

**Minister Chris Toe Opening Statement for Launch of Voluntary Partnership Agreement between
Government of Liberia and EU**

March 26, 2009

Good morning distinguished ladies and gentleman, EU delegates, Liberian Government officials, civil society, forest stakeholders, and guests.

I am pleased to welcome you to the launch of the negotiation process of a Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade between Liberia and the European Union. This is a notable and significant milestone in Liberia's history. This launching event represents the Government of Liberia and the European Union's mutual intent to enter into formal negotiations of the Voluntary Partnership Agreement. Once concluded, the VPA will put in place a legal licensing scheme for timber export products that will ensure that only legally harvested timber will be imported to the EU from Liberia. In doing so, the VPA will contribute to improved forest governance, increased economic revenues for Liberia, improved foundations for sustainable forest management and provide Liberia with improved access to markets in the EU. These outcomes further and are consistent with the objectives of Liberia's Poverty Reduction Strategy to rebalance forest management so that it contributes to poverty alleviation and local people's needs.

Liberia depends on its forest resources for economic, environmental, and cultural benefits. Illegal logging, as it has been in Liberia's not too distant past, has the potential to cause significant social and environmental impacts. Entering into a Voluntary Partnership Agreement with the EU will ensure that all timber it exports originates from legal and sustainable sources and at the same time give Liberia a clear competitive market advantage in the EU. The VPA process presents an opportunity to move forward with reforms in the forest sector and place Liberia further along the road to good forest governance.

It is important to recognize the complexities of negotiating a bi-lateral trade agreement with a country emerging from 14 years of civil conflict. For example, Liberia will be expected, under the VPA to produce a number of discreet deliverables, including: 1) a legality standard, 2) a licensing system, 3) a chain of custody system, and 4) an independent monitoring system. Given that the VPA is a relatively new process to Liberia as it is perhaps to other countries, the next two days present an opportunity, through dialogue, to gain a better understanding of the VPA process, develop a road map for negotiations, and provide a forum for information exchange. This time also will

enable both parties to address the capacity gaps of the Government of Liberia and in particular, the negotiating team, to ensure that objectives of both parties are met during this process.

Liberia is committed to equitable, transparent and sustainable management of its forests as evidenced by its efforts to put in place mechanisms that position it well ahead of other countries negotiating a VPA, namely a comprehensive and robust legal framework, a Forest Zoning Plan that delineates well defined areas for commercial forestry and a Chain of Custody system that is gaining increasing recognition worldwide. The country, however, is at a crossroads. The implementation of the Chain of Custody system started in January 2008 and is unfortunately challenged by underfunding. The delayed allocation of Forest Management Contracts and the late start of logging operations has resulted in a substantial loss of expected revenue for the Government of Liberia and SGS, putting the implementation of the Chain of Custody Contract in a critical financial situation. Funding through the US Government will end in July 2009 and presently there is no alternative source of funding to renew the contract until Government revenues from timber contracts become self sustaining. Given that the Chain of Custody system is a cornerstone to ensuring the legal origin of timber in Liberia, it is advisable to address this funding gap as soon as possible. The Government is committed to maintaining the integrity of the traceability system; we call on the EU and our other partners to help us keep it in place.

In moving forward and in parallel with the process, the Government recognizes the need to deepen consultative processes with relevant stakeholders and solicit input from other countries currently involved in negotiations with the EU. While a Community Outreach Workshop for relevant rural forest dependent communities was held in Gbarnga, greater awareness raising efforts and forums on how forest dependent communities and civil society should be involved in the VPA process need to be increased. Similarly, it is in the best interest of both Parties to support efforts of the Liberian government to exchange lessons learned from other countries currently involved in VPA negotiations.

The launching of the VPA is a notable mark in Liberia's history. Forests cover almost half of the land area of Liberia and are a significant factor in the wealth, and thus political power, of the country. It is well known that Liberia's wealth of timber resources contributed to and supported the protracted and devastating civil conflict, not in small part due to power given by international market forces and economic agendas. The VPA process represents an opportunity for Liberia to further combat illegal logging and strengthen its reform process by reinforcing the notable

systems already in place. Through the process, I pledge the Government of Liberia support and call on the EU to work with us towards the development of a sustainable and fair trade regime, including the implementation of a legal licensing and chain of custody system that will underpin the Government of Liberia's current and past efforts made by Liberia to reform the forest sector and employ sustainable forest management. Thank you.

Thank you.