

PROGRESS REPORT

Moving Towards VPA Implementation

Preparation for the implementation of the FLEGT
Voluntary Partnership Agreement

2011–2012



Liberia and the European Union



Common efforts to ensure and
promote legal timber trade and
good stewardship of the forest
sector

Cover photo credit: Fauna and Flora International

Foreword

Liberia is home to more than half the entire rainforest remaining in West Africa and has made significant efforts to reform the forestry sector to establish transparency, governance and sustainability and to recognize community rights.

Furthermore, the desire to eliminate illegal forestry activities and associated trade and to achieve sustainable forest management has been on the agenda of the international community and the Government of Liberia.

We have made significant progress through Liberia's National Forestry Reform Law/2006 and the Voluntary Partnership Agreement (VPA). Our efforts and the EU Timber Regulation are creating incentives for timber suppliers and buyers to remove timber of unverified legality from the supply chains.

This report is the product of collaboration between the government of Liberia and the EU with the objective to provide the requisite information to concerned stakeholders to set the ground for the implementation of actions toward ensuring the production of legal wood products and subsequent sustainable management of the remaining forest of Liberia.

I sincerely hope timber exporters and importers and other stakeholders find this document useful.

Mr. Harrison Karnwea, Managing Director
ad interim, Forestry Development
Authority

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List of abbreviations

EC	European Commission
EFI	European Forest Institute
EU	European Union
FAO	Food and Agriculture Organization
FDA	Forestry Development Authority
FLEGT	Forest Law Enforcement Governance and Trade
GDP	Gross Domestic Product
GIS	Geographic Information System
GPS	Geographic Positioning System
IM-FLEG	Independent Monitoring of Forest Law Enforcement and Governance
LAS	Legality Assurance System
PUP	Private Use Permit
UN	United Nations
VOSIEDA	Volunteers to Support International Efforts in Developing Africa
VPA	Voluntary Partnership Agreement

Executive summary

Since the Voluntary Partnership Agreement (VPA) between Liberia and the European Union (EU) was signed in July 2011, Liberia has been preparing for the implementation of the Agreement.

The EU ratified the VPA in May 2012. Ratification by Liberia was delayed by national elections, but procedures are ongoing. Pending full ratification, Liberia and the EU established the Pre-Joint Implementation Committee. Two high-level meetings were held in March and December 2012 to guide and review the progress of preparations for VPA implementation. The Committee agreed on work plans detailing activities to be carried out in 2012 and 2013. The establishment of this Committee and the Liberian Implementation Committee has made it possible to start work on developing the capacity and systems envisaged in the VPA, especially for the establishment of the legality assurance system.

The legality assurance system will be run by two new departments to be created inside Liberia's Forestry Development Authority (FDA): the Liberia Verification Department, which will be in charge of legality verification and operation of the chain of custody system, and the Liberia Licensing Department, which will issue licences. Procurement processes have begun for a service provider to act as the VPA Support Unit and to build and operate the Liberia Verification Department until management is transferred to the FDA; the service is expected to be operational in 2013. This and other work to build the required systems and capacity for implementation is being funded by a UK-EU joint programme of support, designed

during 2012 in collaboration with the Government of Liberia.

To prepare for the establishment of the Liberia Verification Department, a team of experts financed by EFI worked with the FDA during 2012 to draft legality verification protocols. EFI also financed an institutional review of the FDA in 2012.

Regulations also have been drafted on timber in transit, imported timber, confiscated and abandoned timber and third-party access to concession areas; these were submitted for stakeholder review and revisions are underway.

Liberian civil society continues to play a pivotal role in VPA implementation. During 2012, six projects were underway, targeting outreach and awareness raising, community capacity building, policy and regulation development and implementation monitoring. In addition, the Liberia Chainsaw and Timber Dealers Union launched a pilot project aiming to give chainsaw millers the knowledge to comply with new regulations on chainsaw milling and to establish a legitimate system of operations.

However, during 2011-2012, the forestry sector was overshadowed by concerns over the rapid increase in the number of Private Use Permits being issued. The government imposed a moratorium on these permits and launched a full investigation, after which the moratorium was extended by presidential order. A multistakeholder committee was established to work alongside the FDA to develop tighter regulations on the permits, the first draft of which was released in late 2012.

1. Liberia's forests and forestry sector



FDA's chain of custody ranger and commercial forestry department inspecting logs, Gbangay, Liberia. Credit: Forest Development Authority.

Forests in Liberia

Liberia's significant forest resources cover more than 40% of the country's land area. Broadly, vegetation cover falls into three types: mangrove swamps along the coast; wooded hills and semi-deciduous shrub

lands in the middle belt; and dense tropical forests and plateaus in the interior. Tropical rainforests cover an area of about 4.38 million hectares. The distribution of the various forest types and their areas of coverage are given in Table 1.

Table 1: Area of forest types

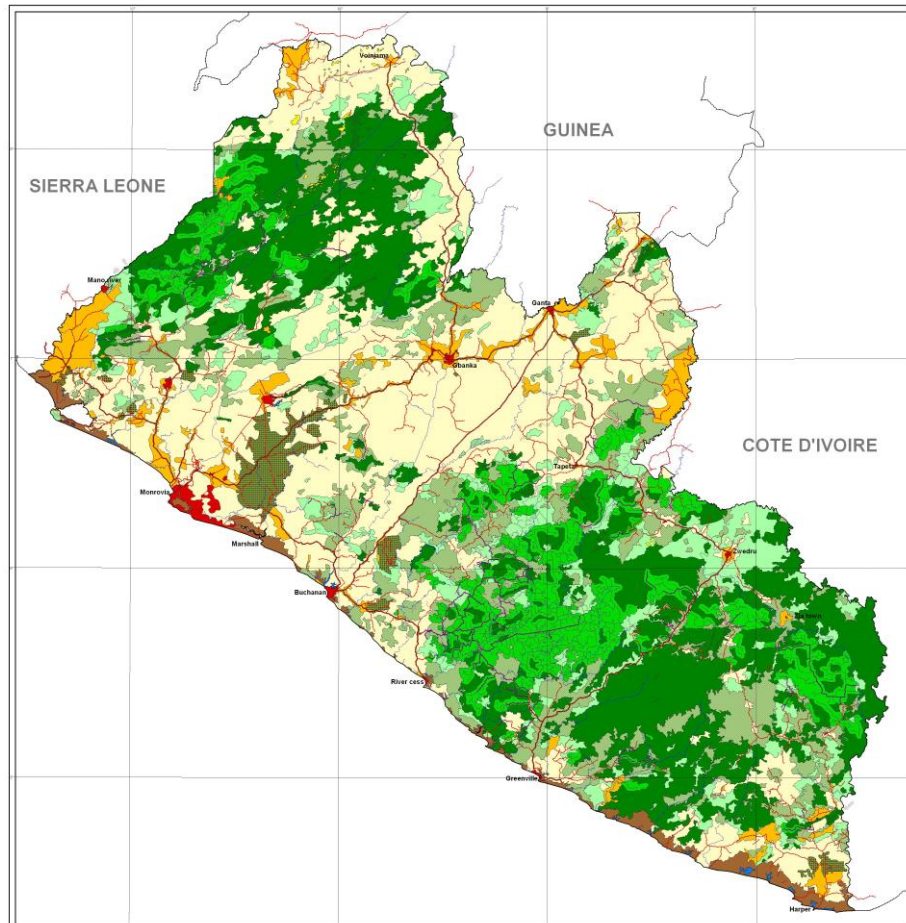
Percentages are based on total land area of 95 911 km², using a GIS study by the FDA.

Land use	Surface area (ha)	%
Closed dense forest	2 424 078	25,3
Open dense forest	1 013 993	10,6
Agriculture degraded forest	949 615	9,9
Sub. Total: typical forest strata	4 387 686	45,80
Agricultural area with small forest presence	3 042 091	31,7
Mixed agriculture and forest area	1 317 873	13,7
Sub. Total: agricultural influence	4 359 964	45,40
Total	8 747 650	

The remaining forest in Liberia is concentrated in two large blocks: evergreen lowland forests in the southeast, and semi-deciduous mountain forests in the northwest.

infrastructure and caused GDP to collapse. Currently, GDP is estimated at US\$ 2 432 billion with per capita GDP at about \$600 (CIA World Factbook, 2011 estimates).

LIBERIA - Landcover in 2004



Current state of land cover in Liberia illustrating the two main forest blocs in green.
Source: Forest Resources Management.

It is estimated that Liberia currently holds about 43% of the remaining portion of the Upper Guinea Forest Ecosystem. Much of West Africa's remaining biodiversity is in Liberian forests, making the country one of 34 international biodiversity hotspots.

The forestry sector

The forestry sector is a major contributor to economic growth in Liberia. The sector accounted for around 5% of GDP in the 1980s, rising to 20% in the late 1990s. However, the civil war (1989–2003) destroyed the forestry industry and rural

From 1976 until the introduction in 2003 of UN sanctions banning trade in Liberian timber, the Forestry Development Authority (FDA) had mainly been involved in allocating logging rights and had done little to promote sustainable management, environmental and human rights principles or transparency and accountability; rather, it was seen as protecting vested corporate interests. During the civil war, timber was associated with fuelling and paying for the conflict, which further compromised the integrity of Liberia and its forestry sector. In a bid to curb the cycle of conflict

timber, in 2003 the UN Security Council imposed sanctions on the importation of timber and timber products from Liberia, to remain until the Government of Liberia introduced appropriate corrective measures to address the abuses and illegalities and reform the sector.

The Government of Liberia initiated a series of reforms in 2006. These included the cancellation of all contracts/agreements for pre-war logging concessions, enactment of new forestry laws and promulgation of supporting regulations, development of a new Forest Management Policy and Implementation Strategy, Guidelines for Forest Management Planning and the restructuring of the FDA.

Timber production by the formal sector is mainly destined for export markets in Europe and Asia; round logs currently account for the bulk of the export volume. The domestic market is mostly reliant on lumber cut by artisanal chainsaw loggers, whose trade was estimated at approximately 11 477 m³ from January 2011 to March 2012.

Government moratorium on private use permits

Concerns over the rapid increase in the number of private use permits (PUP) being issued throughout 2011 and doubts as to whether the correct procedures had been followed overshadowed the Liberian forestry sector in 2011–2012. In early 2012, the FDA Board imposed a moratorium on granting any further PUPs (or Community Forest Management Agreements) and tasked the General Audit Commission with carrying out a full forensic audit to investigate the issue. In September 2012, the President of Liberia established a Special Independent Investigative Body to review all allegations. The Investigative Body submitted its report at the end of 2012 and, in response, the President immediately issued Executive Order No. 44 ‘Protecting Liberian forests through a temporary moratorium on Private Use Permits’.

2. The FLEGT Voluntary Partnership Agreement

Negotiations

Informal discussions on the possibility of establishing a Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) between Liberia and the European Union (EU) commenced in 2007. On 24 December 2008, Liberia formally asked the European Commission (EC) to initiate negotiations. In March 2009, the formal launch and first negotiation session was held in Monrovia. The Government of Liberia and the EU concluded negotiations of the FLEGT VPA on 9 May 2011 at an initialling ceremony in Monrovia and, on

27 July 2011, Liberia became the fifth country (following Ghana, Cameroon, Central African Republic and the Republic of Congo) to sign a FLEGT VPA with the EU in Brussels. The signing of the VPA assures the EU and other international partners of Liberia’s commitment to strengthening its reforms to achieve strong systems for control and verification of timber harvesting.

Although the VPA resulted from bilateral talks between the Government of Liberia and the EU, the detailed content of the Annexes to the VPA were largely prepared by stakeholders in Liberia, who provided advice and ideas that shaped Liberia’s

negotiating position. The government negotiation team was supported by a multistakeholder Steering Committee through a participatory process, involving various government ministries and agencies, representatives of the timber industry, civil society and communities.

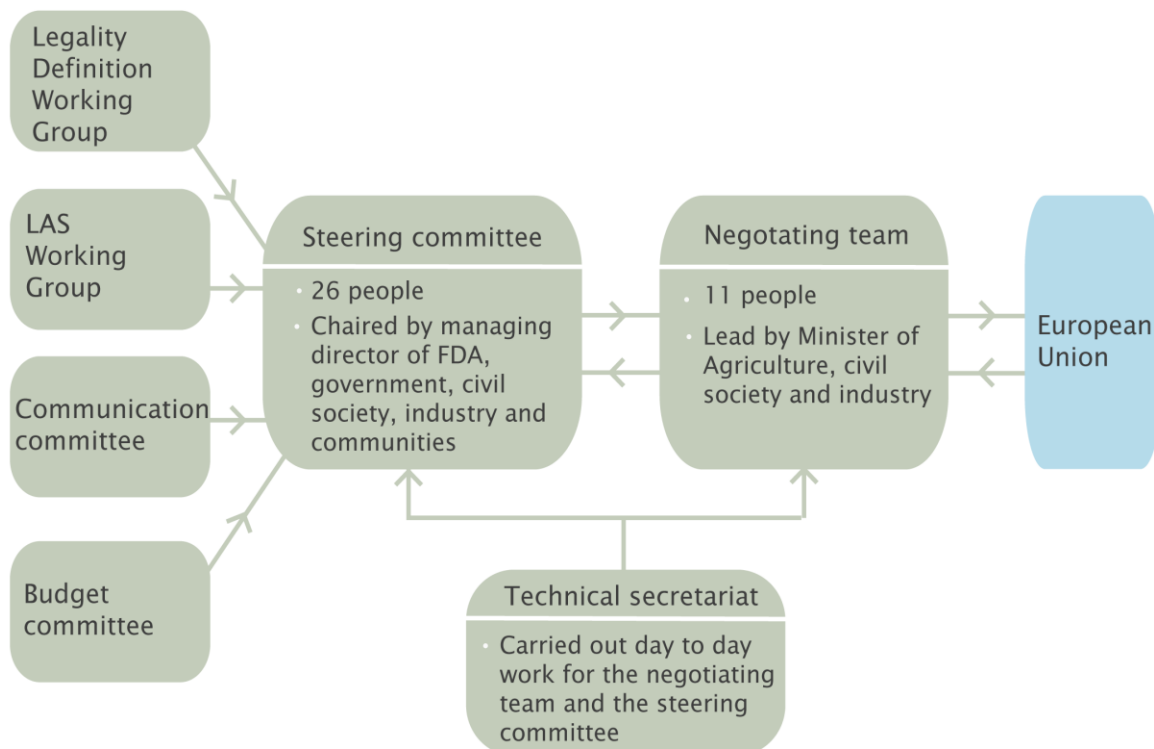
The Steering Committee created two technical working groups to develop Liberia's legality definition and legality assurance system (LAS). Two standing

committees, namely the Communications and Budget Committees, were also drawn from members of the multistakeholder Steering Committee.

During negotiations, civil society and industry participated as observers, verifying the government's commitment and reassurances that concerns advanced at multistakeholder deliberations were addressed during negotiations.

Figure 1: Negotiation structures and Technical Working groups

Sub-committees and working groups drawn from members of the steering committee



Scope of the VPA

Liberia decided to include in the scope of the VPA all timber from both natural forests and plantation forests under all permit types, namely Forest Management Contracts, Timber Sales Contracts, Private Use Permits, Forest Use Permits and Chainsaw Permits, as set out in the 2006 National Forestry Reform Law, the 2009 Community Rights Law with Respect to

Forest Lands and the Chainsaw Regulation. Timber or concession rights are obtained by means of contracts and permits won through public national and international competitive bidding processes, in accordance with the law, or following legal procedures set out in the 2006 National Forestry Reform Law and the 2009 Community Rights Law with Respect to Forest Lands.

All timber products are to be covered by the legality verification system, going beyond the five types of products indicated in the European Council Regulation 2173/2005 on FLEGT, to cover parquet flooring, wooden frames, packing cases, joinery, furniture and wood chips. Liberia may later expand the scope to include charcoal and handicrafts. Furthermore, the control systems established to verify legal compliance and track product flows will apply both to timber products sold on the domestic market and to exports, irrespective of country of destination.

Ratification

After the conclusion of negotiations in 2011, both parties began ratification procedures and preparations to implement the VPA.

On 14 May 2012, the EU Council notified the Government of Liberia that the EU had completed ratification of the VPA. This entailed approval by the Council of the EU's 27 Member States and their respective national parliaments and agreement with the European Parliament.



Signing of the Liberia-EU FLEGT VPA in Brussels, 26 July 2011. Credit: EFI.

Ratification by Liberia is ongoing. The national elections in 2012 delayed the process as the Legislature was dissolved in advance of the elections. However, scrutiny by Cabinet has been completed and the President of Liberia has passed the agreement to the Legislature.

In accordance with Article 31.1 of the VPA, the Agreement will enter into force on the first day of the month following the date on which the Government of Liberia notifies the EU General Secretariat of the Council of the completion of its internal ratification procedures.

Joint Implementation Committee

After full ratification of the VPA, the formal Joint Implementation Committee and consequent reporting and monitoring systems will be established. This body will be made up of representatives of both the Government of Liberia and the EU and will be responsible for overseeing and monitoring the implementation of the VPA. As provided for in Annex X to the VPA, the Committee will also facilitate dialogue and exchange of information on the VPA. In particular, its tasks include:

- publishing a yearly report on implementation of the VPA
- recommending a date for the FLEGT licensing scheme to start operating, based on the evaluation of the LAS
- addressing matters of concern and resolving conflicts that may arise in the course of implementation
- reviewing reports or complaints relating to the work of the independent auditor
- reviewing reports issued by the independent auditor and any complaints about the operation of the FLEGT licensing scheme
- promoting the participation of stakeholders in VPA implementation
- establishing working groups where specific expertise or stakeholder perspectives are needed.

Liberia has already established the **Liberian Implementation Committee**, which guides and informs its representation to the Joint Implementation Committee. This Committee brings

together government departments and stakeholders, mainly representatives of groups that were involved in the negotiations. It is chaired by the Minister of Agriculture. The Liberian Implementation Committee aims to promote transparency and multistakeholder participation in the implementation of the VPA. The Committee meets regularly to oversee the progress of VPA implementation and to provide advice to guide the joint talks in preparation for the formal VPA structures.

Pending full ratification, Liberia and the EU have established an interim committee, called the Pre-Joint Implementation

Committee. Two high-level meetings were held in March and December 2012 to guide and review the progress of preparations for VPA implementation. The Committee agreed on work plans detailing activities to be carried out in 2012 and 2013. The aides memoires from these meetings are publicly available on the VPA website at <http://vpaliberia.org>.

The establishment of the Liberian Implementation Committee and Pre-Joint Implementation Committee has made it possible to start developing the capacity and systems that are envisaged in the VPA.

3. EU and other international markets

The VPA reinforces Liberia's commitment to transparency, governance and law enforcement in the forestry sector by ensuring that only timber harvested in compliance with Liberian law can be exported.

International markets increasingly require suppliers to provide information and reassurance on the legality and sustainability of timber products. This trend is driven by consumer concerns over illegal logging and deforestation and is reflected in legislation in a number of consumer markets (including the EU, US, Australia and Canada).

The EU has put in place regulations to support VPAs and the associated border controls framed in these bilateral trade treaties. In addition, the EU has enacted the EU Timber Regulation, which specifically prohibits the sale of illegal timber in the European common market. Unlike the VPA, the EU Timber Regulation is not a border control measure: the burden is on businesses to know their supply chains as a way of ensuring the legality of timber traded in the EU market.

The EU Timber Regulation comes into force in early March 2013. It counters the trade in illegally harvested timber and timber products through three key obligations:

1. Operators are prohibited from placing illegally harvested timber and products derived from such timber on the EU market for the first time.
2. EU traders that place timber products on the EU market for the first time must exercise 'due diligence'.

Once on the market, the timber and timber products may be sold on and/or transformed before they reach the final consumer. To facilitate the traceability of timber products:

3. Economic operators in this part of the supply chain (referred to as traders in the regulation) have an obligation to keep records of their suppliers and customers.

The regulation covers a wide range of timber products listed in its Annex using EU Customs codes, including solid wood products, flooring, plywood, pulp and

paper. Not included are recycled products or printed materials such as books, magazines and newspapers.

Operators must exercise due diligence so as to minimise the risk of placing illegally sourced products on the market. They must undertake a risk management exercise consisting of three key elements: information, risk assessment and risk mitigation. Detailed guidance and implementing rules were elaborated during 2012 to facilitate implementation and to foster common application across all 27 countries in the EU.

The regulation applies to both imported and domestically produced timber and timber products. It is legally binding on all

27 EU Member States, which are responsible for laying down effective, proportionate and dissuasive penalties for enforcing the EU Timber Regulation. Timber and timber products covered by valid FLEGT licences are considered to comply with the requirements of the EU Timber Regulation. This recognition of FLEGT-licensed timber provides a strong market advantage and opportunities for the products.

Additional information, including the text of the regulations, the list of competent authorities and the guidelines can be found on the European Commission website:

http://ec.europa.eu/environment/forests/timber_regulation.htm

4. Actions in 2012 that prepare for VPA implementation



Logs with chain of custody markings, including barcode tags, in the log landing of company B&B, Gbangay, Liberia. Credit: FDA, Forest Development Authority.

The VPA recognises that a lot of work is needed to achieve the level of capacity, among government, civil society and the private sector, needed for the full implementation of reforms and new systems, and for changing practices to achieve the ambitious aims of the Agreement. An implementation schedule, featuring key milestones and an outline of supporting measures required to establish an effective, fully functioning LAS, was agreed as part of the VPA (Annexes VII and VIII).

This progress report is the first by the Liberian VPA Technical Secretariat and reports on preparatory work done between July 2011 and 31 December 2012.

The legality assurance system

Liberia has chosen to use the VPA as a way of reinforcing transparency and governance within the forestry sector. The VPA aims *inter alia* to improve law enforcement by ensuring that only timber produced in compliance with Liberian law can be sold domestically or exported. Liberia's VPA provides for the establishment of a legality assurance system (LAS) as a mechanism for verifying that timber production complies with regulations. Timber that meets the requirements of Liberia's LAS will be issued with a FLEGT licence for export, particularly to the EU.

The Liberian LAS has five key elements:

1. a legality definition, which makes explicit and clear the requirements for timber production in Liberia
2. a system that monitors the supply chain from standing trees in the forest to the point of sale in export or domestic trade
3. measures to verify compliance with all legal requirements along the supply chain
4. FLEGT licensing
5. an independent audit of the system by a third party.

Two new structures will be established within the FDA to run the LAS:

- the **Liberia Verification Department** will verify compliance with the legality definition and with supply chain controls
- the **Liberia Licensing Department** will issue FLEGT licences to timber that has been verified as meeting the requirements of both the legality definition and supply chain controls.

The Liberia Verification Department will be built and, for the first five years, operated by an external service provider. This service provider will develop and implement the functions of the department, upgrading the existing chain of custody system and introducing legality verification, and manage those operations. At the end of the five-year period, a phased handover will have ensured that the FDA has the capacity to manage a self-sufficient verification department and all operations will be transferred. During 2012, detailed specifications for this service were agreed, support from the EU and UK was secured and a tender opened. It is expected that this service will start in 2013.

To prepare for these new structures, an institutional review of the FDA was carried out in 2012, financed by EFI.

Further development of Liberia's chain of custody (wood tracking) system

The chain of custody system as anticipated by the VPA will set out procedures and/or a system on how timber is tracked from harvesting, through processing or change of ownership, all the way to export. The system will apply to all timber produced, processed, imported, exported or sold in Liberia. The system

will build on the existing national system known as LiberFor, which was launched in 2006 pursuant to the National Forestry Reform Law.

The law establishes a mandatory chain of custody system to identify the specific origin of all wood products from Liberian forests. Hence the concept of a nationwide chain of custody system predates the VPA with the EU. In line with the Code of Harvesting Practices and the Forest Management Guidelines, the chain of custody system is based on 100% forest inventory of trees above the set diameter limit. LiberFor tracks wood products such as round logs, sawn timber and plywood. The information system operates by creating an automated chain of custody, analysing all data at predefined critical control points in the supply chain from the forest to the point of export.

A review of the existing system was conducted by EFI in 2009 to inform VPA negotiations regarding the possible upgrades needed to meet EU and Government of Liberia expectations for full legality assurance. Annexes II and XIII to the VPA outline areas where further work is required on the chain of custody system to meet VPA expectations and to address some of the challenges identified through this process, including:

- handling of timber transiting through or imported into Liberia
- handling of abandoned and seized/confiscated logs
- ensuring rubber or other wood sourced from agriculture is included in the system
- determining how independent certification schemes fit with the LAS.

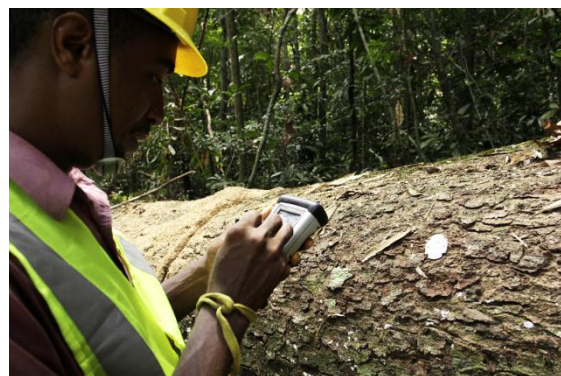
Work started in 2012 to address some of these matters, with the drafting of regulations (see also the section on legislative reform). This work will continue in 2013, with the support of the Liberia Verification Department service provider.

Legality verification

The VPA introduces an additional dimension of monitoring forest production known as legality verification: a system that checks legal compliance and produces the evidence to demonstrate that compliance. This system is described in Annex II to the VPA. The first step in building the capacity for legality verification is to develop detailed guidance known as legality verification protocols, which describe how timber will be verified as compliant with the legality definition. These protocols set out systematic and objective ways to measure legal compliance. A team of experts financed by EFI were working with the FDA during 2012 to draft these protocols. This preparatory work will be further developed by the service provider building the Liberia Verification Department.

Licensing procedure

The Liberia Licensing Department will be established within the FDA and will be responsible for issuing FLEGT licences for export consignments.



Tracking logs along the chain of custody system in Liberia. Credit: Flore de Preneuf, PROFOR.

Once it is fully operational, the licensing department will, in consultation with the verification department, issue a FLEGT licence for any export consignment of timber. FLEGT licences will ultimately replace the current export permits.

Liberia expects to be ready to issue the first FLEGT licences in 2014. On this timeline, the Liberia Licensing Department will be established within the FDA during late 2013. In the meantime, work to develop various components of the LAS is ongoing; this work includes developing the licensing procedures and reference documents that are needed to ensure that the licensing process or system is effective and transparent.

Complaints system

A complaints mechanism, detailed in Annex VI to the VPA, will be used to deal with any complaints relating to legality verification. It will also provide a platform for redress for any parties with concerns about the effectiveness or functioning of the LAS. The Liberia Verification Department will develop the complaints mechanism in 2013.

The Joint Implementation Committee will establish a complaints mechanism for matters that go beyond the LAS.

Non-compliance mechanisms

A FLEGT licence for a consignment of timber serves as proof for the EU and other international markets that the timber is legal. Any timber that does not comply with all requirements of the legality definition will be dealt with through normal legal procedures (in Liberia) but will not be eligible for a FLEGT licence until corrective measures have been taken and the non-compliance satisfactorily addressed.

Work on developing the appropriate procedures and guidelines for dealing with non-compliance has begun. Reports with detailed actions for dealing with non-compliance will be submitted when the licensing procedures have been finalised and are operational.

Independent audit

The objective of the independent audit is to assess whether the LAS is functioning effectively and to identify potential weaknesses and risks in the structures and implementation of the system.

An independent auditor will conduct regular audits of the LAS to ensure that it is working well, and will make recommendations for improving its effectiveness. Audit reports will increase the system's credibility in international markets. The independent audit will be commissioned by the Government of Liberia in close collaboration with and financed by the EU, once the other elements of the LAS are operational in late 2013. The terms of reference for the independent audit are described in Annex V to the VPA. Reports by the independent audit will be discussed by the Joint Implementation Committee and then made public.

Legislative reform

Since the end of the civil war and the imposition of sanctions by the UN, Liberia has reformed its forestry sector, rewriting legislation and embracing principles of transparency and sustainable management of the nation's forests. The VPA serves to reinforce the new laws and policies and ensure that they are put into practice.

However, during VPA negotiations, it became apparent that some areas of law and regulation need further work to be effectively implemented, including where the VPA introduces new elements for regulation. These have been identified and outlined in Annex VIII to the VPA, including regulations:

- under the community forest law
- on chainsaw milling
- on the control of timber in transit
- on imported timber

- on confiscated and abandoned timber
- on third-party access to concession areas.

In early 2012, Liberia's VPA Secretariat hired two local consultants to draft regulations on timber in transit, imported timber, confiscated and abandoned timber and third-party access to concession areas. Draft regulations were reviewed by stakeholders (July 2012) and revisions are underway based on comments received.

In addition, concerns over the rapid increase in the number of Private Use Permits issued in 2011–2012 revealed a need for tighter regulation of these permits. A multistakeholder committee to work alongside the FDA to develop the regulations was established and the first draft of the regulations was released in late 2012.

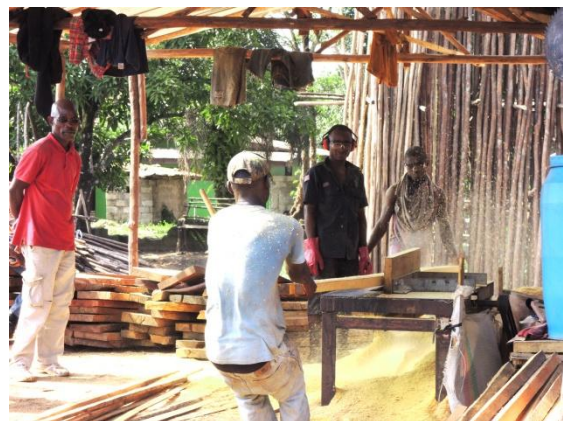
Domestic market

According to the VPA, the LAS will apply to timber for both domestic and international markets. This means that the systems for verifying legality will also be applied to timber sold on the domestic market. However, checks on products sold on the domestic market will be phased in progressively to align with the implementation of the regulation on chainsaw milling and regulations for the 2006 Community Rights Law with Respect to Forest Lands.

Timber products supplying the domestic market fall into three categories: imported timber and timber products; timber produced by formal industrial logging; and timber produced by chainsaw milling. From the outset, the verification of legality and the chain of custody system will incorporate controls on formal industrial logging as well as imported timber. However, the regulation of chainsaw milling is much more complex and poses major challenges.

Chainsaw milling contributes more than 98% of the domestic lumber supply, with an estimated volume of 280 000–650 000 m³ based on a recovery rate of 31%. According to one set of calculations, the total harvest from chainsaw milling could amount to as much as 50% of the maximum predicted annual allowable cut nationwide.

The chainsaw milling sector is neither organised nor effectively regulated. It involves a diverse range of people, whose various motivations include clearing land for farming, supplying timber for construction and generating a livelihood for former combatants and youths. Until recently, the public and policymakers viewed chainsaw milling as illegal and harmful to forests, the environment and biodiversity conservation.



Workers processing timber for the domestic market.
Credit: EFI.

However, several studies on chainsaw milling have made it apparent that the sector is essential for supplying lumber for domestic consumption. Although exact employment figures for chainsaw milling in Liberia are not available, employment in the sector is known to account for a substantial part of the total forestry workforce. A great deal of employment is also indirectly attributable to chainsaw milling. For example, an estimated 1500 people are employed in the retail chainsaw lumber business and another 3850 work in chainsaw milling. In addition, a large

number of intermediaries make a living from trading in the timber.

For chainsaw milling to be successfully integrated into the LAS, specific and robust procedures that are tailored to the complexities of the chainsaw milling supply chains must be incorporated into the chain of custody system. As indicated in Annex VII to the VPA, these procedures will be developed as implementation progresses. The strengthening of the FDA and other regulatory institutions so that they can adequately monitor chainsaw milling is a priority.

Institutional strengthening

The VPA contains a commitment to continuing the involvement of all forestry sector stakeholders in the VPA process. Thus, the implementation of the VPA involves forestry sector stakeholders, including:

- government: FDA, Environmental Protection Agency, Bureau of Customs, etc.
- private sector: chainsaw millers, logging companies and exporters
- civil society and communities.

Building capacity and strengthening institutions to support efforts to shift the way forests are used and managed, to change behaviour and to foster strong governance and accountability are crucially important for VPA implementation. Capacity building must go beyond training and improving skills, to address the challenges of reconstruction and the establishment of basic infrastructure for effective regulation.

Support for capacity building

During 2012, the EU and UK government worked with the Government of Liberia to design a joint programme of support that will help build the required systems and

capacities for implementation. In addition to the resources of the Government of Liberia, a total of €17 m (at current exchange rates) will help to support:

- the establishment, operation and capacity building of the Liberia Verification Department, before its management is turned over to the FDA;
- institutional strengthening of government departments involved in VPA implementation;
- institutional strengthening of non-state actors, including civil society and the private sector, so they can fulfil their roles in VPA implementation;
- support for regulatory reform, including development of new regulations and associated guidelines;
- development of a monitoring framework, including independent audit of the LAS; and
- facilitation of public access to information relating to the forestry sector.

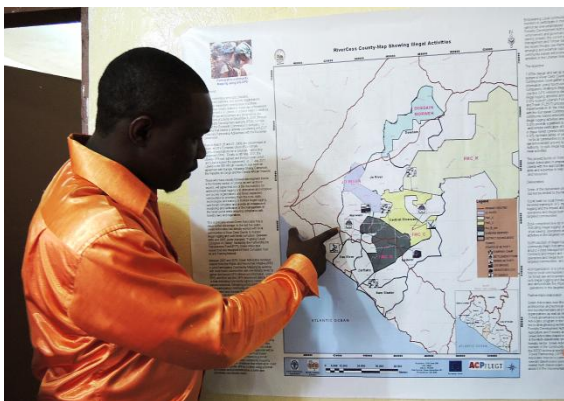
Tendering is underway to secure the services to deliver this support programme, which is expected to be operational in 2013. The programme will be delivered by an external service provider, which will build the Liberia Verification Department, and a VPA Support Unit established to support other structures and stakeholders. An independent auditor will also be covered by the support programme.

Capacity building will initially focus on the FDA, Environmental Protection Agency and civil society, industry and community organisations directly involved in implementing the LAS. This work will commence with a detailed needs assessment in 2013, carried out by the VPA Support Unit.

Civil society

Civil society has played an instrumental role in guiding and advocating for reform in the Liberian forestry sector. Civil society organisations will continue to play a pivotal role in VPA implementation, especially in outreach and awareness raising, building community capacity, contributing to policy and regulation and monitoring implementation. Support for civil society action and capacity building is provided by the Liberian VPA Secretariat, FAO, the EU, UK and other EU Member State donors. Various programmes target efforts to build the capacity of civil society. They have included workshops and conferences, retreats and vetting of regulations and other policy documents.

The EU is providing direct funding to six civil society organisation projects. Two of these projects are directly administered by the EU Delegation to Liberia:



The project by Green Advocates International focuses on pilot monitoring of illegal logging by using GPS community mapping tools. Photo: EFI.

Improving forest governance through civil society monitoring, implemented by the Sustainable Development Institute, seeks to strengthen civil society organisations so that they can systematically monitor the implementation of the VPA in Liberia.

Civil Society Independent Monitoring of Forest Law Enforcement and Governance in Liberia, implemented by

VOSIEDA, aims to build the capacity of civil society groups in independent forest monitoring, as well as to promote innovative approaches for facilitating and encouraging civil society participation in VPA implementation.

The four other projects funded by the EU are administered by FAO under the ACP-FLEGT Support Programme:

Pilot monitoring of illegal logging in Rivercess County by mobilizing semi-literate local forest communities to use GPS community mapping tools is implemented by Green Advocates International. The objective is to enable local communities to reference illegal logging activities using GPS points and produce a map of illegal logging activities that can be used to inform forestry sector stakeholders on enforcement strategies.

The **Social Agreement Pilot Project** was implemented by the FDA with the objective of strengthening the capacity of community organisations to negotiation social agreements with industry, improving the procedures for negotiating these social agreements and developing a participatory system to monitor their impacts.

Liberia Capacity Building for Independent Monitoring of Forest Law Enforcement and Governance (Liberia IM-FLEG) was implemented by FDA and Resource Extraction Monitoring. The overall objective was to introduce the concept of IM-FLEG to key stakeholders, to explore its possible make-up in Liberia and to develop a common vision and roadmap for IM-FLEG in Liberia.

Ensuring active local participation in FLEGT processes in Liberia, implemented by the Save My Future Foundation, has disseminated information about FLEGT to community members and educated them about their rights concerning forests and natural resources as well as about advocacy.

The budget for all these projects totals around €550 000.

European and international civil society organisations provide further support to Liberian civil society. The UK supports several organisations through its global programme on forest governance, including CIDT (University of Wolverhampton), Forest Trends, FERN, Global Witness, RRI and Well Grounded, at a budget of approximately €2.7 million. Information on UK grants is available at <http://projects.dfid.gov.uk/project.aspx?Project=201724>.

Private sector (industry)

The private sector through its various auxiliaries, namely the Liberia Timber Association, Association of Liberian Loggers and Liberia Chainsaw and Timber Dealers Union, is a major stakeholder in Liberia's VPA. It has proactively participated in all aspects of the development of the VPA from the preparatory stages through to negotiations, establishment of implementing and coordinating structures, development of systems and now implementation.

In 2012, the Liberian VPA Secretariat facilitated regular exchanges with the private sector over the major challenges it is facing and its capacity needs (technical, financial, logistical, as well as human resources). The Secretariat also provided some private sector training on the LAS in 2011 and 2012. Furthermore, the LiberFor programme has worked closely with companies to improve their capacity in forest management planning and chain of custody controls. That work will continue under the Liberia Verification Department, extending towards building the capacity of private sector users to meet the legality verification requirements. The VPA Support Unit will follow up on these initiatives when it is fully operational.

To build the capacity of chainsaw loggers to comply with new regulations on chainsaw milling and to establish a legitimate system of operations, the Liberia Chainsaw and Timber Dealers Union implemented the **Pilot project on building capacity of Liberian pit sawyers (chainsaw loggers) to understand and enforce forest law compliance**. This project was funded by the EU and administered by FAO under the ACP FLEGT Support Programme.

Forestry Development Authority

The FDA is responsible for forest resource management. It will play a central role in building the Liberia Verification Department and the Liberia Licensing Department to carry out the core functions of the LAS. Beyond these central functions, the FDA will need to ensure routine control, law enforcement and forest management guidance to deliver on its core mandate and play the role envisaged in the VPA. Support to build these capacities, alongside support from other donor programmes will be supplied under two service contracts: the Liberia Verification Department and the VPA Support Unit.

In the meantime, the EFI FLEGT Facility has provided technical assistance in drafting procedures and regulations, which started building capacity in the FDA and other government regulatory agencies.

Communicating updates to stakeholders involved in VPA implementation is another key activity on the FDA's VPA implementation roadmap. To achieve this, the FDA has opened an 'info shop' and is currently rebuilding its website to improve access to information.

Other government departments

Other government agencies directly involved in implementing the LAS include the Environmental Protection Agency, the

Ministry of Finance through the Bureau of Customs and the Bureau of Concessions, the Ministry of Commerce and Industry, the Ministry of Justice and the Ministry of Internal Affairs. These institutions have therefore been identified as targets of efforts to enhance their capacity to coordinate with other stakeholders in the smooth implementation of the VPA. These agencies have already been involved in drafting legality verification procedures. Capacity building for these institutions will commence in 2013 with a detailed needs assessment.

Stakeholder engagement

Article 16 of the VPA: Stakeholder involvement in implementation of the Agreement

Pursuant to the National Forestry Reform Law (2006) of Liberia relative to participatory management of forest resources, Liberia shall ensure that the implementation and monitoring of this Agreement are done in consultation with relevant stakeholders, including industry, civil society, local communities and other people dependent on forests. Stakeholders shall participate via existing forest governance structures and by membership of a national body to be established pursuant to paragraph 2 of this Article.

Liberia shall establish a national committee to monitor implementation of this Agreement, made up of representatives of relevant government agencies and other relevant stakeholders.

Pursuant to the above, the Government of Liberia, following the signing of the VPA in 2011, committed itself to establishing a National Multistakeholder Monitoring Committee. In the meantime, pending Liberia's ratification of the VPA, an Interim Multistakeholder Committee, comprising

representatives from government, civil society organisations, the private sector and communities, has been constituted to monitor VPA implementation activities. Draft Terms of Reference for the National Multistakeholder Monitoring Committee have been developed and are being reviewed by Liberian stakeholder groups. Multistakeholder participation in the VPA has been coordinated and supported by the VPA Technical Secretariat since 2009. During 2013, this role will be taken over by the VPA Support Unit.



Siahn clan meeting in Rivercess, Liberia. Credit: Tim Lewis, Handcrafted Films.

In line with stakeholders' involvement in VPA implementation, civil society organisations under the banner of the NGO Coalition of Liberia have established a monitoring framework and set up a monitoring team; they have agreed to jointly monitor VPA implementation.

The forestry sector reforms currently being undertaken by the Government of Liberia have gained recognition for their participatory approaches and involvement of all stakeholders in decision making on forests and forest resource management and related matters. This approach was a hallmark of the government during VPA negotiations with the EU. For VPA implementation, the Government of Liberia has committed to maintaining its approach of active participatory involvement of all stakeholders.

Communications

National VPA communications

During VPA negotiations with the EU, Liberia prepared a comprehensive communications strategy for negotiations. Currently, the Communications Committee is collaborating with the FDA's Department of Information and Public Relations to review and update that strategy, with the aim of finalising the communications strategy for implementation in 2013. Communication is being treated as a top priority for 2013 to ensure good understanding of the VPA and stakeholder engagement in its implementation.

Several organisations are implementing communications and outreach projects on forest governance, illegal logging and the VPA (e.g. Save My Future Foundation, Green Advocates and the Chainsaw Union).

Publicly available information

Section 18.15 of the 2006 National Forestry Reform Law requires the FDA to grant and facilitate free public access to information (to read and to copy all documents and other information) in its possession. In addition, the Freedom of Information Act recently enacted by the National Legislature of Liberia sets out necessary procedures and mechanisms to enable members of the public to access information.

Annex IX to the VPA provides a detailed list of the categories of information that will be routinely published. These include information: relating specifically to the VPA itself; on the management of the forestry sector; on forest resource allocation; on forest resource production; on forest fees and revenue; and on law enforcement in concession areas. Other

information on community benefits and compensations as enshrined in Social Agreements between communities and concessions also must be made available to the public.

Since the conclusion of VPA negotiations, efforts have been made to improve the availability of information relating to the management of the forestry sector both in Monrovia and across the country. During 2012, rebuilding began of the FDA website, which will remain an important platform for sharing information with a wide audience of national and international stakeholders. As Internet access can be slow in Liberia, particularly outside Monrovia, hard copies of key documents are also being provided in locations that are easily accessible to the public. In 2011, copies of laws and regulations governing the forestry sector were reproduced and distributed to FDA regional offices and county authorities to promote access to these documents. In addition, the FDA has established an 'info shop' in Congo Town (Monrovia), which contains a library of basic materials as well as access to online resources. The 'info shop' will be further developed during 2013.

Monitoring

The Government of Liberia and the EU are committed to monitoring the impacts of VPA implementation. As noted above, the Government of Liberia will establish a **National Multistakeholder Monitoring Committee** to assist in this task.

The aim of monitoring will be to determine whether the desired impacts on livelihoods, trade and forest governance are being achieved. The development of a national monitoring framework will start in 2013. Necessary measures will be put in place to mitigate any negative impacts identified during implementation.

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