

FIRST MISSION OF THE JOINT MONITORING AND REVIEW MECHANISM

AIDE MEMOIRE

Accra, 27th – 29th January, 2010

INTRODUCTION

1. The first Joint Monitoring and Review Mechanism¹ (JMRM) to oversee the implementation of the Voluntary Partnership Agreement (VPA) between Ghana and the EU, took place in Accra from January 27th to 29th 2010. The mission was co-Chaired by Ghana and the EU. The Ghana Delegation was led by the Honourable Collins Dauda, the Minister for Lands and Natural Resources. The EU Delegation was led by Luis Riera Figueras, Director DG Development (European Commission), Brussels. This Aide Memoire captures the key points discussed and next steps for action. A full list of participants is attached.

HIGHLIGHTS OF THE MISSION

2. The mission recognised Ghana's lead role in paving the way in negotiations of a VPA with the EU and the high standard that Ghana had set for stakeholder engagement during this process for those countries who followed in negotiations. It was also recognised that the VPA would do more than just license verified legal timber for export and would also address issues such as ensuring supply of legal timber for the domestic market and the reform of sector policy and legislation that further strengthen sector governance. In this regard, it was acknowledged that the promotion of a good governance regime through the Forest Law Enforcement Governance and Trade (FLEGT) process had laid the foundations for engagement in Reduced Emissions from Deforestation and Forest Degradation (REDD) processes. The mission underscored the need to strengthen synergies both internationally and nationally between these two processes. This good governance regime will also contribute to attracting government and private sector support to plantation development, thus ensuring a future supply of raw material.
3. Recent legislation in the US (Lacey Act amendment) and emerging due diligence legislation in the EU was acknowledged as further affirming growing international market demand for the supply of verified legal timber. The EU legislation will make clear provision that FLEGT-licenses meets this due diligence requirement.
4. There was an appreciation expressed that the legal and policy reforms envisaged in the VPA are extremely challenging. Broad and sustained stakeholder engagement will be required to support this reform process. Following the example set by Ghana during their VPA negotiations, it was recognised that there are now high expectations that this same commitment will be demonstrated in implementation, particularly in forging partnership with the stakeholders.
5. Finally it was acknowledged that although the lengthy ratification process had prevented the parties from engaging in formal discussions on the VPA, the political commitment of both parties to its implementation was reaffirmed. In this regard the EU referred to ongoing discussions in the framework of the mid-term review of the European Development Fund, to further supplement its support to these reforms under the Natural Resources and Environmental Governance (NREG) sector budget support instrument.
6. This first mission brings renewed dynamism to the process.

¹ The purpose of the JMRM is described in Article 19 of the VPA

PRIORITY ACTIONS FOR 2010

Institutional structures for VPA implementation

7. Ghana proposes to establish a multi-stakeholder committee to oversee VPA implementation. This committee will include representation from those government institutions involved in the VPA negotiation process as well as civil society and industry representatives. This committee will be chaired by the Deputy Minister of Lands and Natural Resources in order to ensure the necessary political profile and will be inaugurated in February. Task teams have been constituted to work on various elements of VPA implementation including: development of the WTS; review of Forestry Commission business processes; the domestic market; industry retooling and restructuring; trade promotion; and the policy and legislative reform agenda. These task teams will include representation from both civil society and industry.

Development of Legality Assurance System (LAS)

8. The development of the Wood Tracking System (WTS) is progressing, with the contracting of a service provider in July 2009. The establishment of the Timber Validation Department (TVD) has been approved by the FC Board and will be resourced with staff and logistics in the coming weeks. The establishment of the Timber Validation Council (TVC) requires legislation, which is expected in the coming months.
9. The full piloting of the WTS will commence in February 2010 with four companies and this pilot will be reviewed in September 2010. The verification of legal compliance will also be piloted during this period. In order to inform the review of the LAS, an Independent Monitor (IM) will be appointed in the coming months. This appointment will be undertaken in consultation with the EU and will follow Ghana's Public Procurement Procedure.

Communications

10. A communication strategy for the VPA is required at both national and international level. At the national level, the Forestry Commission will publish a copy of the Agreement on its website². The FC will amend its existing strategy to further communicate the content and procedural obligations under the Agreement to sector and other relevant stakeholders. Furthermore, Ghana will reflect on this communication strategy to identify any further support required and will liaise with European Forest Institute (EFI) and other relevant institutions to provide this support.
11. Ghana and the EU will collaborate in the development of an international FLEGT communication strategy with other VPA countries, taking into consideration the need to clearly communicate the scope and content of the Agreement to various audiences.

Domestic Market

12. Ghana proposes to introduce a public procurement policy for verified legal timber and a formal proposal will soon be submitted to the MLNR on this issue.

Policy and Legislative Reform

13. A national consultation with stakeholders has been initiated on the policy reform aspirations outlined in Annex II and will continue over the coming months. The subsidiary legislation necessary to underpin the introduction of the LAS will be promulgated in the coming months.

² A copy of the VPA can be found at: http://ec.europa.eu/development/icenter/repository/Signed_Agreement_EC-Ghana_FLEGT_EN.pdf

Impact Monitoring:

14. Ghana and the EU will develop a draft monitoring framework for assessment of impacts of VPA implementation for consideration at the next meeting of the JMRRM. This framework will look to existing baselines and indicators from processes such as REDD and studies such as the socio-economic impact assessment of the VPA carried out in preparation for negotiations.

Trade Promotion

15. Ghana has prepared a trade promotion strategy for FLEGT-licensed timber for implementation once the timing of license issuance is confirmed. It was agreed that Ghana would participate in ongoing work at EU level in the following areas: development of member state public procurement policies; development of a market monitoring framework; and development of a FLEGT-licensed product visibility programme.

PROCEDURAL MATTERS

Rules of Procedure

16. The mission agreed on the principles for detailed Rules of Procedure (RoP) of the JMRRM elaborating on Article 19 of the Agreement. Key agreements were as follows: Co-Chairing; joint secretariats; communication mechanism; and decision-taking by consensus. Ghana confirmed that their secretariat would be the Forestry Commission (FC), with the Chief Executive (CE) as contact point. For the EU, the secretariat will be at the EU Delegation in Accra, with the Head of Infrastructure and Sustainable Development section as the contact point. It was agreed that the EU will prepare a first draft of the RoP for further elaboration with Ghana, with a view to endorsing these rules at the next JMRRM.

Arbitration Procedure

17. Elaborating on Article 24 on dispute resolution, the mission agreed that Ghana will develop a first draft of detailed arbitration rules for further elaboration with the EU, with a view to endorsing these at the next JMRRM.

Annual Report

18. The structure for the Annual Report is outlined in Article 20. This mission agreed to reporting on a calendar year basis, with each party to submit a first draft of its contribution by the end of February of the following calendar year and agreeing to a final report by the end of the first quarter. This report will be published.

Next Steps

19. The mission agreed the following:

- the next JMRRM would take place in early October 2010 so that it may be informed by the review of the LAS pilot
- a technical session in June 2010 to update on progress
- clarify discrepancies in description of product codes in Annex I

Signed: _____
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Signed: _____
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