

Liberia
Environmental and Climate Change
Policy Brief

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Executive Summary

This Environmental and Climate Change Policy Brief has been prepared as an input to the Swedish results strategy process and in preparation of a new results strategy proposal for the Republic of Liberia. The results strategy is expected to cover the period 2014-2018. The Swedish Government has identified *environmental sustainability (MDG 7) including decreased vulnerability to climate change, environmental impact and natural disasters*, as one of the entry values to Sida's results strategy proposal for Liberia.

The working hypothesis is that the new results strategy will have three main results areas: (i) women's empowerment; (ii) market development and employment; and (iii) transparency and accountability.

The main purpose of this assignment is to briefly analyse and present environmental challenges and opportunities in relation to poverty, conflict, security and development in Liberia, and to propose options on how to mainstream environmental sustainability in the elaboration of the results proposal for Liberia. Furthermore, a few draft results and indicators are proposed and briefly discussed.

Environmental issues are complex and include a variety of aspects ranging from the quality of ecosystems and their life supporting systems, to pollution, with significant impacts on human health. Access to natural resources (such as land, water, forests, and fisheries), drinking water and sanitation is a prerequisite for poverty reduction in Liberia and constitute important building blocks in order to reduce the risk of conflict.

Liberia is well endowed with natural resources, including forests, minerals, fisheries, etc. People's access to these natural resources is governed by rules related to different types of rights over land or other resources. Property rights are often highlighted as one of the most important institutions for economic growth. Tenure insecurity tend to promote a short-term use/over-extraction, while fair and secure tenure rights reduce the risk of conflict and create improved conditions for sustainable use of Liberia's rich natural resources and poverty alleviation. A prerequisite is, however, that marginalised and vulnerable groups have capacity to assert and exercise their rights, and that there is sufficient institutional capacity to enforce laws and rules to sustain tenure security. Currently, forestry, agricultural or mining concessions make up almost half of the country's area. These concessions have been distributed by various agencies with little or no coordination, which often resulted in duplication. The government has taken important steps towards the establishment of laws and rules on tenure rights and the transparency of economic conditions and environmental standards in relation to concessions. National requirements on environmental assessments constitute an insufficiently exploited opportunity for participation, transparency and accountability. The main challenge is to pursue and implement work that has already been initiated. The weak institutional capacity in Liberia, highlights the importance of collaboration between government, civil society and the business sector.

In sum, there are great synergies between tenure rights, concessions and environmental sustainability that Sweden should consider. Preconditions for a coordinated, multi-dimensional and conflict-sensitive approach on land rights/tenure security issues in all three performance areas could benefit from being further elaborated.

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1. Introduction

1.1 Background and purpose

This Environmental and Climate Change Policy Brief has been prepared as an input to the Swedish results strategy process and in preparation of a new results strategy proposal for the Republic of Liberia. The results strategy is expected to cover the period 2014-2018. The Swedish Government has identified *environmental sustainability (MDG 7) including decreased vulnerability to climate change, environmental impact and natural disasters*, as one of the entry values to Sida's results strategy proposal for Liberia.

The provisional working hypothesis is that the new results strategy will have three main results areas: (i) women's empowerment; (ii) market development and employment; and (iii) transparency and accountability.

The main purpose of this assignment is to briefly analyse and present environmental challenges and opportunities in relation to poverty, conflict and development in Liberia, and to propose options on how to mainstream environmental sustainability in the elaboration of the results proposal for the Liberia. Furthermore, when feasible and relevant, draft results and indicators are proposed and briefly discussed.¹

1.2 Country context

Since the end of the conflict in 2003, Liberia has experienced economic growth and relative peace and stability. The country is well endowed with natural resources and the economic growth is primarily based on the use of these resources. Despite the economic growth and progress related to governance as well as human development, the situation is still fragile and Liberia is facing many challenges, from inequality, widespread poverty, unemployment, high levels of corruption, inadequate access to services (e.g water and sanitation, electricity, and all-season roads), and food security.

Liberia has a relatively low population density, but the population is very young (42% below 15 years of age), the growth rate is high, and the urbanisation rate is rapid (4.5%). These features place increasing demands on employment, health and school sectors and other municipal services. There are governance-, institutional- and capacity constraints at all levels, particularly at sub-national level outside Monrovia.

Liberia holds a 350 miles coast line, coastal lagoons and mangroves, rain forest and mountainous plateaus. The rain forest constitutes around 45% of Liberia's total land. The plateaus constitute arable land (27%) and the mountains are home to mineral resources – especially iron ore, gold and diamonds. Liberia also has significant hydro resources including the Cavalla River, the St John River and the St Paul River, conducive for the development of hydro-electricity.²

¹ This Policy Brief was written, at the request of the Swedish Embassy in Monrovia (Gisela Strand and Henrik Möberg) by Olof Drakenberg, Frida Andersson and Gunilla Ölund Wingqvist at Sida's Helpdesk for Environment and Climate Change. The views expressed in this policy brief are those of the authors and do not necessarily represent the views of Sida.

² Republic of Liberia 2013

2. Key environmental issues

Liberia is faced by a range of environmental challenges, impacting the development initiatives of the country and the ability to achieve the MDGs. In a wider perspective it also has consequences on the economic, political and social dimensions of the country.

The key environmental issues in Liberia include degradation of natural resources (forestry, land and water) and loss of biodiversity (forests, ecosystems, marine, wetlands and mangroves). Climate change is expected to add to already existing stresses and enhance vulnerability to external shocks and crises.³ The environmental challenges are briefly described in Box 1.

Box 1: Key environmental challenges in Liberia

Land degradation: When forests are cleared for logging or agricultural use, particularly in the hilly regions, losses of nutrients and soils are often large thus hampering agricultural productivity and food security. Unregulated mining, uncontrolled forestry practices, slash and burn agriculture, sand mining for urban construction and human settlement are factors contributing land degradation.

Deforestation: In Liberia, about half of the population lives in or near forested areas and the forests are of great importance to the poor, for instance through the provisioning of food, building materials, wood fuel, medicine, etc. The deforestation rate (0.6%) in Liberia is very high (about three times the global average). Forest loss is often associated to loss of habitat and biodiversity, and reduced resilience to extreme weather events. The civil war and large migration flows have created conditions for overexploitation and accelerated degradation of forest resources. The deforestation is mainly driven by commercial logging, settlement expansion, road construction, shifting agriculture (slash and burn), large-scale plantation operations, mining and wood fuel extraction for household use.

Marine resources: Fisheries have long contributed to livelihoods for coastal communities and industrial fishing started in the 1950s. Illegal fishing in Liberia's exclusive economic zone is considered rampant. Coastal fish resources are believed to be fully exploited, while the deep sea fisheries are under exploited. Breeding grounds for fish are threatened by destruction of coastal wetlands and water pollution from households, agricultural run-off, leaking fuel storage, vessels etc.

Climate change and natural disasters: Liberia is considered to be vulnerable to climate change, mainly due to high levels of poverty in combination with a high dependence on sectors sensitive to climate change, such as agriculture, fisheries, mining and forestry. In addition, the national capacity to handle predicted climate changes is very weak, increasing the vulnerability.

Climate change is expected to result in more extreme weather situations such as heavy rains and drought in West Africa, where Liberia is prone to flooding but not to drought ((although that might change already in the relatively near future for instance depending on how Liberia manages its forest resources which can have significant implications on the micro climate).

). Heavy rains, storm surges, sea level rise and increased erosion, puts both urban and rural infrastructure at risk, particularly for the poor. Furthermore, heavily populated parts of the coast would be affected by frequent inundations, increased coastal erosion, and sea-level rise.

Sources: AfDB (2013); WB LGDB 2012; Lomax (2008); Drakenberg and Dahlberg (2008).

The environmental problems are often interlinked and mutually reinforcing. For instance; deforestation is linked to loss of ecosystem services and biodiversity, climate change, land degradation and reduced resilience to natural disasters. Left unmanaged, the environmental

³ Drakenberg and Dahlberg 2008

problems could exacerbate food insecurity, vulnerability and health problems, increase resource scarcity, and reduce livelihood opportunities and resilience. See also Annex 1.

3. Effects of the environmental problems on poverty, conflict and economic development

3.1 Impacts on poverty

The environment matters greatly for the Liberian population, especially for the people living in poverty. Poverty in Liberia is widespread and it is estimated that around 80% of the population live below USD1 per day⁴. Less than half of the population are food secure⁵. Women are disproportionately affected by poverty, comprising 53% of the farming sector and 80% of trade, mainly concentrated in the informal sector, which does not offer a sustained path of poverty reduction. They are underrepresented in key areas underpinning the country's economic growth, such as mining and rubber, as well as in decision-making bodies⁶.

The people living in poverty are identified as the most vulnerable to environmental degradation, reduced access to natural resources, and climate change. Reduced access to the resource-based safety-nets, such as goods and services from the natural commons (fish, forests, etc.), and unreliable access to food and water, are some impacts of unsustainable development. These deprivations are compounded by a low ability of poor households to accumulate assets including natural capital, decreasing resilience of ecosystems, and existence of conflicts over land and other natural resources. A sustainable utilisation of natural resources could actually contribute to poverty reduction and reduce the vulnerability of the population

Liberia's population is highly dependent on *forest* resources. Around one third live in forested areas and depend on forests for food (fruits, plants, nuts, meat and honey), housing materials (building poles and thatching), furniture materials such as rattan, traditional medicines, healthy watersheds for fish and clean water, and soil stabilization. With an estimated three-quarter of the country's population reliant on bush meat for protein intake, and over 98% of Liberian's using wood-derived domestic fuels, forests play an important role for livelihoods⁷.

In rural areas, a majority of people are subsistence farmers engaged in rain-fed *agriculture*. Land and water are key assets and insecure land tenure can have devastating consequences for the poor, who often lack voice and power to claim their rights, and coping capacities. Evictions, or fear of evictions, will limit small holder investments in land and agriculture and result in low productivity and welfare losses.

Due to structural injustice, social norms and traditions, women have a limited access to *land* despite the fact that the farmers often are women. Only 16% of women own land compared to 33% of men and they are often excluded from negotiations regarding land deals⁸. There is a high risk that women and other vulnerable groups may lose land to relatives, community elites, or investors in situations characterized by power asymmetries⁹. Specific mechanisms need to be put into place to ensure against intra-community injustices and discrimination.

⁴ European Commission 2013

⁵ AfDB 2013

⁶ AfDB 2013

⁷ Lomax 2008

⁸ AfDB 2013

⁹ Knight, Siakor and Kaba 2013

If concession grants are not carefully controlled in the years to come, the areas of land still held and managed by rural Liberian communities will decrease substantially. This will have unfavorable impacts on already impoverished rural communities. For the market development in rural areas to lead to increased incomes for the local communities, strengthening of their rights to land and natural resources is crucial.

Access to **water and sanitation** declined substantially during the war, but during the last decade signs of progress is noticed (see Annex 2 – Selected indicators). In average, 73% of the population has access to improved water sources. However, a mere 7% of the rural population (29% of urban) has access to improved sanitation facilities¹⁰ and almost half of Liberia’s population practice open defecation. Water- and vector borne diseases (such as diarrhoea, cholera epidemics, and malaria) remains at very high levels. According to UNICEF¹¹, inadequate access to water and sanitation are the main obstacles to improved health in Liberia. In total the environmental burden of disease constitute 30% of the total disease burden in Liberia, with diarrhoea, respiratory infections (linked to indoor air pollution), and malaria as the top killers (Annex 3).¹²

Vulnerability to environmental and climate change and natural disasters

An increasing number of people in all parts of the world are exposed to disasters such as floods, drought, earthquakes and cyclones. The UN Global Assessment Report on Disaster Risk Reduction 2009 identified environmental degradation and the decline of ecosystems as one of the main factors raising the risk of disasters. It is rarely human activities that are direct triggers of such events, but human interferences with the environment have “massively raised the hazard potential”¹³. Deforestation, for instance, exacerbates soil erosion, droughts, floods and landslides, with negative impacts on the agricultural potential. The United Nations Secretariat notes: “Environmental degradation and climate change contribute to the increasing occurrence of disasters linked to natural hazards.”¹⁴

Whether a natural event will turn into a disaster depends on the strength of the hazard and on the vulnerability of the people. Vulnerability is e.g. related to the degree of *susceptibility* (likelihood of harm, loss and disruption), *coping capacity*¹⁵, and *adaptive capacity*¹⁶.¹⁷ When the environment is in good condition, there is a greater diversity of future planning options. For example, in deforested and environmentally degraded areas, the opportunities for diversified strategies for reducing future vulnerability are greatly reduced. It is much easier to manage to reduce future risks when your natural resources currently are viable and intact; your choices simply are greater.

In sum, environmental degradation, climate change, lack of water and basic sanitation, and loss of biodiversity and ecosystem services constitute serious obstacles to development and poverty reduction efforts, increases vulnerability to risks and hazards, reducing the prospects for sustainable development. On the other hand; well-managed natural resources and tenure

¹⁰ World Bank, 2012

¹¹ UNICEF 2012

¹² WHO 2009

¹³ Alliance Development Works 2012

¹⁴ Alliance Development Works 2012

¹⁵ Coping capacity: to minimize negative impacts of natural hazards and climate change through direct action and the resources available. Coping capacities encompass measures and abilities that are immediately available to reduce harm and damages in the occurrence of an event.

¹⁶ Adaptive capacities: attempting to address the negative impacts of natural hazards and climate change in the future. Adaptation is understood as a long-term process that also includes structural changes. It often includes aspects related to environmental status/ecosystem protection, education and research, gender equality, etc.

¹⁷ Alliance Development Works 2012

security can provide economic opportunities for the population and help to reduce disaster risk by reducing exposure, vulnerability, and improving coping and adaptive capacities. For an overview of natural disasters in the last 10 years see Annex 4.

3.2 Impacts on conflict and security

The extended conflict has had severe negative impacts on infrastructure, such as roads, energy and water. Only 45% of the households access an all-season road within five km and large parts of the country can't reach the capital during the rainy season¹⁸. The war has also had negative consequences on livelihoods, food security and productivity and it has caused major migration flows impacting on natural resources and ecosystems as people are uprooted from their traditional sources of food.

Disputes over land and concessions management continue to be a major source of conflict, and communities often lose both land disputes and revenue.

According to the World Bank (2013), the pre-conflict context of inequality and marginalization must be dealt with; the "concession economy", which is the foundation of the formal economy, has mostly benefitted foreign companies and the Liberian elite. The creation of sustainable jobs and improved access to municipal services (i.a. transport, energy, water and sanitation, health and education) are central features of a continued peaceful development. Land rights and property rights are also critical for the development of the country, as weak land tenure systems and laws create unrest and disputes, posing negative impacts on investments and development not least within agriculture. In many cases, these land deals dispossesses local communities and limit their access to land vital to their survival¹⁹. The need for land reform and improved land governance mechanisms are among the most sensitive and important constraints in achieving inclusive growth and reducing sources of conflict in Liberia.

Gender-based violence is a serious problem in Liberia, and sexual gender based violence is the second most prevalent crime in the country. The low access to sanitation facilities, and the forceful practice of open defecation, is not only exposing people to easily preventable diseases and deprives them of their dignity. It also has a gender security dimension as many women and girls become 'prisoners of daylight', using only the night as privacy. Night-time trips to fields or roadsides, however, expose them to risk of physical attack and sexual violence.

There are also linkages between conflict and disasters. When a natural disaster hits a politically insecure country, it can result in a full-scale humanitarian crisis. Furthermore, evidence suggests that natural disasters exacerbate pre-existing conflicts. Disasters can increase resource scarcity and contribute to more acute imbalance between scarcity and abundance. It can also offer economic and political opportunities for criminal activity. Disasters and conflicts are expected to coincide more in the future.²⁰

3.3 Impacts on economic development

Liberia's economic growth is to a large degree based on its natural resources, particularly agriculture, minerals, timber and rubber.²¹ The unsustainable management of its natural resources is, besides obstructing poverty alleviation and increasing vulnerability, also having an impact on the economy. For instance, the country's *natural resource depletion* rate was

¹⁸ African Economic Outlook website

¹⁹ African Economic Outlook website

²⁰ Harris et al. 2012

²¹ Republic of Liberia 2012

estimated to approximately 6.4% of its Gross National Income (GNI), including a 12.2% reduction in forest cover between 1990 and 2010.²² The cost of *poor sanitation* in Liberia amounts to USD 17.5 million each year.²³ See Annex 5 for an illustration of the composition of Liberia's economy.

Agriculture, fishery and forestry sectors contributed to around 41% of GDP in 2011. Forestry and rubber concession exports are dominating the sector, followed by cassava, rice and subsistence production. Despite the abundance of land and water, less than 5% of the land is under permanent cultivation, and less than 1% is irrigated. Large plantations with concessions produce most of the rubber and palm oil, but they also offer opportunities for small-holders to sell their output to the larger businesses.

The rural subsistence agriculture sector employs the majority of the population and remains the most “viable, sustainable and renewable source of national income providing livelihood” for approximately 70% of Liberia's poor.²⁴ Hence, agriculture is both a growth sector and a sector that can contribute to job opportunities and broad poverty reduction. However, the subsistence agricultural productivity is low. Tenure insecurity is one of the reasons behind the low agricultural productivity, alongside lack of infrastructure, and access to markets and credit.

Until 2010, agriculture and services were leading economic sectors, but was outpaced by the resumption of *iron ore* mining in 2012. The mining and quarrying sector has risen from 4.5 % of the GDP in 2011 to 12% in 2012, thus tripled its contribution to GDP, and is expected to expand to over 15% of GDP by 2015. However, the mining sector only employs around 2% of the work force.²⁵ Past experiences suggest that foreign investments in the traditional export sectors (rubber, palm oil, forestry and mining) are unlikely to create substantial employment opportunities as these sectors are largely capital-intensive enclaves with a weak or indirect link to the rest of the economy.

Liberia represents one of the highest concession rates in Africa today and the country also has the highest ratio of foreign direct investment to GDP in the world (US\$16 billion in investment since 2006)²⁶.

Electricity prices are extremely high which negatively effects both the business climate and households where only 5% of the households have access to electricity. In addition the malfunctioning *solid waste management* system pose serious health and environmental concerns, and also affects the economy negatively.

4. Policy framework and institutional capacity for managing environmental challenges

Institutional capacity and environmental policies

The civil war did not just have consequences for the economic, social and environmental levels of the Liberian society but also the political, as administrative, political and juridical bodies, and the capacity stored within, broke down.

The country has had an institutional past plagued by corruption and even though it is still a present problem President Sirleaf has demonstrated a strong leadership on anti-corruption

²² AfDB 2013

²³ WSP

²⁴ AfDB 2013

²⁵ AfDB 2013

²⁶ Africa Governance Initiative 2011

issues and a positive trend can be noted.²⁷ Liberia is now ranked as the third least corrupt country in West Africa. This is of great importance as impartial and transparent institutions are essential for a fair and sustainable management of natural resources, necessary to avoid inequality and conflict.

The Agenda for Transformation (AfT), released in 2013, is Liberia's national development plan. It consists of five main pillars: (i) Peace, justice, security and rule of law, (ii) economic transformation, (iii) human development, (iv) government and public institutions and (v) cross-cutting issues. The AfT is comprehensive and ambitious, and environment and natural resources are given a fair share of attention.

However, as emphasised in the AfT, Liberia's institutions and governance structures are weak in general, and the environmental sector is no exception. Liberia is faced with a variety of challenges related to sustainable development, often linked with weak governance: unclear and inefficient roles and mandates; limited implementation of environmental policies; weak compliance and monitoring capacities; weak link between policy statements and budget allocations; poor inter-agency coordination particularly related to Environmental Impact Assessments (EIA), harmonized sectoral environmental laws and policies, and environmental reporting; weak transparency and participation; and uncoordinated land use policy and practice that hinders the sustainability of agriculture and food security.²⁸

Despite these challenges it is worth noting that Liberia has made progress related to policies and institutional capacity for environmental sustainability in recent years.²⁹

Improving governance and productivity

Agriculture is central to food security, job creation and wealth creation, and the 'Cooperative Development Act/Law 2010' and an accompanying 'Liberia Cooperative Development Regulations of 2010' have been adopted to enhance productivity and promote establishment of cooperative organisations. Also, land tenure security is a precondition for enhancing agricultural productivity. In the past year, for instance, management of land has gained a lot of attention as a quarter of Liberia's land has been contracted out to foreign investors without proper control, through the abuse of Private Use Permits (PUPs) within the forestry sector. It has been revealed that local communities have neither been informed of nor involved in the concession agreements before it has been signed with the government.³⁰

However, concession contract negotiations, controlled by the National Investment Commission (NIC), have improved and have come to include stronger provisions for local employment as well as development of infrastructure.³¹

A land reform has been identified as a top priority by the Liberian government and the Governance Commission is taking a leading role in designing the approach. An interesting aspect of the policy is that the communities will have a collective private ownership of the land, which not just ensure them the right to use the land but they are able to enter into agreements with private investors, which previously have been restricted to the state.³²

²⁷ Transparency International Corruption Perception Index 2013. It should be noted that the trend between 2012-2013 was negative as the score slipped from 41 to 38.

²⁸ Republic of Liberia, 2013

²⁹ Liberia's score in the World Bank Country Policy and Institutional Assessment (CPIA) for the subset Policies and institutions for environmental sustainability has improved from 2 in 2009 to 3 in 2012, see Annex 3 for description of criteria.

³⁰ African Economic Outlook

³¹ AfDB 2013

³² Land Commission of Liberia 2013

Within the natural resource sector, the Liberia Extractive Industry Transparency Initiative (LEITI) was established in 2008 with the purpose to promote a responsible usage of revenues from the mining and forestry industries. An audit report of awarded contracts between 2009-2011 revealed that 90% of the contracts were not awarded in compliance with all applicable norms.³³ The Bureau of Concession, with the intention to supervise concessionaires' compliance and promote linkages with the local economy, is another example of these kinds of pushes for good governance³⁴. Annex 5 provides an overview of donor involvement in the natural resources sectors in 2012.

5. Issues for Sida to consider

5.1 Introduction

This section is an input for Sida where we point to opportunities for the integration of environment and climate change in various result areas to be discussed and elaborated further. Liberia suffers from weak data availability. It may be that some of the proposed indicators will require separate collection of data which may be costly and divert resources and attention from government's efforts on statistics. Therefore suggestions made should only be seen as indicative.³⁵

5.2 Result area: Womens' empowerment

Only 16% of Liberian women own land, compared with 33 % of men. Revision of laws is underway to remove legal discrimination against women related to access to and control over land. Women do most of the agricultural work and are underrepresented in the formal job sector. Women are traditionally responsible for water, energy and care of children which makes them more affected by poor water quality, lack of access to energy, etc. Women's rights and empowerment can be strengthened in several ways, including improved access to water and sanitation, increased and meaningful participation in decision making about natural resources and the application of non-discriminatory legislation on land rights. New land policy gives individuals the ability to assign their rights to investors. This represents a transfer of power to the Liberian people but also gives powerful and well informed actors the opportunity to exploit the weak capacity of vulnerable groups. Traditionally, women have weaker property rights, and are less represented in decision making. This suggests that it is particularly important to ensure that capacity building efforts target women, work with structural inequalities, traditions, norms and attitudes that weaken the position of women and works towards improving men's acceptance of women's right to own land.

Proposed result R1.1: Women know their land rights, are informed of the reform process and take part in decision making at the local level as the current use of natural resources

Suggested Indicator: 'Proportion of women who own land over time'

Approach: This may be achieved by supporting the Land Commission's efforts to ensure that the intention of the land policy, to provide men, women, minorities, etc. with the same rights, progresses to legal texts and are implemented in practice. Opportunities include analysing the situation of women, ensuring women's participation in processes and that considerations are made to promote equality and justice in the long run.

Support for the Land Commission may need to be complemented with capacity building measures to civil society, in order to strengthen poor men and women related to land rights,

³³ EITI

³⁴ African Economic Outlook

³⁵ This text is a translation of the input in Swedish previously given to the Embassy on September 24th.

improving their understanding of the long-term effects of different land use options, and the ability to understand consequences when giving out concessions, and capacities to negotiate with investors. It may be considered to identify relevant actors from civil society through the work currently undertaken in Liberia by Rights and Resources Initiative, funded by Sida Global Programs.

Alternative result R1.2: Improved access to water, sanitation and hygiene.

A mere 7% of the rural population (29% of urban) has access to improved sanitation facilities³⁶ and almost half of Liberia's population practice open defecation. Water- and vector borne diseases (such as diarrhoea, cholera epidemics, and malaria) remains at very high levels. According to UNICEF³⁷, inadequate access to water and sanitation are the main obstacles to improved health in Liberia.

Suggested indicator Access to sanitation (rural and urban)

5.3 Result area Market development and employment

Investments outside of the extractive industries have been small and have not contributed to a diversification of the economy. Natural resource sectors, particularly in agriculture and forestry is designated by the government as key elements to improve living conditions and increase employment for poor men and especially women who do most of the work in the agricultural sector. Fair and transparent ownership and use conditions are important elements to enhance productivity, food security and reduce conflict risk as it increases the willingness to invest time and money in the sustainable management of natural resources. Access to credit and extension services in forestry and agriculture is low, and a poorly developed road network complicates processing and trade within and outside the country. Investments in infrastructure need to consider environmental and climate risks. Development should also take advantage of the rapid decline of the cost of renewable energy, particularly off grid solutions and new marketing models for their dissemination. The recent rapid increase in the number of concessions and investments in oil palm plantations etc. can create jobs and improve the road network, etc. but also involves risks such as erosion, increased risk of landslides, deforestation, water pollution, loss of biodiversity. There is also evidence of significant social impacts including displacement of people and reduced access to natural resources for poor people. Concessions often fail to deliver the expected benefits to vulnerable groups who tend to be excluded from the decision making process. Compensation tends to be disproportionate to the losses of livelihoods. Government recognizes the problems of low awareness of how environmental issues relate to economic development. Government regards measures to increase the awareness within government and civil society as strategically important.

Suggested results

- Improved conditions for environmentally sustainable private sector development
- Increased productivity within sustainable agriculture and forestry

Efforts to increase productivity and employment can range from infrastructure investments to support of land reform process, targeted measures for integrated agriculture and forestry, the management of common natural resources, licensing of timber for export (FLEGT) or processing of agricultural- and forest products. Other areas include support to strengthen capabilities of small and medium sized business and cooperatives on improved and

³⁶ WB LGDB 2012

³⁷ UNICEF 2012

sustainable land use. Opportunities for research collaboration related to land rights, forest management and private sector development can also be investigated.

In its support to employment and market development, Sweden should help to increase awareness of the opportunities of a green economy and risks associated with unsustainable management of natural capital. Examples include instruments that provide incentives for green investments, analysis of costs of environmental degradation and highlighting the benefits of stronger environmental governance. By working with government authorities, the private sector and civil society, the prospects for achieving results can be enhanced. For example, the authorities need sufficient capacity to implement laws and regulation, but where an informed civil society can play an important complementary role in reporting malpractices.

Suggested indicators

- The process for ownership and user rights is completed
- Improved road network (km of road) as a result of Swedish support
- Agricultural productivity per hectare in the region of x and y
- Export of FLEGT licensed timber (volume, share of total exports and trend)

5.4 Result area Transparency and accountability

The number of licenses has been increasing rapidly in the country. Along with a number of donors government is trying to establish forms for pricing natural resources in a way that ensures a fairer distribution of income between the private operator, the state and local community. Further work is on going to reduce corruption in natural resource sectors (such as the Extractive Industries Transparency Initiative (mining, oil, gas and to a lesser extent forestry and agriculture³⁸), FLEGT (timber)). The work includes provisions to combine investments with social and environmental sustainability and benefit sharing with the local community. On the environmental side, current legislation requiring environmental assessments for larger investments allows for participation by the public and affected groups who can express opinions and take part of information. A whistle-blowing function is in place to prevent corruption. Overall, existing legislation provide many opportunities to increase participation in decision-making, improve access to information and hold decision makers to account, not least with regard to conditions in the natural resource sectors. In the absence of strong institutions, Parliament, local authorities, business associations, media and other elements of civil society play an important role.

It is not only concession that could benefit from being more transparent. According to the Open Budget Index 2012, an increasing proportion of Liberia's budget is transparent, but not enough to allow an informed debate on the budget. Countries that have low budget transparency generally share certain characteristic traits e.g. low income, democratic deficit , geographically located in Africa or the Middle East, and dependent on aid or marketing of petroleum products or coal. When a large part of the budget comes from sources other than taxes, such as oil revenue or aid funds, accountability tend to be moved from citizens to other partners.

Suggested results

- Transparent concession processes and monitoring social and environmental conditions
- Strengthened negotiation skills among target groups as a result of Swedish support

³⁸ EITI

- Strengthened capacity of civil society organizations / civil society to review budgets and concessions, as well as participate in the debate.

Activities in this area are related to previous areas and the issues of capacity building among both agencies nationally and locally, civil society to agree on mutually beneficial agreement, to increase participation in decision-making, improve access to information and strengthen accountability through the use of existing legal provisions and with a special focus on women's ability to participate.

Knowledge of these existing tools and provisions is inadequate, and the capacity is often weak. Better pricing of natural resources can increase tax revenues that if distributed well can mitigate conflict risk and help to increase political interest in an equitable management of natural resources. In this way, transparency, participation and accountability can contribute to reduced environmental risks and increase the resilience of poor men and women. The benefit increases further if conditions for monitoring the social and environmental commitments are strengthened.

Indicators

- Transparent reporting of local and national revenues from concessions
- Number of corruption cases related to natural resources
- Participation of civil society in environmental assessments
- Openness about the budget (eg ranking and score in the Open Budget Index)

Particular efforts is suggested to strengthen the capacity of parliament, government and civil society to make use of existing structures for participation, openness and accountability in regions where the pressure on exploitation of natural resources is particularly high.

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Annexes

Annex 1. The Environment, pages 122-123 excerpt from Agenda for Transformation

12.5 THE ENVIRONMENT

The Liberian economy is largely dependent on extractive industries including timber, rubber, minerals and agriculture. Thus, environment and natural resources clearly underpin Liberia's social and economic development. The environment is the base for mineral wealth and as such, must therefore be effectively managed to ensure sustainable livelihoods and economic development and growth. The link between environment and development and poverty must be appreciated if Liberia is to achieve sustainable development. Unsustainable use of the environment and natural resources can lead to depletion of resources or environmental disaster that may have negative consequences on livelihood sources, especially for the poor and thus exacerbate poverty. It may also reverse or slow down economic growth wherein the poor will be hardest hit.

In Liberia, as elsewhere in Africa, the poor generally depend on natural ecosystems for their livelihoods and live in the most fragile and degraded rural and urban areas. Most of these communities are directly dependent on the use and trade of natural resources for their livelihoods. And yet very little policy support exists to enhance these natural resource based livelihoods. Sustainable development depends in large measure on successfully integrating the environment into economic planning and decision-making. Insufficient understanding of the contribution of environment and natural resources to growth and poverty reduction has led to limited investment in the environmental sector leading to environmental degradation that threatens sustained economic growth and livelihoods. Liberia faces numerous environmental challenges that have the potential to derail the nation's development initiatives and impact its ability to achieve the MDGs. These challenges include tropical rain forest deforestation; soil erosion; loss of biodiversity; coastal erosion and pollution of coastal waters from raw sewage; mangrove draining and reclamation in urban areas; sewage and solid waste disposal and management; and numerous climate change related issues—loss of productive land and infrastructure along the coast and sea intrusion into fresh water supply are increasingly a problem in post-conflict Liberia. It is vital that current sector strategies and plans fully integrate poverty, environment and development linkages. The institutions must also be strengthened through capacity building programs, stronger cross-sectoral coordination mechanisms, and an improved M&E framework.

Goal: To improve management of the environment to ensure it contributes to sustained economic development and growth in all sectors and at all levels.

Constraints: The environment sector is severely hampered by weak environmental governance, including limited compliance and enforcement capacity; lack of national environmental quality standards and relevant regulatory tools; limited implementation of environmental policy due to conflicting roles of governing bodies; low budget support; the weak link of environmental management to Liberia's economic development; weak public awareness and public participation in the promotion of environmental sustainability related to critical environmental issues (particularly climate change, waste management and conservation); poor inter-agency coordination in the areas of effective Environmental Impact Assessment (EIA), harmonized sectoral environmental laws and policies, and environmental reporting; uncoordinated land use policy and practice that hinders the sustainability of agriculture and food security; inadequate trained personnel; and lack of requisite logistics and infrastructure, particularly in the area of monitoring and assessment.

Strategic Objectives: 1) Develop and implement clear environmental policies and quality standards to guide environmental management, including a National Plan for a Low Carbon, Climate Resilient Economy. 2) Strengthen ownership and capacity of government agencies, the private sector and CSOs to understand and monitor environmental policies and regulations. 3) Strengthen ownership and participation of communities in decentralize natural resource management and decision-making on environmental issues.

Priority interventions: Develop environmental quality standards and regulatory tools. Harmonize environmental laws and policies to ensure improved environmental management; gap analysis of sectoral environmental laws and policies. Undertake scientific and institutional frameworks for environmental management. Establish an environmental court as required by the EPA Act. Create environmental awareness, training and education programs through media, schools, NGOs and print education. Develop a public awareness strategy and embark on a sustained public awareness campaign. Recruit and train a critical mass of professionals in key areas for effective environmental management. Strengthen Environmental Units in all line ministries through training and improved coordination. Develop a system to collect and disseminate environmental information and data; and preparation of the State of the Environment Report and National Environmental Action Plan.

Agents and process of change: EPA, relevant MACs, CSOs, agro-business and mining communities, infrastructure developers, community leaders, and development partners will act as agents of change. The change process will involve a cross-sectoral assessment of the personnel and institutional capacity, quality of baseline data, and the legal and framework for environmental management.

Outcome indicators (by 2017): Surveys show improved public understanding and support for environmental issues and policies. Newly collected data on environmental issue shows improvements in key indicators, like forest cover, diversity of flora and fauna and the quality of water, especially in urban areas and near mining activity.

Source: Republic of Liberia (2013). *Agenda for Transformation, Steps Toward Liberia Rising 2030*.
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Annex 2. Selected indicators

Indicator Name	2000	2005	2011	2012	2013
Population, total	2 891 968	3 269 786	4 079 697	4 190 435	
Agricultural land (% of land area)	27	27	27		
Improved sanitation facilities (% of population with access)	12	15	18		
Improved water source (% of population with access)	61	67	74		
Agriculture value added per worker (constant 2005 US\$)	574,00	475,00	727,00		
Cereal yield (kg per hectare)	1 278	1 290	1 200	1 210	
Forest area (% of land area)	48	47	45		
CO2 emissions (metric tons per capita)	0,15	0,23			
Adjusted net savings, including particulate emission damage (% of GNI)			23		
Adjusted savings: mineral depletion (% of GNI)	0	0	1,8		
Adjusted savings: natural resources depletion (% of GNI)	0,8	2,6	4,7		
Adjusted savings: net forest depletion (% of GNI)	0,9	2,6	2,9		
Forest rents (% of GDP)	17	15	9		
Internal freshwater resources per capita (cu. m)					48,4
Deforestation (avg. annual %, 2000–2010)					0,7
Corruption Perception Index rank				75/176	
Corruption Perception Index score				41/100	

Source: World Bank Database, Little Green Data Book and Transparency International

Annex 3 Liberia Environmental Burden of Disease

Country profile of Environmental Burden of Disease

Liberia

Population	3.3 mio
GNI/capita	290 US\$
% urbanization	58%
% people living in cities greater than 100 000 inhabitants	17%
Population below the poverty line (national)	NA
Population below the poverty line (international, <\$1/day)	NA
Under age 5 mortality rate	235/1000 live births (2006)
Life expectancy	44 years (2006)

Environmental burden of disease for selected risk factors, per year

Estimates based on national exposure and WHO country health statistics 2004



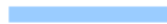
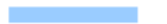







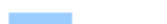


Risk factor	Exposure		Deaths /year	DALYs/ 1000 cap /year
Water, sanitation and hygiene (diarrhoea only)	Improved water: 61%		6 600	63
	Improved sanitation: 27%			
Indoor air	SFU% households: >95%		3 900	39
Outdoor air	Mean urban PM10: 39 ug/m3		100	0.5
Main malaria vectors	<i>A. gambiae</i> , <i>A. funestus</i> , <i>A. melas</i> , <i>A. hancocki</i>			
Main other vectors	<i>Culex quinquefasciatus</i>			

Environmental burden of disease (preliminary), per year

Estimates based on Comparative Risk Assessment, evidence synthesis and expert evaluation for regional exposure and WHO country health statistics 2004

DALYs/1000 cap	(World - lowest: 13, highest: 289)	212
Deaths		20 600
% of total burden		30%

Environmental burden by disease category [DALYs/1000 capita], per year

Disease group	World's lowest country rate	Country rate	World's highest country rate
Diarrhoea	0.2		67
Respiratory infections	0.1		40
Malaria	0.0		28
Other vector-borne diseases	0.0		2.4
Lung cancer	0.0		0.1
Other cancers	0.3		1.3
Neuropsychiatric disorders	1.4		1.8
Cardiovascular disease	1.4		2.9
COPD	0.0		1.0
Asthma	0.3		2.1
Musculoskeletal diseases	0.5		0.6
Road traffic injuries	0.3		3.8
Other unintentional injuries	0.6		6.9
Intentional injuries	0.0		2.2

Other indicators

Use of leaded gasoline	No	(2008)
Overcrowding	31%	(1974)
Malnutrition (% stunting)	39%	(2006-07)

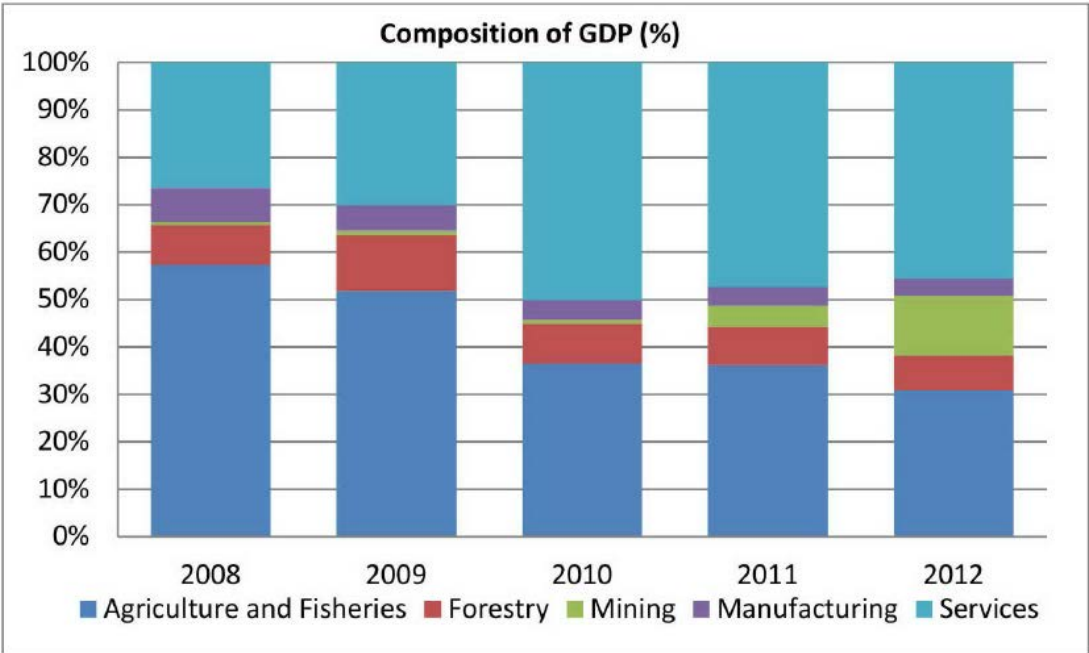
Annex. 4 Top Natural Disasters

Disaster	Date	No Total Affected
Extreme temperature	1990	1000000
Insect Infestation	15/01/2009	500000
Epidemic	25/06/2003	17561
Flood	26/08/2007	17000
Flood	25/06/2010	15486
Flood	17/09/1998	5000
Storm	21/03/2007	3500
Storm	11/08/1995	2000
Epidemic	1/01/1980	1887
Epidemic	08/2003	1857

Source: EM-DAT International Disaster Database
<http://www.emdat.be/result-country-profile>

Annex 5 Composition of Liberia’s GDP

Figure 1: Composition of Liberia’s GDP (2008-2012)



Source: IMF Country Report

Annex 4 Matrix of Donor mapping for Natural resources sector 2012

(Source Meeting report from Donor Mapping Exercise of concessions in Liberia)

Donors	Program Name	Activity Focus
World Bank	Economic Governance and Institutional Reform Project (EGIRP) – Additional Financing (AF)	<ul style="list-style-type: none"> (i) Mineral resources (ii) Adjusting the legal and regulatory frameworks for the extractive industries sector in collaboration with GIZ; (iii) Building capacity of the government to negotiate extractive industries’ contracts/concessions; (iv) Strengthening regulatory capacity in the mining sector in the MLME and NBC; and (v) Support to MLME to strengthen technical expertise in mining, finance/transactions, environment, social and economic development, and infrastructure development. <p>Improving natural resource revenue transparency</p>
	EGIRP – Additional Financing (AF) and Integrated Public Financial Management Project (IPFMP)	Support to the Public Procurement and Concession -Commission
	Oil Sector Support Project (NOCAL)	Correct weakness in regulatory and institutional framework, especially government capacity to manage extractive sector, particularly monitoring oil and licensing for oil and gas
	WB South-to-South Exchange among new Deal pilot countries on Transparency in natural resource management	Exchange knowledge and lessons learned on natural resource management among new deal pilot countries (South Sudan, Sierra Leone, Ghana, Liberia, and Timor-Leste_
	Smallholder Tree Crop Revitalization Support Project (STCRSP)	<p>A. Smallholder Tree Crops Revitalization</p> <ol style="list-style-type: none"> 1. Cocoa & Coffee Revitalization 2. Smallholder Oil Palm Revitalization 3. Smallholder Rubber Revitalization

Donors	Program Name	Activity Focus
		<p>B. Institution Building and Preparation of Future Large Scale Tree Crop Development Program</p> <ol style="list-style-type: none"> 1. Institutional Capacity Building 2. Preparation of Large Scale Smallholder Tree Crop Development Program 3. STCRSP Project Preparation Facility <p>C. Project Coordination and Management</p> <ol style="list-style-type: none"> 1. Strategic Planning, Coordination and Implementation Support 2. Monitoring & Evaluation and Knowledge Production & Sharing
	Consolidation of Liberia Protected Area Net Work (COPAN)	<ol style="list-style-type: none"> 1. Consolidation of Protected Area Management Instruments 2. Creation of New Protected Areas 3. Project Management
	Expansion of the Protected Area Network in Liberia (EXPAN)	<ol style="list-style-type: none"> 1. Strengthening of the Forestry Development Authority Conservation Department. 2. Creation of New Protected Areas and Community Mapping. 3. Development of Community Livelihood Program around Protected Areas. 4. Project Management: Establishment of an efficient system for Project management, monitoring and evaluation by the entities involved in the implementation of the Project, through the creation of a regional project management office.
	REEE+ Readiness Preparation Support from the Forest Carbon Partnership Facility (FCPF)	<ol style="list-style-type: none"> 1. Support to the coordination of the REDD+ Readiness Process and consultations 2. Contribute to the design of the national REDD+ strategy 3. Reference level or Scenario 4. Project management
	West Africa Agriculture Productivity Program (WAAPP-1C)	<ol style="list-style-type: none"> 1. Enabling Conditions for Sub-Regional Cooperation in the Generation, Dissemination, and Adoption of Agricultural Technologies 2. National Centers of Specialization (NCOS)/ Strengthening of the Research System 3. Support to Demand-driven Technology Generation, Dissemination and Adoption

Donors	Program Name	Activity Focus
World Bank (continued)		4. Project Coordination, Management and Monitoring and Evaluation
	West Africa Regional Fisheries Program (WARFP)	1. Good Governance and Sustainable Management of the Fisheries 2. Reduction of Illegal Fishing 3. Increasing the Contribution of the Marine Fish Resources to the Local Economies 4: Coordination, Monitoring and Evaluation and Program Management
	Diagnostic studies on Mining and Petroleum	(i) examine key factors affecting the dynamics of mineral/oil sector growth in terms of sector governance gaps, institutional capacity building needs, human capital development requirements, and linkages with other economic sectors; (ii) assess the implications of exogenous factors, such as commodity price volatility, macro-economic management, and mineral wealth management to stimulate balance and inclusive growth;
USAID	Governance and Economic Management Support Program (GEMS)	Human and institutional capacity building at the various MACs responsible for concessions management; Institution building at NBC to increase technical capacity in the bidding, negotiating, evaluating, and monitoring phases; Development of national concessions management cadaster, which will integrate information across all sectors (M&E indicators, concession terms, geospatial coordinates)—eventually link to nascent land cadaster providing land tenure and usage information;

Donors	Program Name	Activity Focus
	Prosper	Element of community forestry program touches on forestry concessions; namely, support to national beneficiary trust, which captures 30% of land rental fees from forestry concessions and distributes funds to project affected communities.
GIZ	Regional Resource Governance in the Fragile States of West Africa	<p>EITI & Transparency (National Intervention):</p> <p>Strategic orientation and operational planning, pilot country impact evaluation scheme (LEITI)</p> <p>Awareness raising and improved access to information (CENTAL)</p> <p>Establishment of resource centers and speakers series (LEITI, UL)</p> <p>Technical Assessment of administrative capacities for concession and revenue management (FDA, MLME)</p> <p>Sector Regime:</p> <p>Process initiation, establishment of structures for and implementation of review and update of Minerals and Mining Law (MLME)</p> <p>Development of business linkages policy and SME Support Plan (NIC)</p> <p>Local Development Planning:</p> <p>Establishment of priority plans in nine communities (NGO RRF);</p> <p>Identification and implementation of external funding potential (NGO RRF)</p> <p>Development of Local Development Planning Model case</p> <p>Regional Dialogue;</p> <p>Agenda setting for the extractive sector (MRU)</p>

Donors	Program Name	Activity Focus
		<p>Planned Future Focal Areas (2nd Project Phase):</p> <ul style="list-style-type: none"> ▪ Integrated concession management system ▪ Contract monitoring ▪ Artisanal and Small scale Mining ▪ Cooperation with the private sector
EU	<p>Voluntary Partnership Agreement (VPA)</p> <p>Note: This project is being implemented by DFID UK through a Delegation Agreement with the EU</p>	<p>Bilateral agreement between EU and GOL which aims to improve forest governance and ensure that the wood imported into the EU has complied with the legal requirements of the partner country.</p> <p>The Liberian VPA entails a Legal Verification Department including a Chain of Custody System and a VPA support Unit to provide capacity building and to tackle illegal logging, in line with the Forest Law Enforcement, Governance, and Trade (FLEGT) Act.</p>
	Civil Society Projects	<p>To increase raise awareness on the VPA process, to facilitate the dialogue and exchange of views between the CSO, GoL and the private sector, and to increase the COS capacity as VPA watchdogs.</p> <p>7 projects funded by the EU to different organizations such as SDI, Vosieda, FDA, Green Advocates, REM, Samfu and Liberian Chainsaw.</p>
	Land	<p>Technical Assistance</p> <ul style="list-style-type: none"> • To support the Land Commission to elaborate the land inventory of Liberia and to create a model for participatory territorial planning • To provide reliable information on tenure security, land uses, land claims, public and private land as well as to create a model for participatory territorial planning in Liberia.

Donors	Program Name	Activity Focus
DfID	TBD	At request of President Johnson Sirleaf to DFID Secretary of State, will focus on a time-bound (to 2015) intervention in the minerals sector. This is currently being scoped out. Happy to explore opportunities to partner with other donors.
	Voluntary Partnership Agreement	(please see full description of activity under EU section)
AusAid	Mining Revenue Assistance	<p>Tax consultant contracted to help establish the Natural Resource Taxation Unit in the Large Taxpayer Unit of the MOF.</p> <p>Will look to partner with donors on the ground on broad mining and government framework; Seeking continuity between Ghana and Liberia programs despite unequal stages of mining maturity between the countries.</p> <p>Aims to support initiatives in the mining sector that concern cross-cutting issues like peacebuilding, including livelihoods, agriculture, youth unemployment, and dispute resolution in mining affected communities.</p> <p>Scoping revealed four outcomes towards which AUSAID will contribute funds: (1) increase institutional capacity to regulate mining sector, (2) increase effectiveness of education and training systems in mining industry, (3) improve transparency and active local community engagement in mining sector, (4) increase active local private sector engagement (e.g., working with Building Markets NGO)</p> <p>Will continue to offer scholarships and study tours and/or encourage partnerships with Liberian educational institutions</p> <p>Other potential areas of intervention: Drafting new mineral legislation, recognizing World Bank and GIZ involvement in this government framework area;</p> <p>Improving surveying capacity and implementation of cadastral systems;</p> <p>Environmental assessments, recognizing World Bank involvement;</p>

Donors	Program Name	Activity Focus
		<p>Technical support of regional Justice and Security hub;</p> <p>Creation of independent Mining Commission similar to that which exists in Ghana;</p>
IMF	Tax Policy and Administration	implementation and administration of the fiscal regimes and project analysis/revenue forecasting; reforms to the fiscal terms in Production Sharing Contracts; preparation of the Petroleum Act
AfDB	Support to LEITI	LEITI Secretariat technical assistance financing
	Mano River Union Forestry Conservation Project (proposed)	The objective of the program is to strengthen the Mano River Union for the purpose of ensuring sustainable management of the transboundary forest eco-systems; thereby improving the livelihoods of adjacent communities. The program will contain three components: (i) Sustainable ecosystems management; (ii) Livelihoods improvement; and (iii) Institutional support and program coordination
	Maryland Oil Palm Plantation (MOPP)	Private sector Project. Rehabilitation of oil palm plantation and outgrower scheme.
	African Legal Support Facility	Legal support for concession negotiations