

AIDE MEMOIRE

FOURTH MISSION OF THE JOINT MONITORING AND REVIEW MECHANISM

Accra, 13th – 16th March, 2012

Introduction

1. The fourth Joint Monitoring and Review Mechanism¹ (JMRR) to facilitate the implementation of the Voluntary Partnership Agreement (VPA) between Ghana and the EU, took place in Accra from 13 to 16 March 2012. The mission was co-Chaired by Ghana and the EU. The Ghana Delegation was led by the Honourable Henry Ford Kamel, the Deputy Minister of Lands and Natural Resources. The EU Delegation was led by Ambassador Claude Maerten, Head of Delegation, EU Delegation, Accra.
2. The Ghana team included representation from the Forestry Commission (FC), the Parliamentary Select Committee on Lands and Forestry, the Ministry of Finance and Economic Planning, civil society and the private sector. The EU team included representation from the European Commission, Member States and experts from the EU FLEGT Facility. A participants list is attached as an annex to this aide memoire.

Legality Assurance System (LAS): Development and priority actions for 2012

3. The LAS comprises a legality definition, a wood tracking system (WTS) and a system to verify compliance. An Independent Monitor (IM) that conducts periodic audits to assure credibility of legality compliance also forms part of the LAS. Following the WTS pilot, Ghana tendered for a service provider to develop and deploy a WTS that is fully compatible with the expectations framed in the VPA. In line with due process, the final recommendation of the assessment of tenders is before the Ministerial tender review board for approval and a contract will be signed by the end of April. This WTS will be ready for deployment for national roll out by December 2012.
4. The Government has developed guidance and procedures so that it can verify compliance with the definition of legality set out in Annex II of the Agreement. This includes guidance for the verification of legality by the Timber Validation Department (TVD). This verification system, which includes manuals, protocols and procedures for verification, will be further tested in consultation with the EU and national stakeholders. A workable verification system will be ready for implementation at a

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



national level by September 2012. The verification system, together with the WTS, is necessary for the issuance of FLEGT licenses.

5. With regard to the tendering process for the procurement of an Independent Monitor (IM), the final recommendations have been submitted to the Ministry of Lands and Natural Resources (MLNR) for endorsement through the relevant processes. The IM will be contracted by May 2012.

Dealing with imports and wood in transit

6. The importance of integrating imported timber into the national LAS was discussed. It was envisaged that timber imports from non-FLEGT countries could undermine the credibility of Ghana's LAS. In recognition of this, Ghana will explore options for managing such risk and will draw on experience from other VPA-partner countries in developing solutions for dealing with the verification of legality of timber imports.
7. With regard to wood in transit, it was clarified that under the terms of the VPA, once the FLEGT licensing scheme is operational, EU competent authorities will expect all timber exports physically leaving the territory of Ghana, to be accompanied by a FLEGT license. This introduces a challenge in terms of dealing with timber products in transit from third countries. The EU advised that in order to avoid problems, clear guidance would be required for EU competent authorities to enable them to identify a shipment as wood in transit. The JMRM agreed that a technical discussion between EU and Ghana customs authorities should take place before July 2012 to identify what is required in order to facilitate EU customs clearance of shipments of wood that have transited through Ghana.

Update on the policy and legislative review

8. To secure strong legal backing for the provisions of the VPA and enable the Forestry Commission (FC) to operate the FLEGT licensing scheme, GoG has drafted a FLEGT Legislative Instrument (LI), which will be adopted by July 2012. This LI will provide the necessary legal backing for the establishment of the Timber Validation Council (TVC). This body will have responsibility for oversight of the LAS and will also be charged with dealing with complaints regarding the functioning of the licensing scheme. The TVC will elaborate rules of procedure and be fully operational by December 2012.
9. A new forest bill that consolidates existing legislation and supports the fundamental legal reform questions identified in Annex II of the VPA has been submitted for review, and will be subjected to wider stakeholder consultations. This bill will be presented to Parliament in 2013.



Progress with the domestic market

10. Since the JMRM in July 2011, the domestic market policy described has been finalised and subjected to wider consultation. It has been approved by MLNR and is ready for inter-Ministerial consultation before being submitted to Cabinet for approval. The policy is structured around five specific objectives as follows: (i) to meet the demand for timber on the domestic market from legal sources; (ii) to eliminate illegal timber production and trade; (iii) to promote good governance in the supply of timber on the domestic market; (iv) to promote industry modernization and retooling for improved efficiency; and (v) to promote community based enterprises as alternative livelihoods for forest fringe communities. Key milestones for various activities covered by this policy are framed by the draft implementation plan annexed to this aide memoire. An operational plan for the implementation of this policy will be available by September 2012.
11. The EU acknowledged the multi-faceted approach being employed by Ghana to address the challenges of illegal logging to meet domestic market demand. The EU welcomed Ghana's initiative to strengthen law enforcement through the deployment of rapid response units, with the approval from the Attorney General's office, to use FC staff as prosecutors for forest offences. The development of a public procurement policy for verified legal timber to be used in Government-financed contracts has been submitted to MLNR for inter-Ministerial consultations. Legislative backing for the implementation of this policy will be in place by end of July 2012.

VPA Impact Monitoring

12. Following the last JMRM, Ghana and the EU committed to work together to develop a national impact monitoring framework for VPA implementation. Ghana's Multi-Stakeholder Implementation Committee (M-SIC) established a working group to initiate this process. Draft impact areas have been identified through this exercise and will be finalised by the end of April, after which, a joint Ghana-EU working group will draft an impact monitoring framework prior to the next JMRM.

Rules of Arbitration, Rules of Procedure and Annex I Product Codes

13. The JMRM has agreed on a final version of the rules of procedure and arbitration and a proposal to amend to Annex I correcting product codes. These agreements will be formalised through an exchange of letters between the parties.

Annual Report

14. A draft annual report for 2010 has been agreed upon and will be published by 15 April 2012. Drawing from this JMRM, the text for the 2011 report will be finalised by the end of March 2012 and ready for publication.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'A' with a long horizontal stroke extending to the right.

Concerns raised by civil society

15. The JMRM appreciates the continued contribution of civil society to forest governance and noted the observations and concerns raised during the mission. Civil society commented that concerns raised in the last JMRM regarding the issuance of administrative permits have been addressed to their satisfaction. Furthermore, they acknowledged that in general there was a willingness to disclose information, however further work was needed to facilitate ease of access to key sector information. In this regard, civil society acknowledged the importance of their role in collating and further disseminating this information. They also acknowledged the existence of various platforms for dialogue with government on forest sector issues.
16. Concerns were however raised in respect of the statutorily-required frequency with which forest taxes are reviewed and the progress on the conversion of concession leases into the new contract framework. The latter is also a requirement of the VPA. In response to these concerns, Ghana encouraged all actors to make use of the M-SIC for raising concerns pertaining to VPA implementation. Where concerns raised are not adequately addressed through the M-SIC, further consideration would be given to how such platforms could be strengthened.

Communications

17. The FC presented a national communication strategy focused on securing support for VPA implementation from each of the stakeholder groups. It was agreed that there is a need to develop clear messages for international buyers and stakeholders on progress with VPA implementation and advances in the development of the legality assurance system. Discussions with civil society highlighted the need for more direct communication between the EU and Ghana private sector to understand shifts in market expectations resulting from the EU timber regulation.
18. The EU will report on progress with VPA implementation in its high level political dialogue with the Government of Ghana.

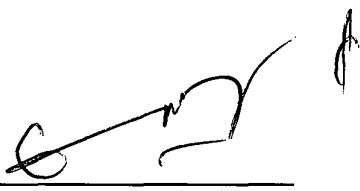
Implementation priorities


19. The FC has developed an implementation plan that sets out priority actions and milestones for 2012. This document provides a good basis for future discussions to communicate and monitor progress with implementation. This document is attached as an annex to this aide memoire.
20. Both parties are fully committed to taking all necessary measures for the issuance of FLEGT licenses by March 2013.

Date of the next JMRM

A handwritten signature in black ink, consisting of a large, stylized letter 'A' with a long horizontal stroke extending to the left and a vertical stroke extending upwards and slightly to the right.

21. The next meeting of the JMRR is tentatively scheduled for mid-September 2012 in Accra.

Signed: 
Hon. Henry Ford Kamel (MP)
Deputy Minister of Lands and Natural Resources

Signed: 
Ambassador Claude Maerten
Head of EU Delegation

Date: 15/3/12

Date: 15/03/2012

ANNEX I: PARTICIPANTS LIST**TECHNICAL SESSIONS****GHANA**

NAME	INSTITUTION
Abu Juam Musah	Ministry of Lands and Natural Resources
Samuel Afari Dartey	Forestry Commission
Alhassan Attah	Forestry Commission
Raphael Yeboah	Forestry Commission
Nana Adu Nsiah	Forestry Commission
Edward Obiaw	Forestry Commission
Chris Beeko	Forestry Commission
Ben Donkor	Forestry Commission
Agyemang Prempeh Koranteng	Forestry Commission
Samuel Doe	Forestry Commission
Oppon Sasu	Forestry Commission
Urias K. Armoo	Forestry Commission
Andy Osei Okrah	Forestry Commission
Robert Nyarko	Forestry Commission
Sheila Naah	Ministry of Finance & Economic Planning
Dr Ernest Abeney	Forest Certification Working Group of Ghana
Sam Nketiah	Tropenbos International (civil society rep.)
Albert Katako	CARE Ghana (civil society rep.)
Alex Dadzie	Ghana Timber Association (private sector rep.)

EU

NAME	INSTITUTION
Bart Missinne	EU Delegation
Emmanuel Ansong	EU Delegation
Julia Falconer	European Commission
Hugh Speechly	DFID, London
Ton van der Zon	Embassy of the Kingdom of the Netherlands
Susanne Bouma	World Bank
Morne van der Linde	European Forest Institute
Iola Leal	European Forest Institute
Clare Brogan	Adviser to the EU Delegation

ANNEX I: PARTICIPANTS LIST**FORMAL JMRRM****GHANA**

NAME	INSTITUTION
Hon. Henry Ford Kamel	Deputy Minister, Lands and Natural Resources
Abu Juam Musah	Ministry of Lands and Natural Resources
Tabi Agyarko	Ministry of Lands and Natural Resources
Samuel Afari Dartey	Forestry Commission
Chris Beeko	Forestry Commission
Agyemang Prempeh Koranteng	Forestry Commission
Oppon Sasu	Forestry Commission
Sheila Naah	Ministry of Finance & Economic Planning
Dr Ernest Abeney	Forest Certification Working Group of Ghana
Albert Katakoo	CARE Ghana (civil society rep.)
Alex Dadzie	Ghana Timber Association (private sector rep.)

EU

NAME	INSTITUTION
Claude Maerten	Head of EU Delegation, Ghana
Bart Missinne	EU Delegation
Emmanuel Ansong	EU Delegation
Julia Falconer	European Commission
Hugh Speechly	DFID, London
Ton van der Zon	Embassy of the Kingdom of the Netherlands
Susanne Bouma	World Bank
Morne van der Linde	European Forest Institute
Iola Leal	European Forest Institute
Clare Brogan	Adviser to the EU Delegation

DRAFT IMPLEMENTATION PLAN 2012/14

Policy Area	Main Activities	Key Milestones	Delivery Date	Expected Outcome	Responsible	
1 Implementation of LAS	1.1	Operationalize TVD	TVD established and operational	Sep-12	LAS regulatory framework in place and FLEGT License issued	CE/TVD
	1.2	Establishment of TVC	TVC established and operational	Dec-12		CE/TVD
	1.3	Wood Tracking System (WTS) Deployed for Rollout	WTS rolled out	Dec-12		CE/TVD
	1.4	LAS Business Processes rolled out	Business processes reviewed and implemented	Sep-12		TIDD, FSD, RMSC, TVD & CPME
	1.5	Develop and Review MOPs	MOPs developed in line with LAS	Dec-12		TVD/RMSC
	1.6	Establish Verification System	Verification protocols established	Jun-12		TVD
	1.7	Establish FLEGT License System	FLEGT License established and operational	Dec-12		TIDD/TVD
	1.8	Operationalise Independent Monitoring (IM) in LAS	Independent monitoring contract signed	May-12		CE/TVD
	1.9	Conduct national roll out of WTS	WTS rolled out to all players	Mar-13		CE/TVD
2 Legal Reforms	2.1	Introduction of Subsidiary Legislation	Subsidiary Legislation Enacted	July-12	Appropriate Legislation in place in support of the VPA	CE/LEGAL
	2.2	Review and Consolidate Forest Laws	Forest Laws Consolidated	Dec-13		CE/LEGAL

Policy Area	Main Activities	Key Milestones	Delivery Date	Expected Outcome	Responsible
3 Clean Production through Industry Re-structuring	3.1	Undertake Industrial Audit	Dec-13	Investments into value added processing sector consistent with requirements under FIP and low carbon production systems	TIDD
	3.2	Facilitate the introduction of ISO 9000 and ISO 14000 QMS into industry operations and practices	Dec-12		TIDD
	3.3	Facilitate the provision of technical assistance to support Downstream Processing in the timber industry	Dec-14		TIDD
4 Domestic Market Development and Regulation	4.1	Enforcement of Forest Laws	Mar-12	Supply of legal timber to the domestic market increased (by 20%) and structured domestic market in place with FC (TIDD) and Ghana Revenue A effectively monitoring payment of VAT	TIDD
	4.2	Develop and Promote National Wood Procurement Policy - Domestic Market	Mar-12		TIDD
	4.3	Implement the Selected Option to address illegal lumber supply to the domestic market (Pilot lumber supply depots)	Dec-14		FSD/TIDD
		Procurement Policy proposal submitted to Cabinet & Legislative instrument in place	July- 12		
		Measures in place to increase the supply of Legal Lumber to the domestic market			

DRM IMPLEMENTATION PLAN 2012/14

Policy Area	Main Activities	Key Milestones	Delivery Date	Expected Outcome	Responsible	
Domestic Market Development and Regulation (continued)	4.4	Promote Processing and Utilisation of LUS	LUS utilisation increased	Ongoing		TIDD
	4.5	Facilitate the Improvement and Modernization of processing techniques of wood including rubber wood, bamboo and rattan by SMEs	Processing facilities improved	Dec-14		
	4.6	Facilitate creation and operation of timber depots in strategic locations	Timber depots account for at least 40% of domestic market sales	Dec-14		TIDD
	4.7	Develop and Implement Policy on 100% timber yield removal	Policy operationalised	Dec-14		FSD/TV D
	5.1	Training and Development in implementation and operation of the LAS	LAS functional	Dec-12	Adequate capacity of identified institutions enhanced	TV D/HR
Capacity Development for implementation of LAS	5.2	Training of SMEs and Informal sector on the requirement of Domestic Market	SMEs sourcing timber requirements from legal sources	Dec-14		TV D/HR
	5.3	Provision of logistics	Field and personal protective equipments procured	Mar-12		TIDD/TV D
	5.4	Optimize ICT Infrastructure for Data Repatriation and Collation	ICT infrastructure enhanced	Jun-12		TV D/ICT

DRAFT IMPLEMENTATION PLAN - 2012/2014

Policy Area	Main Activities	Key Milestones	Delivery Date	Expected Outcome	Responsible
6 Communication, Trade Promotion and Awareness Creation	6.1 Develop and Implement Communication Strategy	Communication strategy in place	Sep-12	Increased market share for legal timber for both domestic and export markets	TVD/TIDD/ London Office
	6.2 Promote FLEGT benefits/verified legal products	FLEGT-licensed products promoted	Mar-13		TIDD/TVD
	6.3 Strengthen collaboration with trade associations in key export markets	Joint promotion activities organised with trade Associations in key export markets	Dec-14		TIDD/TVD
7 FLEGT VPA Coordination & Administration	7.1 FLEGT VPA Coordination & Administration	Improved coordination	Dec-13	A robust inter-sectoral coordination system established	MLNR/ FC HQ
	8.1 FLEGT VPA Performance Assessment	Outputs of FLEGT/VPA Assessed	Dec-14	FLEGT/VPA well implemented	CPME/TVD
8 Performance Framework for FLEGT-VPA	8.2 Establish linkage of LAS with the FC overall Information Management System	Reliable and integrated data available for policy analysis, monitoring and evaluation	Dec-14		TVD
	8.3 Conduct Joint Monitoring & Review Mechanism (JM/RM) Sessions	Scheduled JM/RM meetings held	Bi-annual		CE/TVD