



The VPA Process

Ghana's preparation for the Voluntary Partnership Agreement (VPA) commenced in May 2005 when a multi-stakeholder consultative forum resolved that there was merit in pursuing the initiative. This was followed by focussed consultations both in-country and beyond as well as an official Ghana Government communiqué to the EC. The process has now been formalised and negotiations initiated. This briefing paper outlines the details of the processes that will lead to the conclusion of an agreement with the EC.

Introduction: Ghana completed its first session of negotiations with the European Commission (EC) on March 2, 2007. Ghana firmly committed itself to meeting certain milestones and confirmed a roadmap for concluding an agreement with the EU by year ending 2007. The deliverables for the Voluntary Partnership Agreement (VPA) are therefore now firm and set with definite time frames for submission and negotiation. The press release of the first session of negotiation is available for download at the Forestry Commission website (www.fcghana.com)

The Negotiating Team: The Ghana negotiating team is drawn from the Ministries of Finance & Economic Planning; Lands, Forestry & Mines (including the Forestry Commission); Trade, Industry, PSI & PSD; Justice & Attorney General's. The timber trade association and Civil Society have been invited to provide support to the negotiating team. The team is led by the Deputy Minister of Lands, Forestry and Mines (in charge of forestry).

The Deliverables: There are five discreet deliverables that will be presented by Ghana for negotiations and eventual implementation when an agreement would have been reached. The deliverables are:

- i. the legal standard/definition
- ii. a system of verification of legality (the licensing system and the associated institutional arrangement that issues certificate of legality i.e. certificates of legal compliance (CLC) and certificates of legal origin (CLO)
- iii. a Chain of Custody (CoC) system (log tracking system)

- iv. an independent monitoring system in a wider institutional setting
- v. Impacts assessment and mitigating measures. These will include impacts on the formal timber trade sector, the domestic market and the need for restructuring to ensure domestic legal timber supply in line with sustainable practices. Likely impacts on livelihood will also be explored. Another area requiring investigation will be how existing institutions will need to reposition themselves to operate under a legality assurance scheme (LAS).

The deliverables will be achieved in a stepwise manner (depicted in the negotiating road map below).



The Process of Consultation: The delivery of the country negotiating elements will go through a process of consensus building among stakeholders. A multi-stakeholder oversight committee – the VPA Steering Committee – is in place to oversee and collate views on the consultative process. Stakeholders are being consulted on each of the negotiating elements/deliverables. Separate session(s) will be held for each deliverable. For instance, there

will be forums for arriving at a consensus on the legal standard as well as others for the system of verification and mitigating measures of the VPA. The development of the chain of custody system and the verification system has enjoyed a number of stakeholder consultations since 2005.

Separate technical teams will work on the different deliverables. Discussion Papers are available (and will be made available) to stakeholders/discussants to enrich the consultative process. Discussion, briefing, background papers and other documentation have been generated during the process of country preparation to inform the stakeholder discussions and policy choices. A list of these papers and publications (listed at end of paper) are available to download.

The Decision Making: There is a need to determine at which point a policy closure (closing the debate and making a decision) will be achieved on the various country deliverables that are being subjected to stakeholder discussions. It is therefore important to identify which deliverable requires decision at which level. Three strata of decision-making are relevant, namely, at the strategic level (Forestry Commission as the implementer of regulatory functions and forest control business processes),

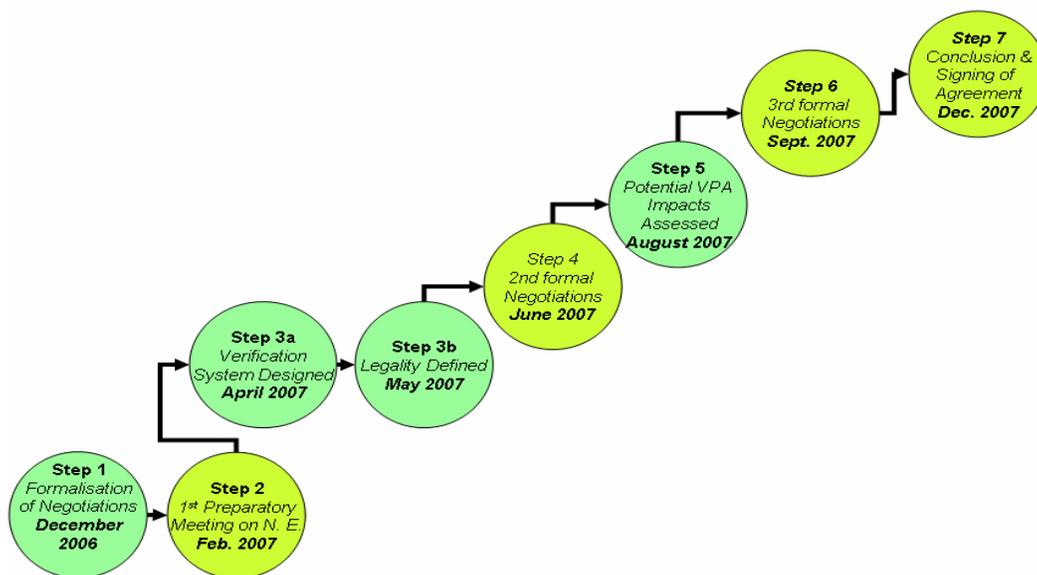
the policy/ministerial level and the Cabinet and/or Parliamentary level.

The chain of custody (log tracking) system relates to the business processes implemented by the Forestry Commission. Decision making on the log tracking system will therefore be largely confined to the strategic level. This process is already at an advanced stage. Other country deliverables are at national policy level and will therefore require ministerial adoption (or higher).

The Next Round of Negotiations: The two parties agreed to re-convene in June for the second round of negotiations. The negotiation will focus on the Chain of Custody system, the Legal definition and the Verification System. The country position (which would have been adopted at the right decision making level) will be communicated to the EC by early May to enable them prepare to meet the Ghana team for the negotiations.

The third formal negotiation session was agreed for September. The negotiation at that meeting will focus on the potential impacts of the VPA and the measures necessary to mitigate those impacts. Inter-sessional meetings will be arranged as and when necessary.

Negotiation Road Map



VPA Discussion Papers

1. VPA Discussion Paper 1. The True Cost of Legal Timber.

VPA Briefing Papers

1. VPA Briefing Paper 1. Ghana's entry into VPA with the EU.
2. VPA Briefing Paper 2. The VPA Process.

VLTP Discussion Papers

1. VLTP Discussion Paper 1. VLTP and its stepwise implementation process.
2. VLTP Discussion Paper 2. Legal framework for implementation of VLTP.
3. VLTP Discussion Paper 3. Institutional framework for implementation of VLTP
4. VLTP Discussion Paper 4. Review of the current taxation system relevant to the forest sector in Ghana.

Background Papers

1. VLTP Background Paper 1. Review of the current taxation system relevant to the forest sector in Ghana
2. VLTP Background Paper 2. Review of the domestic timber market with an emphasis on Off-Forest Reserve timber production and management in Ghana
3. VLTP Background Paper 3. Institutional framework for implementation of VLTP
4. VLTP Background Paper 4. Review of existing policy and legislative documents on definition of timber legality in Ghana
5. VLTP Background Paper 5. Analogue to digital stock & yield mapping.
6. VLTP Background Paper 6. ArcGIS applied on Asenanyo River FR. An analysis of three digitised stock and yield maps

Process Overview

