

AIDE MEMOIRE

FIRST MEETING OF THE PRE-JOINT IMPLEMENTATION COMMITTEE

Monrovia, 27-28 March, 2012

Introduction

1. The first meeting of the pre-Joint Implementation Committee¹ (pre-JIC) to facilitate implementation of the Voluntary Partnership Agreement (VPA) between Liberia and the EU, took place in the Chamber of Commerce in Monrovia from 27 to 28 March 2012. The meeting was co-Chaired by Liberia and the EU. The Liberia Delegation was led by the Honorable Florence Chenoweth, the Minister of Agriculture. The EU Delegation was led by Ambassador Attilio Pacifici, Head of Delegation, EU Delegation, Monrovia.
2. The Liberian team included representation from the Forest Development Authority (FDA), Ministry of Finance, Ministry of Justice, VPA Secretariat, civil society and the private sector. The EU team included representation from the European Commission, Member States and experts from the EFI FLEGT Facility. A participant list is attached as an annex to this aide memoire.
3. Purpose of the meeting was to take stock of the preparatory activities that are underway to implement the VPA and to understand progress in the ratification process. Key highlights from the discussion are presented below and an up-dated joint work plan for 2012 is attached to this aide memoire. In the context of the meeting, the pre-JIC met with the Liberian stakeholders to discuss progress in VPA implementation.

Ratification

4. The VPA was signed in Brussels 27th July 2011.
5. On the Liberian side, the Minister of Agriculture has submitted the VPA to the Office of the President for consideration and for onward transmission to the Legislature for ratification. Following ratification by the Legislature, the VPA returns to the President for signature, after which it is printed into handbills.
6. On the EU side, the VPA was sent to the EU Parliament for their consideration and consent. The International Trade Committee recommended on the 27th of March that the parliament gives its consent to the agreement. Discussion and vote in the plenary is planned for end of April 2012. Favorable vote by the Parliament is expected. After Parliamentary consent, the VPA returns to the

¹ Pre-JIC refers to the joint mechanism for dialogue and monitoring described in Article 19 (5) of the VPA foreseen for the period between its initialling and entry into force.

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Council for final endorsement. Ratification process is expected to be concluded by June 2012. The EU Delegation will explore the possibility of setting up a link to the web-streamed Parliamentary session.

Institutional arrangements

7. The Liberian Implementation Committee (LIC) has been established drawing together the government and non-government stakeholders who were involved in the development of the VPA through negotiations. Its purpose is to oversee implementation of the VPA on the Liberian side.
8. Terms of Reference for the National Multi-stakeholder Monitoring Committee described in the VPA are being developed in consultation with concerned stakeholders and will be finalized by the beginning of May 2012.
9. The UK and the EU are finalizing their program of support to VPA implementation. They have agreed to use a pooled fund mechanism with DFID leading in procurement of a service provider to act as a VPA Support Unit. As agreed in December 2011 with the Government of Liberia, this unit will sit close to FDA, but not within a government structure and will channel support for capacity building and coordination required for VPA implementation. Draft Terms of Reference (TOR) will be prepared by the end of April for discussion and finalization with the Government of Liberia in May. The unit will be contracted by the end of third quarter 2012. It was agreed that the TOR will include an assessment of capacity building needs as its first task. As indicated in December 2011, DFID proposes to procure through a restricted tender process so as to save time. DFID will share the list of pre-qualified service providers with the Government of Liberia as soon as this list is available.
10. DFID support to the VPA Secretariat that was established to support negotiations ends 31 March 2012. The Secretariat will continue for an interim period to coordinate VPA implementation activities, supported by the Government of Liberia, until the VPA Support Unit is established.

Legality Assurance System: Development and priority actions for 2012

11. The Legality Assurance System (LAS) under the Liberian VPA includes 5 key elements: 1) a Legality Definition, 2) Legality verification, 3) a Chain of Custody system (COCS), 4) Forest Law Enforcement, Governance and Trade (FLEGT) licensing, and 5) Independent Audit.
12. The legality definition (LD) setting out core requirements of legislation applicable to the forest sector was finalized and endorsed by national stakeholders during the negotiation phase of the VPA.
13. In order to verify compliance with the legality definition and operate the COCS, the Forest Development Authority will establish a new department called the Liberia Verification Department

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(LVD). An external service provider (ESP) will be contracted on a "build, operate and transfer" (BOT) basis for the first five years. Draft TOR for the appointment of the ESP will be completed by EFI technical assistance and FDA by the end of April 2012. Discussions to finalize the TOR will be scheduled for early May 2012, followed by a joint procurement process by DFID and the Government of Liberia, which should be completed by October 2012. In order to meet this time schedule a restricted tender process could be adopted as outlined in paragraph 9. The ESP will implement the necessary verification methodologies, procedures and protocols developed by the long-term EFI technical assistance and also build the capacity of the FDA and other institutions, including other government agencies directly involved in implementing the LAS. Where necessary, the protocols developed by the EFI technical assistance will be further developed. The FDA has committed to make available a dedicated staff member to act as counterpart in the development, implementation and oversight of the LAS and support the activities of the EFI technical assistance.

14. In terms of work during 2012, the following key milestones were identified: Draft institutional procedures for the LVD and the Liberian Licensing Department (October 2012); Draft legality verification protocols (Sept. 2012); Draft data management protocols (July 2012); and protocols for dealing with breaches and sanctions in respect of the legality verification (October 2012).
15. The ESP will continue implementing the COCS to control the timber supply chain from the forest to the point of export or sale on the domestic market. The current COCS ("LiberFor") has been in operation since 2008, and is enshrined in the National Forestry Reform Law (2006). A Chain of Custody "gap analysis" between the current COCS and VPA requirements is currently underway and will be completed by June 2012.
16. FLEGT licensing of timber product exports that are produced in accordance with the legality definition and duly controlled by the COCS will be in place once the system is fully developed and operational. Draft licensing procedures and protocols currently being developed will be completed by October 2012.
17. Independent audit: Article 11 of the VPA specifies that the services of an 'Independent Auditor' will be employed to assess the performance and efficiency of the FLEGT licensing scheme at regular intervals. This will be funded by the European Development Funds and the Independent Auditor will be contracted by the Government of Liberia end of 2013 – early 2014. The functions and the TOR of the Independent Auditor are attached to the Agreement and contained in its Annex V.

Progress in the development of new regulations

18. Five draft regulations have been developed on confiscated timber, abandoned timber, timber in transit, imported timber and third party access in concession areas as indicated in the VPA. These drafts will be further developed through consultation with concerned stakeholders including the EU. Final regulations will be agreed by October 2012.

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Communications and access to information

19. Both parties agreed that communications is important and a top priority for 2012 to ensure a good understanding of the VPA and stakeholder engagement in its implementation. The focus should be on effective and simple communication tools. Liberia will review and update its communication strategy with the support of the EFI FLEGT Facility by July 2012. Two priority areas were identified: Communication towards European buyers in the run-up to March 2013 when the EU Timber Regulation comes into force, and Communication targeting the legislative ratification process.
20. The VPA Secretariat has been providing information to various stakeholders and information points. As an interim measure in advance of the FDA website being fully functional, the VPA Secretariat is up-dating its website which will be linked to the government (FDA) website. The Minister of Agriculture stressed the importance of ensuring effective link to the official government website (Execute Mansion). Information from the current chain of custody system (LiberFor) should also be available through the website; TOR for the new LVD service provider will need to reflect this.

Impact monitoring

21. The VPA outline a requirement for the monitoring of social, economic and environmental impacts. The JIC is tasked with impact monitoring and both parties agreed to make the development of the VPA impact monitoring framework a priority in 2012 building upon the Poverty Reduction Strategy 2 – Vision 2030. The EFI FLEGT Facility can support this task.

Civil society monitoring and community outreach

22. Civil society organizations (CSOs) have established a monitoring framework, have set up a monitoring team and have agreed to jointly monitor the VPA implementation process. The NGO Coalition will prepare proposals by June 2012 to seek further support to build capacity for the implementation of the monitoring and community outreach.

Concerns raised by the civil society

23. Concerns have been raised by civil society over the rapid increase in the issuance of Private Use Permits (PUP) and whether the correct procedures have been used their issuance. The FDA Board was tasked the President to investigate. The investigation found no evidence that the procedures were breached and was not able to determine the validity or otherwise of the claims that the land deeds which form the basis of PUP issuance were fraudulent. As a consequence, the FDA Board has tasked the General Audit Commission (GAC) to carry out a full forensic audit to investigate further. Until this auditing process is complete, the FDA Board has decided to introduce a moratorium on

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granting of any further PUPs or Community Forest Management Agreements. Civil society asked whether the FDA Board report would be made public and the Minister of Agriculture indicated that this would be decided by the President. However, the GAC report will be published. The Minister confirmed that as a result of the FDA Board investigation.

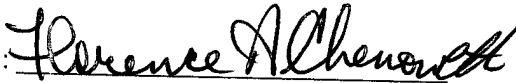
24. The long standing controversy over the annual payments of a bid premium which are part of the concession agreements and were used in the award of the concession contracts continues. In response to concerns from the civil society over this issue, the Minister of Agriculture confirmed that no decision has yet been made. However, the issue is currently being analyzed and recommendations are being made through the Economic management team.
25. In response to concerns over large scale conversion of forests for agricultural concessions, the Minister confirmed that there is a moratorium on further allocation on forest land of concessions requiring large land areas, except where food security of concern.

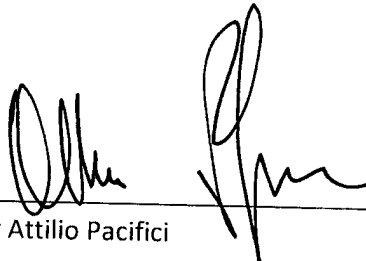
Coordination of FLEGT projects

26. The EU and UK are financing a number FLEGT related projects in support of VPA implementation in Liberia. These support government and non-governmental stakeholders in community outreach, awareness rising particularly with pit sawyers, civil society forest monitoring and capacity building in advocacy. The EU and DFID agreed to provide information on all projects to the FDA to be integrated FDA's compilations of all donor financed sector support.

Work plan and next steps

27. The up-dated work plan is attached. This will be used to monitor progress over the year. A meeting will be organized in the 2nd week of May to follow-up progress on VPA implementation, with priority on finalization of TOR for the LVD ESP and the VPA Support Unit.

Signed: 
Hon. Florence Chenoweth
Minister of Agriculture

Signed: 
Ambassador Attilio Pacifici

Date: 30 March 2012

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