation, better address the issues of imported timber and complex shipments and increase transparency.

HAS DECIDED AS FOLLOWS:

Article 1

Annexes I, II, IV and V to the Agreement are replaced by the Annexes to this decision.

Article 2

This decision shall be drawn up in duplicate in the Bulgarian, Spanish, Czech, Danish, German, Estonian, Greek, English, French, Irish, Croatian, Italian, Latvian, Lithuanian, Hungarian, Maltese, Dutch, Polish, Portuguese, Romanian, Slovak, Slovenian, Finnish and Swedish languages, each of these texts being authentic. In case of divergence of interpretation, the English text shall prevail.

Article 3

This decision shall enter into force on 1 November 2023.

Done at Brussels, Belgium on 26 September 2023.

For the Republic of Ghana

Hon. Samuel A. JINAPOR
Minister of Lands and Natural Resources

For the European Union

H.E. Irchad RAZAALY
Ambassador of the European Union to Ghana

ANNEX I

PRODUCT COVERAGE

The list in this Annex refers to the Harmonised Commodity Description established by the International Convention on the Harmonised Commodity Description and Coding System of the World Customs Union.

THE HARMONISED COMMODITY CODES FOR TIMBER AND WOOD PRODUCTS COVERED UNDER THE VPA

Heading	HS Code	Description
Chapter 44:		
4403		Wood in rough, whether or not stripped of bark or sapwood or roughly squared.
		-Treated with paint, stains, creosote or other preservatives :
	4403.11	-- Coniferous
	4403.12	-- Non-coniferous
		- Other, of tropical wood :
	4403.49	-- Other
4406		Railway or tramway sleepers (cross-ties) of wood.
		- Not impregnated :
	4406.11	-- Coniferous
	4406.12	-- Non-coniferous
		- Other :
	4406.91	-- Coniferous
	4406.92	-- Non-coniferous
4407		Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.
		- Coniferous :
	4407.11	-- Of pine (Pinus spp.)
	4407.19	-- Other
		- Of tropical wood :
	4407.21	-- Mahogany (Swietenia spp.)
	4407.27	-- Sapelli
	4407.28	-- Iroko
	4407.29	-- Other
	ex 4407.99	Other (not from bamboo or rattan)
4408		Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm.

Heading	HS Code	Description
	4408.10	- Coniferous
		- Of tropical wood :
	4408.39	-- Other
	ex 4408.90	- Other (not from bamboo or rattan)
4409		Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed.
	4409.10	- Coniferous
		- Non-coniferous :
	4409.22	-- Of tropical wood
	ex4409.29	-- Other (not from rattan)
4412		Plywood, veneered panels and similar laminated wood.
		- Other plywood, consisting solely of sheets of wood (other than bamboo), each ply not exceeding 6 mm thickness :
	4412.31	-- With at least one outer ply of tropical wood
	4412.33	-- Other, with at least one outer ply of non-coniferous wood of the species alder (Alnus spp.) ash (Fraxinus spp.) beech (Fagus spp.), birch (Betula spp.), cherry (Prunus spp.), chestnut (Castanea spp.), elm (Ulmus spp.), eucalyptus (Eucalyptus spp.), hickory (Carya spp.), horse chestnut (Aesculus spp.), lime (Tilia spp.), maple (Acer spp.), oak (Quercus spp.), plane tree (Platanus spp.), poplar and aspen (Populus spp.), robinia (Robinia spp.), tulipwood (Liriodendron spp.) or walnut (Juglans spp.)
	4412.34	-- Other, with at least one outer ply of non-coniferous wood not specified under subheading 4412.33
	4412.39	-- Other, with both outer piles of coniferous wood
		- Other :
	ex 4412.94	-- Block board, lamin board and batten board (not from rattan)
	ex 4412.99	-- Other (not or rattan)
4418		Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes.
	ex 4418.10	- Windows, French-windows and their frames(not from bamboo or rattan)
	ex 4418.20	- Doors and their frames and thresholds(not from bamboo or rattan)
	ex 4418.40	- Shuttering for concrete constructional work(not from bamboo or rattan)
	ex 4418.50	- Shingles and shakes(not from bamboo or rattan)
	ex 4418.60	- Posts and beams(not from bamboo or rattan)

Heading	HS Code	Description
		- Assembled flooring panels :
	4418.74	-- Other, for mosaic floors
	4418.75	-- Other, multilayer
	ex 4418.79	-- Other(not from bamboo or rattan)
		- Other :
	ex 4418.99	-- Other (not from rattan)
Chapter 94 :		
9403		Other furniture and parts thereof
	9403.30	- Wooden furniture of a kind used in offices
	9403.40	- Wooden furniture of a kind used in kitchen
	9403.50	- Wooden furniture of a kind used in bedroom
	9403.60	- Other wooden furniture
	ex 9403.90	- Parts (not of bamboo or rattan)

ANNEX II

LEGALITY DEFINITION FOR ISSUANCE OF FLEGT EXPORT LICENCE AND LEGAL REFORM PROCESS

1. PREAMBLE

As a requirement of the Voluntary Partnership Agreement, Ghana has, through stakeholder consultation, developed a legal standard to underpin the implementation of this agreement. The legal standard is linked to the Legality Assurance System through the legality matrix. This document presents the legal definition, the legality matrix, a summary of relevant laws and regulations governing the forest sector, as well as describing the processes through which Ghana will reform and consolidate laws in the forestry sector.

2. ANNOTATED LEGAL DEFINITION

To be licensed for sale within Ghana or for export from Ghana, all timber or timber products must satisfy the following conditions:

- I. Each category of source and ownership listed below must be in compliance with the following:
 - (a) Where the source and ownership is a felling permit for a natural forest, all timber or timber products must:
 - (i) have originated from prescribed sources ⁽¹⁾; and
 - (ii) have had consent from the individual, group and owners ⁽²⁾ concerned by the logging of the resource; and
 - (iii) have been logged by a logger who, at the time of felling, held:
 - a valid large scale timber utilisation contract (TUC), issued by the Minister responsible for Forestry and ratified by Parliament following the prescribed competitive process ⁽³⁾; or
 - a valid small-scale TUC, issued by the Minister responsible for Forestry following the prescribed competitive process and exempted from ratification by Parliament ⁽⁴⁾; or
 - another valid TUC, including but not limited to:
 - TUCs that have been converted from extant leases ⁽⁵⁾, or
 - TUCs converted from Permits ⁽⁶⁾; or
 - TUCs awarded as replacement areas ⁽⁷⁾; and
 - TUCs awarded through divestiture ⁽⁸⁾; or
 - a valid Salvage Permit issued by the Forestry Commission ⁽⁹⁾.
 - Imported timber verified by the Forestry Commission as legal under the GhLAS ⁽¹⁰⁾.

⁽¹⁾ Act 547 Section 4, and Timber Resources Management and Legality Licensing Regulation 2017 (LI 2254) and Regulations thereto.

⁽²⁾ LI 2254 Regulations 5 - 9.

⁽³⁾ Act 547 Sections 1, 7, 8, 9 and LI 2254 and Regulations thereto.

⁽⁴⁾ Article 268(2) of 1992 Constitution, Act 547 Section 1, 7, 8, 9 and LI 2254.

⁽⁵⁾ Act 547 Section 19(1) & (2).

⁽⁶⁾ Regulation 77(1) of LI 2254.

⁽⁷⁾ Act 547 Section 15(1) c, d, e.

⁽⁸⁾ Act 547 Section 19(1) & (2).

⁽⁹⁾ Regulation 29 of LI 2254.

⁽¹⁰⁾ Controlling Legality of Imports Protocol (GhLAS)

- (b) Where the source and ownership is a felling permit for a plantation on reserve and:
 - (i) the source is a public plantation or a government/ community plantation, the logger, at the time of felling, must have held a valid TUC ⁽¹¹⁾; or
 - (ii) the source is a private plantation, the logger, at the time of felling, must have obtained all the required documentation ⁽¹²⁾.
 - (c) Where the source and ownership is a felling permit for a plantation off reserve and:
 - (i) the source is a government/ community plantation, the logger must have obtained all the required documentation; or
 - (ii) where it is a private plantation, timber rights allocations do not apply ⁽¹³⁾.
 - (d) Where the source and ownership is a certificate of purchase and:
 - (i) was issued pursuant to a court order or other administrative process for confiscation ⁽¹⁴⁾; or
 - (ii) in the case of abandoned timber or timber products, be subsequently sold by the Forestry Commission in accordance with statutory procedures ⁽¹⁵⁾.
- II. To be licensed for sale within Ghana or for export from Ghana all timber or timber products shall be:
- (a) transported in accordance with standards prescribed by statute ⁽¹⁶⁾;
 - (b) processed (if applicable) in accordance with standards prescribed by statute ⁽¹⁷⁾;
 - (c) sold by vendors/exporters that have valid licence or permits to market timber ⁽¹⁸⁾;
 - (d) at the time of sale or export, free of any accrued fees, rents or taxes prescribed by statute owing to the State ⁽¹⁹⁾;
 - (e) be supplied by a logger who complies:
 - (i) with the forest operation procedures and standards prescribed by statute ⁽²⁰⁾;
 - (ii) with the obligations under the Social Responsibility Agreements ⁽²¹⁾ at the time of sale or export;
 - (iii) with the requirements for each category of source and ownership listed in point I

3. LEGALITY MATRIX

In determining whether timber and timber products sourced from Ghana meet the standard set out in the definition of "Legal Timber" as stated above, the principles and criteria set out in Table 1 apply.

Table 1

Principles and Criteria for Legal Standard

PRINCIPLE 1	Source of Timber: Timber originated from prescribed sources and concerned individual, group and owners gave their written consent to the land being subjected to the grant of timber rights.
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⁽¹¹⁾ Act 547. Administrative Procedures on Plantations, and FSD Operational Policies and Guidelines on plantations.

⁽¹²⁾ Regulation 62 of LI 2254.

⁽¹³⁾ Act 547 as amended by Act 617. Administrative Procedures on Plantations, and FSD Operational Policies and Guidelines on plantations.

⁽¹⁴⁾ Section 17(3), Act 547 read with Regulation 28(4) of LI 2254 as well as FSD Operational Procedures.

⁽¹⁵⁾ Section 17(3), Act 547 read with Regulation 28(2) of LI 2254 as well as FSD Operational Procedures.

⁽¹⁶⁾ Regulation 62 of LI 2254.

⁽¹⁷⁾ Factory Offices and Shops Act (Act 328) and Labour Act (Act 651).

⁽¹⁸⁾ Act 571 Section 2(i) and (ii).

⁽¹⁹⁾ Act 547 Section 8(e) and (f), and LI 2254 S 60, 65.

⁽²⁰⁾ Act 547, LI 2254 and applicable MoPs.

⁽²¹⁾ Regulation 22 (2) (v) and 26 of LI 2254.

CRITERION 1.1	For Timber Utilisation Contracts (TUCs) in on-reserves, forest management plan preparation covers strategic plan; Delineation of TUCs; A stock survey/enumeration is done before harvesting (on-reserve, off-reserve and plantation); For imported timber and timber products, applicable control measures in the Imported Timber Protocol are complied with; in particular, one of the following verifiers is required to demonstrate legality: i) FLEGT licence or equivalent export licence covering the entire shipment; or ii) CITES permit; or iii) Certificate from a country-specific legality verification or forest management certification scheme recognised by the Ghana Timber Legality Assurance System; or iv) Valid declaration demonstrating due diligence on the legality of the imported timber in the country of harvest. Written consent of the concerned individual, group or owners.
Guidance notes on relevant Legislation/Regulations	Regulations of the Timber Resources Management and Legality Licensing Regulation 2017 (LI 2254); Procedure for grant of timber rights; Sub-part 1-identification of lands suitable for the grant of timber rights; MOP Section A- Strategic planning (forest reserves); MOP Section B- operational planning (forest reserves); Instruction sheet B2 operational planning methodology (on-reserve delineation); MoP Section C – Timber Production in Forest Reserve; MOP Section F- Controlled timber production off-reserve 2.1 (ii); Identification of TUC areas and 3.7 (C) (off-reserve delineation); F3.2 Consultation process (written consent); Manual of Procedures (MoP) ⁽²²⁾ – Sustainable timber production on-reserve (section C); Stock survey/enumeration and yield allocation (section D) and Controlled timber production off-reserve (section F); MoP Plantations Section C- Field operations; Legality of Imports Protocols and Standard Operating Procedures (SOPs).
PRINCIPLE 1	Source of Timber: Timber originated from prescribed sources and concerned, individual, group and owners gave their written consent to the land being subjected to the grant of timber rights.
CRITERION 1.2	Land owner, individual or group written consent.
Guidance notes for relevant Legislation/Regulations	Act 547: Timber Resources Management Act section 4, subsection 2 (d); Regulations 5 of (LI 2254; Procedure for grant of Timber Rights, subpart 1: field inspection 2 (d); Subpart II Procedure in relation to lands other than public land and existing forest reserves; MoP Section F (Controlled Timber Production Off-Reserve) - F3.2 – consultation process; MoP Section F, F5.0: Finalisation (endorsements).

⁽²²⁾ Legal status of MoPs: MoPs are output of requirements in Section 18 of the Timber Resource Management Act 547 and Regulations of LI 2254.

PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.1	Natural Forest: Large Scale Timber Utilisation Contract ⁽²³⁾ ; Qualification of loggers for grant of TUC by the Timber Rights Evaluation Committee (TREC). Qualifications of loggers for extant lease and permit conversion, replacements rights, and divestiture will follow the same process as that of large TUCs.
Guidance notes for relevant Legislation/other references	Regulations 12-17 of LI 2254; Administrative directives for replacement TUCs: Section 16 of Act 547; Conversion of extant leases, Section 19 of Act 547 and Regulation 77 (1) of LI 2254; Terms and conditions applied to the divestiture: Section 16 Act 547.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.2	<u>Natural Forest: Small-scale Timber Utilisation Contract.</u> ⁽²⁴⁾ Qualification of loggers for grant of TUC by TREC. Qualifications of loggers for extant lease and permit conversion, replacements rights, and divestiture will follow the same process as that of small scale TUCs.
Guidance notes for relevant Legislation/other references	Regulations 18-21 of L.I 2254. Administrative directives for replacement TUCs: Section 16 of Act 547; Conversion of extant leases, Section 19 of Act 547 and Regulation 77(1) of L.I 2254; Terms and conditions applied to the Divestiture: Section 16 Act 547.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.3	<u>Salvage permit</u> ⁽²⁵⁾ Issuance of salvage permit.
Guidance notes for relevant Legislation/other references	Regulation on procedure for salvage timber (Act 547 section 18(g); salvage of timber products. Regulation 29 of L.I 2254.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.4	<u>Confiscated Timber</u> ⁽²⁶⁾ Authorisation for duly auctioned confiscated timber issued.
Guidance for relevant Legislation/Regulations	Offences- Act 547 Section 17 (3); Regulations 28-30 of the L.I 2254 dealing with Salvage and disposal of abandoned timber product; Regulation 75 of the L.I 2254.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.

⁽²³⁾ Act 547 and Regulations of LI 2254.

⁽²⁴⁾ Act 547 and Regulations of L.I 2254.

⁽²⁵⁾ The Forestry Commission issues a permit subjected to such terms and conditions as shall be specified therein for the salvage of trees from an area of land undergoing development such as road construction, expansion of human settlement or cultivation of farms.

⁽²⁶⁾ Regulation L.I (2254) of 2017.

CRITERION 2.5	Forest Plantation (On-Reserve) Plantations rights allocation in on-reserve areas may originate from varied sources including: a) Public plantations; b) Public-Community initiated plantations; or c) Public-Private plantations. <i>In each of the sources identified above, the following shall apply:</i> a) For public plantations, there is no requirement for land lease or benefit sharing agreement. b) For Public-Community plantations, there is no signing of land lease but benefit sharing agreement is required. c) For Public-Private plantations, there is both a land lease agreement and a benefit sharing agreement. In the cases described in a) and b) above, the allocation of the Plantation timber rights may follow either: (i) Competitive bidding procedure: — Qualification of bidders for the grant of Plantation timber right; and — Issuance of Plantation timber right. Or (ii) Plantation timber permit: — Application by prospective applicant; — Vetting of application; — Allocation of timber right; and — Issuance of entry permit. Or (iii) Any other prescribed procedure. In the case of c), the timber rights allocation is inherent in the private-public partnerships (PPP) Agreement. Thus, issuance of plantation timber right is based on agreed terms and conditions.
Guidance for relevant Legislation/Regulations	— Administrative procedures on Plantations; — FSD operational policies and guidelines on Plantation; — PPP Agreement.
PRINCIPLE 2	Timber Rights Allocation The logger held a valid authorization for operating in a Natural forest or a Plantation.
Criterion 2.6	<u>Forest plantations (off-reserve)</u> The allocation of plantation rights in off-reserve areas may originate from the following sources: d) private plantations; or e) public-community partnership. <i>In each of the sources identified above, the following shall apply:</i> d) For private plantations, an investor acquires land for the development of a plantation and does not require a benefit-sharing agreement. e) For public-community plantations, there is no signing of a land lease but a benefit-sharing agreement is required. In the case of d) i.e. private plantations described above, the allocation of timber rights does not apply to private plantations in off-reserve areas.
Guidance for relevant Legislation/Regulations	— Administrative procedures on plantations; — FSD operational policies and guidelines on plantations; — PPP agreement.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.

CRITERION 3.1	Stock surveys/enumerations (including pre-felling inspections for off-reserve areas) were conducted in accordance with the logging manual. Harvesting plan. Survey/enumeration (100% assessment of plantation stock).
Guidance notes for relevant Legislation/Regulations	Logging Manual (Section 10 of Act 547); Logging Manual means a set of rules intended to guide the activities of persons who harvest timber in the forest as interpreted in Act 547 (Section 20); MoP Section D (Stock Survey/Enumeration and Yield selection); Manual of Procedures – Plantations (Section A- Planning); Manual of Procedures – Plantations (Section C- Field operations).
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.2	Logging was carried out in accordance with harvesting requirement in areas designated for timber production.
Guidance notes for relevant Legislation/Regulations	Procedure relating to timber operations (i.e. Harvesting plan)- Regulation 56 of L.I 2254; MoP Section E- Preparation of timber harvesting schedules for forest reserve; MoP Section F- Controlled Timber Production Off-reserve (Instruction Sheet F4.3 – The annual logging plan); Other sources of timber production (e.g. Plantation, underwater harvesting) as specified by the contract terms, Logging Manual Section 3 (timber harvesting standards and specification); Manual of Procedures – Plantations (Section C- Field operations); Timber Resources Management and Legality Licensing Regulations 2017 (LI 2254).
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.3	Logs were accurately measured and recorded.
Guidance notes for relevant Legislation/Regulations	MoP section C, Records, Reporting and Auditing procedures C5.0; MoP Section F, Records and Reporting procedures F5.0; Manual of Procedures – Plantations (Section C- Field operations) and other prescribed procedures.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.4	Timber harvested corresponded to the species and volumes or numbers authorised in the TUC or Salvage permit.
Guidance for relevant Legislation/Regulations	Regulation 59 and 61 of L.I 2254- (Marking and Measurement of logs); Marking of logs - Logging Manual appendix 5: Logging Control Form (i.e. TIF); Manual of Procedures – Plantations (Section C- Field operations) and other prescribed procedures.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.5	Stumps and logs were marked and numbered in accordance with the logging manual.

Guidance for relevant Legislation/Regulations	Regulation 59 of LI 2254; Marking and numbering of trees, logs and timber products; Logging Manual Section 3: Timber harvesting standard and specifications (log markings) and other prescribed procedures.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.6	The logger executed and complied with the relevant Social Responsibility Agreement.
Guidance notes on relevant Legislation/Regulations	Regulation 26 and 56 of LI 2254; Logging Manual Sections 3 - code of conduct (on-reserve) that recognises the rights of other users as well as cultural norms such as taboo days etc.; and code of conduct- (off-reserve) that recognises the rights of other users and show respect for farming operation etc; Section 4.1- Monitoring of timber harvesting operation (Social responsibility assessment); 4.2-Penalties; Terms and Conditions of Plantation timber right specifying SRA obligations.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.7	Compensation was paid to affected farmers in respect of crop damage if any.
Guidance for relevant Legislation Regulations	Logging Manual Section 4.2 (Penalties).
PRINCIPLE 4.	<u>Transportation</u> Timber was at all times transported in accordance with standards prescribed by statute.
CRITERION 4.1	Timber was transported with official documentation detailing its origin and corresponding with physical identification of the timber.
Guidance for relevant Legislation Regulations	Logging Manual Section 3: Timber harvesting standards and logging control appendix 5 and other prescribed procedures.
PRINCIPLE 4	<u>Transportation</u> Timber was at all times transported in accordance with standards prescribed by statute.
CRITERION 4.2	Timber was transported within the time periods permitted by law.
Guidance for relevant Legislation Regulations	Procedure relating to timber operations (Approved periods of timber operations and transport of forest produce): Regulation 57 of LI 2254.
PRINCIPLE 5	<u>Processing</u>
CRITERION 5.1	Timber processing facilities have valid licences and registration with FC and complied with all legal requirements.
Guidance on relevant Legislation Regulations	Act 571 Section 2.
PRINCIPLE 5	<u>Processing</u>
CRITERION 5.2	Industrial relation practices conform to legal standards.

Guidance for relevant Legislation Regulations	Occupational Health, Safety and Environment: Act 651 Labour Act Section 118-124; LI 1833: Health and employment (Section 18-20) and Office and Factories Act.
PRINCIPLE 5	<u>Processing</u>
CRITERION 5.3	Timber Processing in the Mills.
Guidance for relevant Legislation Regulations	— Legality of Timber Imports Protocol; — MOP: Procedure for Export Inspection and grading; — MOP: Procedure for Import Inspection and grading; — MOP: Procedure for new processing mills inspection and grading; — MOP: Procedure for Domestic timber inspection and grading.
PRINCIPLE 6	<u>Trade</u> All vendors/exporters have valid licence or permits to market timber.
CRITERION 6.1	Exporters have acquired FLEGT Licence & export (EU market)/ export permit (non-EU market)
VERIFICATION	Valid export licence.
Guidance for relevant Legislation Regulations	Act 571 Section 2 (i) vetting and the registration of contracts to market timber products and such forest and wildlife products as the Commission may determine.
PRINCIPLE 6	<u>Trade</u> All vendors/exporters have valid licence or permits to market timber.
CRITERION 6.2	Domestic Vendors have valid FC registration certificates.
Guidance on relevant Legislation Regulations	Act 571 Section 2 (ii) the establishment of procedures to track the movement of timber, and timber products; Timber Validation Department (TVD) systems <u>audit</u> reports on supply of timber and timber products to the domestic market.
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the Vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.1	Logger was not in default of stumpage fees or any other fees payable by loggers in Ghana.
Guidance notes on relevant Legislation/Regulations	Procedure relating to timber operation (payment of stumpage) Regulations 60 and 63 of L.I 2254. TVD systems <u>audit</u> reports on financial flows reconciliation.
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the Vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.2	Logger was not in default of ground rents.
Guidance on relevant Legislation Regulations	Timber stumpage fees and contract area rent- Regulations 65 of L.I 2254.
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the Vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.3	Exporter was not in default of export levies.
Guidance on relevant Legislation /Regulations	Export levies: Trees and Timber Amendment Act 493 Section 4.
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.

CRITERION 7.4	Neither the logger nor the exporter was in default of corporate income tax.
Guidance on relevant Legislation /Regulations	Imposition of Income Tax (Income from a Business): Act 592 Section 7.

4. LAWS AND REGULATIONS IN FORCE IN GHANA

The definition of "Legal Timber" represents a subset of the laws contained within the legal framework for timber harvesting, processing and export in Ghana. Following consultations with the stakeholders, it has been agreed that verification of compliance with the relevant laws and regulations in Ghana will be required in order to issue a FLEGT licence. Those include:

CONSTITUTIONAL PROVISIONS, 1992

1. Article 258 establishes a Lands Commission and prescribes the functions of the Commission.
2. Article 267(1) vests stool lands in the appropriate stools in trust for their subjects in accordance with customary law and usage.
3. Article 266 imposes restrictions on the rights and interest in land that could be granted to a non-citizen of Ghana.
4. Article 267(2) establishes the Office of Administrator of Stool Lands and prescribes its functions.
5. Article 267(6) provides for the disbursement formula for stool land revenue.
6. Article 268 requires Parliamentary ratification of agreements in relation to the grant of a right or concession for the exploitation of any natural resources.
7. Article 269 establishes natural resources commissions [Forestry Commission] which "shall be responsible for the regulation and management of the utilisation of the natural resources concerned and the co-ordination of policies in relation to them".
8. Article 295 provides for the definition of Stool lands.

PRIMARY LEGISLATION

9. Forest Protection Decree, 1974 (N.R.C.D. 234) – This Act defined forest offences and prescribed sanctions and or penalties for such offences.
10. Forest Protection (Amendment) Law, 1986 (P.N.D.C.L. 142) – This law reviewed upwards the penalties/fines for forest offences.
11. FORESTS Ordinance (Cap 157) –This Act provided guidelines for constitution of forest reserves and the protection of forests and other related matters.
12. Trees and Timber Decree 1974 (N.R.C.D. 273) – This law prescribed guidelines for participation in the logging/ timber industry and provided for the payment of fees as well as sanctions for non- compliance with the guidelines for participation and also export of unprocessed timber.
13. Trees and Timber (Amendment) Act 1994 (Act 493) – This Act reviewed the fees and fines upwards and also introduced export levy for air-dried lumber and logs.

14. Timber Resources Management Act 1997 (Act 547) – This repealed the Concessions Act, 1962 (Act 124) and provided for the grant of timber rights in a manner that secures the sustainable management and utilisation of timber resources.
15. Forestry Commission Act, 1999 (Act, 571) – This Act repealed ACT 453 and re-established the Forestry Commission as a semi-autonomous corporate body and also brought under the Commission, the forestry sector agencies implementing the functions of protection, development, management and regulation of forest and wildlife resources.
16. Forest Plantation Development Fund Act, 2000 (Act 583) – This Act established, the Forest Development Fund to provide financial assistance for the development of forest plantations in the country.
17. The Forest Protection (Amendment) Act 2002 (Act 624) – This Act repealed the Forest Protection (Amendment) Law, 1986 (PNDCL. 142), reviewed forest offences fines upwards and introduced joint liability in the commitment and prosecution of forest offences.
18. The Forest Plantation Development Fund (Amendment) Act 2002 (Act 623) – This Act amended ACT 583 to enable plantation growers, both in the public and private sectors to participate in forest plantation development.
19. Timber Resources Management (Amendment) Act 2002 (Act 617) – This Act amended ACT 547 to exclude from its application, land with private forest plantation, to provide for maximum duration, and maximum limit area for timber rights and to provide for incentives and benefits for investors in the forestry and wildlife sector.
20. Factories, Offices and Shops Act, 1970 (Act 328) – This Act provides for the registration of factories, welfare and safety of employees in factories and other places of work.
21. Social Security Law, 1991 (PNDCL. 247 – This Law establishes a trust fund to provide social protection to the working population.
22. Internal Revenue Act, 2000 (Act 592) – Provides for taxation of individuals and other entities and for related matters.
23. Value Added Tax Act, 2013 (Act 870) – Provides for the imposition of a VAT on specified transactions and activities.
24. Economic Plants Protection Decree, 1979 (AFRCD. 47) – Prohibits the grant of timber felling rights in cocoa farms.

SUBSIDIARY LEGISLATION

25. Timber Resources Management and Legality Licensing Regulation LI 2254 of 2017.

5. FOREST POLICY AND LEGISLATIVE REFORM ASPIRATION

Ghana recognises that the provisions in the existing law which provides grounds for the forgoing legality definition framework needs to undergo significant reforms to be able to address existing inadequacies as well as respond to emerging issues in the sector that bothers on the principles of good governance. Ghana wishes therefore to indicate its intention to carry out legal and policy reforms in the spirit of good forest governance. It is expected that such legal reforms could be completed in the next five years.

Areas that require policy and legal reforms include:

- Initiation of process to amend the Savings and Transitional provisions of Act 547 in respect of conversion of extant leases/concession to Timber Utilisation Contracts (TUC) and the related matter of Timber Rights Fee payment,
- Plantation development and harvesting,
- Timber processing and standard setting for the timber industry,

- Import of raw material (timber and timber products),
- Domestic market development:
 - (a) (small to medium size enterprises);
 - (b) resource allocation;
 - (c) Standardisation of timber and timber product components in building and constructional industry;
 - (d) Introduction of public procurement policies,.
- Institutional arrangements and Forest control processes:
 - (a) Timber Validation Entity;
 - (b) Governing council;
 - (c) Independent Monitoring;
 - (d) Labelling.
- Submerged Timber Resource allocation (Volta lake);
- Workers health and safety requirements for forest operation;
- A clear statement of resource governance objectives – public interest in biodiversity sustenance, rural livelihoods, sustainable industrialisation and cultural development, identification and correction of inconsistencies in existing forest laws that relate to definition of legal timber (e.g. issuance of salvage permits in respect of lands under TUC;
- affirmation of local forest tenure and of different stakeholder rights, particularly farmers in different types of forests and clarification of the respective scope of local (including customary) and national institutions in forest management to:
 - (a) sustain forests;
 - (b) develop and exploit forests (both timber and non-timber).
- Investment Regulation:
 - (a) Incentives, regulation, fiscal and benefits sharing for Non-Timber Forest Products (including tourism and environmental services);
 - (b) Incentives, regulation, fiscal and benefits sharing arrangements for extractive investments;
 - (c) Incentives, regulation, fiscal and benefits sharing arrangements for reforestation;
 - (d) Incentives, regulation, fiscal and benefits sharing arrangements for plantations; and
 - (e) Incentives, regulation, fiscal and benefits sharing arrangements for processing.

6. IMPLEMENTATION

To move from the existing towards the future legal standards, Ghana anticipates a two tier reform approach to deal with obsolete, disjointed and inconsistent laws and also introduce new laws to give effect to evolving policies:

- Changes to areas that do not require extensive legal reform process will be realised through subsidiary legislation within one year of agreeing a Voluntary Partnership Agreement;
- Changes that will require extensive consultations, involvement of experts and considerable political reflections, pertaining to e.g. good governance issues, stakeholder participation, benefit sharing, etc. is expected to take about 3-5 years.

ANNEX IV

CONDITIONS GOVERNING THE ISSUANCE AND SPECIFICATIONS OF FLEGT LICENCES

Requirements relating to FLEGT licences

Article 1

1. A FLEGT licence may be paper-based or an electronic licence.
2. Both paper-based and electronic licences shall provide the information mentioned in Appendix 1, in accordance with the notes for guidance set out in Appendix 2.

Article 2

1. The FLEGT licence is to become valid on its actual day of issue.
2. The period of validity of the FLEGT licence shall not exceed three months. The date of expiry shall be indicated in the licence.
3. After its expiry the licence shall be considered as void. The licensing authority may decide to prolong the period of validity by one month. To that effect the licensing authority shall correct and validate the new expiry date.
4. A FLEGT licence shall cease to be valid and will be returned to the licensing authority in case the timber products covered have been destroyed.

Requirements relating to paper-based FLEGT licences

Article 3

Paper-based licences shall conform to the format set out in Appendix 1.

Article 4

1. The paper size will be standard A4. The paper will have watermarks showing the Forestry Commission logo that will be embossed on the paper in addition to the seal.
2. The colour of the paper used for the form shall be as follows:
 - (a) White for form number 1, the "Original";
 - (b) Yellow for form 2, the "Copy for EU Customs Authority";
 - (c) Green for form 3, the "Copy Timber Industry Development Division";
 - (d) Pink for form 4, the "Copy for Ghana Customs Authority (CEPS)";
 - (e) Blue for form 5, the "Copy for Importer".

Article 5

1. The licences shall be completed in typescript or by computerised means. They may be completed in manuscript, if necessary.
2. The stamps of the licensing authority shall be applied by means of a metal stamp, preferably made of steel. However, an embossing press combined with letters or figures obtained by means of perforation may be substituted for the licensing authority stamp. The licensing authority shall use any tamper-proof method to record the quantity allocated in such a way as to make it impossible to insert figures or references.
3. The form may not contain any erasures or alterations, unless those erasures or alterations have been authenticated by the stamp and signature of the licensing authority.

4. The licences shall be printed and completed in English.
5. For complex shipments for which it may not be possible to include all required information referred to in Template 1 of Appendix 1, an authorized attachment (Additional goods description attached to FLEGT licence) including qualitative and quantitative information related to the description of the shipment, as specified in Template 2 of Appendix 1, must be added to the licence. In that case the corresponding boxes in the licence shall not include information in the shipment but reference to the authorized attachment.

Article 6

1. The licence shall be drawn up in 5 copies and issued to the applicant.
2. The first copy, marked "Original" shall after being completed, signed and stamped by the licensing authority be given to the applicant for submission to the Competent Authority of the EU Member State in which the shipment covered by that licence is declared for release for free circulation.
3. The second one, marked "Copy for the Customs" shall after being completed, signed and stamped by the licensing authority be given to the applicant for submission to the Customs Authority of the Member State in which the shipment covered by that licence is declared for release for free circulation.
4. The third one marked "Copy for the Timber Industry Development Division" shall after being completed, signed and stamped by the licensing authority be retained for their records and future verification on licences issued.
5. The fourth one, marked "Copy for the Ghana CEPS" shall after being completed, signed and stamped by the licensing authority be given to the applicant for submission to the Customs Authorities in Ghana for which the shipment covered by that licence is declared for release for loading on to the vessel.
6. The fifth one, marked "Copy for Importer" shall after being completed, signed and stamped by the licensing authority be given to the applicant for forwarding to the Importer in the Member State in which the shipment covered by that licence is declared for release for free circulation (This copy is required where the competent authority in the Member State is different from the Customs Authority).

FLEGT licence lost, stolen, destroyed

Article 7

1. In the event of loss, theft or destruction of the "Original" or the "Copy for the Customs" the importer or his authorised representative may apply to the licensing authority for a replacement on the basis of the document in his possession.
2. In the event of loss, theft or destruction of both the "Original" and the "Copy for the Customs" the importer or his authorised representative may apply to the licensing authority for a replacement of both.
3. The licensing authority shall issue the replacement(s) within one month following the reception of the request from the importer.
4. The replacements shall contain the information and entries appearing on the licence they replace, including the licence number.

The replacing licence shall bear the endorsement "Replacement licence".

5. If the replacement licence is lost, stolen, destroyed or expired, no further replacement licence shall be issued.
6. In the event of retrieving the lost or stolen licence, the retrieved shall not be used and must be returned to the issuing authority.

Treatment of doubts regarding the validity of the licence

Article 8

1. In case of doubt regarding the validity of the licence or a replacement, the competent authorities shall request for additional information from the licensing authority which shall respond within 7 working days from the receipt of the request in accordance with paragraphs 3 to 5.
2. If considered necessary the licensing authority may ask the competent authorities to send a copy of the licence or the replacement in question.
3. If the licensing authority considers it necessary, it shall withdraw the licence and issue a corrected copy which will include authenticated by the stamp endorsement "Duplicate" and forward it to the competent authority.
4. If the validity of the licence is confirmed, the licensing authority shall notify the competent authority forthwith, preferably by electronic means.

The copies returned shall bear the validated/authenticated by stamp endorsement "Validated on".

5. In the event that the licence in question is not valid the licensing authority shall notify the competent authority forthwith, preferably by electronic means.

Technical specifications with regard to a Computerised FLEGT licence

Article 9

1. The FLEGT licence may be issued and processed using computerised systems.
 2. In EU Member States which are not linked to the computerised system a paper-based licence shall be made available.
-

APPENDICES

1. Licence Form.
2. Notes for guidance.

Appendix 1

Template 1: Format of the FLEGT licence

A. EUROPEAN UNION				FLEGT B					
ORIGINAL	1 Issuing authority		2 For purposes of Ghana						
	Name		Contract Number						
	Address		Destination Country and ISO Code						
			Port of discharge						
			Port/Mill of loading,						
			Vessel name						
		Importer name							
		Permit invoice Number							
3 FLEGT licence number		4 Date of Expiry							
		<table border="1" style="width: 100%;"> <tr> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> <td style="width: 25%; height: 20px;"></td> </tr> </table>							
5 Country of export		7 Means of transport/							
6 ISO Code [Ghana]									
8 Licencee (name and address)									
9 Commercial description of the timber products				10 HS- Heading					
11 Common or Scientific Names				12 Countries of Harvest	13 ISO codes				
14 Volume (m³)		15 Net Weight (kg)		16 Number of units					
17 Distinguishing marks									
18 Signature and stamp of issuing authority									
Place and Date									



A. EUROPEAN UNION		FLEGT B		
COPY FOR CUSTOMS	2 1 Issuing authority Name Address		2 For purposes of Ghana Contract Number Destination Country and ISO Code Port of discharge Port/Mill of loading, Vessel name Importer name Permit Invoice Number	
	3 FLEGT licence number		4 Date of Expiry 	
	5 Country of export		7 Means of transport/	
	6 ISO Code [Ghana]			
	8 Licencee (name and address)			
	9 Commercial description of the timber products		10 HS- Heading	
	1			
	11 Common or Scientific Names		12 Countries of Harvest	13 ISO codes
	14 Volume (m³)	15 Net Weight (kg)	16 Number of units	
	17 Distinguishing marks			
18 Signature and stamp of issuing authority Place and Date				

Template 2. Format of the authorized attachment

FLEGT Licence number:								
No	Commercial description of the timber products	HS-heading	Common and scientific name	Countries of harvest	ISO code of country of harvest	Volume (m3)	Net weight (kg)	Number of units

Place

Date (DD/MM/YY)

Security stamp, signature and official seal

Appendix 2

Notes for Guidance

General:

- Complete in capitals.
- ISO codes, where indicated refer to the international standard two letter code for any country.

Box 1	Issuing authority	Indicate the name and address of the licensing authority.
Box 2	For purposes of Ghana	Export Country specific information
Box 3	FLEGT licence number	Indicate the issuing number.
Box 4	Date of expiry	Period of validity of the licence.
Box 5	Country of export	This refers to the partner country from where the timber products were exported to the EU.
Box 6	ISO code	Indicate the two-letter code for the partner country referred to in Box 5.
Box 7	Means of transport	Indicate the means of transport at the point of export.
Box 8	Licensee	Indicate the name and address of the exporter.
Box 9	Commercial description	Indicate the commercial description of the timber product(s).
Box 10	HS Heading and Description	The six-digit commodity code established pursuant to the Harmonised Commodity Description and Coding System.
Box 11	Common or scientific names	Indicate the common or scientific names of the species of timber used in the product. Where more than one species is included in a composite product, use a separate line. May be omitted for a composite product or component that contains multiple species whose identity has been lost (e.g. particle board).
Box 12	Countries of harvest	Indicate the countries where the species of timber referred to in Box 10 was harvested. Where a composite product include for all sources of timber and timber products used. May be omitted for a composite product or component that contains multiple species whose identity has been lost (e.g. particle board).
Box 13	ISO codes	Indicate the ISO code of the countries referred to in box 12. May be omitted for a composite product or component that contains multiple species whose identity has been lost (e.g. particle board).
Box 14	Volume (m3)	Give the overall volume in m3. May be omitted.
Box 15	Net Weight	Give the overall weight in kg. This is defined as the net mass of the timber products without immediate containers or any packaging, other than bearers, spacers, stickers etc..
Box 16	Number of units	Indicate the number of units, where a manufactured product is best quantified in this way. May be omitted.
Box 17	Distinguishing marks	Indicate any distinguishing marks where appropriate e.g. lot number, bill of lading number. May be omitted
Box 18	Signature and stamp of issuing authority	The box shall be signed by the authorised official and stamped with the official stamp of the licensing authority. The place and date shall also be indicated.

ANNEX V

GHANA LEGALITY ASSURANCE SYSTEM (GhLAS)

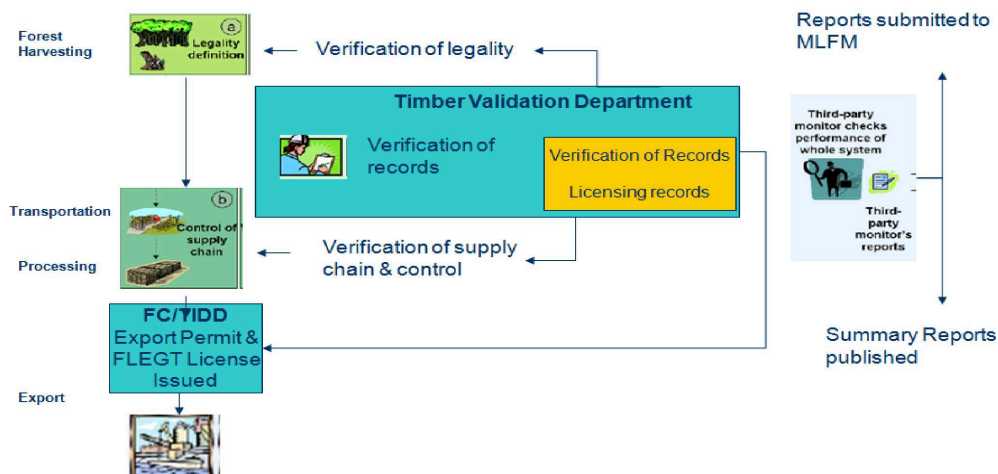
1. INTRODUCTION

Under the agreement, Ghana will implement a legality assurance system (GhLAS) which will be based on adherence to the legal definition (Annex II of the Agreement). The legal definition outlines conditions under which a product containing timber and timber products sourced and/or processed in Ghana can be licenced for sale within Ghana or for export from Ghana. For the purposes of the Agreement, the licences will cover all products exported to the EU. The products included are described in Annex I of the Agreement. Products from restricted timber species as defined in Regulations 74(1) and 78 and listed in the Eighth Schedule to the Timber Resources and Legality Licensing Legislative Instrument (LI) 2254 shall not be exported under Annex A unless a restricted species permit was issued by the Forestry Commission with the approval of the Minister.

A wood tracking system (WTS) will enable the establishment of a chain of custody system as well as the monitoring and reporting of compliance against the legal definition. The wood tracking system is described in Appendices 1 to 10 of this Annex. For the purpose of assessing compliance to the legal standard, a table that sets the legality definition against implementation of the principles and criteria is provided under the verification procedures.

Under the GhLAS a verification entity is to be established. This entity is called the Timber Validation Department (TVD). The TVD will perform the functions of verification. This will involve the reconciliation of data generated along the entire process chain of timber and timber products destined for both export and the domestic market. The TVD will also measure compliance of timber and timber product consignments to the legal standard. The purpose of the verification and compliance monitoring is to enable the TVD check if procedures provided for in the legal standard have been complied with. For the purpose of performing the verification function, the TVD will work with data based on submissions and approvals from the responsible regulatory Divisions/Units within the FC. The TVD to a large extent will perform the role of verification and validation of processes at the critical control point (i.e. stock survey/enumeration, harvesting, transportation, processing and export). The TVD will further verify and validate procedures and outputs in the Divisions. The TVD is described in the document. The figure below is a schematic presentation of the relationship of the actors in the GhLAS.

The LAS – Ghana



Under the new set-up the Forest Service Division will continue to regulate and manage the control interventions of the supply chain from the point of stock survey/enumeration and harvest to the point of commencement of log transport. The Timber Industry Development Division (TIDD) of the Forestry Commission is the designated licensing authority under the GhLAS. The TIDD will issue the FLEGT licences simultaneously with the export permits; this will be done after it has reconciled export permit applications submitted by exporters with verified FC datasets. FLEGT licences will be issued simultaneously with export permits for the EU market but in such instances the export permits will be retained in Ghana and will not accompany the shipment. Only export permits will be issued for non-EU market exports. Timber exported to both markets will be covered and/or delivered through the GhLAS and therefore will be, by definition, legal timber.

The detailed procedures and management systems will be developed during the design and piloting of the GhLAS. The new GhLAS will build from existing structures and systems and seeks to address identified weaknesses in the paper-based system. This document describes the objectives and principles that will guide the development of new structures and systems. ⁽¹⁾

Independent Monitoring and Reporting under GhLAS

The entire GhLAS will be open to external monitoring by an independent monitor (IM). The purpose of the intervention of the IM will be to identify weaknesses and recommend systemic reforms in the GhLAS (Terms of Reference of IM are attached as Annex VI to the Agreement).

2. TRANSPARENCY

The GhLAS confirms and aims to support the commitment of the FC under the Timber Resources Management and Legality Licensing Regulations 2017 (LI 2254) to the publication and availability on request of forest management information.

3. THE WOOD TRACKING SYSTEM

Traceability of timber and timber products from export to forest will be maintained under the Agreement. In the case of products derived from timber and timber product harvested from a foreign country, the system will be able to maintain traceability from the point of entry to processing after which it will follow the same protocols as timber and timber products harvested in Ghana.

The WTS will gather information at all the supply chain control points, process the data gathered and automatically reconcile it with data gathered at previous control points, identifying any errors or anomalies that are found in the data.

Critical Control Points

For the purpose of tracking and controlling timber flows, the following critical control points are identified and described in the supply chain:

- (i) Source of Timber;
- (ii) Timber Rights Allocation;
- (iii) Stock Survey/Enumeration;
- (iv) Tree Felling and Log Production;
- (v) Post Harvest Audit;
- (vi) Log Transport and Inspections;
- (vii) Confiscated Timber;
- (viii) Timber and timber product Imports;
- (ix) Log Arrival at Processing Plant;
- (x) Log Processing;
- (xi) Processed Timber and Timber Products;
- (xii) Export of Processed Timber and Timber Products.

⁽¹⁾ An independent review was undertaken to assess this proposal in August 2008. It identified some areas of concern that both Parties agreed would be more appropriately considered in assessing the system once it is operational. These concerns will be considered also during the design and piloting of the GhLAS.

1. Source of Timber and Allocation of Rights (Relates to Principles 1 & 2)(Control points (i) and (ii)).

Timber and timber products coming from Ghana will be derived from legally designated areas and will be allocated according to legal prescription. Such products will come from designated areas within Natural Forests and forest plantation stands on and off reserves or sub-merged trees. Timber rights will accordingly be obtained in the form of TUCs, Salvage Permits, and Plantation Felling Permits according to the provisions in the legal standard, specifically to principles 1 and 2. The controls will therefore start from the surveyed/enumerated tree in these designated areas. The allocation of timber rights are governed by relevant laws, regulation and administrative requirements. The procedures for allocating timber rights are available on the website of the Forestry Commission; public summary reports of all use right holders will be indicated as an output of the verification process to increase transparency.

The timber flow control interventions are managed by the Timber Industry Development Division (TIDD) and Forest Service Division (FSD) with some level of quality control in the area of yield endorsement and post-harvest audit from the Resource Management Support Centre (RMSC) of the Forestry Commission. Data along each of the control points will be reconciled with the preceding set of data to ensure that traceability is established; this process will be conducted through an electronic WTS validated by the TVD.

The critical control points relate to the provisions in the legal definition set out in Annex II of the Agreement. They are therefore linked to the principles and criteria (as indicated in parentheses). In the operation of the electronic system, a paper based system will be used as a back-up in instances where the electronic system becomes unavailable.

2. Stock Survey/Enumeration (Relates to Principle 3 Criteria 3.1) (Control point (iii)).

The Stock Survey/Enumeration is primarily managed by the Forest Service Division. The endorsement of the yield is done by the Resource Management Support Centre. The output of the process of stock survey/ enumeration for natural forest is, in the first instance, a stock map. The yield list/map is a derivative of the stock map. The endorsed/approved yield is the final output that is used to conduct harvesting in the forest. In the case of plantation forest, a survey/ enumeration or assessment report and a determined standing volume for harvest is established from a defined area. All documentary outputs of this process are available to the Timber Validation Department (TVD), either on the electronic WTS or manually, for the purpose of verification. Hand held data devices will be used to collect data in the field. The data is synchronised onto the central database from the field. The central database will keep records of stock data and approved yields which will be reconciled with tree information (felled tree data). The detailed process map for enumeration is attached in the Appendix 1.

Permission to harvest shall be enforced through the issuance of harvesting permits in the form of an administrative directive from the Forest Services Division (FSD) which will accompany an endorsed yield. The endorsed yield gives the list and location of all trees to be harvested. Record of permits for harvesting will therefore comprise of the endorsed yield and the accompanying administrative directive from the FSD.

3. Tree Felling and Log Production (Relates to Principle 3 Criteria 3.3) (Control point (iv)).

The Forest Services Division (FSD) implements most of the control interventions at the point of felling and log production. Based on the survey/ enumeration data, an endorsed yield database will be derived where after identification labels are applied on the trees, stumps and logs. These labels are applied on the stump of the felled tree under the supervision of FSD. The logger is tasked with labelling the logs produced. The FSD collect data on the felled tree on to the tree information form (TIF) for natural forest timber and plantation production certificate (PPC) for plantation timber. Hand held devices will be used to enhance this function. The permission to transport the logs is given after the FSD has authorised a log measurement and conveyance certificate (LMCC) for each truck load. The LMCC is based on comparison/reconciliation with the TIF from the WTS database. Tree data and log measurement and conveyance certificate are transmitted to the WTS database for purposes of reconciliation. A detailed process description is given in the chart in the attached Appendix 2.

Plantation log measurement conveyance certificates (PLMCC) are issued by the FSD following comparison and clearance of the PPC. For the submerged trees scenario, logs are to be labelled uniquely in addition to paint marking to show the contractor's sequential log number. The permission to transport the logs is given after the FSD has authorised log measurement and conveyance (LMCC) for each truck load for which information is uploaded onto the system; the correctness is verified through TIDD measurements upon mill entry.

4. Post-Harvest Audit (Relates to Principle 3, Criteria 3.2) (*Control point (v)*).

Post harvest audit will be conducted by the RMSC in accordance with the harvesting plan when harvesting in the compartment is complete. The official date of opening and closure of the compartment will be held in the central database for the purposes of reconciliation. The purpose of the post-harvest audit is to ensure that the operator has adhered to the harvesting plan and left the compartment in good working condition. This also provides the opportunity to check on the quality of the stock survey/enumeration.

Specifically, the following checks will be conducted:

- the survey/enumeration was complete and tree diameters were correctly measured,
- the producer has only taken those trees that were in the yield list,
- the numbers, species and sizes of the logs declared correspond to the trees that were felled,
- no excessive logging damage occurred.

The report generated from the post-harvest audit will be available to the Executive Director and Regional Manager of FSD as well as an information copy to the FC/HQ. This information will be transmitted to the WTS database for the purpose of reconciliation and verification. The TVD will perform a sample of post-harvest audits as part of its verification function. Appendix III shows the process map for post-harvest inspections.

5. Log Transport and Inspection (Relates to Principle 4 Criteria 4.1) (*Control point (vi)*).

The Timber Industry Development Division (TIDD) will perform unannounced checks on truckloads along the road. The unannounced checks will be done in addition to the fixed check point interventions where present. The log transport and inspection will check the LMCCs against truck loads. The specific checks will also ensure that all logs have labels, there is no re-use of forms, and log origin corresponds to the route of the truck, the truck ID and the destination of consignment/truck. The reports of the TIDD routine checks will be captured on handhelds and transmitted to the WTS database for purposes of reconciliation and verification. Appendix IV is the process map for log transport and inspection.

6. Confiscated Timber (Relates to Principle 2, Criteria 2.3) (*Control point (vii)*).

Timber confiscated by the FC will only be sold by Court Order and administrative processes through public auctioning. After the auction the buyer will receive a Certificate of Purchase from the FSD. The certificate will be registered in the WTS central database for purposes of verification of origin and subsequent supply chain reconciliation. All auctioned forest produce will be labelled. The entire auction result will be documented in a FC Sale Report and the payments due as well and entered in the WTS central database. Process map is shown in Appendix V.

7. Imported Timber and timber products (Relates to Principle 1, Criteria 1.1 and Principle 4, Criteria 4.1) (*Control point (viii)*).

Timber and timber products imported into Ghana from a non-EU country that enter the Ghana Timber Legality Assurance System shall be considered legal and issued a FLEGT licence if they have been produced and exported in accordance with the legislation of the country(-ies) of harvest and origin. For the purposes of attesting to the legality of imported timber and timber products entering the Ghana Timber Legality Assurance System, one of the following four means shall be used:

1. valid FLEGT licence (or equivalent export licence issued under a TLAS) from an exporting country which has concluded a VPA with the EU and has an operational FLEGT licensing system in place; or
2. valid CITES permit;
3. valid certificate from a country specific legality verification or forest management certification scheme recognised by the Ghana Timber Legality Assurance Scheme; or
4. valid declaration and supporting evidence by the operator in Ghana demonstrating that due diligence has been conducted on the legality of the timber and timber products. The declaration will include i) information on the country of harvest, HS codes, quantities, species and the compliance with the applicable legislation of the country of harvest (e.g. rights to harvest, payments for harvesting rights and timber, timber harvesting – including environmental management, legal rights of third parties concerning use and tenure that may be affected by timber harvesting, trade and customs as far as it relates to timber and timber products being imported); ii) risk assessment and iii) appropriate risk mitigation.

The above-mentioned means of attesting legality shall be provided by the operator and its authenticity and veracity verified by TIDD. TIDD in collaboration with Customs authorities may undertake any necessary documentary and physical inspections of shipments in line with its operating procedures. Documentation and any information attesting to the legality of the timber and timber products as well as to the associated shipment shall be loaded into the Ghana Timber Legality Assurance System.

Ghana shall develop and implement a protocol further detailing, the requirements and procedures applicable to imported timber and timber products that enter the Ghana Timber Legality Assurance System. Effective, proportionate and dissuasive penalties in accordance with existing laws and regulations, shall be implemented where necessary for the purposes of this Agreement and the Protocol mentioned above.

Ghana shall endeavour to verify the legality of imported timber and timber products sold on the domestic market, using the above-mentioned protocol.

8. Log Arrival at Processing Plant (Relates to Principle 5) (*Control point (ix)*).

Declarations will be required of the producer on arrival of the logs at the processing plant. These declarations will include the location, date/time, LMCC form number and truck ID of all arriving consignments. TIDD checks will ensure that all logs bear labels and that the information on the label matches the declared records. Records of remanufactured logs must also be kept and declared. Data captured at log arrivals at the processing plant will be transmitted to the WTS central database. This data on log arrivals will be reconciled with mainly the LMCCs. Appendix VII is the process map for log arrival at processing plant. Similarly, for plantation timber, data on log arrivals will be reconciled with the PPC and the PLMCC.

9. Log Processing – Day Records– (Relates to Principle 5) (*Control point (x)*).

At the end of the day, the sawmill/processing company will make a declaration of the list of bolts which were processed. The following records will be provided: date, processing plant ID, log label numbers, quantities of processed timber and timber products and respective processing contract ID. The system must be able to tally the volume of timber product that comes from the total bolt input, so that for a particular bundle of processed timber the constituent bolt volume can be accounted for. Conversion factors will be dependent on the diameter, species, and quality etc. of the input bolt and this critical element of the WTS will enable effective reconciliation. TIDD inspectors will oversee the data collection process to ensure that records are being kept correctly and accurately. Random inspections and the days of inspection will be recorded and uploaded onto the WTS central database for the purpose of reconciliation. This will include monthly stocks of processed logs and processed timber products. Appendix VIII shows the business processes for log processing.

10. Processed Timber (Relates to Principle 5) (*Control point (xi)*).

Processed timber bundles when completed will be inspected and marked with a processed timber label. TIDD inspectors will perform checks before the consignments are loaded into containers/trucks. Every truck will have a numbered way bill. Data for each processed timber bundle includes label, type, species, and volume, no. of pieces, contract number, destination and waybill number and list of logs used to make the bundle. The checks performed by TIDD will ensure that the data provided matches the physical consignments on the containers/trucks. Records will be made available on the WTS central database to enable reconciliation between processed timber inspections and declarations. This will determine whether producers are declaring their production correctly. Monthly reports will be available to the FC and TIDD HQs. Appendix IX is the business process map for processed timber.

11. Export of Processed Timber Bundles (Relates to Principle 5) (*Control point (xii)*)

To enable the export of processed timber bundles, the exporters will submit a request to the TIDD for the export of a contract ID of processed timber, with details of purchaser ID, destination ID, shipping date, and ship name. There will be the provision of manual submission of records as a back up to the electronic system. This will consist of a list of processed timber bundle labels, showing type of product, volume, species, grade etc., along with information on the sales contract, buyer, etc. The central WTS database will produce a report indicating the history of the timber and timber products in those bundles.

If no discrepancies or non-conformance(s) are found in respect of either the legality verification conducted by TVD, or supply chain controls conducted through the WTS, TIDD proceeds with the issuance of the FLEGT licences.

Details of product export certificates issued are stored in the WTS central database (authoriser's name, certificate number, volume, species, type of product, date of issue, exporter, purchaser, etc.). At the time of contract approval the TIDD will enter into the system the relevant details: contract number, buyer ID (overseas), processing company ID, and volumes/dimensions to be supplied (by species and product ID). Details of transactions under export of timber bundles are shown in Appendix X.

Table 1 below is a summary description of the procedures for tracking timber from stock survey/enumeration through felling, cross-cutting of logs, conversion into primary and secondary products and export.

Table 1

Data Reconciliation along the Process Chain.

Activity	Output	Data source	Reconciliation	Key data
Enumeration	Stock List/Map	FC/Private Entity	Stock survey/ enumeration, Check survey, Stock list, Plantation assessment data	Stock no, Diameter at breast height (Dbh),/ mid-point diameter & height (plantation) Plantation stand volume Species, Locality Mark, Property Mark. Environmentally sensitive areas, Coordinates of compartment
↓				
Yield selection	Yield List/Map Plantation yield (vol)	FSD	Stock survey/enumeration, Stock list Plantation assessment	Stock no, Dbh, Plantation stand volume, Species, Locality Mark, Property Mark.
↓				
Yield endorsement	Yield List/Map	RMSC	Stock List, Yield List	Stock no, Dbh, Species, Locality Mark, and Property Mark.
↓				
Harvesting/Post-felling insp.	Felled tree list (TIF)	RMSC/TVD	Yield List, TIFs	Stock no, tree label, compartment coordinates, environmental factors, Species.
Log produced and transported	PPC declaration LMCC	FSD/Log Producer	TIF, PPC, LMCC	Log label, LMCCs, Stock no, Dbh, Volume, Species.
↓				
Roadside Log Inspection	Log data (inspection)	TIDD (HHC)	LMCCs, PLMCC, Re- Log Measurement Conveyance Certificate (RLMCC), Log transfer certificate (LTC), TIF and Truck Loads	Log label, LMCC no., Truck ID.

Activity	Output	Data source	Reconciliation	Key data
↓				
Log yard	Log arrival	Primary Processor TIDD	Against log data on LMCC, PLMCC, RLMCC, LTC, TIF, Truck ID.	Log label, LMCC, Truck ID.
↓				
Log converted	Log conversion	Primary Processor	Processed Logs, Output Vol./Species,	Log label, Contract no, Consignment input, Output Statement, Embargo form.
↓				
Primary PT transported	PT data (declaration)	Primary Processor	Against logs converted	Log label, Primary PT label, Contract no.
↓				
Primary PT inspected and transport	PT data (inspection)	TIDD (HHC)	Against primary PT declaration	Primary PT label, inspection Certificate.
↓				
Primary PT exported	PT arrival (at port)	Exporter	Against declared waybill no.	Primary PT label. Export dossier no.
Or arrival at secondary mill	Processed timber Arrival	Secondary Processor	Against Primary PT declaration	Primary PT label. Contract no.
↓				
Secondary PT transported	PT data (declaration)	Secondary Processor	Against primary PT converted	Secondary PT label.
↓				
Secondary PT inspected	PT data (inspection)	TIDD (HHC)	Against secondary PT declaration	Secondary PT label.
↓				
Secondary PT exported	PT arrival (at port)	Exporter TIDD/TVD	Complete history	Secondary PT label. Export dossier no.

4. VERIFICATION PROCEDURE

This section sets out the legality definition against implementation of the principles and criteria. The procedures as will be implemented by the concerned agencies are outlined. Table 2 therefore indicates the control procedures by responsible FC divisions. The outputs of the control procedures will be verified under the protocols to be developed under the LAS pilot phase. Mechanisms for handling non-compliance identified over the course of verification activities will be developed in detail in the pilot phase based on existing law enforcement procedures and regulation.

Verification methodology which will specify the periodicity, sampling methods, field procedures and collection of objective evidence will be addressed in the TVD manual of procedures. This table takes its source from the definition of legal timber in Annex II of the Agreement.

Table 2

Control Procedures against Principles and Criteria

PRINCIPLE 1	Source of Timber: Timber originated from prescribed sources and the concerned individual, group and owners gave their written consent to the land being subjected to the grant of timber rights.
CRITERION 1.1	For TUCs in on-reserves, forest management plan preparation covers strategic plan; Delineation of TUC; Conducted a survey/enumeration by FSD before harvesting (on-reserve, off-reserve and forest plantation); For imported timber, relevant control measures in controlling the Legality of Imports Protocols are respected; Written consent of concerned individual, group or owners.
RESPONSIBILITY	— FSD responsible for strategic and operational planning of on-reserve TUCs. RMSC – Quality Control of Survey/Enumeration; Endorsement of Yield; — TIDD to verify import documentation for imported timber and timber products and produce reports.
PROCEDURE	<u>On-reserve</u> <u>Strategic management plans</u> — formation of planning team; — review of current situation based on existing information; — provisional zonation; — field investigations; — provisional management planning for each zone; — compilation of a first draft management plan; — formal review of working draft by resource owners; — revision of the working draft; — local endorsement of the draft plan; — forward the draft plan for national review and approval; — publish and circulate copies of the final plan; — prepare summary pamphlet of the plan. <u>Delineation of TUC</u> — Fixing of boundary pillar by FSD; — Cleaning of boundaries by FSD. <u>Written consent</u> — Post of notices at (a) the offices of the District Assembly, Traditional Council and Unit area in whose area of authority the land identified is situated for 21 days. — Concerned individual, group or owner notifies his interest and consents in writing to FC of the land being subjected to grant of timber rights.

	<u>Survey/Enumeration</u> — Stock survey/enumeration by FC for SMEs. LSEs to conduct survey/ enumeration in their TUC areas; — Verification of the quality of survey/enumeration and clearance is the responsibility of FC(RMSC); — Digitise Yield List and Yield Map produced; a shared responsibility by FC/Enterprise; — Vetting and endorsement of the proposed yield thoroughly carried out by FC- (RMSC); — RMSC lodges copies of approved yield with FSD, TIDD and on the WTS central database. In the case of timber companies, a copy of the yield is routed through FSD under a cover letter that states salient FC logging rules; — RMSC endorses and enters yield into the WTS central database; — FSD approves yield. <u>off-reserve</u> <u>Operational plan and survey/ enumeration</u> — Endorsement and modification, if necessary, of the draft TUC operational plan (FC-FSD); — Initial selection of trees by Timber Company; — Conduct Pre-felling Inspection by mapping the location of all trees to be harvested in the OFRs (FC-FSD); — Recording of parameters (FC-FSD); — Yield selection and approval (FC-FSD); — Preparation of annual logging plan; — FSD release copy of approved yield to Timber Company and transmit it to the WTS central database; — FSD enters approved yield into WTS central database. <u>Delineation</u> — field checks of unallocated land by FSD; — Boundaries if possible follow undisputed land ownership boundaries and distinct natural features (rivers, roads, etc.); — identify areas that need to be excluded and fixing of boundaries by FSD; — Demarcation on a map and supported with a description of the boundaries by FSD. <u>Written consent</u> — Consultation with communities, District Chief Executive (DCE) or their accredited representative; — Field inspection of the potential harvesting area with the land owners consent. <u>Forest Plantation</u> — Stock survey/enumeration of all harvestable trees (FC-FSD); — Validation checks of the assessment data (FC-FSD) — Estimate standing tree volume (FC-FSD); — Upfront payment by Logger/Timber Company; — Issuance of entry permit (FC-FSD); — FSD release copy of entry permit to Logger/Timber Company and TVD; — FSD enters details of entry permit stating the estimated standing volume into its central database. <u>Delineation</u> — All plantations within forests reserves have their compartment boundaries mapped by the FC; — FSD District plantation unit marks boundaries (e.g. by cleaning, by oil paints). <u>Underwater</u> Pre-defined block number underwater (FC-FSD/Timber Company).
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	<u>Imported timber and timber products</u> The legality of timber imports is regulated through the Protocol: 'Controlling the Legality of Imports Protocol'. Regulatory measures include: — Requirement of a valid FLEGT Licence or its equivalent — Valid CITES permit — Valid certificate from a country specific legality verification or forest management certification scheme — Valid declaration and supporting evidence by the operator in Ghana demonstrating that due diligence has been conducted on the legality of the timber and timber products — The Timber Company ensure that timber and timber products imported are declared through CEPS GCNet platform to TIDD; — Any incoming shipment must be reported to TIDD; — FC-TIDD ensures that all imported timber and timber products are legally sourced from the country of origin and have appropriate documentation. This will be done through checks on import documentation.
OUTPUT	<u>On-reserve</u> — Forest Management documents; — Forest maps; — Forest Survey Reports, stock survey/enumeration and yield data; — Maps of Forest types (habitats critical areas, genetic hot spots, Globally Significant Biodiversity Areas, Coarse grained protection areas); — Reserve Management Plan. <u>Off-reserve</u> — Operational plan; — TUC Map; — Off-reserve Survey/ Enumeration Report; — Pre-felling Inspection Form; — Felling authorisation Permit/Letter of approval. <u>Forest Plantation</u> — Plantation Map; — Survey/Enumeration report; — Validation check report; — Payment receipt; — Entry permit. <u>Underwater</u> — Blocking report. <u>Imported timber and timber products</u> Declaration to Customs of Imported Timber (GCNet report); importer ID, Country of origin, etc.
PRINCIPLE 1	Source of Timber: Timber originated from prescribed sources and concerned individual, group and owners gave their written consent to the land being subjected to the grant of timber rights.
CRITERION 1.2	Land owners/individual/group consent.
RESPONSIBILITY	— FC-FSD checks on Public notification through districts quarterly reports.
PROCEDURE	<u>On-reserve</u> — Consent embodied in the reserve management plan (FC-FSD). <u>Off-reserve</u> — Land owner and affected farmer(s) identified through District Assembly, Traditional Council, Unit area, District Forest Office as part of the consultation process; — Constitute field inspection team as stated by law (FC-FSD); — Any tenure disputes resolved through arbitration (FC-FSD); — Local stakeholders (e.g. land owners, affected farmers) consented in writing to harvesting of the resource.

OUTPUT	— District Notices; — Written consent; — Consultation Minutes; — Records Arbitration of Proceedings.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.1	<u>Natural Forest: Large Scale TUCs</u> Qualification of loggers by TREC. Qualifications of loggers for extant lease and permit conversion, replacements rights, and divestiture will follow the same process as that of large TUCs.
RESPONSIBILITY	Minister/Ministry responsible for Forestry,, TREC and FC.
PROCEDURE	— TUC by means of competitive bidding and parliamentary approval: — Logger participates in competitive bidding process; — The Forestry Commission recommends to Minister/Ministry responsible for Forestry to award a TUC to Logger; — Logger complies with all conditions specified in Minister's notice of award under the Act. This includes a secured consent from concerned individual, group or landowner; — The Minister executes the TUC in the prescribed format; — Parliament ratifies TUCs (with the exception of plantation TUCs). — TUCs through the conversion of Extant Leases: — The logger applies for a conversion of a timber right granted; — The application is evaluated by the Evaluation Committee (TREC); — The Minister, based on recommendation of the Evaluation Committee, enters into a TUC. — Replacement TUC: — The logger applies for a replacement TUC; — The Evaluation Committee evaluates the application (TREC); — The Forestry Commission recommends to the Minister that replacement TUC be granted; — The Minister, based on recommendation from FC, grants the replacement TUC. — TUC acquired through divestiture: — The Divestiture Implementation Committee (DIC) informs the Minister of the divestiture of a company, including its timber rights; — The Minister directs the Forestry Commission to initiate the transfer process of timber rights to the prospective buyer; — The Forestry Commission conducts an evaluation on the prospective buyer's technical and financial capacity to operate and manage a TUC; — The Forestry Commission recommends to the Minister that a transfer be granted; — The Minister, based on recommendation from FC, grants his consent.
OUTPUT	— TUC by means of competitive bidding and parliamentary approval: — TREC pre-qualification report; — Letter of Consent; — TREC bidding report; — FC report to Minister/Ministry responsible for Forestry on compliance; — TUC; — TUC and Parliamentary approval (Except plantation TUC).

	— TUCs through the conversion of Extant Leases: — Application for conversion of Extant Leases; — Recommendation from TREC to the Forestry Commission that the Minister for an award of a TUC; — Recommendation from Forestry Commission to the Minister for the award of the TUC; — TUC. — Replacement TUC: — Application for a Replacement TUC. — Recommendation by TREC to the Forestry Commission that the Minister awards a TUC; — Recommendation by the Forestry Commission to the Minister to award the TUC; — TUC. — TUC acquired through divestiture: — The DIC Letter to the Minister on the sale; — Instruction from the Minister to the Forestry Commission to initiate the transfer of right; — TREC Evaluation Report and Recommendation; — Letter of Recommendation from FC; — Consent from Minister; — Transferred /Assigned TUC.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorisation for operating in a Natural forest or a forest Plantation.
CRITERION 2.2	<u>Natural Forest: small-scale timber utilisation Contract.</u> ⁽²⁾ Qualification of loggers for grant of a TUC by TREC. Qualifications of loggers for extant lease and permit conversion, replacements rights, and divestiture will follow the same process as that of small-scale TUCs.
Responsibility	Minister responsible for Forestry, TREC and FC
Procedure	— Small scale TUCs are awarded by means of competitive procedure whereby: — For the allocation of timber rights, prospective loggers submit an offer which must include information as specified in LI 2254; — Pre-qualified applicants must provide proof of this with an attestation by the Forestry Commission; — Evaluation of offers is done by the Evaluation Committee who verifies compliance with the specified criteria and determines whether the applicant(s) meet(s) the pre-determined selection criteria. Once this is determined, the Evaluation Committee will conduct its evaluation; — The winner of the 'bid' must undertake to assist local communities as well as traditional paramountcy. — Through the conversion of Extant Leases, small-scale TUCs will follow a process similar to that for large-scale TUCs. — Replacement TUCs will follow a process similar to that for large-scale TUCs. — TUC acquired through divestiture will follow a process similar to that for large-scale TUCs.

⁽²⁾ Act 547 and L.I 2254 of 2017.

Output	— Small scale TUC by means of competitive procedure; — Offer by applicants; — TREC evaluation report; — FC recommendation to Minister responsible for Forestry on compliance with criteria; — FC recommendation to Minister to award the small-scale TUC to the winning applicant; — Notice of grant of small-scale TUC by Minister; — Notice of grant specifies conditions to be met to the satisfaction of the FC-CEO before the right is granted; — Grant of small-scale TUC. — Through the conversion of Extant Leases, TUCs will have outputs similar to those specified under large-scale TUCs. — Replacement TUC will have outputs similar to those specified under large-scale TUCs. — TUC acquired through divestiture will have outputs similar to those specified under large scale TUCs.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.3	<u>Salvage permit ⁽³⁾</u> Issuance of Salvage Permit.
RESPONSIBILITY	FC-HQ
PROCEDURE	— Enterprise applies to FC; — FSD conducts inspection and submits a report to CEO of FC about the justification for commercial trees in a defined location to be salvaged; — FC issues salvage permit; — FSD enters details of salvage permit into the central database.
OUTPUT	— Applicant's application; — FSD's inspection report; — Salvage permit.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.4	— Confiscated Timber. — Authorisation issued for daily auctioning of confiscated
RESPONSIBILITY	— FC-FSD.
PROCEDURE	— FC determines the offence and the court authorises the sale of the confiscated timber product; — COP issued to the buyer according to statute; due process for auctioning confiscated timber is followed.
OUTPUT	— Court Order; — Certificate of Purchase; — FC sale report.

⁽³⁾ Forestry Commission issue a permit under the terms and conditions as shall be specified in the permit for the salvage of trees from an area of land undergoing developments such as road construction, expansion of human settlement or the cultivation of farms.

PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a valid authorization for operating in a Natural forest or a forest Plantation.
CRITERION 2.5	Forest Plantation (On-Reserve) The allocation of plantations rights in on-reserve areas may originate from varied sources including: a) Public plantations; b) Public-community initiated plantations; or c) Public-private plantations. In the cases described in a) and b) above, the allocation of the plantation timber rights may follow either: (i) a competitive bidding procedure: — qualification of bidders for the grant of plantation timber rights; — issuance of Plantation timber right. - or (ii) a plantation timber permit: — application by prospective applicant; — vetting of application; — allocation of timber right; — issuance of entry permit. - or (iii) Any other prescribed procedure. In the case of c), the allocation of timber rights is inherent in the private-public partnerships (PPP) agreement. Thus, the issuance of plantation timber right is based on agreed terms and conditions.
RESPONSIBILITY	Minister/ Ministry responsible for Forestry/ FC.
PROCEDURE	For public plantations and public-community initiated plantations, the following procedures shall apply: (i) Competitive bidding procedure: — logger participates in competitive bidding process managed by TREC; — the FC prepares a bidding report with recommendations to the Ministry responsible for Forestry for the award of a plantation timber right to the winner of the bid; — TREC submits the bidding report to the FC Board — the FC issues a notice of award stating the conditions of the permit; — the logger complies with all the conditions specified in the FC's notice of award. This includes the bid price, SRA, completion of all planning activities as specified in relevant MoPs; — the FC grants an entry permit. - or (ii) plantation timber permit: — applicant submits application to FSD; — FSD vets application based on set criteria; — FSD forwards eligible applications to FC-CE for approval to allocate plantation timber rights; — upon receipt of FC-CE's approval, FSD communicates notice of award to applicant with a set of pre-conditions to be fulfilled prior to the allocation of timber rights; — applicant complies with all conditions specified in the notice of award;

	— FSD recommends to FC-CE to grant of timber rights to the applicant; — FC-CE grants timber rights and FSD communicates this to the applicant (the logger); — issuance of entry permit. or (iii) any other prescribed procedures issued by FC/Ministry responsible for Forestry. Procedure in relation to public-private plantations: — In public-private plantations on-reserve, the timber rights are inherent in the public-private partnerships (PPP) agreement. The procedure include the Investor securing: — an approved reforestation plan; — a land lease agreement; — payment of ground rent; and — a benefit sharing agreement. authorisation from the FSD of the Forestry Commission to harvest timber.
OUTPUT	<u>Outputs of plantation timber rights by means of competitive bidding shall include the following:</u> — TREC pre-qualification report; — TREC bidding report; — TREC report to Ministry responsible for Forestry; — Authorisation letter from the Minister; — Notice of award; — Letter of acceptance of award; — Plantation timber right; — Social Responsibility Agreement; — Evidence of payment of ground rent; — Entry permit. Outputs of Plantation timber permit shall include the following: — Application by applicant; — FSD recommendation report to FC-HQ; — Evidence of fulfilled terms and conditions of notice of award including ground rent payment; — Plantation timber permit. Outputs of Public-Private plantations: — PPP Agreement; — Reforestation plan; — Valid land lease agreement; — Valid benefit sharing agreement; — Permission to harvest timber.
PRINCIPLE 2	<u>Timber Rights Allocation</u> The logger held a TUC issued by the Minister and ratified by Parliament following the specified competitive process or logger held an SP issued by the Forestry Commission. The logger held a valid authorisation for operating in a natural forest or a forest plantation.
CRITERION 2.6	Forest plantation (off-reserve) The allocation of plantations rights allocation in off-reserve areas may originate from the following sources: d) Private plantations; e) Public-Community Partnership.

	<i>In each of the sources identified above, the following shall apply:</i> — For private plantations, an investor acquires land for plantation development and is not required to have a benefit sharing agreement. — For public-community plantations there is no signing of land lease but a benefit sharing agreement is required. In the case of d) i.e. private plantations described above, the allocation of timber rights does not apply to private plantations in off-reserve areas.
RESPONSIBILITY	Minister responsible for Forestry/ FC/ Investor
PROCEDURE	Forest plantations (off-reserve) - Private Plantation (i.e. commercial plantation). The procedure for private plantations in off-reserve areas is as follows: — Investor acquires land for plantation development; — Timber rights are not allocated by the government and therefore the timber rights reside with the developer. — Other requirements to be satisfied by the Investor include securing: — A reforestation plan submitted to FC where required; — At harvest, administrative permission is sought from the Forestry Commission to harvest timber. — Plantations (off-reserve) - Public-Community Plantation. In the Public-Community Plantation, there is no signing of a land lease but there is a benefit sharing agreement. The procedure includes the following: — Applicant submits application to FSD; — FSD vets application based on set criteria; — FSD forwards eligible applications to FC-CE for approval to allocate plantation timber rights; — Upon receipt of FC-CE's approval, FSD communicates notice of award to applicant with a set of pre-conditions to be fulfilled prior to allocation of timber rights; — Applicant complies with all conditions specified in the notice of award; — FSD recommends to FC-CE to grant of timber rights to applicant; — FC-CE grants timber rights and FSD communicates same to applicant (logger); — Issuance of entry permit by FSD.
OUTPUT	Forest Plantations (off-reserve) - Private Plantation (Commercial Plantation). — Evidence of land ownership; — Reforestation plan submitted where required; — Permission to convey timber. Forest Plantations (off-reserve) - Public -Community Plantation: — Valid benefit sharing Agreement; — Issuance of entry permit by FSD.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.1	Stock surveys/enumerations (including pre-felling inspections for off-reserve areas) were conducted in accordance with the logging manual. In forest plantations, stand assessment were conducted in accordance with prescribed procedures. Harvesting plan preparation.

RESPONSIBILITY	— FC-FSD checks and approves all stock survey/enumeration requirements including validation of harvesting plan submitted by timber Companies; — RMSC performs quality checks to ensure that the allocated yield conforms to appropriate MoP requirements.
PROCEDURE	For stock survey/enumeration (on-reserve); pre-felling inspection (off-reserve) and forest plantation stock assessment refer to the procedure under criterion 1.1. <u>Harvesting plan (forest reserve)</u> — Complete the approved compartment logging plan format which includes: — general description of compartment; — proposed start and finish date of harvesting; — road/track construction; — total length of skidding tracks needed; — scaled map ($\geq 1:10\ 000$) showing the following: — protected areas to be excluded from timber production; — all water courses; — position of existing and new tracks to be constructed; — log dumps. <u>Harvesting plan (off- reserve)</u> — detailed description of the harvest area including delineated boundaries of the area; — summary of number of trees agreed for felling as per pre-felling inspection form; — road/track construction; — total length of skidding tracks needed; — scaled map ($\geq 1:25\ 000$) showing the following: — protected areas to be excluded from timber production; — all water courses; — position of existing and new tracks to be constructed. — agreement plans with affected farmers/communities in course of track construction. <u>Harvesting</u> — In forest reserves, range supervisor records tree parameter; — The operator record tree parameter in off-reserves; — Records tree data including labels onto TIF; — Marks tree stump/label stump; — Cross-cuts tree into logs. In forest plantations, tree data (mid-point diameter and height) including labels are recorded and the PPC prepared.
OUTPUT	— Harvesting schedule; — Stock survey/enumeration report; — Pre-felling inspection report; — Stock maps; — Yield Lists; — Yield maps.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute (LI 2254).
CRITERION 3.2	Logging was carried out in accordance with harvesting requirements in areas designated for timber production.

RESPONSIBILITY	— FC-FSD (checks logging by timber companies; checks numbering and labelling of stumps; checks environmental impacts in accordance with logging manual (i.e. buffer strips, etc.)); — RMSC (conducts stock survey/enumeration checks).
PROCEDURE	Logger notifies the District Office of completion of harvesting in a compartment. FSD carry out a detailed 100% post-felling inspection in the compartment harvested; FSD checks timber operators for adherence to harvesting standards/specifications as spelled out in the logging manual; In cases where timber operators conducted stock survey/enumeration, RMSC check on the accuracy of stock survey/enumeration; The logger (timber operator) checks that all stumps trees have a numbered tree label on them; Both FSD and timber companies ensure that all trees listed as approved in the yield have been extracted and all fees, royalties and compensation paid; — Timber company ensures that log yards have been ripped to break up compacted soil; — Timber company ensures that all rubbish/debris removed from site; — All streams and water courses clear of debris; — Ensures that all access and skidding tracks follow the agreed alignment and adequate drainage is provided; — Good felling practice is observed; — FSD ensures that all relevant data is captured using hand-held computers for onward transmission to the WTS central database. Environmental standards The timber company ensures the following: — Siltation of water courses is avoided to prevent water pollution; — No logging operation is permitted within a buffer strip, 25 meters either side of any stream or 50 meters either side of a river; — No smoking is permitted during high fire hazard periods except on a road way cleared of inflammable material; — No logging operation, including felling, skidding, road and log yard construction is permitted in a protected area; — Any tree classified as Black Star (species of important international interest and conservation value) cannot be felled under any circumstance; for special permit species an authorisation is required from RMSC.
OUTPUT	— RMSC Post harvest audit report; — Compartment Closure Certificate.
PRINCIPLE	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.3	Logs were accurately measured and recorded.
RESPONSIBILITY	— FC-FSD verifies metric information on logs and stumps as well as labels; — TIDD (randomly measures logs at check points).

PROCEDURE	— FSD range supervisor takes full measurement of felled trees and; — Records tree parameter on Tree Information Form (TIF); — The logger records log parameters including log labels for their CoC records; — FC-TVD issue labels/tags (if in use) to FC-FSD and timber company according to permitted yield; — FSD cross-check TIF data with approved yield; — FSD verify log data and Tag number (if in use).
OUTPUT	Completed TIF .
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.4	Timber harvested corresponded to the species and volumes or numbers authorised in the TUC, Salvage permit, or Permit.
RESPONSIBILITY	— FC-FSD checks species and volume declaration on TIF and also checks TIF against approved yield.
PROCEDURE	— The producer records and keep the log data, including log label, number of log(s) from the tree, dimensions (length plus two diameters at each end), species, tree (stump) label, and tree stock number; — FC and timber company check that all tree stumps labelling and numbering are carried out appropriately; — FSD cross-checks TIF data with approved yield;
OUTPUT	— Yield; — Completed TIF .
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.5	Stumps and logs were marked and numbered in accordance with the logging manual.
RESPONSIBILITY	— FC-FSD (checks markings/labels); — TIDD (checks marking on logs at check points).
PROCEDURE	FC and timber companies ensure that: — All tree stumps are marked and numbered; — Every log must be marked with: — the species code, locality mark, contractor's tree number, which is sequential numbering beginning with 1 (i.e. number of trees felled since registration of timber company's property mark; — log number which is the number of the log cut from the tree; log number 1 is the butt log; — the timber company's property mark. — Logs from within forest reserves must be marked with: — reserve code; — compartment; — stock survey/enumeration number. — Logs from off-reserve must be marked with the code "OFR". — Tree stumps/logs have appropriate labels on them.
OUTPUT	Marked/labelled stumps, marked/labelled logs.

PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.6	The logger executed and complied with the relevant Social Responsibility Agreement.
RESPONSIBILITY	FC-FSD checks compliance on SRA.
PROCEDURE	— FC-FSD ensures that logger enters into an SRA with land owning communities and it forms an integral part of the TUC and terms and conditions becomes binding on both parties; — Timber company deposits SRA document with FC; — FC-FSD report on compliance of the SRA; — Land owning communities respect the right of the logger to be able to operate in the TUC area.
OUTPUT	SRA document; FSD reports on compliance.
PRINCIPLE 3	<u>Timber Harvesting Operations</u> The logger complied with forest operation procedures and standards specified by statute.
CRITERION 3.7	Compensation was paid to affected farmers in respect of crop damage if any.
RESPONSIBILITY	FC-FSD checks compensation level and payment.
PROCEDURE	— FSD conducts damage assessment as specified in the Logging Manual; — FSD ensures that logger (timber companies) pay the appropriate compensation payment in respect of crops damaged.
OUTPUT	Damage assessment and compensation report and payment receipt.
PRINCIPLE 4	<u>Transportation</u> Timber was at all times transported in accordance with standards prescribed by statute.
CRITERION 4.1	Timber was transported with official documentation detailing its origin and corresponding with physical identification of the timber.
RESPONSIBILITY	TIDD (checks on LMCCs/PLMCC/ILMCC and submits data to the WTS central database).
PROCEDURE	— Timber company applies for LMCC/PLMCC from FC-FSD; — FC-FSD checks TIF details against approved yield; — FC-FSD issues LMCC/PLMCC for truck movement to destination (mills); — FC-TIDD conducts road side checks at designated check points and TIDD inspectors perform unannounced checks on sampled truck load; i.e. LMCC/PLMCC checked against logs on truck (details of check include property mark, locality mark, stock survey/enumeration number, truck ID, destination, etc.); — FC-TIDD checks and capture LMCC/PLMCC data at designated check points using hand-held computers and transmit data to WTS central data base; — Upon arrival at mills, details of logs are entered in Mill Log Book. Transportation (Imported timber) — TIDD measures the timber and timber product and puts a label on each of the logs/bundles at the harbour; — Logs destined for local processing plants are loaded onto trucks and TIDD issues ILMCC;

	— Data declared is similar to that declared for logs cut in the forest and transmitted to the WTS central database. This includes tag number, species, length and two diameters at each end. For each truckload the timber or timber product data,, importer ID, country of origin, destination, processing company ID, truck ID, driver and truck owner are recorded.
OUTPUT	LMCC/PLMCC, ILMCC, Waybill, Details of logs recorded in Mill Log Book.
PRINCIPLE 4	<u>Transportation</u> Timber was at all times transported in accordance with standards prescribed by statute.
CRITERION 4.2	Timber was transported within the periods permitted by law.
RESPONSIBILITY	FC-TIDD (checks on truck movements).
PROCEDURE	FC-TIDD and FC-FSD ensure that timber is transported between 6:00 a.m. and 6:00 p.m. on a working day unless otherwise permitted by the Chief Executive on an application to him for the purpose.
OUTPUT	LMCC/PLMCC/ILMCC/LTC/RLMCC/COP.
PRINCIPLE 5	<u>Processing</u>
CRITERION 5.1	Timber processing facilities have valid licences and registration with FC and complied with all legal requirements.
RESPONSIBILITY	FC-TIDD (checks documents submitted by timber company; checks source of raw material of timber company).
PROCEDURE	<u>New timber companies:</u> — Timber company submits application to FC of its intent to establish a timber processing mill; — FC-TIDD checks the required documents (Certificate to commence Business, Incorporation, Company Regulation and Tax Clearance certificate from Ghana Revenue Authority); — FC-TIDD registers the timber company and issues certificate if all requirements are met. <u>Existing timber companies</u> — Timber company submits application to FC for renewal of their licence annually; — FC-TIDD checks the required documents (company's code and certificate to commence business obtainable from Registrar General's Office; valid Tax clearance certification from the Ghana Revenue Authority; Property Mark renewal from FC-FSD); — FC-TIDD renews certificate if all requirements are met.
OUTPUT	Valid certificate/licence.
PRINCIPLE 5	<u>Processing</u>
CRITERION 5.2	Industrial relation practices conform to legal standards.
RESPONSIBILITY	— TIDD (checks labour, health and safety requirements); — Factory Inspectorate Unit (Labour Department).

PROCEDURE	Timber company ensures that: — every worker employed works under satisfactory safe and healthy conditions; — workers are provided with the necessary information, instructions and training about health and safety at their place of work; — adequate precautionary measures are in place to provide worker safety in the event of accidents; — there is prevention of accidents and injury to health arising out of, connected with, or occurring in the course of, work by minimising the causes of hazards inherent in the working environment; — workmen compensation insurance exists for all workers; — Labour department conducts inspection and or direct employer to put in place the necessary corrective measures to ensure health and safety at work place.
OUTPUT	Work instructions, training, insurance and accident records.
PRINCIPLE 5	Processing
CRITERION 5.3	Timber Processing in the Mills.
RESPONSIBILITY	— TIDD (checks input and output, checks Logs at the Log Yard, inspects, measures and grades timber, issues product inspection certificates);
PROCEDURE	— The miller request for inspection — Conduct detailed inspection and grading of consignment, verifying against standards — Reconcile input and output — Fill out an embargo form where discrepancy is detected — Issue a product inspection certificate
OUTPUT	— Product Inspection Certificate (Domestic Timber Inspection Certificate/Lumber Inspection Certificate/Log Inspection Certificate/Veneer Inspection Certificate/Other Timber Products Inspection Certificate/Overland Inspection Certificate). — Consignment Input and Output statement. — Completed Embargo Form.
PRINCIPLE 6	<u>Trade</u> All vendors/exporters have valid licence or permits to market timber.
CRITERION 6.1	— Exporters have acquired FLEGT licence & export (EU market)/export permit (non-EU market).
RESPONSIBILITY	FC-TIDD.
PROCEDURE	— Registration of Exporter and Buyers — Exporter submits contract for vetting and approval — Exporter applies for inspection; — TIDD issues inspection report; — Reconciliation of data by TIDD; — FC-TIDD conducts Input and output reconciliation; — At the time of export, TIDD will enter into the WTS central data base system details such as processing company ID, contract number, buyer ID, volumes and dimensions to be supplied by species and product ID etc.; — The WTS central database will receive the list of bundle labels and produce a report indicating the history of the timber and timber products in some sampled bundles; — After a successful reconciliation of acceptable data sets, compliance records will be available to TIDD via the WTS. TIDD issues a FLEGT licence & Export Permit simultaneously. In the case of the EU market the export Permit is retained in Ghana and does not accompany the shipment/export. For non-EU markets the FLEGT licence is retained, and the Export Permit accompanies the shipment ;

	— TIDD transmits data through GCNET to the Customs Division of Ghana Revenue Authority for release of the consignment for loading on the vessel; — The Customs Division of Ghana Revenue Authority releases the consignment for export; — TIDD issues monthly returns on timber and timber product exports.
OUTPUT	— Buyers Registration Certificate; — Exporters Registration Certificate; — Miller's Licence to operate; — FC-TIDD approved sales contract; — TVD audit and reconciliation reports; — Product Inspection certificate; — Customs clearance; — Export Report.
PRINCIPLE 6	<u>Trade</u> All vendors/exporters have valid licence or permits to market timber.
CRITERION 6.2	Domestic vendors have FC-TIDD registration. Vendors have purchased legal timber product covered by Domestic Timber Inspection Certificate (DoTIC).
RESPONSIBILITY	FC-TIDD (checks on applications for registration by domestic vendors; checks on vendor sites; checks vendor purchases from saw mills).
PROCEDURE	— Vendor applies for registration; — Vendors obtains TIDD domestic timber sales waybill; — Reconciliation of data by FC-TIDD; — FC-TIDD input and output reconciliation; — TIDD issues reports on monthly supply to domestic market.
OUTPUT	— Vendor's valid FC registration licence;
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.1	Logger was not in default of stumpage fees or any other fees payable by loggers in Ghana.
RESPONSIBILITY	— TIDD (checks payment of stumpage and other fees prior to issuance of FLEGT licence); — FC-FSD (checks on payment of stumpage prior to renewal of property mark); — TREC (checks payments of stumpage prior to pre-qualification of bidders for competitive bidding);
PROCEDURE	— Range supervisors generate weekly billing reports based on TIF; — Forest District Accountant prepares contractor's bill; — Weekly contract bill/statement of account submitted; — FC-FSD will issue reports on analysis of royalty invoices based on timber production for each producer; — TIDD conducts reconciliation of financial flows. For exporters this will include: — stumpage fees; — approved Bank of Ghana Exchange control form A2; — evidence of payments.
OUTPUT	Contractor's bill, payment receipts, Exchange control Form A2, Letters of Credit, Telegraphic Transfer Advice, etc.

PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.2	Logger was not in default of ground rents.
RESPONSIBILITY	FC-FSD (checks on ground rent payment).
PROCEDURE	FC-FSD sends contractors monthly statements.
OUTPUT	FSD contractors' monthly statement, payment receipts.
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the Vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.3	Exporter was not in default of export levies.
RESPONSIBILITY	TIDD (checks on payment of export levies prior to registration and issuance of FLEGT licences).
PROCEDURE	— Exporter presents export documentation; — TIDD determines which species attracts levy; — Exporter pays; — FC-TIDD issues permit; — FC-TIDD provides quarterly reports to Minister/Ministry responsible for Forestry, MFEP, Accountant General.
OUTPUT	Payment receipts and FC-TIDD monthly quarterly reports.
PRINCIPLE 7	<u>Fiscal Obligations</u> Neither the logger nor the Vendor was at the time of sale or export in default of fees, rents or taxes, prescribed by statute.
CRITERION 7.4	Neither logger nor exporter was in default of corporate income tax.
RESPONSIBILITY	— FSD (checks income tax payments prior to property mark registration and allocation of resources); — TIDD (checks income tax prior to registration of exporters/domestic vendors of timber and timber products).
PROCEDURE	Exporter or vendors submits income tax clearance certificates during property mark registration or renewal and registration with TIDD or renewal of certificate.
OUTPUT	Tax clearance certificate, payment receipts.

5. TIMBER IN TRANSIT

Timber in transit will be kept physically segregated from domestic and imported timber; it will not be integrated into the GhLAS and will not be subject to issuance of a Ghanaian FLEGT licence at the point of export.

6. LICENSING PROCEDURE

As the designated licensing authority, TIDD will be responsible for issuing licences for all consignments. TIDD will rely on information from the WTS confirming legal compliance of the shipment in question. The detailed management and licence issuance procedures will be developed and will build on the existing TIDD procedures for permit issuance. The system will thus enable TIDD to issue consignment-based licences to be issued for timber and timber products exported against the legality definition. Data to be reconciled along the process chain is laid out in Table 1 and verification of procedures is laid out in Table 2.

At operational level, TIDD will rely on WTS data reconciliation which would include: verification of documentation including production declarations and permits; field inspections to ensure compliance with the documented record; log and timber product tracking from source to point of export; verification of royalty and other payments; and random checks on logging areas, truck loads and processing plants. These checks will be supported by the TVD's verification of legal compliance and compliance with the supply chain requirements enabling it to issue the licences.

The FLEGT licensing authority will have access to reconciled data at the various control points to enable it issue the licences.

7. THE TIMBER VALIDATION DEPARTMENT (TVD)

1. Introduction

In the implementation of the LAS it is important that the principles of independence, transparency and credibility are respected. In this regard, a Timber Validation Department (TVD) will be created to perform the following functions:

- (i) Audit the operations of actors in the forestry sector. In this respect it will check on the status of implementation of regulatory and management functions of the Forestry Commission and the activities of the timber industry as prescribed by law and contained in the definition of the legality framework. The TVD will use the verification procedures as outlined in Table 2 as the audit framework to guide the discharge of its verification functions;
- (ii) Reconcile datasets generated through field operations within the sector to enable the issuance of system-based licences.

Technical assistance will be sought to establish the management systems and verification protocols of the TVD and to provide a basis for establishing the credibility of the LAS. This will also serve as a basis for building capacity.

2. Institutional arrangement and staffing

The TVD will be established as a department within the FC and based at the FC headquarters. The Secretariat of the VPA will form the nucleus of the new TVD and will be headed by a Director who has to be appointed through a competitive recruitment process. To encourage the introduction of new working culture, the TVD will recruit personnel to fill vacancies during the pilot phase. A similar approach will be used beyond the pilot phase when the system is fully functional. Key personnel for the TVD will have to be graduates with a strong background in ICT, Forestry, Wood Technology and Supply Chain Management. Key functions of the TVD will include reporting on infractions and making recommendations for improvement on the GhLAS and the regulatory framework to the Ministry responsible for Forestry through the Chief Executive. To ensure empowerment of the TVD, the MLNR will introduce an LI as part of the first phase of reforms under the legislative review.

To ensure maintenance of high-calibre staff, the Director will be tasked to develop a programme for training of the TVD staff. This will ensure that the skills of the TVD staff are continuously upgraded to keep in sync with the demands of the system.

To ensure independence and credibility, a Timber Validation Committee (TVC) will be established to have oversight for the functioning of the TVD. The Committee will ensure that the TVD functions in a transparent and independent manner. The Committee will be made up of, but not limited to, the different stakeholders indicated below:

- (i) Judiciary
- (ii) Ministry of Lands and Natural Resources

- (iii) Customs
- (iv) Police
- (v) Civil Society
- (vi) Chief Executive of the FC
- (vii) Industry
- (viii) Director of TVD as ex-officio member

The Committee will be chaired by the Chief Executive of FC. Heads of FC agencies may be invited for meetings where a subject matter resides in their area.

3. Relationship with existing institutions

The detailed interaction of the TVD as an auditor with the existing Divisions/Units within the FC is depicted in the cross-functional process maps in appendix 1-10. The existing Divisions and Units will continue to perform their mandated functions while the TVD remain at arm's length as verifier. The TVD and TVC will report to the Ministry responsible for forestry through the Forestry Commission.

4. Financing

GOG will seek external assistance in the establishment of the TVD to assist in technical design and to help meet investment costs of establishing the TVD and its core functions. In the long term the GOG expects that fees/rents levied on the timber sector will cover the costs of operating the TVD and the regulatory controls governing timber extraction.

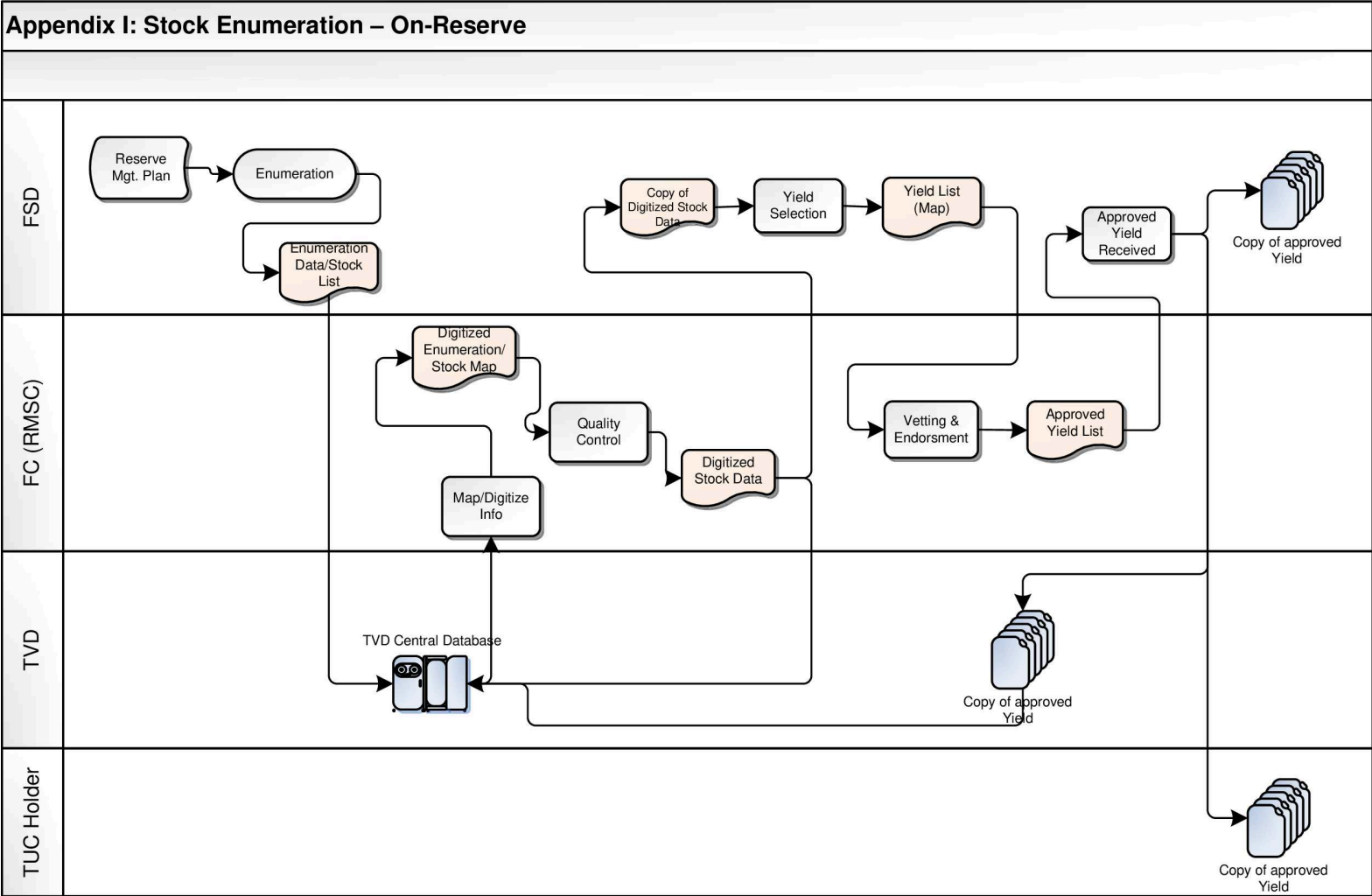
The overall implementation budget of the TVD will cover the following areas:

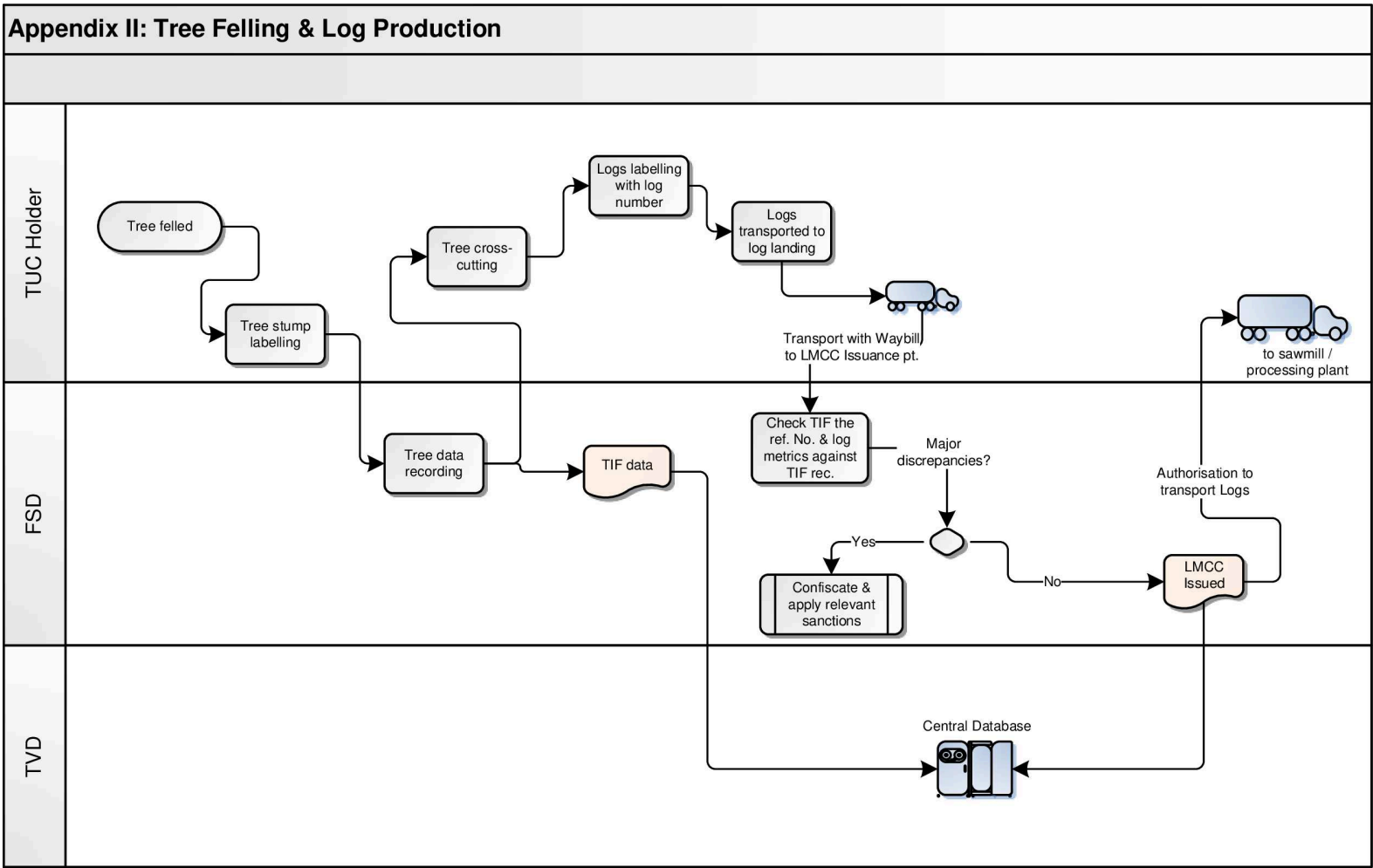
- cost of procuring the tracking system;
- cost of sourcing technical assistance through the accredited verifier;
- logistics and "tooling up" for TVD set as well as requirements of other Divisions for implementing the LAS;
- cost of training of staff of the TVD as well as staff of the FC whose services are crucial to the implementation of the system;
- Initial cost of assistance to industry to enable basic technological readiness (IT) for the operation of the system.

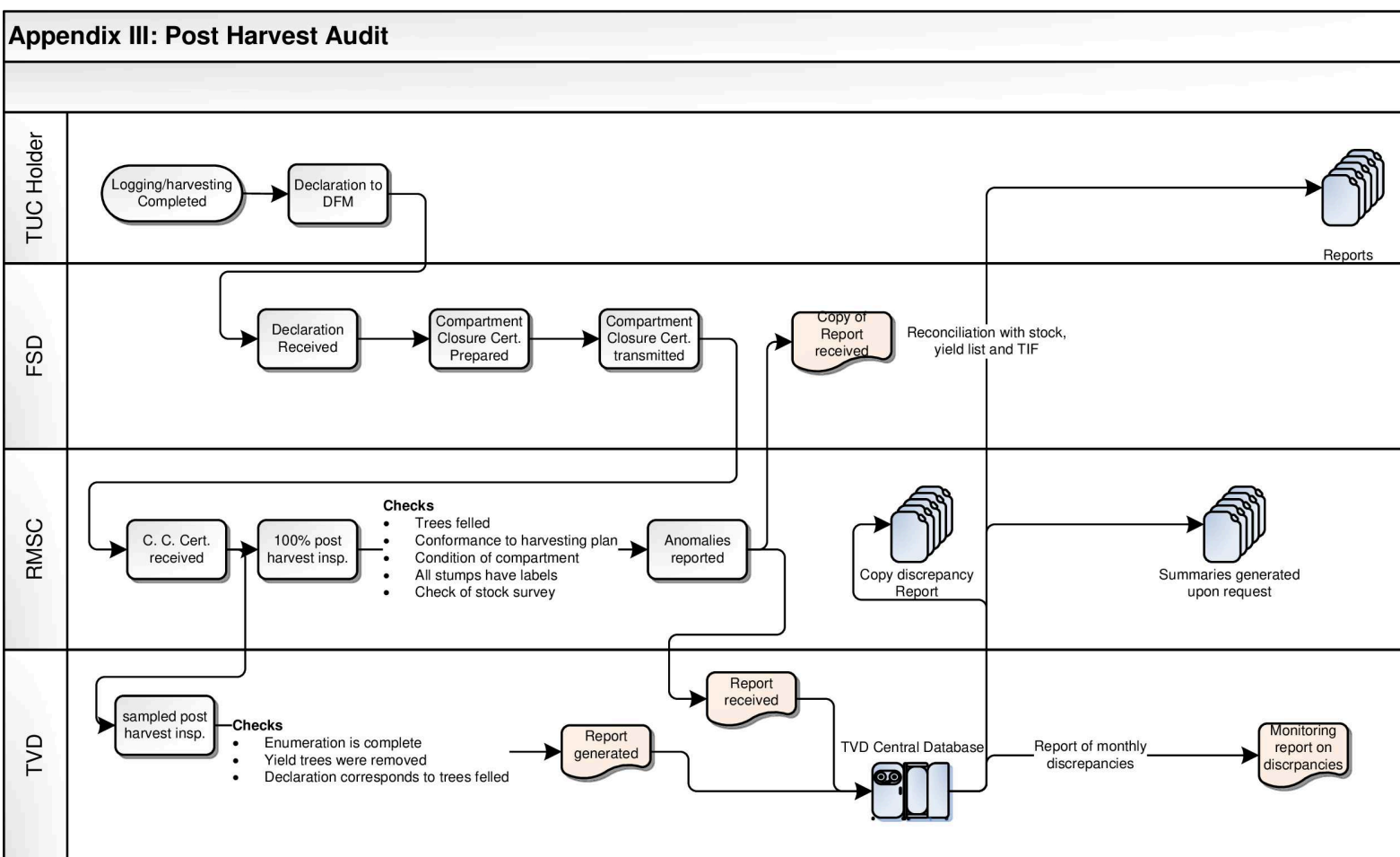
5. Complaints procedure

Complaints on the operation of the GhLAS will be managed through a complaints mechanism framework. The framework will have two primary complaint procedures.

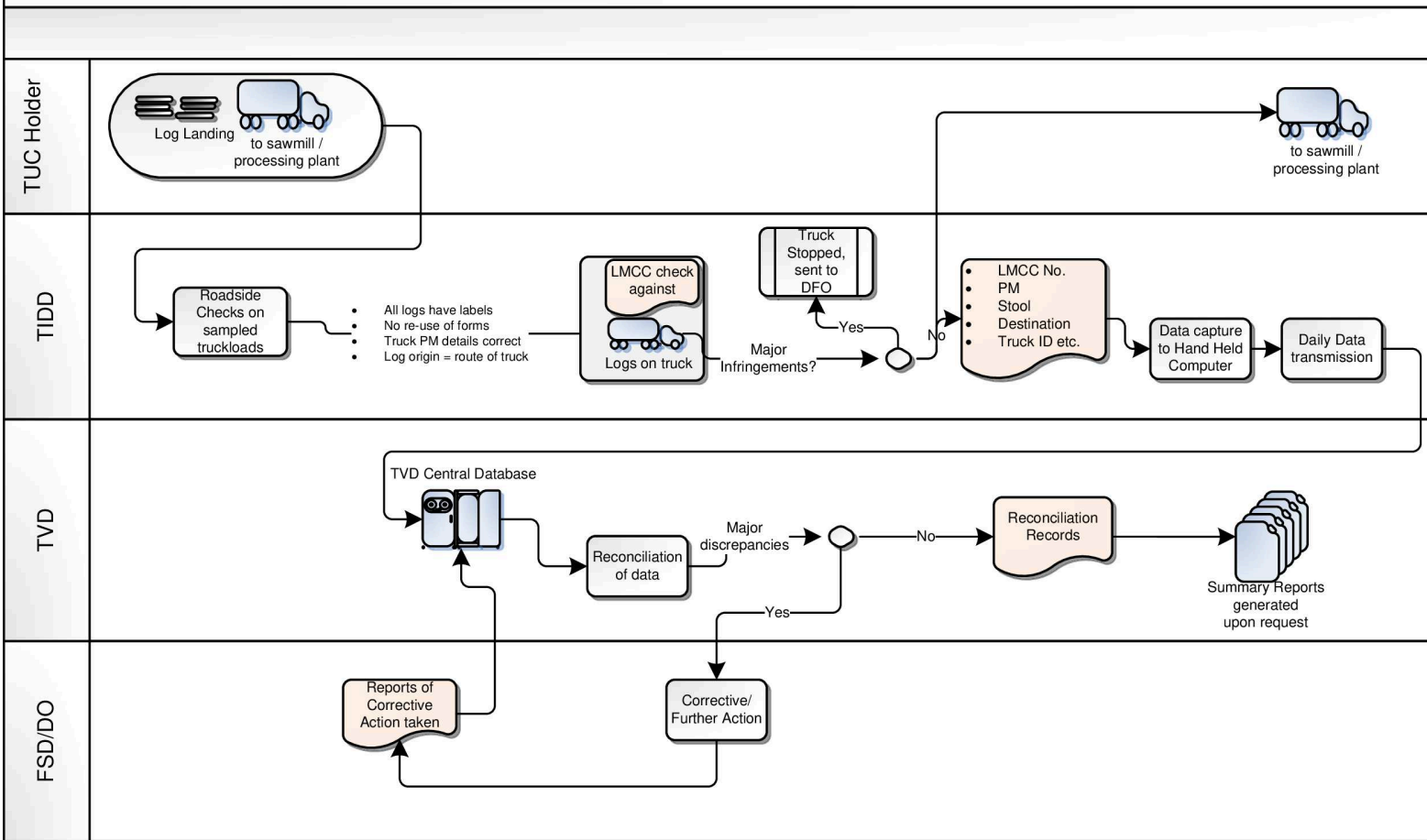
1. Procedure on how GhLAS complaints related to the operation of the TVD in the issuance of verification datasets (i.e. confirmation of the end of the reconciliation and verification process allowing for and including the issuance of FLEGT licences) will be received by the TVC.
2. Procedure on how GhLAS complaints not related to the operation, verification and validation functions of the TVD will be dealt with by the FC and/or the Ministry responsible for Forestry.



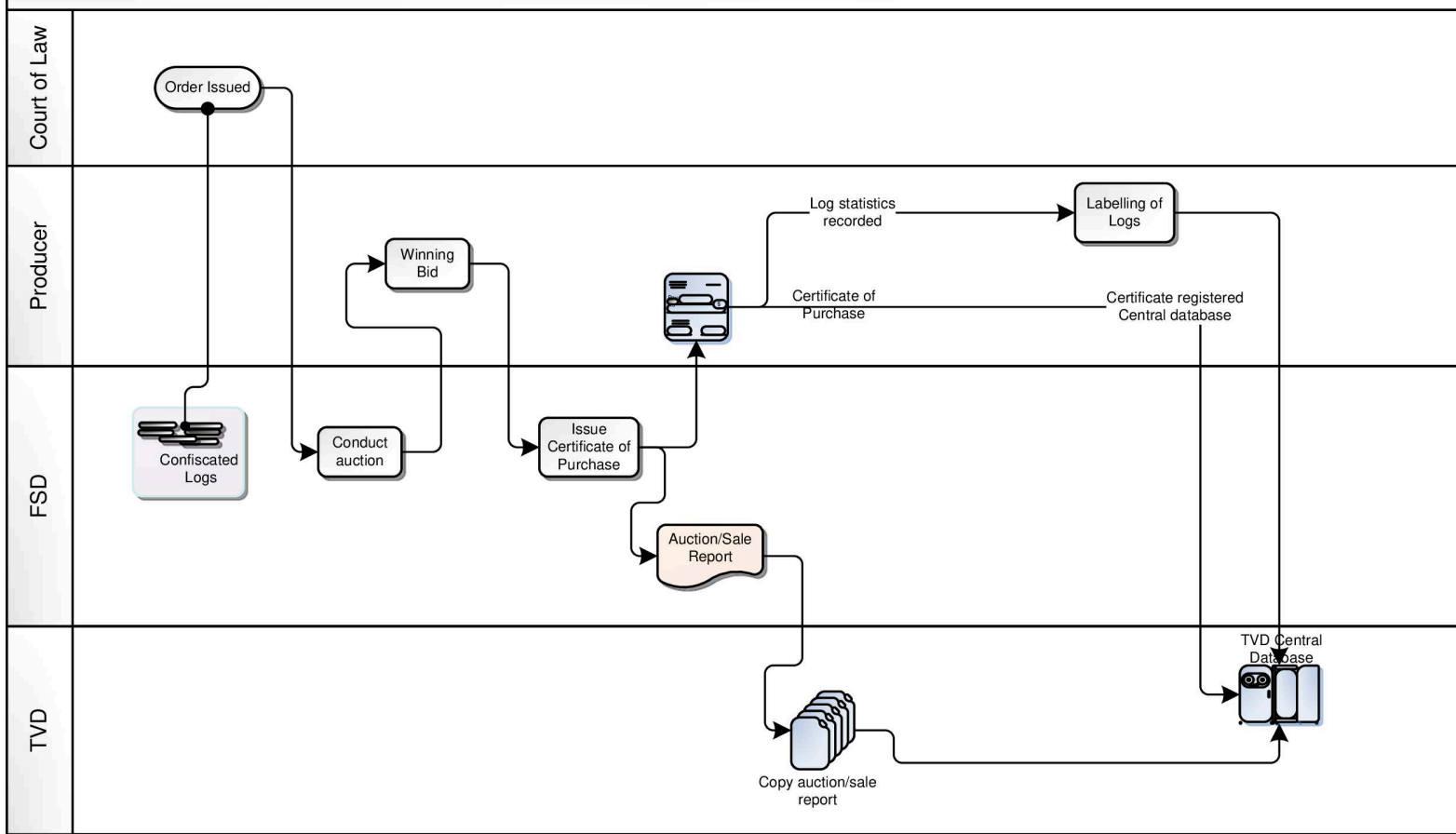


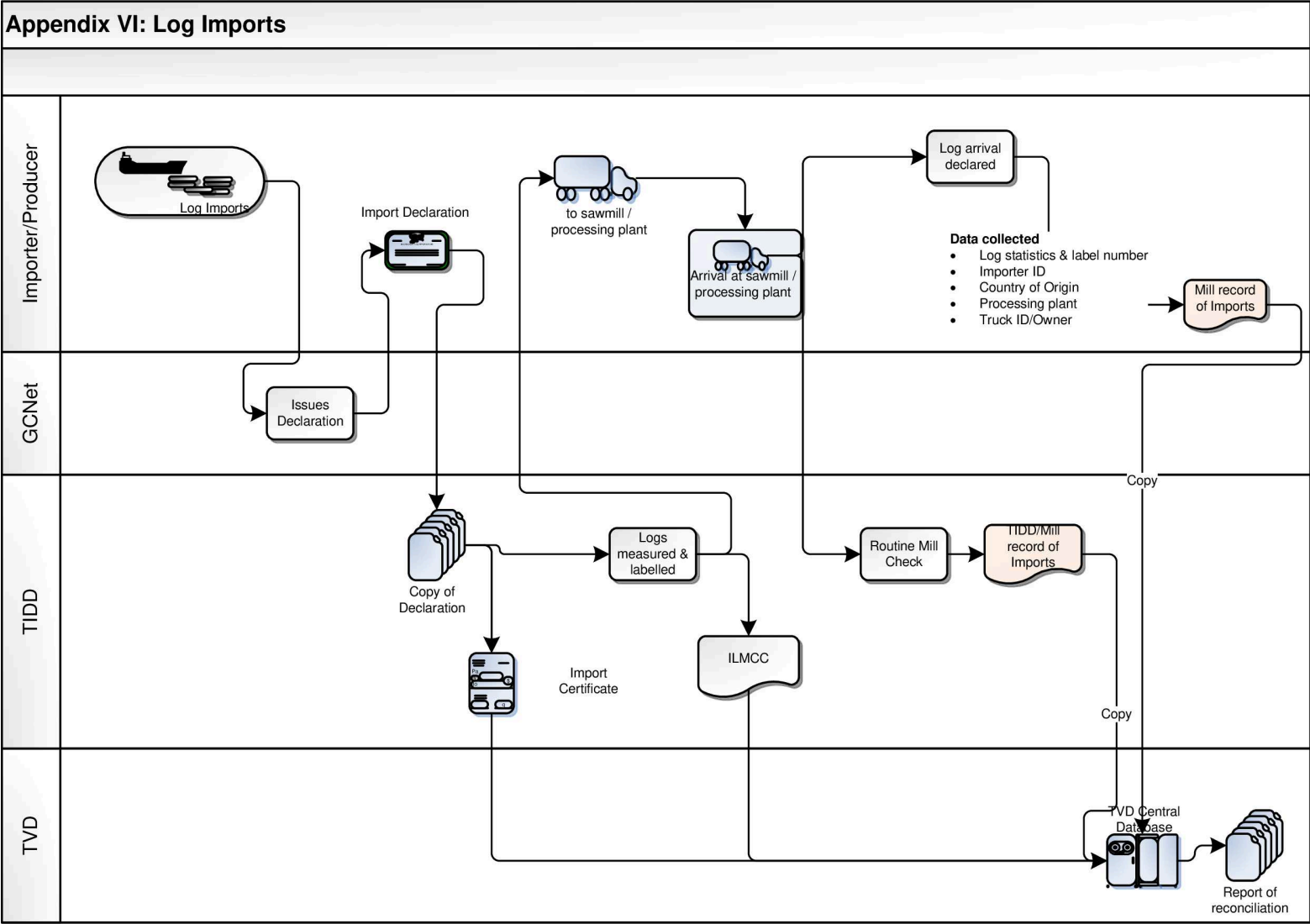


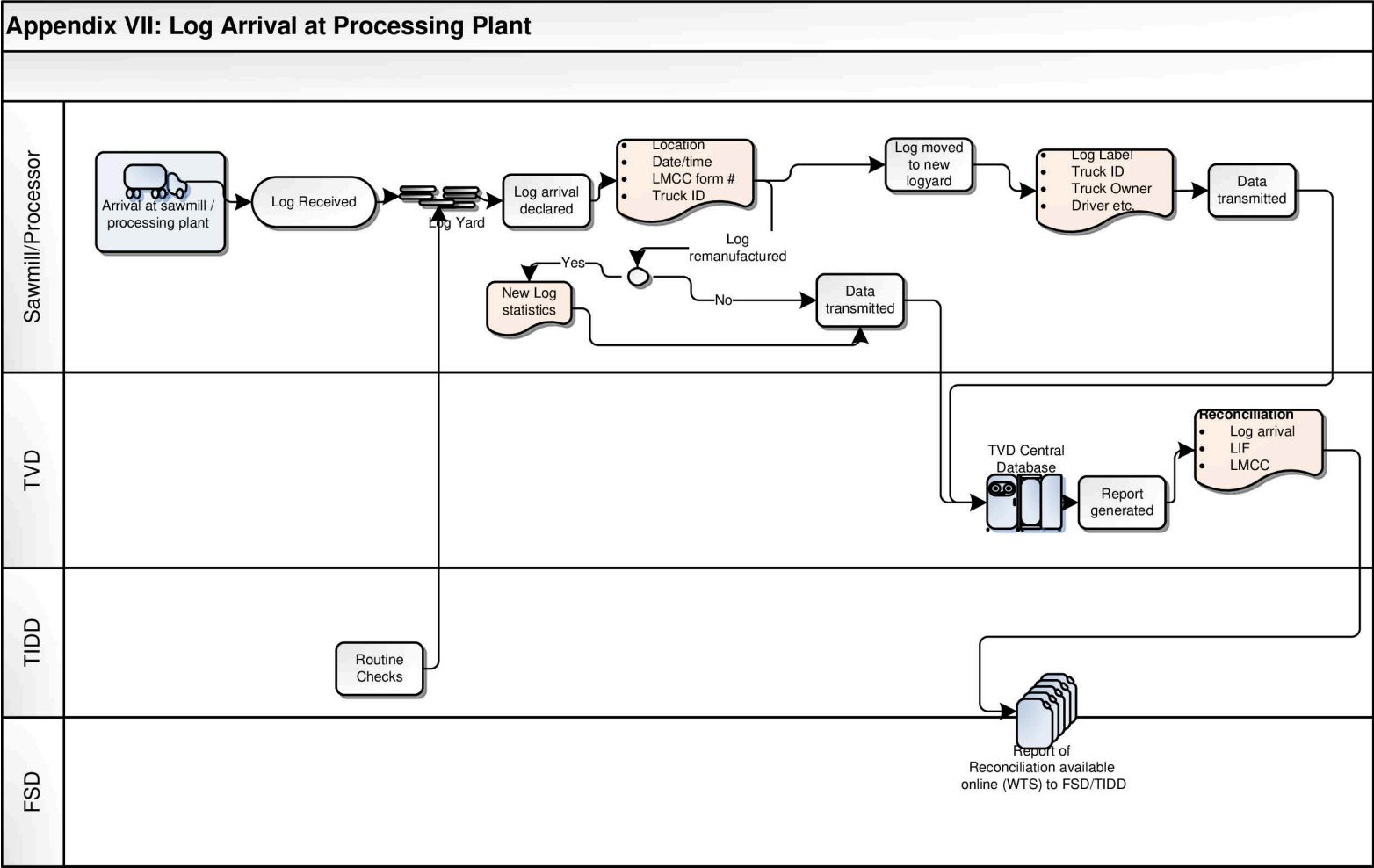
Appendix IV: Log Transport & Inspections

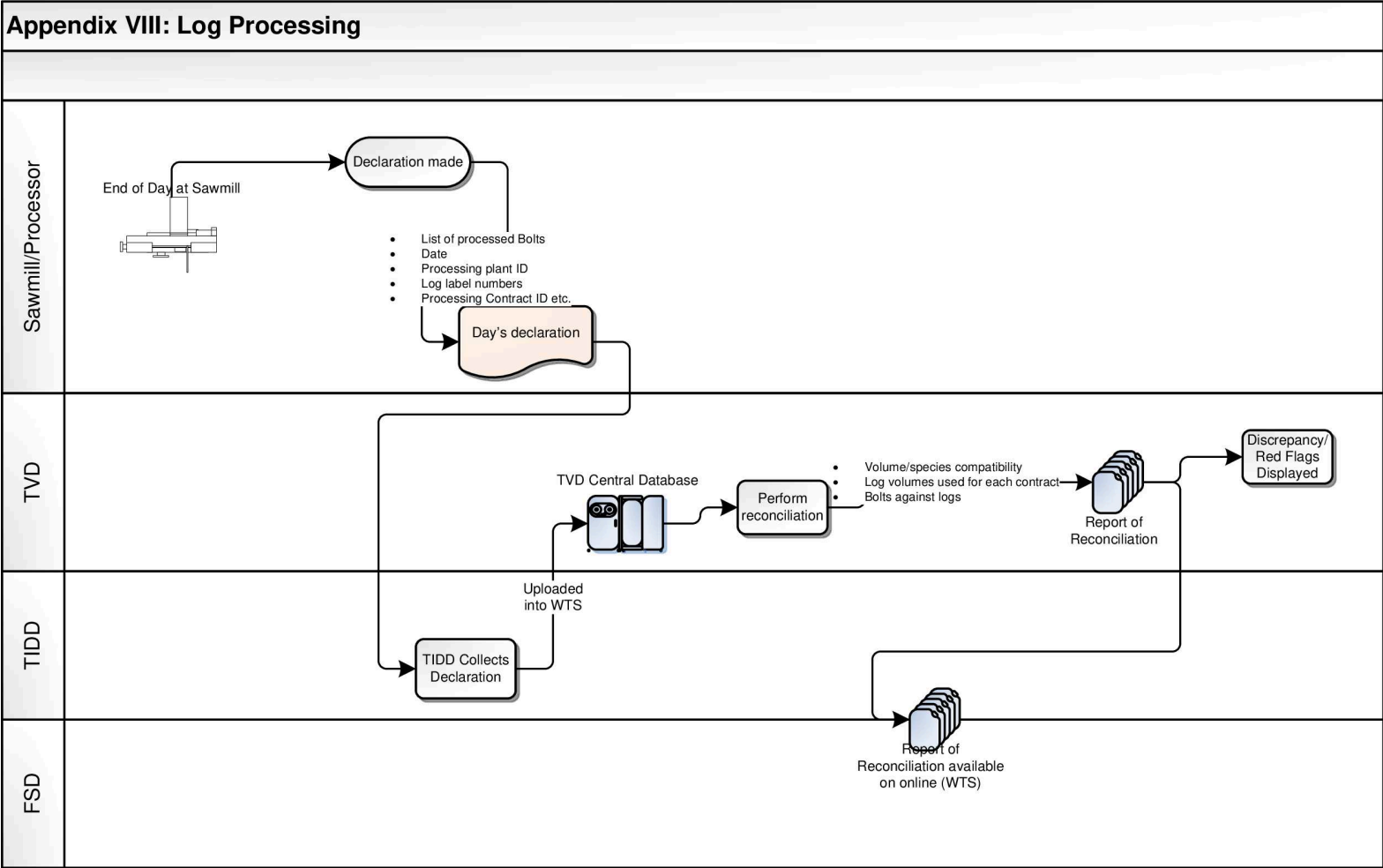


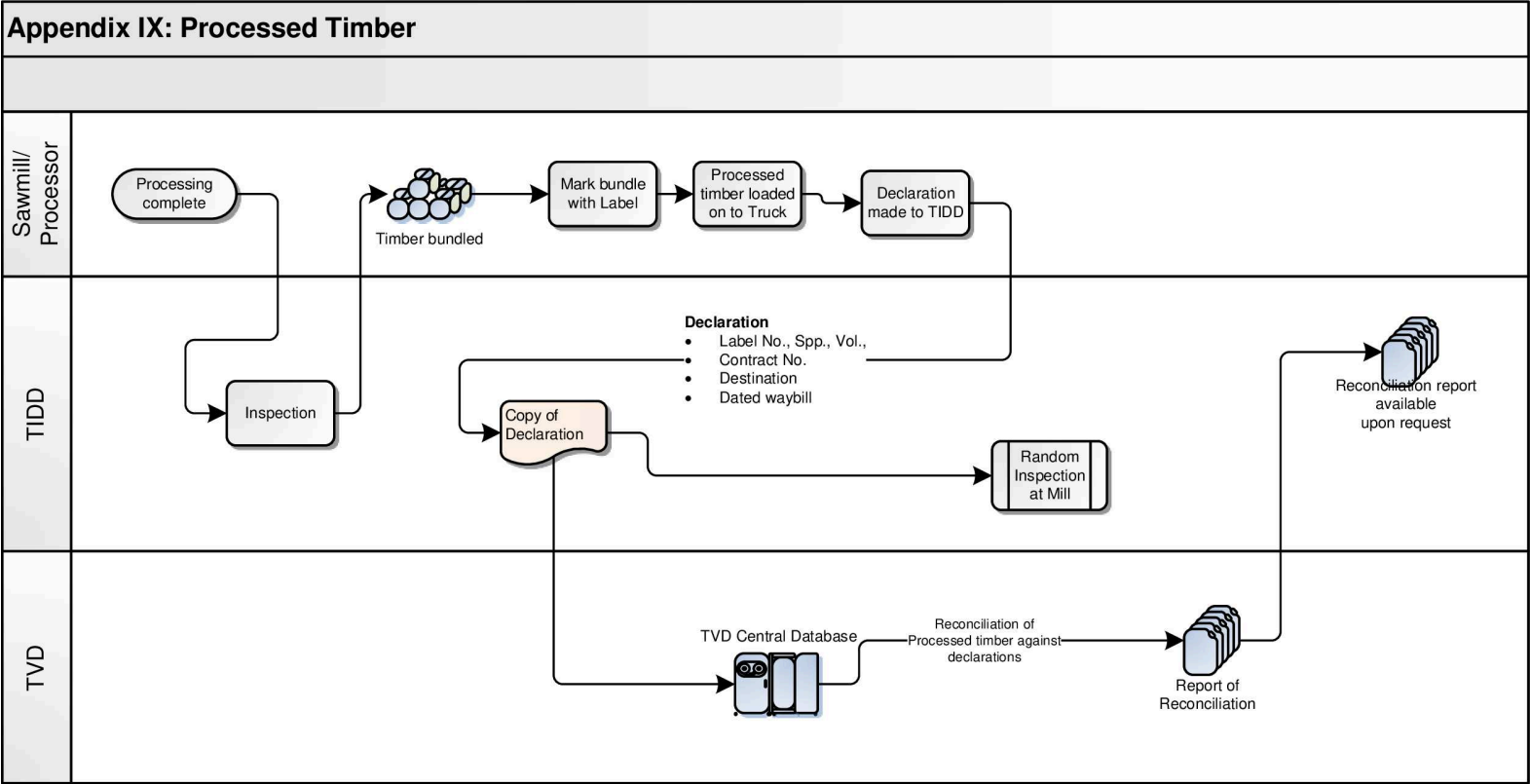
Appendix V: Confiscated Timber

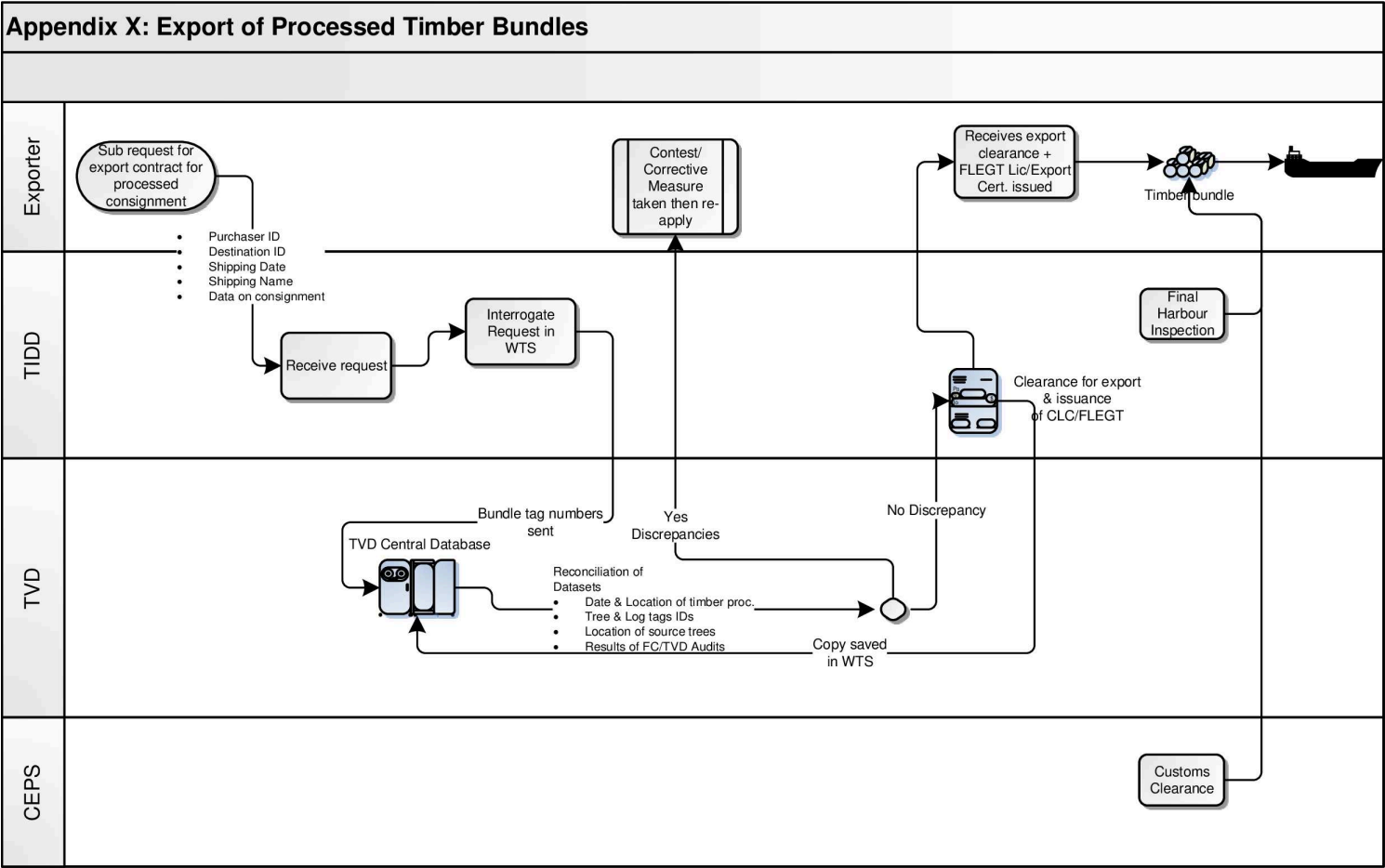












ACRONYMS

CEO	Chief Executive Officer
CEPS	Customs Excise and Preventive Services
CLC	Certificate of Legal Compliance
CoC	Chain of Custody
CoP	Certificate of Purchase
DCE	District Chief Executive
DFID	Department for International Development
DFO	District Forest Office
EU	European Union
FC	Forestry Commission
FLEGT	Forest Law Enforcement, Governance and Trade
FMP	Forest Management Plan
FMU	Forest Management Unit
Form CO2	
Form CO3	
FR	Forest Reserve
FSC	Forest Stewardship Council
FSD	Forest Service Division
GCNet	Ghana Community Network Services Ltd.
GFTN	Global Forest and Trade Network
GIS	Geographic Information System
GPS	Global Positioning System
GSBA	Globally Significant Biodiversity Area
HHC	Handheld Computer
HQ	Headquarters
ICT	Information and Communication Technology
ID	Identification/Identity (as used in Information Systems)
ILMCC	Import Log Measurement and Conveyance Certificate
IM	Independent Monitor
LAS	Legality Assurance System
LI	Legislative Instrument
LIC	Lumber Inspection Certificate
LMCC	Log Measurement and Conveyance Certificate
LSE	Large Scale Enterprise
MoFEP	Ministry of Finance and Economic Planning
MLNR	Ministry of Lands and Natural Resources
NGO	Non-Governmental Organisation

NTFP	Non-Timber Forest Product
OASL	Office of Administrator of Stool Lands
OFR	Off Forest Reserve
PC	Personal Computer
PEFC	Programme for the Endorsement of Forest Certification
PLMCC	Plantation Log Measurement and Conveyance Certificate
PPC	Plantation Production Certificate
PT	Processed Timber
RFID	Radio Frequency Identification Device
RFO	Regional Forest Office
RMSC	Resource Management Support Centre
RS	Range Supervisor
SME	Small and Medium Scale Enterprise
SP	Salvage Permit
SRA	Social Responsibility Agreement
TIDD	Timber Industry Development Division
TIF	Tree Information Form
TO	Technical Officer
TREC	Timber Rights Evaluation Committee
TSP	Temporary Sample Plot
TUC	Timber Utilisation Contract
TUP	Timber Utilisation Permit
TVC	Timber Validation Committee
TVD	Timber Validation Department
VAT	Value Added Tax
VIC	Veneer Inspection Certificate
VLC	Verification of Legal Compliance
VLTP	Validation of Legal Timber Programme
VPA	Voluntary Partnership Agreement
WTS	Wood Tracking System