

THE NRM REPORT

The Liberia Natural Resources Management (NRM) Project

A Report on the 2013
Liberia NRM Conference

The Liberia NRM Conference was co-sponsored by International Alert (IA), the Open Society Initiative for West Africa (OSIWA), and the Purdue Peace Project (PPP).



THE NRM REPORT

On May 15th and 16th, 2013, International Alert (IA), the Open Society Initiative for West Africa (OSIWA), and the Purdue Peace Project (PPP) co-sponsored the Conference on Transforming Natural Resources Governance and Management in Liberia at the Krystal Ocean View Hotel in Monrovia. The goal of this conference was to bring together individuals from key groups including public sector, private sector, government, and impacted communities to share information and begin dialogue about the various issues related to natural resource management in Liberia. The conference consisted of several informational presentations on various aspects of natural resource management in Liberia and cases of how natural resource management had been handled in other African nations. In addition, the conference provided working sessions where individuals representing different groups and viewpoints engaged each other in discussion on key themes of the conference and were then able to present their responses to discussion questions to conference attendees as a whole. This report summarizes key themes and informative points from the various presentations as well as the issues and possible solutions that were highlighted in the working sessions.

PARTICIPANTS

Participants who attended the two-day conference included ambassadors, representatives of local CSOs and NGOs as well as extractive companies, government, policy and transparency organizations, and citizens from impacted communities.

THE NRM REPORT

GOALS

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The conference was set forward with a number of objectives in mind related to encouraging dialogue that would lead to potential solutions regarding the natural resource management issues plaguing Liberia. These goals were crafted as a set of questions that conference organizers and the civil society working group on natural resources management (NARDA, AGENDA, P4DP, Rights and Rice Foundation, Kofi Annan Institute for Conflict Transformation, UL, IPC, WONGOSOL, and SDI) drafted to provide a starting point for participant discussion throughout the two-day event. These questions included:

- ◆ How can the exploitation of Liberia's considerable natural resources provide an opportunity for the country to move from conflict and instability, towards sustainable peace and development?
- ◆ What is the status of the relationships between all actors within the sector?
- ◆ Will concession agreements provide jobs and economic opportunities for Liberians or instead will the pressure over land resources prove to be another source of conflict?
- ◆ Will the design and implementation of transparent governance systems provide a barrier against corruption and personal gain?

Through these discussions, the involved parties hoped for the Liberian Government, civil society, private companies, community members, the UN and Liberia's key donor governments to review current policy and practice related to natural resources management and develop required corrective measures as to align the county's economic growth with the identified peace and development priorities, thus contributing to supporting improved and sustainable living conditions and prospects for peace for all Liberians.

THE NRM REPORT

DAY ONE

DAY ONE

The first day of the conference began with a welcome and opening remarks by Jimmy Shilue who highlighted past issues with the management of funds connected to natural resources as well as the presence of multiple issues around NRM and a need to manage these more fairly and effectively to move Liberia forward. His Excellence Ambassador Toyin Solaya, Special Representative of the African Union to Liberia, then gave a welcome address and discussed whether natural resource exploitation acts as an opportunity for development or a driver of conflict in Africa. Ultimately, Ambassador Solaya noted that despite the richness of Africa in natural resources, these resources are sources of conflict in Africa. He ended by recommending that in order to assist in transforming natural resource governance and management in Liberia, scientific, legal, and institutional frameworks would be needed to permit appropriate management as well as the fulfillment of sustained corporate social responsibilities. Illicit outflows of finance were discussed as a potential concern in the question and answer session following his presentation.

The subsequent presentations that day focused on 3 major areas: the exploitation of natural resources in Liberia during and post conflict; the potential presence of petroleum in Liberia—including current policy and laws, the present state of oil explorations, and a comparative case of the management and exploitation of petroleum in Uganda; and conflict sensitive business practices and the experience of communities with iron ore exploitation in Liberia. A summary of the key points of these presentations is provided below.

The first presentation, entitled *Natural Resources Exploitation in Liberia: Conflict and Post-Conflict*, was given by Mr. Ali Kaba, Head of Programmes at the Sustainable Development Institute (SDI). After discussing the roles of the various stakeholders involved in the natural resource structure (including the government, local communities, investors, and external actors), Mr. Kaba took time to review the changes in this structure throughout the pre-war era, during the war, and since the war. Despite the gains in structural management since the war, he noted that there are still challenges at the national, local community and investors levels. For the way forward, Mr. Kaba recommended the need for land tenure reform; agriculture development; managing the rent (land) properly;

THE NRM REPORT

DAY ONE

DAY ONE

and diversifying the economy. Following a series of questions and discussion during the question and answer session, there was a concerted opinion regarding the need to include more women in the industry as well as for a political analysis of the situation to be performed.

The second presentation, entitled *Liberia Petroleum Policy and Enacting Laws*, was given by Mr. Israel Akinsanya, Vice President for Public Affairs of the National Oil Company of Liberia (NOCAL). His presentation was preceded by an introduction from Mr. James Kpargoi, Outreach Manager of NOCAL, who discussed the nine thematic areas of the oil policy being crafted in Liberia. In the question and answer session, the group discussed the potential of local participation, particularly in light of the level of administration set aside for local businesses as well as the amount of ownership to be placed in the hands of Liberians. The group concluded that whether it is oil, iron ore, or timber, the benefit to the communities should be the same. The group also argued for the need to continue dialogue regarding what has happened in the last seven years and what will happen, particularly in the context of reviewing, if the communities have benefited as expected.

The third presentation, entitled *Stakeholders' Engagement in Petroleum Exploitation in Uganda*, was given by Mr. Andrew Byaruhanga Bahemuka, Project Manager-Oil, International Alert (IA)-Uganda. He began by providing historical context regarding the oil sector in Uganda and then moved on to further detail the relationship between the national government and the oil sector, noting that there is a lack of governmental capacity given the newness of the industry. At the local level, he discussed the frailty of the local government structure as the oil industry in Uganda is highly centralized. Lastly, the presenter spoke of Alert's work concerning the oil sector in Uganda.

The fourth presentation, entitled *Community Perspectives on Iron Ore Mining*, was given by Mr. Zahed Yousuf, Senior Programme Officer, IA-London. The speaker started by detailing the employment and community development expectations of the people regarding the mining industry in Liberia, couched within the issues raised by community members in Saniquellie (Nimba) and Buchanan (Grand Bassa) concerning Acelor Mittal mining

THE NRM REPORT

DAY ONE

DAY ONE

in Nimba. Particularly, community members felt as though there was inadequate information on the Mineral Development Agreement (MDA) at the community level, low level employment opportunities for local people, and poor labor practices by sub-contractors. To adjust these issues, community members discussed the need for both Arcelor Mittal and the government to make all information on the disbursement of the County Social Development Fund (CSDF) public, directly consulting with the community about the decision making processes related to project selection and implementation. The community members also suggested that affected communities should be included in Arcelor Mittal corporate social responsibility programs including education, skills training, preference for employment, and provision for basic services.

The final presentation for the day was '*Liberia RISING 2030*': *Transforming Liberia into a middle income country by 2030* by Mr. James F. Tellewoyan of the Development Education Network-Liberia (DEN-L). After briefly discussing the social and economic issues plaguing Liberia, he then spoke about the negative impact of foreign direct investment (FDI) in the country. He noted that FDI has led to anti-company and government protests, political instability, land disputes, and allegations of corruption, as well as a lack of community voices, ambiguity over local allocation, and ineffective social development funds.

Day one concluded with a working session in which attendees counted off into groups to ensure mixed and random group assignments. The groups were then asked to discuss the following questions:

- ◆ What are the 2 main conflict threats related to the extractive industry?
- ◆ What are your 2 recommendations for overcoming these threats?
- ◆ How can Liberia grow out of a concession economy?
- ◆ How can Liberia increase value added and secondary processing (iron, rubber and palm)?

THE NRM REPORT

DAY ONE

DAY ONE

What follows is a discussion of the primary themes that emerged from the group working sessions.

Theme 1: Lack of proper community involvement and limited consideration of community interests is a significant conflict threat to the extractive industry.

When asked about the primary threat to peace in the industry, most groups noted the importance of ensuring that communities were involved at various levels. Whether that is in land ownership, the even distribution of benefits to community members, or the allocation of funds to community social development, the groups agreed that communities must become involved to forego future conflict. A number of groups also pointed to the need for increased community engagement and participation in decision-making processes and land or resource allocation. When prompted to discuss recommendations for overcoming these threats, a number of groups pointed to the need for full community participation based on the principles of accountability and transparency. Others suggested that community capacity should be developed, such that communities can manage their own funds, as well as educational programs to inform communities of the environmental and labor issues concerning NRM.

Theme 2: Policy and legislation are needed to alleviate potential threats to the extractive industry.

A number of groups noted the role that policy and legislation needed to play in better clarifying management and land rights issues. While some noted that legislation was needed in cost-sharing issues, others noted the need for laws to identify proper land owners and land rights. Some spoke more broadly, arguing for the need to formulate policies to clearly articulate the management of government resources.

THE NRM REPORT

DAY ONE

DAY ONE

Theme 3: Economic diversification and the increasing of human capacity are both important tools to help Liberia grow from a concession economy.

Across groups, economic diversification was discussed as a mechanism for moving Liberia forward from a concession economy. Particularly, groups discussed the potential for moving from large plantations to small and medium skilled agricultural enterprises as well as diversifying into sectors, such as agriculture, using NRM revenue. The groups also discussed the need for increased human capacity, incorporating Liberians into economic matters through training and the provision of information.

Theme 4: To increase value-added and secondary processing, there must be greater export regulation, increased production of finished goods in-country, and increased taxes on primary products.

The group agreed that greater export regulation was important to increasing secondary processing, as was the need for more finished goods to be produced within Liberia. The groups noted that amending the investment could be a potential solution, such that a certain percentage of raw materials must go into the creation of a finished product. The groups also suggested that the government could increase taxes on primary products as opposed to the establishment of secondary product plants.

THE NRM REPORT

DAY TWO

DAY TWO

The second day of the conference opened with a summary of day one's proceedings and then moved into a series of presentations focusing on 4 new topic areas: the African Union's position and policies on NRM, Liberia's new land policy and related land policy issues, community perspectives and experiences in the extraction of natural resources, and a view into the Agro-Business sector as presented by a major palm plantation corporation. A summary of information points of these presentations as well as their presenters and affiliations is provided below.

The first presentation, entitled *AU Protocols and Policies on Natural Resource Management*, was given by Mr. Prosper N. N. Addo, Senior Political Affairs Office of the African Union. Mr. Addo noted that as a result of various concerns about how the environment is being used in Africa, the continental organization has established various protocols and policies to manage the use of natural resources to bring about sustainable development. Among these protocols are the *African Convention on the Conservation of Nature and Natural Resources*; *The Constitutive Act of the African Union*; *African Charter on Human and Peoples' Rights*; and *Charter of Economic Rights and Duties of States*. He ended by arguing the need for ratification and domestication of these protocols and commitment and goodwill from leaders based on values and principles of good governance in order to prevent conflicts and ensure inclusiveness in the management of natural resources towards sustainable development.

The second presentation, entitled *Status of the New Land Policy and Challenges Associated with Successful Implementations*, was given by Atty. Kulah Jackson, Program Officer of the Land Commission (LC). Atty. Jackson said the new land reform policy will determine where the citizens want to go in terms of the land sector. To assist in this direction, the speaker said the new land reform policy has established four kinds of land rights – public, government, customary, and private. Concerning the reason for a new land rights policy, the LC official informed the participants that this was necessary due to a lack of clarity concerning public land, government land and customary land, as well as insecure customary (traditional) communities, insecure private land rights, and insecure investment climate.

THE NRM REPORT

DAY TWO

DAY TWO

The presenter noted that the guiding principles leading to the crafting of the Land Rights Policy were based on secure land rights, economic growth, equitable benefits, equal access, equal protection, and environmental protection. He concluded by saying that the implementation of the Land Rights Policy will take ten to twenty years.

The third presentation, entitled *The Agro-Business Sector: Large Plantations vs. Small Holder Farmers – Challenges and Opportunities*, was given by Mr. Varney Holmes, Senior Superintendent, Social Mobilization, Sime Darby Plantation-Liberia, Inc. He introduced the topic by stating that the company operates in twenty-one countries globally, with two in Africa, and it is the world's largest public listed plantation company. In Liberia, the company is engaged in the oil palm sector and occupies 220,000 hectares. The speaker informed the participants that the agreement between the company and the Liberian government was consummated in 2009 for the company to use the Guthrie Rubber Plantation area. The concession agreement is for 63 years and the development will be done in stages. A key stage in the agreement is the construction of a palm oil refinery by 2024. Thereafter, he named the issues and challenges to the agreement, including governmental issues, a lack of skilled human capital, limited local materials, and local community conflicts and encroachment issues. On moving forward, Mr. Holmes suggested that many forests in the country can be transformed into economically productive land.

The fourth presentation, entitled *Forgotten Voices: A Case Study of the Liberia Natural Resource Women Platform*, was given by Madam Barwudu W. Johnson, Head of Secretariat, Liberia Natural Resource Women Platform. She gave a history of the formation of the group in May 2010 whose objectives among others are to advocate for transparent use and sharing of benefits as well as funds generated from natural resources and advance and establish equitable natural resource and land tenure reforms in a way that it reduces the poverty faced by these women. She then went on to discuss the challenges faced by women including a lack of say in decision making, women's tenure rights, poor working conditions as well as access to knowledge, markets and technology. She also noted that community rights law is being

THE NRM REPORT

DAY TWO

DAY TWO

regulated by the government, which takes away rights from communities. Madam Johnson's presentation was followed by experience sharing of women from four counties: Cape Mount, Sinoe, Rivercess, and Margibi.

The fifth presentation, entitled *Retrospective of What Has Been Happening over the Past 5 Years and Areas of Intervention*, was given by Mr. Wilfred Gray-Johnson, Head of Liberia Peacebuilding Office. He traced the beginning of the intervention efforts to February 2006 when there was an inter-agency workshop organized by the Liberian government and the UN to bring key actors together to identify the fundamental root causes of conflict and potential areas of conflict. Mr. Johnson noted that conflict issues with the management and exportation of the country's natural resources have been flagged in many major documents such as the UN Common Country Assessment (CCA); the UN Development Assistance Framework for Liberia (UNDAF); the Truth and Reconciliation Commission Report; and the government's Interim Poverty Reduction Strategy (iPRS), Poverty Reduction Strategy (PRS) and National Security Strategy of the Republic of Liberia (NSSL). To assist in addressing the conflict issues, Mr. Gray-Johnson noted that several initiatives have been implemented since 2006, including the passing of the New Forestry Reform Law of Liberia (NFRL) and the establishment of the Forestry Reform Monitoring Committee, the Kimberly Process Certification Scheme, the Liberia Extractive Industries Transparency Initiative (LEITI), and the Land Commission. Despite these efforts made since 2006, Mr. Johnson said operationalization and implementation of the policies remain critical challenges.

The sixth presentation was a brief overview on investment in the country which was done by a staff member of the National Investment Commission (NIC). The speaker noted that it was no secret that so many mistakes were made in the various concession agreements signed. As a result, he informed the participants that the NIC has created a section called Concession and Development in Public and Private Sectors, noting that concession would not be discussed without the involvement of local communities.

THE NRM REPORT

DAY TWO

DAY TWO

The seventh presentation, entitled *The Impact of Natural Resource Exploitation on Community and Vulnerable Groups' Economic Empowerment: Any lessons learned?*, was given by Mrs. Julie T. B. Weah, Director for Foundation for Community Initiatives (FCI). The speaker began by giving a background of the current situation in Liberia, particularly by stating how more than half of the country's land has been given to multinational corporations (MNCs). Nevertheless, she stated how attempts have been made by government to pass some 'progressive laws on benefit redistribution' such as the Freedom of Information (FOI) Act (2010). Yet still, Mrs. Weah noted that there are challenges such as lack of felt impact in communities receiving revenues from natural resource exploitation, land rental fees being paid in government coffers, weak law enforcement process and lack of political will on the part of regulatory bodies such as ministries and agencies, and social agreements not being satisfactory to the communities. Mrs. Weah then made four recommendations, noting that Liberian civil society should assist the government to take concrete measures to implement its obligations fully for transparency under the various laws and that the rights and conditions of vulnerable groups must be recognized and considered in the governance of the natural resources to ensure improved livelihood.

The last presentation, entitled *Youth Economic Empowerment*, was given by Mr. Frank S. Suku, Deputy Secretary General for Programs of the Federation of Liberian Youth (FLY). He said although many concession agreements have been signed, mere extraction of the natural resource does not provide the income the country actually needs to empower its people. Mr. Suku added that what is needed is industrialization through manufacturing that will create more jobs and training. He disagreed with those who argue that young people do not have the capacity. He then recommended for the provision of micro-loans for young people and the inclusion of the youth in decision making spaces.

APPENDIX

Transforming Natural Resources Governance and Management in Liberia
 Krystal Ocean View Hotel, Monrovia – Liberia, May 15 – 16, 2013
 Conference Programme

Wednesday, May 15, 2013

08.30 – 09.00	Participants registration	
09.00 – 09.30	Welcome and opening remarks	
09.30 – 09.45	Natural resources exploitation in Africa –driver of conflict or opportunity for development?	His Excellence Ambassador ToyinSolaya, Special Representative of the African Union to Liberia
09.45 – 10.45	Natural resources exploitation in Liberia, conflict and post-conflict – presentation and Q&A	Mr. Ali Kaba, Head of Programmes, Sustainable Development Institute
10.45 – 11.00	Coffee break	
11.00 – 12.00	Liberia Petroleum Policy and enacting laws – presentation and Q&A	Mr. Israel Akinsanya, Vice-President for Public Affairs, NOCAL
12.00 – 01.00	Stakeholders’ engagement in petroleum exploitation in Uganda – presentation and Q&A	Mr. Andrew Byaruhanga Bahemuka, Project Manager - Oil, International Alert
01.00 – 02.00	Lunch break	
02.00 – 03.00	Liberia rising 2030 - the role of conflict sensitive business practice and communities’ experience on iron-ore exploitation – presentation and Q&A	Mr. Zahed Yousuf, Senior Programme Officer International Alert Mr. James Telewoyah, Programme Officer DEN-L
03.00 – 04.00	Working session – break out groups discussion	
04.00 – 04.15	Coffee break	
04.15 – 05.00	Groups feedback and conclusions	

THE NRM REPORT

APPENDIX

APPENDIX

Thursday, May 16, 2013

08.30 – 09.00	Participants registration	
09.00 – 09.15	Day 1 key points – recap	
09.15 – 10.00	AU protocols and policies on natural resource management – presentation and Q&A	Mr. Prosper N. N. Addo Senior Political Affairs Officer African Union Liaison Office to Liberia
10.00 – 10.45	Status of the New land Policy and challenges associated with successful Implementation – presentation and Q&A	Antony Kulah Jackson Programme Officer, Land Law Reform, Land Commission of Liberia
10.45 – 11.00	Coffee break	
11.00 – 12.00	Communities' concerns about Land Issues - presentation and Q&A	Cllr. Alfred Brownell Executive Director, Green Advocates-Liberia
12.00 – 01.00	The Agro-Business sector: Large Plantations vs. Small Holder Farmers – Challenges and Opportunities - presentation and Q&A	Mr. Verney Holmes Senior Superintendent Social Mobilization, Sime Darby Plantation – Liberia, Inc.
01.00 – 02.00	Lunch break	
02.00 – 03.00	The impact of natural resource exploitation on community and vulnerable groups' economic empowerment: Lessons learned – presentation and Q&A	Mrs. Julie T. B Weah Director Foundation for Community Initiatives (FCI) Mr. Mohammed Nasser President Federation of Liberian Youth (FLY)
03.00 – 04.00	Working session – break out groups discussion	
04.00 – 04.15	Coffee break	
04.15 – 05.00	Groups feedback and conclusions	
05.00 – 05.30	Closing remarks	