

## Liberia – EU FLEGT Voluntary Partnership Agreement

### AIDE MEMOIRE

#### SECOND MEETING OF THE JOINT IMPLEMENTATION COMMITTEE

Monrovia June 10-12<sup>th</sup>, 2015

#### Introduction

1. The second joint Implementation Committee (JIC) to oversee the implementation of the FLEGT Voluntary Partnership Agreement (VPA) between Liberia and the EU, took place in Monrovia on June 10-12<sup>th</sup>, 2015. The meeting was co-chaired by Sister Mary Laurene Browne, OSF, Chair of the Board of Directors of the Forest Development Authority, Republic of Liberia and Ambassador Tiina Intelmann, Head of EU Delegation to Liberia.
2. The Liberian team included representation from the Ministry of Agriculture, Forestry Development Authority (FDA), Ministry of Justice (MoJ), Ministry of Finance and Development Planning (MFDP), Liberia Revenue Authority (LRA), National Bureau of Concessions (NBOC), Environmental protection agency (EPA), National Investment Commission (NIC), civil society and the private sector. The EU team included representation from the EU Delegation, EC headquarters, the UK Department for International Development (DFID) and experts from the EU FLEGT Facility. Development partners USAID and World Bank participated in some of the discussions as observers. A participants list is attached as an annex to this aide memoire.
3. Since the last JIC meeting, Liberia was hit by the Ebola crisis which slowed down many of the VPA implementation activities. This 2<sup>nd</sup> JIC meeting therefore focused on taking stock of the current status and setting priorities for 2015.
4. In her opening remarks EU Ambassador Intelmann said that 2015 is a crucial year for the global community and our planet: a series of international conferences will agree on Financing for Development, sustainable development and climate change goals for the next 15 years. The FLEGT Voluntary Partnership Agreement between the EU and Liberia can make an important contribution to our joint efforts to tackle climate change. Deforestation and land use change are the main source of Greenhouse gas emissions in Liberia. Good forest governance and law enforcement are therefore critical to the success of efforts to halt deforestation and forest degradation.

#### Government of Liberia/FDA vision for the forest sector and role of different partners

5. The Managing director of the Forest Development Authority (FDA) presented the vision for the future of the forest sector of Liberia, including: A well trained, equipped and operational FDA to sustainably manage the forest resources, to generate revenue from timber and non-timber forest resources and ecosystem services. Liberia will be producing timber in the form of logs and (semi-)finished timber products in respect of the law. 30% of Liberia's forests will be kept under conservation status, especially in the Sapo-Tai biodiversity corridor. The agricultural sector will be improved in collaboration with partners such as Ministry of Agriculture (MoA), Tropical Forest Alliance and Government of Norway and its impact on forests will be reduced. Spreading of the savannah in the north of Liberia is halted. FDA transforms into a self-sustaining institution, a catalyst of national development that takes over the services currently provided by SGS and other partners at the end of the VPA implementation process.



6. The question of illegal forest land conversion and the risks of timber from this conversion entering the FLEGT licensing system was discussed. Participants agreed that special attention was needed to prevent this to happen in order to preserve the robustness and credibility of the FLEGT licence and called upon the GoL to develop an action plan to address this issue.
7. Key forest sector development partners in Liberia (USAID and the World Bank) and the national REDD+ coordinator were invited to present their current and planned programs in order to strengthen coordination and cooperation. Programs include the PROSPER and FIFES projects by the USAID and the World Bank Forest investment and technical assistance project. The latter is to implement the REDD+ Letter of Intent between Government of Liberia (GoL) and Norway signed in September 2014. Complementarities and significant potential synergies were identified: the JIC encouraged the project managers to make these synergies a reality and insisted in particular on the need to closely coordinate FDA support activities in order to maximize their contribution to strengthening the institution. Better forest governance and management is key to the success of our efforts. EU calls upon all parties to support and strengthen the FDA to be able to perform its key role in the sector.

#### **VPA oversight and management structures**

8. The three participatory mechanisms to oversee and to contribute to the implementation of the agreement on the Liberian side, the Liberia Implementation Committee (LIC), National Multi-Stakeholder Monitoring Committee (NMSMC) and the Inter-agency coordination committee (IACC) met regularly until the Ebola struck and state of emergency was declared at the end of June 2014. Monthly meetings of the NMSMC resumed in February 2015 and the LIC met four times in April-May in preparation of the 2<sup>nd</sup> JIC meeting.
9. On behalf of Liberia, the Ministry of Justice (MoJ) has prepared comments on the draft rules of procedure for the functioning of the JIC and the arbitration procedures for the VPA. It was agreed that the comments would be transmitted in writing to the EU and LIC by 20th June. It is expected that the rules of procedure and the arbitration procedures will be formally adopted in the 3rd meeting of the JIC.
10. A new timeline was agreed for the joint annual report of 2014: it will be finalized by end of September 2015. A small drafting team consisting of the FLEGT Facilitator, European Forest Institute (EFI) and the VPA Support Unit will draft the report. The FDA Deputy Managing Director of Operations and the EU Delegation will supervise the drafting and the Liberia Timber Association has volunteered to contribute. Stakeholders will also be consulted on the draft before both parties agree on a final draft. EFI will provide support to editing, layout and printing. The EU made reference to a tool that it has developed to systematically document progress and achievements of all VPAs, framed around the main result areas of the VPA. Initial work to compile information has been done by EFI and the FLEGT Facilitator. This tool will be shared with the stakeholders to validate the information, and thereafter regularly updated, which can then feed into the annual reports.

#### **Legality Assurance System Development**

11. SGS, contracted to build, operate and transfer the Legality Assurance System in support of the Legality Verification Department (LVD), reported on the progress. The LVD has been established within the FDA. 4 managerial positions have been filled by FDA staff, interviews are on-going for 12 additional staff and 17 are to be moved from other parts of the FDA in 2015. Thereafter further annual recruitments will take place to bring the total number of staff up to 70 by 2018. The staffing projections may still need to be modified depending on the potential evolution of the sector.



12. The Ebola stopped LVD field activities from May 2014 to April 2015, but the development of the new LiberTrace software continued from distance. LiberTrace was reported to be about 95% finished. Initial user acceptance tests (UAT) were carried out in the first week of June 2015. Next steps include field testing of the LiberTrace in June-October 2015 and the final UAT in Oct 2015. Training of trainers for the use of the software will be carried out in June 2015 and continuous training of users will take place from June 2015 onwards.
13. Following Ebola a comprehensive revised interim strategy for the LVD development and legality assurance system (LAS) rollout is yet to be developed. It will be shared with the LVD Project Board for the next meeting in July 2015. Key activities and milestones until the beginning of 2016 are outlined in Annex 2.
14. Contract negotiations of the "side-agreement" between the SGS and Government of Liberia to specify the roles and responsibilities for operating the Chain of Custody and the Legality Assurance systems are scheduled for the week following the 2<sup>nd</sup> JIC.
15. A stock take exercise of the current chain of custody (CoC) system was carried out in April 2015 as a joint exercise of different government agencies together with the SGS and forest companies. EFI provided support to the exercise and Liberia Timber Association and civil society representatives participated as observers. The objective of the stock take was to assess the performance of the current system and learn lessons. The stock take showed that a CoC system is already functioning in Liberia and that all forest companies are using it on a daily basis in their business. This existing system provides a strong basis to build the complete LAS although many new elements still need to be integrated (the legality verification part and new segments of the sector like saw mills, community forests, etc.). The draft final report of this stock take has been circulated to those who participated in the exercise. Based on eventual comments, the final report will be consolidated and recommendations made to feed the development of the new system.
16. The CoC stock taking looked at some of the existing problems of compliance. SGS clarified that non-compliance management is part of the LAS standard operating procedures (SOPs) which are still under development. The stock take recommendations will be used to improve them. The EU highlighted the need of collaboration between SGS and FDA to identify the responses to the various types of non-compliances.

#### **Improvement of regulatory framework and law enforcement**

17. FDA provided an up-date on the work already carried out on 6 new regulations: vettings in 4 forest regions were carried out in 2014 for draft regulations on abandoned timber, confiscated timber, timber in transit, imported timber, third party access in concession areas and charcoal. National validation of these regulations is to be completed in 2015 followed by approbation by the Board of Directors of the FDA. EU provided initial comments on the draft regulations on timber in transit and imported timber during the meeting and committed to provide their comments in writing by 15 July 2015.
18. In the first JIC meeting, it was agreed to carry out the harmonization of the Community Rights Law pertaining to the Forest Lands of 2009 (CRL) and its regulations as a matter of urgency. A committee chaired by civil society has taken this issue forward. A report by an external expert was recently submitted to the committee and will be examined in the next NMSMC meeting.
19. A number of other draft regulations, guidelines and procedures are still to be developed as mentioned in the previous JIC. Key priorities for 2015 were discussed and agreed (see Annex 4). Timelines for the different steps leading to the approval of the new regulations were clarified to help in forward planning (see Annex 5).



20. The EU noted that some of the new regulations will add new sources to the LAS and are thus linked to the credibility of the FLEGT licensing system. Hence, it was agreed that Liberia would share the following draft regulations with the EU: regulations on abandoned and confiscated timber, regulation on Private Use Permit (PUP), revised chainsaw regulation, regulation on plantation timber and guidelines for timber from agriculture and mining concessions (for timing see Annex 4 and 5).

#### **VPA impact monitoring**

21. Considering the delays caused by Ebola and the multitude of activities that still need to be carried out in 2015, it was decided to postpone the first discussion on the development of a VPA impact monitoring framework to 2016.
22. Following a presentation of the FLEGT independent market monitoring system (IMM) in the 1<sup>st</sup> JIC meeting, the EU provided an up-date: the inception phase has been completed and a detailed methodology and comprehensive set of indicators adopted; a Baseline report covering timber imports in the EU over the last 10 years and including country annexes covering timber exports to the EU of the 6 countries with a VPA in implementation, has been produced and will soon be available on the ITTO website; annual reports will be produced from 2015 onwards and a website with a quarterly e-news and on-line trade database will be developed. An independent evaluation of the FLEGT Action Plan is ongoing and will be finalized by the end of 2015, including a review of the implementation of the EU Timber Regulations.

#### **Communication and transparency measures**

23. The FDA public affairs division (PAD) has benefitted from training by VPA Support Unit since mid-2014. The division is implementing an 18-month strategic VPA communication plan with 5 objectives: (i) enhancing the internal communications and outreach capacities of FDA to understand and communicate the VPA, (ii) clarifying within key government bodies how the VPA processes interface with their mission, roles and responsibilities, (iii) ensuring the private sector is aware of how to be in full compliance with the FLEGT VPA, (iv) strengthening collaborations between FDA and civil society and communities to enhance public involvement in the VPA, (v) making public all documents and requirements in accordance with Annex IX of the VPA. The work so far has focused on objectives (i) and (v).
24. The website completion and availability of data was highlighted as an urgent priority. Information that needs to be made publicly available according to Annex IX of the VPA, including the reports developed and distributed by SGS/LVD, needs to be uploaded. The website will be fully operational by the end of 2015. Other means of communication, including radio and television programmes, shall also be explored.

#### **Capacity building**

25. The two main VPA implementation support projects, the VPA Support Unit (VPA SU) and the SGS/LVD both contribute to capacity building. Both projects presented the status of their capacity building implementation and the key priorities for 2015, which are captured in Annex 3. EU noted that a lot of the upcoming priorities still focus on assessment of needs instead of building actual capacity. The EU also encouraged the projects to include benchmarking against objectives and expected results for future reporting to the JIC and to evaluate the effectiveness of the capacity building activities.



26. FDA is undergoing a strategic review of its department which will result in a replacement of retirement-age staff. Together with the VPA SU the capacity needs of the new staff will be assessed and a plan developed which will also identify the funding needs for this transition before mid-2016.

#### **VPA key priorities for 2015**

27. Prior to the 2<sup>nd</sup> JIC meeting, the NMSMC and the LIC took stock of the VPA implementation status and outlined priorities for 2015. These draft priorities were further discussed, amended and agreed by the JIC (see Annex 3 to this aide memoire for details).
28. As agreed in the 1<sup>st</sup> JIC, an up-dated implementation schedule (annex VII of the VPA) was discussed and agreed by the JIC (see Annex 6).

#### **Follow-up of stakeholder concerns from the last JIC and new issues raised by stakeholders**

29. A community forestry working group, established in 2014 to review new Community Forestry Management Agreement (CFMA) applications, has reviewed more than 100 applications. 65 have passed the first step of the 9-step CFMA allocation process. The piloting of the allocation process has started in 9 communities with the support of the USAID PROSPER project. The pilots are currently in the 2<sup>nd</sup> step (social-economic and environmental assessment). The remaining applications will be further processed only when the results of the pilots are available and a manual of the process developed and validated. The delay in operationalizing the CFMAs as well as capacity and financial resources to implement the allocation process for the remaining applications is of serious concern. At the same time, both the GoL and EU recognize the importance of a robust process. The parties also recognized that the shift towards community forest management will be a major change for the forest sector in the coming years: it will require support from FDA to be a success.
30. The FDA informed that the community forestry department of the FDA has worked with the communities to address the concerns regarding the 10 existing CFMAs.
31. The regulatory framework for timber form CFMAs was discussed. For the larger areas allocated for commercial logging the FMC rules apply. Rules for small scale exploitation will need to be clarified as part of the chainsaw regulation review and reform process. The VPA legality definition remains to be amended to include this timber source.
32. The moratorium on Private Use Permits (PUP) has been maintained since February 2012 and no PUP is operational at the moment. Prosecution of government employees exposed by the Special Independent Investigative Body (SIIB) report in December 2012 is on-going. Liberia Timber Association has also taken the GoL to the Supreme Court regarding this action concerning PUPs. The appointment of the hearing officer, mentioned in the last JIC, is pending the outcome of these processes. Under the VPA the FDA is to establish a debarment and suspension system.
33. The transfer of funds from central government to communities agreed in June 2014 was delayed due to Ebola. In June 2015 the Ministry of Finance and Development Planning (MFDP) issued a check of 1 million US\$, which will be deposited by the Ministry of Internal Affairs in the account of the National Benefit Sharing Trust Board (NBSTB). In keeping with the law, participants encourage the MFDP to transfer future amounts directly and timely into the NBSTB account. GoL is called to clarify the actual amounts to be paid to communities, the procedures to follow and the timeline for transferring these payments. An overview of revenue collected over the period 2008-April 2015 is included in the Annex 7 to this aide memoire. The communities are entitled to 30% of area fees and annual administrative fees. SGS will report on the breakdown revenue collected and owing to



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government counties and communities according to legal provisions. FDA will reflect on the information on revenues collected over the past 8 years and provide an update on the amount of money still outstanding to communities before the next JIC meeting.

34. The Liberia Chainsaw and Timber Dealers Union (LICSATDUN) expressed a concern regarding their institution and the lack of awareness raising on the Chainsaw milling regulation since its approval in 2012. The union wants to play a central role in the implementation of the regulation. The FDA pointed out that currently no forest areas have been allocated to chainsaw milling, so a review of the regulation is needed before it can be implemented. FAO is willing to support a study on the chainsaw milling situation to inform this review.

**Date of the next JIC**

35. The 3<sup>rd</sup> meeting of the JIC is scheduled for the 3<sup>rd</sup> week of November 2015 in Monrovia. It was decided that the EU will take the lead in organizing the next meeting.

Signed:   
Sister Mary Laurene Browne, OSF  
Chair of the FDA Board of Directors

Signed:   
Ambassador Tiina Intelmann  
EU Delegation to Liberia

Date: June 12, 2015

Date: 12/06/2015



## List of Participants

### Liberia Team

1.	Sister Mary Laurene Browne, OSF-	FDA Board Chair
2.	Hon. Harrison S. Karnwea, Sr. -	Managing Director, FDA
3.	Hon. Darlington Tuagben -	FDA
4.	Mr. Joseph J. Tally -	FDA
5.	Madam Victoria Y. Cole -	FDA
6.	Mr. Richie Grear -	FDA
7.	Mr. Rex Henry -	FDA
8.	Mr. Musa O. Lymas -	FDA
9.	Mr. Saah A. David, Jr. -	FDA-RIU
10.	Hon. Charles McClain -	MOA
11.	Hon. Stanley D. Barh, Sr. -	MFDP
12.	Hon. Oliver Clarke -	MFDP
13.	Hon. Jerry T. Taylor -	MFDP
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16.	Mr. Christopher S. Wallace -	LRA
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20.	Cllr. Molewuleh B. Gray, -	NIC
21.	Mr. David S.K. Kollie -	EPA
22.	Mr. Simon Karbah -	NASCCORP
23.	Mr. Robert S. Paywala -	NASCCORP
24.	Hon. Rudolph J. Merab, Sr. -	Private Sector
25.	Mr. Ekema Witherspoon -	Private Sector
26.	Mr. John Baxter -	Private Sector
27.	Mr. Julius Kamara -	LICSATDUN
28.	Mr. Arthur Karngbe -	LICSATDUN
29.	Mr. Jonathan Yiah -	CSO
30.	Ms. Venessa Togba -	CSO
31.	Mr. Dominic Johns -	CSO
32.	Mr. Joseph Kennedy -	CSO
33.	Mr. Matthew T. Walley -	Community
34.	Mr. Sollie Geroge -	Community
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## Partners

1.	Mr. Clinton Bambridge	-	SGS/LVD
2.	Mr. Francis Odoom	-	SGS/LVD
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5.	Madam Jennifer Talbot	-	USAID
6.	Mr. R. Jerome Anderson	-	USAID GEMS
7.	Mr. Daniel D. Wleh, Jr.	-	USAID GEMS
8.	Mr. Paul Meadows	-	USAID/PROSPER
9.	Mr. Abimbols Adubi	-	World Bank
10.	Madam Catherine Anderson	-	World Bank
11.	Madam Deborah Isser	-	World Bank
12.	Madam Kou M. Johnson	-	World Bank

## Observer

1.	Mr. Kofi Ireland	-	UNMIL
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## European Union Team

1.	Abm. Tiina Intelamn	-	Head of EU Delegation
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7.	Mr. Bernard Crabbé	-	EU
8.	Mr. Abraham Guillen	-	FLEGT Facilitator
9.	Mrs. Rose Johnson-Blidi	-	FLEGT Office

## VPA Support Unit

1.	Mr. Wolfgang Thoma	-	VPA SU
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3.	Mr. Dixon P. Gblah	-	VPA SU
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5.	Mrs. Queta J-Hessou	-	VPA SU
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