

SECOND MISSION OF THE JOINT MONITORING AND REVIEW MECHANISM AIDE MEMOIRE

Accra, 15th – 18th November, 2010

INTRODUCTION

1. The second Joint Monitoring and Review Mechanism¹ (JMIRM) to oversee the implementation of the Voluntary Partnership Agreement (VPA) between Ghana and EU, took place in Accra from November 15th to 18th 2010. The mission was co-Chaired by Ghana and the EU. The Ghana Delegation was led by the Honourable Collins Dauda, Minister of Lands and Natural Resources. The EU Delegation was led by Ambassador Claude Maerten, Head of Delegation, EU Delegation, Accra. This Aide Memoire reflects the development of key systems and supporting institutional structures necessary to lay the foundations for VPA implementation. A full list of participants is attached.

Status of VPA implementation

2. The timing of this second JMIRM marks one year since the signature of the VPA between Ghana and the EU. During this period, there has been considerable progress in establishing the systems and institutional structures to support VPA implementation. Ghana's commitment to stakeholder engagement in the implementation of the Agreement has been further strengthened with the establishment of the Multi-Stakeholder Implementation Committee (M-SIC).

Policy and legislative Review

3. In mid-2008, the Government of Ghana (GoG) initiated a process to review and consolidate their existing forest and wildlife policy and law. Following consultations with stakeholders and framed around the concerns identified in the VPA, a new consolidated forest and wildlife bill has been drafted for consideration by the Forestry Commission and stakeholders. The ratification of the VPA by Parliament establishes the VPA as an integral part of Ghana's law and therefore provides adequate support for implementation of the Agreement.

Wood Tracking System (WTS)

4. Piloting of the WTS began early in 2010 with the intention of working with four companies through their supply chain from forest to export. At this stage, software modules have been developed for all steps in wood tracking from stock survey to port. FC now has a draft online system that can be accessed by all users. Hardware and training, required for the pilot has been delivered. The need to complete field testing of the modules is paramount. Ghana confirmed that an evaluation would be conducted to ensure that the pilot has delivered a workable system that meets their requirements. This evaluation would also inform the strategic planning for national roll out and the assessment of the target/trigger for 2010 as set out in the Performance Assessment Framework for NREG Sector Budget Support.

The status of LAS development

5. Initial projections for the development of the LAS estimated that Ghana would be in a position to issue FLEGT licenses by December 2010. Considerable progress has been made in the development of the LAS, however the emerging challenges of implementing this innovative new system has necessitated an adjustment of the timeframe. The revised date for issuance of FLEGT license will only be established once all elements of the LAS have been fully tested. The next meeting of the JMIRM will be scheduled to coincide with the completion of pilots and will provide clarification on the timeframe.

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

Verification Procedure

6. To ensure full compliance with the legality definition set out in Annex II of the Agreement, a draft set of legality verification protocols has been prepared in consultation with stakeholders. In order to finalise these procedures, they will be 'ground-truthed' at field level in 2011. These procedures will then be integrated, where appropriate, into the WTS.

Appointment of the Independent Monitor

7. The VPA sets out a requirement for independent auditing to assure national and international stakeholders of the credibility of the Legality Assurance System that issues FLEGT licenses. It was agreed that the services of an Independent Monitor would be contracted by Ghana through an open competitive tendering process for which Ghana will prepare detailed Terms of Reference. In accordance with Article 10 of the Agreement, this selection will be made in consultation with the EU and in this regard, the EU will provide Ghana with comments on these Terms of Reference.

EU Readiness to receive FLEGT licenses

8. The EU presented an overview of Member State readiness to receive FLEGT licenses as was illustrated in detail with the example of the UK procedure. The EU will keep Ghana informed of Member State regulations and procedures relating to the receipt of FLEGT licenses as they develop.

Timber Regulation (Due Diligence Regulation)

9. In response to concerns raised by Ghana and other VPA partner countries during VPA negotiations about the need to ensure a 'level playing field', the EU has adopted a Regulation relating to the trade in timber that makes it illegal to place illegal timber on the EU market in October 2010. This Regulation also obliges companies to have in place due diligence systems that enable them to ensure the legality of their supply chain. The EU confirmed that the FLEGT license will meet all requirements of this new regulation at the time of its application in early 2013.

Domestic Market

10. During the negotiation of the VPA, Ghana adopted a broad scope to the Agreement to reflect the need to address the problem of illegal logging to supply wood for the domestic market.
11. Ghana advised that following review of existing research and through a multi-stakeholder dialogue, there was consensus that the challenge of supplying the domestic market with legal timber would be met, through combined action of artisanal production and the supply by sawmills.

VPA Impact Monitoring

12. Article 17 of the Agreement states that "the parties will monitor the impacts of this Agreement on those communities and other actors... while taking reasonable steps to mitigate any adverse impacts". The EU advised that through the European Forest Institute (EFI), key indicators and monitoring mechanisms and procedures for wider impact monitoring would be developed in the coming months. Ghana confirmed its interest in participating in this process.
13. Ghana provided information on ongoing initiatives to assess the impact of VPA implementation. The parties agreed that at the next meeting of the JMRM the outputs of such initiatives will guide the development of an impact monitoring framework.

Communications

14. Communications on Ghana's VPA are anticipated in Ghana, within the EU and internationally.
15. In Ghana, there are a number of FLEGT-related projects that have funds for communications or "awareness raising" on the VPA. In recent months, through coordination by the Multi-stakeholder Implementation Committee (M-SIC), a team has been established to develop a communication strategy that ensures that these projects can support VPA implementation in a coherent and complementary manner.
16. It was agreed that it would be useful to provide a platform to convene VPA partner countries to exchange experiences. The EU confirmed that this platform will be established in 2011.

Rules of Procedure

17. A draft set of rules of procedure was prepared by the EU and shared with Ghana in advance of the JMRM. The Ghana Delegation's comments on this first draft were discussed and agreement was reached that these comments would be reflected in a final draft.

Rules of Arbitration

18. A draft set of arbitration rules was prepared by Ghana and shared with EU in advance of the JMRM. It was agreed that there would be need for further simplification of this draft to reflect that the only parties to arbitration would be Ghana and the EU. Complaints arising from stakeholders about the integrity or efficiency of the licensing system or other aspects of the Agreement would be dealt with through their respective party at the level of the JMRM.

Draft structure of the Annual Report

19. A draft structure for the Annual Report of the VPA was prepared by Ghana and shared with the EU in advance of the meeting. Following a proposal from the EU on how to revise this structure to better reflect areas of the Agreement where there would be regular reporting, Ghana confirmed that this proposal will be presented for discussion at the next meeting of the Multi-Stakeholder Implementation Committee. A revised structure will be prepared by Ghana and shared with the EU by the end of December 2010.

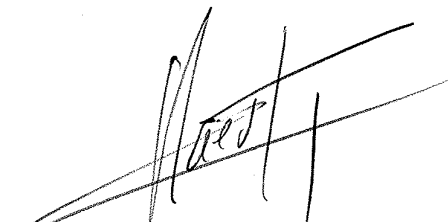
Funding

20. Financial support for the implementation of the VPA has been provided through the Natural Resources and Environmental Governance (NREG) sector budget support mechanism. A mid-term review of NREG confirmed its effectiveness at providing the required financial support for VPA implementation. Development Partners confirmed continued interest in supporting the VPA through NREG SBS in the framework of a new programme currently under preparation. Development Partners stressed that in the current economic climate, there would be greater emphasis on strong targets that demonstrate clear 'value for money'.

Signed:



Honourable Collins Dauda
Minister for Lands and Natural Resources



Ambassador Claude Maerten
Head of EU Delegation