



USAID | **LIBERIA**
FROM THE AMERICAN PEOPLE

IMPROVING FOREST GOVERNANCE: THE CASE OF LIBERIA FROM A DONOR'S PERSPECTIVE

By Erik Streed, Senior Forestry Advisor, USAID
and Brian Cohen, Technical Advisor/LFI Coordinator, USFS



USAID | LIBERIA

FROM THE AMERICAN PEOPLE

LIBERIA





Liberia's Forest Wealth

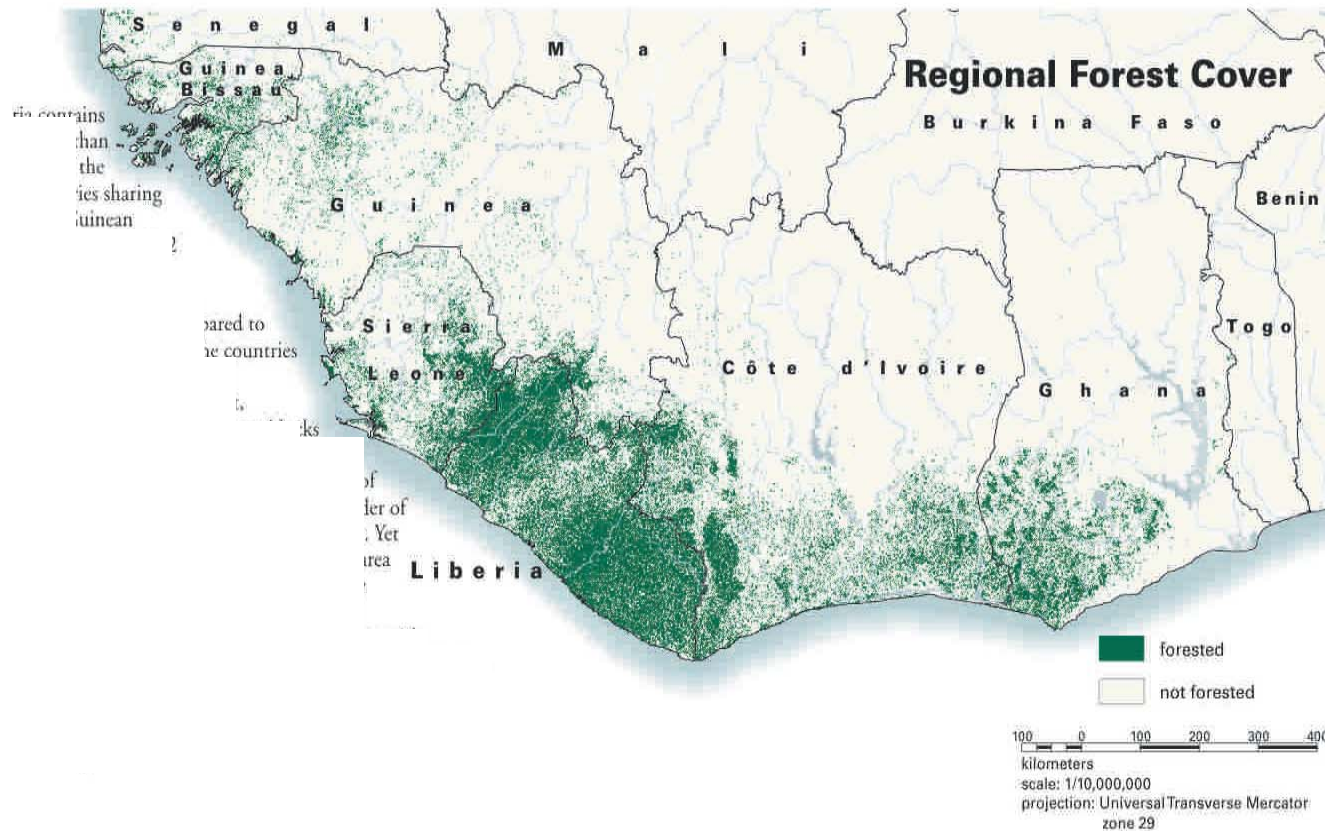
- Liberia contains the largest contiguous forest blocks remaining in West Africa.
- 4.5 million hectares of lowland tropical forest, covering about 30% of Liberia and comprising 43% of the remaining Upper Guinean Ecosystem of West Africa.
- Home to many rare and endangered flora and fauna, this ecosystem is internationally regarded as one of a handful of threatened hotspots for biodiversity around the world.
- These forests have traditionally provided diverse benefits to local communities, including shelter, food, medicine, and livelihoods.



USAID | LIBERIA

FROM THE AMERICAN PEOPLE

A forested country – with much of its forests still intact





Forest Exploitation during the War

- The lack of governance in the country in general, and in the forest sector in particular, resulted in the unsustainable and inequitable use and distribution of these benefits. The president, Charles Taylor, siphoned off revenues from timber sales to fund armed conflict in the region, and Liberia's forests provided soldiers with a natural defense against attack, as well as a source of food and shelter.



Forests without Governance





Timber as a source of conflict

- Timber sales → arms purchases





USAID | LIBERIA

FROM THE AMERICAN PEOPLE

Logging Companies Ran Guns to Augment Profits



A. Blundell



T. Heatherington



The End and the Beginning

- In 2003, Taylor was ousted from power and expelled from Liberia as 15,000 UN troops were deployed to keep the peace.
- In the same year, a UN Security Council Resolution imposed sanctions on any nation that would import timber or timber products from Liberia until the country could significantly improve forest sector governance.



Formation of the Liberia Forestry Initiative

- In April 2004, together with the World Bank, the European Commission, several UN agencies, and international and national NGOs, the US Government took the lead in launching the Liberia Forest Initiative (LFI). The LFI's goals are to:
 - establish a commercial forest sector in Liberia that is profitable, transparent, and sustainable
 - manage forests for the benefit of all Liberians
 - generate employment and tax revenue for the Liberian economy
 - increase community involvement in the forest management decisions
 - ensure security and the rule of law in forest regions of Liberia
 - conserve strategic forest at areas for future generations



The Three Cs of the LFI

- Forest Conservation
- Community Forestry
- Commercial forestry

Forest governance is particularly important when reforming the commercial forestry sector



The LFI → Improve governance in the Commercial Forest Sector

- Goal 1: To support the GoL to address the sanctions criteria and to develop a system of checks and balances
- Goal 2: To support the GoL to establish forward-thinking sustainable NRM systems and address the increasingly diverse demands on forest resources





Initial LFI Sector Assessment Results

An Initial assessments of the forest sector indicated the following:

- the FDA's accounting procedures had collapsed.
- during the war, contracts were awarded to favored companies while other companies were removed from their concession areas.
- that there were over \$64 million in tax arrears.
- the GoL had awarded contracts in such a disorderly fashion that concession areas comprised 2.5 times the entire concessionable forest area in Liberia.
- timber companies also directly provided support to militia.



Findings of Concession Review

- 72 companies claimed a concession
- 2.5 X area of forest
- No legal certainty
- Review based on legal criteria:
 - Business license
 - Articles of incorporation
 - Valid contract
 - Performance bond





A New Start in Commercial Forestry

- As a consequence of the irrefutable proof that no contract holder had followed the rule of law regarding the acquisition and management of logging concessions, newly elected President Ellen Johnson-Sirleaf made it Executive Order No. 1 to cancel all 72 concessions, creating the conditions for sanctions to be lifted in 2006.
- This was a crucial turning point that gave the international community, and the Government of Liberia, an urgent need to improve governance in the forest sector.



The LFI: Legal Reforms

- The 2006 New Forestry Reform Law
 - Competitive bidding on logging contracts
 - Pre-qualification criteria
 - Disclosure
 - Freedom of information → Independent monitoring
 - The 10 Core Regulations
 - The Community Rights Law (in the works)
 - The Wildlife Law (in the works)



A Nationwide Chain-of-Custody System

- To manage a Chain of Custody System allowing for the traceability of forest products from the stump to the point of export;
- To release timber export permits on behalf of the Government;
- To invoice and monitor payments by logging companies to the Government;
- To provide training to key staff of governmental agencies involved.





Tagging Timber at the Source





Tracking Timber through The Chain of Custody





What Lies Ahead?

- The LFI has aimed to do nothing short of creating a new language for doing forestry – a language predicated on the values of sustainability, financial transparency, and democratic decision-making processes. But it is a language in which the GoL is far from fluent. Examples in which the GoL has not followed the new forestry laws are likely the result of both corruption in some cases and an unfamiliarity with the new laws in other cases.
- The fact is that the GoL is under an enormous amount of pressure to restart commercial logging, and these “fast track” procurement procedures have not focused enough on attracting a financially and technically competent pool of bidders.
- The global economic crisis that began in 2008 has reduced the demand, and the corresponding price, for wood in general, and tropical hardwood in particular. A recent International Tropical Timber Organization (ITTO) report revealed observers estimate that around 50% of production capacity in Gabon, Cameroon and Congo Brazzaville has shut down.



Climate Change – Making Carbon the Forth C





Potential opportunities from emerging GCC initiatives

- Carbon markets appear to be growing. The UN's Reduced Emissions from Deforestation and Forest Degradation (REDD) initiative, has spawned the following:
- the World Bank has contributed \$200,000 to the GOL to develop a "REDD readiness" plan, which, if accepted, would release a tranche of \$3.6 million for the plan's implementation.
- the Government of Norway recently launched an initiative to cover the opportunity cost of not cutting timber until a REDD plan is formalized.
- the GOL has received interest from investors interested in the voluntary carbon purchases.
- The Princes Rainforest Trust has made inquiries within Liberia about substantial investment in forest carbon



A Continuing Need to Build Capacity within Communities





Pit Sawing – an ongoing challenge





Summary and Conclusions

- The LFI has been one of the most comprehensive and expansive forest sector reform programs ever supported by US Government foreign assistance. The lessons learned from this experience shed light on the difficulties, and the importance, of forest governance in post-conflict countries.

Two Steps Forward One Step Back – When we are Lucky