



Press Release
For immediate release

Helveta awarded contract for first National Wood Tracking System under FLEGT as Ghana takes steps to combat illegal logging

Oxford, United Kingdom, July 17 2009: International software provider Helveta, has announced today that it has been selected to install its CI World™ platform as a National Wood Tracking System by the Forestry Commission of Ghana (FCG). This represents the first contract of its kind awarded under the European Union's (EU's) Forest Law Enforcement Governance and Trade (FLEGT) initiative, and signals a significant change in fortunes for the Ghanaian timber industry.

The EU accounted for almost 43% of all wood products exported from Ghana in 2008. Following the introduction of the FLEGT initiative, which aims to develop and implement measures to address illegal logging and related trade, Ghana concluded negotiations of the first ever Voluntary Partnership Agreement (VPA) in September 2008. The project awarded to Helveta is the first worldwide to support the legality assurance requirements of a concluded VPA process and to facilitate issuance of FLEGT licensed timber destined for export in Europe.

The implementation of the National Wood Tracking System will consist of two phases, the first being an 18 month deployment of Helveta's technology in four specially selected supply chains, representing a cross section of the Ghanaian timber industry. It will deliver a fully integrated wood tracking system monitoring timber flows from the standing tree in the forest, through primary and secondary processing activities to the point of export, so that the origin and legality of the timber can be determined. Helveta's CI World technology will be used to gather standing tree inventory information and monitor timber moving through the supply chain.

The new system will see the use of barcode tags on trees and logs and data being recorded using Hand Held computers equipped with barcode scanners and GPS receivers and data transfer via internet connected PCs in FCG offices and also over the Ghana cellular phone network using GPRS. It will replace the current paper-based system used by FCG inspectors and integrate with FCG finance systems to improve collection of royalties and duties associated with the timber industry by the Government of Ghana.

When the processed timber reaches the harbour from which it will be exported, CI World will report on the history of the shipment, reconciling the consignment with the location of the original tree or trees which were cut to produce it. This report will be used to ensure that a Certificate of Legal Origin can be granted for each consignment of wood.

Phase two of the project will see Helveta and the FCG rolling the system out nationally throughout the entire Ghanaian timber industry. This will facilitate the issuance of FLEGT licences for Ghanaian wood being exported to the European Union.

Patrick Newton, CEO of Helveta commented “Ghana is the first country to have concluded a Voluntary Partnership Agreement with the European Community; and the implementation of a national wood tracking system to support commitments made under this Agreement is a significant step forward for the Ghanaian timber industry and for the success of the FLEGT process overall. We look forward to helping Ghanaian exporters provide FLEGT licensed timber to buyers in the EU as these buyers seek to comply with a need for verifiable due diligence under the EU’s planned Framework Regulation for illegal logging. Our end-to-end traceability solution significantly enhances risk mitigation for timber purchasers within the EU and the US – a key need for Executive Management as current and impending civil and criminal liabilities are now a significant feature of the timber supply chain on both sides of the Atlantic.”

Tony Lee, Business Development Manager at Helveta commented “The system we are implementing in Ghana will see forest mapping, tracking and tracing of timber across the supply chain and improvements to the process of royalty collections for timber in Ghana. This deployment builds on the success and flexibility of Helveta’s platform in supporting intergovernmental technology initiatives designed to provide forest products traceability. This project will help consolidate forest laws and strengthen regulation to ensure legal compliance in all timber production. More importantly, it will allow us to demonstrate CI World’s merits as a ‘fit-for-purpose’ software platform providing legality assurance support for countries engaged in the VPA process. ”

Fredua Agyeman, Technical Director (Forestry) at the Ghana Ministry of Lands & Natural Resources commented: “The Helveta system will help us to identify all wood that is harvested from the forest through processing to Marketing centres, whether local or to export. Once we’ve given out the yield we should be able to know that what we give out is what is actually going through the system. That is one of the unique advantages of this system and why the Government of Ghana is very keen in getting this agreement signed as early as possible and today I’m happy that it has been done.”

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For further information, please contact:

Louise Richardson, *Ranieri Communications*.

Tel: +44 (0) 1296 394 614; louise@raniericomms.com

About Helveta

Helveta was incorporated in 2004 and is the developer of the CI World™ software platform. CI World is a unique technology providing fully auditable traceability and chain of custody control for extended supply chains in the Timber and Food production sectors. CI World and its components have won a number of awards as innovative technologies for the timber sector. Helveta is privately held.

About the Forestry Commission of Ghana

The Forestry Commission of Ghana is responsible for the regulation of utilization of forest and wildlife resources, the conservation and management of those resources and the coordination of policies related to them. The Commission embodies the various public bodies and agencies that were individually implementing the functions of protection, management, the regulation of forest and wildlife resources.