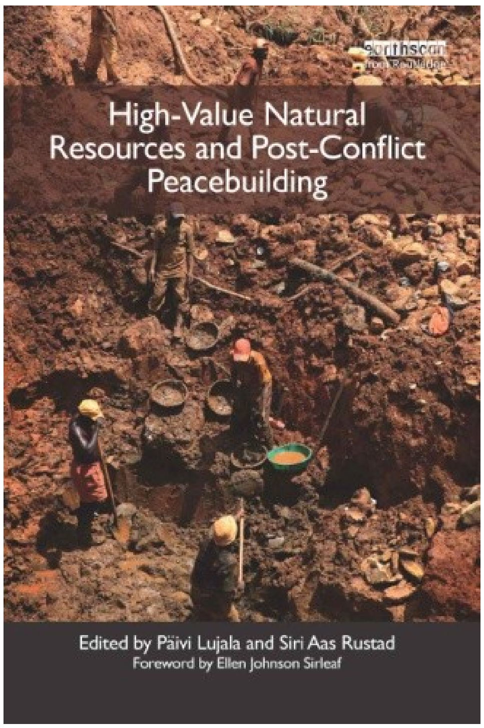

Leveraging high-value natural resources to restore the rule of law: The role of the Liberia Forest Initiative in Liberia's transition to stability

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On January 16, 2006, Liberia inaugurated the first democratically elected female president in Africa, Ellen Johnson Sirleaf. The historical significance was immeasurable. After fourteen years of civil war—fueled, in large part, by "conflict timber"—Liberia ushered in a new era, with a new government that recognized the role that natural resources had played in the war.[1] As one of her first orders of business, President Johnson Sirleaf restored lawful government control of the forest sector and made clear her intention to govern it transparently, equitably, and sustainably. To put an end to years of illegal distribution of forest resources, the president issued Executive Order No. 1—which, among other measures, declared all forest concessions null and void and assigned the Forestry Development Authority (FDA), in collaboration with the Liberia Forest Initiative (LFI), the task of overseeing forest sector reform (GOL 2006b).[2] The executive order demonstrated the president's commitment to reining in the manifold abuses of the Taylor regime and creating a new system for managing the forest sector (LFI 2004a).

This chapter focuses on the role of the LFI in the reform of Liberia's forest sector. A partnership made up of U.S. government agencies, international development agencies, and international and Liberian nongovernmental organizations (NGOs), the LFI was created to support the government of Liberia in establishing an approach to forest management that would address international demand for reforms and ensure the appropriate use and management of forest resources; the

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[1] For further discussion of timber in Liberia, see Michael D. Beevers, "Forest Resources and Peacebuilding: Preliminary Lessons from Liberia and Sierra Leone," in this volume.

[2] The FDA is a public authority that is responsible, among other things, for managing and conserving forest resources and ensuring that forest resources are devoted to productive use (GOL 1976).

LFI was also tasked with developing, in partnership with the government, a revised legal framework for forest management.

In particular, the chapter explores the LFI's contributions to the redistribution of resources and power and to the restoration of peace and security. The emphasis is on the period after the violent conflict, when Liberia faced a choice: either to continue the lawless and iniquitous abuse of the forest sector or to establish equity, good governance, and the rule of law. Under international pressure and with support from the LFI, Liberia has focused on fundamental reforms that are designed to avert conflict and support broader peacebuilding goals.

The chapter is divided into five parts: (1) a description of the background against which the reforms were undertaken; (2) a history of the National Forestry Reform Law and its accompanying regulations, with particular emphasis on the role of the LFI; (3) a discussion of efforts to strengthen governance and prevent a return to conflict; (4) a review of lessons learned; and (5) a brief conclusion.

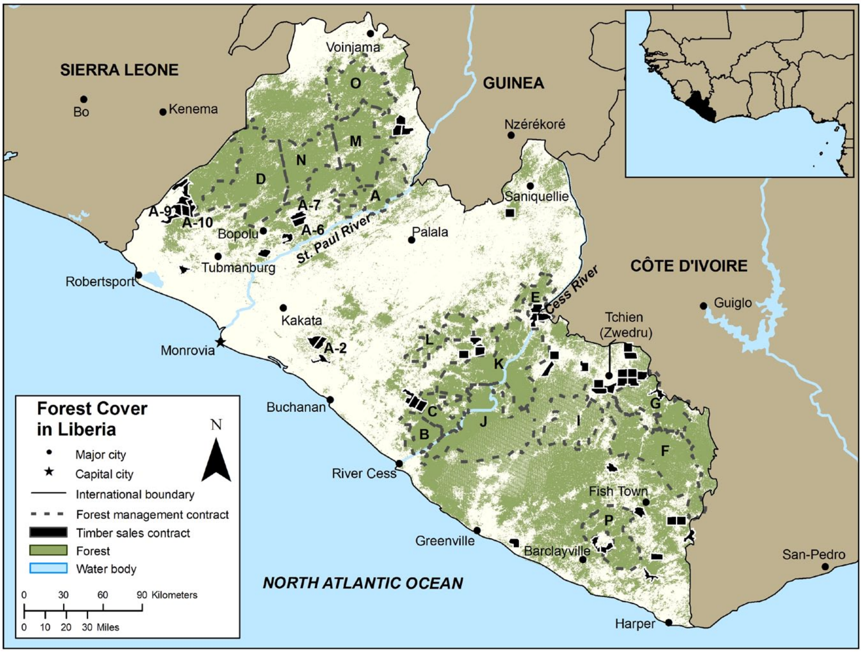

Figure 1. Forest cover in Liberia
Source: Adapted by Sean Griffin from data in Christie et al. (2007).

BACKGROUND

A West African coastal nation, Liberia is blanketed by rich tropical forests that support its economy, ecology, and society (see figure 1) (*FAO Newsroom* 2006). The country contains more than 40 percent of the remaining Upper Guinean Forest, a particularly rich ecosystem (GOL 2004; World Bank 2006). Over centuries, the sixteen different ethnic groups that inhabit Liberia's forests have developed social traditions and religious beliefs founded on interaction with the natural world; an estimated 40 percent of Liberians adhere to traditional, forest-based religions and culture (Olukoju 2006). Forests are also important sources of nontimber products such as meat, fish, medicines, and resins, which are used both for livelihoods and for subsistence (Peal 2000; *VoANews.com* 2009).

In 1821, under the auspices of the American Colonization Society, freed American slaves began to settle along the coast of what would become Liberia, gradually gaining dominance over indigenous communities (U.S. Department of State n.d.). The territory, which was initially a U.S. commonwealth, declared independence in 1847. The freed slaves and their descendants, commonly known as Americo-Liberians, maintained control over the wealth and power of the nation until 1980, when President William R. Tolbert's proposal to raise the price of rice was met with violent opposition. Despite Tolbert's claim that the price increase was meant to encourage consumption of local rice and to reduce dependence on imported rice, riots ensued, leaving the Tolbert administration vulnerable to a coup. In the wake of the riots, Samuel Doe, an ethnic Krahn, took over the country. By the late 1980s, economic collapse and Doe's arbitrary rule had set the stage for civil war. In 1989, the National Patriotic Front of Liberia, a militia under the control of the warlord Charles Taylor, overran much of the countryside. Taylor had two goals: first, to establish himself as Liberia's leader; second, to reestablish Americo-Liberians as the ruling political faction.

While the exploitation of natural resources was not the express cause of Liberia's civil war, it was one of the many ways in which the Americo-Liberians had oppressed the indigenous majority. Most critically, natural resources were instrumental in prolonging the conflict (Fairhead 2001). Taylor fueled the war with conflict resources, including timber, diamonds, and rubber,[3] and both Taylor and Doe used timber concessions to garner power, money, and patronage (Blundell 2008).[4] In some cases, arms were traded directly for logging rights (Woods, Blundell, and Simpson 2008).

As the war continued, timber contracting procedures fell by the wayside. During the six years (1997–2003) that the FDA was under the direction of Charles Taylor's brother, Bob Taylor, the authority largely abandoned accounting procedures and recordkeeping. Without proper recordkeeping, there was no way to calculate fees or to control the use of the fees that were collected.[5] All factions traded timber for arms and financial support (UNEP 2004): from 1990 to 1994, for example, US$53 million in timber was exported from areas that were controlled by armed factions (Greenpeace 2007). Contractors built roads at their convenience, regardless of ecological consequences, and employed armed militias against both civil society groups and local populations. A warlord economy developed that was outside the legal system and beyond the reach of regulatory institutions (UNEP 2004).

The war left 250,000 dead, reduced Liberia's gross domestic product by 50 percent, and decimated critical industries such as manufacturing, iron mining, rice, and rubber (UNEP 2004).[6] Uncontrolled extraction of high-value natural resources—timber, diamonds, and gold—filled this economic void. As the economy

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3 Taylor's use of conflict resources led some to suggest that his principal motivation was to consolidate power over the resources themselves (Reno 1998).

4 For example, Oriental Timber Corporation, an Indonesian-owned company registered in Liberia, deposited millions of dollars into Taylor's personal bank account in exchange for tax credits. Similarly, Doe traded the largest timber concession in West Africa to obtain military training for an antiterrorist unit (Blundell 2008).

5 From 2000 to 2002, forestry was the biggest industry in Liberia, representing 50 to 60 percent of export earnings and 26 percent of gross domestic product, so recordkeeping failures had significant implications. A 2005 study by the Forest Concession Review Committee showed that by the end of the war, concessionaires owed the FDA US$64 million (FCRC 2005a.)

6 Before the war, iron mining was responsible for more than 50 percent of Liberia's export earnings (UNEP 2004).

contracted sharply, the unregulated and unrestrained use of Liberia's forests transformed timber into a leading economic sector. By the end of Taylor's regime, timber represented over 50 percent of Liberia's income (McAlpine, O'Donohue, and Pierson 2006; *FAO Newsroom* 2006). Taylor used the timber revenues to buy weapons, draining the very lifeblood of the nation to support the protracted and devastating conflict (Price 2003).

As chaos and destruction spread from Liberia to neighboring West African countries, the international community began to intervene. In March 2001, the UN Security Council (UNSC) issued a resolution that (1) prohibited member nations from conducting weapons training in Liberia and from selling arms to Liberia, (2) barred member nations from importing rough diamonds from Liberia, and (3) created a panel of experts to investigate the links between natural resource exploitation and the financing of warfare in the region, particularly in Guinea and Sierra Leone (UNSC 2001b).[7] The reports of the panel of experts revealed the details of President Taylor's control of timber concessions and provided documentation that timber profits were being used to buy arms (UNSC 2001a, 2002).

In August 2001, Taylor responded to international pressure by issuing a plan to use timber revenue to foster development projects in counties that had significant sources of timber (UNSC 2002).[8] But Liberian NGOs were not convinced that Taylor's initiative was credible; nor did they believe that it was sufficient to address the enormity of the problem. They began lobbying other elements of Liberian civil society, as well as the international community, to expose what they knew of Taylor's true intentions—namely, to continue to use timber revenues to support the war (Rochow 2009). On May 6, 2003, in recognition of the role that timber revenue played in the acquisition of arms for Taylor's government, the UNSC issued Resolution 1478, which prohibited member states from importing round logs originating in Liberia (UNSC 2003a).[9] Fighting continued until June 2003; in August 2003, international pressure forced Taylor to step down.

By the end of the war, Liberia's infrastructure had largely been destroyed, and most of the population lacked access to electricity, to running water, and to basic goods and services. Under these conditions, forests were more essential than ever for meeting subsistence needs (UNEP 2004). Between 1990 and 2005, pillaging—for both commercial and subsistence needs—led to the loss of approximately 33,000 hectares of forest per year. Nevertheless, as of 2005, approximately 4.5 million hectares of Liberian forest remained (Bayol 2009).

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7 The panel of experts found that the value of round logs exported in the first six months of 2001 was between US$7 million and US$18 million, but only US$4.6 million was officially reported and taxed.

8 In January 2002, Taylor further agreed to establish a system of protected areas, consisting of 30 percent of Liberia's remaining forest areas, but he did not follow through with this plan.

9 In 2003, sanctions were imposed for a provisional period of ten months; they were later renewed, and were finally lifted in June 2006.

PLANNING, DESIGNING, AND IMPLEMENTING REFORM

In June 2003, at peace talks in Accra, Ghana, the warring Liberian factions signed the Comprehensive Peace Agreement, which formally ended hostilities and established the two-year National Transitional Government of Liberia (UNMIL n.d).[10] The UN Mission in Liberia (UNMIL) was installed in September 2003; its mandate was to provide humanitarian assistance, to stabilize and improve security, and to prepare the country to hold elections in 2005. Subsequently, as the need for such assistance became clear, the UN assigned UNMIL an additional responsibility: to help establish proper administration of natural resources (UNSC 2003b).

Though peace agreement did not address natural resources, the transitional government, the international community, and Liberian NGOs viewed natural resource reforms as key to the transition to peace. So critical was timber reform that in 2004, while UNMIL was still attempting to establish security, the U.S. Department of State convened a group of representatives from U.S. governmental agencies, international development agencies, and international and Liberian NGOs to develop a forest sector reform process (McAlpine, O'Donohue, and Pierson 2006). This group became known as the LFI.[11]

The LFI partners recognized that to respond to the increasing demands on forest resources, Liberia would need to ensure that those resources were managed sustainably from generation to generation (McAlpine, O'Donohue, and Pierson 2006).

The LFI was designed to facilitate collaboration, information sharing, and support for peacebuilding. The initiative coordinated the contributions of donors and partners to achieve shared aims but retained a flexible structure; this approach averted wasteful overlap of effort while simultaneously allowing donors and partners to focus their work on those aspects of the forestry sector that were most important to them. Finally, the existence of the LFI created a sense of critical mass that spurred stakeholder involvement (Lowe 2009).

Even at the earliest stages of the LFI's development, a tension emerged between the goal of lifting sanctions (which would allow the government to export timber and generate revenue) and the goal of achieving broad, sustainable reform

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10 The National Transitional Government was chaired by Gyude Bryant, a Liberian politician, and was in power from October 2003 through January 2006, when President Ellen Johnson Sirleaf took office.

11 Ultimately, the LFI was made up of fifteen international partners: the Center for International Forestry Research, Conservation International, the Environmental Law Institute, the European Commission, Flora and Fauna International, the UN Food and Agriculture Organization, Forest Partners International, the International Monetary Fund, the International Union for Conservation of Nature, the UN Environment Programme, the U.S. Agency for International Development, the U.S. Department of State, the U.S. Forest Service, the World Agroforestry Centre, and the World Bank. See www.fao.org/forestry/site/lfi.

in the forestry sector (McAlpine, O'Donohue, and Pierson 2006). Nevertheless, the LFI was able to agree on four priorities (commercial, conservation, community—the "three Cs"—and financial management and transparency) and on four framework issues (governance and rule of law, institutional capacity, information management, and security) (LFI 2004a).

The LFI plan of action

In 2004, Conservation International, the Environmental Law Institute (ELI), the European Commission, the Food and Agriculture Organization, the International Union for Conservation of Nature, the U.S. Forest Service (USFS), the U.S. Department of State, and the World Bank carried out two field missions in Liberia to prepare an action plan for coordinating the work of the LFI partners (LFI 2004a, 2004b).[12] The plan laid out actions designed to address the four priorities and the four framework issues; it also identified five essential areas for the LFI to focus on within one year (LFI 2004b):

- Financial and institutional reform of the FDA.
- Transparent, substantive review of all forest concessions.
- Control of forest resources.
- The development of a training plan for FDA staff.
- Enforcement of the rule of law in protected areas.[13]

Assessments: FDA management, legislative structure, and existing concessions

As the first step in the implementation of the action plan, the LFI undertook a series of assessments. To reestablish control of forest resources as soon as possible, the LFI assigned priority to (1) evaluating the institutional and financial management of the FDA and (2) reviewing the pre-2003 forest management system. Two parallel evaluations of the FDA were conducted: one by the European Commission and another by the U.S. Treasury Department, working in collaboration with the USFS and the World Bank. These assessments found critical gaps in the accounting process for invoicing logging, which had prevented the FDA accounting division from verifying the fees charged for exported products. Lack

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[12] To create a more collaborative environment and to prevent the rivalries among agencies and donor nations that had occurred in other post-conflict settings (IFRC 2005), the partners synchronized their missions to Liberia (Lowe 2009). Open and continuing dialogue—through regular in-person meetings and video conferences—further facilitated coordination (McAlpine, O'Donohue, and Pierson 2006).

[13] During the missions, the LFI partners decided to exclude security from the action plan because they determined that it was largely an external factor and outside of their control (LFI 2004a).

of verification, in turn, had enabled companies to evade both taxes and fees: by misrepresenting their production rates, they were able to export larger quantities of wood than they were reporting to the government. A subsequent audit of the FDA accounting division revealed that the government had grossly mismanaged timber revenues.

The LFI's assessment of the legislative structure for the timber sector, which was designed to determine whether Liberia had the basic legal tools for effective forest management, showed that the previous abuses could not be blamed on an antiquated legal system. During the 1970s and 1980s, the FDA had succeeded, under the existing legislation, in managing timber concessions so as to contribute to government revenues. The assessment also revealed that the existing legislation addressed conservation and community objectives.[14]

The most critical assessment was a comprehensive review of the seventy existing timber concessions. Although the FDA had conducted two previous reviews after UN sanctions had been imposed, neither had been accepted by Liberian NGOs or by the general public (Rochow 2008), and the NGOs had continued to insist that a comprehensive review was essential. In July 2004, the transitional government established the Forest Concession Review Committee to conduct a third review; the committee was made up of Liberian government officials, representatives of civil society groups, UNMIL staff, and LFI partners (Rochow 2009).[15]

The review committee established a three-step process for evaluating the concession claims and the companies that held them. The approach was designed to provide transparency, public notice, and opportunity to comment, as well as evidence that each company had been operating legally (Rochow 2009). For each concession, the review committee determined whether the firm met the minimum legal requirements to operate under a timber license and assessed the history of the company's operations (FCRC 2005b). It then decided which concessions were valid and could be allowed to proceed, and which had to be cancelled. To meet the minimum legal requirements, (1) a firm had to be a bona fide business entity; (2) there could be no prior contract rights to the concession (that is, no overlapping claims to harvest in the same area); (3) the appropriate parties had to have signed a valid contract under Liberian law; and (4) all documents had to have been submitted to the committee under oath.

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[14] For example, the 1953 Act for the Conservation of the Forests of Liberia had provided for the creation of communal forests and for native authority over forest reserves, and the forest-related provisions of both the 1956 Liberia Code of Law, and of the 1976 law that had established the FDA, provided a basis for conservation, management, and consideration of community benefits and needs (McAlpine, O'Donohue, and Pierson 2006).

[15] The review committee was supported by a technical secretariat that paired Liberian technical and legal experts with international counterparts. The combination of Liberian and international experts on the secretariat was key to the success of the review committee.

After a thorough review, not one company met all four criteria (Blundell 2008), and only one-third of the firms met the first one—operating as a legitimate business entity.[16] When the review committee investigated the companies' histories, they found that overharvesting was rampant and that twelve of the companies had openly participated in the conflict, traded timber for arms, or aided and abetted civil instability (Woods, Blundell, and Simpson 2008).[17] Finally, the review committee discovered that the government, in its eagerness to reap the benefits of granting concessions, had given different companies the right to harvest the same trees: although the total amount of forest in Liberia is less than 4.5 million hectares, approximately 10 million hectares had been allocated to concessionaires (Woods 2007). In May 2005, the review committee concluded that all existing timber concessions should be declared null and void (Blundell 2009). However, to the disappointment of many Liberians and international partners—including those involved with the LFI and those working on related issues outside of the LFI—there was no formal disbarment process or attempt to prosecute companies that were suspected of having purchased guns with revenues from commercial timber.

Design and enactment of the reforms

Following the assessment stage and in light of the findings of the concession review, the Forest Concession Review Committee designed a set of reforms intended to improve transparency in financial management, introduce democratic decision making into contracting procedures, and ensure the traceability of forest resources. In a May 2005 report, the committee recommended that the transitional government take a series of actions: First, the committee recommended that no further concessions be awarded until adequate reforms were implemented.[18] Second, to ensure that reforms were undertaken, the committee recommended the establishment of a monitoring committee. Third, the committee recommended the enactment of legislation that would address the gaps that had been identified in the concession review (FCRC 2005a; McAlpine, O'Donohue, and Pierson 2006). Finally, the committee recommended that the transitional government, through an executive order, endorse the committee's recommendations (FCRC 2005a).

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16 To establish that it was a legitimate business entity, a company had to produce articles of incorporation or a business license.

17 These companies were BIN Liberia Inc., Forestry and Agricultural Products Corporation, Inland Logging Corporation, Jasus Liberian Logging Corporation, Liberia Forest Development Corporation, Lofa Logging Company, Maryland Wood Processing Industry, Mohammed Group of Companies, Oriental Timber Corporation, Royal Timber Corporation, Togba Timber Corporation, and United Logging Corporation.

18 Specifically, the review committee recommended that the reform of management practices include the following components: land use planning, allocation of future concessions by means of competitive bidding, reform of concession contracts, reform of forest sector revenue collection, and efforts to strengthen public participation and the rule of law.

The transitional government did not take action on any of these recommendations, but the LFI pressed ahead with proposed management reforms by developing the *FDA Reform Manual*, which provides technical guidance on commercial forestry in Liberia (McAlpine, O'Donohue, and Pierson 2006). Subsequently, the LFI legal team, with legal drafting led by the Environmental Law Institute (ELI), began preparing to implement the changes that had been recommended by the review committee by developing legislative reforms that focused on four areas:[19]

- *Incorporating sound forestry and environmental principles.* Liberia's existing laws required concessionaires to manage their concessions according to international principles of forest and environmental management, but the current legislative framework, forest management plans, or concession contracts did not reflect these principles (ELI 2005). The LFI legal team worked closely with foresters from the FDA and the USFS to incorporate updated principles and practices into forestry regulations, forest management plans, and concession contracts.
- *Strengthening financial transparency and improving community access to the benefits of forest resources.* In the realm of financial transparency, there were two principal issues: the government was underreporting the payments it was receiving from timber companies, and timber companies were overreporting their payments to the government; the result was significant leakage of forest fees. To make matters worse, companies were assigning fraudulent classifications to trees in order to avoid paying the appropriate fees. In the realm of benefits, it was unclear whether the taxes and fees collected from timber concessions actually benefited adjacent communities. To deal with these two sets of issues, the LFI legal team (1) provided the FDA with technical assistance to review and enhance revenue management and (2) suggested strategies for strengthening the mechanisms for benefit sharing, primarily by increasing public participation in governance (ELI 2005).
- *Drafting environmental impact regulations.* Although existing statutes required environmental impact assessments (EIAs), they provided little guidance for concessionaires on how to conduct or when to submit EIAs, and few criteria for the Liberian Environmental Protection Agency (EPA) and the FDA to use in evaluating EIAs (ELI 2005). The LFI legal team worked with the EPA and the FDA to draft regulations and guidelines for forest sector EIAs.
- *Revising the concession allocation process.* The concession review had revealed systematic failures within the concession allocation process. The

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19 ELI's activities included the following: (1) developing and drafting the legal and regulatory framework, in collaboration with the FDA and other LFI partners; (2) designing and implementing a broad-based public participation program to ensure meaningful public review of, and comment on, laws and regulations; and (3) building the capacity of Liberians to implement and enforce the new law and the accompanying regulations.

> process was revised to ensure that it was transparent, fair, competitive, and in keeping with good business practices (ELI 2005). The reforms completely reconceived the system under which the Liberian government would agree to commercial timber harvesting. Under previous contractual arrangements, the timber companies owned the trees. Under the new law, companies had no ownership rights; instead, they would be permitted to sustainably harvest trees on the condition that they met all legal requirements (Myers 2009b).

While the LFI legal team was conducting research and consultations and drafting the new forestry law, the Liberia Media Centre and the Press Union of Liberia, as communications experts and civil society organizations, carried out a public awareness campaign and gathered public comments on the proposed reforms. Liberia Media Centre staff conducted public meetings to promote understanding of the proposed new law and worked to directly engage the public in the development of the law (Myers 2008).

The consultation and drafting paid off when, shortly after coming into office in January 2006, President Johnson Sirleaf made an audacious move to advance forest sector reform (McAlpine, O'Donohue, and Pierson 2006). In Executive Order No. 1, issued in February 2006, Johnson Sirleaf adopted the recommendations of the Forest Concession Review Committee, canceled all existing timber concessions, and placed a moratorium on all timber exports and new timber concessions until new legislation could be promulgated. The order also established the Forestry Reform Monitoring Committee to carry out the recommendations and oversee legal reforms. The monitoring committee was installed within the FDA and led by the LFI.

In June 2006, in response to the president's strong reform stance, the UNSC lifted the ban on Liberian timber exports (UNSC 2006). Johnson Sirleaf's cancellation of logging concessions and the creation of the monitoring committee were specifically cited as key steps in getting sanctions lifted. Although the lifting of sanctions represented international commendation of the reforms that had been undertaken so far, the UNSC warned that sanctions would be reinstated if the government did not adopt the LFI's proposed forest legislation (UNSC 2006).

Promulgation of regulations

In the course of the legal drafting process, the legal team identified ten core regulations that would be necessary to restart commercial logging and fully implement the law. Among other things, the core regulations addressed public participation, conservation of biodiversity, sustainable forest management, reporting requirements, and forestry fees. Once the National Forestry Reform Law (NFRL) of 2006 had been signed into law (GOL 2006a), the LFI legal team, the monitoring committee, and the FDA revised the preliminary drafts of the regulations to send them out for public comment.

In 2007, to ensure broad public involvement in the development of the final regulations, ELI, the USFS, and two Liberian NGOs (Green Advocates and the Sustainable Development Institute) designed and implemented the first notice-and-comment rule-making process ever to take place in Liberia. In the course of this process, the public received notice of release of the draft regulations and was given the opportunity to comment on them. In addition, the FDA, the Liberia Media Centre, and the Press Union of Liberia conducted a public awareness campaign throughout Liberia, collecting feedback at twenty-one public meetings held in twelve of Liberia's fifteen counties. The FDA received hundreds of written and oral comments from forest-dependent communities, representatives of industry and NGOs, legal and forestry experts, Liberian government officials, and other stakeholders. The comments were incorporated into the revised regulations, which were approved by the FDA board on September 11, 2007 (Myers 2008).[20]

Major elements of the NFRL

The NFRL and the accompanying regulations have been called the most progressive forest management legislation in Africa (Pichet 2009). The NFRL establishes a framework for managing the Liberian timber sector based on the three C's (commercial, conservation, and community) agreed upon by the LFI in 2004; it also establishes commercial provisions and gave the FDA a mandate to draft a community rights law and a wildlife conservation law.[21]

The law divides Liberia's forests into three categories: protected areas, areas where communities can engage in logging and wood processing, and commercial logging areas. The law also institutes rigorous contracting requirements, including competitive bidding and prequalification standards for logging contracts, requirements that timber companies disclose their corporate structure and financial and technical capacity, freedom of information requirements, and a chain-of-custody system. Under the new contracting requirements, a permit is required for timber export, and the government must closely manage payments. Finally, the law includes a social agreement requirement, which is designed to redress the past exclusion of forest communities from the benefits of commercial forestry by compensating them directly. Overall, the law supports improved and more transparent forest management and more equitable access to forest resources.

The regulations address key aspects of commercial forestry, as outlined by the NFRL. The chain-of-custody requirements, for example, are designed to trace every log from the forest to the port, to provide transparency, and to ensure that taxes, land rental fees, and other forest-related fees are paid to the government

20 The first ten regulations under the NFRL covered public participation; forest land use planning; bidder qualifications; tender, award, and administration of contracts and permits; major prefelling operations; benefit sharing; forest fees; a chain-of-custody; penalties; and the rights of private landowners.

21 The Community Rights Law was passed in November 2009; as of September 2011, the wildlife law was still in draft form.

(FDA 2007d). Under the social agreement requirement, timber companies must negotiate directly with affected communities to reach agreement on compensatory benefits for restrictions of access to, or use of, forest resources that arise directly or indirectly from the contract (FDA 2007c).[22] No new contract can be issued until such an agreement has been reached.[23] Land rental fees, unlike the benefits provided through social agreements, are divided among the local community, the county, and the central government, through a formula and process outlined in the law (GOL 2006a, sec. 14.2.e.ii). Finally, the new legal regime features broad rights for the public: for example, communities must be given notice and provided with the opportunity to comment before contractual rights to forest land are granted to private parties; local communities also have greater access to information and enhanced legal standing (GOL 2006a, secs. 3.1, 4.5, 5.8, 8.2, 18.5, 20.10, 20.11; FDA 2007b).

Institutional reform

The development of the NFRL and the accompanying regulations was only one aspect of reform. The reform also sought to restructure the FDA and to ensure that the FDA's fiscal administration was in line with its new institutional objectives. Because the transitional government was unwilling, on its own, to improve financial transparency, leading members of the international donor community pressured the transitional government to institute GEMAP, the Governance and Economic Management Assistance Program.[24] Under GEMAP, (1) each of the six major state-owned enterprises, including the FDA, was overseen by an outside, independent financial and management controller, and (2) international advisors worked with key government agencies to establish financial management systems, train Liberian staff, and report to the public on progress. As part of the program, all Liberian agencies are required to submit monthly financial statements, including accounting records and account reconciliations, to the Ministry of Finance.

In August 2009, the FDA became the first participating government agency to graduate from GEMAP and take complete ownership of its financial systems. Key reforms in the accounting and auditing departments of the FDA are complete. At a press conference in Monrovia in August 2009, the mission director of the U.S. Agency for International Development (USAID) noted that the FDA had instituted modern systems to improve efficiency and deter corruption (Sonpon 2009). The authority now uses a computerized accounting system, and clearly defined procedures and guidelines for public disclosure are now in place.

In addition to improving fiscal administration, the LFI addressed the institutional structure of the FDA. The USFS and USAID took the lead, improving the FDA's personnel policies and procedures, conducting training, and bringing the

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22 These benefits are separate from and in addition to other forestry-related fees or taxes.

23 In an attempt to depart from the dark history associated with timber concessions in Liberia, the term *concession* has been replaced by *contract*.

24 For more information on GEMAP, see www.gemap-liberia.org/about_gemap/index.html.

size of the staff to the appropriate level. Like other Liberian government agencies, the FDA had been overstaffed,[25] and severe political interference had undermined staff motivation and competence (UNDP 2007). To reduce staffing by almost 40 percent, the FDA offered retirement packages to qualified employees; nearly two hundred staff members accepted. To complete the restructuring, the FDA created four new departments to fill the institutional gaps, including law enforcement, legal support, research and development, and strategic planning.

Training and implementation

Once the law and its accompanying regulations were in place, the LFI and the FDA identified the steps that were necessary to resume commercial logging and build technical expertise within the FDA. As mandated by the new law, the FDA and the LFI developed forest management procedures, including field manuals on contract preparation, harvesting practices, forest management, chain of custody, contract administration, and social agreements between concessionaires and affected communities.

The LFI, aware that international funding would not continue indefinitely, and mindful that the new system would succeed only if Liberians took ownership of it, conducted training for FDA staff on strategically chosen topics, including forest inventory techniques, forest economics research, contract administration, low-impact logging, and the new legal framework. In July 2007, to improve the FDA's institutional capacity, ELI, the FDA, Flora and Fauna International, Green Advocates, the USFS, and other LFI partners conducted two days of introductory training for Monrovia-based FDA staff, which introduced nearly 50 percent of the staff to the history, framework, and implications of the new forestry law and engaged them in a careful study of the language of the law. To carry the process forward, a small group of FDA staff—eventually named the Trainers of Trainees (ToT)—worked with ELI to become the first trained and designated capacity-building team within the agency. The ToT then trained the rest of the Monrovia-based FDA staff (Myers 2008). In April 2008, ELI and the ToT conducted a training course for FDA field staff; in October 2009, the team conducted a course for community forest development committees, which were set up under the NFRL to represent communities affected by commercial logging.

Transparency and accountability have been incorporated into the timber harvesting process through various means, including through LiberFor, Liberia's new chain-of-custody system. As mandated by the NFRL, all logs and wood products will be tracked from point of origin to port of export (or to domestic markets), through LiberFor's computerized information system. Currently based in Monrovia, LiberFor is being managed by the SGS (Société Générale de Surveillance), under a five-year contract with the FDA.

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[25] When President Johnson Sirleaf came into office, approximately 69,000 people were employed in the Liberian civil service (IRIN 2006).

SGS is working with FDA staff to conduct a systematic forest inventory and develop a corresponding database, to introduce best practices for forest management, and to train government staff to oversee and implement the chain-of-custody system. Once LiberFor is operational and financially self-sustaining (through export fees and stumpage fees, which are based on the type and amount of timber harvested), and FDA staff have been adequately trained to manage the system, SGS will transfer management and operations to the FDA (FDA 2009b).[26]

The resurrection of commercial forestry

On February 29, 2008, after four years of aggressive reform efforts and a three-year moratorium on timber exports, the FDA opened bids for six timber sales contracts (TSCs)—short-term licenses for less than 5,000 hectares and less than three years (FDA 2008). Eight companies were prequalified, but only three offered bids on four contracts. By early 2010, the first four TSCs were operational and proceeding through the chain-of-custody system. The next step was to put up three forest management contracts (FMCs) for bid; FMCs are long-term licenses for the management of 50,000 to 400,000 hectares for twenty-five years. Three agreements were reached, and the companies proceeded with prefelling requirements. Four more FMCs were tendered for bid in February 2009 and ratified in September 2009. Three were held up when timber companies alleged improper conduct in the tendering process, but by November 2009, all seven were engaged in prefelling operations (FDA 2009a). From February 2008 through the end of 2009, the Liberian government allocated 1,037,266 hectares, or approximately one-fourth of Liberia's forests, for commercial timber extraction (SDI 2010).

Unresolved issues

The new legal structure addresses many past problems, but the implementation of the 2006 law and its accompanying regulations has raised some practical and policy challenges. Some matters are simply questions of interpretation, such as whether advertising contracts on the FDA web site meets the standard for international advertising, and under what conditions the FDA can terminate contracts. Broader policy questions have been raised by initial efforts to negotiate social agreements. More detailed requirements are needed to clarify the standards for social agreements and to protect communities in their negotiations with timber companies.

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[26] LiberFor is particularly important as Liberia continues its negotiations to participate in a Voluntary Partnership Agreement with the European Union's Forest Law Enforcement, Governance and Trade (FLEGT) initiative. The FLEGT initiative is a licensing system that is designed to prevent illegally logged timber from entering the European Union. For more information on Liberia and the FLEGT initiative, see Duncan Brack, "Excluding Illegal Timber and Improving Forest Governance: The European Union's Forest Law Enforcement, Governance and Trade Initiative," in this volume.

The intense pressure to produce timber revenue is causing concern about the time between opening bids and shipping logs. The law requires the legislature to ratify new FMCs, a step that can add significant time to the contracting process. Moreover, the prefelling requirements for FMCs are elaborate and can take up to one year.[27] Some FDA staff have gone so far as to say that the reforms are "overly comprehensive, complicated and detailed," and have suggested that they are an impediment to the government's immediate financial needs (Altman 2009).

Potential investors have raised questions about whether the size and the duration of the TSCs are sufficient to attract meaningful investment. While the intent of this contract category is to allow small-scale Liberian enterprises to participate in commercial forestry, it is not clear whether this will work. Investors have also questioned the fact that there is no contract type for concession areas with between 5,001 and 49,999 hectares. Finally, Liberian timber companies have argued that the contracting requirements (including bid payments, taxes, and forest fees) effectively price out Liberian companies that would otherwise bid on contracts (Altman 2009).

Although the forest law's recognition of community rights is an important step forward, the law has been criticized for failing to precisely define who is included in the community (Unruh 2009).[28] In particular, the law does not specifically mention women and children; these two groups have suffered the most from Liberia's history of oppression and exclusion, and both stand to benefit from changes in the timber sector (GOL 2006a).[29] As noted earlier, under the

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27 One of the prefelling requirements, for example, requires the concession holder to develop a forest management plan within twelve months after the ratification of a contract and at least ninety days before the start of the annual logging season. The FDA, in collaboration with the USFS, is reviewing the requirement to determine whether it is realistic to require a company to provide a forest management plan within one year of ratification, when it can take two to four years to conduct a comprehensive field inventory and develop a complete plan. As an interim measure, the FDA has recommended a two-step process in which concessionaires would submit an initial, one-year operations plan two to three months after ratification, then submit a final, five-year operations plan within one to two years (Cohen 2009). The FDA supports this solution, even though the approach could allow logging to begin before the full plan is complete.

28 The drafters of the law struggled with the terminology and ultimately decided that it was best to use the broad term *affected communities* (GOL 2006a, sec. 1.3; Myers 2009b). In 2008, the meaning of this phrase was narrowed to apply only to communities that live within the forest or within three kilometers of the forest (FDA n.d.). The Community Rights Law (GOL 2009a), adds new definitions for "community" and the associated rights.

29 If both the formal and the informal economies are included, women make up 54 percent of Liberia's workforce. But 90 percent of these women are employed in the informal sector or in agriculture; in forestry, men outnumber women by a ratio of almost 4:1. Thus, increased opportunities in the timber sector would help Liberian women. Similarly, Liberian youth could benefit from timber sector employment. UNICEF estimates that 15,000 Liberian children fought in the civil war. The timber industry could potentially provide some of these demobilized soldiers with jobs or could provide funding for schools and other institutions that would help former child soldiers adjust to life after war (UNICEF 2003).

social agreement requirement, timber companies must negotiate with communities before a new contract can be issued. While the law provides for a consultative process when a company negotiates a social agreement with "affected communities," the law lacks qualitative details and specifications (e.g., requirements for the length of a road), verifiable targets for the delivery of benefits, and mechanisms to monitor the implementation of social agreements.

As Liberia struggles to implement this paragon of a forest management system, one might wonder whether the LFI and its partners, swept away by the opportunity to start with a clean slate, created a system that was too prescriptive for a country recovering from decades of civil war. One might also wonder, as Liberia's new governance systems continue to be tested, how long the government can sustain its political will for reform in the face of competing short-term economic and investment interests.

STRENGTHENING GOVERNANCE AND PREVENTING A RETURN TO CONFLICT

The reforms designed by the LFI were structured to achieve four goals:

- To redress the conditions that had enabled the Taylor regime to plunder natural resources and use them to fuel conflict.
- To restore sustainable forest harvesting and management.
- To reestablish accountability and transparency in the executive branch of government.
- To increase the participation of civil society in decision making about, and management of, the forest sector.

The legal and institutional reforms that are now in place can largely be attributed to the careful strategic thinking that guided the reform process from the beginning. While the situation in Liberia remains fluid (7,952 UNMIL troops were still in place as of July 2011), and there were reports, in 2009, of conflict over natural resources and land, overall development indicators are improving (UN 2009). Moreover, the reform process itself has offered capacity-building experiences to many in Liberia.

The LFI's achievements can be traced to careful planning and coordination and to factors that are specific to Liberia, including the political will for reform, a history of corruption and inequity, external pressure to conform to international standards for forest management, and the role of Liberian civil society. These and other factors are discussed briefly in the sections that follow.

Political will for reform

The political will of the government of Liberia—in particular, the backing of President Ellen Johnson Sirleaf—was critical to the success of the reform process led by the LFI (Woods 2007). In contrast to the transitional government that preceded her, President Johnson Sirleaf (1) clearly communicated a vision of national priorities to the country and to national and international investors; (2) declared all existing timber concessions null and void; (3) linked reforms within the forest sector to "broader financial, economic, and political reform efforts" (McAlpine, O'Donohue, and Pierson 2006, 91); and (4) empowered the LFI by providing government support for the reform efforts.

Without the president's support, no amount of money or expertise could have yielded the substantial changes that occurred immediately after the president's election (McAlpine, O'Donohue, and Pierson 2006). During her campaign and her initial days in office, the president consistently decried the role of timber in perpetuating conflict in Liberia. Through Executive Order No. 1 and subsequent actions, the president continued to demonstrate her commitment to forest reform—and, more broadly, to good governance, rule of law, and economic stability.

A suite of reforms

While the LFI was undertaking targeted reforms in the forest sector, broader reforms were under way in Liberia, of which GEMAP was an example. The GEMAP model used for the reform of other state-owned enterprises followed the model that the LFI had established for the forest sector (McAlpine, O'Donohue, and Pierson 2006); at the same time, GEMAP reforms reinforced the LFI's efforts.

History of Liberia

Liberia's bloody history, and the pivotal role of timber and land rights in the corruption and social inequities that had led to the conflict, shaped the final form of the NFRL. One of the goals in updating Liberia's forest sector legislation was to eliminate opportunities for corruption. Given the history of the executive branch exerting autocratic control over the timber sector, Liberian civil society groups insisted on requiring legislative ratification of timber contracts (Myers 2009a). But this authority has created opportunities for corruption: the fact that legislators have requested bribes from concessionaires to guarantee ratification of contracts is a topic of open discussion in the media and among the general public.

Land tenure

The unsettled state of Liberian land tenure policy further complicated timber sector reform. Significant questions remain regarding the ownership of land, including forest lands. As of this writing, all forest resources, except those located in communal forests and forest resources that have been developed on private or deeded land through artificial regeneration, "are held in trust by the Republic of Liberia for the benefit of the People" (GOL 2006a, sec. 2.1). Communal forests are defined as areas "set aside by statute or regulation for the sustainable use of Forest Products by local communities or tribes on a non-commercial basis" (GOL 2006a, sec. 1.3).

Liberians have submitted claims to approximately 3.2 million hectares of land, some of which overlap (FDA 2007a). Broader questions about ownership rights and overall land tenure policy are being addressed by the Land Commission, which was established in 2009 to hear claims and to develop a land tenure policy (GOL 2009b).

Sanctions as leverage

UN sanctions on Liberian timber remained in place while assessments were being conducted and reforms were being designed; they were lifted only when President Johnson Sirleaf adopted the Forest Concession Review Committee's recommendations in Executive Order No. 1. In lifting the sanctions, the UNSC recognized the government's "commitment to transparent management of the country's forest resources for the benefit of Liberians and its reforms in the timber sector" (UNSC 2006). While the sanctions were in place, the UNSC and its panel of experts, in consultation with the LFI, used them as leverage to push for reform in Liberia's forest sector. Although it is difficult to prove a direct causal link between the sanctions and Liberia's robust reforms, the government did strategically align its reform efforts with the conditions that the UNSC had set for the lifting of sanctions. It is thus arguable that the Liberian experience demonstrates the utility of sanctions as a means of fostering reform.[30]

The role of civil society

A reform process of such depth and breadth could not have been achieved without the sustained work of knowledgeable and engaged civil society groups. From the start, Liberian civil society rejected Taylor's calculated response to international pressure for an end to the abuse of forest resources. Later, dissatisfied with the results of the first two concession reviews, civil society groups mounted intense pressure for the government to undertake a third concession

[30] The timing of the lifting of the sanctions could be interpreted as offering support to the new Johnson Sirleaf administration, rather than to the timber sector. Had the UNSC extended the sanctions, it could perhaps have protected the FDA from pressure to produce economic benefits, which would have given it more time to develop new systems and build the institutional and financial capacity to implement them. Maintaining sanctions would thus have given priority to natural resource objectives, but potentially at the cost of economic redevelopment. On the other hand, if history reveals that sanctions were lifted before the timber sector was ready to function independently, economic redevelopment may have suffered in any case.

review process through the LFI, and thereby established the LFI as central to reform.

During the early days of the reform efforts, Liberian and international NGOs facilitated community involvement in the LFI and assisted in building local communities' capacity to contribute to reform efforts. Liberian NGOs led the effort to present the LFI's objectives to communities, to seek community input and ensure community participation, and to incorporate stronger benefit-sharing mechanisms for communities into the NFRL and its accompanying regulations. These efforts ensured that the public would be included in reform initiatives and placed significant pressure on the transitional government to adopt the recommendations of the Forest Concession Review Committee (McAlpine, O'Donohue, and Pierson 2006).

Partnership with the UN

Initially, 15,000 UN peacekeeping troops were assigned to Liberia; the goal was to provide a level of security that would permit the country to focus on its long-term objectives. Through the UN mission, the LFI gained access not only to resources (such as helicopters and security forces), but also to staff and financial and technical assistance.

The LFI also developed a reciprocal relationship with the UN panel of experts: by collaborating directly with the panel, the LFI was able to focus on strategic actions that could lead to the repeal of sanctions; the two entities also worked together to identify (1) constraints on reform and (2) actions that would help to reestablish the rule of law in the timber sector (McAlpine, O'Donohue, and Pierson 2006). The UN panel and the LFI made a strategic decision not to focus on short-term actions that would result in a hasty lifting of sanctions, but to implement sustainable reforms that would prevent a return to the conditions that had led to the original conflict. This decision was backed by a willingness, on the part of the UNSC, to maintain sanctions until sufficient reforms had been accomplished.

The United States and the LFI

On the basis of assessments conducted in the early post-conflict period, the U.S. government determined that a strong and coordinated international role in forest reform would be necessary to ensure sustainable forest management and prevent a return of violence. In 2004, in recognition of the historical relationship between Liberia and the United States, the U.S. Congress, at the request of President George W. Bush, allocated over US$200 million in aid for Liberia, US$4 million of which was designated for forest sector reform, including the LFI. The LFI leveraged U.S. political and financial support to gain attention and funding from additional partners, including the European Commission and the World Bank.

The value of the resource

The great value of the remaining Liberian forests was critical to reform. Within Liberia, the financial value of timber inspired citizens to work for reform; outside Liberia, the international community was galvanized by the ecological value of the forests, which constitutes the largest remaining portion of the Upper Guinean Forest. Neither the financial nor the ecological aspect was lost on the Johnson Sirleaf administration. Economic pressure, which was exacerbated by the timber sanctions, forced the FDA and the LFI to pursue many aspects of reform at once—including financial management, contract administration, and sustainable commercial harvesting—while simultaneously recreating the FDA as an institution that could effectively manage the forests for the benefit of all Liberians.

In addition to creating revenue for the government, the timber sector is a catalyst for job creation, livelihood opportunities, and infrastructure development. Potential direct employment from logging and related economic activities is estimated to be between 7,000 and 10,000 jobs (Woods 2007). In Liberia's Poverty Reduction Strategy of 2008, commercial forestry is the cornerstone of economic revitalization in rural areas.[31]

LESSONS LEARNED

At the time of writing, the reform of Liberia's forest sector had yet to be finalized or fully implemented. Thus, the lessons presented here apply only to the contained universe in which the comprehensive reforms were developed, not to the larger universe in which they will be put into practice. And although Liberia's particular history—including its historical connection to the United States—does make the story of the LFI unique, it is still worth considering how the successes of this initiative can be distilled into a set of transferable principles that could be applied in similar settings.

Factors critical to success

Addressing the management of natural resources early in the post-conflict period was critical to avoiding a return to conflict. Arguably, the peacebuilding effort could have focused on the human rights and legal conundrums associated with land tenure. But the impatience with which timber revenue is currently anticipated suggests that Liberians would not have tolerated sorting out the tangle of land tenure before taking steps to revive the economic engine of timber.

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[31] The Poverty Reduction Strategy projected that in 2008–2009 the timber sector would contribute 14.4 percent of gross domestic product and revenues of US$24.3 million, rising to US$46.1 million by 2011 (GOL 2008). But it became clear during the development of the 2009–2010 budget that unrealized revenues from the timber sector would create cash flow problems.

To marshal the substantial resources that were needed to initiate reforms following the cessation of conflict, it was critical for the Liberian public, for international relief and development organizations, and for the environmental community to understand the need to take action. It was through the sanctions that Liberian NGOs and the international community were able to leverage sufficient support to address the reform of the timber sector.

The structure of the LFI presented international NGOs and donor nations with a unique opportunity for efficient collaboration: drawing from experiences in other countries, key members of the LFI focused on carefully coordinating resources to avert both conflict and redundancy. Through a partnership approach, the LFI leveraged funding and technical support; at the same time, it maintained a sufficiently flexible structure so that partners could choose which components of the initiative to pursue.

The LFI's contribution to capacity building was also fundamental to the success of the reform process. For example, the LFI conducted workshops and on-the-job training for stakeholders and FDA staff, and collaborated with the FDA to develop field manuals that complemented the technical knowledge gained in the classroom. Day-to-day interactions with LFI partners also provided FDA staff with informal training. Since its inception, the LFI has maintained its office within the FDA's building, allowing a daily exchange of information and technical support.

In a deliberate effort to break with Liberia's past, the LFI emphasized public participation in all its initiatives. During the concession review process, for example, the review committee, in coordination with local NGOs, conducted regional forums and town hall meetings (Rochow 2006)—an effort that brought out communities' grievances about their historic exclusion from the concession approval process (SDI 2006). The LFI legal team continued to do public outreach, through initiatives that included public vetting of work plans and a formal notice-and-comment period for the ten core regulations that accompanied the new law. Meaningful inclusion in the reform process was cathartic for communities that were being consulted—for the first time—about decisions affecting the forests they called home. Consultation yielded decisions that were appropriate and sustainable because they were based, in part, on the communities' perspectives and desires. And because the reform process called for communities to be informed about their new rights and responsibilities, it built their capacity to participate further.

Obstacles to implementation

Notwithstanding the gains made in reforming the timber sector, significant challenges remain. In 2009, after having spent approximately US$4 million to reform Liberia's commercial sector, the U.S. government, in the wake of allegations of irregularities during the bidding process for the first seven FMCs, elected to discontinue support.[32] This policy decision left the FDA with responsibility for a large suite of reforms that it does not have the capacity to implement. Consequently, the structure and leadership of the LFI have changed, and priorities are being reassessed. The FDA, Liberian civil society, and foreign consultants have identified the following areas, among others, as critical for maintaining momentum (Altman 2009):

- Technical and financial capacity building.
- A review of the current legal framework to determine whether it is too complex to be effectively implemented in a post-conflict climate.
- Additional monetary support.
- Further clarification and refinement of the mechanisms by which benefits will flow to communities that are affected by commercial forestry.

Neither the LFI's effective coordination of the reform efforts nor the inclusion of the public in decision making could prevent expectations from outrunning reality.[33] Companies have complained that the new payment structure has made up-front costs prohibitive. FDA staff and representatives of the small-scale timber industry have argued that the contract allocation procedures detailed in current legislation are too cumbersome, and that certain steps could be curtailed without sacrificing good governance (Altman 2009).

The tension between objectives and reality may reflect the critical lesson of the LFI experience: in planning for reform in a post-conflict country, the leaders of the effort must include support for implementation—specifically, financial and technical capacity building—and create reasonable expectations for when the benefits of the reform will be garnered. As of January 2011, more than five years after reform was initiated and three years after sanctions were lifted, only nine containers of logs had been legally exported under the new system. Many companies seem to be taking a wait-and-see approach, allowing other companies to test the system before they join in. Nor has the global economy been conducive to launching the fledging system.

Limited government resources and the magnitude and complexity of the new legal framework make it imperative for the LFI to focus on continued

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[32] In September 2009, U.S. government funding for the LFI ended, and a World Bank forest advisor was nominated to coordinate the LFI's work and to serve as a liaison between the LFI and the FDA's strategic planning unit. As of June 2011, the LFI had held coordination meetings only irregularly, although they are supposed to be quarterly.

[33] As of January 2011, eight TSCs and six FMCs were operational, but desperately needed revenues from these contracts were not expected within the time frame predicted by the government, under Liberia's Poverty Reduction Strategy (Deshmukh 2009). As of March 20, 2010, the government had received only US$8 million of the US$12.6 million in land-rental and bid fees owed by contract holders.

capacity building for all affected groups, including judges, FDA staff, local and national NGOs, and community-based organizations (Myers 2008). Under pressure from the central government and other segments of Liberian society to generate revenue from the forestry sector, the FDA is implementing the new legal framework as rapidly as possible, and without sufficient capacity to ensure that effective controls, such as a functioning enforcement division, are in place.[34] Although many foreign experts have worked with the FDA since the reform process started, only three FDA employees have had the opportunity to obtain formal training or to pursue higher education in foreign countries.

In the era of unregulated timber harvesting, companies engaged in commercial forestry became accustomed to a lawless environment. One of the goals of the reforms is to undo this culture. Under the new system, the FDA has successfully completed at least one enforcement action; however, amid the rush to get the forest sector up and running, allegations that the FDA has engaged in corrupt prequalification and contracting practices have surfaced (UNSC 2009; NGO Coalition of Liberia 2008). As of December 2009, however, no such allegations had been proven.

Additional international support will be needed to fully implement the reforms. LiberFor, the chain-of-custody system, is largely in place, but the system is far from being fully implemented. To ensure that the forest sector contributes to good governance, further financial and technical capacity building is essential. More work will also be needed to ensure that social agreements are meaningful and are negotiated according to the required legal procedures (Siakor 2009; Deshmukh 2009).[35] As the NFRL is being implemented, both timber companies and the FDA are finding areas in the law that need further clarification; it will be important to address these concerns in the near term, so that they can be incorporated into the next round of administrative regulations (Wogbeh 2009).

Unresolved policy questions

Beyond the legal and institutional aspects of commercial forestry are several policy issues that may completely change the terrain in the forest sector. First, in this era of intense focus on opportunities for using carbon capture to mitigate climate change, the international market has discovered particular value in Liberia's forests. In response, President Johnson Sirleaf's special advisor on climate change has established a technical working group to focus on carbon (Donovan 2009). While the working group is developing a national strategy to consider carbon options, others in the forestry sector are asking whether the

[34] For example, the FDA's enforcement division does not have a single automobile or motorbike with which to monitor the activities of logging companies.

[35] In one case, a community insisted that a company provide a concrete bridge; the company refused—claiming, with the support of the FDA, that the demand was unreasonable.

social and economic benefits of setting aside forests for carbon credits would match the potential benefits of commercial logging.

Second, it is not yet clear how the balance between conservation, community, and commercial—the three C's of Liberian forest management—will play out. Although the reforms of commercial forestry are in the early stages of implementation, conservation and community are at even earlier stages: legislation and regulations that will affect the forest sector are still being drafted and have yet to be implemented. In November 2009, after more than two years of intermittent discussion and consultation, the Community Rights Law (GOL 2009a) was passed by the legislature and signed into law by the president. The law recognizes the right of forest communities to own and manage forest resources in Liberia; however, in its present form, the law represents a derogation of the act that the government of Liberia, through the FDA, originally presented to the legislature in early 2009. It also includes numerous provisions that conflict with the NFRL.[36]

Finally, and perhaps most importantly, the underlying questions of land tenure have not yet been addressed. As of June 2011, the Land Commission was in the early stages of gathering information, but its policy recommendations will certainly have implications not only for the forestry sector, but also for the future of Liberia overall.

CONCLUSION

The government of Liberia, in partnership with the LFI, has taken substantial steps toward restructuring the forestry sector and mitigating threats to peace. To date, the reforms are being implemented haltingly, but they represent formidable steps toward restoration of the rule of law. A number of requirements—including notice-and-comment rule making, social agreements, and benefit sharing—are reversing the history of exclusion and oppression that fed the conflict. Transparency and the application of legal procedures—from planning, to granting concessions, to allocating benefits—will inspire new trust in the government. Open and lawful commercial transactions that occur within a reformed accounting structure; the reporting requirements mandated under the NFRL; and the chain-of-custody system will create the opportunity for genuine economic development—and, most critically, will eliminate timber as a source of funding for future conflict.

Through forest sector reform, the LFI has improved Liberia's economic, social, and political stability and has contributed to the peacebuilding process. Now that reform is in place, long-term success will depend on increasing the technical capacity of the FDA so that it can implement the reforms, and on the stakeholders' stamina, force of will, and commitment to ensuring that the fledging

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[36] An early draft of the law challenged the government's authority over forest resources and placed communities in control of all commercial forestry—an arrangement that was far beyond what the final version provides.

system is monitored and enforced. Stakeholders will need to exercise patience and determine how best to attract investment during a global economic crisis. The reforms facilitated by the LFI represent an extraordinary opportunity for Liberia to avert conflict and overcome the resource curse.

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