



Foreign, Commonwealth & Development Office



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File Ref: PO 8391

Date: 8 July 2021

Contract Amendment No: 1

CONTRACT FOR: Support to the facilitation of forest governance reforms in Guyana, Liberia, Ghana, Republic of Congo, Cameroon and Gabon

CONTRACT NUMBER: PO 8391

With reference to the contract dated 4 July 2019, both Parties have in principle agreed to the following variations to the Contract:

Section 1, Form of Contract, Contract For

Delete: "Support to the facilitation of forest governance reforms in Guyana, Liberia, Ghana, Republic of Congo and Cameroon"

Insert: "Support to the facilitation of forest governance reforms in Guyana, Liberia, Ghana, Republic of Congo, Cameroon and Gabon"

Section 1, Form of Contract, Paragraph 3, Commencement Date and End Date of Initial Period

Delete: "The Services shall commence on 5 July 2019 and the end date of the Initial Period shall be 4 July 2022."

Insert: "The Services shall commence on 5 July 2019 and the end date of the Initial Period shall be 4 January 2023."

Section 1, Form of Contract, Paragraph 4 Financial Limit

Delete: "Payments under this Contract shall not, in any circumstances, exceed £5,240,496.80 exclusive of any government tax, if applicable."

Insert: "Payments under this Contract shall not, in any circumstances, exceed £6,211,856 exclusive of any government tax, if applicable."

Section 3, Terms of Reference

Delete Section 3, Terms of Reference in toto and **replace** with Section 3, Terms of Reference (Revised May 2021) attached.



Foreign, Commonwealth & Development Office



Section 5, Schedule of Prices

Delete Section 5, Schedule of Prices, Proformas in toto and **replace** with Section 5, Schedule of Prices, Proformas (Revised June 2021) attached.

2. These amendments relates to a 6 month extension to the Contract and expansion into Gabon from July 2021, with revised Terms of Reference and subsequent increase in the financial limit by £971,359.20 to £6,211,856.

3. Please confirm in writing by signing and returning one copy of this letter, within **15 working days** of the date of signature on behalf of FCDO that you accept the variations set out herein.

4. The Contract, including any previous variation, shall remain effective and unaltered except as amended by this letter.

5. Words and expressions in this letter shall have the meanings given to them in the Contract.

Signed by an authorised signatory for and on behalf
of the Secretary of State for Foreign, Commonwealth
and Development Affairs

Name:

Position:

Signature:

Date:

Signed by an authorised signatory for and on behalf of
the Supplier

Name:

Signature:

Palladium International Limited

Date:

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PO 8391 Contract amendment 1, Section 3, Terms of Reference (Revised May 2021)
PO 8391 Contract Amendment 1, Section 5, Terms of Reference (Revised June 2021)

Section 3

TERMS OF REFERENCE

(REVISED MAY 2021)

Lot 2- Facilitation Service in 6 countries

Facilitation Unit to support stakeholder-led forest governance reforms anchored in Voluntary Partnership Agreements

Introduction

1. The Forest Governance, Markets and Climate (FGMC) programme supports governance and market reforms that reduce the illegal use of forest resources and benefit poor people who depend on forests for their livelihoods. It supports global efforts to tackle deforestation, in particular by tackling illegal logging in developing timber-producing countries and the trade in illegally-produced timber products. It applies lessons from the timber trade to other commodities that impact forests and people who depend on forests for their livelihoods. It is part of a coordinated endeavour with the EU, and is aligned with global efforts involving Norway, China, Japan, the USA, and developing forest countries in Africa, Asia and Latin America.
2. The FGMC programme is framed by four outputs:
 - i. forest governance, tenure and market reforms in timber-producing countries;
 - ii. policies and measures preventing trade in illegal timber into the EU and other consumer markets, especially China;
 - iii. the generation of evidence, communities of practice, and political engagement at the international and global levels;
 - iv. applying lessons from the timber trade to the trade in other commodities that impact on forests, and increasing policy alignment with other processes that affect forest land use, including REDD+ and CITES.
3. The Facilitation service will contribute to output 1 of the programme. Details of previous contracts, including for Facilitation services are published on FCDO's Devtracker: <https://devtracker.fcdo.gov.uk/projects/GB-1-201724/documents>.
4. Around half of forest clearance in developing countries is illegal. These illegal practices undermine the rule of law and fuel corruption, lose billions in potential tax revenues, deter investment and prevent the growth of sustainable businesses.
5. Improving the way forests are managed, regulated and exploited is essential to protecting the livelihoods of over 1 billion poor people and marginalised rural communities who depend on forests and ensuring that forests contribute to sustainable economic growth. FGMC works to address this challenge, by driving changes in

consumer markets to source only legal timber (the ‘demand side’ of the challenge), and supporting producer countries to tackle illegal logging at source (the supply side).

6. The focus on tackling both the demand-side and supply-side was first agreed at the G8 Summit in 1998. Since 2003 the UK has worked to advance this strategy in conjunction with an EU Forest Law Enforcement Governance and Trade Action Plan (FLEGT), which has closed EU markets to illegal trade. The UK also works with the USA and Australia to develop similar approaches in their markets.
7. As part of the FLEGT Action Plan, the EU negotiates forest product specific trade deals that drive sector governance, transparency and legal reforms to benefit forest dependent communities and eliminate illegal deforestation. These are known as Voluntary Partnership Agreements (VPA). VPA provide an innovative approach to combining trade and development objectives to help forest rich developing countries (see Annex 3). The VPA are legally-binding trade agreements between the European Union and countries where illegal logging is a problem, and where the country sees advantage in using trade incentives as a means to tackle it.¹ So far 15 countries are involved, representing 75% of the global tropical timber trade. Indonesia is the first country to issue licenses that confirm full compliance and comprehensive third party auditing of all supply chains.² Five African countries – Ghana, Central African Republic, Cameroon, Republic of Congo and Liberia – have ratified VPA. In Asia, the VPA is agreed with Indonesia and Vietnam. In the Americas, negotiations are reaching conclusion with Guyana and Honduras. Indonesia is delivering FLEGT licenses to the EU market and Ghana anticipates the start of licensing late in 2018.
8. FGMC assists forest governance reforms primarily by supporting inclusive stakeholder-led processes to agree and oversee the reforms that are anchored in the bilateral VPA treaty. The VPA aim to define and monitor legal compliance, to promote transparency and tackle corruption, protect forests and improve benefits for communities. In Ghana, Liberia, Guyana, the Republic of Congo and other tropical countries, FGMC is encouraging local actors to improve business standards and poor people’s lives while increasing accountability. FGMC assistance varies from providing evidence for reform, to facilitating negotiations between government, civil society and business, to providing technical assistance, to equipping government and non-government stakeholders with the tools that allow them to regulate and monitor forest operations and improve accountability.
9. Each country entering a VPA undertakes to develop and implement a legality assurance system, which includes defining “legal timber”, implementing agreed controls on forest harvesting and trade, licensing exports and regular independent audits of the system’s functioning. Once the system is operational across the entire country, only licensed product will be allowed into the EU.

¹ The UK remains committed to promoting fair and responsible trade and we are seeking practical ways to transpose the principles of linking demand and supply to drive positive governance reforms in new policies after the UK leaves the EU. FGMC remains focused on helping developing countries reinforce the governance of their forests and encouraging responsible trade. These may eventually be transposed to new UK-partner agreements depending on the outcome of the UK- EU future relations.

² EU donors with relevant country-specific development programmes are coordinating to provide support for necessary governance reform. The UK leads in Indonesia, Guyana, Liberia and Ghana. Other countries engaged in support of VPA processes include Norway, Germany, France, Belgium, Sweden, Finland, as well as the European Commission.

10. Developing and implementing these systems requires extensive work by a wide range of stakeholders in each country. Apart from government regulators, they include private sector operators from large corporate enterprises to small artisanal loggers, and civil society groups representing communities and environmental interests. Often they are debating different actors' rights and obligations under a country's forest-related laws for the first time.
11. The ultimate success and credibility of VPAs require: (i) that actions envisaged in the agreements stay on track; (ii) that stakeholder processes are sustained and strengthened; (iii) that requirements of international markets for evidence of legal production of timber and agricultural commodities produced on forest land are available to and understood by stakeholders in each partner country; (iv) that the progress made by partner countries in tackling forest governance challenges, including implementation of their VPAs, is known to international stakeholders; and (v) that lessons are shared between partner countries negotiating or implementing FLEGT VPAs. Facilitators have proved instrumental helping partner governments meet these expectations.
12. Facilitation ensures the quality of national deliberations and inclusion, and helps clarify misunderstandings and promote lesson learning and thereby helping to secure effective implementation of the reforms that are required for the VPA. A facilitator dedicated to a specific national process has demonstrated its value: providing trusted, neutral advice to government, community and industry stakeholders, and helping to overcome conflicts and blockages in the VPA process. Governance reform processes take many years, and both trusted relationships and understanding of local political sensitivities are critical to the success of the facilitation work. Having several country facilitators under a single contract has had the added benefits of adaptability and lesson sharing across countries. The facilitators also provide country-level intelligence and coordination for FGMC-financed actions as well as guidance to FCDO country offices where appropriate.
13. FGMC has supported Facilitation work over the past 5 years in 8 countries.³ Lessons from earlier efforts to support the inclusive policy development and treaty negotiations are summarised in Briefing Notes (provided in the Tender Pack) and also available on the European Forest Institute (EFI) FLEGT Facility website "VPA Unpacked" <http://www.vpaunpacked.org/>.
14. In this new phase, FGMC will concentrate its facilitation support to countries now implementing the governance reforms framed under agreed VPA. The Supplier will deploy facilitators to: Liberia; Ghana; Guyana; Republic of Congo; Cameroon and Gabon.

OBJECTIVE

15. The objective of this contract is to establish and operate a Facilitation service that helps sustain and support national stakeholders so that they input and inform forest sector governance reforms as framed by the Voluntary Partnership Agreements in

³FGMC has supported facilitation in Ghana, Liberia, Cote d'Ivoire, Republic of Congo, DRC, Guyana, Myanmar and Indonesia. Most of this support ended in 2017. See FCDO's Devtracker: <https://devtracker.fcdo.gov.uk/projects/GB-1-201724/documents> for more information on these earlier efforts.

Ghana, Liberia, Republic of Congo, Guyana, Cameroon making provision to add a 6th country (Gabon) as indicated later by FCDO.

16. Facilitation support will improve the quality of national deliberation, encouraging inclusion of different stakeholder interests, helping clarify misunderstandings and promoting lesson learning and thereby helping to establish a strong foundation for lasting transformation in the ways forests are governed and managed. This will help build local ownership for VPA results in each country where the Facilitators are deployed.
17. The Facilitation Service will contribute to FGMC programme-wide monitoring and lesson learning and assist in the coordination of FGMC action at the country level to improve programme effectiveness.

GEOGRAPHIC DEPLOYMENT

18. Facilitators will be deployed in: Ghana, Liberia, Republic of Congo, Guyana, Cameroon, and from May 2021, Gabon. .

CLIENT, RECIPIENTS AND BENEFICIARIES OF FACILITATION SERVICE

19. The recipients will be the national stakeholders engaged in governance reform processes framed by the VPA, and in particular the agencies responsible for forest regulation and leading in VPA implementation, the private sector, especially small businesses who have limited capacity for representation at national policy making, and concerned civil society organisations.
20. The client is the UK Foreign, Commonwealth and Development Office (FCDO), working closely with other donors (including the EU) who are supporting reforms framed by the VPA.
21. Working arrangements may vary from one country to another depending on the "positioning" of the facilitator. In some instances a facilitator will need to work closely with a responsible government agency, while in others a facilitator might play a more neutral role in between government and non-government actors, while in another context a neutral role between the national actor and international (FCDO) interests may be more appropriate. This positioning for each country context will be proposed and agreed in the Inception Report following consultations in country and with the European Forest Institute's FLEGT Facility experts.
22. The intended beneficiaries of the services are the forest communities and small businesses working in forests and other citizen's whose livelihoods depend on forests, and the Governments seeking to manage their forests sustainably and other citizens engaged in ensuring effective law enforcement and accountability in the 6 concerned countries.

SCOPE OF SERVICES

23. The Facilitation service will support the 6 concerned governments and the associated national stakeholder bodies engaged in the VPA process to build and maintain

momentum in sector governance reforms. Details of the country specific processes are described in Annex 1 and up to date detail can be found on the VPA country pages of the EFI FLEGT Facility website: <http://www.euflegt.efi.int/vpa> .

24. The role and functions of Facilitators differs significantly from classic Technical Assistance, this distinction is explained in briefing document provided as part of the tender pack. The proposal, in describing the methodology for service delivery, will demonstrate a clear understanding of the role of Facilitators in fostering local ownership and an inclusive policy dynamic. Further information on VPA Facilitation may be found on the EFI FLEGT Facility website <http://www.euflegt.efi.int/home> .
25. Facilitators foster dialogue between stakeholders with divergent and competing interests, they contribute knowledge and analysis from other processes to inform this dialogue and draft reports, briefs, feedback to improve communications on VPA progress and challenges. Therefore, this service relies heavily on the diplomatic skills and qualities of the individual Facilitators and for this reason, bid assessment places significant weight on the experts proposed to work as Facilitators (see Annex 2).
26. The supplier will deploy a facilitator to Liberia, Ghana, Guyana, Republic of Congo, Cameroon and, from May 2021, Gabon.
27. The Facilitation service will target improved understanding and capacity building to:
 - Government agencies responsible for monitoring forest sector performance and VPA implementation;
 - Private sector businesses and associations (including small enterprises and community forest organisations) to enable them to fully participate in VPA structures, governance reforms and national policy making as well as to improve their understanding of international market requirements;
 - National civil society organisations (CSO) and the various representative bodies of communities and forest enterprises to enable them to fully participate in VPA structures, governance reforms and national policy making.
28. The Facilitators will provide regular political economy analyses, intelligence and VPA progress updates as part of the quarterly reports to assist the FGMC team to gauge progress. In particular, the Facilitators will work with the FGMC Programme Management and Support Team (PMST) to assess country-specific transformational change on an annual basis (see Annex 7).
29. The Supplier will establish a central backstopping Unit for oversight, management, reporting, monitoring and learning drawing together best practice from across the 6 countries.

TIMING AND DURATION

30. The contract will run for a period of 42 months: a 2 month Inception period followed by 40 month implementation period; with the option for further extension for 18 months, subject to continuing need, FGMC review recommendations, available resources and satisfactory performance of the Supplier.
31. There will be a Review Point in the contract at the end of the Inception period, 2 months after contract start date. Advance to the Implementation period will be subject to

satisfactory performance of the Supplier in working with national stakeholders to establish an in-country presence and proposing country-specific positioning and workplan in the Inception Report that is approved by FCDO. There will be a further review at the end of the first year.

Table 1. Timeline

<i>Requirement</i>	<i>Timing</i>
Country specific year one work plan drafted in consultation the with national VPA stakeholder body	As part of inception report
Gender Strategy	As part of the bid/proposal
Inception report	Within 2 months of contract start date
Narrative reports with update on the quality of multi-stakeholder processes, political and stakeholder analysis, quarterly VPA progress updates and risk register	Annually and Quarterly a period following the preceding financial quarter
Learning and progress updates to inform PMST annual assessment of transformational change for each country	Annual workshops with PMST
Learning seminars and workshops	Throughout the contract
Monitoring, Evaluation and Learning Strategy	As part of the bid/proposal
Project closure report and asset disposal plan	Draft 90 days before project end date; final closure report within 2 months of closure.

BUDGET

32. FCDO has a budget of up to a maximum of £6,211,856, inclusive of all 6 countries and all applicable taxes, covering the 42-month period and a budget of up to a maximum of £1,028,640.20, inclusive of all applicable taxes, in the event of any further extension. Note that FCDO projects are not automatically tax exempt and therefore the Supplier will be liable to pay any relevant taxes in the country of operation. Tax liabilities should therefore be taken into consideration in commercial proposals.

33. Subject to the satisfactory performance, continuing need and availability of funding, the contract may be extended for a period of up to a further 18 months and up to the value shown above to cover continuing work.

THE REQUIREMENTS

34. The Supplier will establish a Unit to coordinate the actions of country-based Facilitators. The bid proposed details of this backstopping function that includes: HR management, technical oversight, finance, reporting, monitoring and learning, including contributing to the PMST's monitoring of transformational change (see Annex 7).
35. By the end of the Inception period the Supplier will deploy a facilitator to each of the countries: Liberia; Ghana; Guyana; Republic of Congo; and Cameroon (see paragraph 18). The Supplier will develop specific 1st year workplan for each country by the end of the inception period, based on feedback obtained during country visits, dialogue with VPA stakeholder bodies, discussion with EFI experts and FGMC's Senior Responsible Owner (SRO). These workplans should clarify the positioning of the Facilitator in light of other on-going support to VPA implementation and the needs of the stakeholder process. Experience has demonstrated that local presence is critical to build effective relationships and coordination.
36. (Clause added in Amendment 1) Following discussions with FCDO in 2020, an additional facilitator should be appointed in Gabon, with a work plan agreed with FCDO, as early as feasible 2021 and remain in post for the duration of the extended contract.
37. The Supplier proposed in their tender response the approach they will adopt and supporting rationale to encourage inclusive decision-making processes guided by the priorities established by the Joint Implementation Committee of the VPA.
38. The services will include:
 - a. Provision of project management, technical, financial, and administrative oversight of actions across all countries – aiming at all times to deliver Value for Money;
 - b. Support and guidance to the national multi-stakeholder bodies guiding VPA implementation in each country encouraging effective representation of diverse interests;
 - c. Shared learning between actors engaged across the 6 countries;
 - d. Timely intelligence of progress and challenges to FCDO and PMST together with regular political economy analysis so as to inform FGMC risk monitoring; this reporting will be as circumstances dictate, but at least quarterly through confidential reports;
 - e. Performance management, quality assurance and monitoring covering finance, risk, challenges and progress in the stakeholder dynamics, political analysis, supported by quarterly reporting to an agreed FGMC framework.
39. In each of the 6 countries the Facilitators will:
 - a. Do a rapid stocktaking of VPA progress and challenges, mapping of VPA stakeholder bodies and processes, reflection on the extent and effectiveness of stakeholder representation in consultation with EFI VPA experts and the PMST. This will establish a baseline for future monitoring and help guide the development of country-specific Facilitator workplans and monitoring indicators.
 - b. Support the multi-stakeholder processes, in particular:

- Encourage those leading the national stakeholder processes to foster inclusive, active, dialogue between stakeholders to inform decision-making on national forest governance reforms and VPA implementation and ensure that consultations are well documented and information is distributed to wider groups;
 - Assist stakeholder representatives in their representation functions and encourage them to identify and articulate their respective group interests
 - Identify impediments to stakeholder inclusion in the VPA process and strategies for addressing these.
 - Support national stakeholders to enable them to make effective contributions to the joint VPA structures (such as Joint Implementation Committee (JIC)) that monitor VPA progress and VPA challenges.
- c. Share information and experience with national stakeholders, in particular:
- Share lessons learnt from wider FLEGT and FGMC community of practice with decision-makers, civil society organisations, the private sector within and between partner countries so that best practice informs the process;
 - Share information with national stakeholders on the requirements of international market standards and legislation (such as EUTR) related to the trade in timber products and agricultural products grown on forest land (such as RSPO for palm oil);
 - Ensure information exchange and encourage coordination between all FGMC and other donor projects supporting governance reforms and FLEGT in the country;
- d. Work with national VPA stakeholders to promote synergies between the VPA process and any other forest-related initiatives particularly those framed by the National Determined Contributions (NDCs) to address climate change
- e. Provide quarterly reports to the PMST and FCDO that include a report on VPA progress and the extent of transformation of sector governance. These reports will draw from national progress reports, EFI updates, JIC reports and assist FGMC in documenting progress overall, notably on :
- Progress in the implementation of Timber Legality Verification System (LAS) such that the system's credibility with national and international stakeholders is maintained;
 - monitoring through Independent Audits or other processes;
 - design and implementation of joint impact monitoring;
 - market access for FLEGT-licensed timber products (from ITTO);
 - governance reforms identified in the VPA (such as artisanal chainsaw milling, community-based land tenure, transparency); and
 - promotion of legal and sustainable forest management and trade
- f. Work with the PMST to develop annual assessments of transformational change for each country (see Annex 7)
40. As indicated above the specific focus for Facilitation support will vary from country to country depending on the strength and opportunities of the national processes and the needs of different stakeholder groups. The country-specific facilitation work plans developed during the Inception period will outline the priorities for facilitation support, propose targets for key tasks (including for the actions suggested in paragraph 40) relative to the baselines confirmed during Inception period. The Inception Report will

propose a monitoring framework that the Supplier will use to present evidence that the project activities are contributing to (i) an inclusive and active dialogue between national stakeholders on VPA implementation; (ii) the functioning of VPA stakeholder structures, (iii) the understanding of VPA progress and transformational change in each country, and (iv) coordination between initiatives. Progress will be reported quarterly and will be verified periodically through monitoring visits by the FGMC PMST (see paragraph 63), feedback to the SRO from the EFI VPA team and by FCDO staff.

41. In delivering its services the Facilitation Unit will be guided by the following principles:⁴
 - a. Working with existing structures and being guided by the priorities of VPA implementation as indicated by the Joint Implementation Committees;
 - b. Ensuring synergy and linkages with existing projects and initiatives;
 - c. Fostering inter- agency cooperation, and nurturing engagement of civil society and private sector organisations so as to build political momentum;
 - d. Encouraging local ownership of the in-country processes and institutions;
 - e. Demonstrating impacts on gender and equality;
 - f. Applying a learning-centred approach to capture and share lessons with national stakeholders and the FGMC community of practice.
42. The Supplier will ensure that the Unit retains flexibility to respond to changing needs and priorities, to manage risks and maximise opportunities in pursuit of FGMC's outcome and impact, and the specific VPA objectives of each country. This flexibility will be agreed through annual work planning process with the PMST and FCDO FGMC team.
43. The Supplier is offered flexibility in the structure and composition of the Unit. However, we expect the Supplier to propose a relevant structure and an appropriate mix of staff within the team to fully meet the needs of this requirement.
44. The Supplier should demonstrate how they intend to ensure continuity of their core personnel over the life of the contract, through strong recruitment, retention, and performance management processes. Any need for changes to key personnel shall be agreed, in writing, with FCDO in advance. FCDO will consult with in-country stakeholder before giving its agreement to changes in Facilitators. For any long-term staff, the Supplier will operate a staff performance management system modelled on international best practice.
45. **Value for Money:** The Supplier should ensure they demonstrate how they will deliver maximum value for money from the budgetary envelope supported by a detailed approach to value for money metrics. The Supplier will:
 - a. Identify how the supplier will maximise value for money, including how they will evaluate and report value for money elements;
 - b. Provide any cost benchmarking information where available to allow FCDO to make a good value for money assessment;

⁴ Annex1 describes the main stakeholder institutions established by the VPA; the EFI FLEGT Facility website provides up to date information on progress on each VPA process and its FLEGT Map indicates all the active FLEGT related projects in each country, including those financed under the FGMC. <http://www.euflegt.efi.int/home>

- c. Present a full breakdown of costs specifying any management or overhead costs and profit margins if applicable. Such detail will be provided within the pricing pro-forma.

46. Gender: The Supplier shall provide a gender strategy that will detail its approach to develop and implement the project in a way that takes into account the different needs, priorities, knowledge and capabilities of women, girls, men and boys, ensuring that they participate in, and benefit equally from, the processes supported by the project.

47. Disability and Inclusion: The Supplier shall outline how they intend to develop the project in ways that take into account the needs and capabilities of people with disability and other vulnerable groups. The Supplier shall include details of how they will encourage inclusive stakeholder engagement process in relevant policy-making, building from agreements established under the VPA.

48. Risk Assessment: The Supplier shall evaluate the risks associated with the successful implementation of the project in each country context, and shall propose measures which aim to reduce the probability and mitigate the impact of the risks. The risk assessment will be further elaborated during the Inception period. In the Inception report the Supplier will propose how they will systematically monitor risk throughout the project lifecycle and the escalation chain. Risks will be identified in accordance with FCDO risk matrix. For the avoidance of doubt, this risk assessment is in addition to the risk assessments required to meet the Supplier's Duty of Care set out in paragraphs 85-96.

CONSTRAINTS AND DEPENDENCIES

49. As outlined in the ToC for FGMC (see Annex 4) the Facilitation project contributes to political reform processes in 6 countries and helps to strengthen and coordinate the actions of other FGMC projects working in these countries. In particular, projects that are seeking to build national systems of governance and accountability will be supported by improved understanding of the local stakeholder dynamics and greater access to diverse stakeholder interests. The governance reforms framed by the VPA may also be supported by the EU, USA, the World Bank, Norway and other donors and it will be important that these efforts are coherent and coordinated.

50. The overarching aims for improved regulation and governance that are the key objectives of the country specific VPA will be guided by priorities established by the Joint Implementation Committees that monitor progress and as such will be guided by this political steerage. Joint Implementation Committees are co-chaired by EU Ambassador and sector Ministers of the country with UK representation. The EFI FLEGT Facility assists the two parties in the functioning of the JIC.

51. The Facilitation role must establish neutrality and be seen by a range of national stakeholders to be neutral and objective so as to function effectively with a range of stakeholder interests. Where the Supplier, or consortia partners are engaged (or bidding) in other projects in the sector in the 6 countries careful consideration of potential perceived conflicts of interest and how to manage them would need to be addressed in the proposal.

INCEPTION PERIOD

52. The contract will have a 2 month Inception Period which will commence from the Contract start date. The performance of the Supplier will be assessed at the end of this Inception period, which will also serve as a formal review point. FCDO will review the performance of the Supplier and the Inception Report itself, and if satisfied confirm approval to move to the Implementation Phase. Any delay with the Inception report will delay start of implementation.
53. During the 2 month inception period, the Supplier will:
 - i. visit each country and consult with the Government, FCDO country office (where relevant) and the VPA team of the EFI FLEGT Facility (based in Barcelona) to determine the detailed facilitation requirements for each country and the positioning for this country-specific support. A workplan, stocktaking baseline for the Facilitator in each country will be developed during the Inception period.
 - ii. Develop an Inception Report that includes i) a short stock take on the state of VPA implementation reflecting on stakeholder perceptions, ii) set out a baseline of stakeholder engagement (to track the extent of inclusion and representation in VPA processes; iii) a detailed outline of tasks framed into a workplan, iv) monitoring framework and reporting arrangements, and v) facility requirements
 - iii. Develop the first annual work-plan to be reviewed by the PMST;
54. The main objectives of the Inception period are to establish a Facilitation Unit that is fit for purpose, including the deployment of facilitators in 5 countries, a stocktaking of the state of the multi-stakeholder dynamic in each country positioning the Facilitators to meet the country-specific needs.
55. FCDO will provide a written response to the Inception report within two weeks. A final Inception Report will be submitted to FCDO within two weeks of receiving FCDO's response to the draft Inception Report.
56. The Supplier will develop as part of the Inception period the following key documents that will form the basis for operations in the Implementation period:
 - i. Theory of Change, setting the Facilitation support to multi-stakeholder process in the wider context of VPA implementation (see Annex 1) and reflecting on whether the intended project outputs will generate the results, with clear articulation of the assumptions that underpin the change process envisaged;
 - ii. Results Framework, setting out indicators that will provide evidence of the facilitation service's contribution to improving the quality of stakeholder engagement, sustaining political momentum, helping local actors address blockages and influencing positive VPA progress. This will contribute to FGMC outputs and outcome monitoring, notably the PMST's assessment of transformational change.
 - iii. Monitoring, evaluation and learning plan, outlining the way the project will stimulate learning and ensure adequate monitoring; linking up to FGMC's monitoring processes and working closely with the PMST. See FGMC Monitoring Framework in Annex 5. This should include a summary of key baseline information;

- iv. Annual Country Workplans, outlining activities agreed through consultation with project stakeholders, which will be updated annually and aligned to country-specific JIC workplans (where they exist);
 - v. Financial plan, outlining financial review and performance management processes, audit requirements, an asset register, and an approach to counter fraud and corruption;
 - vi. Risk register and management, outlining principal risks and plans for their treatment where needed;
 - vii. Reporting plan, outlining the schedule for drafting, reviewing, and finalisation and consistent with the FGMC reporting requirements.
57. The Supplier will be required to have the information, knowledge, experience, procedures, equipment and trained people deployed and ready to implement the project by the end of the Inception period. This must include having all necessary government approvals in place before the end of the Inception Period.

IMPLEMENTATION PERIOD

58. The implementation period will commence from the date of acceptance of the Inception Report. During the implementation period, the Supplier will:
- a. Administer the project, monitor progress, provide quality assurance, especially of facilitator performance (the Supplier proposed an approach to benchmarking in their tender response), financial control of project spending and reporting of progress with the stakeholder processes, political dynamics as well as VPA implementation progress;
 - b. Coordinate implementation with other in-country donors supporting VPA implementation and with concerned government and non-government organisations involved in the multi-stakeholder bodies established by the VPA; including:
 - i. supporting and facilitating networking amongst stakeholders, including organisation of workshops, seminars, conferences and study-tours to engage with other components of FGMC;
 - ii. promoting coordination and shared lesson learning between other development partners working in related fields;
 - c. Where needed, provide advice to national stakeholders drawing from the FGMC community of practice (guided by PMST where needed) to provide guidance on independent forest monitoring, international market requirements, due diligence requirements, international timber trade, EU Customs controls, sustainable forest land-use investment, international legal frameworks and sector governance reforms;
 - d. Promote the visibility of FCDO and its overall activities under the wider FGMC programme.
59. The Supplier will operate the Facilitation Service with a view to ensuring the best value for money. It is expected that this will require a lean core staff to provide administrative services, monitoring and oversight and consolidated reporting. The proposed

Facilitators should be provided in the technical proposal and budgeted with individual fee rates in the commercial proposal.

60. The performance of the Supplier will be assessed by the PMST based on the Key Performance Indicators set out in paragraph 71.
61. From May 2021 the Supplier will establish a national deliberative platform supported by a dedicated facilitator to assist Gabon with the stakeholder consultations necessary to secure FSC certification, partnership with China on sustainable forest management guidelines and VPA standards with the EU.

MANAGEMENT AND OVERSIGHT

62. The Facilitation Support project will be managed directly through the Climate and Environment Department (CED) within FCDO, coming under the centrally managed FGMC programme. It will report directly to FGMC's Senior Responsible Owner.
63. The Facilitation Unit's operations will be subject to the terms and conditions set out in the FCDO contract.
64. The Supplier will coordinate closely with the EFI FLEGT Facility VPA teams for each concerned country to ensure that Facilitation support is targeted to the priorities established by the VPA JIC and to address any emerging concerns over the quality and nature of national stakeholder deliberations.
65. The Supplier's work will be monitored by the FGMC PMST who work under the overall supervision of the SRO. The PMST provides technical and management support to FCDO across the FGMC programme, including performance monitoring of this contract. Performance monitoring will include: maintaining regular contact with the in-country facilitators, meeting with the Supplier at least once every quarter to review progress and visiting the countries at least annually to review facilitation performance with local stakeholders; receiving and reviewing quarterly reports. The PMST will work with the Facilitation Unit to establish a detailed reporting framework that will assess progress with the national stakeholder dynamic and contribute to FGMC-wide annual reporting. The Supplier will establish a strong working relationship with the PMST in the inception period, and thereafter fully support the performance monitoring tasks of the PMST, as described above, throughout the duration of the Service.
66. The PMST will report back to the SRO in CED at least quarterly on the performance of the Supplier in provision of Facilitation services and its contribution to VPA implementation progress.
67. The Supplier will be expected to contribute to the evidence (including lessons learned and best practice) gathered by the PMST for FGMC reviews and evaluations. The Supplier will also be expected to contribute evidence to the FGMC Independent Review Team on instruction of the SRO.
68. The Supplier will deliver quarterly progress reports to FCDO. These reports may be shared with other concerned donors. The Supplier may therefore provide separate confidential reports on any intelligence or perspectives that they do not want shared with others. The quarterly reports will provide regular political analyses, intelligence and VPA progress updates. In particular, the Facilitators will work with the PMST to assess country-specific transformational change on an annual basis (see Annex 7).

69. If the Supplier has chosen to submit a proposal which will be delivered through a consortium model, the proposal must include a governance plan which sets out the proposed management structure and arrangements including lines of reporting and accountability. It should elaborate how downstream partners would be engaged and managed.

FINANCIAL

70. For the inception period 100% of the suppliers' fees will be linked to fixed milestone payments: 50% upon submission of the draft report and 50% upon acceptance of the final version. Expenses will be reimbursed based on actuals, upon to the agreed ceiling for the inception phase.

71. For the implementation period, 25% of the supplier's fees will be contingent on the Key Performance Indicators described in Table 2, to be scored quarterly by FCDO with inputs from the PMST monitoring and country visits, feedback from concerned country stakeholders and EFI VPA team to the SRO.

72. During the Inception period, consideration will be given to refining the KPIs based on discussions with key stakeholders, the country-specific workplans and framing other element of Implementation fees into work plan-related milestones where appropriate. Payments for all costs and expenses will be strictly in arrears. All expenditure will be against pre-agreed fee rates and project costs. All fee rates, costs and expenses should be clearly set out in the proposal and must be justified in terms of value for money.

TABLE 2

Theme	Indicator	Overall % of fee	Scoring Criteria			
			100% payment	75% payment	50% payment	0% payment
Effectiveness in delivery of the facilitation support	Timely and effective support provided to all 6 countries fostering dynamic stakeholder processes ⁵	10	Support services enabling multi-stakeholder engagement in all 6 countries are meeting the expectations set out in country-specific workplans.	Support services off track by more than 2 months in at least 1 country	Support services off track in more than 2 countries; or for more than 3 months	Support services off track in all 5 countries by over 2 months
Management: Quality	Draft quarterly and other project reports are clear, concise and timely.	10	Reports are timely and provide clear update on progress	Substantial redrafting of content required, or deadlines	Reporting not signed off within one month of	Reporting due in the period not submitted by the KPI

⁵ As indicated in paragraph 41 the country-specific workplans will propose targets for key tasks relative to the baselines confirmed during Inception period. The quarterly reports will report progress to these targets and present evidence that activities are contributing to (i) active dialogue between VPA stakeholders; (ii) functioning of stakeholder structures, (iii) an understanding of VPA progress. This progress will be verified periodically through monitoring visits of the PMST and independent review.

				missed (unless revised deadlines agreed in advance with FCDO)	submission in draft (unless agreed in advance with FCDO)	assessment date.
Management: Financial	Strong financial management of the facilitation services, demonstrated through: accurate and timely invoicing; accurate forecasting, and ; optimisation of value for money	5	Invoices do not require queries or correction; Strong evidence of vfm provided e.g. additional project benefits and /or savings achieved in assessment period; No more than 5% variance between annual spend and an agreed baseline forecast (unless vfm related).	More than one invoice unclearly presented or contains errors requiring correction. Weak evidence of vfm ; over 5% variance between annual spend and an agreed baseline(unless vfm related) forecast.	n/a	Repeated inaccuracies in invoicing or forecasting. No evidence that vfm is being considered in project delivery.

73. Any procurement undertaken by the Supplier will be in accordance with international best practice, although very limited procurement is anticipated. The Supplier will be required to provide capital upfront initially and claim back from FCDO monthly in arrears.

74. The Supplier will be expected to generate and maintain a Delivery Chain Map that captures in visual form the names of any subcontracts and downstream partners involved in delivering the project through to the end recipient. The Map will include a summary assessment of risk identified through due diligence procedures and on-going performance monitoring of sub-partners.

MONITORING, EVALUATION, AND LEARNING

75. The country-specific annual work-plans, together with VPA implementation plans will be the main references in monitoring and reporting the effectiveness of facilitation support and progress in stakeholder engagement and inclusion.

76. The Supplier will deliver the following reports during the lifetime of the contract:

- a. Quarterly progress reports, covering progress in each country during the previous quarter, including an update on overall VPA implementation progress and an assessment of the quality of engagement of different stakeholder interests, as well as financial performance and a review of process and country risks, and submitted within 15 working days following the end of each UK financial quarter.
- b. Annual reports, covering progress and providing in depth discussion of results at the outcome and impact levels and reflecting on the learning objectives, submitted to inform the FGMC Annual review, so by June 1st of each calendar year. These reports will adopt the FGMC wide reporting template that will be provided by the PMST.

77. An Independent Project Review will take place 12 months after contract start. It will be carried out by a team identified and mobilised by the global FGMC programme.
78. Provide annual audited statements. The audit reports must be completed within six months of the completion of financial year.
79. Exit Plan, submitted in draft within 3 months before conclusion of the contract
80. The objectives and main headings of the reports will be outlined in the Inception Report. All reports are to be submitted to FCDO for review within the stated timescales. With the exception of annual independent audits, all submitted reports will be reviewed by the PMST.

END OF CONTRACT ACTIVITIES

81. Three months before the expiry date of the contract the Supplier will prepare for FCDO approval a draft Exit Plan which shall include plans for:
 - a. disposal for all assets procured throughout the lifetime of the project in accordance with FCDO procedures on asset management and disposal;
 - b. addressing any material items that are necessary or desirable for the continued co-operation of the UK Government after the contract ends;
 - c. ensuring the smooth transfer of responsibilities from the Supplier to any persons or organisations taking over such responsibilities after the contract ends;
 - d. delivering to FCDO (if requested or as otherwise directed by FCDO) prior to the contract end date (or termination of the contract) any finished work or unfinished materials or work-in-progress which relate to the contract;
 - e. providing FCDO before the contract ends a summary of the status and next steps in relation to any on-going projects or other material and unfinished activities being conducted or monitored by the supplier;
 - f. returning all confidential information to FCDO before the contract end date.
82. The Supplier should allow for a period of up to sixty days after the contract end date (or termination date) for the exit process to be properly implemented.

TRANSPARENCY

83. FCDO requires Suppliers receiving and managing funds to release data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners.
84. It is a contractual requirement for the Supplier to comply with this approach, and to ensure they have the appropriate tools to enable routine financial reporting, publishing of accurate data and providing evidence of this to FCDO. Further information is available from the International Aid Transparency Initiative (IATI): www.aidtransparency.net.

UK AID BRANDING

85. Suppliers that receive funding from FCDO must use the UK aid logo on their development and humanitarian programmes to be transparent and acknowledge that they are funded by UK taxpayers. Suppliers should also acknowledge funding from the UK government in broader communications, but no publicity is to be given to this Contract without the prior written consent of FCDO. The Supplier must adhere to UK aid branding guidance. For more information see: www.gov.uk/government/publications/uk-aid-standards-for-using-the-logo .

DIGITAL

86. Suppliers that receive funding from FCDO must follow UK Government's and FCDO's standards for the use of digital in international development programmes. Details are available here: www.gov.uk/government/publications/guidance-on-digital-spend-advice-and-controls-for-dfid-partners-and-suppliers.

DUTY OF CARE

87. The supplier ensures the highest standards of ethical and professional conduct, respecting transparency obligations, environmental sustainability and social responsibility.
88. The Supplier is responsible for the safety and well-being of their personnel and third parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.
89. FCDO will share available information with the Supplier on security status and related developments in-country where appropriate.
90. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up-to-date with latest information.
91. The Supplier must develop their proposal on the basis of being fully responsible for Duty of Care. They must confirm in their bid that they:
- a. Fully accept responsibility for Security and Duty of Care of all programme Personnel;
 - b. Understand the potential security risks and have the knowledge and experience to develop an effective risk mitigation plan;
 - c. Have the capability to manage their Duty of Care responsibilities throughout the life of the programme.
92. Acceptance of Security and Duty of Care responsibility must be supported with evidence of capability and FCDO reserves the right to clarify any aspect of this evidence. In providing evidence the bidders should consider the following questions:

- a. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding of the security environment in Liberia, and are you satisfied that you understand the risk management implications (not solely relying on information provided by FCDO)?
- b. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?
- c. Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- d. Have you an appropriate mechanism in place to monitor risk on a live/on-going basis (or will you put one in place if you are awarded the contract)?
- e. Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- f. Have you appropriate systems in place to manage an emergency/incident if one arises?

93. As part of its Duty of Care Policy, FCDO has assessed the risk of working in these countries (see below). This assessment is provided to allow the Service Provider to take reasonable steps to mitigate risks where necessary.

94. Date of Assessment: May 2021

FCDO Risk Score						
Theme	Liberia	Ghana	ROC	Guyana	Cameroon	Gabon
OVERALL RATING	3	1	2	2	3	3
FCO travel advice	3	1	2	2	4	2
Host nation travel advice	Not available	Not avail	Not avail	Not avail	Not avail	N/A
Transportation	3	2	3	3	3	3
Security	3	2	2	1	3	2
Civil unrest	3	1	3	2	4	3
Violence/crime	4	2	2	4	4	2
Terrorism	1	1	1	1	2	1
War	2	1	1	1	2	1
Hurricane	1	1	1	1	1	1
Earthquake	1	1	1	1	1	2
Flood	2	1	1	3	1	3

Medical Services	4	2	4	3	4	3
Nature of Project	2	2	2	2	2	2

key for scoring:

1 Very Low Risk	2 Low Risk	3 Med Risk	4 High Risk	5 Very High Risk
Low		Medium	High Risk	

DO NO HARM

95. FCDO requires assurances regarding protection from violence, exploitation and abuse through involvement, directly or indirectly, with FCDO suppliers and projects. This includes sexual exploitation and abuse, but should also be understood as all forms of physical or emotional violence or abuse and financial exploitation.
96. The supplier will be required to include a statement that they have duty of care to project stakeholders and their own staff, and that they will comply with the ethics principles in all activities. Their adherence to this duty of care, including reporting and addressing incidences, should be included in both regular and annual reporting to FCDO;
97. A commitment to the ethical design and delivery of evaluations including the duty of care to informants, other project stakeholders and their own staff must be demonstrated.
98. FCDO does not envisage the necessity to conduct any environmental impact assessment for the implementation of this project given that it aims to improve environmental and social safeguards of forest operations in Liberia, Ghana, Republic of Congo and Guyana. It is, nonetheless, important to adhere to principles of “Do No Harm” to the environment.

GENERAL DATA PROTECTION REGULATIONS (GDPR)

99. Please refer to the details of the GDPR relationship, status and personal data (where applicable) for this Service contract as detailed in Annex 6 which appears as standard clause 33 in section 2 of the contract.

ANNEXES

1. Country specific contexts
2. Facilitation role and skills
3. VPA background
4. FGMC Theory of Change
5. FGMC reporting framework
6. Standard contract clause related to personal data protection
7. Monitoring transformational change (PMST) (see attached file)

ANNEX1 : BACKGROUND ON COUNTRY VPAs ⁶

Ghana

1. The Ghana VPA was ratified by both parties in March 2010. The VPA text and comprehensive information on its development since then can be found on the EFI FLEGT Facility website and the Ghana Forestry Commission website.⁷ The governance reforms framed by the VPA include legal reforms, upgraded and streamlined regulatory systems, clearer rights and improved transparency.
2. Ghana's forests provide millions of people with jobs and subsistence products. Between 1990 and 2010, however, Ghana lost a third of its forest cover, or around 2.5 million hectares. Illegal logging, enabled by poor forest governance and driven in part by trade, is a major contributor to deforestation. Small-scale, illegal chainsaw loggers now fell more trees in Ghana than the formal timber sector. In 2014, the EU accounted for 25% of Ghana's timber exports in value terms and just under 20% in terms of volume
3. The VPA established a strong multi-stakeholder process to guide the governance reforms that are enshrined by the VPA—this brought industry, SME, CSO and government interests around the table to guide the process. This resulted in a national multi-stakeholder committee that oversees action and debates new policy, as well as an independent Council (timber validation council) that provides external oversight to the timber auditing functions.
4. Ghana's system to check for legal compliance is framed around seven legal principles covering the essential elements of forest production and processing and including environmental and social factors relevant to legal compliance. These include source of timber (land ownership), allocation of timber rights, timber harvesting operations, transportation, processing, trade, and fiscal obligations.
5. Ghana's Legality Assurance System aims to monitor, control and verify the management and use of Ghana's forest resources to ensure that only legal products are produced, sold and exported from Ghana. It applies to all sources of commercial timber and products produced, processed or acquired in Ghana for all markets, including timber sold on the domestic market. Ghana has invested in a Wood Tracking System that incorporates IT-based traceability controls to monitor timber movement, starting in the forest and continuing through the entire production chain. A Timber Validation Department has been established within the Forestry Commission to perform the internal audit functions of verification against the legal standard for every consignment.
6. The Timber Industry Development Division of the Forestry Commission has been designated as the national licensing authority under the VPA. It will issue FLEGT

⁶ Up to date information on the specific VPA process can be found on the EFI FLEGT website on the country specific pages: <http://www.euflegt.efi.int/vpa>

⁷ <http://www.fcghana.org/vpa/index.php> Information about the Ghana VPA can be found on the Ghana Forestry Commission website and the EFI FLEGT Facility Website: <http://www.vpaunpacked.org/vpa-text-and-annexes> and <http://www.euflegt.efi.int/ghana>

licenses for timber products exports to the EU market and to other non-EU markets. Now that the upgraded systems are in place, and legal reforms enacted, Ghana is assessing its readiness for licensing.

7. A Joint Monitoring and Review Mechanism (Ghana's JIC) composed of representatives of Ghana and EU monitors implementation. It meets at least once a year and issues an annual report, which provides details on the quantities of timber products exported to the EU, progress in implementing the VPA, actions taken to prevent illegally-produced timber products being exported to non-EU markets or traded on the domestic market and actions taken to prevent imports of illegally-produced timber products.
8. The VPA also establishes an Independent Monitor (3rd party Audit). Independent audits strengthen transparency and promote interactive monitoring to provide responsive solutions. Independent audit reports are made public.
9. The VPA is improving governance resulting in stronger monitoring, enforcement and compliance. The key aspects of governance reforms include
 - Greater participation in decision making
 - Enhanced capacity of government services and companies to address illegal logging
 - More transparency now enshrined in legislation
 - Clearer legislation: revised regulations makes clearer what operators in the timber sector must do to comply with the law and what indicators and verification measures auditors must use to assess legality. It makes it easier for the Forestry Commission and other regulatory bodies to enforce the law and for the justice system to prosecute illegal loggers.
 - Measures covering the domestic market: new measures to address illegal logging in the domestic market..
 - Empowered communities with strengthened rights and responsibilities
10. Transparency and information disclosure is a key element of the VPA, helping to ensure accountability, increase awareness of the requirements and impacts of the VPA and establish the credibility of the systems established under the agreement. The parties will produce annual public reports that review the effectiveness of actions and their impacts.
11. VPA implementation has benefitted from investments by Ghana as well as support from UK, the Netherlands, the World Bank and the EU.

Liberia

12. The Liberia VPA was signed in July 2011 and ratified in 2013. The VPA text and comprehensive information on its development since then can be found on the EFI FLEGT Facility website and the Liberia Forest Development Authority website.⁸ The governance reforms framed by the VPA include adoption of supporting regulations for the new Forest Laws, upgraded and streamlined regulatory systems, clearer rights, improved transparency and increased capacity of government services, private sector operators and CSO.
13. Forests are important contributors to Liberia's formal and informal economies. For many communities, forests are critical to livelihoods but major drivers of deforestation include slash-and-burn agriculture, charcoal production and artisanal logging. During Liberia's civil war in the 1990s and early 2000s, timber revenues were misappropriated and used to sustain the conflict. As a result, in 2003, the UN Security Council imposed sanctions on timber exports from Liberia. The UN lifted sanctions in 2006. Forest governance remains a challenge as relevant capacities are not yet in place. China is now the main importer of Liberian timber, but both Liberia and the EU expect that VPA implementation will strengthen the standing of Liberian timber products on the EU market.
14. The legality assurance system builds on existing controls managed by the outsourced Swiss firm SGS. It will verify compliance with a range of laws covering allocation of timber rights, harvesting, transport processing and trade in timber products. Liberia intends to apply the same system to all its timber exports and ultimately to products sold on its domestic market. The new systems are being built and transferred to a newly formed Legality Verification Department within the Forest Development Authority. This transfer process is on-going.
15. In addition to this legality assurance system, the VPA also commits the Government of Liberia to further forest sector governance reforms, including greater transparency of information concerning allocation and implementation of timber harvest rights and revenue sharing.
16. The VPA introduces independent third party audits that will check the functioning of the entire legality assurance system. The Agreement also indicates that civil society will contribute to monitoring the VPA and stresses Liberia's commitment to provide access to information that will allow civil society to carry out this role effectively.
17. The EU and Liberia monitor implementation of the VPA through a high-level Joint Implementation Committee (JIC), which meets biannually. Amongst its responsibilities, the JIC receives and acts on reports from an Independent Auditor. The JIC agrees an annual work plan to guide implementation including of all support projects.
18. In addition, Liberia has established a dynamic national multi-stakeholder committee to monitor implementation. This forum draws representatives from

⁸ <http://www.fda.gov.lr/vpa-flegt/old-documents/> Information about the Liberia VPA can be found on the Forest Development Authority website and the EFI FLEGT Facility Website: <http://www.vpaunpacked.org/vpa-text-and-annexes> and <http://www.euflegt.efi.int/background-liberia>

government agencies, civil society, industry and communities. It sustains stakeholder consultation and involvement.

19. The VPA provides a way for Liberia to tackle illegal logging, improve management of its forests and strengthen market opportunities for its timber products. However, to meet these expectations, significant strengthening of the capacities of government, the private sector and communities, supported by development cooperation, continues to be required. The UK, EU, Norway and the World Bank contribute to this support.

Republic of Congo

20. The Republic of Congo (ROC) signed the VPA in 2010 and it was finally ratified in 2013 with the endorsement of the Parliament of ROC. The VPA text and comprehensive information on its development since then can be found on the EFI FLEGT Facility website and the Congolese website.⁹ The governance reforms framed by the VPA include adoption of supporting regulations for the new Forest Laws, upgraded regulatory systems, clearer rights, improved transparency and increased capacity of government services, private sector operators and CSO.
21. The VPA commits RoC to develop a legal verification system to ensure and promote the trade in legally produced timber and other wood products. It aims to strengthen governance, accountability and promote stakeholder participation in the sector.
22. Congo is a country with 22 million hectares of rich forest resources. The forest sector is the second most important natural resource in the country after oil and contributes approximately 5% to GDP. The sector earns approximately 330 million USD annually in timber and timber products. The EU and China are Congo's main export markets. Most exports to the EU are of sawn wood and originate from the northern part of Congo and most wood exports to China are in the form of logs, originating from Congo's southwest region. Wood produced in Congo's northern region is exported via Cameroon, while the rest is exported from Pointe-Noire. Thus close collaboration with neighbouring VPA countries for wood in transit will be required for FLEGT licensing.
23. The VPA outlines legal requirements for wood coming from natural forests and wood harvested from commercial plantations. These legal requirements cover the 4 different types of forest titles/permits available in Congo. It draws from Congo's legislation and regulations on forestry, trade, environment, labour, agriculture, land ownership as well as international treaties signed and ratified by Congo; as such clearly it is not based on laws of Europe.
24. Congo's legality definition is framed around 5 key principles covering: (1) company registration requirements (2) access rights to zone of operation; (3) social obligations including labour requirements and participation of local communities, indigenous populations and civil society in the concession; (4) environment, forest management, harvesting, processing operations, and associated financial obligations; and (5) transport and commercialisation of timber. For each principle, criteria, indicators and verifiers have been identified to demonstrate compliance. Field testing of the systems continues with active engagement of operators.
25. A Legality Assurance System is comprehensive and covers all export markets as well as that sold on the domestic market. The FLEGT licensing scheme, once fully operational will apply to all timber products, including logs, sawn timber, veneer, plywood and furniture, among others.
26. The system includes several key elements:

⁹ <http://www.apvflegtcongo.com/> Information about the Rep of Congo VPA can be found on the website and the EFI FLEGT Facility Website: <http://www.vpaunpacked.org/vpa-text-and-annexes> and <http://www.euflegt.efi.int/republic-congo>

- Verification of compliance of forest enterprises enterprise (registration, taxes, EIAs, social agreements, labour requirements etc) resulting in a legality certificate
 - Integration of company-based certification
 - Traceability system to control and verify the supply chain from stump to market involving using barcodes and an associated information management system, SIGEF (Système d'information et de gestion forestière).
 - Issuance of FLEGT licenses
 - Independent audit
27. Congo is committed to improve transparency and will provide reliable, and in real time information relating to the sector. Public information sharing includes forest production statistics by export volumes by concession, species, value, product and operator; concession contract and allocation information; harvesting, processing and management documents (including environmental impact assessments and social agreements); special permits issued; forest financial transactions (i.e. national and local taxes paid); wood prices in Europe; verification and control reports as well as independent audits .
28. The VPA informed by a strong multi-stakeholder process is driving governance reforms, including:
- Greater participation in decision-making bringing together representatives of civil society and the private sector participated alongside government
 - Enhanced capacity to address illegal logging, through the creation of a Forest Legality and Traceability Unit ; training for regional office staff the forest administration; engagement of UNIBOIS, a private sector association of small- and medium-sized enterprises, is working with the Association Technique Internationale des Bois Tropicaux, to improve standards; the Civil society organisation “Cercle d’Appui à la Gestion Durable des Forêts” coalition has been in charge of independent forest monitoring since 2013
 - More transparency: a dedicated VPA website already publishes information, notably legal texts.
 - Clearer legislation: through new regulations clarification of what operators in the timber sector must do to comply with the law, and the indicators and verification measures auditors will use to assess legality. Clear legislation makes it easier for the authorities to enforce the law and for the justice system to prosecute illegal loggers.
 - Measures covering the domestic market will be subject to the legality assurance system, irrespective of whether they are exported or not.
 - Empowered communities: the VPA includes unprecedented language on social benefits as part of the broader legal reforms. Decrees are being drafted to ensure that the existing Indigenous Peoples Law is effectively implemented, including regarding clear recognition of community rights and community forestry.

Guyana

29. The VPA text and comprehensive information on its development can be found on the EFI FLEGT Facility website and the Guyana Forestry Commission website.¹⁰ The negotiations of the VPA text have concluded, but the VPA is not yet signed. The Government of Guyana is focused on revising and enacting its forest regulations by July 2018. The two parties expect to draw negotiations to a formal close before the end of 2018. The governance reforms framed by the VPA include adoption of supporting regulations for the new Forest Laws, upgraded regulatory systems, clearer rights, improved transparency and increased capacity of government services, private sector operators and CSO
30. Forests cover 87% of Guyana and make an important contribution to the economy, providing jobs and livelihoods. In 2014, the annual deforestation rate was estimated to be 0.065%. The timber trade between Guyana and the EU accounts for up to 5-8% of Guyana's timber industry, most of these exports are destined for the UK.
31. The VPA negotiations began in December 2012. They involved the private sector, government ministries and agencies, and indigenous peoples. Through wide participation, the process aimed to foster significant national ownership, stakeholder engagement and a broad consensus that will promote effective VPA implementation. Initially they were controversial. Some believed negotiations were helping build the capacity of all stakeholders. Others thought that the process was not inclusive, was rushed and did not tackle key issues of concern to local indigenous peoples' organisations. However, since the introduction of a facilitator in 2014 the context changed radically supporting a genuine, inclusive and participatory process that has allowed for meaningful and independent inputs.
32. Enhanced capacity to address illegal logging: the process is strengthening the capacity of government, the private sector and indigenous peoples to work together to address illegality in Guyana's forest sector. FCDO, the Government of Norway, the EU FAO FLEGT Project and the EU have all supported activities to ensure a fully inclusive VPA process.
33. More transparency: VPA includes an annex that lists the information the government of the timber-exporting country commits to making publicly available. Guyana has drafted this annex in consultation with stakeholders. Guyana's Forestry Commission website publishes information on the VPA process, draft VPA annexes for comments, and reports on negotiation sessions and stakeholder meetings.
34. Legal reforms and improved legal clarity: process provides opportunities to clarify what is legal and to identify overlaps, gaps and contradictions in the legal framework.
35. Guyana's VPA complements its Green State Development Strategy. In implementing the VPA, Guyana will build on its existing system to further

¹⁰ <http://www.forestry.gov.gy/voluntary-partnership-agreement-main-text/> Information about the Guyana VPA process and the negotiated VPA text can be found on the Guyana Forest Commission website and the EFI FLEGT Facility Website: <http://www.euflegt.efi.int/background-guyana>

strengthen the fight against illegal logging and associated trade, and maintain a low rate of deforestation and forest degradation. Under the VPA, the Guyana Timber Legality Assurance System (GTLAS) is based on national laws and regulations and aims to ensure that Guyana's timber products are legal. To that end, the GTLAS will guarantee the legality of harvest, transport, processing, as well as exports and imports of timber products. It will include compliance checks to provide assurance that timber products have been legally produced irrespective of the intended destination market.

36. Guyana will build and expand on its current Wood Tracking System and other Government controls to ensure the legality of its timber products. The current system is a tag and paper-based system that enables efficient monitoring of the flow of timber products for domestic and international trade. An independent evaluation of the current system assessed its suitability to be upgraded for meeting GTLAS requirements. It also identified measures and gaps to be addressed during the implementation phase to ensure timber legality through robust checks, verification and validation procedures.

CAMEROON

37. Cameroon has over 18 million hectares of forest, which is approximately 40% of its national territory. Most of this forest area has been permanently allocated to long-term forest production or conservation, with a smaller area intended for community forestry. The forest sector contributes around 6% of Cameroon's GDP. It accounts for about 30% of the value of non-oil national exports and is the greatest employer in rural areas. Forest land cover in Cameroon has declined for the last 25 years with a loss of around 1% forest cover per year, which is one of the highest deforestation rates in the Congo Basin (European Timber Trade Federation, 2016).
38. Between 2006 and 2015, average annual production was approximately 2.3 million m³. The forestry sector is also the biggest employer in rural areas. The estimated number of workers was of 168 000 in 2006, the vast majority of whom are in the informal sector. Cameroon is Africa's largest exporter of tropical hardwood to the EU, most of which is sawn timber that goes to Italy and Spain. In 2016, timber exports to the EU from Cameroon had an estimated value of EUR 300 million (about 50% of total timber exports).
39. Cameroon signed a VPA with the EU in 2011. The aims of the VPA are to strengthen forest governance, promote Cameroon's timber products and improve Cameroon's competitiveness in the international marketplace. The VPA also encourages investment in sustainable forest management and strengthens the capacity of forest stakeholders.
40. A Cameroon-EU Joint Implementation Committee oversees implementation of the VPA. Two structures make up the Joint Implementation Committee: a Joint Implementation Council and a Joint Monitoring Committee. Records of discussions are made public. At the national level, the Ministry of Forests (MINFOF, Ministère des forêts et de la faune) coordinates implementation. A National Monitoring Committee that includes representatives of stakeholder groups focuses on implementation of the VPA from the Cameroonian side.
41. Cameroon is developing the systems needed to control, verify and license legal timber. However it has encountered significant challenges in the design and development of control and information management systems that continues to frustrate efforts to implement the VPA.
42. In the context of VPA implementation, the Ministry of Forests has built the capacity of staff in charge of forest law enforcement on issues related to VPA implementation. This has included training on the 2016 penal code and on the new information and traceability tools. Small and medium enterprises have been trained to adapt to new market requirements and established a timber trade federation that represents them and links them with EU importers.
43. The VPA makes substantial commitments to transparency, an annex detailing the information the Government of Cameroon commits to disclose publicly. MINFOF has developed a dedicated VPA website to publish information. In 2016, the Government established procedures to manage and make public information relevant to the forest sector. Local civil society organisations have been deeply engaged in the issue of transparency. In 2012, the local NGO FODER (Forêts et

Développement Rural) and MINFOF launched an initiative to increase transparency and fight corruption in the forest sector. A web platform for reporting on corruption was set up in 2013 (www.anti-cor.org).

44. The VPA process has made the law relating to Cameroon's forest sector clearer. The VPA legality definition clarifies what operators in the timber sector must do to comply with the law and the indicators and verification measures auditors must use to assess legality. Clear legislation makes it easier for the police to enforce the law and for the justice system to prosecute illegal loggers.
45. It has opened up spaces for participation. Civil society representatives actively engaged in negotiating the VPA. The National Monitoring Committee, central to the implementation of the VPA, has one seat each for NGOs, local communities, indigenous peoples and representatives of communal forests. Representatives of civil society and communities have also been regularly invited to attend the Joint Monitoring Committee meetings.
46. The EU and Cameroon made a joint commitment to monitor the social, economic and environmental effects of the Agreement. Monitoring will consider whether the VPA is having the desired outcomes. It will also identify unintended negative effects for the EU and Cameroon to address and mitigate. In 2014, the Joint Monitoring Committee established a multistakeholder working group to propose a monitoring system. The working group agreed on how to involve the different stakeholders. It also proposed to hire a consultant to support developing the monitoring system. In 2016, with the help of the consultant, the EU and Cameroon agreed on a set of indicators to monitor VPA impacts. Next steps include finalising the monitoring system and establishing a baseline. The Joint Monitoring Committee is responsible for endorsing the system.
47. Owing to the extensive delays in establishing improved controls and legality verification, the EU and Cameroon have agreed to review and take stock of the VPA to reflect on a new way forward. A new workplan will be developed in early 2019.

GABON

48. Gabon is a relatively small Central African country with an area of 270,000 km², and an estimated population of 2.1 million.¹¹ After independence from France in 1960, the oil boom later that decade propelled Gabon to upper middle-income status, and established a reliance of the national economy on crude oil production. The oil crisis in the 1980s stalled progress and Gabon's economic and social achievements began to fade. Despite economic growth at the beginning of the 2010s, this was impacted again by the 2014 oil crisis, and the 6% economic growth average rate from 2010 to 2014, decreased to 3.9% in 2015 and to 2.7% in 2016. In this context, Gabon entered a process of economic diversification for emergence in 2025, through the Strategic Plan for an Emerging Gabon (PSGE), launched in 2010, with the goal of building a competitive, diversified, resilient, and inclusive economy. The PSGE is based on three emergence pillars notably Green Gabon, Industrial Gabon and Gabon of Services.
49. According to Food and Agriculture Organisation of the United Nations - FAO (2021), Forests cover 91% of the total land area of Gabon, making it the 5th most forested country globally. Deforestation rates have not been significant in recent decades, with figures of 0.03% for the years 1990-2000, 0.02% for 2000-2010 and 0.05% for 2010-2020. That low deforestation rate is mainly due to Gabon's low population density including high urbanization, the predominance of crude oil production in the national economy, and also the political commitment of Gabon towards sustainable forest management and environmental protection.
50. However, Gabon's business climate presents the main bottleneck to diversification of its economy. Gabon is ranked at the 129 out of 179 on the Corruption Perceptions Index 2020 of Transparency International, and also at the same time ranked 169 out of 190 countries in the Doing Business 2020 report. The forest sector has even faced a huge Kevazingo-gate scandal in 2019 which persuaded the President of the Republic to do a cabinet reshuffle where Prof. Lee White became the Minister in charge of Forests with among other expectations to ensure better forest governance, transparency and sustainability.
51. The political landscape is dominated by the ruling Party (The Gabonese Democratic Party –PDG) which therefore holds the keys of the Executive and Legislative Powers. After the death in 2009 of the former President Omar Bongo who ran the country for 41 years since 1968, his son, Ali Bongo Ondimba, succeeded at the Presidency after a tense election and social crisis. The President Ali Bongo was re-elected in 2016, after a controversial election where the main opposition leader Jean Ping also claimed victory. The Presidential Party, being unitary-dominant at the level of Government and Parliament, gives less spaces for Non-State stakeholders to advocate positions that oppose that of the ruling party.
52. The first reported death of COVID-19 was reported in March 2020 in Gabon. Domestic measures to restrict the spread of the virus include limitation of social gatherings to 30 people, mandatory wearing of facemask, limited capacity on public transport, closing of bars and nightclubs, and access to restaurants being subject to a recent negative COVID-19 test. In February 2021 social demonstrations against COVID-19 restrictions – through the pots and pans revolution (noise in the street with kitchen pots and pans during five minutes at curfew time) – led to the

death of two protesters in Libreville and the arrest of some protesters. As a result, no further protests have taken place. The global health crisis caused by the COVID-19 pandemic has impacted the national economy, with a decrease of nearly 597.3 billion FCFA (784.5 million GBP) in Gabon budgetary revenues, and led to the adoption of a Finance Amendment Law 2020, which increased budget of new priority domains – like Health and social security – and decreased some functioning and investment budget while ensuring the total budget re-balance.

Annex 2: FLEGT Facilitation Role and Qualifications

1. The role of the Facilitators is to ensure effective engagement of all stakeholders from the forest sector and the timber industry in a well informed and dynamic deliberative VPA process that builds local ownership in the partner countries where they are deployed.
2. The Facilitators should be seen as 'neutral' and trusted by a range of stakeholders. It is essential that the Facilitators be equally accessible and supportive to all. Their core task is to ensure that all stakeholders are informed about the process, have opportunities to engage through effective representation, put forward their interest and inputs to contribute to the VPA development.
3. The role of the Facilitators differs from a Technical Assistant (TA). Where a TA provides expertise in areas such as sustainable forest management or forest policy, the Facilitator exercises soft skills such as communication, mediation, coordination, collaboration, and problem solving to support and improve the quality of deliberative processes. The Facilitator is enabling stakeholders to engage and develop their own solutions to problems and contested issues. Therefore, "people skills" are paramount.
4. Each Facilitator should have:
 - a. 10 years working expertise in international development cooperation and/or in relevant forest sector and/or timber trade related activities;
 - b. Understanding of the country context; relevant working experience in the country preferred.
 - c. Ability to work on complex and politically sensitive issues with governments, industry, NGOs and communities;
 - d. Excellent communication and networking skills, solid writing, reporting and presentational skills, including working with senior officials and diplomats;
 - e. Expertise and ability in participatory multistakeholder processes;
 - f. Demonstrated ability of working in multi-disciplinary, international teams and in multi-cultural environments.
5. A briefing note, drawing from more than 5 years of experience in the Facilitation of VPA processes is attached

ANNEX 3: FLEGT and VPA Background

1. The European Union (EU) adopted its FLEGT Action Plan in 2003, in recognition of the increasing public concern with the social, economic and environmental consequences of illegal logging and related trade worldwide. A key element of the Action Plan is a proposal to establish voluntary partnership agreements (VPAs). Each VPA is a bilateral trade agreement negotiated between the EU and a timber-producing country. While parties enter into a VPA voluntarily, the agreement becomes legally binding when both parties have ratified it.
2. A VPA seeks to ensure that timber and timber products imported into the EU from a partner country comply with the laws of that country. To achieve this, a partner country must first decide which parts of its national legal framework will be checked and verified to confirm compliance for the purposes of the VPA and its export controls. The country must also establish a transparent system to ensure legal compliance and issue FLEGT licences. In most cases, a country will build on existing systems to achieve this.
3. A VPA differs from a typical bilateral trade agreement in several ways. First, while it is the EU and a national government that negotiate a VPA, the content of the agreement is decided in country through a deliberative consultation process that involves stakeholders from government, the private sector and civil society. Second, the two parties negotiate toward the same goals – eliminating illegal timber and improving forest governance. Third, a VPA embeds legal and governance reforms in its processes and text. As such, a VPA's unique combination of trade levers and governance reforms, and its multi-stakeholder approach to negotiation and implementation, can meet social and environmental, as well as economic goals.
4. In the context of the VPA, deliberation is a decision-making process to reach a negotiated “settlement” between the different and sometimes contested interests of each stakeholder group. Effective deliberation is based on, inter alia, clear rules of engagement, a level playing field, meaningful representation of the different interests, and incentives for the parties to reach a collective agreed outcome. The results of this national deliberation are then enshrined, through endorsement by the EU into the VPA. Reaching national consensus on the elements to the VPA and eventually agreeing on its terms with the EU is an iterative process which can take several years.
5. Implementing the VPA requires extensive work by a wide range of stakeholders coordinated by the lead government agency, usually the forest administration to establish the timber legality verification system. Apart from government regulators, these include private sector operators from large corporate enterprises to small artisanal loggers, and civil society groups representing communities and environmental interests.
6. The VPA enters into its operational phase once the partner country has established a functioning timber legality verification system to issue FLEGT licenses for all shipment of timber products exported to the EU. To date, only Indonesia has reached this stage of the VPA process.
7. FGMC programme has supported the stakeholder deliberations in 8 countries over the past few years. FGMC Facilitation support will now be focused on support to the

implementation phase in up to 6 countries helping national stakeholders secure in practice the reforms agreed in the VPA.

8. More information on the VPA process can be found in the “VPA unpacked” section of the FLEGT Facility website: <http://www.euflegt.efi.int/es/vpa-unpacked>

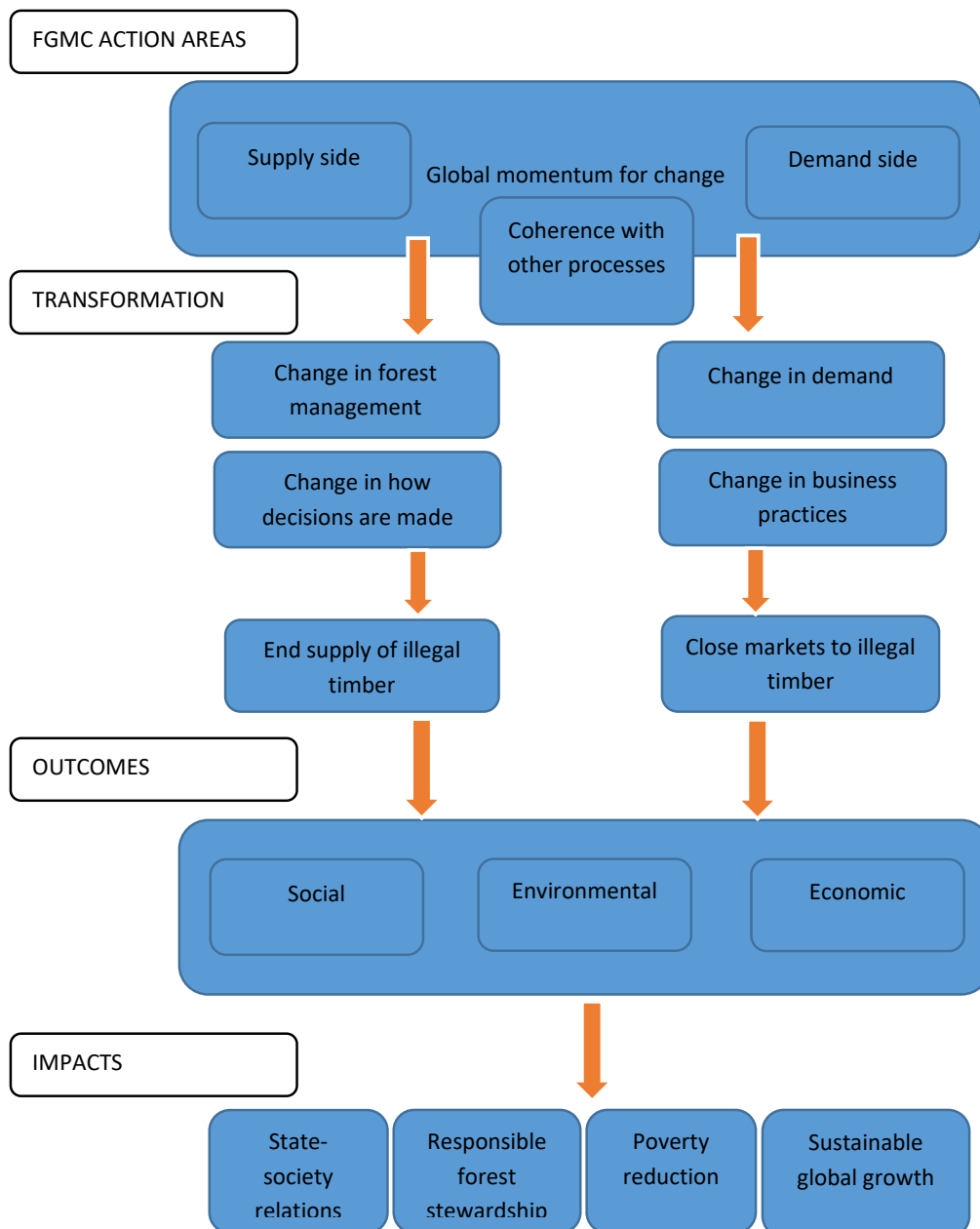
Annex 4: FGMC's theory of change in a nutshell

The central idea guiding FGMC's work is that trade and other incentives can drive transformative change in markets, governance, forest management and business practices, and that these changes will bring economic, environmental and social benefits that ultimately promote economic growth, reduce poverty, secure ecological goods and services, and build stronger, fairer and safer societies.

FGMC operates in four broad areas:

- Supporting supply side measures in timber producing countries
- Supporting demand side measures in timber consuming countries
- Building global momentum for change
- Ensuring global coherence with other processes

Figure 1 below provides a basic summary of the theory of change. The following sections of this paper explain the theory of change for each area of action in greater detail.



Demand side action: Closing markets to illegal timber products

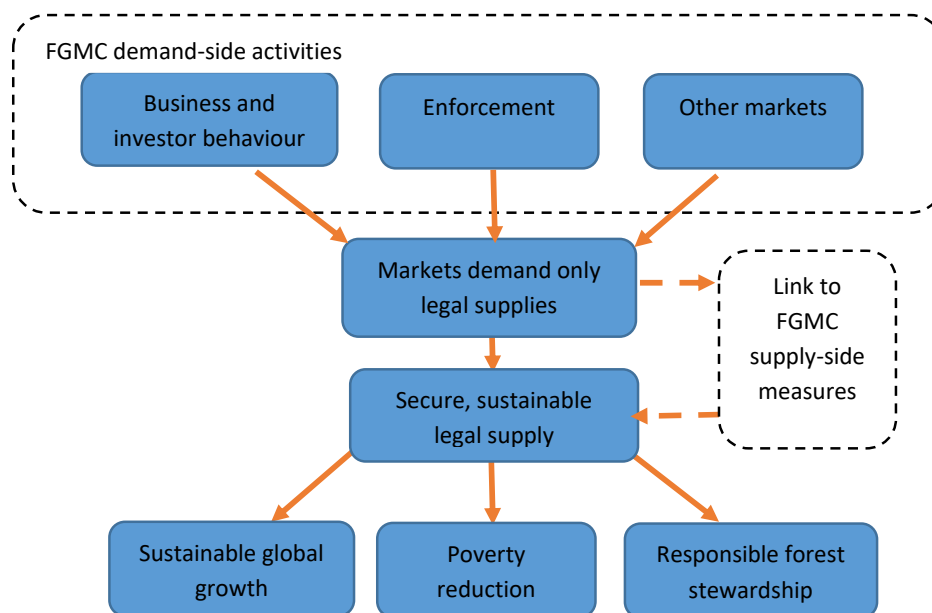
Illegally harvested timber harms legitimate businesses on the demand side of the trade by undercutting legal products on price. Illegality therefore undermines economic growth objectives. And, so long as illegal products reach international consumers, a powerful incentive for illegality and its harmful impacts remains.

At the demand side of the trade, FGMC addresses these issues by supporting activities that:

- Enhance enforcement, where regulations exist
- Improve measures in other markets, including processor countries
- Improve business practices, compliance and investor behaviour

As well as helping to close markets to illegal timber, these activities help to reinforce supply-side action and secure legal timber supplies, contributing to economic growth, poverty reduction and sustainable forest management.

Figure 2 below provides an overview of theory of change for demand-side measures



Improving enforcement

The EU, Norway, Australia and the United States all use regulation to prevent illegally-harvested timber from reaching the market. The EU Timber Regulation (EUTR), for example, prohibits anyone from placing illegally-harvested timber products on the market and requires importers to use due diligence to verify their products are from legal sources. Non-compliance can result in fines or even imprisonment.

But effective enforcement requires knowledge, evidence and capacity. FGMC therefore supports research, advocacy and communication and other activities. Examples include analyses of EUTR enforcement, training that helps NGOs raise concerns about companies or supply chains, work to inform competent authorities about issues emerging from independent forest monitoring, and assessments of risks in the forest sectors of different countries (see box: Timber Regulation Enforcement Exchange).

Promoting measures in other markets, including processor countries

Growing demand for timber in markets that are less regulated than those of the EU and others may result in illicit timber flowing to such markets to avoid stringent controls. China is particularly important as it is not only a major importer but also a major exporter of processed timber products. FGMC therefore supports activities that encourage China to address illegality in the timber it imports and verify the legality of timber products it supplies. These activities include:

- Research on overseas impacts of Chinese demand for timber, on Chinese investments in forestry in Africa and on supply chains feeding China
- Supporting development of the China Timber Legality Verification System
- Facilitating interactions between Chinese companies and authorities and their counterparts in supplier countries
- Assessing capacity of Chinese exporters to meet regulatory requirements in the EU

FGMC therefore also supports activities that relate to policies and measures to reduce consumption and trade in illegal timber in Russia, South Korea, Japan, Canada and Taiwan.

Improving business standards, compliance and investor behaviour

Company behaviour is influenced by regulation, corporate social responsibility targets, public procurement policies and pressure from consumers, NGOs and investors. Brand reputation and competitiveness in what are increasingly responsible markets are strong motivators for change. FGMC therefore supports activities that encourage businesses to improve standards and that help them understand and comply with regulatory requirements. FGMC also supports activities that targets the behaviour of investors whose decisions have implications for forests.

Supply side: Stopping the flow of illegal timber products

Addressing illegal logging at the supply side of the trade requires more than just enforcing the law. New systems and reforms are often needed, especially in places where the law is unclear, rights are fragile, resources are contested, controls are weak and corruption is widespread.

FGMC believes that for such systems and reforms to be legitimate and robust, they need to be developed through deliberative processes involving all stakeholders. FGMC therefore supports processes through which countries negotiate and implement FLEGT Voluntary Partnership Agreements (VPAs) with the EU, which requires VPA processes to be participatory.

Under a VPA, a partner country commits to developing an independently audited system for verifying the legality of its timber exports. Once this system is operating as described in the VPA, the country commits to exporting to the EU only timber products accompanied by FLEGT licences that attest to their legality. A FLEGT licence is sufficient for importers to confirm that they have met the requirements of EU Timber Regulation. Figure 3 and the text below summarise the VPA theory of change.

With quality deliberation...

FGMC identifies five factors that can generate the political will and local ownership that are critical to success (Figure 3). The main driver is the deliberative process, which should be clear about intended outcomes, procedures, participation and responsibilities, and adopt a structured approach to collective decision making. The process should be inclusive, stakeholders should have incentives and capacity to participate, and deliberation should be informed by evidence.

FGMC believes that when these criteria are met, producer countries can end the flow of illegal timber products by implementing legality assurance systems and legal and governance reforms, which they have developed through multistakeholder deliberative processes that reach legitimate and legal outcomes.

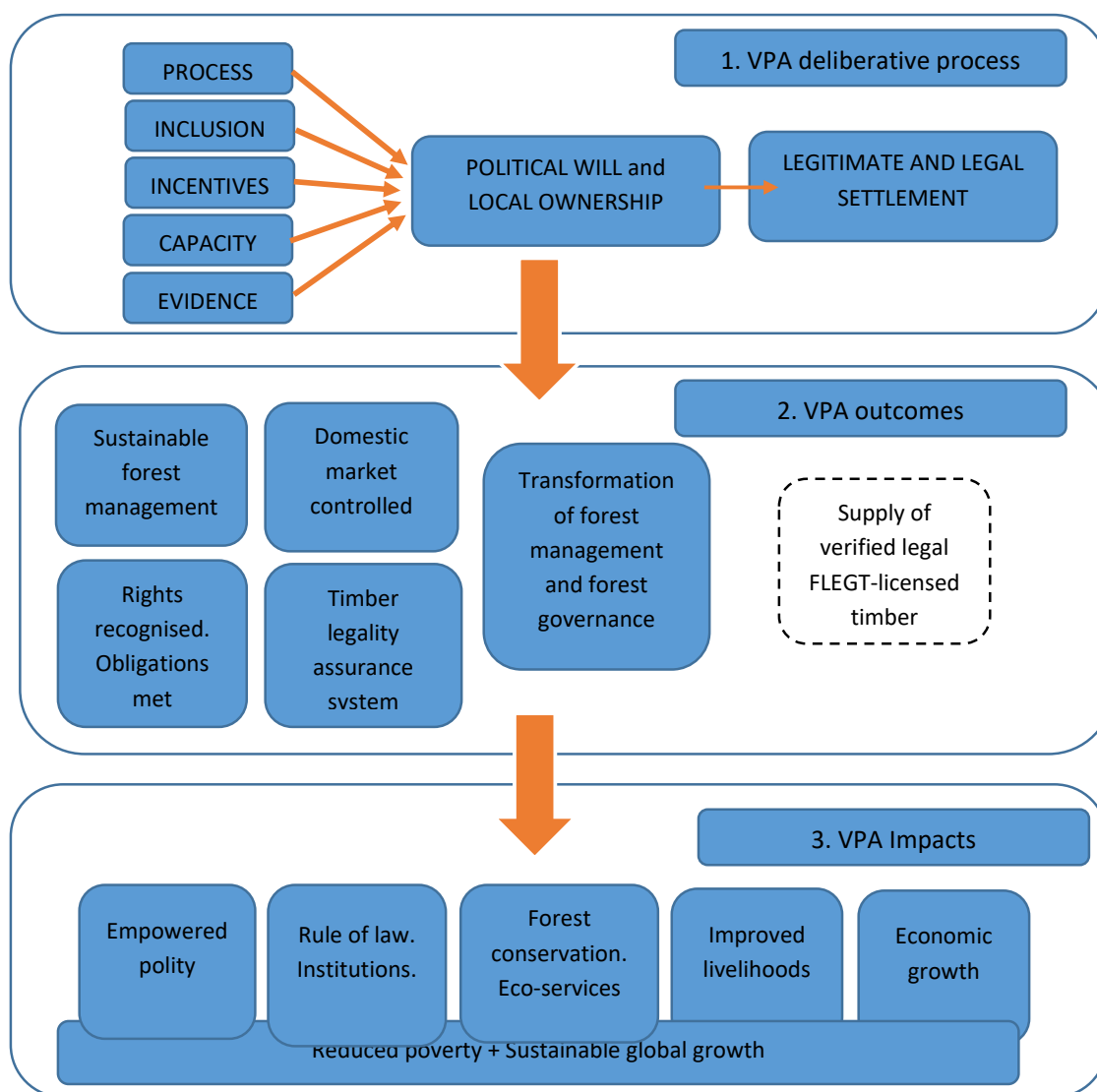
... VPAs can transform forest governance and management...

All VPAs must describe a timber legality assurance system with five elements: a legality definition, supply chain controls, verification of compliance, independent audits and FLEGT licensing of verified legal timber exports. To develop such a system stakeholders deliberate on issues such as how to define legality, what information should be made public, how to monitor implementation, and how to address rights, domestic markets and sustainability. VPA deliberations therefore transform not only the way forests are managed, but also the way they are governed. By improving legal clarity, participation and transparency, VPAs can end the supply of illegal timber, increase accountability, reduce corruption, protect rights and ensure obligations are met.

... and lead to far-reaching social, economic and environmental benefits

FGMC believes that by making and enforcing collective choices, VPA countries can achieve an equitable, legal and legitimate distribution of resources. This can improve livelihoods, increase revenue, promote sustainable forest management — with benefits for trade, biodiversity and the climate — and strengthen societies by upholding the rule of law, creating effective institutions and empowering citizens. Ultimately, these gains can help reduce poverty and boost economic growth.

Figure 3 below provides a simplified theory of change for FLEGT Voluntary Partnership Agreements



Building global momentum for change

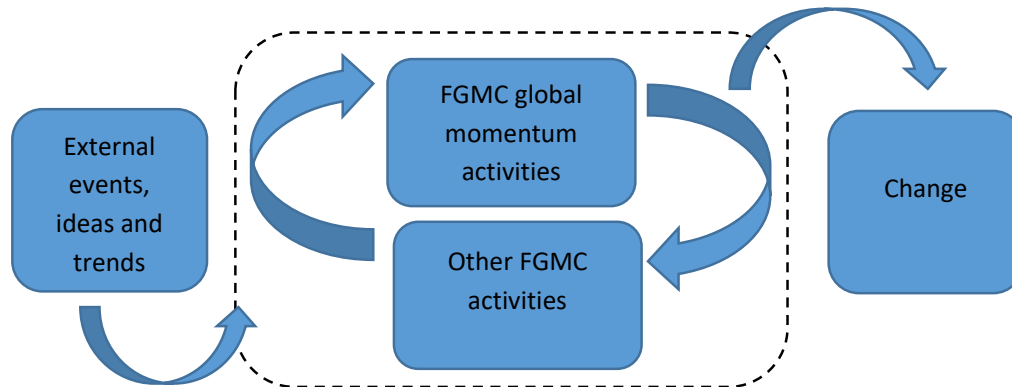
FGMC activities and the processes they relate to do not unfold in isolation. They are influenced by external ideas, events and processes — from changing political interests and economic fortunes to shifts in market requirements and the availability of new technologies. Meanwhile, lessons from FGMC activities in one context are often applicable elsewhere.

FGMC therefore sees a need to build and sustain global momentum for change, and to complement and amplify FGMC-funded activities on the demand and supply sides of the trade, helping them to adapt to changing contexts (Figure 4). As ideas, knowledge and people are what links national political processes to regional and international ones, FGMC finances activities that:

- **Build communities of practice**, including through meetings, communication, network development, training and exchanges.

- **Support policy engagement at international and global levels**, including through capacity building, research and advocacy
- **Generate evidence to inform engagement and decision-making**, including research on the effectiveness of regulations, tools that monitor forest change and assess how effective legal frameworks are at dealing with forest conversion, and databases on trade flows or forest-risk commodities and companies.

Figure 4 below presents the role of FGMC's global momentum activities in the process of change



Coherence with other forest-related processes

Illegal logging is just one of several drivers of deforestation and forest degradation. Forest clearance for agriculture or infrastructure is now a greater contributor to forest loss than the timber trade.

But while efforts to control illegal logging cannot stop forest loss on their own, they have lessons for other forest-related policies. VPA principles of inclusion, transparency, local ownership and deliberation towards collective, legal and legitimate decisions are, for instance, transferable to other contexts. Equally relevant to wider contexts are FGMC-supported demand-side approaches to regulation and business behaviour, and supply-side approaches to independent monitoring and land tenure reforms.

FGMC therefore supports activities that align action to address illegal logging with other national and international programmes, policies and processes, such as those related to:

- REDD+ (reduced emissions from deforestation and forest degradation)
- The Convention on International Trade in Endangered Species (CITES)
- The Sustainable Development Goals
- National climate change plans (a.k.a. Nationally Determined Contributions)
- Trade in commodities linked to deforestation such as palm oil and soy
- A proposed EU Action Plan on Deforestation that addresses forest conversion
- Zero-deforestation pledges
- Transparency of forest-risk commodity supply chains

Annex 5: FGMC monitoring and reporting framework

The Forest Governance, Markets and Climate (FGMC) programme is a global programme of FCDO with the broad aim of bringing about governance and market reforms that reduce the illegal use of forest resources and benefit poor people who depend on forests for their livelihoods. As part of global efforts to improve forest management and tackle deforestation, FGMC supports international policy processes which tackle illegal logging in timber-producing developing countries and the trade in illegally-produced timber products, in particular, the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan.

The results and outputs of the FGMC programme are set out in detail in the [FGMC Logframe](#)¹¹:

Impact:	Improved management of forests for poverty reduction, biodiversity, conservation and climate protection
Outcome:	Governance and market reforms that reduce the illegal use of forest resources and benefit poor people
Outputs:	<ul style="list-style-type: none"> ▪ Producer and processing countries: Legal legitimate and credible mechanisms of forest sector governance and management in place in producer countries ▪ Consumer actions: Public policies and private business standards that tackle trade in illegal timber ▪ Communities of practice: Increased knowledge and momentum for change ▪ Related processes: Coherence between programmes on forests and tackling deforestation at national and international levels

FGMC is delivered through a range of funded entities, supported or managed through a central team consisting of:

- **FCDO FGMC Team** – The FCDO Team in Climate and Environment Department (CED) are responsible for a) oversight of the FGMC programme, and b) policy engagement and advocacy work (see below).
- **Programme Management Support Team (PMST)** – The PMST is an independent, self-contained team working with, and as an extension of FCDO, to implement and support FGMC activities. The PMST is responsible for managing the FGMC-funded accountable grants and overseeing implementation of facilities and projects. The PMST is housed in KPMG LLP (KPMG).
- **Independent Review Team (IRT)** – The IRT provides independent monitoring of programme outcomes, and tracks progress against the FGMC Logframe. The IRT will work closely with the PMST and FCDO.

The FGMC Logframe covers activities funded through accountable grants, service contracts, MOUs, and other mechanisms. The FGMC monitoring and evaluation arrangements cover all levels of the FGMC Logframe and all activities funded under the programme, and are addressed as follows (see diagram):

- **FGMC Impacts** – Separate arrangements have been put in place to monitor impacts based on the set of ICF Key Performance Indicators.

¹¹ http://iati.dfid.gov.uk/iati_documents/4445967.xlsx

- **FGMC Outcomes** – The PMST is responsible for tracking outcomes across FGMC based on field visits, interviews with key informants and reports. The Independent Review Team (IRT) will provide in depth, periodic, independent assessment of outcomes in specific countries and arenas and are responsible for carrying out the FGMC Mid-Term Review (MTR).
- **FGMC Outputs and Activities** – The PMST is responsible for tracking progress across the FGMC programme at output and activity levels, including results of activities undertaken by Grantees and service providers, and under MOUs. Gender, Value for money and innovation could be included as specific themes to be reported against.

All partners and contributors to the FGMC results agenda are required to report their activities and results and to facilitate the preparation of consolidated reports by mapping these onto the FGMC Logframe outputs and outcome.

FGMC Reporting Schedule

Report	Reporting period	Due date
Quarterly Reports	■ Quarterly	3 weeks following the quarter end
Annual Reports: - Annual Programme Report (APR) - Annual Financial Report (AFR)	■ Yearly: April - March (12 months)	1 calendar month <u>after</u> the end of the annual reporting period
Project Completion Report	■ Entire FGMC funding period	1 calendar month <u>before</u> the end of the grant period

Annex 6

**Appendix A of Contract Section 3 (Terms of Reference)
Schedule of Processing, Personal Data and Data Subjects**

This schedule must be completed by the Parties in collaboration with each-other before the processing of Personal Data under the Contract.

The completed schedule must be agreed formally as part of the contract with FCDO and any changes to the content of this schedule must be agreed formally with FCDO under a Contract Variation.

Description	Details
Identity of the Controller and Processor for each Category of Data Subject	<p>The Parties acknowledge that for the purposes of the Data Protection Legislation, the following status will apply to personal data under this contract</p> <p>1) The Parties acknowledge that Clause 33.2 and 33.4 (Section 2 of the contract) shall not apply for the purposes of the Data Protection Legislation as the Parties are independent Controllers in accordance with Clause 33.3 in respect of the following Personal Data:</p> <ul style="list-style-type: none"> Any personal data deemed necessary to collect from third party stakeholders and retain for the duration of the services, for purposes such as workshops, training and other events, communications and surveys.

Annex 7: Monitoring transformational change (PMST)