



The Ghanaian timber industry and the Voluntary Partnership Agreement (VPA) – the current situation

The European Union is a large consumer of tropical timber produced elsewhere in the world. A considerable amount of this timber originates from illegal sources. In order to address the problem of illegal logging and the associated trade, the European Union started in 2003 an Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). The FLEGT action plan aims at establishing Voluntary Partnership Agreements (VPAs) between the EU and timber producing countries. These VPAs describe in what way it is assured that the production of round wood and timber in the partner country and the export of these products is legally verified.

Ghana has been the first country in the world to sign a VPA (September 2008). The negotiations between Ghana and the EU have been concluded and the initialed document (agreement) is now being taken through a ratification process within the jurisdiction of the two parties. The first FLEGT licensed timber shipment from Ghana is scheduled to arrive in the EU around mid 2010 (C. Beeko, VPA Ghana director).

The Ghanaian sawmills are important players in securing the legality of timber in different stages of the production process. In Ghana it is common practice that a sawmill has its own forest concessions including rights to extract timber. The sawmill is usually responsible for the logging of trees, the transport of logs to the mill, the processing of logs into timber products and finally the export of these timber products.

The timber industry is an important player within the VPA process, but, unfortunately, not much information is available on the position of that industry within the process. To get answers to what is the opinion of the timber industry, the awareness of the VPA and the readiness of the timber industry for the VPA, interviews were conducted with five of Ghana's major exporting sawmills. This document reflects the views of the formal timber industry, consisting of big multinational sawmills that mainly supply the export market.

Marketing tool

The Ghanaian exporting timber industry is positive towards the VPA. They do not only consider it to be a mechanism to realise sustainable forest management in Ghana, they also see it as a tool to make their own business and industry more sustainable. There is a certain understanding that immediate action is required in order to secure timber production in the future. The VPA is also considered as a useful business to business tool. With the VPA in force the industry hopes to promote the Ghanaian timber on the EU market. Markets that were closed for certain sawmills can become accessible and the VPA will further harmonise the trade with the EU, make it more efficient and will provide equal chances for every Ghanaian sawmill. The sawmills believe that there is a high demand for legal and certified timber in the EU and they consider the VPA to be a step closer towards FSC certification, which they think will be the only acceptable production method in the future. Nevertheless, the industry also foresees possible negative consequences of the VPA such as the uncertainty about the investment costs. Although the industry thinks the demand for legal timber is high, they doubt whether their customers are willing to pay for it. EU importers might choose for cheaper non-VPA timber.





Lack of awareness or lack of interest?

The awareness (understanding) of the VPA within the sawmills is low. Outside the management levels of the sawmills there is no awareness at all. Within management levels only few people are familiar with the VPA. The Forestry Commission has tried to inform the sawmills through conferences and workshops. However, only a handful of sawmills attended these meetings. The mills, on their turn, state that they have not been well informed by the Forestry Commission. This lack of awareness can also be interpreted as a lack of interest. The sawmills were positive about the VPA but they do not yet really believe in it because they have been involved in many plans to make the industry more sustainable, but they have all failed. Hopefully, as soon as the VPA comes into force, a change of attitude will be reached.

Readiness

Ghanaian sawmills consider themselves to be ready for the expected requirements of the VPA. Most sawmills already have digital or paper based systems

in place to track their logs and timber. Some can already assure their customers that the timber is legally verified. The sawmills prefer a digital system since it is more efficient and easier to cross-check. As soon as the agreement comes into force, a pilot will start with a couple of sawmills. This pilot study will show whether the VPA can be introduced successfully into the Ghanaian timber industry. If the results from the pilot study indicate that the VPA system has too many negative consequences for the parties involved, the final document coming into force will need to be discussed.

Conclusion

The Ghanaian timber industry is positive about the VPA and says to be ready for it, although the level of awareness is low and the possibilities and consequences of the VPA on the industry are hardly examined.

Recommendations

It is advised that the Forestry Commission informs the sawmills on regular basis about the requirements of the VPA, and the consequences and new opportunities for the timber industry. Improved awareness is expected to increase readiness of the sawmills and contribute to a smoother introduction of the VPA regulations. For the VPA to be successful the sawmills have to be encouraged actively to work according to the VPA regulations,



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