

Aide Memoire of the Government of Liberia on the VPA Governance Structure

Background:

The Government of Liberia (GoL) and the European Union (EU) for two years negotiated a Voluntary Partnership Agreement (VPA) which seeks to ensure that timber and timber products destined for European market and other international markets are legally and sustainably harvested. On May 9, 2011, the GoL and EU initialed the VPA in Liberia. Immediately following the initialing process, the Agreement was officially signed on July 27, 2011 by both parties (GoL & EU) in Brussels, the United Kingdom of Belgium. The Agreement is expected to be ratified by the Liberian Legislature in March 2012. At the moment, the Government of Liberia and the EU have agreed a work plan for the pre-implementation stages of the VPA and, this plan is expected to be concluded at the of end of 2012 at which time there will be more funding provided for the full implementation of the VPA.

Currently, the VPA pre implementation stage is being managed by the current structures the Liberia VPA Implementation Committee (LIC) & Interim Stakeholder Committee (ISC). These structures have replaced the ones that were established during the negotiation.

Governance Structure of VPA Negotiation:

During the VPA negotiations with the EU for the past two years, there were three (3) structures established to support the process. These structures were: The Negotiation Team (NT), Multi stakeholder Steering Committee (SC) and the Technical Secretariat (TS). The Negotiation Team (NT) negotiated the VPA with the EU and, it consisted mainly of senior officials of Government with Civil Society organization (CSO) & Industry serving as observers on the Team. The Steering Committee (SC) supported the NT in preparing negotiation roadmap and provided guidance on how negotiations went. It consisted of community, CSO, GoL and the private sector. And it directly supervised the Technical Secretariat, while the Technical Secretariat (TS) provided technical & financial support to both the NT &

SC. It managed contracts, budget and implemented the negotiation roadmap developed by the SC and NT and submitted quarter & annual reports to the NT & SC. These are just a few functions of the various structures that supported the VPA negotiations.

Governance Structure of VPA Implementation:

Now that Liberia is transitioning from VPA negotiations to implementing the VPA once ratified, there is a great need for VPA Project Management Unit that will oversee a five-year implementation plan of the VPA and as well, coordinates the activities of the Liberia VPA Implementation Committee (LIC) and that of the Joint Implementation Committee (JIC). Other key functions of the unit will include but not limited to the establishment of the Legality Assurance System (LAS), management of contracts & finances. In order to have these achieved, the IDLgroup based in the United Kingdom represented by Mr. Terry Green & Mathieson Craig undertook a consultancy for the Government of Liberia by undertaking an institutional options study which is intended to set the basis for the GoL and other stakeholders to determine the kind of structure needed for the VPA Project Management Unit. The institutional option study was conducted in Liberia by the IDLgroup (Terry & Craig) and, the report has since been circulated for stakeholders' inputs and comments.

Brief Analysis of the IDLgroup Report on the Project Management Unit:

During the institutional options study conducted by the IDLgroup, both Liberians & Donors were interviewed on their perspectives as regards the VPA implementation. The report indicates that despite the many views expressed, there was convergence on several issues with respect to the VPA in Liberia. The issues of consensus by stakeholders include the implementation of the VPA through a single donor program, Management of sub-contractors within one framework, capacity building and a project implementation modality. However, the contentious area among stakeholders has to do with mechanism for linkages with GoL policy processes and suggestion to provide support to National Stakeholder Committee (NSC) through a multi- stakeholder support facility

(MSSF). The report further explains that the study also took into consideration various scenarios such as the custom reform in Mozambique, VPA -Ghana, Land Administration Project-Ghana and the LEITI Secretariat –Liberia. With regards to the reform process in Mozambique, the entire custom functions were outsourced and this led to increase in revenue collected, growth in GDP and efficiency in customs service delivery mechanisms, capacity development and anti –corruption mechanisms. Despite, these developments, the customs reform still experienced shot-falls. Example, impunity for bribery still exists.

The Ghanaian VPA is being implemented directly by the Ghana Forestry Commission (FC) which witnessed fifteen (15) years of sustained investment in capacity building and facilities. The FC has former ITTO employees who have good knowledge in the timber market. There is also good participation of Civil Society and Industry. However, the Ghana VPA implementation is very slow and cannot be compared to that of Liberia because it is just beginning to put in place the Legality Assurance System (LAS). Besides, it has lost its momentum.

The Ghana Land Administration Project was another scenario used in finding an alternative option for Liberia’s VPA management. This was a multi-donor financed project for 15 years. It was implemented in 3-phases, rolling out land titling, deeds registries and customary land management and records. According to the report, \$40m was spent on the first phase of implementation. The Ministry of Land led the debate on policy issues while the Land Commission, Survey, Valuation Board and Land Titling were all part of the implementation. The important news is that during the implementation, there were good progresses made on customary land management as well as deed registries and, this was funded by DFID and managed by some autonomy, dedicated sub-project manager. The most unfortunate aspect of this project was that there was poor progress on other components of the reform process as well as disbursement of funds was slow. The Ministry was less engaged in the reform process and there was a single project director (Very good) but part-time as advisor to the Minister.

The IDLgroup report alluded to the fact that LEITI Secretariat was established by an Act in 2009. And it promotes transparency in the forest sector. However, the report did not clearly state how the Secretariat is being managed. But it points to the fact that the Secretariat has been lacking behind in producing two reports due to the delay in recruiting the head of secretariat.

Finally, the report clearly sees VPA implementation as a complex and multi-faceted task that needs project management approach rather than any other approach. This is because projects are specific, achievable, measurable, and realistic and time bound (SMART) and is results oriented. It also stresses the need for a single VPA program which should be managed by a project management unit that reports to the Liberia Implementation Committee (LIC) and the Joint Implementation Committee (JIC). This unit will be responsible to manage finances, contracts such as Legality Verification Department (LVD), Independent Auditor (IA) as well as exercise oversight for VPA implementation. As relates to staffing, the report spells out that the staffing could comprise of mixture of Liberian, International and ECOWAS consultants. And that, there could be a National and International Co-Directorship @ team leader level. However, the report did not take into account the current VPA Secretariat as being featured in this Project Management Unit. It fails to recognize the fact that the proposed role of the project management unit is the same role the VPA Secretariat has played during the negotiation process.

The IDLgroup report suggests that the current VPA Secretariat once closed could be transitioned into a GoL structure or multi-stakeholder facility (MSSF) which will be responsible to convene meetings of stakeholders, provide platform for dialogue and if possible give small loan to stakeholders. This suggestion is just one of the many functions that the Secretariat has been performing over the past two years and could be factored into the functions of the project management unit. Notwithstanding, this needs further reflection.

Government of Liberia's Position on VPA Governance Structure Report

The Government of Liberia (GoL) on September 7, 2011 met in the conference room of the Ministry of Finance to discuss the IDLgroup consultants report. The meeting was chaired by Hon. James B. Logan, Deputy Minister for Planning and Research, Ministry of Agriculture (MoA). The Minister led the group through the report and then gave the summary of the report. The report was then opened to discussion. Before then, the Coordinator of the VPA Secretariat who served as secretary to the meeting was asked to give background information of the process for the benefit of those who were new to the process. This was then followed by exchange of several views. For example, Miss Victoria Cole who represented the Managing Director of the Forestry Development Authority (FDA) informed the meeting that after the Ghanaian VPA negotiations, the Secretariat was transformed into the implementation unit of the VPA. She went on to say that from the start of the VPA process, the donors wanted to hire a non-Liberian to have come to head the VPA Secretariat but stakeholders had to stand their grounds and insisted that they needed a Liberian to lead the process. And this has been a success story; why should we deviate from it at this point in time?

Similarly, the Chair also lamented that almost all of the functions earmarked to be carried out by the proposed VPA Implementation Unit were functions that the Technical Secretariat performed during the VPA negotiation period such as good financial management & reporting, contracts management, preparing ToR for consultants as well as supervising consultants etc. He furthered said that if the Secretariat could successfully manage almost a million dollar during the negotiation then, it can also manage any funds that will be given for VPA implementation along with technical assistance from partners. At the end of the exchange of views, the following recommendations were advanced:

1. That the current Secretariat given its dedicated role played in the VPA negotiations must be incorporated into the proposed project management unit.

2. That the multi-stakeholder support facility (MSSF) found part of the many functions of the project management unit and not an independent body.
3. That the project management unit be headed by a Liberian with technical support from donors as was in the case of the negotiation process.
4. That the financial management arrangements be tailored in the manners and forms as was done during the negotiations process, but with a few modifications. (i.e. contracting a firm to manage the disbursement of funds), etc.

The rationale underlining these points stated above is based on the fact that the Technical Secretariat is well knowledgeable as far as the VPA process is concerned. It has driven the process up to date, and is still on board assisting with the implementation arrangements.

Please see attached a proposed structure for the VPA Implementation Unit.