

## AIDE MEMOIRE

### THIRD MEETING OF THE PRE-JOINT IMPLEMENTATION COMMITTEE

Monrovia November 14<sup>th</sup>, 2013

#### Introduction

1. The third pre-joint Implementation Committee<sup>1</sup> (pre-JIC) to facilitate the implementation of the FLEGT Voluntary Partnership Agreement (VPA) between Liberia and the EU, took place in Monrovia on November 14<sup>th</sup>, 2013. The meeting was co-chaired by Honorable Florence Chenoweth, Minister of Agriculture, Republic of Liberia and Ambassador Attilio Pacifici, Head of EU Delegation Liberia.
2. The Liberian team included representation from the Ministry of Agriculture, Forestry Development Authority (FDA), Ministry of Finance, Ministry of Justice, Ministry of Commerce and Industry, VPA Support Unit, civil society and the private sector. The EU team included representation from the EU Delegation, European Commission, the UK Department for International Development (DFID) and experts from the EU FLEGT Facility. A participant list is attached as an annex to this aide memoire.

#### Ratification

3. On the European Union side, as reported in the previous meeting, the EU notified Liberia that the ratification of the VPA had been concluded on 14<sup>th</sup> May 2012.
4. On the Liberian side, the ratification process was completed on September 18<sup>th</sup>, 2013. Official notification of the ratification was sent to the EU Delegation on November 13<sup>th</sup>. The VPA is expected to enter into force on December 1<sup>st</sup>, 2013.

#### Institutional Arrangements

5. The VPA Support Unit was mobilised on September 2nd, 2013 and now supersedes the VPA Secretariat in the coordination of VPA activities and the building of capacity to support implementation of the VPA.
6. The Support Unit will work closely with the Liberia Verification Department (LVD) and other VPA support projects. The Support Unit is currently conducting a capacity needs assessment of Government institutions, private sector and civil society.
7. The LVD team mobilised on October 15<sup>th</sup>, 2013. Their role is to verify compliance with the legality definition (LD) and operate the Chain of Custody System (COCS). Over a five year period, the LVD will develop the necessary verification methodology and build the capacity of the FDA departments and divisions involved in implementing the Legality Assurance System (LAS). In their technical proposal, the service provider has developed a strategy for the establishment of the LVD, which will be finalised in consultation with the FDA.
8. A Project Board will be established before the end of 2013 to provide oversight of the contract and will meet initially not less once a month. This Board will be composed of the service provider, EU, DFID, and the Government of Liberia (FDA, Ministry of Finance, and Ministry of

<sup>1</sup> Pre-JIC refers to the joint mechanism for dialogue and monitoring described in Article 19 (5) of the VPA foreseen for the period between its initialing and entry into force.

Justice). Technical advice may be provided on request by the EU FLEGT Facility. Payments to the service provider will be results based.

9. A 'VPA working group' will be established by the end of December 2013 to ensure close coordination among the VPA support projects.
10. The successful implementation of the LAS depends on securing adequate resources to staff the LVD. In June 2013, the FDA initiated discussions with the Ministry of Finance to secure budgetary provision for these additional staffing requirements. It is essential for the sustainability of the LAS that the Government of Liberia (GoL) allocate the necessary budget.

#### **Liberian support structures**

11. With assistance from the VPA support unit, the interim stakeholder committee has begun to meet again. A schedule of meetings on the last Tuesday of every month has been agreed. When the VPA enters into force, this committee will become the National multi-stakeholder monitoring Committee (NMSMC). The purpose of this committee is to provide national oversight of the implementation of the VPA by Government, private sector, civil society and communities. Draft Terms of Reference for the NMSMC have been approved and rules of procedure for the committee will be agreed in due course.
12. A new FDA Board will be established in early 2014 following an amendment to the 1976 Act establishing the FDA. The recruitment process for a Managing Director and Assistant Managing Director of the FDA has been launched.

#### **Inter-ministerial coordination**

13. There needs to be strengthened coordination between Ministries involved in the implementation of the VPA, in particular to engage the Ministry of Finance. An inter-agency coordination body has been established and will include focal points from each of the relevant Ministries.

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

14. As a new department within the FDA, the establishment of the LVD requires approval of the FDA Board. In addition, the Liberia Licensing Department (LLD) with responsibility for FLEGT licensing, also needs to be created. Work to prepare the functional specifications for the LLD has been carried out and will be submitted to the FDA Board for approval by February 2014.
15. The GoL requires a side agreement with the LVD service provider to continue the existing revenue collection service. Technical support for the negotiation of this agreement is currently being provided by the EU FLEGT Facility upon request by GoL (FDA, Ministry of Finance, and Ministry of Justice) and it is anticipated that the agreement will be concluded in the first quarter of 2014.

#### **Independent Auditor**

16. An Independent Auditor, to be funded with the European Development Fund, will be contracted in 2014 by the GoL through the National Authorising Officer with the assistance of the EU Delegation. The purpose of the audit is to check the performance and effectiveness of the FLEGT licensing scheme.

### **Legislative Reform**

17. There are five regulations in draft, requiring further regional consultation. These include regulations on abandoned timber, confiscated timber, timber in transit, imported timber and third party access in concession areas.
18. Consultation on a draft Private Use Permit (PUP) regulation has been initiated. When national consultation processes are further advanced, vetting of the regulation will take place at county level.
19. The VPA support unit will provide resources to support these consultation processes.

### **FDA Office**

20. Funds are available through the VPA support unit to finance refurbishment of the FDA headquarters. Work is currently underway to fast-track this refurbishment and DFID is seeking advice from its procurement experts as to what options might be available in this regard.

### **Rules of procedure and arbitration**

21. Comments on draft rules of procedure for the functioning of the JIC and on rules of arbitration for the VPA will be solicited from the GoL prior to the first formal meeting. It is expected that these procedures will be adopted in the second meeting of the JIC in November, 2014.

### **EU Timber Regulation (EUTR)**

22. The EU updated the meeting on the entry into application of the EUTR. It was agreed that more needs to be done to inform Liberian stakeholders of the significance of this regulation and its impact on international market demand for verified legal timber.

### **Independent Market Monitoring**

23. The VPA foresees monitoring of FLEGT licensed timber on the EU market. The EU informed the meeting of the purpose and scope of an independent market monitoring project that would meet this requirement and will cover the different VPA partner countries. It is expected that this project will be implemented by the International Timber Trade Organisation (ITTO) and will be operational in 2014.

### **Measures to deal with the PUP issue**

24. Following the report of the Special Independent Investigative Body (SIIB), the President issued Executive Order 44 in January 2013, to reinforce a moratorium on all timber harvesting and operations within areas allocated under Private Use Permits (PUPs) issued by the FDA Board in February 2012.



25. The GoL informed the meeting about a number of measures taken to address the findings of the SIIB report. The EU commended the GoL for the initial administrative action taken to address this issue. To date 17 PUP contracts have been revoked and an additional 12 PUP contract holders have been issued letters of intent to revoke. In addition, the GoL intends to prosecute those companies, Government officials and individuals who allegedly engaged in illegal activities.

#### **Issues raised during the multi-stakeholder session**

26. Concerns were raised on the legality of timber from conversion of forested areas under agricultural concessions. The FDA and the MoA provided clarification that agricultural concessionaires can use timber harvested in their concession for their needs, but cannot commercialise the timber without the appropriate permit and associated due process.

27. There is a need to finalise the social agreement guidelines as required by the VPA. This process will be carried out together with the consultation on the draft regulations referred to above.

28. Civil society raised concerns that the due process for the establishment of existing Community Forestry Management Agreements (CFMAs) had not been followed and are conducting an investigation into this issue. The FDA clarified that they did not have any evidence to support these allegations and invited civil society to share the findings of their investigation.

29. The FDA confirmed that there is currently no moratorium on application for CFMAs but rather on the issuance of CFMAs. Existing applications held by the FDA are being vetted with support from a committee comprising representatives of civil society and the USAID-funded PROSPER project.

30. Civil society also expressed concerns regarding the transfer of funds from central government to the communities. The FDA stated that they are working with the private sector to put pressure on the Ministry of Finance to ensure that the benefits due to communities will be made available to them in order to ensure compliance with the law. This concerns both stumpage and land rental fees.

31. The requirement for recurrent annual payment of the bid premium has been repealed. However, financial obligations up to Dec 2012 must still be honored by contractors.

32. The EU has recently financed seven projects aimed at supporting civil society in monitoring the implementation of the VPA and is currently in the process of establishing one additional project with four Liberian NGOs. Details of these projects are available on request from the EU Delegation.

#### **VPA Implementation Workplan for 2014**

33. Prior to the end of 2013, the VPA Support Unit will, in consultation with stakeholders, prepare a detailed VPA implementation workplan for the first two quarters of 2014. A detailed workplan for 2014 and beyond will be presented for approval to the first JIC. The parties insisted on the need to define a clear roadmap and concrete milestones as part of this revision process.

#### **Communications and access to information**

34. The VPA Support Unit will direct resources towards improved communications and awareness raising strategies in Liberia as related to the FLEGT/VPA.

35. The FDA website is currently being updated with the purpose of building an effective tool to improve transparency, communication and information sharing in the forest sector in Liberia. A monthly newsletter on the activities of the FDA is also foreseen.
36. The Progress Report for the period 2011-2012 will be finalised and published by the end of November 2013 following the receipt of final comments from Liberia.
37. The parties agreed on the need to organise a joint communication event to mark the anticipated entering into force of the VPA on December 1<sup>st</sup> 2013.

**Date of next JIC**

38. The two first formal meetings of the JIC are tentatively scheduled for May and November 2014 in Monrovia. In advance of these meetings, the parties will reflect on ways of improving the efficiency and effectiveness of these meetings.
39. In their concluding remarks the parties recognised that the VPA ratification by Liberia and the mobilisation of the different support contracts provides a unique opportunity to renew momentum in the implementation of the agreement and committed to seizing this opportunity.

Signed: Florence Chenoweth

Hon. Florence Chenoweth  
Minister of Agriculture, R.L.

Date: 14 November 2013

Signed: 

Ambassador Attilio Pacifici  
EU Delegation, Liberia

Date: 14. XI. 2013

