

PRESS RELEASE

CONCLUSION OF NEGOTIATIONS OF THE FIRST VOLUNTARY PARTNERSHIP AGREEMENT BETWEEN GHANA AND THE EUROPEAN UNION ON A FOREST LAW ENFORCEMENT GOVERNANCE AND TRADE

Accra- Brussels, 3 September 2008

On 3 September 2008 **Mr Stefano Manservigi**, Director General for Development representing the European Community and **Hon. Esther Obeng Dappah** Minister for Lands, Forestry and Mines representing Ghana have concluded negotiations of the first ever Voluntary Partnership Agreement (VPA) on Forest Law Enforcement Governance and Trade (FLEGT). The VPA expresses a strong mutual commitment to provide a concerted response to the problem of illegal logging and trade in associated timber products, by linking good forestry governance in Ghana with the legal trade instruments and leverage offered by the EU's internal market.

This brings to a close a 21 months process. In December 2006 the European Commission and the Government of Ghana formalised a mutual and reciprocal commitment to combat illegal logging and trade in associated products. This bilateral commitment marked the beginning of a negotiation process. The negotiations started in Accra, in February 2007 and have continued periodically until today. The two parties have agreed on the pillars of a FLEGT licensing scheme. These include (a) Definition of Legal timber (b) System of verification of legality (c) Timber tracking system (d) Licensing system, and (e) Independent monitoring of the system. Also measures to improve legality in the domestic market and the reform of the timber industry are part of the VPA between Ghana and the EU.

Now that the negotiations are finished the Agreement will enter into a process of ratification by Ghana's Parliament and for adoption and ratification by the European Council of Ministers representing the interests of all EU Member States.

The Agreement provides for a wide range of policy and legal reforms that will engender good governance, transparency and accountability in the forestry sector of Ghana. Reinforcing Ghana's Forestry Governance Vision, the Agreement will help consolidate forest laws and strengthen regulation to ensure legal compliance in all timber production. Ghana anticipates progressively applying a FLEGT inspired legality licensing scheme to all of its export products and markets and progressively integrating the domestic market as well under a Legality Assurance System. The EU for its part will guarantee free and unrestricted access to its entire market of all FLEGT licensed timber products coming from Ghana. Through an established mechanism for Sector Budget Support the EU will also provide assistance to help Ghana implementation. With increasing requirements coming from the European market for independently verified proof of legality of timber products, the VPA helps Ghana to consolidate and improve its European market access. The Agreement underpins Ghana's legal reform process, will establish capacity for legality verification and introduce a licensing system to provide market assurance and visibility. The Agreement also focuses on governance reforms that will help improve legal compliance, sustained development in the domestic market and appropriate reform in the timber industry. It is expected, that the first FLEGT based export licenses from Ghana will be issued by the end of 2010.

Ghana has prepared well for the VPA with a clear Road Map which brought together a wide, constructive and continuous consultative process of all the stakeholders in the forest sector, including industry and civil society. The Agreement sets out a clear plan to include in its legality assurance system all timber exports, not only those to the European Union, as well as the timber production for the Ghanaian market. The

sector reforms agreed are far reaching, and emphasize Ghana's long term vision for a sustainable forest sector and the livelihoods of those who depend on it.

Ghana is the first country to have concluded a VPA with the European Community. In Africa, Cameroon and the Republic of Congo are currently negotiating VPAs with the EU. In Asia, Malaysia and Indonesia are well advanced in their negotiations.

Mr. Stefano Manservigi, Director General for Development of the European Commission congratulated Ghana on the pioneering role they have played in international actions to combat illegal logging and for developing an ambitious first Agreement that will set a high standard for others to follow. He urged Ghana to extend the message in the FLEGT initiative to other timber producer countries in the sub region. **Hon. Esther Obeng Dappah** Minister for Forest, Lands and Mines in Ghana, congratulated the negotiating teams for coming to a conclusion on the agreement and looked forward to a stronger partnership between the two parties as the agreement is implemented.