

SECOND GHANA-EUROPEAN COMMISSION NEGOTIATION SESSION ON A FOREST LAW ENFORCEMENT, GOVERNANCE AND TRADE VOLUNTARY PARTNERSHIP AGREEMENT

INTRODUCTION

1. The second Ghana-European Commission negotiation session on a Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) was held on June 15 2007 in Brussels.
2. The session was co-chaired by the Honourable Andrews Adjei Yeboah, Deputy Minister, Ministry of Lands, Forestry & Mines, Ghana and Luis Riera Figueras, Director of Thematic Issues, DG Development, EC. A list of delegates is presented in Annex 1.

AGENDA ITEM 1: Opening Statements by EU

3. Mr Riera Figueras welcomed participants, expressed his pleasure at the inclusive manner in which Ghana was proceeding with negotiations and noted that both parties have domestic and international expectations to meet. Ms Soledad Blanco, Director International Affairs and LIFE, DG Environment, noted that Ghana may be the first country to sign an agreement with the EU. She noted the increasing importance being given to forests because of their importance for climate change and biodiversity conservation and recognised that both parties to the negotiation have an interest in the conservation and sustainable management of Ghana's forests. Mr Hermann Intermann representing the EU Presidency assured those present that the FLEGT programme has strong political support across the EU.

AGENDA ITEM 2: Opening Statement by Ghana

4. Minister Adjei Yeboah said that Ghana takes pride in the progress it is making. He wants consumers in Europe to feel confident that the forest products they buy are from legal and well-managed sources. He noted that there are many challenges ahead of us but Ghana is determined to make progress in managing its forest well and contributing effectively to poverty reduction.

AGENDA ITEM 3: Negotiation Modalities

Preparation of minutes and public record of today's meeting

5. The process for recording the meeting was agreed; individuals identified from each party to draft together.

AGENDA ITEM 4: Negotiation process considerations

Consultation Process

6. A meeting was held on 15 June with European civil society, with representatives from the private sector and NGOs, to explain progress in negotiating the Partnership Agreement.

Communications

7. Ghana confirmed its commitment to effective communications on the VPA process and noted that the FLEGT Steering Committee includes representatives from the private sector and NGOs. Each member of the Steering Committee is responsible for taking information to the constituencies they represent and for bringing the views and ideas of their constituents to the Steering Committee. A second level of consultations is being facilitated by IUCN which has prepared a draft stakeholder and communications report. Six Working Groups are being formed to take forward matters related to: the standard of legality; the Wood Tracking system, Verification and licensing; domestic market; forest industry development, and; the policy issues arising.

AGENDA ITEM 5: Elements to be negotiated

Standard of Legality

8. Parties were agreed on standard of legality being applicable across the board in Ghana which would have wide consensus and appeal which was embracing enough but not too expansive or too narrow in scope.

Verification system

9. On the issue of a Verification System Ghana's proposed system of tracking using bar codes and tagging to improve data reconciliation which may require some institutional changes to facilitate checks and thus improve the flow of information and accountability was supported by all. Ghana emphasized the need to pilot new systems and to adopt a phased approach to its introduction. The EU stated that piloting was essential, but there is a question of whether a phased approach to the FLEGT license is feasible given the requirements of EU Customs. Ghana agreed to further develop its proposal on both pilot and phasing in of Verification and licensing. The EU agreed to further discussion based on this proposal.
10. The need for Independent Monitoring is agreed. Ghana will develop a proposal for IM to suit its context and needs of the Legality Assurance System.

The formal forest industry sector

11. Parties recognised the need to develop a forestry industry plan following impact assessment of the outcomes of various measures. In line with this it was agreed that the Forestry Commission would coordinate the work and develop strategic options by early 2008.

The domestic market and its structure

12. On the issue of curbing illegality in this sphere, the Forestry Commission will continue and consolidate existing work involving impact analysis of necessary measures in this regard including those to mitigate the adverse impact on livelihoods as a result of this drive, which studies will be completed by October 2007.

Market access and trade promotion

13. On the issue of market access and trade promotion, it was agreed that the EU Member States be informed on the progress being made with FLEGT, so as to create wide

appeal and support for Ghanaian timber. Ghana reiterated its interest in reciprocal arrangements regarding legal timber and timber products by the EU.

Monitoring of the VPA

14. It was agreed that the Joint Implementation Committee was to have oversight of the implementation of the VPA

Law enforcement and governance

15. It was agreed by parties that Ghana submit a plan of action towards building capacity in the area of law enforcement and governance, such that forestry offences are taken more seriously and appropriate penalties or sanctions given to indicate to society the gravity of such offences. In improving law enforcement and governance, Ghana agreed to engage civil society and the private sector to have their input on areas of concern and thus promote credibility and transparency in this area. Ghana will prepare a programme to build capacity in forest regulation by educating institutions such as the Judiciary, Forestry agencies, Government, private sector and communities.

Development Assistance

16. Presentations were made by the EC Desk Officer for Ghana about the European Development Fund (EDF) and by a representative from DG Trade about Economic Partnership Agreements (EPAs). It was explained that Euros 5 million have been identified for NR governance issue, including FLEGT, under the 10th EDF and that more could be available under its incentive tranche. It was pointed out that development assistance for FLEGT is also currently provided by the Netherlands and the UK and that some other EU Member States may also provide assistance.
17. The EU is of the view that the main vehicle for development assistance for implementation of the Partnership Agreement will be the sector support to be provided under NREG. NREG negotiations take place in September 2007 and it will be important to identify in broad and quantitative terms the assistance that will be required to implement the Partnership Agreement at this time. Ghana expressed a preference for dedicated, earmarked, funds for FLEGT. The EU emphasised that a single development policy has been agreed by Ghana and the EU and that general budget support is the preferred aid instrument. It was agreed that Ghana would identify the different types of assistance it requires so that these can be matched to the aid instruments available.

AGENDA ITEM 6: Next Steps and road map

18. Ghana presented a VPA plan which identifies actions to be taken, by whom, and identifies milestones and, in some cases, estimates the costs. See VPA plan attached.
19. It was agreed that there will be a technical meeting to discuss progress and issues emerging, in Accra, in the first half of September 2007. This technical meeting will coincide with the NREG negotiations being held at that time. It was also agreed that there will be a third negotiation meeting, also in Accra, in mid-January 2008. Parties

agree to convene an intersessional meeting to prepare draft text for VPA. It is anticipated that a fourth and final negotiation meeting will take place in Brussels in Spring 2008.

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