

ENVIRONMENTAL CODES, LAWS AND POLICIES PERTAINING TO THE RIO CONVENTIONS IN LIBERIA

SUSTAINABLE LAND MANAGEMENT



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INTRODUCTION

Background

The publication is an outcome of a consultancy to produce and distribute updated environmental codes, laws and relevant texts pertaining to the Rio Conventions implementation in Liberia from 2006 to 2019. The Liberia Environmental Protection Agency (LEPA) and United Nations Development Programme (UNDP) is implementing a Global Environment Facility (GEF) funded Cross - Cutting Capacity Development (CCCD) project which aim to support the Government of Liberia strengthen national capacities to meet global environmental obligations with the framework of the sustainable development priorities.

The goal of the assessment is to improve the implementation of the three (3) Rio Conventions (United Nations Convention on Biological Diversity, United Nations Framework Convention on Climate Change, and United Nations Convention to Combat Desertification) through development of national capacities to better coordinate and generate information related to the implementation of these Conventions.

The Conventions derived from the June 1992 Earth Summit held in Rio de Janeiro and entered into force December 1993. Liberia ratified them between March 1998 and November 2002, and domesticated implementation through national policies on environment, forestry & wildlife and land management.

United Nations Convention on Biological Diversity

The Convention on Biological Diversity (CBD) is an international legally-binding treaty with three main goals: conservation of biodiversity; sustainable use of biodiversity; fair and equitable sharing of the benefits arising from the use of genetic resources. Its overall objective is to encourage actions, which will lead to a sustainable future. The Convention covers biodiversity at the ecosystems, species and genetic resources levels and also biotechnology, including through the Cartagena Protocol on Biosafety. In fact, it covers all possible domains that are directly or indirectly related to biodiversity and its role in development, ranging from science, politics and education to agriculture, business, culture and much more.

United Nations Framework Convention on Climate Change

Framework Convention on Climate Change (FCCC) is an international environmental treaty with the objective to "stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system". Preventing "dangerous" human interference with the climate system is the ultimate aim of the FCCC. The framework sets non-binding limits on greenhouse gas emissions for individual countries and contains no enforcement mechanisms, but outlines how international "protocols" or "Agreements" may be negotiated to specify further action towards the objective of the FCCC.

United Nations Convention to Combat Desertification

Convention to Combat Desertification (CCD) is the sole legally binding international agreement linking environment and development to sustainable land management. The CCD addresses specifically the arid, semi-arid and dry sub-humid areas, known as the drylands, where some of the most vulnerable ecosystems and peoples can be found. The 2018-2030 Strategic Framework of the CCD is the only comprehensive global commitment to achieve Land Degradation Neutrality (LDN) in order to restore the productivity of degraded land, improve the livelihoods, and reduce the impacts of drought on vulnerable populations.

LAND MANAGEMENT LEGISLATIONS AND POLICIES OF LIBERIA

AN ACT TO ESTABLISH THE LAND RIGHTS LAW OF 2018

1 General Provisions

- 1.1 The title of this law shall be the Land Rights Law of the Republic of Liberia.
- 1.2 This law shall be cited as the Land Rights Act.
- 1.3 Purpose:
- To define and delineate the different categories of land ownership and rights recognized in Liberia.
 - To prescribe the means by which each of the categories of land may be acquired, used, transferred and otherwise managed.
 - To ensure that all communities, families, individuals and legal entities enjoy secure land rights free of fear that their land will be taken from them, except in accordance with due process of law.
 - To confirm, declare and ensure equal access and equal protection with respect to land ownership, use and management, including ensuring that Customary Land is given protection equal to Private Land and that land ownership is permitted for all Liberians regardless of their identity, whether based on custom, ethnicity, tribe, language, gender or otherwise.
- 1.4 This Act applies to and covers the following:
- All lands in Liberia, whether presently or hereafter owned privately, publicly or collectively.
 - All persons that own or seek to own rights or interests in land, including individuals, communities and legal entities as well as the Government and its agencies.
 - The original acquisition or title and subsequent transfer of any interests or rights in land.
 - Except to the extent necessary to define the rights and obligations attendant to each of the land rights categories, the scope of this Act is limited with respect to Land Administration, which is reserved for later legislation.

2 Ownership and Other Rights in Land

- 2.1 Subject to Section 2.2, Land ownership shall consist of a bundle of rights that include:
- The right to possess;
 - The right to use;
 - The right to exclude; and
 - The right to transfer by sale, devise, gift or otherwise.
- 2.2 The right to restrict the exercise of any of the rights listed in Article 5(1) of this Act.
- 2.3 Ownership of Land does not extend to Mineral Resources on or below the surface of the Land.
- 2.4 Land ownership may be held singly or jointly by individuals, or collectively by a community as a communal property or the Government as public assets.

- 2.5 A person not having title to land may still have and enjoy the right to possess and/or use the land pursuant to (i) an agreement of lease; (ii) an easement; or (iii) a license. The Government may also grant a concession on or over Government Land and Public Land.
- 2.6 The nature and conditions attendant to acquiring and enjoying each of the rights in land other than ownership are set forth in Part Five (5) of this Act.
- 2.7 Every piece of land shall be classified as, and held under, one of four (4) distinct categories of land ownership in Liberia, as enumerated in Section (2) of this Article (7).
- 2.8 The Four (4) exclusive categories of Land ownership in Liberia are:
- Public Land;
 - Government Land;
 - Customary Land;
 - Private Land
- 2.9 Subsisting with the four (4) categories of land ownership is a unique land use category to be called Protected Area, which cuts across and may exist or be created within each of the four Land ownership categories.
- 2.10 A land classified or held under any one category of land ownership may be converted to another category; provided that a conversion made through a process not compliant with the conditions and requirements of this Act shall be void.
- 2.11 In compliance with the provisions of the Constitution of Liberia, ownership of Land shall be limited to Liberian citizens.
- 2.12 In keeping with the Article 22 of the Constitution non-citizen missionary, educational, and other benevolent institutions shall have the right to own property as long as such property is used for the purpose acquired. Title to the property shall revert to the original owner(s) of the land after a determination is made of the non-use of the property by the Land Authority.
- 2.13 A sole proprietorship or a partnership organized under Liberian law and the ownership of which is entirely Liberian shall be eligible to acquire ownership of, and hold title to, land in Liberia.
- 2.14 A Liberian business corporation organized under the laws of Liberia, which is owned one hundred percent (100%) by Liberian citizens at all times, shall be eligible to acquire ownership of and hold title to Land. This provision shall be strictly construed and the property held by such corporation shall escheat to the Republic of Liberia upon any violation of this provision.
- 2.15 All persons, irrespective of nationalities or place of domicile or residence, shall be eligible to acquire, hold and enjoy rights in land other than ownership, including but not limited to the right of possession and or use pursuant to a concession, lease or otherwise.

3 Proof, Protection, Registration and Regulation

- 3.1 The proof of ownership of a Private Land shall at all times be by way of a deed that (i) is duly probated and registered in keeping with the law controlling, (ii) is executed by the legitimate Owner or Owners, and (iii) shows a legitimate chain of title.
- 3.2 Proof of Government Land shall be evidenced by Statutory Deeds.
- 3.3 The proof of any Public Land shall consist of competent evidence of its acquisition by the Government through purchase, escheat, confiscation gift or otherwise and the fact that it is not presently used for the present activities and/or operations of the Government and is neither a Private Land nor a Customary Land.
- 3.4 Proof of ownership of Customary Land shall consist of any competent evidence including oral testimony showing a verifiable longstanding relationship with or ties to the Community claiming ownership of the particular Customary Land. However, under no circumstances shall the ownership of Customary Land be denied because of a failure by the Community to produce documentary evidence in support of the claim. A Community may, in lieu of a Confirmatory Survey, enter into stipulations with one or more Communities or Private Persons in determining the boundaries of its Customary Land.
- 3.5 All interests and rights in Land, irrespective of the ownership or the nature of the ownership, are entitled to the protection provided by the Constitution of Liberia.
- 3.6 The Government has the sovereign authority and responsibility to protect and enforce protection of all interests and rights in Lands.
- 3.7 Except as provided in Sections (2) and (3) below, no title to or interest in Land shall be enforceable unless such title or interest is duly registered in keeping with law.
- 3.8 The Ownership of Customary Land was by its nature based on unwritten customary norms and practices and was therefore not registered but will be required to be registered after the Effective Date of this Act.
- 3.9 The existence, validity and/or enforceability of the Ownership of Customary Land shall not be affected because of the lack of title documents or prior registration if there is evidence, including oral testimony of the existence of a longstanding relationship or ties with the Community and the Customary Land.
- 3.10 Within twenty-four (24) months of the Effective Date of this Act, the Government working with Communities, shall commence the conduct of a Confirmatory Survey of all the Customary Land in Liberia for the purpose of determining the size and boundaries of the customary Land of each community. The report of the Confirmatory Survey shall include the precise coordinates and maps of each Customary Land and after validation the report shall immediately be probated and registered in keeping with law.
- 3.11 Regulation of Land Use The right to own and/or use land is not absolute, but is subject to reasonable regulations.

4 Ownership of Land

- 4.1 The ownership of a Private Land constitutes private property, which is alienable, descendible and devisable.
- 4.2 The ownership of a Private Land confers on the owner the right to possess and use the land to the exclusion of all other persons including the Government, as well as the right to alienate the land partially or wholly and on such terms as the Owner may determine.
- 4.3 The ownership of a Private Land does not constitute a grant of any right to use of Mineral Resources on or beneath the land.
- 4.4 The ownership of a Private Land shall be in fee Simple, unless any restriction is clearly stated in the instrument of conveyance.
- 4.5 The acquisition of a Private Land may be for any lawful purpose, including personal use as a residence, agricultural or commercial use, and industrial purposes.
- 4.6 Private Land may be acquired, held or owned by
 - Natural persons who are citizens of Liberia.
 - Sole proprietorships and partnerships owned entirely by Liberian citizens.
 - Diplomatic Missions.
 - Non-Citizen missionary, educational or other benevolent institutions.
- 4.7 Every owner of a Private Land is obliged to:
 - (a) Register his or her ownership of the land with the relevant agency of the Government and to maintain up-to-date records of such ownership and registration.
 - (b) Pay taxes on the land in keeping with the Revenue Code of Liberia.
 - (c) Comply with land use planning regulation(s), as are existing or may be promulgated from time to time.
 - (d) Avoid sale or any conveyance of the land to non-eligible person.

5 Acquisition of Private Land

- 5.1 A Private Land may be acquired through purchase, donation, intestacy, gift, will or Adverse Possession; provided that in all cases a valid acquisition of a Private Land may be only by persons qualified to hold Private Land in keeping with Article (15) of this Act.
- 5.2 Acquisition of Private Land by purchase may be done through privately negotiated sale or at public sale done by auction.
- 5.3 A judicial sale.
- 5.4 A person who satisfies the requirements of Article (15) of this Act may acquire a Private Land by purchase, through private sale or public sale by auction, from (i) owner(s) of a Private Land and (ii) the Government, in case of Government Land or Public Land.

- 5.5 A Private Land may be acquired by purchase from a Private Land owner(s) or the owner's estate for any consideration and at any time.
- 5.6 A purchase from a Private Land owner shall not be valid and enforceable, unless:
- (a) The sale was made following publication or posting of notice(s) of the proposed sale in conspicuous places in the community where the land is located.
 - (b) The Seller produces, and the Buyer obtains and retains, documentary confirmation of the seller's ownership of the subject land.
 - (c) The transfer deed from the Seller to the buyer is duly probated and registered in keeping with laws of Liberia.
- 5.7 A Private Land may be acquired by purchase of a Government Land or Public Land from the Government, upon complying with the provision of this Act, the Public Procurement and Concession Act and any other laws and regulations of Liberia governing sale and purchase of Government Land and Public Land.
- 5.8 A Public Land may be acquired as a Private Land only upon complying with the provisions of this Act governing sale of Government Land and Public Land as well as the Public Procurement and Concession Act and any other laws of Liberia governing sale of public assets generally.
- 5.9 Private Land may be acquired by grant of a defined portion of a Customary Land to a Resident as a Residential Area; provided that the total area of Customary Land which may be acquired by or granted to a Resident shall not exceed one (1) acre.
- 5.10 Except as provided in Section (1) above, no Person shall purchase and/or hold as Private Land any portion of Customary Land after ninety-nine (99) years as of the Effective Date of this Act.
- 5.11 The Purchase of Customary Land for use as a Private Land shall be upon complying with the provisions of this Act and any regulations promulgated by the Commission to govern the sale of Customary Land.
- 5.12 A person acquires a Private Land by Adverse Possession where (i) he or she moves on the said piece of Private Land under any asserted claim of right and remains in possession for a continuous period of twenty (20) or more years; or (ii) where he or she moves on the said piece of Private Land under a color of title and remains in possession of the land for a continuous, uninterrupted period of ten (10) years.
- 5.13 For purposes of adverse possession, a "claim of right" shall mean any asserted ownership of Private Land whether supported by a document of title or not, while a "color of title" shall mean any claim of ownership of Private Land founded on a written instrument such as a deed, a will or a judgment that is for some reason defective or invalid.
- 5.14 To constitute adverse possession, one claiming a piece of Private land under a color of title is deemed to have been in possession of the subject land by proof of regular payment of taxes along with any of the following:
- (a) Where the land has been usually cultivated or verifiably improved by the claimant.
 - (b) Where the land has been protected by a fence or some substantial enclosure.

- (c) Where the land, although not enclosed, has been used by the claimant for the ordinary need or use of the claimant.
- 5.15 Where a land has been partly cultivated or improved by a person claiming under a color of title, the portion of the land not cleared, cultivated or improved is deemed to have been actually occupied or possessed for the same length of time as the portion cultivated or improved if it is not customary for owners to cultivate all their land.
- 5.16 To constitute adverse possession, one claiming piece of Private Land under a claim of right is deemed to have been in actual possession of the subject land by proof of regular payment of taxes along with any of the following: (i) where the land has been usually cultivated or verifiably improved by the claimant. (ii) Where the land has been protected by a fence or some substantial enclosure by the claimant.
- 5.17 A defendant in an action to recover real property may assert ownership to the property under a claim of right alternative to or independent of a color of right, and such plead shall not be considered inconsistent under any rule of pleading or evidence.
- 5.18 For purpose of computing the period required under this Article 22, the period of possession of a person's predecessor-in-estate shall be considered or included in the period of possession of the current possessor.
- 5.19 Adverse Possession is inapplicable to Customary Land, Government Land, or Public Land, and no Person may claim any Customary Land, Government Land or Public land by Adverse Possession.

6 Extinction of Private Ownership

- 6.1 A private ownership of a land shall continue in perpetuity unless terminated by reason of:
- Abandonment.
 - Failure of heirs.
 - Loss of citizenship; or
 - The exercise of eminent domain by the Government upon complying with the requirements of the Constitution and Article 54 of this Act.
- 6.2 The ownership of a Private Land shall become extinct by abandonment and the land escheated to the Government where the private owner voluntarily relinquishes, by words or conduct, any further interest or right in the subject land.
- 6.3 For the purpose of this Article, the owner of a Private Land shall be presumed to have abandoned the land upon showing that:
- (a) The owner fails to pay all taxes inclusive of penalties assessed on the land for a continuous period of ten (10) year.
 - (b) The land has not been occupied, developed or used by the owner for a continuous period of ten (10) years.
- 6.4 A presumption of abandonment shall not arise or lie in any case where the failure of a Private Land's owner to use, occupy or develop the land or pay requisite taxes for the land was the result of involuntary conduct such as duress by a third party, armed conflict, a force majeure. For purposes of counting the continuous period required to prove abandonment, the duration of any nonuse of

the land or nonpayment of taxes related thereto attributable to duress, armed conflict or any force majeure shall be excluded.

- 6.5 No land shall be declared and/or treated as abandonment unless as a result of a special proceeding duly filed with a court of competent jurisdiction and where the facts of abandonment are proved in keeping with the provisions of this Act, the Civil Procedure Law and other applicable laws of Liberia.
- 6.6 The ownership of a Private Land shall be extinguished and the Private Land automatically converted to Public Land upon the entering of a final judgment of abandonment.
- 6.7 A Private Land acquired by the Government as Public Land on account of abandonment shall be managed, used, and subject to transfer by the Government in the same manner and on the same conditions as appertaining to all Public Land.
- 6.8 Customary Land, Government Land and Public Land shall not ever be deemed abandoned, and no Customary Land shall be acquired by the Government on ground of Abandonment.
- 6.9 A privately owned land will escheat to the Government in the event that the owners dies intestate without any heirs.
- 6.10 In keeping with the Provisions of Article 24 (b) of the Constitution of Liberia, a Private Land shall escheat to the Government where (i) its owner has become ineligible to own land because of the cancellation of his or her certificate of naturalization, and (ii) the owner presently has no heir(s) that are Liberian citizens.
- 6.11 In every case where the ownership of a Private Land is terminated by reason of loss of citizenship by a naturalized Liberian, the person losing the ownership or his/her estate shall be entitled to a lease of the land OR prompt and just compensation for the value of the Land and any improvements thereon.
- 6.12 ownership of a Private Land and/or the rights attendant to such ownership shall not be affected or extinguished on ground of loss of citizenship unless as result a judicial hearing that complies with the Civil Procedure Law and consistent with due process of law.
- 6.13 The ownership of a Private Land may be terminated by the exercise of the power of Eminent Domain by the Government upon complying with the provisions of Article (54) of this Act and the procedural and substantive requirements established in the Constitution of Liberia as well as other applicable Liberian laws.

7 Co-Ownership of Private Land

- 7.1 Two or more persons who satisfy the requirements of Article 15 of this Act may jointly acquire, own, hold and use a piece of Private Land and thereby become its co-owners.
- 7.2 A co-ownership of a Private Land grants to the co-owner concurrent rights of present or future possession, use and control.
- 7.3 The following are the three (3) types of co-ownership of land recognized in Liberia: (i) Tenants in Common. (ii) Joint Tenants and (iii) Tenancy by the Entirety.

- 7.4 Any piece of Private Land acquired by or devised to two or more persons jointly and under the same instrument creates a tenancy in common whereby the co-owners become tenants in common.
- 7.5 All Tenants in Common have separate but undivided interests in the land held in common, but the interest of each is descendible and may also be alienated by sale or gift or encumbered by mortgage or otherwise.
- 7.6 A tenant in common may, by lease or license, grant unto another person the right to possess and use the land held under common tenancy to the full extent as such lessor or licensor herself might have used or occupied it if such lease or license had not been granted, and a co-tenant who expels the lessee or licensee is liable for trespass.
- 7.7 Any joint ownership of land is a tenancy in common unless specifically proven to be another type of common ownership.
- 7.8 Any circuit court of competent jurisdiction may, upon the petition of any co-tenant or an interested person, including creditor, order partition in kind of any land held in tenancy in common and may appoint a referee or surveyor for that purpose, and any decrees or judgment appertaining such partition shall bind the parties and all persons who thereafter claim title to such land.
- 7.9 In lieu of partition in kind, the court may order a partition by sale of any land when: (i) the physical attributes of the land are such that partition in kind is impracticable or likely to be inequitable and (ii)
- 7.10 A sale will better promote the interests of all owners.
- 7.11 The provisions of this Section shall extend to and include land owned in common by two or more persons when the whole or a part of such land is vested in any person for life with remainder to her heirs.
- 7.12 A conveyance made in consequence of a decree ordering sale of such land shall create a valid and marketable title in the purchaser thereof, and shall bind the person entitle to the life estate and his or her heirs and any other persons having remainder interest in the land.
- 7.13 A Joint interest in land, otherwise called a Joint Tenancy, is one owned by two or more person in equal shares, by a title created by a single will or transfer, when expressly declared in the will or transfer to be a joint tenancy, or by transfer from a sole owner to himself and other(s), or from tenants in common or joint tenants to themselves or any of them and other(s) when explicitly stated in the transfer to be a joint tenancy, or when granted to executors or trustees as joint tenants.
- 7.14 Each Joint Tenant is deemed to own the undivided whole of the land, and when one joint tenant dies, the surviving tenant (s) have a right of survivorship since she (they) always also had the undivided whole of the land even during the lifetime of the deceased joint tenant.
- 7.15 A court of competent jurisdiction may, upon proper application made, partition in kind or by sale a property held under a joint tenancy in the same manner and for the same reasons as stated in subsections Five (5) and Six (6) of Article 29 of this Act.
- 7.16 A joint tenancy may be severed and its attendant right of survivorship destroyed by any of the following: (i) death of one of two joint tenants; (ii) mutual agreement of the joint tenants; (iii)

voluntary conveyance by gift or sale by one or more of the joint tenants; (iv) by partition proceedings or decree of partition; or (v) by foreclosure, and not execution, of a mortgage granted over the interest of a joint tenant.

- 7.17 A tenancy by the entirety arises when a joint tenancy is created in two or more persons living together as husband and wife.
- 7.18 The right of survivorship exists in a tenancy by the entirety such that upon the death of one partner the other takes the entire land free of the participation of the heirs of the deceased partner.
- 7.19 No tenant in a tenancy by the entirety may defeat the right of survivorship of the other tenant by conveyance, partition or testamentary disposition.
- 7.20 A tenancy by the entirety may be destroyed by divorce or by voluntary agreement of the couple.

8 Acquisition and Nature of Customary Land

- 8.1 Customary Land is acquired and owned by a Community in accordance with customary practices and norms based on long period of occupancy and/or use.
- 8.2 The existence and ownership of Customary Land shall become enforceable as of the Effective Date of this Act.
- 8.3 The acquisition and/or ownership of a particular Customary Land by a specific community is established by one or more of the following: (i) That the Customary Land, prior to the Effective Date of this Act, was deeded to the Community (ii) the land is considered to be Customary Land by common and long-standing understanding among members of the Community, and includes land that has been used and/or possessed exclusively or continuously by the Community or some of its members for socio-cultural and economic purposes over a period spanning fifty (50) or more years, as established by oral testimonies of communities and their neighbors, and/or by landscape-based customary evidence; and (iii) the use or claim of use/possession of the land by the community through historical activities and ties is (i) acknowledged by some or all neighboring communities and/or (ii) recognized by rules of customary practice, as established by oral testimonies of communities and their neighbors, and/or by landscape based customary evidence.
- 8.4 All deeds granted, prior to the Effective Date of this Act, in the name of some individuals described in their official or representative capacities by use of words such as “the Elders of” or “the People of” shall be deemed to have conveyed a Customary Land.
- 8.5 Save for Customary Land granted by aborigine deed or any other written documentation prior to the Effective Date of this Act, ownership of Customary Land is not acquired from any person or government, but arises by operation of law based on the proven longstanding relationship of possession and protection between the individual community and the subject land. No documentary evidence other than oral testimonies of Community Members and members of neighboring communities is necessary to identify or establish a community’s ownership of a Customary Land.
- 8.6 A community’s ownership of a Customary Land is and shall be in the nature of a communal property.

- 8.7 The ownership of Customary Land consists of a bundle of land rights, which includes: (i) the rights to exclude all others; (ii) The right to possess and use the land along with all non-mineral resources thereon; (iii) the right to manage and improve the land including planting crops, harvesting forest products, etc., directly or through third parties by way of management contracts or similar agreements/arrangements; and (iv) the right to transfer some of the land or the use and possession thereof through lease or other lawful means consistent with the provisions of this Act and any regulations promulgated hereunder.
- 8.8 A community's ownership of Customary Land includes ownership and right to use and alienate by any means, all non-mineral natural resources on the land such as forest resources, carbon credits, and water. The ownership of Customary Land does not include any mineral resources on or beneath the land which, in keeping with the Constitution of Liberia, remain the property of the entire nation held in trust by the Government.

9 Identification and Organization of Landowning Community

- 9.1 Each community shall have the right to define the area of its Customary Land in keeping with customs, oral or written history and locally-recognized norms.
- 9.2 Each Community shall have the right and responsibility to identify its members; except that no Community may be excluded from membership of the Community.
- 9.3 All Community Members of a Community are members of the Community and have equal rights to the use and management of the Community Land, regardless of age, gender ethnicity, religion and disability.
- 9.4 The Community shall not deprive a Community Member of his or her Residential Area. Any restriction on the exercise of the Land rights of a Community Member shall not be valid except it is in accordance with the customs and traditions of the Community and are not in violation of the provisions of this Act and the Constitution of Liberia, provided that the Community shall compensate a Community Member with comparable Land when Land is taken from a Community Member by the Community'.
- 9.5 The Community shall be and remain an open class subject to changes as caused by birth, death and migration.
- 9.6 The Community Members:
- (a) Shall draft by-laws using process agreed by the community.
 - (b) Create and establish a Community Land Development and Management Committee (CLDMC).
 - (c) Develop processes, which shall include the eligibility requirements for a non-Community Member to become a Community member; and
 - (d) Elect the CLDMC and set up rules for the management for the conduct of the CLDMC.
 - (e) Shall develop a land use management plan.

- 9.7 A Community organized in accordance with Section 1 of Article 35 shall have legal and possess legal personality with all the attendant rights, including the ability and right to enter into enforceable contracts and sue and be sued.
- 9.8 The authority for the development and management of Customary Land shall be vested in the members of the Community acting collectively.
- 9.9 The Community Members acting collectively are the highest-decision making body of the Community. They shall have the power by a vote of two-thirds of the Community membership:
- (a) To approve the sale, lease or transfer of Customary Land to Persons other than Community Members.
 - (b) To approve the sale, lease or donation of Customary Land to the Government.
 - (c) To approve requests of leases of Customary Land in excess of fifty (50) acres.
 - (d) To approve the sale of Customary Land, subject to the fifty (50) year prohibition on the sale of Customary Land as provided in Articles 49 and 51 of this Act;
 - (e) Investigate complaints involving CLDMC members and in connection therewith, remove members of the CLDMC, provided that the successor of any removed member shall be elected in accordance with the provisions of Article 36(4) of this Act.
 - (f) Decide any matters relating to the Community's Customary Land consistent with the provisions of the bylaws of CLDMC.
- 9.10 The CLDMC shall establish, support and maintain several sub-bodies and committees.
- 9.11 The CLDMC shall be accountable to the entire membership of the Community and shall report to the membership at frequencies established in the by-laws, provided that a report shall be made to the membership at least once annually.
- 9.12 The CLDMC shall allocate view and render decisions on complaints arising from the allocation and use of Customary Land, including matters relating to the allocation of Residential Areas. These decisions shall be made available to the entire Community membership.
- 9.13 The membership of the CLDMC shall consist of equal representation of the following three stakeholders' groups' men, women and youths. Except for chiefs of the Community who shall be ex-officio members of the CLDMC, the representatives of the three stakeholder groups shall be democratically elected.
- 9.14 All decisions of the CLDMC, including appointments of officers, shall be made by consensus.
- 9.15 Any decision taken in respect of Customary Land shall be in accordance with the customs, traditions and practices of the Community.
- 9.16 No member of the Community shall be eligible to serve as member of the CLMDC or of any committee constituted by the CLMDC if: he or she (i) has been convicted of a felony; (ii) has been legally adjudged bankrupt; (iii) has been legally adjudged mentally incapacitated under the laws of Liberia or any legal system; and (iv) is under eighteen (18) years of age.
- 9.17 Members of the CLDMC shall serve on a pro bono basis and this shall be strictly enforced.

- 9.18 Any member of the CLDMC shall be liable under applicable law for acts of corruption, negligence or incompetence in the discharge of his or her duties, whether or not same results in injury to the Community.
- 9.19 The Government in collaboration with the Community shall promulgate appropriate regulations for the management of the CLDMC.
- 9.20 Each CLDMC shall work with the relevant local Government officials and the Government shall provide sufficient and adequate resources for the proper and timely implementation of the provisions of this Act.

10 Demarcation and Categories of Customary Lands

- 10.1 A Community's claim of Ownership of Customary Land shall be established by competent evidence including oral testimonies of Community members, maps, signed agreements between neighboring Communities and any other confirming documents.
- 10.2 A nation-wide Confirmatory Survey to confirm the boundaries of all Customary Lands shall commence within twenty-four (24) months of the Effective Date of this Act. The Confirmatory Survey shall be conducted by or under the aegis of the Government through the Liberia Land Authority. The report of the Confirmatory Survey shall be validated, published and registered with the Liberia Land Authority, the Liberia Land Authority shall thereafter issue a Statutory Deed, and it shall be recorded in keeping with law.
- 10.3 Depending on the amount of available Customary Land, during the Confirmatory Survey, a maximum of ten (10%) percent of Customary Land in each Community, or an amount of Customary Land at the discretion of the Community, shall be set aside and allocated as Public Land.
- 10.4 The absence or delay in the conduct of the Confirmatory Survey shall not negate the existence or enforceability of a Community's Ownership of Customary Land, but the Confirmatory Survey shall be a condition precedent for the encumbrance or transfer of Customary Land which is a subject of any contested claim by another Community or by the Owners of any of the four (4) categories of Land Ownership.
- 10.5 Pending the issuance of formal title documents to the Community, for purposes of evidence of title, subsequent to the completion of the Confirmatory Survey, the confirmed measurements, inclusive of precise coordinates and maps of each Customary Land, as validated and registered shall serve in lieu of a Deed as proof of Ownership.
- 10.6 Where the boundary, extent or size of a Customary Land is contested by a Private Land Owner, the burden of proof shall be on the person challenging the boundary, extent or size of the Customary Land, and the standard of proof in such case shall be by clear and convincing evidence, as established by proof of the acquisition of the Land by a Public Land Sale Deed.
- 10.7 Where the boundary, extent or size of a Customary Land is contested by another Community, the controversy shall be resolved as if the dispute was a contest of title between two Private Land owners, and the standard of proof shall be that of preponderance of evidence, which may be established by the oral testimonies of Community Members and/or landscape-based evidence of customary claims, or other customary evidence.

- 10.8 The Government through the Liberia Land Authority shall develop regulations for the solution of all disputes involving Customary Land between Communities through customary law and Alternative Dispute Resolution Mechanism.
- 10.9 Any decision of the Liberia Land Authority shall be subject to judicial review in the Circuit Court where the Land is located by the filing by the petitioner with the Circuit Court within thirty (30) days of the decision of the Liberia Land Authority. The decision of the Circuit Court is subject to appeal to the Supreme Court of Liberia in accordance with the provisions of Section 51 of the Civil Procedure Law or any successor legislation.
- 10.10 If there are no objections or exceptions to the decision of the Liberia Land Authority, the Liberia Land Authority shall file a petition with the Circuit Court within thirty (30) days for judicial enforcement of its decision.
- 10.11 A Community may divide its Customary Land into various categories, including but not limited to the following:
- (a) Residential Area
 - (b) Agricultural Area
 - (c) Commercial Area
 - (d) Industrial/Mining Area
 - (e) Cultural Shrines/Heritage Sites
 - (f) Protected Area
 - (g) Forest Land
 - (h) Any other Category of land that the Community may deem appropriate.
- 10.12 The categorization of Customary Land shall be based on customary practices and long period of use, as well as consensus reached by members of the Community, provided that Customary Land may be re-categorized based on changed conditions.
- 10.13 Residential Areas shall include a portion of a Customary Land set aside by the Community and used exclusively for residential purposes.
- 10.14 A Community Member, irrespective of gender, shall be entitled to Residential Area for his or her exclusive possession and use as a residence.
- 10.15 Every Residential Area assigned to a Community Member shall have the same legal status as Private Land.
- 10.16 Every Community Member shall be entitled to carry on agricultural activities on a portion of the Customary Land designated by the Community as an agricultural area.
- 10.17 With the approval of the Community Membership, a Community Member, or Person may by lease, mortgage or otherwise use an agricultural area for medium to large or large scale agriculture, including animal husbandry and cash crops production and for an agreed term of years.
- 10.18 The CLMDC of each Community shall adopt in its by-laws procedures and requirements for leases of large tracts of agricultural land to Community Members and Persons.

- 10.19 A reasonable portion of each Customary Land shall be designated by the Community as cultural shrines or heritage sites in accordance with the customs and traditions of the Community. A cultural shrine or heritage site shall consist of any area of Customary Land:
- (a) Used for many years by some distinct group of members of the Community for the practice of their cultural or traditional rites.
 - (b) On which is located a sacred plant, water body, mountain, tree, or other object with special ancestral significance; or
 - (c) Designated as such by the Community.
- 10.20 A cultural shrine or heritage site shall enjoy the same protection accorded Protected Areas in this Act and other applicable Liberian laws.
- 10.21 All Land gazette by the Forestry Development Authority (FDA) or any successor as Protected Areas shall be and remain Protected Areas within Government Land; other land previously designated but have not been gazette as the Effective Date of the Act shall be negotiated between the FDA and the Community based on provisions 2 and 3 of this article.
- 10.22 A portion of Customary Land may be set aside as a Protected Area by the Government: (i) at the request of the Community; or (ii) upon the request of the Government following good faith negotiations. If the negotiations are unsuccessful, the Government reserves the right to exercise its rights of Eminent Domain as provided in Constitution of Liberia, Article 54 of this Act and any other applicable Liberian laws.
- 10.23 Every Protected Area in a Customary Land shall be and remains owned by the Community and conserved and managed by the Community for the benefit of the Community and all Liberians.
- 10.24 Protected Areas within Customary Lands may include forest, wetlands, major water sources and land set aside by a Community for ecotourism.
- 10.25 Any portion of Customary Land established or set aside as a Protected Area shall not be sold, leased, or granted as a Concession, but a limited use rights may be granted to Community Members for livelihood activities, provided that the use is consistent with the conservation and management provisions of the National Forestry Reform Law of 2006 or any successor legislation.
- 10.26 The Government shall provide reasonable resources and technical assistance to build the capacity of Community Members to manage Protected Areas within Customary Land to enable the Government to monitor area's biodiversity and the Community Members' compliance with the conservation and management provisions of the National Forestry Reform Law of 2006 or any successor legislation.
- 10.27 A portion of Customary Land shall be considered and used as forest land if it is not: (i) a Residential Area; an agricultural area; a cultural shrine or a Protected Area; and (ii) has timber as its primary cover.
- 10.28 A Community may use its forest lands and harvest all timber and non-timber products thereon, directly or indirectly in keeping with the provisions of the Community Rights Law of Liberia and the National Reforms Forestry Law of 2006.

- 10.29 A portion of Customary Land may be designated and used by the Community as a commercial area to build and operate shops and other commercial enterprises. Any Land in a commercial area may be leased by the Community to non-Community Members for commercial purposes.
- 10.30 A portion of Customary Land may be used by the Community as a mining area under license from the Ministry of Lands, Mines & Energy.

11 Deeded Lands and Documented Rights in Customary Land

- 11.1 The existence, presence, and recognition of Customary Land shall not extinguish the existence of Private Land located within or surrounded by Customary Land.
- 11.2 Private Land acquired prior to the Effective Date of this Act shall be presumed to be valid.
- 11.3 Private Land located in Customary Land shall enjoy equal protection with Customary Land, and it shall be the joint and several responsibility of the Community and its members to ensure that the rights of every Private Land Owner is protected. Private Land Owner's shall also bear the reciprocal responsibility to the Community to abide by rules adopted by the Community.
- 11.4 The holder of a valid Tribal Certificate issued prior to the Effective Date of this Act for which a Public Land Sale Deed was not obtained is granted a maximum of twenty-four (24) months to finalize and complete all the steps necessary to obtain a Public Land Sale Deed. Appropriate and sufficient notification will be provided by the Liberia Land Authority to the holders of Tribal Certificates to enable them to complete the required steps. The validity of Tribal Certificates shall be determined by a rigid validation process involving the community conducted by the Liberia Land Authority. If the holder of a Tribal Certificate does not obtain a valid Public Land Sale Deed within twenty-four (24) months, the Land, subject matter of the Tribal Certificate, shall revert to the Community and become Customary Land.
- 11.5 As of the Effective Date of this Act, the holder of a valid Tribal Certificate shall be entitled to one hundred percent (100%) of the developed portion of the Land, subject matter of the Tribal Certificate. The undeveloped portion of the Land shall be renegotiated between the Tribal Certificate holder and the Community.
- 11.6 All portions of a Customary Land covered by any Concession(s) issued by the Government prior to the Effective Date of this Act shall remain subject to such concession, contract, permit or documented license for the entire period of their existing terms and conditions.
- 11.7 During any review of any Concession located on Customary Land after the Effective Date, the inputs and concerns of the Community shall be presented through the CLDMC to ensure that the rights and interest of the Community are safeguarded and protected.
- 11.8 Communities on which Concessions are located, after the Effective Date, including mineral Concessions, shall at all times collectively maintain a minimum of five percent (5%) undiluted free carried interest in the rights of the Concession, license or permit, in addition to any other benefits which the Community shall be entitled to receive under the provisions of the Concession, license or permit.
- 11.9 At the expiration or sooner determination of Concession(s) located on Customary Land, the Concession Area(s) shall revert to the Community and shall become Customary Land.

12 Sale, Lease and other Transfers of Customary Lands

- 12.1 Customary Land on which a Community Members has his or her residence as at the Effective Date of this Act shall be automatically transferred to the Community Member and shall be owned by the Community Member in Fee Simple.
- 12.2 The transfer of a Residential Area to a Community Member(s) shall be confirmed and formalized by a Deed to be issued by the CLDMC in the name of the Community Member after the establishment of the CLDMC, except that the absence of such Deed shall not affect or defeat the Community Member's ownership of his or her Residential Area if otherwise provable.
- 12.3 Except for transfers of Residential Area as provided in Section I of this Article, Customary Land shall not be sold or otherwise permanently alienated to a private person until after a period of fifty (50) years following the Effective Date of this Act.
- 12.4 A Customary Land may be leased on such terms and conditions as the Community may determine by and through its CLDMC for areas smaller than fifty (50) acres, and by general consensus of the Community Membership for areas larger than fifty (50) acres. The total certain period of any lease of Customary Land shall not exceed fifty (50) years.
- 12.5 A lease agreement in respect of any Customary Land shall include payment of rent and equitable benefits to the community; an agreed payment schedule and a mechanism to ensure full and timely payment of rent and the performance of all obligations assumed by the lessee.
- 12.6 A lease of a Customary Land may not be made to any Person until:
 - (a) The Community has organized and established a CLDMC.
 - (b) The lease or transfer is duly authorized in keeping with the provisions of this Act.
- 12.7 The elements of Adverse Possession are inapplicable to Customary Land, and no title to Customary Land shall be claimed or asserted based on Adverse Possession.
- 12.8 The acquisition of Customary Land for public purpose or public use shall be pursued by way of negotiations with the relevant Community through lease or purchase on mutuality agreed terms. Condemnation or the exercise of Eminent Domain shall be exercised over Customary Land after compliance with provisions of the Liberian Constitution and this Act.
- 12.9 Customary Land may be extinguished in all or in part upon a decision by 2/3 vote of the Members of the Community to partition the Customary Land into Fee Simple holdings for members of the Community, provided that no such decision or a sale thereunder shall be valid if made earlier than after ninety-nine (99) years as of the Effective Date of this Act.

13 Acquisition, Sale and Extinction of Government Land and Public Land

- 13.1 Government Land and Public Land constitute public assets or resources held in trust and managed by the Government for the benefit of all Liberians.
- 13.2 Government Land shall consist of all Land owned and/or used by Government for its offices or other activities, including but not limited to parastatal bodies; military bases, public roads, public schools and universities, public health facilities, public libraries and museums and airports.

- 13.3 Within thirty-six (36) months as of the Effective Date of this Act, the Government shall commence an inventory of Government Land and, to the extent necessary, harmonize the boundaries between every piece of Government Land and any other land classification.
- 13.4 Public Land is not Private Land or Customary Land and consists of all Land held or acquired by the Government through purchase, confiscation, escheat, and gift or otherwise, which may or may not presently be used by the Government.
- 13.5 The Government shall maintain a publicly accessible inventory of all Public Land including classification of the nature or use of each.
- 13.6 Government Land is acquired by any of the following means:
- By treaty
 - By prior or pre-existing possession and usage
 - By donation
 - By purchase
 - By abandonment
 - BY reversion
 - By escheat
 - By confiscation
 - By Eminent Domain
- 13.7 The Government may acquire Government Land or Public Land by donation if the Land was given to the Government by any person or Community and if the Land is used by the Government.
- 13.8 Government Land or Public Land can be acquired purchase of Private Land.
- 13.9 Government Land or Public Land can be acquired by Abandonment consistent with the provisions of Article 24 of this Act.
- 13.10 Government Land or Public Land may be acquired by reversion where the land ceases to be used by a diplomatic mission or a charity or missionary organization provided that such land used by a diplomatic mission or a charity or missionary was not a Customary Land.
- 13.11 Government Land or Public Land may be acquired by confiscation including the Owner's failure pay applicable real estate taxes.
- 13.12 The Government may also acquire and hold Land as Government Land or public Land if the Owner dies without heirs.
- 13.13 In keeping with the Provisions of the Liberian Constitution, the Government may acquire any Land and properly thereon through the exercise of Eminent Domain or expropriation in the event of armed conflict, where the public health and safety are endangered, or for any other public purposes.
- 13.14 Before exercising its right of Eminent Domain, the Government shall make reasonable and good faith efforts to first lease the Land for the intended public use or purpose. If the Government and the Owner(s) of Private Land or Customary Land fail to reach an agreement, the Government shall have the right to exercise its right of Eminent Domain to have the Land condemned and

expropriated. Condemnation proceedings shall comply with the provisions of Subchapter E of the Civil Procedure Law or any successor legislation.

- 13.15 When the Land acquired by Eminent Domain is not used for the purpose for which it was acquired for a period of five (5) or more consecutive years, the previous Owner or the Owners representatives or successors shall have first rights to re-acquire the Land from the Government at the current market value of the Land, less the amount of compensation which was originally paid to the Owner.
- 13.16 The Government's use or occupancy of Private Land or Customary Land shall be either by (i) lease or purchase in the case of Private Land; or (ii) by the Government's exercise of Eminent Domain consistent with the provisions of the Constitution of Liberia.
- 13.17 The Government may sell or lease Government Land or Public Land to a Person, provided that sale of Government Land or Public Land shall be only to Persons eligible to own Land in Liberia.
- 13.18 The sale and long-term leases of Public Land and Government Land shall be done through a public competitive bidding process by the relevant Government agency authorized to manage Government Land and in accordance with the Public Procurement Law or any successor legislation.
- 13.19 Public Land may be acquired in the same manner as Government Land.
- 13.20 Public Land may be sold or transferred in the same manners as Government Land.
- 13.21 The elements of Adverse Possession are inapplicable to Government Land or Public Land, and no title to Government Land and Public Land shall be claimed or asserted based on Adverse Possession.

14 Protected Areas

- 14.1 There shall be co-extensive with but independent of the four (4) land ownership categories established in Article 7 of this Act a unique land use category called Protected Area, which shall include all Land designated by the Government for protection or restricted use.
- 14.2 A Protected Area may be created by the Government in or on Private Land and Customary Land after complying with the provisions of Article 42 and Article 54 of this Act.
- 14.3 Where Private Land or Customary Land is acquired under the provisions of Article 42 or Article 54 of this Act and is thereafter designated as a Protected Area, the Land shall be conserved and managed in accordance with the National Forestry Reform Law of 2006 or any successor legislation for the benefit of all Liberians.
- 14.4 A Protected Area may be a full nature reserve or a partial nature reserve. A full nature reserve Protected Area may not be a subject of a license or permit to use or utilize in any way, including extraction of any resource(s).

15 Leases

- 15.1 A lease consists of the right to the possession of the Land by the lessee for the period or periods of the lease. A lease may be made to any person.
- 15.2 An enforceable lease is created by a written instrument duly signed by the Owner of the Land.

- 15.3 A lease to a Person who is eligible to own Land in Liberia may be for as long as the parties agree, except for Customary Land where the term shall not be more than fifty (50) years.
- 15.4 A lease to a person who is not eligible to own Land in Liberia shall be limited by the following terms:
- (a) An initial certain term of ten (10) years, if the initial value of the improvement to be made by the lessee on the Land is not less than US\$100,000.00 (One Hundred Thousand United States Dollars) or its Liberian Dollar equivalent. An option of renewal of the lease may be granted to the lessee for a single additional term of up to five (5) years. The option shall be exercised and negotiated only after the expiration of the initial certain term.
 - (b) An initial certain term of fifteen (15) years, if the initial value of the improvement to be made by the lessee on the Land is not less than uS\$500,00b.00 Give Hundred Thousand United States Dollars) or its Liberian Dollar equivalent. An option of renewal of the lease may be granted to the lessee for a single additional term of up to ten (10) years. The option shall be exercised and negotiated only after the expiration of the initial certain term.
 - (c) An initial certain term of twenty-five (25) years, if the initial value of the improvement to be made by the lessee on the Land is not less than US\$ 1,00,000.00 (One Million United States Dollars) or its Liberian Dollar equivalent. An option of renewal of the lease may be granted to the lessee for a single additional term of up to ten (i0) years. The option shall be exercised and negotiated only after the expiration of the initial certain term.
- 15.5 The optional period shall be negotiated within the last two (2) years prior to the expiration of the initial term certain.
- 15.6 A lease may be extinguished by:
- (a) Mutual agreement of the parties.
 - (b) Condemnation of the leased premises.
 - (c) Judicial proceedings.

16 Easements

- 16.1 An easement may be created by:
- (a) Express conveyance.
 - (b) By pre-existing use.
 - (c) Necessity.
 - (d) Prescription.
- 16.2 An easement may be created by express conveyance:
- (a) In a Deed conveying the Land to which the easement is appurtenant.
 - (b) Through a written agreement independent of the Deed conveying the Land to which the easement is appurtenant.
 - (c) By testamentary grant.
- 16.3 In order to be enforceable, an easement created by a written instrument either by a Deed, testamentary grant or any other written instrument, must be (i) signed by the Owner of the Land or his or her predecessor-in-estate or in interest; and (ii) probated and registered in keeping with law.

- 16.4 If an easement existed on Land prior to any subsequent division of the Ownership of Land, the prior use of Land will continue unless a contrary intent is clearly expressed or may reasonably be implied.
- 16.5 The following factors shall be considered in determining the reasonable expectation of the parties that a division of Ownership of Land will not terminate or extinguish any prior easement rights in and to the Land:
- (a) The prior use was not temporary.
 - (b) The continuation of the prior use was reasonably necessary for the enjoyment of the other part of the Land.
 - (c) The existence of the prior use was well known to or apparent to the parties.
 - (d) The prior use was for utilities serving the other part of the Land.
- 16.6 The existence of an easement by implication from pre-existing use is a factual matter to be determined from an analysis of the facts of each case.
- 16.7 A conveyance which otherwise deprives Land conveyed to a grantee creates by implication and operation of law an easement granting or reserving such right, unless the express language or other circumstances of the conveyance clearly indicates that the parties intended that the right not be granted or reserved.
- 16.8 When the Owner of Land conveys any piece thereof to another, and the piece conveyed is without any ingress or egress except over the Land retained by the Owner, an easement of necessity is created by law in favor of the grantee and/or possessor of the piece conveyed by the Owner.
- 16.9 One who asserts or claims easement by necessity has the burden to establish its existence.
- 16.10 A person claiming an easement by necessity must establish:
- (a) that the Land benefited by the easement was once part of a larger tract of land held under one ownership immediately after its severance and conveyance
 - (b) that a necessity for an ingress or egress existed at the time of the conveyance or severance; or
 - (c) There is a present necessity for an ingress or egress in respect of the Land.
- 16.11 Persons without any access to a public road except by passage over or through the Land of another may petition the Ministry of Justice to apply to a court of competent jurisdiction to condemn a portion of the Land necessary to grant a person(s) the right of way.
- 16.12 Easement by prescription is established by actual, open, hostile, notorious and continuous use of Land for a period of ten (10) years or more.
- 16.13 An easement may be terminated by:
- (a) Mutual agreement of the parties.
 - (b) Release executed in favor of the burdened land.
 - (c) Abandonment
 - (d) by merger, which arises when the same Person owns the burdened land and the Land benefited by the easement.

17 Licenses

- 17.1 A License may be terminated at will unless it is coupled with an interest or the Person terminating it is legally estopped.

- 17.2 A License granted to a Person to come on the Land of another to remove a chattel one coupled with an interest and is not revocable until the chattel is removed.
- 17.3 A License is irrevocable if it expressly states so in writing or if the licensee has made substantial expenditure in reasonable expectation of or reliance on a written License.

18 Mortgages

- 18.1 A Community Member may mortgage apart or the whole of his or her Residential Area to secure the payment of a debt or the performance of any obligation of the Community Member.
- 18.2 The nature, creation, validity and enforcement of a mortgage duly created over any Customary Land or an interest in Customary Land shall be governed by the relevant provisions of the Liberian Commercial Code of 2010 or any successor legislation.

19 Transitional Provisions, Repeals and Effective Date

- 19.1 Until a Community has established a CLDMC, the development and management of its Customary Land shall be by the elders, chiefs, traditional leaders, women and youth of that community.
- 19.2 While a Residential Area may be leased or mortgaged at any time, there shall be no sale of a Residential Area until the Community has established its CLDMC and the adopted the by-laws in keeping with Chapter Nine of this Act.
- 19.3 Until the Confirmatory Survey is completed in respect Customary Land, or if the neighboring Communities have agreed to their respective boundaries in keeping with Articles 11 and 37 of this Act, no action shall be taken to establish the boundaries of Customary Land, Public Land or Government Land.
- 19.4 The Aborigines Law, same being Title 1 of the Liberian Code of Laws of 1956 is hereby repealed in its entirety.
- 19.5 The Public Lands Law, same being Title 32 of the Liberian Codes of Laws of 1956 is hereby repealed in its entirety.
- 19.6 The Public Lands Law, same being Title 34 of Liberian Codes of Laws Revised of 1973 is hereby repealed in its entirety.
- 19.7 Chapters 2, 3, 5 and 6 of the Property Law, same being Title 29 of the Liberian Code of Laws Revised are hereby repealed. Provisions of this Act shall govern leases of Land.
- 19.8 Subchapter E of Chapter 16 of the Civil Procedure Law, Title 1 of the Liberian Code of Law Revised, is hereby repealed in its entirety. The provisions of this Act shall govern the procedures required for the exercise of both condemnation and eminent domain.
- 19.9 Subsections 2 and 3 of Section 2.12 of the Civil Procedure Law, Title I of the Liberian Codes of Laws Revised are hereby repealed. The provisions of this Act shall govern adverse possession and mortgage of land.

- 19.10 The second, last sentence of Section 2 of the Zoning Act of 1958 is hereby repealed. The provisions of the Zoning Act of 1958 shall not apply to other municipalities or lands and locations not within the Commonwealth District of Monrovia. Montserrado County.
- 19.11 The Liberia Land Authority is granted the authority to promulgate regulations necessary for the effective implementation of this Act.
- 19.12 This Act shall become effective upon being printed and published in handbill.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

LAND RIGHT POLICY

1 General Provisions

- 1.1 The most important principle guiding the Land Commission's policy recommendations is ensuring that all communities, families, individuals, and legal entities enjoy secure land rights free of fear that their land will be taken from them, except in accordance with legal due process. By creating secure land rights people expect those rights to be stable and secure in the future, which promotes long-term decision making.
- 1.2 Tenure security is a means for Liberia to enjoy sustained economic growth by contributing to a stable investment environment and food security; because investors and landowners know there will be enough time to recover the benefit of their investment. The principles of economic growth and tenure security are not in conflict with one another but are complementary. Exploiting weak land rights to acquire commercial use of land is damaging to both tenure security and economic growth.
- 1.3 The Land Commission's policy recommendations aim to ensure that the benefits of economic growth are equitably distributed by creating wealth for all Liberians. This too is complementary to economic growth, for growth will be stable and long-lasting only by ensuring that its benefits are spread to all parts of Liberian society.
- 1.4 The Constitution gives all Liberians "the right to own property alone as well as in association with others," which means land ownership is permitted for all Liberians regardless of their identity, whether based on custom, ethnicity, tribe, language, gender, or otherwise. This is a fundamental constitutional principle that has informed every part of the Land Commission's policy recommendations.
- 1.5 The Constitution guarantees that "all persons, irrespective of ethnic background, race, sex, creed, place of origin or political opinion, are entitled to the fundamental rights and freedoms of the individual," including land rights. However, since the founding of Liberia the lands of customary communities have been less secure than private lands. This policy must end such that lands under customary practice and norms are given protection equal to that of private lands. Moreover,

women's land rights are often less protected than those of men. This policy aims to give equal protection to the land rights of men and women.

- 1.6 Land is a precious resource that must be used, managed, and administered in a sustainable manner in order to ensure environmental protection and long-term economic growth.
- 1.7 Every effort was made to ensure that the recommendations and the future laws and policies for which they advocate will be publicly available and clearly understood by all Liberians regardless of background. Policies and laws can be successfully implemented only when they are clearly understood and publicly available.
- 1.8 The recommendations were created with extensive participation by the Government, civil society, and communities to ensure that there was broad consensus regarding policy and legal reform. Policy and legal reform must be brought into the open and subject to debate and criticism.
- 1.9 Sound policy must respond to the realities of the Liberian context and draw upon the experiences of other countries. Therefore, the policy recommendations are based on numerous country-specific and comparative studies, reports, study tours, interviews, and workshops and are, consequently, firmly rooted in the challenges facing Liberians today.

2 The Need for a Land Rights Policy

Never in its history has Liberia had a clearly defined land rights policy. Every Liberian feels on a daily basis its absence. The experiences and difficulties vary, whether it is a government official unable to secure land for government programs, a customary community fearful that a company will use its land without getting its approval or providing just compensation, an urban resident caught up in a bitter and expensive land dispute or evicted without notice, or entrepreneurs uncertain that their investments are reasonably protected. The goal of this Policy is to improve the daily lives of all Liberians—to eliminate the anxiety and uncertainty they feel over land rights.

Since its creation in 2009 the Land Commission has undertaken projects reviewing and analyzing: Liberia's land laws; Liberian legal history; comparative best practices; customary tenure; women's land rights; public land sale deeds, aboriginal land grant deeds, public land grant deeds, and tribal certificates; and land use rights, including commercial use rights. In March 2011 the Land Commission adopted the World Bank-funded report *Reform of Liberia's Civil Law Concerning Land* ("Land Law Report"), which lays out a process for transforming the information gleaned from these projects into policy recommendations and draft laws.

In accordance with the Land Law Report, the Land Commission has proceeded with policy and legal reform in clusters, with each cluster covering one of the following areas: Land Rights, Land Administration, and Land Use/Management. After adopting the Report the Land Commission decided to include a fourth cluster, Land Dispute Resolution. These clusters were charged with moving from a policy to proposed draft laws in each of their areas. The Land Rights Cluster includes the following land rights categories: Public Land, Government Land, Customary Land, and Private Land. The end product of the Land Rights Cluster will be a proposed Land Rights Law, addressing Public Land, Government Land, Customary Land, Private Land, and Protected Areas. Later, the Land Administration and Land Use/Management Clusters will provide detailed policy recommendations and draft laws addressing how these land rights categories should be used, managed, and administered.

The Land Rights Cluster was organized into a Policy Task Force and Legal Drafting Team. The Policy Task Force, made up of officials from the Land Commission and key government ministries and agencies, debated the various policy issues surrounding a new land rights law and presented its policy recommendations to the Land Commission for approval. Once approved, the policy will be given to the Land Rights Legal Drafting Team, which is charged with transforming the policy decisions in this Policy into draft laws for presentation to the Executive and Legislature. The Legal Drafting Team includes members of the Liberian Bar as well as other key government ministries and agencies. Representatives from the Executive and Legislature have been consulted at each stage of the process.

Along with its policy and legal reform work through the cluster process, the Land Commission, in cooperation with relevant Government institutions and donor partners, is undertaking studies of the most complex and pressing issues facing the land sector. Fundamentally, these issues relate to land rights, for example: who has legal authority to grant concessions (individuals, communities, or groups), who is entitled to land rights, and what is the nature of these rights. All of these issues require, in line with the above principles, data collection and analyses prior to recommending needed reforms. When the studies are completed policies and laws will be proposed that respond to the realities of the Liberian context, balance competing interests, strengthen the rule of law, and further Liberia's development goals.

3 Land Rights Principles

- 3.1 The Government is responsible for administering and managing land within the territory of Liberia in the public interest.
- 3.2 The Government recognizes and protects the land rights of communities, groups, families, and individuals who own, use, and manage their land in accordance with customary practices and norms, as equal to Private Land rights.
- 3.3 The Government recognizes and protects Private Land rights.
- 3.4 The Government recognizes and protects the right of the Government to own land.

4 Government Land and Public Land

- 4.1 Historically, all land under Government control was treated as public land without any distinction based on how the land should be managed, used, and transferred. This has contributed to mismanagement of land under Government control and ineffective land administration. The below recommendations address this issue by distinguishing between Public Land and Government Land based, not on ownership, but on how the land is managed, used, and transferred. The Republic of Liberia owns both types of land.
 - 4.1.1 Policy Recommendations:
 - (a) All Government Land and Public Land is owned by the Republic of Liberia and used or managed by government entities on behalf of the Republic and the people of Liberia.
 - (b) Government Land is defined as land owned by the Government and used for the buildings, projects, or activities of the Government, including, but not limited to, lands on which are

- located: the offices of ministries, agencies, and parastatal bodies; military bases; roads; public schools and public universities; public hospitals and public clinics; public libraries and public museums; public utilities; and airports. Government Land leased to an individual or private entity remains Government Land even if during the lease period the land is not used for the buildings, projects, or activities of the Government. Land leased by the Government from an individual or private entity, including a community, is not Government Land because it is not owned by the Government.
- (c) Government Land may be leased to government entities, sold or leased to an individual, or a private entity, including a community, only if the transfer process follows the strict protections designed to prevent fraud and abuse set forth in this policy. Government Land may not be granted as a concession.
 - (d) Government Land includes Government Protected Areas which are owned by the Republic of Liberia and must be conserved and managed for the benefit of all Liberians. Government Protected Areas will not be sold, leased, or granted as a concession, and any attempt at such a transfer is prohibited. A Government Protected Area will only be converted to Private Land, Customary Land, or Public Land in accordance with a law passed by the Legislature. Government Protected Areas include, but are not limited to: national parks, such as Sapo National Park; and lands on which are located national monuments or memorials.
 - (e) Beaches from the low watermark to the high watermark and the coasts of major waterways are Government Protected Areas. Any statute or regulation issued pursuant to this rule must take into consideration commercial and residential development and use as well as customary use or management rights in existence as of the date this Policy comes into effect.
 - (f) Limited use rights may be granted over Government Protected Areas to individuals, private entities, or government entities only if the use is consistent with the land's conservation and management for the benefit of all Liberians, including, but not limited to, licenses for eco-tourism and permits for scientific research.
 - (g) Public Land is defined as land: designated for future use; managed in the public interest; and which is not Government Land, owned by a community and used or managed in accordance with customary practices and norms, or owned as Private Land.
 - (h) Public Land may be sold, leased, granted as a concession, or otherwise transferred to the Government, an individual, or a private entity, including a community. Public Land may be converted to Private Land, Customary Land, or Government Land. The Government is responsible for managing concessions on Public Land in the public interest.
- 4.2 In the past the Public Land sale process has been a source of weak land governance, corruption, political patronage, and discriminatory treatment. In addition, there is no existing legal framework governing the process by which the Government of Liberia leases Public Land. The following policy recommendations are designed to correct these flaws and, in addition, address how the Government's land rights in the newly created category of Government Land, including Government Protected Areas, are transferred.

4.2.1 Sales and Leases of Public Land and Government Land

- (a) The Government may sell or lease Government Land or Public Land.
- (b) Sales and long-term leases of Public Land and Government Land must be done through a public, competitive bidding process overseen by the government entity which manages the land. Automatic renewal of long-term leases is prohibited.
- (c) Short-term leases of Public Land and Government Land are not required to submit to public, competitive bidding. Automatic renewal of short-term leases is prohibited.
- (d) Before the sale or lease of Public Land or Government Land is final the Government must inform individuals, private entities, and communities likely to be affected such that they are given a reasonable period of time to review the sale or lease and the following must be advertised to the public for a reasonable period of time: the sale or lease agreement, including the individual or legal entity acquiring the land, as well as any subsidiaries or parent companies; the exact size and location of the land along with a survey plan; and any payments to be made to the Government and the payment schedule. Any sale or lease that contravenes this rule is prohibited.
- (e) Before the sale or lease of Public Land or Government Land is final, the sale must be reviewed by the government entity responsible for coordinating the management of Public Land and Government Land. The entity must provide a public report detailing any irregularities, misconduct, or violations of any law regarding the sale or lease. In reviewing the sale or lease, the government entity may consult such other relevant government entities as it deems necessary and appropriate.
- (f) Reports regarding sales and long-term leases prepared by the government entity responsible for coordinating Public Land and Government Land must be advertised to the public in its entirety for a reasonable period of time before the sale or lease is final, especially in the area where the land to be leased or sold is located. Reports regarding short-term leases prepared by the government entity responsible for coordinating Public Land and Government Land must be publicly available in their entirety for a reasonable period of time before the lease is final.
- (g) Any Liberian citizen or legal entity, including any government entity, may seek to cancel, prevent, or challenge the sale or lease of Public Land or Government Land.

4.2.2 Transfers of Government Protected Areas

- (a) Transfers of Government Protected Areas are only permitted in the form of a limited use right consistent with the land's conservation and management for the benefit of all Liberians.
- (b) Transfers of Government Protected Areas for commercial use must be through a public, competitive bidding process overseen by the government entity which manages the land.
- (c) An individual or legal entity seeking limited use of a Government Protected Area must provide to the government entity which manages the land a plan describing the following: the individual

- or legal entity acquiring the land; the purpose of the use; the proposed methods for achieving the purpose of the use; the exact size and location of the area over which use is sought, with supporting maps; the length of time of the use; and the benefits to be received by the Government and the Liberian public, including any payments and a payment schedule. Before the transfer is final, the Government must provide the above plan to individuals, private entities, and communities likely to be affected such that they are given a reasonable period of time to review the plan. The plan must be advertised to the public for a reasonable period of time.
- (d) The proposed methods for achieving the purpose of the use, the area over which use is sought, and the length of time of the use must be absolutely necessary for achieving the purpose of the use.
 - (e) Before the transfer is final, it must be reviewed by the government entity responsible for coordinating the management of Public Land and Government Land, which must provide a public report detailing any irregularities, misconduct, or violations of any law regarding the transfer. The report must be advertised to the public in its entirety for a reasonable period of time before the transfer is final, especially in the area where the Government Protected Area is located.
 - (f) Any Liberian citizen or legal entity, including any government entity, may seek to cancel, prevent, or change the transfer of a Government Protected Area.

4.3 Government Acquisition

- 4.3.1 The current law on eminent domain (i.e. forced acquisition) in Liberia is inadequate. The Constitution allows for the use of the eminent domain power for “public purposes” and imposes certain requirements, but landowners require additional protections. The below policy recommendations are designed to ensure the Government exercises eminent domain consistent with international best practices and in a manner that balances the Government’s constitutional powers with the fundamental constitutional right of Private Land and Customary Land ownership. Owners of Private Land and Customary Land will be provided just and prompt compensation such that, as much as possible, they are put in the same position they were in before the decision to expropriate. Just compensation for the land will be calculated based on fair market value assuming a willing buyer and a willing seller. Any change in fair market value as a result of the decision to expropriate will not be considered.
- (a) According to the Constitution, the Government may expropriate Private Land and Customary Land only for the security of the nation in the event of armed conflict, where the public health and safety are endangered, or for any other public purposes.
 - (b) In the context of the Government’s exercise of its eminent domain power, ‘public purpose’ means a purpose beneficial to the public but for which no private entity has been willing to use its resources.
 - (c) Before exercising its eminent domain power the Government must make a reasonable effort to acquire Private Land or Customary Land through mutual agreement that provides just

compensation in accordance with fair market value and the principles and recommendations set forth in this section.

- (d) The Government must issue a notice to individuals, private entities, and communities likely to be affected such that they are given a reasonable period of time to review the notice, and advertise the notice to the public for a reasonable period of time. The notice must include: the Government's reasons for expropriating; the exact location of the land including a survey plan; the landowner's right to negotiate the Government's access to the land for the purpose of evaluating fair market value; and the landowner's right to be present at all times when the Government enters the land. If the Government changes its reasons for expropriating then the Government must inform individuals, private entities, and communities likely to be affected and advertise the change to the public for a reasonable period of time. Under no circumstances will the above notice transfer ownership of the land or be used by any government employee or their agents to claim ownership of the land.
- (e) During the notice period the Government must make a good faith effort to locate the landowner and reach an agreement regarding access to the land for the purpose of evaluating its fair market value. If at the conclusion of the notice period the landowner refuses to grant access, the Government may enter onto the land for the sole purpose of evaluating its fair market value without the landowner's consent. The landowner will have the right to be present at all times when the Government enters the land.
- (f) The valuation of just compensation must be based on the land's fair market value assuming a willing buyer and a willing seller and excluding any changes in value as a result of the decision to expropriate. In addition, just compensation must include temporary costs reasonably incurred by the landowner as a direct result of the expropriation, including, but not limited to: legal fees; and relocation costs, such as transportation to new land and compensation and projects to restore the natural resources and economic base of those relocated.
- (g) If only a portion of the land is expropriated and as a result the landowner's remaining land loses value, the Government must either compensate the landowner for the loss in value or expropriate the remaining land, whichever the landowner prefers.
- (h) Owners of Private Land or Customary Land must be given a minimum of six (6) months' notice before they are required to relocate.
- (i) The Government must provide payment of just compensation to the owner of Private Land or Customary Land before they are required to surrender their land to the Government.
- (j) If Private Land or Customary Land acquired through the exercise of eminent domain after a certain date is not used for a public purpose within five (5) year of its acquisition, then the previous owner or their heir(s) will have the right of first refusal (i.e. the right to buy back the land from the Government before any other prospective buyers). The Government must make a good faith effort to locate the previous owner or their heir(s).

- (k) If after a certain date the buildings, projects, or activities of the Government are located on Private Land or Customary Land, the Government must either continue to lease the land or purchase the land through mutual agreement or eminent domain.
- (l) Any Liberian citizen or legal entity, including any government entity, may seek to cancel, prevent, or challenge the expropriation of Private Land or Customary Land.

4.3.2 Donation

- (a) Private Land and Customary Land may be donated to the Government as Government Land for a specific public purpose, including, but not limited to: housing, schools, hospitals or clinics, and roads.
- (b) If the land is not used for the specific public purpose for which it was donated within five (5) years of the donation, the previous owner or his/her heir(s) will have the right of reacquire the land without payment of compensation to the Government. The Government must make a good faith effort to locate the previous owner or his/her heir(s).

4.3.3 Reversion

- (a) In accordance with the Constitution, land used by a foreign government for its diplomatic activities will revert to the Government “in the event of a cessation of diplomatic relations” only if the land is owned by the Government.
- (b) In accordance with the Constitution, Private Land owned by a non-citizen missionary, educational, or other benevolent institution will revert to the Government if the land ceases to be used for the purpose for which it was acquired.
- (c) In accordance with the Constitution, Private Land owned by a person whose certificate of naturalization has been cancelled and who does not have a Liberian spouse or heir will revert to the Government.
- (d) In accordance with the Constitution, Private Land owned by a person who dies without Liberian heirs will revert to the Government. Before the Private Land reverts to the Government, the Government must fully investigate the rights and interests in the land and make a good faith effort to find a Liberian heir of the deceased owner.
- (e) Any Liberian citizen or legal entity, including any government entity, may seek to cancel, prevent, or challenge the Government’s acquisition and sale of Private Land due to loss of citizenship or failure to locate Liberian heirs.

4.3.4 Failure to Pay Applicable Land Taxes

- (a) If the owner of Private Land repeatedly fails to pay applicable land taxes, the Government may begin proceedings in court or an appropriate administrative body to sell the land to satisfy any unpaid taxes, unless the failure is due to an armed conflict or genuine fear of severe injury or loss of life. The sale must be through a public, competitive bidding process. After deducting

unpaid taxes and administrative costs, any remaining revenues from the sale will be given to the owner.

- (b) Prior to beginning sale proceedings, the Government must give the owner at least six (6) months' notice, a reasonable opportunity to satisfy any unpaid taxes, and challenge the Government's allegations in accordance with due process.

5 Customary Land

5.1 Principles:

- 5.1.1 Equal Protection: Customary Land rights are equally protected as Private Land rights.
 - 5.1.2 Local Control: Decisions about Customary Land will be made at the most local level consistent with sound policy and shared responsibilities between the Government, communities and their members.
 - 5.1.3 Minimal Impact: National policy and laws will have as minimal an impact on the customary practices and norms of communities as is consistent with the requirements of the Constitution, sound policy, shared responsibilities between the Government and communities, and Liberia's international legal obligations, including women's land rights.
 - 5.1.4 Integration: Customary practices and norms not in conflict with national land laws, the Constitution, and international legal obligations, including women's land rights, will be integrated into the national formal legal framework.
 - 5.1.5 Institutionalization: Communities must establish themselves as legal entities with management institutions that are fully representative and accountable to all community members, including women, youth, and minorities.
- 5.2 In the past, Liberia adopted an ad-hoc approach to land used or managed in accordance with customary practices and norms. The various legal arrangements which applied to such land were often vaguely set out in statutory law or regulations. The below recommendations create a single land rights category for all land used or managed in accordance with customary practices and norms.

In addition, while previous laws were ambiguous as to whether a community could sell its land and to whom, the below recommendations provide for the full bundle of rights for Customary Land. Studies and consultations undertaken by the Commission show: an existing active informal market in Customary Land, a strong desire for some community members to claim individual ownership rights, and that some communities want the option to sell part of their land if they chose, same as any Private Land owner. However, there is the real risk that Customary Land will be sold in a way that harms the livelihood of communities. The below policy recommendations balance these realities and risks by ensuring that markets in Customary Land develop in a way that is accountable, transparent, and inclusive.

- 5.2.1 Customary Land, whether or not the community has self-identified, established a legal entity, or been issued a deed, is defined as land owned by a community and used or managed in accordance with customary practices and norms, and may include, but is not limited to: wetlands, communal

forestlands, and fallow lands. Customary Land rights, including the rights of ownership, use or management, are equally protected as Private Land rights, whether or not the community has self-identified, established a legal entity, or been issued a deed in accordance with the below recommendations.

- 5.2.2 Ownership of Customary Land is equally protected as private ownership, such that the community and its members, groups, families, and individuals within the community are entitled to the full bundle of land rights. These rights include, but are not limited to, the right to: exclude all others, use and possession, own natural resources on the land (e.g. forests), and to transfer all or some of the rights through sale, lease, concession, gift, donation, will, or any other lawful means consistent with this Policy and the community's customary norms and practices. The Government is responsible for managing concessions on Customary Land in the public interest and in a manner that fully recognizes and protects the Customary Land rights of communities.
- 5.2.3 A community is a self-identifying group that uses and manages its land in accordance with customary practices and norms.
- 5.2.4 Each community will be responsible for identifying its own membership in accordance with a process that is fully representative and accountable to all community members, including women, youth, and minorities.
- 5.2.5 Customary Land includes Customary Protected Areas which are owned by the community and must be conserved and managed by the community for the benefit of the community and all Liberians. Customary Protected Areas may be established by the Government upon request of the community or on initiative of the Government in collaboration with the community. Customary Protected Areas may include, but are not limited to: wetlands, major water sources, forest set aside by a community for eco-tourism, areas used by secret societies, and land upon which is located a sacred plant, tree, or other object with special ancestral significance.
- 5.2.6 Customary Protected Areas will not be sold, leased, or granted as a concession. Limited use rights may be granted over Customary Protected Areas to individuals, private entities, or the Government only if the use is consistent with the land's conservation and management for the benefit of the community and all Liberians.
- 5.3 Historically, customary land ownership rights either have not been recognized or have been treated as less than private deeded land. The below recommendations intend to end this practice such that Customary Land is equally protected as Private Land.
- 5.3.1 Community ownership of Customary Land will be formalized by the issuance of a deed to a legal entity, bearing the name of the community. The name of the community will be decided by a process that is fully representative and accountable to all community members, including women, youth, and minorities. The community, as a legal entity, will have legal personality and may therefore enter into contracts, own land, and participate in court actions or proceedings before alternative dispute resolution bodies. The deed will provide for private ownership by the community, so long as any decisions regarding management, use, and transfer are fully representative and accountable to all community members, including women, youth, and minorities. Any decision or action that contravenes this rule is prohibited.

- 5.3.2 Ownership of Customary Land includes ownership of natural resources on the land, such as forests, including carbon credits, and water. In accordance with the Constitution, the Government has exclusive ownership rights over “any mineral resources on or beneath any land or . . . any lands under the seas and waterways.” The Government will have authority to regulate natural resource use and access, consistent with customary ownership rights and legal due process.
- 5.3.3 The Customary Land rights of groups, families, and individuals within the community will be decided by the community in a way that is fully representative and accountable to all community members, including women, youth, and minorities.
- 5.4 Consistent with decentralization and in recognition of the diversity of customary communities the following recommends Customary Land management, use, and allocation decisions be made by communities within a framework of shared responsibility with the Government.
 - 5.4.1 Management authority over Customary Land will be vested in community members and their representatives. Community representatives must be selected in a manner that is fully representative and accountable to all community members, including women, youth, and minorities. Management authority includes, but is not limited to: sales, leases, or the granting of commercial use rights to individuals, families, or groups within the community or outside the community; allocation of customary land rights to community members and nonmembers; and access to and use of land and natural resources as commons.
 - 5.4.2 Decisions regarding formal transfer of Customary Land to community members or non-members, including sales, leases, concessions, commercial use rights, or any other formal transfer, must be made in a manner that is fully representative and accountable to all community members, including women, youth, and minorities. Such formal transfers are barred until the community has self-defined, been issued a deed, and established a legal entity in accordance with this Policy. Any decision or action that contravenes this rule is prohibited.
- 5.5 The uncertainty of many Customary Land boundaries has been a major contributor to land disputes, low land investments, and a weak rural land market. Investing the time and resources necessary to work with communities and their members to establish Customary Land boundaries will address these issues.
 - 5.5.1 The boundaries of a community’s Customary Land will be determined through active participation by the community and neighboring communities, including: elders, chiefs, youth, women, minorities, and local authorities.
- 5.6 Communities do not currently have the required resources and capacity to implement on their own the above policy recommendations and principles. Government must therefore demonstrate the political will and provide the resources necessary to implement this Policy.
 - 5.6.1 The Government with the consent and cooperation of communities, will provide sufficient resources and undertake the necessary activities to support communities in self-defining, obtaining deeds for their Customary Land, establishing the community as a legal entity, determining community boundaries, and ensuring community governance and management consistent with this Policy.

6 Private Land

- 6.1 There has never been a clear definition of Private Land in Liberia. Almost all Liberians regard private land as equal to deeded land and deeded land as equal to land held in fee simple, an archaic term from the Anglo-American legal tradition. It is therefore important to provide a clear statement on the definition of Private Land. In addition, some Private Land contains buildings or other structures that are a significant part of Liberia's national history and culture. Balancing private land rights and the national interest is furthered by designating Private Land as a Private Protected Area in appropriate cases in accordance with legal due process.
- 6.1.1 Private Land is land owned by an individual or private entity, in which management and use decisions are based solely on formal law (i.e. statutes, regulations, executive orders, and court decisions), where the owner enjoys the full bundle of land rights, which include, but are not limited to, the right to: exclude all others, use and possession, own natural resources on the land (e.g. forest), and to transfer all or some of the rights through sale, lease, concession, gift, donation, will, or any other lawful means. In accordance with the Constitution, the Government owns mineral resources "on or beneath" Private Land (e.g. gold, diamonds, oil, iron ore).
- 6.1.2 Private Land may be designated by the Government as a Private Protected Area in accordance with due process of law because of its significant historical, cultural, or ecological value. In the case of Private Protected Areas the full bundle of rights is limited because: the land must be conserved and managed for the benefit of all Liberians; and all or some of the rights may be transferred only if the transfer is consistent with the land's conservation and management for the benefit of all Liberians. Some examples are buildings from the Nineteenth Century, such as churches or former government buildings.
- 6.2 The below recommendations restate and clarify the Constitution's provisions on who may own Private Land in a way that does not unduly restrict future economic activity in Liberia's emerging private land market, and clearly distinguishes between ownership of Private Land and Customary Land.
- 6.2.1 In accordance with the Constitution, only Liberian citizens may own Private Land, either individually or jointly.
- 6.2.2 Liberian non-profit organizations, religious organizations, businesses, or any other Liberian private entity established in accordance with Liberian law may own Private Land as Liberian citizens.
- 6.3 Although Private Land owners enjoy the full bundle of rights, these rights are subject to the Government's authority to administer and manage land in the public interest by, for example, collecting taxes, requiring the registration of deeds, and issuing building codes and zoning laws.
- 6.3.1 Private owners must comply with all applicable policies and laws, including those regarding land rights, administration, and use, including, but not limited to: tax payments, any applicable fees, deeds registration, building codes, and zoning laws.
- 6.4 It is important to specify how Private Land may be acquired, especially with respect to the privatization of Customary Land. The latter issue is critical because of the real risk that Customary Land will be sold in a way that is not transparent, inclusive, and accountable, and therefore harmful to the interests of the community.

- 6.4.1 Private Land may be acquired: through purchase from the Government, an individual, or a private entity; sale; lease; concession; gift, donation; will; upon marriage, divorce or the death of a spouse; or any other lawful means.
- 6.4.2 Ownership of Private Land may be acquired through sale of Customary Land to an individual or private entity only if: the sale is fully representative and accountable to all community members, including women, youth, and minorities; and the sale occurs after the community has self-defined, been issued a deed, and established a legal entity in accordance with this Policy. Any decision or action that contravenes this rule is prohibited.
- 6.4.3 Acquisition of Private Land must treat men and women equally, especially regarding acquisition upon marriage, divorce, or the death of a spouse.
- 6.5 In the past Liberian policy and law stipulated that failure to comply with building requirements and agricultural development resulted in reversion of land to the Government. Future policy and law must be more comprehensive, flexible, and specific with regard to loss of land ownership rights while clearly incorporating constitutional requirements.
- 6.5.1 An owner of Private Land may lose their ownership right in favor of the Government if the Government exercises eminent domain (i.e. forced acquisition) in a manner consistent with this Policy.
- 6.5.2 In accordance with the Constitution, a non-citizen missionary, educational, or other benevolent institution that owns Private Land loses their ownership right in favor of the Government if the land ceases to be used for the purpose for which it was acquired.
- 6.5.3 In accordance with the Constitution, an owner of Private Land whose certificate of naturalization has been cancelled will lose their ownership right in favor of the Government if he/she does not have a Liberian spouse or heir.
- 6.6 Joint ownership of Private Land must be addressed in order to maximize the ability of individuals and private entities to provide for their ownership arrangements.
- 6.6.1 Joint ownership of Private Land may be in any form provided for by court decisions, statutory law, or regulations.
- 6.7 Leases are an integral part of Liberia's private land sector, and have been since the country's founding, but the policies governing leases should be clearly laid out to ensure uniform understanding and application of the law.
- 6.7.1 Leases may be to any individual or private entity, whether Liberian or foreign, or the Government, for any lawful purpose.
- 6.7.2 Foreign citizens may obtain leases for a reasonable length of time.
- 6.8 Easements are a basic feature of any private property system. The below recommendations state that easements may be in any form recognized by court decisions, statutory law, or regulations.

- 6.8.1 Private Land may be subject to such easements as are recognized in court decisions, statutory law, or regulations. Easements are a legal relationship between two pieces of Private Land that allows one person to use and enjoy a part of another's land (e.g. easement by necessity).
- 6.9 The below policy recommendations define adverse possession in accordance with Liberian court decisions, but makes two important changes: (1) an adverse possessor may bring a claim in court to assert ownership, rather than only raise adverse possession as a defense against being ejected from the land; and (2) an individual or private entity may challenge adverse possession on the grounds that an armed conflict or a genuine fear of severe injury or loss of life prevented them from taking action to protect their lawful ownership interest.
- 6.9.1 Adverse possession is a legal basis for bringing a claim in court to assert ownership over Private Land or Customary Land if an individual has been openly and continuously in possession of the land for at least twenty years and an individual or private entity, including a community, failed to take any steps to protect their otherwise lawful ownership interest within the twenty year period.
- 6.9.2 Adverse possession may be challenged if an individual or private entity, including a community, proves they failed to take any steps to protect their lawful ownership interest because of an armed conflict or genuine fear of severe injury or loss of life.
- 6.9.3 Adverse possession is prohibited on Government Land and Public Land.

FOOD AND AGRICULTURE POLICY AND STRATEGY OF LIBERIA ***"FROM SUBSISTENCE TO SUUFFICIENCY"***

1 Vision and Objectives

- 1.1 National Vision: *"A nation that is peaceful, secured and prosperous, with democratic and accountable governance based on the rule of law, and abundant economic opportunities for all Liberians"*.
- 1.2 National Development Goal: *Shared, inclusive, and sustainable economic growth and development; food and nutrition security; employment and income; and measurable poverty reduction.*
- 1.3 Policy Objectives

A revitalized and modernized food and agriculture sector that is contributing to shared, inclusive and sustainable economic growth and development of Liberia. To achieve the above, the Government shall seek to realize the following sector objectives:

- Making safe and nutritious foods available in sufficient quantity and quality at all times to satisfy the nutritional needs of all Liberians;
- Ensuring inclusive and pro-poor growth in agricultural production, productivity, competitiveness, value addition and diversification, and linkages to markets; and

- Building effective and efficient human and institutional capacities of stakeholders to plan, deliver services, invest, and monitor activities , while concurrently sustaining natural resources , mitigating risks to producers and mainstreaming gender and youth considerations.

1.4 In the implementation of the policies and strategies that follow, stakeholders will be directed at all times by the following principles:

- Macro-economic stability: all activities will be firmly anchored in the macroeconomic framework, priorities and objectives of Liberia, with advocacy for pro-poor growth, and linking small holder farmers to markets;
- Pluralism and clarity of roles: there will be inclusive processes requiring the input of all stakeholders with clear determination of and assignment of roles and responsibilities for policy making, implementation and regulation;
- Enhanced private sector involvement and competition: high participation of the private sector and competitive markets will be facilitated to support commercial farming and public-private partnerships;
- Self-reliance: self-sufficiency in the production of the country's staple foods will be promoted to enhance food security;
- Maximization of comparative advantages: the uplands will be utilized for tree crops such as rubber, coffee, cocoa, oil palm and mangoes, and the lowlands for rice and vegetables;
- Value addition: improvement in storage, processing, and the regulatory environment will be made to facilitate transition from basic raw materials production in the crops, fisheries and livestock sectors.
- Sustainable development management: a high sensitivity to sustainable management of the country's natural resources, including water, land and forestry resources to foster intergenerational equity;
- Decentralization: decision making and ownership at the county, district and clan levels are promoted and supported.

2 Sector Policies and Strategies

The food and agriculture sector of Liberia is characterized by low or negligible productivity, particularly in smallholder-dominated food production. Policy inertia and fourteen years of conflict accentuated this constraint, destroying already weak infrastructure, processes and systems.

2.1 Improved Food Security and Nutrition

Safe and nutritious foods are available in sufficient quantity and quality at all times to satisfy the nutrition needs for all Liberians.

2.1.1 Improving food availability and adequacy through self-reliance.

Interventions

- Rehabilitating existing swamps for increased production and productivity and promoting development of others in areas with appropriate comparative advantages;
- Establishing and supporting special initiatives, actions and programs directed at expanded access to essential inputs (planting materials, tools and equipment, fertilizers, agrochemicals), for rapid, increased production of staple foods: rice, vegetables, and tubers;
- Supporting artisanal fisheries and aquaculture development through the establishment and participatory management of Community Fisheries' Centers in selected areas in the country; and
- Encouraging rapid production of selected short-cycled livestock such as poultry and small ruminants (sheep, goats, grass cutters, rabbits, and special wild life).

2.1.2 Enhancing food accessibility to the population.

Interventions

- Improving farm-to-market, secondary and tertiary roads to ensure that agricultural commodities are available and affordable;
- Facilitating access to seeds, fertilizers and pest management inputs and increasing market competitiveness and efficiency as a way of reducing production cost and making them affordable by the general population;
- Developing and implementing special safety net programs that will maintain the wellbeing of vulnerable households and groups that are unable to access food supplies;
- Establishing strategic food reserves at community and national levels; and
- Promoting large-scale commercial agriculture in both food and tree crops, and comparable investment in fisheries and livestock by offering competitive fiscal and other incentives.

2.1.3 Promoting food utilization and improved nutrition

Interventions

- Ensuring that foods and feeds produced, handled, stored, processed and distributed are safe, wholesome and fit for human and animal consumption;
- Strengthening information, communication and education on nutrition in local communities through schools, health centers, and households;

- Fostering regular dialogue on nutrition among stakeholders within the framework of the National Food Security and Nutrition Strategy;
- Promoting the diversification of household consumption patterns to enhance nutritional balance and security; and
- Providing special nutritional food supplements for vulnerable households and groups such as malnourished infants and children.

2.1.4 Contributing to resettlement and reintegration programs

Interventions

- Distributing basic input packages including implements, planting materials, and initial breeding stocks;
- Reactivating blacksmithing so that returnees can commence making their own tools, produce a surplus and sustain their livelihoods;
- Providing “quick impact training” in agricultural methods and life skills such as carpentry and masonry;
- Providing “start-off kits” to vulnerable groups who successfully complete designated training courses;
- Prioritizing the involvement of trained vulnerable groups in the rehabilitation of social infrastructures such as schools and health centers, and in out grower and similar schemes;
- Organizing and supporting the participation of returnees in farmers’ cooperatives and indigenous labor management practices such as the Kuu system.
- Implementing the Presidential Return to County Initiative whereby a limited number of youths and others will be supported in agriculture.

2.1.5 Supporting rural self-employment and self-reliant wage work to spur local economic development.

Interventions

- Promoting and supporting medium, small and microenterprises in the sector that enhance demand for other economic activities.
- Improving access to finance and expanding basic education and relevant training to selected economic agents in the sector;
- Encouraging large farms and firms to expand and thus generate more productive wage employment;
- Supporting appropriate improvement in the working environment of labor without stifling employment.

2.2 Increased competitiveness and linkages to markets

Accelerated pro-poor growth in agricultural production, productivity, competitiveness, value addition, and diversification.

2.2.1 Enhancing the efficiency, competitiveness and sustainability of the food and agricultural supply chains, particularly those of small holders, and linkages of these chains to markets

Interventions

- Providing strategic farm inputs at affordable prices particularly to small holders who constitute the majority of agents in the supply chains of the sector;
- Intensifying promotion of diversified and integrated farming [crops and livestock; crops and forestry; food and cash crops; irrigation and aquaculture; production and processing], by small holders based on comparative advantages of each region;
- Accelerating, with a pro-poor focus, the transition from low-productivity subsistence farming to high-productivity commercial production with emphasis on mechanization and linkage to markets;
- Constructing essential market oriented infrastructures (e.g. drying and storage facilities, local markets, fish landing sites, farm to market roads; abattoirs) and establishing processing facilities;
- Supporting the development and efficiency of small holder cash crop farms by replanting existing plantations and promoting out-grower schemes in agricultural concessions and other large-scale commercial agricultural enterprises; and
- Controlling Illegal, Unreported and Unregulated (IUU) fishing in the Exclusive Economic Zone (EEZ) of Liberia.

2.2.2 Creating more and better opportunities for much greater involvement of private actors in the food and agriculture sector.

Interventions

- Advocating for, and ensuring the provision of tax incentives to businesses and their interests, consistent with the investment code, tax and revenue laws, and international “best practices”;
- Establishing property rights and advocating for the security of land tenure; • Ensuring the Government will not intervene along the agricultural chain in a manner that undermines private sector activities;
- Promoting technologies that reduce post-harvest losses and enhance value addition and competitiveness with primary attention to small holders;
- Promoting improved access of Liberia’s products to regional and international markets in accordance with sound export promotion strategies;
- Supporting cooperative societies and farmer organizations to be well managed business entities that advise, encourage and facilitate their members to exploit market-driven opportunities , establish

linkages with sources of support, and advocate and play leading roles in inputs supply and output markets;

- Dialoguing with and encouraging financial institutions to establish micro-finance units and rural banking facilities with special lending strategies to provide credit to small holders, farmers' organizations, individual farmers, and businesses investing in agriculture and agribusiness; and
- Establishing a framework in which private sector institutions, especially industrial concerns in mining, agriculture and forestry, will significantly contribute (financially) towards agribusiness investment in food and cash crops, livestock, and fisheries value chains.

2.2.3 Increasing public investment and creating an enabling environment for agriculture and agribusiness development.

Interventions

- Putting into place measures to ensure macroeconomic stability, well defined property rights, a favorable investment climate, an attractive incentives framework, and legal and regulatory measures that will reduce transaction costs for investments;
- Enforcing the commitment of the Government to allocate at least 10% of its budgetary resources to the sector;
- Advocating for, and ensuring improvement of necessary infrastructures, particularly roads, storage, processing equipment and market structures, in order to reduce transport and other production and transaction costs to increase competitiveness and expand agribusiness;
- Ensuring well-functioning factor markets and broad access to information and education;
- In particular, supporting the establishment of an effective functioning land market adapted to the conditions of Liberia; and
- Mobilizing investment resources from the Government, Development Partners and, foreign direct investors.

2.3 Strengthened Human and Institutional Capacities

Strong and efficient human and institutional capacities of the public sector, civil society organizations and the private sector carrying out effective planning, delivery of services, coordination and monitoring activities in the sector, as well as sustaining natural resources, mitigating risks to producers, and mainstreaming gender in planning and the implementation of activities in the sector.

2.3.1 Instituting improved governance; and promoting civil society organizations, and decentralized and demand-driven service delivery.

Interventions

- Promoting a pluralistic approach in which agricultural innovations and extension services are derived from several sources, rather than only from traditional research institutions;

- Decentralizing key support services including extension and training;
 - Promoting the formation of effective civil society organizations and business associations, and facilitating the revitalization of existing ones in the context of decentralization and empowerment of local communities; and
 - Facilitating dialogues and consultations with and among critical players, especially the private sector, in formulating regulatory policies (i.e. pricing and marketing), and undertaking legal and institutional reforms (e.g. labor law, investment code), fiscal reforms (e.g. concession policies, taxes, investment incentives, development funding), and research.
- 2.3.2 Establishing functional, efficient and effective public sector support framework for coordination, planning, service delivery, monitoring and evaluation.

Interventions

- Strengthening the capacities of the public sector, particularly the Ministry of Agriculture (MOA), and ensuring it is more effective and efficient in providing continuous services especially for policy development, planning, coordination, monitoring, technology transfer, regulation, resource mobilization, and information dissemination.
 - Enhancing the effective management (generation, processing, and dissemination) of agricultural statistics, data and information;
 - Reforming MOA and other leading institutions such as LRDA, CDA, ACDB and LPMC, by identifying core functions and clarifying roles and responsibilities.
 - Establishing appropriate institutional agreements and operational mechanisms for intra-sectoral and inter-ministerial harmonization, as well as for coordination between and among stakeholders in the sector.
- 2.3.3 Reducing risks and improving coping mechanisms.

Interventions

- Ensuring participatory development and management of safety net programs (such as road maintenance under public employment schemes) that contribute to long-run poverty reduction and recognize the judicious timing of transfers (e.g. during the rainy season when the opportunity cost of labour is low);
- Encouraging and supporting participatory school feeding programs based on local foods in order to create market for the community and improve the nutrition and health status of children;
- Promoting participatory transfers programs, including vouchers for seeds and fertilizer packs for the poor, with a high multiplier effect. Pure transfers will be selective for a few specific groups such as orphans and HIV/AIDS afflicted families;
- Promoting an institutional and financial environment that lessens risk to small- holder families, including options for farm-system diversification and for off-farm rural employment; improved

access to technologies and their requisite inputs and to information and advice; and available and affordable micro-credit and crop and livestock insurance; and

- Ensuring effective sensitization and awareness among service providers and beneficiaries (for self-reliance) in the above actions.

2.3.4 Mainstreaming gender and youth in agriculture and rural development.

Interventions

- Ensuring that women and youth have equal access to land and water resources, credit and other support services;
- Ensuring that all agricultural development programs and projects include provisions for women's empowerment, equal access to decision-making, and respect for gender differences in roles and activities in the sector; and
- Establishing programs for women and youth (e.g. youth agriculture clubs) to facilitate gender balance and create sustainable livelihoods
- Strengthening the capacity of the Ministry of Agriculture to mainstream gender and youth concerns in policies and programs.

2.3.5 Ensuring sustainable use and management of natural resources.

Interventions

- Pursuing an inclusive, partnership-based, coordinated approach with active and mutual participation of all stakeholders, especially local communities, in formulating and implementing effective national policies, legislation, and access rights for the management and sustainable use of natural resources;
- Promoting the protection and establishment of forests for watershed protection, wetlands protection, conservation of biological diversity, and stabilization of global climate;
- Supporting participatory Environmental Impact Assessment (EIA) in agricultural and forestry concessions;
- Supporting the participatory establishment of laws and guidelines for agricultural practices to protect the environment with appropriate measures to ensure compliance;
- Supporting the participatory development and enforcement of community land use plans;
- Ensuring increased production of crops, fisheries and aquaculture, forestry and livestock with due consideration to sustainable use and management of natural resources;
- Ensuring that priority is given to crafting appropriate land tenure arrangements that adapt sustainable land management practices including those based on existing traditional methods, but avoiding discrimination against women and the underprivileged; and

- Promoting the introduction of sustainable cropping systems such as conservation agriculture in order to enhance productivity and sustainability of agricultural land use while at the same time conserving the natural resource base.

3 Crops

- 3.1 The major food crops produced by Liberian farmers are rice, cassava, yam, eddoes, plantain, vegetables and groundnuts. Achieving self-sufficiency in food production will require increased production of all other staple foods besides rice, in order to achieve the food balance required to meet national nutritional needs. Diversification is also needed as a cushion against price fluctuations and/or single crop failures as is increased cultivation of erstwhile minor crops such as maize. The following policies and strategies have been identified to ensure increased productivity and competitiveness in the availability of these commodities.
- 3.1.1 Rice is the staple food for most of Liberia's 3.5 million people. It is produced by 71% of the estimated 404,000 farm families in the country. Rice is generally grown on upland farming ecology, with a limited percentage devoted to lowland ecology. Upland rice cultivation is done once a year with planting starting in March-April and harvesting in October-November. In the lowland, rice can be cultivated more than once a year. Currently there is no comparative advantage in upland rice production (i.e. using existing technologies). However, the country does have a comparative advantage in lowland rice production.

Issues and Constraints

- *Approximately 63% of subsistence households produce rice, and exclusively on the uplands where traditional technology of slash and burn shifting cultivation remains largely unchanged;*
- *Other than Lofa, Bong and Nimba Counties, most counties do not cultivate rice in swamp/lowlands; however, productivity per acre of swamp rice exceeds that of traditional upland rice and, therefore swamp rice production has greater potential for meeting above farm household consumption requirements;*
- *Most of the swamp/lowland areas on which subsistence farmers cultivate rice comprise narrow inland valleys and widely scattered small swamps, which are cleared using hand labor, and which use limited water control structures;*
- *Limited acreage of swamp rice fields developed with improved technologies, most of which were destroyed or severely degraded during the conflict years, need to be rehabilitated and expanded;*
- *Food markets are thin and market orientation of farmers limited (only 7% of rice produced is sold); and*
- *There is very limited value addition and a high degree of wastage in the rice value chain.*

Policy

- *Sustainable sufficiency in rice output attained, with much greater focus on production from swamp/lowlands, and by small holders;*
- *Transformation of traditional subsistence rice farmers into commercial rice farmers pursued by focusing on increased access to essential inputs, improved strategies for upland cultivation, mechanization, value addition and linkages to markets;*

- *Largescale commercial rice farms established through the direct involvement of the private sector (national and foreign), within specified agro ecological zones that offer comparative advantages in rice production. Such enterprises will enter into partnership agreements with smaller commercial rice producers serving as out growers to the enterprises;*
- *Value addition and development of a commercial rice industry, with rice value chain development starting at the farm level; and*
- *Establishment of a Rice Development Fund and a Rice Advisory Board to provide credit and coordinate interventions, respectively.*

Strategies

- Establishing a national seed programme to backstop rice production.
- Developing lowland production facilities and providing support for tools and equipment acquisition;
- Providing support to swamp/lowland farmers by distributing improved farm tools and equipment including power tillers and zero tillage technologies;
- Undertaking a rehabilitation program and using improved technologies that will restore and expand the developed acreage of swamp rice fields that were destroyed or damaged during the conflict years;
- Linking farmers to markets by providing timely price and market information and improving transport network;
- Training farmers in improved production and post-harvest processing, storage, handling, parboiling, threshing, winnowing, drying, and milling methods;
- Developing an appropriate and comprehensive rice policy that looks at the entire value chain and balances interests of consumers and producers; and
- Instituting proper weed and pest control and intensifying farmer education on the use of Integrated Pest Management (IPM) techniques.

- 3.1.2 Cassava is the second most important food crop in the country with annual production estimated at 1,693,770 MT in 2007 (MOA/FAO Post-harvest 2008 assessment report). It can be planted all year round, and the time of harvest is not critical since it can be stored under the ground. It is therefore very important for food contingency, especially before rice is harvested in many farming communities. In addition, cassava leaves are an important vegetable, although harvesting of leaves adversely affects tuber yield (this effect is reduced during the raining season). Crop area is around 0.5 ha and yields are estimated to be between 6 to 10mt/ha on upland farms. Cassava is grown on flat land and is usually intercropped with maize and sometimes sweet potatoes and peppers.

Issues and Constraints

- *Production of cassava is by traditional technologies, with very low levels of value addition or product development;*

- *Appropriate knowledge, technical information and advice, and improved planting materials that can facilitate investment in the value chains of this crop are limited;*
- *Infrastructure for post-harvest management, i.e. handling, storage, processing and transportation are negligible, resulting in relatively high losses, high transaction costs and low returns that render investment in the industry and related enterprises unattractive; and*
- *Industrialization of cassava production and post –harvest value adding is limited and will require investment in hardware, training and promotion.*

Policy

- Intensified diversification in the production and consumption of cassava varieties
- Creation and expansion of markets and/or outlets for cassava through promotion of value addition, product development, wider trade arrangements, establishment of special food reserves and special feeding programs.
- Intensified production of raw materials from cassava for industries and animal feed,
- Investment in cassava research and expansion;
- Formation and implementation of a National Cassava Initiative to coordinate crop development and promote utilization.

Strategies

- Sustained promotion of the use of simple agronomic soil and water conservation measures
- Breeding or introducing varieties that are high yielding and of high quality to meet stakeholders demand, are easy to peel and have delayed post-harvest deterioration
- Introducing improved storage methods and drying slabs, and designing affordable and high quality processing machines; • Instituting proper weed and pest control and intensifying farmer education on Integrated Pest management (IPM) techniques; and
- Commercializing the cassava value chain.

3.1.3 Other food crops include potatoes, eddoes, yams, plantains, vegetables and legumes, groundnuts, and cereals (maize and sorghum) grow very well in Liberia. These crops are cultivated as part of an integrated upland farming practice and as insurance or supplements to the main crop, rice. They are used mainly as secondary food commodities and sources for income. There is a comparative advantage in producing them locally, and there is the potential for large scale and industrial production.

Issues and Constraints

- *Crops are currently produced by low output traditional technologies, with very low levels of value addition or product development;*
- *Appropriate knowledge, technical information and advice, certified seeds and other planting materials that can induce investment in the value chains of these crops are limited; and*

- *Infrastructures for post-harvest management of these crops, including handling, storage, processing and transportation are negligible, resulting in high transaction costs and low returns, thus making investments in such enterprises unattractive.*

Policy

- Intensified and large scale production of other food crops for food security enhancement (household and safety nets) and to meet market and industrial demand;
- Creation and expansion of markets and/or outlets through promotion of value addition, product development, wider trade arrangements, establishment of special food reserves and special feeding programs to absorb competitive selected food crops being produced locally and by targeted producer groups;
- Intensified production of selected food crops such as vegetables, tubers, cereals, and oil for agribusiness; and
- Promotion of peri-urban production and marketing of vegetables.

Strategies

- Providing enhanced technical assistance to farmers to upgrade their farming technologies;
- Sensitizing the farming population of the need, value and options of increased production and competitiveness of food crops;
- Developing and supporting mechanisms to promote participation of local private businesses as well as farmer based organizations in value addition, input supply and commodity trading;
- Establishing special initiatives and mobilizing resources for the expansion and intensified production of selected food crops for surpluses, high value markets and special food reserves;
- Promoting training of farmers and rural people (particularly women, youth and returnees) in processing and preservation of food crops, including vegetable oils and cassava;
- Promoting and supporting a farmstead development program for young commercial food crop farmers in specified zones which offer advantages for food crop specialization; and
- Investing in agricultural infrastructures such as handling, storage, processing, transport, and marketing facilities.

3.2 Liberia has a clear comparative advantage not just in rubber but in many other major tree crops, including cocoa, oil palm and coffee. Tree crops are also likely to enhance the opportunity to increase food crop production by having greater chances to access credit, obtain equipment and inputs, and opportunities which are normally not available to food crop farmers. Plantation-oriented privately owned commercial estates or concessions of rubber, and to a lesser extent coffee, cocoa and oil palm, have been promoted for several decades in Liberia. From the late 1970s the strategy for agricultural development included support for small holder coffee, cocoa and rubber farmers and the establishment of large-scale nucleus plantation estates of oil palm and coconut. These plantations were operated by public corporations and supported by smallholder out growers.

3.2.1 Rubber is grown throughout the country and is currently the preferred tree crop for smallholders. It is an important major export commodity, accounting for over 90% of Liberia's total export earnings in 2007 and formal employment for approximately 18,500 workers on commercial farms and many more in the small holder and informal industry.

Issues and Constraints

- *Uncertainty over ownership and governance has adversely affected tree crop plantations by limiting new investment needed to replant and re-install processing capacity;*
- *Many subsistence farmers are replacing coffee with rubber and planting new trees on public or disputed land in an effort to establish de-facto ownership;*
- *Most of the trees on both private farms and foreign owned concessions have reached or are nearing the end of their productive life, and need to be replaced;*
- *While the large rubber concessions have maintained production from their old tree stocks, production from privately owned farms has drastically fallen because many were either cut down to produce charcoal or severely damaged by “slaughter tapping” techniques which were used by occupying fighters;*
- *Rubber stocks on most of the small farms on which the majority of the newly planted rubber can be found consist of unimproved germ plasm in contrast to industrial estates; and*
- *Value addition is limited to primary processing of latex and coagulum, except for rubber wood for which a processing facility was recently established.*

Policy

- Rehabilitation and revitalization of the rubber subsector, taking into consideration the current global demand for rubber and opportunities for local value addition, to raise incomes and improve livelihoods for large numbers of smallholders of the crop;
- Ensuring that rubber is used as a means of transitioning the mass of subsistence farmers into commercial agriculture via out-grower schemes; and
- Encouraging downstream activities through use of appropriate investment incentives.

Strategies

- Devising a Natural Rubber Development Strategy;
- Reviewing and renegotiating all concession agreements of existing rubber plantations (also oil palm) to increase benefits to Liberia;
- Developing an appropriate land utilization policy for concessions that addresses farming and other socio-cultural needs of rural inhabitants;
- Establishing a Rubber Development Fund to provide financial assistance mainly to smallholders;
- Transforming the Liberia Rubber Development Authority into a permanent Rubber Advisory Service in partnership with large rubber farmers and collaboration of small holders;
- Supporting the provision of essential inputs for the production of high yielding, early maturing clones and discouraging farmers from planting inferior clones;
- Improving rubber farmers’ access to credit and financial services;

- Training rubber farmers in best practices for planting, maintenance, proper application of chemicals (i.e. fungicides, insecticides, fertilizers and herbicides), tapping and processing techniques;
- Promoting and enforcing quality control measures for both planting materials and products;
- Promoting value addition over the long term by producing a wide range of products including such items as tires, tubes, hoses, belts, and rubber-based auto parts; and
- Stemming illicit tapping and theft to encourage investment.

3.2.2 Besides rubber, Liberia had a very important oil palm sector with both private and state plantations which, before the war, could compete with other African countries such as Ivory Coast, Ghana and Nigeria. Although it is difficult to establish with certainty the total planted acreage of oil palm plantations before the civil unrest, which might have been around 27,000 Ha, the total land allocated to the various operators in the Oil Palm Sector for exploitation was estimated at 50,000 Ha. Liberia also produced between 135,000 to 170,000MT of Crude Palm Oil (CPO) before the war. Today, the country produces only 30,00MT and had to import 7000MT for domestic consumption in 2006 (IFC, 2008), moving Liberia from being a CPO exporter to a net importer. There are about 27,000 hectares of oil palm plantations owned by Parastatals (LPMC, LPPC and DOPC). Smallholder oil palm plantations are popular with Liberian farmers but most of the current tree stocks were planted during the civil war years.

Issues and Constraints

- Majority of the palm trees are old and of outdated varieties. As a matter of urgency, there is a need to rehabilitate existing plantations and introduce newer varieties;
- Actors in the inputs markets are inadequate and insufficient to address needs in the Oil Palm sector;
- Value addition is limited to primary processing into Crude Palm Oil;
- Most of the palm plantations in the past were under big concessions with very little small holder, private involvement. Establishment of small holder schemes of an average farm size of 10ha could enhance productivity; and
- Lack of proper management on plantations has led to poor quality in production and eventually to a discounted price of Liberia's Palm Oil on the world market.

Policy

- Increased production and productivity of palm oil, especially among small holders, to facilitate rapid increase in rural incomes, employment, export earnings and public revenues through targeted investment in planting material, extension, etc.;
- Enhancing Liberia's preparedness as an exporter in the oil palm sector, based on its comparative advantage in production, strategic location and the rising demand for Oil Palm in the world; and
- Increasing foreign exchange, job creation, income generation and widening the revenue base in the industry through value addition and other interventions.

Strategies

- Ensuring that the oil palm sector is well supported with appropriate data and information management systems;
- Training oil palm farmers in best practices for planting, maintenance, proper application of chemicals, value addition, product differentiation, quality control, social and environmental sensitivities, and fair trade agreements;
- Supporting the provision of essential inputs through appropriate markets and public involvement as and when necessary to mitigate producers' risk;
- Reviewing and renegotiating all concession agreements of existing oil palm plantations and ensuring that new agreements provide out grower schemes;
- Developing an appropriate land utilization policy for concessions that addresses environmental, farming and other socio-cultural needs of the local people;
- Assessing the impact of customary land tenure system on the adoption of tree crops to inform appropriate institutional arrangements to secure land for small holders; and
- Devising an Oil Palm Development Strategy.

3.2.3 It has been estimated that almost 40,000 households produce cocoa in Liberia (FAO/MOA 2001). While other tree crops (especially rubber) are mostly planted in pure stands, cocoa is planted along with secondary food crops, allowing for diversification of enterprise. The vast majority of cocoa trees in Liberia are over 20 years old. Coffee was the first tree crop introduced as an export crop (together with sugarcane) in the mid-19th century. However, since the 1980s, international prices have discouraged farmers from planting new coffee tree stocks.

Issues and Constraints

- *Most tree crops are old, overgrown, and of outdated varieties; they require urgent rehabilitation and replanting;*
- *Small holders and commercial farmers of tree crops suffer from inadequate output market and public goods and services to rehabilitate and promote sustainable production;*
- *Liberia is a price-taker in the world market for tree crops commodities and a cyclical decline in agricultural commodity prices increases the vulnerability of the country and reduces farmers' real incomes;*
- *Illegal cross-border trade of cocoa and coffee and, to some degree, palm oil, has reduced the contribution of these commodities to the national economy; and*
- *LPMC's statutory monopoly prevents entry into the market and farmer access to benefits of competition.*

Policy

- Increased production and productivity of Coffee and Cocoa, to enable rapid increase in rural incomes, employments, export earnings and public revenues;
- Enhancing the participation, particularly competitiveness of small scale private sector agents, in processing and other value addition activities and marketing via support to small holders scheme;

- Public investment in high yielding planting materials and associated extension and credit, and
- Abolishing the statutory monopoly of LPMC to facilitate competition.

Strategies

- Revisiting and developing a policy framework on the marketing of agricultural commodities, including rationalizing the role of LPMC and attendant consequences;
- Promoting smallholder estates in partnership with nucleus plantations, and accentuating sound plantation management principles and practices including value addition, product differentiation, quality controls, social and environmental sensitivities, and fair trade arrangements;
- Promoting enterprise mixes that can address appreciably both household food security issues and household financial income needs through the sale of tree crops products and surplus food crops;
- Assessing the impact of customary land tenure system on the adoption of tree crops and land-use intensification to inform appropriate institutional arrangements to secure land for small holders;
- Taking advantage of trade preferences including the Everything but Arms (EBA) and the African Growth and Opportunities Act (AGOA) that provide quota and duty-free entry into the EU and US markets, respectively;
- Re-examining the taxation regimes relating to tree crops to ensure that the sector is not burdened;
- Supporting farmer-based organizations and cooperatives to secure markets for farmers.

3.3 Liberia has a considerable amount of natural arable land and ambient climate that would allow for the cultivation of a wide range of non-traditional crops. Past attempts at non-traditional exports trade have been negligible and were mainly carried out through friends and family connections which hardly made any impact on GDP. Non-traditional commodities included smoked dried fish, palm oil, bush meat, local vegetables, bamboo, and few handicrafts. There is a high potential in the non-traditional sector and great opportunities to resuscitate the industry if appropriate measures are put in place. The GOL has begun improving market access for Liberian non-traditional exports, with the AGOA process being the first, and is anticipating admission into other larger markets such as EUROGAP and the Chinese market.

Issues and Constraints

- *Lack of much needed infrastructure, i.e. storage, packaging systems, cost effective cargo shipment and financing systems;*
- *Inadequate awareness of the market and technologies needed to secure quality supplies;*
- *Low to negligible institutional and human resource capacities to promote and manage the value chain of non-traditional commodities;*
- *Lack of research and development attention to the non-traditional sector; and*
- *No applicable intellectual property rights legislation and protection in the sub-sector.*

Policy

- Promoting awareness of the potential of the subsector for employment and income generation with high level involvement of the private sector;
- Increasing the volume and quality of nontraditional export commodities into expanded markets at national, regional and global levels; and
- Increasing foreign exchange and incomes and widening the revenue base from the sub sector

Strategies

- Developing a strategy to promote non-traditional crops and non-timber products;
- Sensitizing communities and the public at large on the advantages of non-traditional exports;
- Promoting linkages with international markets for non-traditional exports, including utilization of the Government's Foreign, Commerce and Agriculture Ministries;
- Supporting activities directed at promoting the development of non-traditional exports: research for non-traditional exports; collection, assembly and evaluation of germ plasmas of non-traditional commodities; marketing information systems; packaging materials and storage facilities; establishment of standards; and development of preservation infrastructures.
- Supporting actions directed at value addition and technology transfer to potential producers and exporters; and
- Facilitating and promoting organized arrangements for export of cassava products/byproducts (chips, flour, leaf), fish (smoked), palm butter (precooked wild local palm fruits), palm oil, paintings & sculptures, quilts, spices and wooden handicrafts, among others.

3.4 Vegetables (exotic and local) are grown under nearly all farming systems including the swamps during the dry season. Urban and peri-urban vegetable production is also practiced albeit on a limited scale, taking advantage of the ready market in the urban centers. There is great potential for expanding vegetables, mangoes, and avocados production in Liberia because of available land, and favorable climate and domestic resource costs for the crops. Fruits are produced throughout the country although not in organized manner for markets. Their cultivation, as with vegetables, allows for pro-poor growth and productive employment, especially for women and youth. There is also scope for increasing production and productivity, including reducing post-harvest loss.

Issues and Constraints

- *Institutional and human capacity to guide and support the development of the horticulture sub sector is extremely limited;*
- *Lack of organized availability of essential inputs such as seeds and other planting materials, fertilizer and pesticides; transport and appropriate handling facilities; and appropriate communal storage facilities;*
- *Low investment capacities of the small holders who operate in the sub-sector;*
- *Locally produced commodities are not competitive with external products. Despite the country's huge potential to produce these commodities, large volumes of vegetables and fruits are currently imported from neighboring such as Guinea and Cote d'Ivoire, and from distant economies of Europe, USA or the Middle East;*

- *Low competitiveness of the products resulting from high domestic resource costs and their low quality, and unmanaged pests and diseases;*
- *No reliable systems of market information to enable producers and their organizations to be competitive in the industry; and*
- *Storage facilities to handle perishable vegetables and fruits are mostly ground floor spaces in verandas of houses, rickety baskets or damaged wooden or plastic boxes. Processing and preservation technologies are low output, with far less quality products.*

Policy

- Sustainable volumes of competitive horticulture products are available always for high value markets, both local (tourist and entertainment industry) and foreign; from a commercialized and modern subsector;
- Sustainable linkages and transactions between the horticulture subsector and high value markets in country (hotels associations, tourist associations, entertainment businesses, marketers and exporters, manufacturers, processors);
- Functioning infrastructures (particularly warehouses, processing facilities, market information systems and transport) are available; and
- Microfinancing is accessible by operators in the subsector to meet investment needs.

Strategies

- Establishing, for quick impact, a special program promoting increased production and productivity by providing, on a cost recovery basis, packages of essential inputs (such as irrigation with motorized pumps, seeds, fertilizers, chemicals, credit) particularly in selected peri-urban and urban areas, involving mainly women and youths and other vulnerable groups;
- Advocating for and generating support from, as well as collaborating with relevant public and private sector agents and businesses to improve competitiveness of the industry by renovating major farm to market roads; ensuring improved transport; and investing in the value chain of horticulture industry (production, processing, storage, marketing and packaging);
- Promoting the availability and expansion of markets for horticultural commodities through consultations and advocacy between and among organized groups of producers from the sub-sector and operators from high value markets including marketers, supermarkets, traders, hotels and entertainment entities; and pursuit of contract farming;
- Promoting through special programs or measures, actions that will facilitate increased efficiency of private sector support services to the horticulture industry, particularly regular affordable supplies of inputs, (planting materials, chemicals and handling and storage materials), credit and savings of particularly small holders); and
- Encouraging and facilitating public and private sector partnerships in research and cost recovery extension services.

4 Livestock, Fisheries & Forestry

Livestock, fisheries and forestry comprise the bulk of Liberia's natural endowment. The country has an estimated 2 million hectares of pasture land, yet the livestock sector accounts for an estimated 14% of food and agriculture GDP, far below potential. Liberia also has a coastline of 570 km and a

continental shelf averaging 34 km in width; performing below expectations, the sub-sector contributed only 12 percent to the agricultural GDP in 2002. The forest area covers 4.3 million hectares and accounts for the largest remaining portion of the Upper Guinea basin; however, misuse and mismanagement of this sustainable natural resource has, heretofore, deprived the country and the world of its immense potential to make significant contributions to income generation, quality livelihoods and climate change mitigation.

- 4.1 Livestock is a major source of many valuable products and by-products (meat, milk, eggs, leather etc.). The livestock sector contributes to food security sustainable agriculture by converting forages and crop residues into organic fertilizers and by providing manure for bio-gas. It also constitutes inflation free investment channel, while fulfilling cultural roles particularly throughout rural Liberia.

Major livestock product chains are the cattle meat, milk, skin, poultry, swine and the animal health industries. There was also a large scale domestic poultry sector prior to Liberia's civil crisis, suggesting a scope for expansion in the near future. Nevertheless, domestic livestock production falls far short of demand, and import of meat and live animals is substantial. An estimated 26,000 heads of live cattle and 15,000-16,000 of live sheep and goats (estimated to equate to respectively, 3000 metric tons and 312 metric tons) were imported from neighboring countries in 2005/2006. This does not account for frozen meat imported by supermarkets in Monrovia which is populated with third or more of the country total populace.

The livestock sector is labor intensive, but the value chains offer a potential source for pro-poor growth and import substitution. The consumption of animal products in the country is increasing with income, providing new income-earning opportunities for large numbers of the rural poor. Integrated livestock and crop production is also a more sustainable farming practice, and one of the best options for diversifying agricultural production.

Issues and Constraints

- *Livestock regulation is characterized largely by outdated legislations (regulation and operational rules) and there is absence of adequate policy measures to boost the sector, help monitor, and coordinate various activities, and promote effective reduction of environmental, animal and human health threats;*
- *While Liberia is still dealing largely with outdated legislation, sector regulation at the regional and international levels is rapidly changing, restricting the country from applying the modern technical and zoo-sanitary standards that ensure safety and quality;*
- *The weak institutional capacities for planning and extension make it difficult to disseminate information and provide adequate service delivery. Thus little is known of the incidence of animal diseases in Liberia and only few resources are available to support public awareness efforts in animal health and food safety issues;*
- *Other limitations to the development of sector include weak livestock farmers' knowledge and skills, a lack of adequate infrastructure (Abattoirs, Cold chains for product development, slaughtering, storage, and distribution of livestock products) useful for processing and marketing livestock products and market information;*
- *Absence of credit facilities to acquire breeding stocks and other necessary inputs is slowing down expected and desired rapid growth in the livestock sector;*

- *Like the veterinary services and laboratories, technology transfer centers such as the seven ranches totaling more than 2,025 ha are dilapidated and presently not functioning. As such, transboundary animal diseases and zoo-sanitary inspectorate charged with import and export control of animal and animal products does not currently operate properly;*
- *Land tenure system, and water and pasture resources lack proper arrangements to allocate land, provide ownership of grazing areas or to allow access and usage according to traditional or legal procedure;*
- *Wide spread shifting cultivation frequently changes livestock grazing areas into crop land. Thus the migration of livestock farmers may become difficult, becoming a limiting factor to sector expansion;*
- *A low genetic potential of livestock coupled with limited supply of livestock has led to poor production in the livestock industry; and*
- *Although major disease outbreaks have not been reported in recent years, it is recognized that livestock diseases are among the constraints that present a big challenge to the development the livestock industry.*

Policy

- Adequate quantities of competitive (quality, safe and low price), locally produced livestock products (lamb, poultry, beef, other meats and dairy) available and adequate to substitute imports of these commodities by lowering domestic resource costs;
- A revitalized livestock sub sector and value chains (production, processing, marketing and product development) that contribute significantly to productive employment, especially of women and youth, and improvement of the nutritional status of Liberians;
- A livestock that is restocked subsector, especially with small ruminants (sheep and goats, pigs and other commercial small ruminants); and
- Promotion of value addition to enhance access to competitive national and international markets.

Strategies

- Promoting the production of high quality livestock of selected breeds, in intensive and extensive systems (ranching, pastoral and agro-pastoral) with consideration given to the improvement of genetic potential;
- Strengthening technical support services (including the use of appropriate technologies), sensitizing and promoting, the formation of producer and trader associations and developing public-private partnership to improve the management and marketing systems;
- Producing safe and quality livestock products (meat, milk, eggs and other by-products) through adoption of best practices (including the production of quality animal feeds, utilization of locally available raw materials and the establishment of livestock identification, recording and traceability system);

- Creating an enabling environment to support the processing, marketing and consumption of safe and quality livestock products through the collection and dissemination of market information and the establishment of standardized facilities (marketing infrastructures, slaughterhouses, etc.);
 - Developing and implementing a medium term Master Plan to improve livestock value chains and using the private sector to increase productivity and competitiveness of selected livestock products;
 - Developing and enforcing comprehensive livestock regulations, operational rules and enforcement mechanisms of, including technical standards for safety and quality control of animals and livestock products;
 - Strengthening inter-ministerial coordination among the MOA, MOHSW and MCI on their respective roles and responsibilities;
 - Designating entry points for livestock entering Liberia that are manned by technically competent personnel;
 - Supporting private sector involvement in the development of appropriate infrastructure (feed mills, hatcheries, abattoirs, processing and products development plants) that are functioning and producing competitive products by ensuring appreciable access to credit and other financial and input services;
 - Implementing the ECOWAS transhumance protocols and establishing the Livestock Early Warning System (LEWS) for disaster management and impending forage shortage;
 - Protecting water catchments areas while constructing and maintaining water sources for livestock;
 - Promoting livestock stocking according to land carrying capacity to avoid soils erosion and degradation;
 - Providing technical support services on manure and bio-gas production and utilization;
 - Promoting private veterinary services delivery and private-public partnership in service delivery;
 - Strengthening technical support services on Trans-border Animal Diseases (TAD) control and eradication through the development and strengthening of veterinary laboratory system, infrastructure and facilities for livestock research and linking research, extension, and farmers in a way that values Indigenous Technical Knowledge (ITK);
 - Implementing and strengthening zoo-sanitary infrastructures and inspectorate services in harmony with the national and regional policies;
 - Creating awareness and promoting research and development (R&D) on biotechnology and bio-safety and bio-gas production; and
 - Promoting and strengthening participatory livestock extension services to harmonize service provision and coordinate livestock data collection as part of a comprehensive management information system for the livestock sector.
- 4.2 The coastline and continental shelf of Liberia provide an area of about 20, 000 km² of fishing grounds. Liberia also has approximately 1810.125 km of rivers that transverse the country, and countless perennial swamps and inland water bodies with enormous potential for increased production of inland

capture fisheries and aquaculture. Over 80 percent of the population directly depends on fish for animal protein supply.

Artisanal Fishery: Artisanal fishery provides a means of livelihood to approximately 33, 000 full-time fishers and processors in the coastal counties. Liberian participation is about 80% with females accounting for about 60% (BNF 2004). Artisanal fishery operators are mainly indigenous Kru fishers and their families, and Fanti and Popoe fishers and their families who migrated to Liberia from Benin, Ghana and Cote D'Ivoire. A recent development is the presence of Gambian and Senegalese fishermen in Cape Mount County. Malian and Fulani fishers also operate in inland areas. There are an estimated 3,473 canoes operating in the marine waters of Liberia with only 8% motorized (BNF 2004).

Industrial Fishery: Industrial fishery is a high capital investment undertaking involving fishing trawlers and cold storage facilities. There are currently fourteen (14) fishing companies operating in Liberia: 6 companies are exclusively engaged in the importation of frozen fish from the high seas; and 8 companies are engaged in fish catching activities, operating 27 fishing vessels with a combined Gross Registered Tonnage (GRT) of approximately 4,000 tons. Fishing vessels operating in Liberian waters range in size from 91 GRT Chinese pair trawlers (ice carriers), to 251GRT fishing trawlers with onboard freezing, processing and storage facilities. Industrial fishing vessels land their catches at the fishing pier in the Free Port of Monrovia. The fishing vessels that fish in Liberian waters are required to pay taxes while imported fish are tax exempt. The employment of Liberian nationals in industrial fisheries is estimated at 75%, representing 28 % of total employment in the fisheries sub-sector. Foreign nationals presently dominate the industrial fishery; they own all fishing companies and occupy the senior management positions.

Inland Fishery and Aquaculture: Liberia is blessed with six major rivers which flow from the Fouta Djallon Mountains of Guinea. The Lofa, St. Paul, St. John and Cestos Rivers are within the country. The Mano River forms the border with Sierra Leone and the Cavalla River runs along the southern border with Cote d'Ivoire. In total, the country has some 1,800 km of rivers, nearly all of which are shallow, rocky and not navigable. There are also large swamp areas and numerous coastal lagoons, including Lake Piso, one of West Africa's larger lagoons. The number of people engaged in inland capture fisheries is not known, so is the volume and value of production. However, it is an important seasonal subsistence activity for riverside communities who use mainly traditional fishing gears and traps.

Issues and Constraints

- *Weak institutional capacities for planning, advice, regulation and monitoring (e.g. unclear fishery regulations and rules of operation; low capacity at the Bureau of National Fisheries; non-operational Monitoring, Control and Surveillance system);*
- *Lack of basic fisheries infrastructure; no fisheries harbors to facilitate discharge of cargo and supply of essential commodities, refueling, trans-shipment and for dry-docking; very limited or costly facilities for storage, processing and handling;*
- *High operational costs and low volume, low quality products from artisanal fisheries (Primitive fish processing methods limited mainly to fish smoking; high costs of fishing inputs and lack of a credit scheme; few motorized boats and low output fishing gears; interference from illegal industrial fishing fleet);*
- *Highly subsistence agriculture that needs to be commercialized level;*

- *Large presence of illegal fishing entities in Liberia's EEZ engaged in illicit fishing and transshipments of catches on the high seas resulting to gross underreporting; and*
- *Value chains for fish and fish products remain largely limited to freezing (for industrial fishing), smoking, salting and fermentation for artisanal and aquaculture fishing.*

Policy

- Sustainable increase in artisanal fish production with immediate impact on available fish supplies from the subsector contributing largely to the demands of the largest number of Liberians, and more particularly enhancing the income generating opportunities of women and young men;
- Sustainable increase in fish landings in the country by industrial fisheries operators providing increased fish supplies to the population and contributing to income, revenue, employment and trade in high value markets and product development, through the establishment of infrastructure and enforcement of legislation; and
- A well revitalized and developed aquaculture industry characterized by high productivity, ensuring sustainable supplies and affordable quality fish to local and export markets.

Strategies

- Endorsing and implementing the National Fishery Policy and National Fishery Development Plan and building the capacity of the Bureau of National Fisheries to manage implementation of the Policy and Plan;
- Promoting special initiatives and actions that will increase fish supplies by continuing to increase availability of special kits/fishing gear and outboard motors to artisanal fisheries groups; facilitating access to improved and secured fish landing areas, and processing facilities including cold storage; and credit, training and other support services for those engaged in artisanal fishing and aquaculture;
- Establishing, in partnership with the private sector, a number of Community Fisheries Centers (CFC's) with requisite infrastructure including ice plants, chilling and cold storage facilities, fish boxes, fish processing areas, storage facilities for processed products, mechanical workshops, boat building areas, individual lockers for safe keeping of fishing equipment, insulated/refrigerated vehicles for fish distribution and marketing;
- Promoting cooperation within and among (artisanal) fishing communities to help secure economies of scale and ensure their access to essential resources, proper utilization and management of basic fisheries infrastructures, and taking advantage of opportunities being made available in the sub sector;
- Supporting the establishment of a fishing port for fishing companies that would have appropriate handling and processing facilities that are consistent with international standards;
- Taking special actions through relevant state agencies to ensure strict enforcement of fisheries regulations; and
- Reviewing the situation of aquaculture and developing a recovery plan for the sub-sector that would produce synergies with irrigation and farming, as well as protecting the aquatic environment;
- Supporting the establishment of a reliable information and data base on the sub-sector's potential and areas for investment;
- Putting into place an effective Monitoring, Control and Surveillance system to secure the country's coastal waters;
- Adopting the FAO Code of Conduct for Responsible Fisheries (CCRF), and incorporating some of the provisions of the Code into a national fisheries legislation;
- Establishing a National Fisheries Commission and a National Fisheries Development Fund.

4.3 The forest area covers 4.3 million hectares (ha) or 45% of the total land area (9.58 million ha) and accounts for the largest remnant of the Upper Guinea forest of West Africa. The contribution of forestry to GDP, which was only 5 to 6% before the 1990s, soared to over 20% in the early 2000s. It declined with the UN ban on timber exports. Liberia's recently established National Forest Policy lays out guidelines and principles in three pillars: Commercial, Community and Conservation forestry (referred to as the 3 C's). Sustainable commercial forestry generates employment, foreign exchange and government revenue, while community forestry focuses more on the economic, social and cultural values of forests to people who live in and on the fringes of forest areas. Forest conservation, biodiversity conservation, maintenance of other environmental functions of forests (e.g. soil and water protection) and protection of specific forest areas (e.g. parks and wild life sanctuaries) ensures sustainability of Liberia's forestry resources. The Food and Agriculture Policy and Strategy will complement and reinforce the new National Forestry Policy as in a synergistic manner towards the effective management and sustainability of Liberia's forest resources.

Issues and Constraints

- *Integrating the 3 C's through land use planning and improved land tenure arrangements to eliminate the legal uncertainty for logging and tenure, and unclear and overlapping concessions;*
- *Establishment of the rule of law to ensure that commercial forestry, community forestry and forest conservation activities are integrated and balanced to optimize economic, social and environmental benefits from the forest resources, and*
- *Ensuring an equitable distribution of forest resources and benefits from forest development to help maintain peace and serve as a major contributor to the national development goals of poverty reduction alleviation and increased food security by increasing opportunities for forest-based income generating activities.*

Policy

- Managing all forest areas in a manner that will continuously provide a wide range of goods and services for the benefit of all Liberians and contribute to poverty alleviation of the nation, while conforming to environmental best practices.
- Continuing commitment of Government to international agreements and conventions and to designating 30% (1.5 million Ha.) of the forest area of Liberia for conservation.

Strategies

- Linking agriculture and the forestry sectors for sustainable development of both crops and timber products.
- Ensuring that activities in the forestry sector (including forest management, plantation development, harvesting, conservation and industrial development) are based on sound scientific and technical principles to satisfy environmental and other demands;
- Granting more equitable access to forest resources so that the potential for future conflict is reduced and the benefits from forestry development are shared throughout Liberia; and
- Ensuring that policy options to reduce emissions from deforestation and forest degradation and their associated benefits do not compromise economic and cultural values in the food and agriculture sector.

5 Support Services and Market Access

5.1 Small farmers in Liberia live largely in isolated villages with negligible facilities to receive updated information on agriculture and rural development, and many are illiterate. An extension service

system is necessary to disseminate, in such rural settings, new technologies, innovations and information. Recent extension approaches such as agricultural advisory services and the Farmers Field School (FFS) have facilitated greatly farmers' involvement and public-private partnerships in ensuring that technology dissemination is demand-driven, client oriented, and farmer-led.

Issues and Constraints

- *Agricultural extension services in the past have been centrally controlled and supply-driven with little attention to local knowledge, demands and participation;*
- *Shortage of staff, inadequate funding and lack of new technologies have limited the scope and impact of extension activities;*
- *Lack of market, high post-harvest losses, high cost of inputs, lack of value addition and the lack of access to suitable land have undermined the effectiveness of extension;*
- *NGOs provide extension services but these are largely limited to the distribution of seeds and hand tools, with little or no contribution to*
- *building the capacities of beneficiaries;*
- *Private sector involvement in extension has always been minimal;*
- *Inadequate capacity of farmer organizations limit the extent to which such organizations could be used in reaching farmers, especially women farmers, with technical assistance and services;*
- *Negligible involvement of commercial entities in extension services.*

Policy

- Dynamic, demand driven, client oriented, participatory, decentralized, pluralistic extension services providing technical knowledge and information to farmers, particularly small holders in agricultural development, particularly food and nutrition security matters; Public and private sector partnerships in the provision of and cost sharing of extension services for increased competitiveness in the value chains of selected food and cash commodities;
- A conducive and enabling environment for the provision of extension services by the private sector, NGOs and other organizations, and effective communication and dissemination of information to all users; and
- An extension system characterized by a continuous flow of appropriate innovations from a variety of sources including local and foreign.

Strategies

- Conducting CORE Functions analysis of current extension and support services and designing and implementing a National Agricultural Extension Project (NAEP) with the participation of all categories of farmers, other users, and all providers of extension services;
- Developing a national extension strategy

- Building capacities of Farmer-Based Organizations (FBO) and Community-Based Organizations (CBOs) to seek services from both private and public sector service providers and developing their capacities for cost recovery or cost-sharing of extension services;
- Promoting the establishment of private Agricultural Advisory Service providers so that such services are provided on competitive outsourcing basis;
- Supporting and promoting agri-business consultancy and technical services; and • Supporting the establishment of Information Centers at strategic locations across the country with the necessary information and communication gadgets in order to provide global information to farmers on a demand basis.

5.2 Agricultural education and training are required to bridge the knowledge and skills gaps in the sector, prepare a critical mass of educated, well-trained men and women working in the sector, and enable farmers cope with the changing demand of domestic, regional and international markets. Good agricultural education systems are necessary to build effective capacities to formulate and manage agricultural development programs, provide sound advisory services, and undertake relevant research and extension activities.

Issues and Constraints

- *Most agricultural professionals left the country during the war years, leaving major gaps in capacities to transfer knowledge and skills in the sector;*
- *There is a critical shortage in the quality and range of specialization of human resources;*
- *Agricultural education receives a low priority and this has limited enrolment in agricultural colleges and departments. There is also a serious lack of coordination of training programs at all levels;*
- *Extension workers have limited skills and capacities for sustained crop production and prevention of food losses during harvest, storage, marketing and processing;*
- *High illiteracy rates in rural areas (75% in 2000); farmers and farmer organizations lack basic knowledge and skills in land and water management, utilization of modern inputs, agri-business, food preservation, marketing; and limited awareness about social, political and legal institutions.*

Policy

- Continuous production of high quality manpower in agriculture to support extension, research and training needs of the country, utilization of technologies and to spur the agribusiness sector; and
- Greater awareness and enhanced capacities of clients and agents in the agriculture sector, especially small holders, to obtain and manage information and to operate efficiently in a competitive environment.

Strategies

- Carrying out, on a periodic basis, detailed assessment of the needs and requirements for trained human resources in the sector and support services; consulting with relevant partners in human resources development, coordinating with others for the development and implementation of curricula in all training institutions;

- Developing a cross-section Human Resources Development strategy;
- Designing and implementing, in partnership with universities and colleges, Special Training Programs for extension agents, farmers, youths, women, returnees, internally displaced persons, ex-combatants, leaders of women and farmers organizations;
- Scaling-up and replicating the Tumult and Sinoe Agricultural training programs and the Centre Songhai Liberia Initiatives;
- Designing and implementing a special awareness program to create awareness about business opportunities and promoting agriculture as a career to college/university students, school drop-outs and the general public;
- Encouraging and supporting universities to initiate graduate and post graduate training in agricultural disciplines;
- Encouraging hands-on/practical agricultural training programs in all learning institutions; and
- Encouraging and promoting the establishment of school and community libraries throughout the country to facilitate continuous learning and keeping abreast with current issues of the sector.

5.3 African countries are revising their approaches to agricultural research to participatory, demand driven systems, with the aim of combining farmers' indigenous traditional knowledge (ITK) with the more widely recognized expertise of the agricultural research community. The approach also allows for the active involvement of farmers or users in setting research agenda, implementing trials and analyzing findings and results. The trend towards this approach has been influenced by the emerging involvement of non-government organizations and the private sector in agricultural technology development.

Issues and Constraints

- *Liberia's agricultural research system, formerly dominated by the public sector, was severely disrupted and terminated by the war, and is now being revived;*
- *Agriculture research is carried out by multiple public and private sector and civil society organizations among which the Central Agricultural Research Institute is predominant. Regrettably, these activities are not coordinated;*
- *Smallholders have not benefited from research mainly because the service is supply driven and limited in scope, and not seen to directly respond to the production problems of farmers;*
- *There are no clear organizational frameworks or institutional mechanisms (e.g. competitive grant systems) to encourage cost effectiveness and inter-agency partnerships in research, nor is there a formal mechanism to bring together researchers, extension agents, producers, processors, policy makers and the private sector;*
- *There are no clearly defined and well-thought out programs for agricultural research; and*
- *NGOs have some potential but currently contribute little or nothing to research efforts.*

Policy

- A revitalized, functioning and participatory research system that recognizes the need for the integration of research with extension, education, and activities of farmers and nongovernmental organizations to make visible and measurable contributions to the transformation of the agricultural sector; and
- Ensuring that research programs are innovative and solve real problems of food security and nutrition and contribute to sustainable use of agricultural resources.

Strategies

- Establishing a Natural Agricultural Innovations System (NAIS) to provide responsive, pluralistic, effective and efficient agricultural development related research and extensive services
- Adopting a strategic vision for a rebuilt agricultural research service, a component of NAIS, and its integral organizations including CARI, guided by the need to strengthen demand for services, improve quality of service and assure service sustainability;
- Establishing appropriate legal and governance framework to provide efficiency and flexibility in managing human, physical and human resources and to ensure accountability to client, funders and other stakeholders;
- Establishing linkages with other internal and external research providers, clients, technology transfer agencies and developmental organizations;
- Developing a national agricultural research strategy to guide research activities including adaptive research; and
- Implementing the CARI rehabilitation strategy which comprises inception undertaking, capacity building and expansion and strengthening of linkages.

5.4 Production Services

- 5.4.1 There is documented evidence that fertilizer-responsive high yielding varieties (HYVs) in combination with fertilizers are the main Green Revolution technologies behind the dramatic increase in production and productivity in many Asian countries.

Issues and Constraints

- Scarcity in availability and limitation in provision of seeds and fertilizers to farmers;
- Lack of a seed certification service, private or public seed producing and distributing firm, and seed legislation or policy;
- Although small quantities of fertilizers are imported by cross-border traders, the cost of fertilizers is beyond the reach of the small farmer; and
- Ineffective demand (because farmers do not perceive a commercial advantage in the use of this expensive input) has constrained development of the fertilizer market.

Policy

- Smallholders have adequate access to affordable and high quality improved seeds, planting materials and breeding livestock, fertilizers and agricultural chemicals;
- A competitive and well-regulated distribution network of essential inputs, particularly seeds and fertilizers, is established and operated by private sector.

Strategies

- Supporting MOA and CARI to formulate a planting materials strategy and to develop and implement Planting Materials Production Program (PMDP) in collaboration with the private sector, NGOs and CBOs to supply available seeds and tuber cuttings to farmers;
- Reviewing, updating, establishing and widely disseminating information on regulatory and institutional frameworks for commercial seed production and distribution as well as fertilizer importation and distribution;
- Designing and implementing, with the involvement of appropriate stakeholders, a program to support farmer organizations, private sector and NGOs, to produce and distribute improved seeds such as the NERICAs;
- Supporting and promoting, through existing and planned food production programs, farmer to-farmer seed multiplication and seed delivery systems;
- Establishing measures and arrangements for seed producing and distributing entities to accelerate pre-released seed multiplication of promising varieties;
- Mobilizing necessary support (public and private sectors and development partners) to establish appropriate laboratories and systems for seed testing, seed certification, and soil testing in the country;
- Assisting larger private companies with experience to import and distribute fertilizer and other chemicals;
- Introducing targeted subsidy programs to promote the use of improved seeds and fertilizers and implementing the program without undermining private sector activities;
- Supporting duty free import of seeds, fertilizers and pest disease management inputs; and.
- Ensuring the utilization of organic fertilizers and environmentally friendly pesticides.

5.4.2 Pest is any form of plant or animal life or any pathogenic organism that is injurious or potentially injurious to plants, products, livestock or people. Pests include insects and other arthropods (mites and ticks), nematodes, fungi, bacteria, viruses, weeds and vertebrates. Pre- and post-harvest crop losses due to pests and diseases are estimated at 40 to 50%. Most farmers depend on mechanical and physical control actions while some, including urban and peri-urban farmers, depend on chemicals. Rising prices of chemicals for pests and disease management, and increasing demand for organic foods have raised the need for non-chemical alternatives in agricultural production. In this regard, the Integrated Pest and Disease Management (IPDM) system is increasingly being adopted in a wide range of farming systems and agro-climatic zone because of its advantages to reduce costs and hazards from use of chemical agents.

Issues and Constraints

- *Damaged animal tissue and disease transmission by pests have led to disruption in crop/livestock growth and development and therefore reduced yield and product quality resulting in economic losses which must be minimized in a cost effective, sustainable, and environmentally sound manner.*
- *The Ministry does not have a Plant Protection Unit to manage and regulate the use and application of improved technologies on plant protection in the country;*
- *The lack of a database on injurious pests and control measures to assist farmers in their control of crop pests;*
- *There is less information available on non-chemical pest management than those of chemical pest controls; and*
- *Prevailing costs of agro-chemicals are high, leaving a perception by small holders and some medium scale farmers that return from their investments may not be profitable.*

Policy

- IPDM applied widely in all farming communities in the country;
- Health and environmental problems arising from use of agricultural chemicals are closely monitored and reduced to safe levels ;
- Integrated application of pest control methods, while using pesticides only on a needed basis, and as a last resort component of an IPDM strategy.

Strategies

- Formulating a National Plant Protection Policy that will incorporate plant quarantine and Integrated Pest Management (research, education, training, extension, sustainable funding);
- Developing a National Pesticide Policy (local formulation/manufacturing, importation, distribution, use and disposal of unwanted/unused products);
- Establishing functional plant protection unit in the MOA that will conduct detailed pest survey and crop loss assessment in order to determine priority pests for attention.
- Implementing farmers' training in Good Agricultural Practices (GAP) that will include the use of improved varieties and livestock (seed/planting materials, livestock breeds) and adoption of better planting patterns and techniques.
- Ensuring that mechanisms are established for sensitization and awareness of the public and compliance and enforcement of the code of conduct on distribution and use of pesticides, especially regulations on pesticides;
- Adopting IPDM as a national strategy and providing institutional back-up to research and extension services; and
- Developing pest and disease management components and IPDM strategies for major farming enterprises.

- 5.4.3 The main power source for agricultural operations in nearly all the production areas in Liberia is labor intensive using simple hand tools. But agricultural operations from land preparation to post harvest or value addition can be supported by mechanization, with resulting benefits of reduction in drudgery and increase in labor productivity. Simple equipment such as power tillers; corn harvesters, mechanized cassava graters, mechanized cereal and coffee hullers, and oil palm mills have been proven to have a significant impact on production, productivity and competitiveness.

Issues and Constraints

- *Labor available for agricultural production is declining and technology has not improved beyond the hoe and cutlass to make the necessary substitution;*
- *Farm machines and equipment suitable to local conditions are lacking;*
- *High cost of farm machinery and rising fuel price, low purchasing power of farmers, and small farm sizes and fragmented plots have constrained the use of farm power;*
- *There are no guidelines for use of mechanical cultivation or processing in the agriculture sector;*
- *There is no unit at MOA with oversight responsibility for policy, planning, coordination and monitoring of agricultural mechanization; and*
- *Available machines are inefficiently utilized due to lack of skills, importation of inappropriate brands, lack of standardization and ready availability of spare parts, and acute shortage of trained personnel to provide repair and routine maintenance services.*

Policy

- Adopted cost recovery use of small medium scale mechanization technologies, particularly by small holders in order to increase productivity and competitiveness, while conserving natural resources.
- Widespread use of appropriate mechanization technologies throughout the value chains of selected cash and food crop commodities in order to transform the sector and the rural economy from a low output traditional base to a modern economy linked to markets.

Strategies

- Formulating an agricultural mechanization strategy;
- Establishing an Agricultural Engineering Unit (Mechanical and Civil) at MOA to encourage and support the private sector, cooperatives and other farmer organizations with mechanization services;
- Supporting local tools and equipment fabrication to ensure accessibility and affordability;
- Facilitating the establishment of mechanization services provision centers, machinery hire purchase and lease schemes in collaboration with the private sector, especially county based individuals and financial institutions;
- Encouraging and providing support to farmer organizations and private sector entities that are providing and using small scale mechanization in the agriculture supply chain (production, processing, value addition, product development);

- Supporting private sector workshops that provide mechanization services to producers cultivating lowlands with power tillers; and
- Facilitating public-private partnerships to promote mechanization in the sector.

5.5 The target groups of the pro-poor approach (small holders, diverse input dealers/suppliers, processors, transporters, storage/inventory warehousing operators and distributors) do not have capacities to invest in best practices in their vocations. Access to rural finance is critical to enable them secure the resources necessary to increase productivity and competitiveness in their enterprises and take advantage of opportunities in the value chains of selected commodities. Varying mechanisms of making financial services available to these groups in the sector have not been successful in the past for a variety of reasons, some from improper unproductive interventions by the public sector. Most credit available to farmers, if any, originates from informal intermediaries whose pre-financing is characterized by prohibitive interest rates.

Issues and Constraints

- *With the demise of the Agricultural Cooperative Development Bank (ACDB) and the limited rural reach of existing private banks, the rural community has no access to formal credit;*
- *The ACDB failed to serve smallholders and was operating at huge losses even before its collapse;*
- *There are only two well-established micro-finance institutions (MFIs), a few other fledgling MFIs, and a small number of rural credit unions;*
- *There is no overall institutional framework to foster MFIs, credit unions and cooperative banks;*
- *The apex body, the Liberia Credit Union National Association (LCUNA) is weak and works exclusively with a dozen older and larger urban credit unions who have very few operators in the sector;*
- *Semi-formal organizations such as credit unions and cooperatives have limited coverage and are dependent on formal sector banking, which is not available in rural areas;*
- *Revolving funds (Susu) are used to finance the purchase of farm tools and equipment for those with retained earnings but they may not be an appropriate and reliable credit product for many agricultural operations which require working capital on an annual basis.*

Policy

Ensuring that initiatives providing financial services and products, particularly credit and savings, are available and accessible to every category of agents in the sector.

Strategies

- Supporting the review of banking regulations, conditions for providing loans to the agriculture sector, and related legislations in order to inject some level of liberalization, incentives and guarantees that will encourage commercial banking institutions to play greater roles in enhancing agricultural development, supporting agribusiness sectors, using instruments such as reduction in secondary reserve requirements and tax rebates;

- Supporting and strengthening the expansion of membership-based financial organizations, rural banks and grassroots micro-finance institutions, and promoting linkages between formal and informal financial services;
- Supporting and promoting a Credit Guarantee Scheme for rural credit (public or public-private partnership) and exploring and determining the appropriateness and practicalities of financial institutions providing insurance service; and
- Advocating for and supporting the review and reassignment of roles to existing financial institutions such as the ACBD, LINFU, LCUNA and CDA to enable them complement efforts of targeted commercial banks in micro-finance programs to small and subsistence producers in the sector.

5.6 Access to markets is one of the major prerequisites to stimulate and underpin the transition from low-production subsistence farming to high-productivity commercial production. Further economic benefits are realized when complementarities and inter-dependence between agriculture and agribusiness are forged through promoting forward and backward linkages. In view of the limited size of the domestic market, Liberia should also take advantage of the opportunities presented by regional and international markets to achieve significant growth in the sector through agri-business.

Issues and Constraints

- *Heavy presence of parastatals in the value chain operations of cash crops prior to the war, and destruction of infrastructure (roads, railways and physical market places) have all resulted in widespread market failures as reflected in high transportation and transaction costs, and low competition of the value chains;*
- *Only a handful of medium-scale produce buyers exist, and they lack either the financial capacity and/or necessary transport facilities to buy larger quantities of farmers' produce. The few large buyers are prevented from participating in transportation services by prevailing legislations;*
- *Over seventy five percent of the villages in producing areas are not accessible by vehicles and many other areas become inaccessible during the rainy season;*
- *Inadequate storage facilities, coupled with poor handling and poor post-harvest technologies make post-harvest losses (excluding pre-harvest losses) exceptionally high for many farmers; for rice and cassava, losses amount to about 25% of production and as much as 45% in vegetables;*
- *Because of bad roads and insufficient number of produce traders, considerable informal cross-border trade exists between Liberia and neighboring countries to the detriment of small producers; and*
- *The Liberia Market Association (LMA) which was established as a semi-autonomous government institution with the mandate to manage markets has generally failed to meet its obligations despite extracting fees from traders.*

Policy

Ensure a stable enabling environment that guarantees: (i) producers have market access and face minimum market and price risks; (ii) the agribusiness sub sector is developing in effectiveness and scope, creating jobs for the rural population, reducing postharvest losses, and improving the competitiveness of commodities in quality and price; and (iii) there is improved and official access of Liberian goods and services to regional and international markets

Strategies

(a) Markets

- Promoting the establishment of Agricultural Information Service (MOA and NGO) that uses local FM Radios, mobile phones and the Internet, and links the national system with sub-regional (MRU) and regional (ECOWAS) market information system;
- Establishing mechanisms within the MOA for market research and for strengthening linkages between and among stakeholders, Market Associations, Farmer Associations, NGOs and Extension Services;
- Supporting the rehabilitation of market places and construction of commercially based storages such as warehouse receipt systems;
- Assisting small producers to link with established markets through the involvement of agricultural extension services, NGOs and farmer associations, dialogues and partnerships between and among such enterprises;
- Assisting in building the capacities of existing marketing associations (LMA, LiMFU, Rubber Planters Association, Coffee & Cocoa Association, etc.) and cooperatives;
- Supporting small holder groups for greater participation and competition in the market place by taking actions to improve their access to finance and insurance markets, and building the skills of traders and cooperatives in business management;
- Forging partnerships between marketing boards (government owned) and private sector entities, but retaining price guarantee arrangements;
- Encouraging and facilitating insurance companies to offer agricultural insurance products including crop insurance schemes, against physical loss or damage and price decreases; and
- Supporting the introduction of standards for quantifying and grading products, and facilitating the small farmers to adopt the standards and measures.

(b) Agribusiness

- Undertaking a study to inform the Government on appropriate incentives to promote the establishment of agro-industries in the rural areas, and facilitating actions that will ensure a dynamic agribusiness climate in Liberia;
- Advocating for increased investment in the energy sector to ensure lower processing costs in agro-industries;
- Promoting partnerships between and among agribusiness and smallholder farmers and their organizations, and assisting larger processing firms to establish appropriate partnerships with small holders' supply oriented enterprises; and
- Encouraging universities to initiate training and specialization in agribusiness.

(c) External Trade

- Undertaking an initial study of the export sub-sector; carrying out periodic reviews including the various trade protocols and agreements that Liberia is signatory to and holding consultations with private sector interests in the agriculture export sub-sector to inform the Government on appropriate incentives and policy measures necessary to increase the performance of the sub-sector;
- Undertaking a study to assess the comparative advantage and the potential of an export market for agricultural products from Liberia;
- Promoting greater use of indigenous agricultural products and foods produced by local producers with a view to increasing their competitiveness against cheap imported counterpart products;
- Initiating trade negotiations to ensure Liberia's membership in various regional and international trade arrangements;
- Taking steps to formalize and regulate cross-border trade in accordance with existing sub regional inter-governmental protocols; and
- Harmonizing pricing policy within the Mano River Union (MRU) and establishing a MRU Food Security Hub in Monrovia to coordinate sub region-wide interventions.

5.7 Infrastructure such as roads, market structures, handling, processing, storage facilities, irrigation systems, water supplies and communications networks are essential to stimulate increased production and productivity, and enhance the competitiveness of the sector.

Issues and Constraints

- *The road network is generally limited and poor; during the rainy season most roads are get flooded or bridges are destroyed and as such many production areas are cut off from trunk roads and markets;*
- *Only about 4.6 % of Liberian villages have access to functional markets;*
- *Access to and movement from market places is cumbersome and disorganized; a great amount of portage is required to carry the goods from trucks to stalls, thus increasing market costs is contributing to produce damage due to multiple handling; transport costs are relatively very high, discouraging the small holders to carry their wares to high value markets;*
- *Absence of large storage facilities in production or assembly areas causes many farmers to produce less for fear of losing their produce to pests, theft or weather damage, and eventual reduction in quality for perishables;*
- *Physical markets for farm produce are characterized by decrepit infrastructure, lack of suitable commodity specific storage facilities, unhygienic premises and over-crowding; and*
- *Infrastructure for landing and hygienic handling of fish from artisanal fisheries and storage at the landing sites are negligible to non-existent. In addition, supplies of hatcheries for poultry and structures for aquaculture services are non-existent.*

Policy

Rehabilitated, reconstructed and recommissioned rural infrastructure for the revitalization of production, raising of productivity levels and increasing sector competitiveness, with focus on roads, handling and storage, processing, (crop livestock and fish), irrigation, and hatcheries (livestock and fish).

Strategies

- Developing a rural infrastructure development strategy focusing on post-harvest, irrigation and roads, water supply and communication;
- Advocating for, mobilizing and securing support from government, donors, and the private sector and community funds, and promote investment (public/private sector partnerships, private investors) in key infrastructure that will provide quick impact in increased production, productivity and competitiveness of the agriculture sector, focusing on trunk roads, handling and storage, processing, proper market facilities, hatcheries, and fish landing sites;
- Advocating and supporting the allocation of adequate special budgetary resources at national and county levels in support of the construction and/or upgrading and maintenance of feeder roads, farm-to-market roads and communal storage facilities, with full participation of the communities;
- Encouraging the full participation of beneficiary communities in the identification, initiation and implementation of infrastructural development projects, and in the maintenance of these facilities;
- Facilitating the provision of irrigation, processing & storage facilities in selected areas of high production in the country; and
- Supporting allocation of adequate resources for the construction of portable water facilities for rural areas, adequate markets, educational and health, banking, agro-processing and recreational facilities.

- 5.8 Protection of human safety in food markets, particularly in developing countries such as Liberia, is a challenge that must be addressed through internationally recognized health and food safety systems. Such systems ensure: (i) Consumers are informed and protected from the risk of food borne illnesses; (ii) Foods and feeds produced, handled, stored, processed and distributed are safe, wholesome and fit for consumption; (iii) Conformity to safety and quality requirements; and (iv) Labeling and providing truthful and reliable information.

Issues and Constraints

- *Poor hygiene and inappropriate food and livestock feed handling and storage facilities and structures contributing not only to spoilage but also to poor quality foods posing serious health risks (such as diarrhea and cholera);*
- *Limited public awareness about food safety and quality;*
- *High risk of contamination of vegetables produced in urban and peri-urban areas;*
- *Food is cooked and served in the streets and in many premises with no clean water and proper sanitation services;*

- *Safety and quality standards and laws and regulations that deal with safety throughout the food value chain are inadequate and in many ways lack conformity with current international standards and guidelines;*
- *Inadequate human and institutional capacity to ensure food safety and quality and enforce standards;*
- *Inadequate laboratory facilities for testing of food quality and safety;*
- *Limited capacities to handle emerging safety issues such as avian influenza; and*
- *Use of contaminated water in many areas to handle agricultural perishable produce directly, increasing the risk of water borne diseases.*

Policy

- Continuous heightened awareness and understanding of the link between food and health;
- Safer and healthier foods including crops, meat and sea food, especially in highly populated areas; and
- Effective and efficient institutional capacities for compliance with SPS and other international quality control standards.

Strategies

- Developing human and physical capacities in the MOA and relevant Ministries and Agencies to handle, monitor, regulate and enforce food safety and quality, including compliance with SPS standards;
- Promoting proper storage and handling to control food-related disease outbreaks;
- Supporting and promoting programmes for public awareness on food safety and quality, and appropriate labeling of foods or such measures necessary to indicate their nutritional content and safety;
- Supporting a review/revision and harmonization of existing regulatory, legislation and institutional frameworks or policy instruments in order to establish improved guidelines, ensure effective coordination and enforcement of food safety and quality control in country and at border entry points. The revision will take into account international standards and guidelines, including the Hazard Analysis Critical Control Point (HACCP);
- Promoting public-private sector partnerships for improved food safety and quality control;
- Promoting in collaboration with relevant public and private agents proper storage and handling of foods to control incidences of food-related disease outbreaks;
- Developing control strategy to respond to the potential devastation from emergence of pandemic diseases such as devastating strain of bird flu; and
- Supporting efforts aimed at formalizing and regulating activities of producers and vendors for food safety and quality, safe water and sanitation.

6 Cross-Cutting Issues

- 6.1 The macroeconomic environment consisting of fiscal , monetary and trade stances, will have a decisive influence on achievement of the objectives envisioned for the sector by this policy and strategy, especially because of the following: the pro-poor approach being adopted to support small holders; the need for incentives to involve the private sector; urgency to remove structural constraints in the sector (infrastructure, energy, markets); and the expectations for incentives to attract external investors in the value chains of the sector.

Issue and Constraints

- *Untimely and insufficient flow of internal resources to agriculture (i.e. about 5% of total government expenditures per year between 1984 and 1988, and 2% per year since 2003);*
- *Discriminatory treatment of agriculture by revenue and tax laws that minimize investment incentives and encourage the explicit and implicit taxation of agriculture;*
- *Irrelevance of monetary policy (i.e. incomplete control of the dual-currency exchange regime) that has contributed to declining agricultural terms of trade;*
- *Application of export licensing and similar policies to protect the monopolies of state-owned enterprises, thus discouraging competition and private investments;*
- *Unfavorable treatment at seaports and high transaction and transport costs that discourage imports of strategic farm inputs; and*
- *Inadequacy of the financial system that has resulted in negligible lending to the sector by established financial institutions (e.g. low percentage of loans; high interest rates; short lending horizon, etc.).*

Policy

- An enabling macroeconomic environment that supports pro-poor policy measures during the implementation of the policy and strategy;
- Increased government expenditure in agriculture, (fulfilling the Maputo Declaration of at least 10% annual budgetary support to the sector) and resources allocated to remove structural constraints in the economy that have serious effects on the agriculture sector, particularly infrastructure (roads, energy), education and health;
- A well-functioning private sector committed to agriculture; and
- Equitable attention to the rights of and support to small producers as are accorded to others.

Strategies

- Preparing annual and special plans for budget support to the sector;
- Providing tax incentives to increase returns from investments in commodities, value chains and other support services for agricultural development, and ensuring that Liberian and foreign investors are treated equally;
- Ensuring the allocation of 10% or more of the national budget for each fiscal year to agriculture;

- Supporting and promoting exports and competitiveness of locally produced food commodities in order to substitute for strategic food imports;
- Providing smallholders with access to appropriate rural financing (e.g. via savings and credit cooperatives, concessionary interest rates at commercial financial institutions);
- Boosting prospects for import substitution and poverty reduction by targeting selected subsidies to small holders;
- Installing risk mitigation systems appropriate for promoting smallholder farmer development, including weather insurance for rural financing facilities and debt cancellation through reinsurance schemes;
- Collaborating with appropriate Ministries and other relevant agencies to promote access to regional and international markets;
- Supporting the provision of investment incentives to agriculture (crops, fisheries and livestock) that equal or exceed those offered to other sectors ('most favored sector');
- Supporting the provision of adequate incentives for the private sector to invest and make farm inputs available, affordable and accessible; and
- Enrolling agricultural concessions and related activities in the Liberia Extractive Industries Transparency Initiative (EITI).

6.2 Land, Water and Environment

6.2.1 Improving access to land, ensuring security of tenure, protecting land and recognizing property rights are critical for sustainable and pro-poor growth in agriculture. If property rights remain ignored and insecure, and land administration remains weak, promoting dynamic, sustainable and inclusive agricultural development could be severely affected.

Issues and Constraints

- *There is no comprehensive policy on the acquisition of land for agricultural purposes;*
- *Lack of a registry of land (deed holders) or lack of systematic records system to determine the true owners of land due to theft of deeds during the war (particularly from the National Archives) has resulted in high ambiguity over land ownership;*
- *Most land holdings lack formal deeds although the proportion of households with (somewhat) secure title is greater in more intensive agricultural areas;*
- *Squatting is common in those areas that received a large number of IDPs, while leasing arrangements are rare;*
- *Rented/leased and borrowed holdings serve as disincentive to invest in agricultural land; • There is a profound lack of confidence among smallholders regarding customary courts and their ability to fairly adjudicate land issues. This has led to an increase in 'trial by ordeal' for many issues including land conflicts;*

- *The Tribal Reserve Law has not been respected, complicating the ability of MOA to manage agricultural efforts in the tribal areas. Tribal land is often claimed by outsiders, with the resulting disenfranchisement causing significant problems;*
- *Increasing coincidence of land conflicts along existing ethnographic fissures is a major concern;*
- *There is some indication that the war and the current land situation have aggravated a religious divide in some parts of the country; and*
- *Women have less access to land.*

Policy

A land tenure system that is acceptable to all stakeholders, ensuring access, security, and sustainable use of land; promoting sustainable environmental protection; and facilitating private sector led development of the agricultural sector.

Strategies

- Supporting the establishment of a land registry and cadaster system to promote economic land utilization;
- Contributing to land reform measures that give farmers access to and security in the use of land; discourage land holdings for speculative purposes through taxes and other administrative measures; give special consideration to the needs of women and other disadvantaged groups; and promote economic efficiency, equity and poverty reduction;
- Advocating for, and supporting the establishment of a high level body to investigate the issues and make recommendations on land tenure that will accommodate the demands of commercial agriculture;
- Supporting decentralization of acquisition of title deeds and empowering traditional leaders to play a role in the process of land acquisition in areas of their jurisdiction;
- Strengthening the capacities of poor farmers, especially women, to claim and defend land rights through legally accountable institutions and systems; • Promoting land use policy (demarcating land for national reserve, agriculture, forestry, industry, and wetland); and
- Advocating for, and providing support to the promulgation of soil conservation legislation that will enhance sustainable land use.

6.2.2 Liberia is endowed with abundant water resources, but their proper management and planning remain crucial to reducing conflicts between competitive uses in meeting national priorities and goals. Effective water resource management, including expansion of small and large scale irrigated agriculture, is one of the four pillars of the Comprehensive Africa Agriculture Development Program (CAADP) of the New Partnership for Africa's Development (NEPAD).

Issues and Constraints

- *Only about 1,000 ha (less than 0.2%) of the irrigation potential is currently utilized;*
- *Negligible data and information on water management for crops, boreholes and yields, water quality for surface and ground water; and low priority of water resources research probably because of abundance of water resources in the country;*

- *Swamp water management is tedious and makes extra demand on farmers' resources and energy;*
- *Lack of comprehensive legal framework governing water resources with no statutory regulations on water ownership, control and use;*
- *Severe shortage of adequately trained water resources practitioners and weak capacities to develop human resources for agricultural land and water issues;*
- *Oversight responsibilities for water activities are fragmented and in different ministries and institutions;*
- *General lack of recognition for close inter-relationship between livelihood strategies, agriculture and the environment; human encroachment on ecosystems of coastal lagoons, estuaries, deltas and mangroves is widespread;*
- *Indiscriminate disposal of wastes into water bodies, leading to pollution of water resources; and*
- *Poor state of hydro-meteorological and hydrological networks in the country.*

Policy

An established operational legal and institutional framework ensuring efficient development, utilization, management, monitoring and conservation of the water resources of the country for agriculture

Strategies

- Establishing a Unit in the MOA and building human and physical capacities in land, irrigation and water resources development in order to enable it carry out oversight responsibilities for planning, coordination and monitoring of this sub-sector's activities;
- Developing and implementing a medium term National Water Resource Strategy (NWRS) in order to ensure integrated water resources use and management to meet urgent national needs in the food and agriculture sector, and international targets in the water resources sector;
- Supporting training institutions to focus on water resource development and management;
- Supporting and promoting private sector participation in capacity building, feasibility study, scheme design & construction of an investment in irrigation schemes, livestock water supplies and aquaculture development;
- Ensuring that water conservation practices on upland slopes as well as in lowland crops production are prioritized to preserve and protect the environment for future generation;
- Ensuring efficient use of agricultural chemicals to prevent pollution of water bodies; and
- Supporting the establishment of a National Water and Ecological Information Center.

6.2.3 Environmental conservation and preservation are now national and global priorities, and have raised the need and urgency to integrate agriculturally sound and environmentally sustainable farming

practices. There is a need to provide ample safeguards against land degradation while guaranteeing food production on a sustainable basis, and a heritage for future generations.

Issues and Constraints

- *Increasing agricultural activities in the environment and high rates of uncontrolled wood-fuel production have resulted in increased deforestation, soil erosion and soil and water contamination, and beach erosion;*
- *Shortening period of fallow in shifting cultivation, timber and wildlife hunts are producing high levels of land degradation, deforestation, and displacement of native species;*
- *Loss of forest, as a result of encroachment of farms and mismanagement of the land and uncontrolled logging, is extensive;*
- *Introduction of alien species that may eventually be invasive is increasing;*
- *Lack of land use policy may have contributed to destruction of landscapes and ecosystems;*
- *Sustainable land management is not an integral part of agricultural extension messages and sustainable land management issues are not addressed holistically;*
- *Ineffective inter-agency collaboration to address agricultural-related environmental issues;*
- *Environmental impact assessments are not yet incorporated in agricultural projects because of weak institutional capacity to monitor the activity; and*
- *Providing adaptation measures to mitigate climate change is urgent.*

Policy

- Nationwide awareness and mainstreaming environmental considerations in all agricultural activities: production, processing, manufacturing, value addition and marketing; and
- Appropriate policy instruments established and enforced to ensure environmental protection from agricultural and related land use activities including logging, grazing, mining, fishing, and land preparation.

Strategies

- Establishing an Environment Unit in the MOA to collaborate with the Environmental Protection Agency (EPA) and supporting the establishment of similar units in other agriculturally related institutions;
- Supporting the development of environmental legislations and guidelines for agricultural practices and establishing appropriate measures for country-wide sensitization, awareness, and enforcement of the policy instruments;
- Creating awareness, implementing plans, and enforcing national legislations for environmental protection and conservation from agricultural practices;
- Supporting and promoting actions for establishment of forests for protection of watersheds and wetlands; combating desertification; conserving biological diversity and contributing to the stabilization of global climate;

- Supporting measures to subject all sector policies and plans to Strategic Environmental Assessments (SEAs) and projects to Environmental Impact Assessments (EIAs);
- Implementing programs to conserve soil and water resources and for conservation farming; and
- Supporting sustainable management programs for regional and trans-boundary resources.

2.2.4 Large tracts of marginal land, particularly uplands in Liberia, have shallow soils which are low in fertility, leach easily and have low water holding capacities. Owing to population pressure, fallow periods in the traditional bush fallow farming systems are now reduced, large areas are being cleared yearly, and as a result, natural restoration of soil fertility after a year or two of cropping can no longer be realized. A strong enabling environment for sustainable use and management of the country's natural resources is now compelling to avoid further worsening of degradation and deforestation.

Issues and Constraints

- *Periods for traditional bush fallow farming systems are now being reduced; and*
- *Indiscriminate felling of forest trees by logging companies in the past and small scale pit sawyers at present expose large areas of forests to the heavy rainfall patterns in the county, adding to the degradation of soil cover and fertility.*

Policy

A policy and strategy framework that supports the transition from shifting cultivation to sedentary farming in a manner that ensures sustainable natural resource utilization and a realization of the benefits and economic returns from it such as real productivity increases, environmental protection (reduction of land degradation), and social development (poverty alleviation and emergency relief).

Strategies

- Subsidizing the provision and use of critical inputs such as improved seeds and fertilizers;
 - Sensitizing farmers and providing technical support to introduce and promote best sustainable practices for land use, particularly conservation agriculture, organic and integrated farming, and participatory management of forest resources including controlled logging; and
 - Developing a comprehensive programme to create awareness for sustainable natural resources management.
- 2.2.5 Liberia's contribution to global warming is negligible but like other African countries, the country is likely to be disproportionately affected by the impact of climate change due to limited adaptive capacity and widespread poverty. Global warming is considered to be accompanied by a rise in sea levels. About 95 km² of land in the coastal zone of Liberia will be inundated as a result of one meter sea level rise. The country as a whole lacks the capacities to adapt to climate change, such as access to resources, strong social and human capital, and regular access to risk-spreading mechanisms. The majority of the people are, therefore, highly vulnerable to the results of climate changes.

Issues and Constraints

- *Shifting cultivation with a fallow period of less than 12 years, uncontrolled logging, charcoal production, and improper waste disposal contribute to climate change;*

- *Livelihood along coastal areas are and will continue to be seriously affected by sea level rise;*
- *Food production could be affected by changes in rainfall patterns that are especially shorter and of high intensity and increased incidence of insects, diseases, and invasive plants; and*
- *Global warming could extend the range of disease-causing vectors such as mosquitoes.*

Policy

Mechanisms in place with contributions from the agriculture sector, to monitor climate change in Liberia, ensure agricultural activities in Liberia do not contribute to such changes, and that such changes will not seriously undermine efforts directed at poverty alleviation, food security, and environmental protection and environmental Protection.

Strategies

- Supporting and promoting sustainable agricultural production such as conservation agriculture, and rural development activities which reduce vulnerability of cropping systems;
- Providing information and advice through statistical data and information and the mass media about climate change, causes and risks, and available adaptation strategies especially in relation to the agriculture sector;
- Promoting proven best practices, policies and measures that encourage forest protection, sustainable farming, and sustainable energy utilization;
- Supporting the institutionalization of adaptation capacities through partnerships with NGOs, civil societies, private sector and concerned government organizations; and
- Supporting climate change related research, education and training.

2.3 Social Development

- 6.3.1 Women in rural areas produce most of the food and are largely responsible for household food security; they fetch wood and water, care for children and homes, and undertake transport and marketing activities of the family. They predominate in key segments of the value chains of major food and cash crops, especially in production, primary processing, product development and marketing. Some women also serve as heads of their families and shoulder the corresponding responsibility. The civil crisis has accentuated the role of women in Liberian society, especially in food and nutrition security. The number of female-headed households and single-parent families has increased, as have the burdens of child and family care. But women are often highly marginalized. They need to be empowered to enable them continue and improve on their roles and responsibilities in the sector.

Issues and constraints

- *Gender disparities in access to and ownership of assets are considerable;*
- *Women own less land and are more insecure than men;*

- *Rural women have less access to credit, agriculture extension, skills, and business management training;*
- *Women face severe handicap in starting and developing entrepreneurial activities due to their higher illiteracy status;*
- *Institutional support for the development and empowerment of girls and women is limited;*
- *Gender-based violence against girls and women is high;*
- *Social customs hinder women's mobility, constrain their participation in decision making and limit their involvement in productive activities; and*
- *Traditional norms continue to restrict women development opportunities at the local level in rural areas.*

Policy

- Widespread empowerment of women with enhanced access to credit, land, and technology and market information; and
- An established and functioning system by which women receive extension services aligned to their traditional gender roles, and their capacities built in productive and commercial ventures.

Strategies

- Strengthening the institutional framework and capacities, particularly in the MOA and MOGD, to address gender issues in rural policies and programs;
- Collaborating with the MOGD and Development Partners to develop and implement a Rural Women Empowerment Program designed to enhance women's decision-making powers, and access to credit, land, extension, technology and market information;
- Ensuring gender issues are mainstreamed in all agriculture policy formulation, planning, programming and proposed interventions at national and sub-national levels;
- Intensifying research and adapting programs for agricultural technologies that increase women labor productivity without undue physical exhaustion; and
- Supporting women's participation in promotion of and training in agribusiness services.

6.3.2 Youth constitute more than 65% of the population and a significant proportion of the nation's poor and unemployed. They represent a huge reserve of untapped labor resource needed to boost agriculture production, enhance food security and create massive wealth. Unfortunately, many youth shy away from agriculture or are reluctant to engage in farming. Many have abandoned rural communities and farmlands for Monrovia and other urban centers in the elusive search for quick incomes and better livelihoods.

Issues and Constraints

- *Youth migration is very high and influenced mainly by drudgery of agricultural labor, low returns in subsistence agriculture, negligible access to land, finance and markets; and*

- *The majority of land available for farming is controlled by community elders, which enhances their power in communities and enables them to exploit youth labor.*

Policy

An enabling environment encouraging and ensuring larger numbers of youth are directly involved in the agriculture sector for income generation, employment, and investment as well as to minimize their migration to urban areas

Strategies

- Supporting the National Youth Policy and Agenda;
 - Developing and implementing a Youth In Agriculture Program in which provisions are made for sensitization of opportunities in the sector, training, and enhanced access to inputs, credit, land, technologies;
 - Facilitating and supporting the private sector to establish agro-industries in rural areas which will provide supplementary or alternative employment for youth;
 - Establishing and implementing special Initiatives directed at increasing youth interest such as Centre Songhai Liberia and
 - Enabling young people to participate in revitalization of value chains in the food and agriculture sector.
- 6.3.3 Large numbers of families and individuals in Liberia are vulnerable mainly because of the war. They include internally displaced persons (IDP), returnees, refugees and ex-combatants; and households headed by elderly members (above 60 years of age), chronically ill or disabled persons and widows. There are also children born out of wedlock or from sexually based violence, orphans and those residing with family members, and young women who are single parents. The peace and stability of the country cannot be sustained unless these vulnerable groups are provided with effective support to lead decent livelihoods.

Issues and Constraints

- *The number of vulnerable families and individuals is considerable: 9% of rural households are headed by elderly members (above 60 years of age), 26% by chronically ill or disabled persons and 5% by widows. Approximately 100,000 people are still internally displaced, about 350,000 refugees are in neighboring countries and many more individuals are still classified as otherwise war -affected.*
- *Increasing incidence of HIV/AIDS, malaria and waterborne diseases and the corresponding deaths have made many families vulnerable and resulted in loss of productive agricultural personnel or man-hour for work;*
- *Vulnerable groups engaged in agricultural activities face severe shortage of labor;*
- *Most of the IDPs, returnees and ex-combatants that can be absorbed in agriculture have inadequate access to land, basic inputs, finance and markets;*

- *Many IDPs and returnees are discouraged to go to rural communities because they have become accustomed to better health care, education and social outlets and entertainment in the camps where they have resided (relative to the villages where basic services are lacking);*
- *Many others have adapted to camp life and may have developed an 'assisted' mindset and dependency on humanitarian support;*
- *Many farmers are getting older and poorer with acute food insecurity in several communities (extended lean periods of 4-6months annually); and*
- *Traditional coping mechanisms, including the extended family system, have been weakened by the war and extreme poverty.*

Policy

- Food and nutrition security for vulnerable groups;
- Addressing present vulnerability situations and reducing factors creating future vulnerability; and
- Contribution to the resettlement and reintegration programs.

Strategies

- Supporting the implementation of a Support Program to Resettle and Reintegrate Ex-combatants in rural area such as the Tumutu and Sinoe Agricultural Training Programs (TATP and SATP);
- Supporting the development and implementation of a Senior Citizen Status Policy to provide protection to the aged;
- Contributing to and supporting the design and implementation of safety nets or support programs to meet the immediate food and nutrition needs of the vulnerable groups until their farm and non-farm operations start to generate adequate incomes;
- Supporting targeted input subsidies and other production-based entitlement programs for the poorest and most vulnerable, including families affected by HIV/AIDS;
- Supporting mainstreaming of safety net schemes into broader development initiatives;
- Ensuring that land tenure reforms adequately address the needs of vulnerable groups;
- Advocating for and supporting programs for affordable health care delivery and improvement of water and sanitation facilities in farming communities;
- Promoting appropriate agro-forestry interventions, specifically designed to meet community needs, in areas prone to population stress and savannah conditions to positively impact food security, reduce land degradation and arrest the annual increase of the savannah; and
- Supporting Food Insecurity and Vulnerability Information Mapping System (FIVIMS), including developing a food security and nutrition database, and supporting the development of an Early Warning Systems (EWS).

7 Coordinating Agricultural Development with Other Sectors

7.1 Trade and Industry:

Issues and Constraints

- *Low commitment and poor mechanisms of these sectors to promote and expand opportunities of small Liberian businesses in the value chains of selected food and cash commodities;*
- *High transaction costs (establishing transparent regulations; improved market infrastructure; standardization of products; time-bound moratorium on tariffs and duties on agriculture commodities);*
- *A lack of focus on agriculture in trade and investment promotion;*
- *Inappropriate labeling of locally produced and imported foods;*
- *Segments of business activities exclusively set aside for Liberians are being gradually taken over by foreigners in the form of “fronting”, thereby limiting the opportunities of small Liberian businesses to venture into such lines of business;*
- *Poor coordination between the trade sector of the economy and other line ministries and agencies of government in regulating the activities of the various sectors to ensure compliance with existing regulations and procedures (i.e. quality service, reliability, business plans, etc.);*
- *High import duties on basic inputs and construction materials that have diminished the opportunities for ordinary Liberians to compete and excel in food and agriculture, reconstruction and building sector, small and medium industries and enterprises;*
- *Existing market infrastructure are without storage, processing and related facilities;*
- *Lack of access to finance has limited the growth and development of the sector; and*
- *Lack of standardization has resulted in reduced income from sale of commodities.*

Policy

An improved and effective advocacy and coordination mechanism established between the transportation and agricultural sectors.

Strategies

- Removing or at the least reducing import duties on agricultural inputs such as fertilizer, seeds, farm tools and equipment, and processing and value addition technologies;
- Establishing trade/ market centers and storage in strategic locations of the country, thereby reducing unnecessary transport and transaction costs;
- Facilitating dialogues and inter-ministerial consultations to establish and monitor mechanisms, and mobilizing of resources that will promote and expand opportunities of small Liberian businesses in the value chains of selected food and cash commodities
- Ensuring standardization of products and improving sanitary, phytosanitary and zoo sanitary services;

- Including agriculture as a focus of trade and investment promotion, including identification of international markets and investment concerns for increased exportation of locally produced commodities.

7.2 Free flow of goods and services, will significantly enhance productivity and competitiveness of the agriculture sector, especially in the subsistence sector, and make substantial contribution to growth and poverty reduction. Large parts of Liberia's traditional farming areas are isolated from markets which can only be accessed at very high costs and to their disadvantage.

Issues and Constraints

- *Vehicular travel in rural areas where agriculture is the predominant activity is difficult in the dry season and impossible in many areas in the rainy season with about half of all villages having no vehicular access, and consequently negligible movement of goods and services to the sector;*
- *Commercial trucks carrying capacity ranges from 5-20mt per vehicle, most of which are second hand vehicles with an average age of 8-10 years, experience frequent breakdowns, and result in high costs to transport produce; the total trucking capacity is estimated to be less than 2,000mt (LMR, 2007); and*
- *Railways have been non-operational for 20 years; as a result, bulk carriage of produce is by road, and expensive for the small producer.*

Policy

An enabling ICT policy, working in concert with other related policies, that empowers agricultural growth and development in Liberia particularly small holder access to domestic and international input and output markets.

Strategies

- Planning and implementing priority actions and programs to improve road networks, especially rural and urban roads linking producers to markets;
- Ensuring of port facilities are improved for storage and handling of agriculture goods;
- Providing incentives to improve trucking capacity in the country, including encouraging high density vehicles and reducing transport costs especially for agricultural commodities and services; and
- Planning and implementing labor intensive roads construction and maintenance.

7.3 Information and communications technologies have become important to the development of every sector of the economy. Access to such resources at all levels of the value chains of key foods and cash commodities is necessary to enhance productivity, competitiveness and incomes of small and large scale operators. The promotion of Information and Communication Technology countrywide will facilitate access to markets and improve investment decisions for by all operators in the sector, including small holders.

Issues and Constraints

- *ICT currently not reliable for business, other information and telecommunications technology are not available in large parts of the rural areas, and there is no telecommunications strategy indicating the nature and scope of support required for the agriculture sector;*
- *Mobile phone coverage across the country is estimated at 45% and the charges are currently relatively high; and*

- *Coverage of radio stations is limited across the country. Most community radio stations are operating on a frequency modulation (FM), which has limited coverage.*

Policy

An established trade and industry policy coordination framework in which the agricultural sector will be an integral component in trade financing, development and promotion.

Strategies

- Advocating for support to provide special incentives to expand information and telecommunications technologies and facilities to key agricultural and remote areas;
- Promoting access to internet services that are competitive and affordable with wide coverage to rural production areas; and
- Embedding communication/information strategies in agricultural programs in the country, particularly for small to medium operators in the sector.

- 7.4 Availability of and access to affordable energy supplies are major contributing factors to achieving the overall goals of the sector, especially revitalization and modernization of the sector, through increased productivity and competitiveness in the value chains of the sector.

Issues and Constraints

- *High cost of fossil fuel (diesel fuel and gasoline) and lack of access to regular supplies has limited access to energy in most rural areas, and is a major disincentive to establishing processing plants, the free flow of goods and services in the sector, and delays in the revitalization of the value chains of selected cash commodities.*
- *The costs also constrain transformation of subsistence producers into modern systems of production.*
- *Lack of a national energy policy in general and of an energy for agriculture strategy in particular;*
- *Overall absence of utilization of Liberia's vast water resources for hydroelectricity and irrigation; and*
- *Lack of a national program to encourage development of alternative energy such as biomass.*

Policy

An enabling energy framework in which reliable and affordable energy is available and enables agricultural sector growth and development.

Strategies

- Advocating for a national energy policy that accentuates rural development of which agriculture is the fulcrum;
- Collaborating with the relevant institutions, particularly the Ministry of Lands, Mines and Energy, to ensure availability of affordable power to rural and agricultural communities;
- Establishing special arrangements for supply of petroleum products to the agriculture sector; and

- Encouraging and facilitating private sector development of renewable energy (photovoltaic, wind, biomass, animal extraction, wood & waste, agricultural wastes and mini hydro schemes) and supporting research in renewable energy.

7.5 Human health is a major consideration of the FAPS as the agriculture sector is a major contributor to nutrition. It is also a victim of epidemics and pandemics such as Malaria, HIV/AIDS, and other diseases (water borne) with high morbidity and mortality incidences. This is especially important in view of the sector's almost total dependence on human labor for farm power in Liberia. Human health issues will have a major influence on achieving the important sector objectives of food and nutrition security at household levels, and enhanced productivity and competitiveness in the sector. The quantum and quality of the labor force and its overall performance are therefore critical determinants of agricultural transformation.

Issues and Constraints

- *Malaria prevalence was estimated around 56.9 per cent in 2003 and remains the primary cause of death amongst children;*
- *The official HIV/AIDS prevalence rate was estimated at 12 per cent in 2003, up from 8.2 per cent in 2000;*
- *Other diseases with high morbidity and mortality incidences are still prevalent in rural production areas and include tuberculosis, measles, diarrhea, acute respiratory infection, schistosomiasis, onchocerciasis, and bancroftiasis (elephantiasis);*
- *Poor diet has contributed to death and disease including learning disabilities, and foodborne illnesses;*
- *Inadequate sensitization and dissemination of information on the nutritional status of foods produced locally;*
- *High malnutrition rates among children and other vulnerable groups; and*
- *Inadequate access to safe drinking water and safe latrines in farming communities.*

Policy

A collaborative framework between the health and agricultural sectors that ensures healthy agricultural workers enhancing agricultural production, productivity, and competitiveness.

Strategies:

- Collaborating with the Ministry of Health and Social Welfare to prioritize active and potential production areas for rehabilitating health services;
- Partnering with the MOHSW in planning and implementing HIV/AIDS and similar health programs; and
- Partnering with MOHSW and other institutions to undertake intensive sensitization and promotion of the consumption of nutritious, locally grown foods within the National Food Security and Nutrition Strategy framework.

7.6 The quality of human resources and level of public knowledge about the agriculture sector are key determinants of performance and success. Historically, a major factor has been lack of coordination between the agriculture and education sectors in determining the appropriate use of the latter to

enhance agriculture, ensure that requisite quantity and quality of such resources are available to the sector in a timely fashion, create investment and market opportunities in the education sector for agriculture, and disseminate information about the importance and value of agriculture to economic recovery and growth.

Issues and Constraints

- *Secondary and college level programs offer a limited range of instructional areas, and lack • the necessary coordination with agricultural planning, research, local knowledge, and educational agencies responsible for developing national curricula;*
- *The relatively high level of illiteracy of the large group of operators in the agriculture sector, especially women, and the negative effects of this deficiency on efforts to improve systems of management and investment in their enterprises; and*
- *The largely untapped potential of the education sector as market for the agriculture sector (feeding programs in schools; institutions of higher learning, etc.).*

Policy

A collaborative framework established between the educational and agricultural sectors that link effective education and training to strengthened agricultural production, productivity, and competitiveness.

Strategies

- Collaborating with the Education sector in setting and standardizing curricula in institutions of learning in direct collaboration (participatory approach) with the agriculture sector and other major stakeholders;
 - Promoting educational policy and programs that address basic and functional literacy, especially for women and ensure equity and quality in the delivery of education services;
 - Positioning youths to take full advantage of farming opportunities to facilitate self-financing or supporting initiatives and vocations;
 - Supporting school feeding programs (with locally produced foods), and school and backyard gardening which will increase markets for the sector; and
 - Supporting and promoting partnerships in research and extension in the agriculture sector.
- 7.7 Public safety and security is an essential pre-requisite to revitalizing the value chains of cash and food commodities, especially in view of the large investment requirements for such actions. The absence of such guarantees, in light of the destruction of infrastructure during the recently ended civil war, may delay the commitment of investors and operators including small holders to participate in the revitalization of the sector.

Issues and Constraints

- *Inadequate capacities of the government to ensure its presence and authority in distant locations, especially in view of the limited resources and time-frame of the UN security forces in the country;*

- *Considerable numbers of idle and unemployed youth and ex-combatants who are likely to be engaged in crimes if no other viable alternatives exist;*
- *Prevailing high rate of unemployment as a potential threat to the country's peace and stability; and*
- *Insecurity in some parts of the country is likely to limit investment in such areas.*

Policy

An enabling security sector that provides human and property security for agricultural investments, growth and development.

Strategies

- Collaborating with and supporting relevant Government agencies to improve human and property security to public, private, and public/private investments in the sector;
- Developing, in collaboration with relevant agencies, community based mechanisms to foster security of agricultural and human investments at local levels; and
- Developing, in collaboration with relevant agencies, support programs that will reduce idleness and unemployment among youths, and consequently reduce the likelihood of crime by such groups especially in areas of agricultural investments.

7.8 Achieving the overall goals of the sector requires full participation of all stakeholders, especially local government authorities. The structures, leaderships and capacities of these sub-national authorities are essential in the mobilization of popular participation in the process of planning, resource attraction, implementation and monitoring and evaluation of agricultural and rural development.

Issues and Constraints

- *Local level administration is weak as elected officials and Mayors have neither the resources nor the capacity to effectively coordinate community development efforts;*
- *Inadequate sub-national governance structures with weak financial and fiscal management capacities which are not capable to coordinate development activities and ensure a favorable environment for investments at local level;*
- *Slow progress with decentralization;*
- *Inadequate provisions for local community emancipation or empowerment; local officials have limited understanding of the management of valuable natural resources such as wetlands, grazing lands, forests and fisheries; and*
- *Limited capacities of traditional authorities to overcome conflict over access to resources and ensure sustainable use of natural resources.*

Policy

Effective, efficient, and decentralized local government structures empowered to promote rural transformation through the entry point of agricultural investments, growth, and development.

Strategies

- Advocating for and supporting Local Governance to ensure coherence in the distribution of services and responsibilities in the decentralized structure of the MOA in accordance with the National Decentralization and Local Development Program of the Government;
- Supporting development of the legal framework for local government functioning and ensuring revenue mobilization, allocation and utilization, and participatory action in planning, delivery, monitoring and evaluation;
- Supporting a participatory approach to strengthen conflict management, resolve land issues and exploit opportunities in the sector, as well as integrate traditional authorities in the local consultations and political decision-making processes; and
- Rehabilitating administrative infrastructures and building human capacities.

8 Implementation Framework

- 8.1 The effective implementation of the Food and Agriculture Policy and Strategy hinges on appropriate governance and management arrangements, many of which are already in place or will soon be. These arrangements are consistent with the nature, structure and operations of the Government and its interactions with non-state actors. The arrangements seek to ensure continued focus, commitment, coordination and accountability of efforts, resources, and outputs. Within this framework, the following institutional arrangements are either in existence or will soon be put into place:
- 8.1.1 The President of Liberia will provide global oversight as Head State and Government. The president will undertake this function through vertical and horizontal interactions with all elements within and under the institutional arrangements, particularly via the Stakeholder's Forum and other similar opportunities. Accordingly, through the Office of the President, the Cabinet will be regularly informed and consulted. Stakeholders' Forum: This is a national consultative forum of all stakeholders held periodically for the purposes of sharing information and experiences and discussing progress in implementing the policy and strategy. The Forum shall be chaired by the President of Liberia.
- 8.1.2 An inter-ministerial body, the Food Security and Nutrition Technical Committee (FSNTC), will be the highest decision-making body in the implementation of the policy and strategy. It will provide overall policy direction and guidance for implementing the policy and strategy. The FSNTC will be chaired by the Minister of Agriculture and include, but not be limited to the following agencies: Ministry of Finance, Ministry of Commerce and Industry, Central Bank of Liberia, Ministry of Internal Affairs, Ministry of Planning & Economic Affairs, Environmental Protection Agency, Liberian Business Association, Liberian Bankers Association, Liberia Federation of Cooperative Societies, Liberia National Farmers Union and Liberian National NGO Network (LINNK). Representatives of Donors and International NGOs will serve as observers. The FSNTC already exists.
- i) ***The Agricultural Coordination Committee (ACC)*** will provide technical assistance in coordinating, implementing, monitoring and evaluating the policy and strategy. This committee shall comprise of technical staff of stakeholder institutions, NGOs, and other stakeholders. The ACC already exist, as one of three working groups of the FSNTC, and is focused on the availability component of the National Food and Nutrition Strategy. It is chaired by the Deputy Minister of Planning and Development, Ministry of Agriculture.

- ii) ***The Ministry of Agriculture*** shall also prepare annual plans drawing from elements of the policy and strategy for resource mobilization, allocation and utilization in the sector. The Ministry shall develop, as and when necessary, sector and sub-sector specific Plans of Action, programs and projects, (with short, medium and long term perspectives) in accordance with the FAPS, through the involvement and wider participation of the farming population, and other stakeholders.
- iii) ***Partners' Forum***: This shall be a consultative forum of partners and the Government. It shall share progress reports and solicit the views of donors, advocate for resource mobilization within the donor community, and reassure donors of the Government's continuing commitment to agricultural sector growth and development. Its meetings and deliberations shall be co-chaired by the Minister of Agriculture and the highest-ranking United Nations official assigned in Liberia or as agreed by partners.

8.1.3 Decentralized Level

- (a) County level: the County Development Steering Committee will coordinate inputs from the County into the Annual Plans and programs prepared by MOA, and monitor their implementation in towns and other local communities. This Steering Committee will have various working groups, one of which is the Economic Revitalization Workshop Group (ERWG) chaired by the MOA's highest ranking county staff.
- (b) Sub-county levels: districts, towns and local communities will be assisted through their decentralized structures to organize, contribute, and develop annual performances of relevant components and subcomponents of this policy and strategy.

8.2 The Food and Agriculture sector is multidisciplinary in nature as it is multifunctional in operation. The successful implementation of this policy and strategy will, therefore, depend on the effective cooperation of all the stakeholders: public sector, private sector; civil society; non-governmental organizations, and Development Partners. The Ministry of Agriculture will have oversight responsibility for coordinating the implementation of the policy and strategy, and will perform this function through established mechanisms in which all the relevant stakeholders will undertake the following in a participatory manner:

- (a) Harmonize objectives, priorities, and methodologies towards achieving global sector goals;
- (b) Perform assigned roles and responsibilities in furtherance of the policy and strategy, avoiding duplications and overlaps in functions and activities;
- (c) Share experiences, provide guidance and technical leadership, and foster an environment conducive for effective implementation;
- (d) Coordinate and resolve implementation issues, and provide periodic information to the public, government and donors; and
- (e) Assess/evaluate progress or the lack of it, and make required adjustments as implementation proceeds.

8.2.1 As the nation transitions from recovery to growth and development with agriculture as a driving force, the private sector will have to take the lead in transforming the sector with government creating the enabling environment and providing essential basic services that the private sector is unable to effectively and efficiently render and then only to correct for market failure and mitigate producers' risk. The roles of Government in the development and functioning of the agriculture sector in Liberia in the past had been unclear in appropriateness of purpose, confusing in functions and less cost effective in performance. Government performed too many roles, (unilateral decider of ad hoc policies, financier, producer, extension agent, regulator, and at times a competitor in

critical activities in the sector). The nature and scope of the problems to be addressed in the country today at the macroeconomic level and within the sector make it compelling for clarification of roles among the many stakeholders in the sector, essentially to ensure optimum use of comparative advantages in competence and appropriateness of functions, and cost effectiveness of actions and performance. The specific roles of Government functionaries such as the Ministry of Agriculture and other relevant ministries and agencies are as follows:

Ministry of Agriculture (MOA) shall:

- (a) Provide oversight for policy formulation implementation and monitoring;
- (b) Coordinate planning, delivery of services and support to agents and beneficiaries, and monitor sector activities;
- (c) Advise Government on laws and guidelines to regulate the activities of the sector;
- (d) Liaise with the Environmental Protection Agency, Forestry Development Authority and others to ensure appropriateness of agricultural activities and practices for environmental protection;
- (e) Regularly assess consistency of the policies and strategies of other sectors with the FAPS and analyze the impact of such policies on the agriculture sector.
- (f) Develop and maintain an enabling institutional framework that promotes development in the sector and make it more responsive to the aspiration of sector participants;
- (g) Promote and facilitate public-private and private-private sectors dialogue and partnerships;
- (h) Advocate for various sector interests at national level (inputs from cross-cutting matters from other sectors) and pursue related international initiatives and agreements;
- (i) Facilitate the development, dissemination and promotion of research, technology and information;
- (j) Advocate and promote the interests of small producers and provide technical and advisory services to such agents in the sector in order to increase productivity and output;
- (k) Promote the establishment of formal planning linkages between the agriculture sector and other sectors (especially, health, tourism, commerce, communication, education) in order to ensure a more integrated and coordinated approach to policy and program development aimed at reducing poverty;
- (l) Provide phyto-sanitary and zoo-sanitary inspection services for exports and imports of agricultural commodities including crops, fisheries and livestock;
- (m) Promote and facilitate the design and adoption of appropriate technologies for the use and management of water resources in the sector;
- (n) Provide leadership for government's food security and nutritional interventions including supporting improvements in the nutritional well-being of the population.

Roles of Other Government Institutions

- (a) *Ministry of Finance*: in collaboration of the Ministry of Agriculture and the support of the Central Bank of Liberia, coordinate the mobilization of external resources in support of the agriculture sector;
- (b) *Ministry of Commerce and Industry*: facilitate external market access and enabling domestic market;
- (c) *Ministry of Health and Social Welfare*: collaborate with MOA to enhance the nutritional well-being of population and further the goals of the National Food Security and Nutrition Strategy;
- (d) *Ministry of Education*: support development of human resources for agriculture and related sectors;
- (e) *Ministry of Public Works*: foster improvement in roads infrastructure, particularly feeder roads linking producers to markets;
- (f) *Ministry of Gender and Development*: collaborate in advancing and empowering women;

- (g) *Environmental Protection Agency (EPA)*: cooperate and support efforts to adopt agricultural practices that protect the environment;
- (h) *Forestry Development Authority (FDA)*: support efforts to ensure sustainable land management and forest resources development;
- (i) *Ministry of Internal Affairs*: ensure that local governance structures and processes including decentralization are effective, supportive, and enabling of rural transformation and agricultural sector growth and development;
- (j) *Ministry of Youth and Sports*: collaborate to encourage youth involvement in agricultural development efforts; and
- (k) *Central Bank of Liberia*: facilitate availability of financial services in support of agriculture sector programs.

8.2.2 Parastatals such as the Liberia Produce Marketing Corporation (LPMC), Liberia Cocoa and Coffee Corporation (LCCC), Agricultural Cooperative and Development (ACDB), Liberia Rubber Development Authority (LRDA), the Cooperative Development Agency (CDA), and the National Palm Corporation (NPC) were all government operated entities established in the 70's and 80's. They contributed to economic growth but suffered huge losses, resulting in the abrupt closure of many. These organizations are being assessed, and their enabling legislations reviewed, to determine their relevance and substance in the nation's economic recovery program. Preliminary evidence supports the non-revitalization of LCCC and NPC. While some of the parastatals will be reformed in accordance with the liberalization policy of the government, others will be reorganized to perform new roles including the following:

- (a) *LPMC and LRDA* will be combined and transformed into an Agricultural Export Board (AEB) with responsibility for promotion, quality control, monitoring, advocacy, and value addition and input supply facilitation;
- (b) *ACDB* will be liquidated and alternative financial intermediaries such as a Farmers' and Cooperative Development Bank, FCDB (Liberia, Inc.). FCDB will be a profit-making bank focusing on agriculture and agribusiness development and run as a professional business without government interference. Other arrangements such as microfinance institutions, rural savings banks, dedicated windows of commercial banks; etc will be evaluated and encouraged.
- (c) *CDA* will be restructured and enabled to coordinate, develop and regulate cooperatives and farm based associations undertaking agricultural economic activities.

Roles of the Private Sector

- (a) Agricultural transformation from subsistence to sufficiency will be market-led, with the private sector being the driver. The sector controls the entire agricultural value chain, from production to marketing. The private sector role shall include but not be limited to:
- (b) Cooperative societies and farmer-based organizations that advise, encourage and facilitate their members to exploit market-driven opportunities, establish linkages with sources of support and advocate and play leading roles in inputs supply and linkages to outputs markets to overcome market failures in agriculture;
- (c) Financial intermediaries will introduce lending strategies that target not only Farmers' Organizations, but individual farmers and private sector businesses investing in agriculture and agribusiness; and they will establish appropriate rural banking facilities for the provision of credit to farmers and farmers' organizations;
- (d) Industrial concerns (e.g., mining, forestry and agriculture concessions, etc.) having direct relation to the sector will contribute appropriate funding support to accelerate agribusiness investment in food crops, livestock, fisheries, cash crops and value added processing; and they will support small holder economic empowerment via strategic partnerships such as out grower schemes; and

- (e) Private investors, farmers' organizations and cooperatives will spearhead investments in agribusiness in the country; provide and facilitate linkages between producers (e.g. rice, vegetables, cocoa, coffee and oil palm) and local and external markets; participate in policy dialogues to ensure their interests are reflected in policies that affect them; participate in research and utilize their results; and comply with laws and regulations and partner with government in sector development.

8.2.3 Civil Society Organizations (CSOs) played pivotal roles in humanitarian support during the civil war by rehabilitating the lives of a war-affected population in areas of agriculture, health, education, livelihood activities, infrastructure, and water and sanitation amongst others. As the country progresses from emergency to recovery and long-term development, CSOs will have to adopt policies, evolve strategies, and develop plans that are consistent with the emerging demands for nation building, particularly ensuring complementarities of efforts to achieve desired and sustainable results in the agriculture sector which is the entry point to national economic recovery.

Roles of CSOs, NGOs and INGOs

- (a) CSOs will strengthen public sector governance by giving voice to smallholders, rural women, and agricultural laborers; and they will foster participatory development and monitor agriculture policy making, strategy development, budgeting, and program implementation. Civil society will also hold policy makers and public administrators accountable, thus creating incentives for change.
 - (b) INGOs and NGOs will mobilize resources and promote partnerships with external sources of support to the agriculture sector in collaboration/coordination with the inter-ministerial Food Security and Nutrition Technical Committee (FSNTC). In performing these roles, these organizations will submit sector specific action plans and periodic reports to the Technical Committee for the purposes of coordination, and monitoring and evaluation of donor aid projects and their impacts on intended beneficiaries. CSOs and NGOs will support capacity building to improve farmers' knowledge, technical skills and capacities.
 - (c) CSOs and NGOs will support and promote women and youth empowerment, provide technical assistance in the performance of agricultural activities, and ensure adequate, balanced, impartial, in-kind support to vulnerable farmers. They will also participate in the delivery of various services, especially at the local government and community levels, and promote partnerships between grassroots organizations and sources of support.
 - (d) NGOs will engage in standards setting, such as Fair Trade labeling, support water and sanitation, environmental protection, monitoring and evaluation, and campaign against HIV/AIDS and care for HIV/AIDS orphans.
- 8.2.4 Development Partners comprise regional cooperation organizations, bilateral and multi-lateral donors, UN organizations and various regional agricultural research organizations; funding agencies such as IFC, World Bank, ADB, USADF, OPEC, OXFAM, and ICO. The FAO, WFP, UNDP, and USAID are also included. Regional cooperation organizations such as ECOWAS and the Mano River Union will provide opportunities for expanding markets for goods and services. The main role of Development Partners and donors is to provide all necessary support required to fill funding gaps that the government cannot otherwise cover. Specifically, they will also:
- (a) Facilitate policy dialogues and policy advocacies;
 - (b) Provide technical and financial assistance and support the Government in the management of such assistance;
 - (c) Participate in the monitoring of activities and performance of the sector;
 - (d) UN Agencies will provide technical assistance in formulating and implementing policies and strategies, and articulating areas and conditions of support to achieve the MDGs, and ensure Sustainable Human Development;

- (e) CGIAR centers such as WARDA and IITA as well as regional agricultural networks (i.e. CORAF, FARA and NEPAD) will provide support in developing and supplying proven, new technologies, best farming practices and in replicating success stories from elsewhere.

Coordinated donor funding will be encouraged in order to avoid past short-comings where donors “picked and chose” projects and programs of their choice, and operated outside the framework of the Government’s Sector priorities and objectives. In this direction, the MOA will establish a Project Coordination Unit (PCU) that will among other things.

- 8.3 Monitoring and Evaluation (M&E) reporting will be institutionalized, using a harmonized format and indicators developed for reporting. The monitoring framework will include data generated from crops, livestock and fisheries surveys. Data collected will include details on indicators of sub-sector performance, outcomes and impacts. The MOA will carry out participatory policy and strategy evaluations on a periodic basis in order to determine effectiveness and impact of the policy and strategy on availability of food commodities, productivity and competitiveness, as well as marketing and value-addition and gaps. The MOA will establish early warning systems, as an integral part of an effective monitoring scheme, to guide production, marketing, value-addition and emergency response decisions based on pre and post-harvest losses.

NATIONAL MINERAL POLICY OF LIBERIA

1 Introduction

The management of Liberia’s natural resources is a critical aspect of the Government’s reconstruction and development programme. This policy document seeks to provide a framework for the sustainable management of the country’s mineral resources and to guide interventions by government institutions as well as other stakeholders. It sets out the expectations for the sector to contribute not only to the revitalization of Liberia’s economy but more broadly to social regeneration and the enhancement of a democratic culture.

Mining in itself is clearly not sustainable, as it depletes a finite national asset. However, mineral extraction can indirectly become sustainable in so far as it catalyzes sustainable economic activity in other, sustainable, sectors, through maximizing the economic “linkages” whilst the resource is still extant.

Strategies to develop these complex and diverse linkages are dealt with below.

A Liberian Minerals Policy, to guide strategies and decision making, is all the more opportune and pertinent at the current global juncture of rapid and sustained growth in Asia, particularly China & India, that has dramatically increased mineral demand and mineral prices. Given that the population of developing Asia is more than three times that of the industrialized (OECD) countries, it can be expected that this high mineral demand cycle could continue for several decades. This provides a window of opportunity for Liberia to use its mineral resource endowment wisely, to underpin integrated and diversified national growth & development, and to avoid the pit-falls of the “resource curse”. Many resource-rich African states have failed to realize the earlier expectations of rapid development due to the negative impacts of the resource booms, such as the strengthening of the national currency and the diversion of capital and skilled labour into the resource sector, rendering other, sustainable, sectors uncompetitive, and the subversion of resource rents by the political elites, curtailing the rate of reinvestment into economic growth.

This policy document seeks to give adequate indications to the investment community (both national and foreign) of a competitive mineral regime that is informed by international trends, adheres to

international norms, -is grounded in local conditions and is accountable to national common interests. Further, this policy focuses on advancing the interests of present and future generations of Liberians in the context of attracting private investment to facilitate the development of mineral resources, but in an optimal manner that husbands the resource and maximizes the economic linkages for sustainable local & national growth & development.

Mineral resources are vested in the Republic as stated in the New Minerals and Mining Law (MMA) of 2000, Section 2.1. This sections states that “Minerals on the surface of the ground or in the soil or subsoil, rivers, streams, watercourse, territorial waters and continental shelf are the property of the Republic of Liberia and anything pertaining to their Exploration, Development, Mining, and Export shall be governed by this Law.” This law was strengthened by the Public Procurement and Concession Act (PPCA) of 2006 that sets out a transparent and competitive system for the concession of known state mineral assets. To make productive use of these resources requires the participation of the private sector to provide investment and skills.

2 Mineral Policy Principles

1. To establish an internationally competitive, stable and conducive business climate to attract and sustain foreign and local investment;
2. To formulate a fiscal and concession regime that assures the country of fair value for its resources, while offering equitable rewards to private investors;
3. To institutionalize procedures to maximize returns to the nation from its finite known and unknown mineral assets;
4. To put in place a mechanism for the evaluation of competing land use options;
5. To eliminate adverse social conditions and environmental degradation due to mining activities;
6. To support and enable artisanal and small scale mining activities to to create employment, generate income and help reduce poverty in the rural areas;
7. To ensure equitable distribution of benefits from mining activities to meet both current and future needs;
8. To facilitate equitable access to the sector by all qualified Liberians, irrespective of gender or ethnicity;
9. To ensure consultation of all stakeholders and protect affected people from exploration through mining and post- mine closure;
10. To establish an effective administration and management of the mineral sector;
11. To enhance revenues and to ensure that the mineral sector contributes significantly to broad-based national growth & development, through the maximization of the mineral economic linkages, the policy will promote:
 - i) the re-investment of the resource rents into sustainable activities;
 - ii) the use of mineral infrastructure (logistics, power, water, telecoms, etc.) to underpin growth in other sectors;
 - iii) the maximization of down-stream linkages (“beneficiation”) through the establishment of mineral-based value addition industries;
 - iv) the development of the up-stream linkages by establishing mineral supplier (inputs) industries (services, capital goods, consumables); and
 - v) the optimization of skills & technology linkages and the facilitation of “lateral migration” into non-resource-based sectors/activities.

3 Mineral Endowment

Liberia is endowed with a variety of mineral resources, both higher value metals and industrial minerals. Gold, diamonds and iron ore are the principal mineral resources occurring in ancient greenstone belts in

many parts of the country, as well as traces of platinum, uranium and niobium, and base metals such as nickel, cobalt, tin, lead and manganese. Industrial rocks and minerals such as Sulphur, phosphates, clays (kyanite), granite, silica sand, heavy mineral sands (rutile & ilmenite) and diabase/dolerites are also known to exist in both small and large quantities.

The Government is committed to attracting and enabling private sector investments for the development of mineral deposits, particularly iron ore mines, and to promote new investments in exploration and development of gold, diamonds, base metals and other mineral deposits. Geological information and mineral data will be made readily and widely accessible to both small and large scale prospective investors.

4 Regulatory Framework

The Government of Liberia is committed to the creation of a stable and conducive business climate. In the context of the legal and regulatory framework for the mineral sector, this involves:

- (a) an open, transparent and competitive auction procedure for known mineral deposits (guided by the PPCA);
- (b) a predictable licensing system for unknown deposits, and
- (c) clearly defined rules and regulations that:
 - Set out simple and transparent procedures for the allocation of rights,
 - Define the transition from exploration to mining rights and the transfer of these rights
 - Regulate the conduct of mining.
 - Guarantee security of tenure and the orderly carrying out of business, and
 - Ensure exclusivity of specified mineral rights over licensed areas.

At the same time, the title system will encourage active mineral exploration and exploitation but discourage sterilization for speculative and/or other purposes. Disputes relating to mineral rights must be addressed in a timely and fair manner by government (Ministry of Lands, Mines and Energy (MLME)) and, if no settlement is reached, the courts of Liberia or international arbitration, in defined circumstances.

An accessible web-based mining cadaster information management system will be established that will enhance transparency in the award and monitoring of mineral rights. The principle of First-In-First-Assessed (FIFA) will form the basis for conferring mineral exploration rights over areas where the state's mineral assets are unknown and a transparent and competitive auction system will be used to concession known mineral deposits under the PPCA. Application forms as well as license fees will be standardized. To ensure coherence in decision-making, the harmonization of the New Minerals and Mining Law with other statutes being administered by other institutions that directly or indirectly affect the development of the mineral sector, particularly the PPCA and the EPA, will be effected.

The allocation of resources to strengthen the institutions with oversight responsibilities is a critical part of the Government program. The relevant institutions will be encouraged to consult and develop understanding between them as to their respective roles in and contributions to decision-making that impacts on the minerals sector.

Mineral Development Agreements (MDAs) will be standardized and deviations from national fiscal, environmental and other regimes will be minimized. The MLME will assess the future relevance of MDAs once the minerals regulatory regime is completed. This could permit Liberia to move to the international system of exploration licenses with comprehensive regulations and mining licenses with comprehensive regulations, which may obviate the need for MDAs, except for exceptional projects that require amendments to the prevailing legal and regulatory system.

5 Equitable and Competitive Fiscal Framework

The fact that minerals constitute a non-renewable resource makes it necessary for the country to maximize the economic linkages, particularly the collection of economic rents in compensation for the forgone benefit, due to giving up its mineral resources for private sector exploitation. Unlike other concessions where the state asset is returned at the end of the lease with an enhanced value, mineral assets are depleted by the concessionaire and the state is left with a hole in the ground. The substantial impacts that mineral operations can have on the environment, society and future generations warrant that appropriate policy prescriptions be developed by the government to provide a mechanism for compensation as well as incentives to encourage sustainable development of its mineral resources, through the facilitation of sustainable ancillary economic activities.

The substantial contributions to growth and development that can be realized by mineral resources require significant investments. Developing or finding a commercial mineral deposit and developing it into a mine is a risky business, as there is no guarantee of finding a deposit that can be mined profitably. There is often a long lead-time between expenditure on exploration and development, on the one hand, and revenue generation from mining, on the other hand. In addition, the fact that major mineral deposits occur in remote areas characterized by poor social and physical infrastructure raises the costs of doing business, but also increases the positive impact. In addition, there are currently limited skills and financial resources and services available within the country. Thus, significant expenditure for mineral operations will be initially have to be made outside the country in bringing in the requisite skills and technical and financial resources, until such time that these are developed and become available locally. However, known mineral assets with a low delineation risk need to be competitively bid to ensure transparent price discovery, in order to maximize the nation's share of the value of these non-renewable assets.

The Government of Liberia recognizes the need to devise a fiscal regime that assures the country of fair value for its resources while offering sufficient incentives that will ensure fair and reasonable return to private investors. Such a regime should allow the investor to recover exploration and development outlays in a timely manner, to achieve an acceptable rate of return commensurate with risk and to meet financial obligations to creditors and suppliers. The government shall institute a well-designed fiscal regime that encourages investment, optimizes economic linkages, exemplifies transparency, and captures reasonable and sustained revenue for the Liberian people. Fiscal policies that include tax incentives geared toward a fiscal environment that caters to the interests of both the government and the investors shall be implemented within the confines of achieving national fiscal and regulatory economic uniformity.

The policies shall be based on the New Mining and Minerals Law of 2000, the Public Procurement & Concessions Act and the Revenue Code of the Government of Liberia and shall be in conformity with best international practices in the mineral industries as well as national exigencies. Mineral deposits often embody "resource rents", also known as , "differential rents", which are profits in excess of the normal rate of return, arising from the particular above average nature of the deposit (grade, yield, location, etc.), as well as "windfall rents" arising from excess demand over supply. Such excess rents need to be equitably shared between the asset owner (Liberia) and the asset exploiter. The new Liberia Revenue Code (LRC) caters for this in a transparent an equitable manner through the "Resource Rent Tax", however the threshold and rate of this tax will be adjusted, in consultation with the Minister of Finance, to ensure a fair return to the investor.

The goal is to establish a fiscal regime which:

- (a) optimizes the inherent value of the mineral resources;
- (b) is efficient (in that it encourages optimal extraction and avoids selective mining of high grade ore);
- (c) garners an equitable share of the resource rents for the nation and the developer;
- (d) allows for reasonable stabilization of specific taxes for defined periods;

- (e) uses internationally best-practice instruments;
- (f) is transparent & competitive and takes account of African trends;
- (g) is coherent and simple to administer,
- (h) eliminates non-standard incentives for specific rights holders, and
- (i) provides mechanisms to ensure: (i) local processing (value addition), (ii) the development of local supplier industries, (iii) increased training and employment of locals, (iv) local technology development (R&D) and (v) the integration of mining with other economic sectors.

A process of reviewing the fiscal regime for mining is underway which, in addition to the above as objectives, will also seek to:

- (a) establish capacity, procedures and methods to ensure that taxes owed to the Government are properly assessed and collected,
- (b) encourage easy availability of pertinent information on fiscal policy, the tax regime and other pertinent legislation for mineral operations and
- (c) provide mechanisms for a sufficiently stable regime to provide investors with an adequate time horizon for planning and achieving adequate returns on investment.

6 Competing Land Rights and Land Use Options

Mining involves intensive use of land and can adversely affect other uses. The Government of Liberia shall establish a framework for the evaluation and management of competing land use options with a view to maximizing the sustainable developmental potential for the nation and future generations. This will involve recognition of the rights of other land users, the development of procedures for identifying and consulting potentially affected communities and persons as well as appropriate compensation principles, including criteria for considering resettlement options. Adequate administrative mechanisms and procedures shall be put in place to mitigate conflicts arising from competing land use.

7 Environmental Stewardship and Social Responsibility

Among the key principles set out in Liberia's environmental policy are that development should be based on sustainable natural resource use and sound management and also that full environmental and social costs or benefits foregone should form part of public and private sector planning. The policy will also develop an integrated and multi-sectoral systems approach to resource and environmental planning. The application of this approach and these principles to decision-making relating to and the conduct and supervision of mineral operations requires compliance with the environmental protection laws of Liberia and international best practices in the sustainable use of the natural resources. The National Environmental Protection Agency (EPA) of Liberia is central to the formulation and implementation of relevant principles and guidelines and in this regard customized environmental protection guidelines for mineral exploration⁷ and exploitation will be formulated jointly by the EPA and the MLME.

No significant mineral operation will be permitted without an environment and social impact assessment having been conducted, evaluated and approved by the Liberia Government. Plans for managing environmental and social impacts must be incorporated into the assessment reports. These must, right from the inception of the operation, include plans for redressing physical impacts upon closure of the mine as well as for sustaining community livelihoods thereafter.

The conduct of impact assessments must involve early consultation with the potentially affected public and open hearings will generally constitute a part of the evaluation.

The Government of Liberia is committed to nurturing an environment for compliance and enforcement with the highest standards of corporate social responsibility by entities involved in mineral operations.

8 An Integrated Mining Sector

While the development of Liberia's mineral resources will generate revenue and provide materials for reconstruction, the sector's contribution to national development would exhibit the multiplier effect if mining activity were better integrated into the national economy. In that regard, opportunities for fostering up down- and side-stream value addition will be pursued. As industrial minerals sometimes have a greater potential for linkages with other sectors of the economy, attention will be paid to encouraging their development.

The concept of Spatial Development Initiatives (SDIs, also known as "Development Corridors") was developed in southern Africa and is based on using high-rent resource exploitation projects to serve as anchors for the development of infrastructure that can then underpin the development of other sustainable economic potential such as agriculture (& agro-processing), forestry (& processing), tourism, etc. and other related ancillary industries in the area. The promotion of such integrated Spatial Development Initiatives, to unleash the full growth and development potential, will form an important feature of Liberia's resources development policy.

The government will encourage greater infrastructure linkages -considering that many mining projects require substantial infrastructure from mine to port and consume large amounts of electricity and water. The government will ensure that infrastructure needs of large-scale mines are integrated into national and regional economic planning with appropriate regulatory framework to ensure open access at non-discriminatory prices, for the infrastructure to benefit as many people and sectors as possible

The development of local small, micro and medium-scale enterprises (SMMEs), especially in the procurement of goods and services, will be encouraged. The Government of Liberia will look for possibilities for promoting forward linkages. Studies will be undertaken to explore the potential for such forward linkages in the iron and steel industry, for development of lapidaries and jewelry industry, for establishing gold refineries and jewelry industries, and for local fabrication using some of the country's mineral resources.

Linkages into the local human infrastructure (skilling, technology transfer & development, universities, colleges, etc.) will also be facilitated.

These linkages will be optimized through integrated spatial planning and the formulation of appropriate economic incentives and disincentives that will encourage the mining companies to deepen their economic footprint within Liberia.

To pursue viable policies for integration, there is a need to take account not only of the Liberian economy but more broadly the economies of the Mano River Union, ECOWAS and the African Union. In order to achieve viable markets and critical economies of scale Liberia will progressively integrate into the larger African markets in terms of both mineral inputs and outputs.

The minerals sector needs to be fully integrated into poverty reduction and other national development strategies in order to achieve holistic growth & development.

9 Artisanal and Small-Scale Mining (ASM)

The artisanal and small-scale mining ("ASM") sector has the potential to create employment, generate income and help to reduce poverty in rural areas and to stem migration from the rural areas to urban areas. However, it also has the potential for significant environmental degradation, negative social and health and life-threatening pollution of bio systems (e.g. mercury from ASM gold recovery).

An integrated approach is required in addressing ASM issues. Since ASM is largely a rural activity, any programme for it needs to be linked with rural development plans and designed based on a clear profile of who are engaged in the activity, when they mine and what else they do.

Many ASM miners require training in business and technical skills, to assist them to mine sustainably, as well as other skills to help them in their alternative economic activities. The Government of Liberia will facilitate the provision of such skills and the modernization of the sector by giving access to appropriate technologies, such as mercury-free gold processing. The Government of Liberia will also make available extension services to support ASM operations through technical advice and the facilitation of capital (micro-loans) schemes. Work will be done to identify areas to be designated for ASM support and monitoring. The procedures for licensing ASM are being evaluated with a view to simplifying them and catering for illiterate citizens

To enable artisanal and small-scale miners to obtain financial facilities, consideration shall be given to enhance the creditworthiness of their operations and license tenure.

Artisanal and small-scale miners need help in procuring lawful access to deposits, to markets and to information about fair prices for their products. A regime for licensing buyers of their products, with an accessible register of persons so licensed will help in this regard. The establishment of assay laboratories to determine the content of ore offered for sale can reduce opportunities for buyers to take advantage of the miners as well as appropriate technologies to produce higher grade (standard) products. The development of an internet-based portal for marketing precious minerals would also assist the miners to obtain technical & business advice as well as competitive prices. While a number of the ventures identified here will not be undertaken by the state, to the extent that reasonable incentives and the streamlining of procedures can encourage private investment, these will be pursued.

The artisanal and small-scale mining sector could be strengthened by the miners organizing themselves into associations and, in some instances, cooperatives, in order to improve economies of scale and creditworthiness.

The relationship between large-scale mining enterprises and the ASM sector need not be an antagonistic one. The smaller-scale miners can benefit from technical inputs and advice from the large-scale operators as well as providing markets for further processing at the large-scale facilities (the “out-grower” concept). Forms of cooperation can help the large scale miners reduce policing costs and gain acceptance and credibility in the community.

10 Quarrying (sand, stone, clay and laterite mining)

The Government of Liberia recognizes the need for special procedures to regulate mining of construction materials for the reconstruction of the country. There is, however, a growing concern on beach erosion caused by uncontrolled sand mining. The Government of Liberia shall put mechanisms in place to ensure sustainable mining of industrial rocks and minerals for construction and traditional purposes.

11 Transparent Benefits from Mining

The Government of Liberia is committed to providing information on available revenue and other benefits obtained from mining. To this end, it will adhere to the principles elaborated by the Extractive Industries Transparency Initiative (EITI).

The Government of Liberia will ensure that communities adversely affected or that could be thus affected by mining operations derive regular and significant benefits from those operations. A predictable formula shall be put in place to determine such benefits, which shall include but not be limited to revenue allocation, access to employment, the provision of infrastructure for local use and resources for local education and skills formation. Mining companies will be encouraged to develop local supply chains for their purchases, thereby integrating themselves into the local economy.

The Government of Liberia will also strive to maximize the wider benefits from mining on the regional and national economies, in a transparent and equitable manner.

12 Developing with Broad Participation

The Government of Liberia policy shall encourage broad and more direct participation of all stakeholders which shall promote critical social acceptance of mineral projects. Thus both project sponsors and Government have responsibilities for developing and disseminating procedures to enhance effective consultation and participation. The facilitation of local equity participation in mining ventures could also help in enhancing acceptance.

13 Building Capable Institutions

The Government of Liberia shall allocate a portion of revenue derived from mineral resources to strengthen the capacity of relevant state monitoring and promotion institutions. The Government of Liberia acknowledges the weak state of its institutions, whether of governance, facilitation, promotion or training. Securing funding to strengthen them is a major challenge to which it shall devote attention. In addition the Government of Liberia will seek to facilitate the establishment and growth of private sector entities to underpin a vibrant mining sector in areas such as finance, services, training/skilling, suppliers and consumers of minerals.

14 Investing for the Future (Sustainable Investment)

Mining resources are finite. The wealth generated from mineral resources has to be harnessed to provide a platform for development and growth well after they are exhausted. Revenue accrued from the nation's mineral resources shall also be invested in other forms of capital, especially human and social infrastructure, as well as social assets. It calls for prudence in investment decisions, fiscal discipline and the effective monitoring of disbursements and expenditure. We must build the capacity to predict and manage our revenues even as they fluctuate because of commodity price changes.

In this regard we need to ensure that mineral extraction creates the maximum local economic linkages whilst this temporal window of opportunity is still open, as these linkage industries can continue post-mining.

15 Expected Outcomes

The overall goals can be expressed in terms of broad-based development, growth and poverty reduction and significant improvement in the governance culture of the country. In the end, the performance of government has to be measured by reference to its contribution to these broad goals.

The impact of the minerals sector on the broad national development goals will be assessed in terms of its contribution to the national revenue and foreign exchange earnings, creation of inclusive sustainable employment, provision of raw materials for down-stream industries & national reconstruction, improvement in social and physical infrastructure, industrial development (up-, side- & down-stream linkages) and the stimulation of new economic activity through the provision of the requisite infrastructure; positive impacts on the environment and local communities; development of sustainable ASM operations and communities; improvement in human infrastructure (skills formation & knowledge creation) and technology transfer and development. A scorecard will be formulated to enable government to monitor these contributions.

NATIONAL ENERGY POLICY OF LIBERIA

“AN AGENDA FOR ACTION AND ECONOMIC & SOCIAL DEVELOPMENT”

Key Policy Issues

In the keynote address to the NESF, President Ellen Johnson Sirleaf elucidated the following principles as the foundation of Liberia’s new National Energy Policy:

- 1) Leveraging enhanced energy access for improvements in education, health, and economic development;
- 2) Providing access to modern energy (fuels and electricity) for previously neglected rural consumers;
- 3) Enhancing transparency and accountability at every stage of energy operations: wholesale and retail transactions; granting of petroleum leases, electricity concessions, and other management contracts; collection of payments from consumers; the granting of licenses to providers of energy services throughout the economy; and timely adjudication of cases of official corruption, power theft, and the adulteration of petroleum products and lubricants;
- 4) Ensuring the long-term financial viability of electric utilities and other energy companies;
- 5) Ensuring the affordability of all energy forms for poor consumers;
- 6) Balancing the environmental costs and benefits of all energy programs, taking into account the collective global effort to control harmful greenhouse gases responsible for climate change;
- 7) Maximizing energy efficiency and demand-side management (DSM) to minimize the financial and environmental costs of energy development;
- 8) Ensuring the involvement of the private sector to the “greatest degree possible” throughout the energy sector; and
- 9) Ensuring that Liberia takes all requisite actions (political, economic, technical) on a timely basis to integrate its domestic energy policies into the ECOWAS Protocol and attendant, the West African Power Pool, the West African Gas Pipeline, and other planned or existing international commitments, standards, and obligations.

These principles provide a “vision” for moving Liberia’s economy and social sectors forward on the basis of universal access to affordable, sustainable, and environmentally friendly modern energy services. They address the following four strategic issues and objectives:

- a) Access: The issue is the availability of energy products and services and the objective is to achieve growth with equity, ensuring that every urban and rural household, economic enterprise, and social and administrative center has access to modern energy services.
- b) Quality: The issue is the acceptability of energy products and services and the objective is to emulate international best practice in terms of product and service standards as well as management and regulatory practices.
- c) Cost: The issue is the affordability of energy products and services and the objective is to minimize economic, financial, social, and environmental costs in order.
- d) Institutional framework: The issue is the adequacy or capacity for energy delivery and the objective is to create a partnership between the public and private sectors which results in the involvement of the private sector to the greatest extent possible.

The realization of these policy objectives requires the Government to create an enabling environment built on the following three essential features:

Demonstrating the Government’s resolve for good governance and ensuring financial transparency in all sector transactions: transparency improves efficiency and provides a level playing field by ensuring

that the same information and access to decision makers are available to all market participants; transparency also provides assurance to potential investors that all participants in the energy sector are treated equitably.

Overcoming the significant obstacles to private sector investment in energy supply: perceptions of political risk or a lack of purchasing power discourage energy sector investors from considering Liberia as a place for undertaking projects. To remedy that, the Government needs to alter the factual bases giving rise to those perceptions and to improve the knowledge base available to potential energy sector investors so as to allow them to make informed, positive decisions in favor of undertaking Liberian projects. The development of this NEP is part of the process of communication to foster positive investor perception.

Creating the requisite institutional and legal framework and independent regulatory regime: four essential features must be built into any successful enabling program for energy sector reform.

- 1) industry restructuring to create conditions to introduce competition, increase transparency, and mobilize investment finance;
- 2) promoting private sector participation by providing incentives for greater efficiency and tapping into new sources of finance;
- 3) adopting the principle of cost reflective pricing which increases industry viability and efficiency in production and consumption;
- 4) ensuring that the regulatory process is able to balance investor and consumer interests.

Given the political will, competent people, and appropriate institutions, it will be possible to create and enforce the legal and regulatory environment that will attract the private sector investment needed for improved energy access to support economic growth. This is a significant departure from the past when energy services were provided as a publicly funded benefit for a privileged few. The Government recognizes that these reforms represent a major cultural shift which will generate inevitable resistance from powerful vested interests benefitting from the status quo. However, the strong stakeholder support for the new policy thrust demonstrated by the NESF and NEP validation workshops provides a unique opportunity for successful implementation of the reforms.

Performance Indicators

Key performance indicators for the desired cultural shift will be monitored and reported, in order to track adherence to the NEP. Indicators will include:

- (a) on-time payment of electricity bills of Government ministries and other parastatals as well as those of individual senior Government officials;
- (b) the financial viability of the Liberia Electricity Corporation or any other public successor company in terms of profitability, improvements in billings and collections, cash management, reductions in technical and non-technical losses, number of customers connected to the LEC grid, and adherence to LEC's published disconnection policy;
- (c) operational autonomy of LEC as demonstrated by independent decision making on issues such as transparent staff recruitment, selection and remuneration, and transparent procurement of goods and services;
- (d) reduction in loss of petroleum products by LPRC;
- (e) consistent quality and purity of fuels and lubricants sold to the public;
- (f) accuracy of meters and gauges at both wholesale and retail levels; and
- (g) share of oil revenues received by the national treasury.

In January 2006, ECOWAS approved a White Paper for a regional policy for increasing access to energy services for rural and peri-urban populations in line with achieving the Millennium Development Goals in the sub-region. In line with these goals, Liberia aims to achieve the following:

- 1) 40% of Liberian citizens living in rural and peri-urban areas and using traditional biomass for cooking shall have access to improved stoves and kerosene or efficient-gas cookers in order to cut indoor pollution;
- 2) 30% of the urban and peri-urban population shall have access to reliable modern energy services enabling them to meet their basic needs (lighting, cooking, communication, and small production-related activities);
- 3) 15% of the rural population shall have access to reliable modern energy services toward meeting the same basic needs; and
- 4) 25% of the schools, clinics, and community centers in rural areas shall have access to modern energy services for lighting, refrigeration, information and communication, etc., and shall be equipped with productive energy capacity.

Further, in line with the international community, and based on the principles of extending energy access to all Liberians through careful consideration of the environmental costs and benefits, and with the goal of maximizing efficiency to minimize costs and any adverse environmental impacts, the Government of Liberia states the following additional targets:

- 1) Reducing greenhouse gas emissions by 10% by 2015.
- 2) Improving energy efficiency by 20% by 2015.
- 3) Raising the share of renewable energy to 30% of electricity production and 10% of overall energy consumption by 2015.
- 4) Increasing the level of biofuels in transport fuel to 5% by 2015.
- 5) Implementing a long-term strategy to make Liberia a carbon neutral country within a specified target period.

THE ENERGY SITUATION

Prior to the development of the current NEP, Liberia's energy policy framework was not documented in a formal government publication. However, the existing energy policy can be summarized as follows from the various laws establishing the public utilities and energy corporations:

- It is the desire of the GOL to expand public utility facilities throughout the country for the benefit of all the people (preamble to the law establishing the Public Utilities Authority, 1973);
- Public utilities must be efficiently managed and operated in order to derive maximum benefit and ensure economic viability; they sustain themselves from revenues from the sale of products and services and cannot use their revenues to meet the operational and capital expenditures of other public corporations (Public Utilities Authority Law, 1973);
- Public utilities and corporations are either de jure or de facto self-regulating monopolies that can conduct business across the energy chain from exploration, production, transportation, distribution, wholesale and retail sale of all energy products and services and can establish their own prices, quality standards, and development plans as well as issue licenses to, and operate in competition with, the private sector (acts establishing LEC, NOCAL, and LPRC);
- Government-owned energy corporations and agencies have no formal managerial relationship with the sector ministry; they are managed by boards and executive officers appointed by the President with the advice and consent of the Senate. Boards comprise people appointed from the private

sector but include cabinet ministers and other senior government officials. Remuneration of Board Chairpersons and Executive Officers is subject to approval by the President (Public Utilities Authority Law, 1973);

- All infrastructure development is subject to environmental impact assessment and the Government encourages the use of renewable energy resources and promotes the conservation of non-renewable energy resources (Environmental Protection and Management Law, 2002).
- The granting, implementation, supervision and monitoring of concessions in all sectors of the economy including energy is regulated by the Public Procurement and Concessions Act (PPCA) which assigns no formal role for the sector ministry (PPCA, 2005).

The current energy situation is a result of the impact of these policies and the effect of the civil crisis from which the country is emerging. The policy recommendations that are in this document are designed to bridge the gap between the reality on the ground and the vision as expressed in the principles outlined in the previous chapter. The National Energy Stakeholders Forum identified the local realities and experiences which were then summarized in the National Energy Sector White Paper and confirmed in the validation workshops.

In Liberia, as in nearly all the Sub-Saharan African and other less developed countries, woody biomass is the primary energy source used for domestic cooking and heating. In 2004, it was estimated that over 95% of the population relied on firewood, charcoal, and palm oil for their energy needs. Modern energy services based on electricity and petroleum products are predominantly used for economic production and transportation. In the household sector, the use of modern energy services consists mainly of kerosene, electricity, and liquefied petroleum gas for lighting, cooking, and entertainment. These are used by higher income households in urban areas.

The current energy situation in Liberia is characterized by a dominance of traditional biomass consumption and low access to poor quality and relatively expensive modern energy services. This is a result of the country's underdeveloped economy whose infrastructure was extensively destroyed during the 14 years of civil crisis.

There are three Government energy parastatals established by law: a) The Liberia Electricity Corporation, created in 1973; b) the Liberia Petroleum Refining Corporation, created in 1978, and c) the National Oil Company of Liberia, created in 2002. All these are corporate entities, wholly owned by the Government and managed by boards appointed by the President.

It is significant to note that the war effectively privatized energy service delivery by destroying the capacity of the parastatals. The charcoal industry which now dominates the household energy sector is entirely run by private operators and community-based organizations. Most electricity is generated by private petrol or diesel generators. The private sector is expected to provide the bulk of the planned electricity generation capacity development for the medium term. In the petroleum sector, the LPRC is currently only issuing licenses and providing storage facilities to private sector importers. The retail sale of petroleum products and lubricants is dominated by the private sector.

Notwithstanding this de-facto privatization of the energy sector, the parastatals still have the legal mandates allowing them to combine the roles of policy making, monitoring, and operation. This is inconsistent with international best practice which separates these roles. In practice, the parastatals discharge their regulatory roles in collaboration with the MLME.

SECTOR SITUATION

Electricity Sector

Under the current legislation, the Liberia Electricity Corporation is responsible for the generation, transmission, and distribution of electricity. LEC used to supply the major cities and towns that were connected to the grid or had stand-alone diesel plants. Additional power was produced by the various mining and agricultural concessions. The 14-year conflict resulted in collateral damage, looting, and vandalism of virtually all the energy infrastructure, such as power plants, substations, transmission lines, fuel storage tanks, and depots. Following the loss of these facilities, electrical output diminished drastically. Consequently, only about 10% of urban residents and less than 2% of rural Liberians have electricity access, largely produced by small private generator sets at prohibitive costs.

Before the civil crisis, the total installed electricity capacity of the LEC was approximately 191 megawatts (MW), while that of concessionaires was 212 MW. Outside Monrovia there were three radial lines extending into the countryside and 11 small isolated power systems operated by LEC to supply electricity to cities and towns located along the coast and in rural areas. The installed capacity of the rural electrification program totaled 13 MW and distribution lines stretched 90 miles, with an additional 26 miles of low-voltage service lines. The small isolated rural systems were powered by plants ranging from 300 kilowatts (kW) to 1300 kW. The total installed electricity generation capacity, including the private sector, was about 412 MW.

Following the end of the war, there have been significant steps taken to re-establish public power supply and commercialize LEC. Launched in 2006 soon after the inauguration of the President, the Emergency Power Program (EPP) was designed to re-establish public power supply as part of the Government's political stabilization and economic reconstruction program. Several international partners, including the United States Agency for International Development (USAID), Ghana, Norway, the European Union, and the World Bank provided over US \$40 million in grant funding and technical assistance. LEC now has a system with 9.6 MW diesel generation, 80 km of transmission and distribution network, and will have about 1,000 street lights and over 2,500 customers in Monrovia within the first half of 2009. Although only set at levels to cover operational and maintenance costs, current electricity prices are relatively high at over US \$0.50/kWh. This is however lower than the cost of self-generation which is estimated at not less than US \$0.75/kWh. The GOL subsidizes the balance of LEC's costs and is expected to continue doing so during the transition to cheaper medium-term generation options now under active investigation and planning.

There is no generation capacity outside of Monrovia beyond privately-owned generators and scattered donor funded pilot projects. A number of Government agencies, community organizations and private sector establishments in rural locations in several counties have been able to receive diesel generators and solar power systems through USAID, the United Nations Development Programme, and some NGOs.

Estimates of the current level of electricity demand range from 11 to 25 MW. While Liberia's First State of the Environment Report forecasts that the demand for electricity will rise an average of 10.3% annually by 2010, and then decrease slightly to a 3.4% growth annually until 2020, a recent demand forecast by the International Finance Corporation (IFC) projects total demand for Monrovia and its environs of 19 MW by 2010, 34 MW by 2015, and 41 MW by 2020. For a variety of reasons, it appears that these forecasts are very conservative. The actual demand for Liberia, including the various concessions, is likely to be in excess of 350 MW by 2020, for the following reasons:

- 1) Liberia's population, estimated at around 3.5 million from the provisional results of the 2008 census, has been growing at an average annual rate of 2.1%. Over 53 percent of the population is

under 18 years of age. With a large pent-up demand for consumer goods and services as evidenced by previous levels of demand and rising incomes, demand for energy used in the production of these goods will increase as the population rises.

- 2) Since pre-conflict electricity capacity exceeded 400 MW, it seems likely that at some point the economy will begin to take off and very quickly reach previous levels of capacity. Industries which are large consumers of energy are only now looking at Liberia for opportunities to re-invest. Cement processing, rubber processing, breweries, and other factories and industrial operations have a huge demand for power.
- 3) Prior to the civil conflict, the iron ore industry consumed about 210 MW of electricity. Although none of these former mines are currently in operation, the Government has prioritized their re-opening in the short to medium term, beginning with a recent concession agreement with ArcelorMittal for one of the former mines. The next two concessions for the Western Cluster iron ore deposits and the Old Bong Mines will be awarded soon. Furthermore, aggressive mineral exploration and resource appraisal programs for additional iron ore deposits are underway. The prospects for new hard rock mines for minerals such as gold, diamonds, uranium, and bauxite are very promising. The demand for energy for these operations in the medium and long term will be very significant, and without a strong Government energy policy, the requisite power to fuel these mining operations will not be developed.
- 4) The agriculture sector, although mostly artisanal at present, has a high demand for energy services. Agro based concessions, such as rubber and other mechanized activities, produce electricity for their own consumption. Demand for energy in agriculture in the short, medium, and long term will be significant.
- 5) The LEC is not able to meet its current operating costs for the limited generation provided under the EPP. The utility has a US \$114 million debt and no capacity to service it. Historically, LEC has always had difficulty in revenue collection and coping with electricity theft, and has had frequent management changes. LEC has therefore never had, and still does not have, the ability to finance the investment needed to satisfy the country's electricity demand. Fortunately, there are several private sector developers who are interested in investing in Liberia and who have bankable proposals for investment in power generation. Given the urgency required for the restoration and extension of the country's electricity generation, transmission and distribution infrastructure, and the fact that the Government does not have the financial resources to undertake these investments, the only plausible option is to create the conditions necessary to support these private sector initiatives. The implementation of the recommendations in the NEP, which are designed to fulfill the vision of President Johnson Sirleaf to involve the private sector to the greatest degree possible, will play a critical role in ensuring the successful realization of these private sector investment initiatives.

Petroleum Sector

Since Liberia has not yet discovered any crude oil and its only refinery is being scrapped, all refined petroleum products and lubricants are imported. Yearly volumetric imports of approximately 175,000 metric tons consist predominantly of gasoline, diesel fuel, and to a lesser extent, jet fuel and kerosene. Most of the petroleum usage in the country is for the transportation sector, which also has critical effects as a cost input to other goods and services. With the rising cost of petroleum products there is an increased awareness of the need to ensure that petroleum products are of first-rate quality and are used as efficiently as possible.

The GOL's role in the petroleum sector is conducted through the Division of Hydrocarbons in the MLME and two Government-owned parastatals – the “upstream” National Oil Company of Liberia, and the “downstream” Liberia Petroleum Refining Corporation.

Prior to the establishment of NOCAL, MLME's Division of Hydrocarbons played the lead role in negotiating agreements with the handful of international oil companies that came to Liberia with the intent of securing upstream petroleum exploration and production contracts. With its creation in 2002 under President Taylor, this institutional responsibility was passed on to NOCAL. The MLME is now involved through the Inter-Ministerial Petroleum Technical Committee (IMPTC), which it chairs.

In decades of oil exploration activity by international oil companies, no onshore commercial hydrocarbon reserves have been discovered, though offshore exploration holds some potential. In the event that oil is discovered the country has taken steps to avoid the oil curse where social and political turmoil can result when the general public does not benefit from the oil wealth. In September 2007 Liberia achieved Candidate Status of the Extractive Industries Transparency Initiative. This means that the country has satisfactorily demonstrated its commitment to ensure the transparent and effective disclosure and use of revenues generated by its natural resources.

In the downstream petroleum sector – following institutional evolutions and the closing of the refinery – LPRC became responsible for negotiating and purchasing requisite volumes of petroleum products and lubricants, offloading and storing them, and signing leases with wholesalers for onward sales throughout the country. A few private companies had their own storage facilities. Currently, LPRC exercises the authority to issue import licenses for petroleum products and lubricants based on the legal interpretation of the 1989 Petroleum Law that the company has a monopoly on this activity. Furthermore, the Company can either franchise out the products or sell these at wholesale and retail levels. A number of large and small vendors currently hold licenses and distribute petroleum products and lubricants throughout the country on often impassable roads. Owing to the difficulties of distribution, the availability of fuel in more remote rural areas is often confined to plastic bottles or gallon jars without any assurance of quality or quantity. Wholesale and retail petrol outlets often sell adulterated fuel with little or no oversight by the Bureau of Standards. Volumetric gauges at petrol stations are often not calibrated properly, cheating consumers who have few avenues of redress.

Despite some progress over the past two years, LPRC needs to make sizeable investments in both the offloading infrastructure for petroleum products and in the fuel storage facilities in Monrovia. All these facilities suffered from a severe lack of maintenance during the years of civil conflict; in addition, some of the facilities have been severely vandalized. In August 2007, LPRC commissioned a report from William G. Matthews Associates Limited to assess the infrastructure needs for petroleum product logistics in Monrovia and analyze the costs needed for upgrade and repair of the main product storage terminal.

The firm noted that since the civil conflict ended in 2002, LPRC has performed some “basic maintenance but both facilities have technically deteriorated to a degree that they are unsafe and represent a serious risk to the country’s fuel supply.” An estimated US \$14 million is required to repair the facilities and expand them to meet forecast demand in 2013. There is also a need to invest in a jetty-to-shore pipeline and to rehabilitate the jetty piers, which fall under the jurisdiction of the Monrovia Port. Further, according to the Consultant’s report, the entire pipeline project must be carried out in an integrated manner to reduce costs.

The existing pipelines are so corroded that operating pressures have had to be reduced to prevent leakage. This has resulted in “excessive delivery times” and consequent demurrage charges as the products cannot reach shore in contracted volumes on anything resembling an efficient operation or schedule. In addition, the “pipe supports are deeply corroded while the walkway grating is largely absent due to pilfering.”

The Consultants found that all 13 tanks thought to be salvageable are in need of serious repair. The cost of neglect was reinforced by the Consultants, who noted that nearly 4% of the terminal’s yearly gasoline throughput is lost to evaporation. The Matthews Report found the truck loading stations to be derelict in

terms of international safety standards; soil protection at pumping stations was described as inadequate to ensure environmental protection. Finally, the Matthews team noted that fire protection is practically nonexistent, owing to the absence of equipment and a near total lack of procedures or training for emergency response. It concluded that were a serious fire to occur, the results could be catastrophic – shutting down Monrovia’s fuel supply. With Liberia’s petroleum product needs expected to rise dramatically by 2013, the GOL recognizes that priority must be given to rectifying these problems. LPRC estimates that it will take three to four years to complete the critical repairs, upgrades, and expansion of all aspects of the petroleum product and lubricant supply logistics system.

Rural and Renewable Energy Resources

Almost 74% of Liberia’s population resides in rural areas, while the remaining 26% live in and around the urban center of Monrovia. Rural households expend a significant amount of their meager incomes on inferior forms of energy such as candles, flashlights, and kerosene or oil lanterns for lighting. Higher fuel costs result from long transportation distances, fragmented delivery systems, and absence of economies of scale.

The population density of some rural areas along the main highways between the national and county capitals makes it economically feasible to connect them to the electricity grid when that is re-established and extended. The rest of the rural areas will have to rely on off-grid options for a long time – or even indefinitely. Technological advances in the exploitation of renewable resources, together with cost reductions, have enhanced the possibility of electrifying such areas using distributed generation sited close to the electric load.

Liberia also needs to diversify its sources of energy. While diesel based power generation has been essential in quickly providing emergency power to Monrovia, this means of power production is inefficient and depletes foreign exchange. Beyond the present fossil-fueled electricity generation, Liberia has enormous renewable energy potential. Prior assessments of the renewable energy resource potential in Liberia have demonstrated abundant hydro, biomass, and solar resources for development. Liberia has six major rivers, which drain over 60% of the country’s water. These include the Mano, Saint Paul, Lofa, Saint John, Cestos, and Cavalla Rivers. Short coastal waterways drain about 3% of the country’s water. This intensive drainage pattern indicates considerable potential for hydroelectric power in Liberia. At the onset of the civil war, there were three operational hydroelectric power plants in Liberia: Harbel, which was operated by Firestone Natural Rubber Co., with a capacity of 4.0 MW; Mount Coffee, operated by LEC, with a capacity of 64 MW; and Yandahun, a community-managed micro-hydro system in Lofa County, with a capacity of 30 kW. The Mount Coffee and Yandahun plants were destroyed during the war, but the Harbel plant is still operational for use by Firestone. Recent surveys of the damage at Mount Coffee indicate that rehabilitation and restoration of the plant to operational status may be possible within 7- 10 years, providing vitally needed generating capacity.

The country is endowed with considerable biomass resources that, if managed sustainably, could contribute to the energy supply mix. These include rubber, oil palm, pine, and other trees as well as cassava, sugarcane, elephant grass, coconuts, and crop residues from rice and wheat production. Sustainable management of such resources must include replanting programs, to ensure that utilization of biomass for energy does not contribute to deforestation, and close coordination with the agriculture sector, to ensure that biomass for energy does not compete with biomass for food production. In addition, annual solar insolation shows good prospects for the application of solar technologies such as photovoltaic and solar thermal systems. Though no official renewable resource assessment has been carried out in Liberia, preliminary estimates suggest that the monthly average daily solar radiation on horizontal surfaces in Liberia is between 4.0 and 6.0

kWh/m²/day. Finally, observations along the coastal regions suggest that there are potential prospects for the development of wind power.

Notwithstanding these abundant resources and off-grid generation technologies, limited financial, institutional, and human capacity constrains Liberia's ability to harness its renewable energy resources to serve the population. Setting a realistic goal for replacing a percentage of the country's existing fossil energy demand with non-fossil fuels within a specified time period will help galvanize investment in the renewable energy sector.

Many of the rural population cannot afford to pay for modern energy services without end-use subsidies; capital subsidies for project development; or outside assistance from NGOs, bilateral and multilateral donor agencies. Consequently, many homes in Liberia, which will not be able to afford the full delivered cost of electricity in the short to medium term, will require support for more efficient technologies for sustainable production and utilization of traditional energy resources.

Cross-Cutting Issues

Energy Policy and Planning

The National Energy Committee was established in 1984 to facilitate stakeholder coordination for policy development and strategic planning for the energy sector. The NEC became dormant in the few years leading to the civil crisis and has not been convened since then. Consequently, until this policy formulation process was launched in October 2006 with the National Energy Stakeholders Forum, this vital government function had been neglected.

The GOL is using the EPP Steering Committee to coordinate the efforts of various donors and to facilitate planning for the medium term. This is a temporary arrangement and it is necessary to establish a more formalized policy and planning process.

Policy Monitoring and Regulation

The Government's oversight of the energy sector is exercised through the Ministry of Lands, Mines and Energy. Under current legislation, there is no independent energy regulatory board. This is a situation where the GOL and its agencies play the role of referee and player at the same time. This creates an uneven playing field that can be a significant barrier to the further growth of the private sector.

The Department of Energy in the MLME comprises one Assistant Minister supported by two senior officers, one responsible for hydrocarbons and one responsible for alternative energy. The Government therefore has limited capacity to undertake energy policy monitoring and regulatory functions. The Ministry chairs NOCAL's Inter-Ministerial Petroleum Technical Committee. The MLME has no office that is solely dedicated to the electricity sector. During the Emergency Power Programs I and II, LEC has reported regularly to the Emergency Power Program (EPP) Steering Committee through which the GOL has had access to donor-funded technical assistance. The MLME chairs the Steering Committee, but the Ministry's oversight of LEC is otherwise ad hoc.

Energy Efficiency, Conservation, and Environment

From an environmental perspective, energy production and use can harm human health and the environment if not efficiently and sustainably undertaken. The inefficient use of traditional woody biomass by over 95% of the population poses environmental threats and health problems through deforestation and indoor air pollution. At the same time, the unsustainable use of forest resources at an alarming rate for the production of energy poses a growing and serious threat to the environment and the country's ecosystem, including the

future viability of the country's hydro resources. Demand for charcoal and firewood will continue to grow in the absence of electricity and energy efficiency measures.

Nations of the world have been called into action through the UN Framework Convention on Climate Change (UNFCCC) to mitigate, abate or reverse emissions of carbon dioxide and other harmful greenhouse gases into the earth's atmosphere. Fossil fuel energy consumption and deforestation constitute two of the major sources of greenhouse gases. The Kyoto Protocol and its post-2012 successor arrangements recently launched in Bali prescribe mechanisms for reducing greenhouses gas emissions and encourage the harnessing of non-fossil fuel energy sources. Liberia subscribes to the World Summit on Sustainable Development and its Johannesburg Plan of Implementation. Liberia is also a party to several multilateral environmental agreements, recognizing that obligations under these instruments are necessary to address environmental conservation and sustainable use of resources. Liberia's Environmental Protection Agency (EPA) has been given the mandate to supervise, coordinate, and consult on all environmental activities in the country.

As a member of the shrinking global village, the long-term energy policy of Liberia must take into account the reality of global warming with the concomitant acceptance by our nation of its part in the collective responsibility to reduce emissions and protect the environment. Indeed, the nation has a large reserve of tropical forests which serve as a carbon sink for greenhouse gases. Following enactment of a global carbon regime, Liberia may receive financial payments for protecting these resources while contributing to the benefit of all humankind. In fact, the nation's valuable renewable hydro, biomass, wind, and solar resources may allow Liberia to lead the way in becoming one of the least carbon dependent nations in the world.

Energy efficiency and resource conservation can also represent the most cost-effective and immediate solutions to minimize the supply-side investments necessary to meet growth in energy demand. Energy efficiency measures involve replacing existing technologies and processes with new ones that provide equivalent or better energy service using less energy. The value of the saved energy typically at least covers the cost of deploying the new technologies and processes. Energy efficiency programs can reduce future investment requirements, enhance competitiveness by lowering input and operating costs, free up capital for other social and economic development priorities, and contribute to environmental stewardship objectives.

Gender-Related Energy Issues

As is typical in developing countries, Liberia's limited access to modern fuels and electricity contributes to gender inequality. Women and children are responsible for most household cooking, gathering firewood or making charcoal, and fetching water. This takes time away from other productive activities as well as from educational and social participation.

Access to modern fuels eases the domestic burden on women and children, reducing the strain on their health and allowing them to pursue educational, economic, and other opportunities. Modern energy services allow health clinics to refrigerate vaccines, treat patients at night, and educate via television and radio. Improvements in health raise human productivity, which in turn raises incomes. Access to electricity also leads to significant reductions in maternal mortality. Women who have no opportunity for school during the daytime can take advantage of night literacy classes, which require electricity to function.

Economic productivity can increase significantly once women and children are free from the daily burdens of fetching firewood, making charcoal, and walking long distances to fetch water. They can become gainfully employed in industries such as tailoring, which makes use of electric sewing machines, and other cottage industries such as small bakeries, canteens, and laundry services, which require very little electricity

yet can transform lives. Women can also become active in the development of rural energy services around the country, as well as carrying out marketing campaigns and teaching others about new lighting, cooking, and other technologies.

It is vital to identify and mitigate the negative impacts arising from the differentiated social and economic roles of men and women in the context of energy policy. Millennium Development Goal 3 addresses “promoting gender equality and women’s empowerment.” The Government will need to ensure that provision of energy services is targeted at narrowing the opportunity gap between men and women. Although the GOL has a ministry dedicated to gender affairs, it has no program or capacity to address energy-related gender issues. The MLME, which should take a lead role in developing and implementing appropriate policies to address these important considerations, does not currently have the necessary resources to do so.

Regional Cooperation

Liberia is a member of the Economic Community of West African States which is working towards greater regional cooperation in energy. ECOWAS has approved an Energy Protocol that outlines principles for cross-border energy trade and investment. The West African Power Pool and the West African Gas Pipeline present opportunities for the long-term development of Liberia’s large hydropower potential. The GOL is committed to membership in these organizations and participation in these projects.

The ECOWAS Energy Protocol was approved by the Heads of State of the Member States of ECOWAS in January 2004. Since then, it has undergone various ratification processes in those Member States. Although this is a key document for defining the investment climate in Liberia’s energy sector the country has not yet acceded to the Protocol. This important Protocol provides a ready-made framework for long-term energy sector cooperation among Member States, unimpeded energy transit, and increased cross-border energy trade. Since Liberia’s energy potential, particularly hydropower, once it is fully developed, is likely to remain surplus relative to the country’s domestic energy needs for many years to come, participation in these cross-border projects will generate valuable foreign exchange on a sustained basis.

The West African Power Pool was created by Decision of the ECOWAS Heads of State in December 1999 to address the issue of power supply deficiency within West Africa. Following that Directive, WAPP was guided by a Steering Committee comprised of Energy Ministers of the ECOWAS Member States, and supported by a Project Implementation Committee, comprising Managing Directors of Members States’ utilities, and Technical and Institutional Working Groups. In January 2006, the new WAPP Organization was established, with Member States, including Liberia, executing an Articles of Agreement the following July.

Presently, Liberia’s designation as a Zone B Area gives it a lower priority for interties. It is the desire of the Government of Liberia to elevate that priority such that intertie opportunities become available soon. To that end, it is the policy of the GOL to promote active participation in WAPP, including seeking interties with the power systems of neighboring countries. Through the MLME and LEC, Liberia is already an active participant in WAPP activities. The country is participating in cross-border rural electrification projects that will benefit 18 communities in the counties along the border with Cote d’Ivoire. A major transmission interconnector is planned that will assist Liberia in re-establishing a national grid that will be linked to Cote d’Ivoire, Guinea, and Sierra Leone.

In the gas sector, construction is nearly complete of the West African Gas Pipeline, bringing Nigerian gas to Benin, Togo, and Ghana. The Nigerian gas is being flared or vented currently and represents a relatively low cost and plentiful source of energy which will be used by the recipient countries for power generation.

Energy services are linked to well-being and have the potential to impact almost every area of human life, from increased economic activity to improved child literacy, safe drinking water and women's empowerment. Energy is a critical input in the daily lives of women for their household chores such as cooking and space heating; for agricultural uses, including post-harvest processing; and for rural industry uses such as milling and process heat. Energy poverty is a problem that has a disproportionate effect on women and girls. This paper explores the implications of the prevalent energy poverty for women in developing countries. At the same time, the paper highlights how addressing gender issues in the energy sector can help achieve overall developmental goals, contribute towards achievement of the MDGs, and makes specific recommendations towards gender mainstreaming in the energy sector.

Electricity Sector Reform

Sector Reform Principles and Objectives

Although the Government's desire for universal energy access was expressed decades ago, the reality is that even before the civil crisis access was limited to a privileged few in the main cities and towns. The significant private sector investment in power generation was for individual consumption. LEC had the legal mandate to "engage in the development, generation and transmission of electrical energy, the manufacture, construction and installation of electrical equipment and devices related thereto, and the distribution and sale of said electrical energy and related electrical equipment and devices, to cities, towns and the public in general for heating, lighting, and power purposes."

Ownership of LEC was restricted to the Government, which did not have the ability to provide enough capital to enable the utility to discharge its mandate fully and to extend services to the majority of the population as dictated by the policy. Notwithstanding its legal authority to determine its own rates, fees, and charges, LEC never had the revenue to generate the capital from its own resources. Only 6% of its pre-war generating capacity was dedicated to rural electrification, which in practice was limited to county capitals.

In order to prevent abuse of its considerable self-regulating powers, the law places restrictions on the operational autonomy of LEC. The restricted operational autonomy has had counter-productive results because over the years this has compromised LEC's ability to achieve the expected economic viability and management efficiency.

The current shortcomings in the performance of the electricity sector are a result of the following existing policy inconsistencies:

1. The electricity business is highly capital intensive and yet the law restricts the LEC to 100% ownership by the Government, which has never been able to provide sufficient capital to enable the utility to discharge its mandate;
2. Notwithstanding the Government's explicitly stated desire to provide access to the whole country, the law is silent on the special needs for rural energy investments and hence, minimal attention has been devoted to rural areas in practice. Rural areas are remote and sparsely populated and have relatively lower income levels compared to urban areas and this makes it financially unviable for investors to provide modern energy services in these areas.
3. Although in theory LEC has autonomy to set its own rates, fees, and charges, in practice this is negated by its restricted operational autonomy which in turn restricts the ability of the organization to achieve the management efficiency required for the desired economic viability.

The vision of the universal access to reliable and secure electricity services will be achieved by adopting the following improved policy framework that builds upon the positive aspects of the existing policies and removes the identified weaknesses:

Statements of Policy

1. It is the policy of the Government to accelerate the pace of electrification by facilitating increased private sector investment in the electricity supply industry through the unbundling of the manufacture, generation, transmission, distribution, and retail sale of electricity and encouraging the sale of excess generating capacity from private facilities to neighboring communities.
2. It is the policy of the Government to encourage and support the development and sale of excess electricity generating capacity by private investors, for the benefit of neighboring communities, as part of their corporate social responsibility.
3. It is the policy of the Government to promote regional cooperation in electricity through a wholly or partly publicly owned and efficiently managed national grid company that shall actively participate in the West African Power Pool and other regional and international activities designed to enhance international trade in electricity.
4. It is the policy of the Government to establish a transparent and independent electricity regulatory process that will ensure the safe, secure, reliable, and environmentally-friendly production and use of electricity at cost-reflective but affordable prices.
5. It is the policy of the Government to promote the least-cost development and utilization of the electricity facilities, taking account of the economic, financial, social, and environmental factors and the special need to ensure access by the poor through use of targeted and transparent capital subsidies.

GRID POWER

Access

- (a) The unbundling of the electricity industry will result in transparent costing and pricing of generation, transmission, distribution, and retail sale of electricity, allowing the entry of private sector and community developers into segments of the industry where they are competitive in terms of expertise and resources.
- (b) The Government, with technical assistance from LEC, shall develop a grid development master plan to facilitate the orderly development of the power system by the public, private-sector, and local communities. The grid master plan shall complement the rural energy master plan based on off-grid and renewable energy technology investments.
- (c) The Government shall make maximum use of opportunities for cross-border connections at the distribution level to accelerate the electrification of communities along the country's borders.
- (d) The Government shall allow access to the grid by licensed generators and distributors on terms and conditions designed to incentivize private investment capital.

Quality

The national grid shall be designed and operated to allow safe, secure, and reliable operation when inter-connected with neighboring countries.

Cost

- (a) The Government shall ensure the long-term financial viability of efficiently managed electric utilities by allowing full-cost recovery from those who are able to pay and providing explicit subsidies targeted at those with limited ability to pay.
- (b) The Government shall undertake long run marginal cost (LRMC) studies as a tool for the least-cost development of the power system. The LRMC is theoretically the cost of providing for an indefinite increase in demand but in practice is estimated using the incremental cost of expanding capacity to meet demand over a defined long-term planning horizon. Operators shall be free to set their own prices, subject to costs allowed by the regulatory board. Where feasible the regulator shall encourage free and fair competition to enable consumers to get the best prices.

Institutions

- 1) The Government policy-setting functions for grid-based electricity shall be exercised through a Grid Power Unit within the MLME's Department of Energy.
- 2) The Government shall issue investment and operating licenses for independent power producers, independent power transmission and distributors whose operations shall be monitored by the Energy Regulatory Board. The ERB shall be resourced adequately to perform its mandate of monitoring of costs, review of plans, and quality standards and promotion of fair competition, including dispute resolution among stakeholders.
- 3) To facilitate the involvement of the private sector in generation, distribution and retail functions – the competitive aspects of LEC's business – the Government shall consider and implement several privatization options, which shall include but not be restricted to, management contracting, BOT (Build, Operate, and Transfer), BOO (Build, Own, and Operate), and BOOT (Build, Own, Operate, and Transfer).
- 4) Because of the monopoly nature of the national grid and the inter-governmental relationships involved in regional cooperation activities it shall be necessary, for the foreseeable future, for the Government to maintain significant ownership of a restructured, operationally efficient, and financially viable LEC as the national grid company. In this capacity the LEC will be the country's utility representative in WAPP and other regional and international forums for cooperation in electricity. With this strategy the country will position itself to develop its large hydropower potential.
- 5) To facilitate the development of large-scale hydropower for local and export demand, the Government shall, at an appropriate time, establish a Saint Paul River Authority or Liberia River Authority (LRA) which will be a public/private partnership, modeled on the federally directed Tennessee Valley Authority in the United States or Ghana's Volta River Authority.
 - a) The SPRA or LRA will focus on river basin management and facilitating hydropower development and will not diversify into thermal power generation as TVA did.
 - b) The Authority will effect a wholesale economic transformation of the country by developing large-scale hydropower potential of the nation's river basins, estimated at over 1000 MW by several studies conducted before the civil crisis. This should fuel Liberia's economy, as well as provide power for export and thereby generate valuable foreign exchange, and develop ancillary irrigation systems that will generate employment in agriculture and other high value agro-processing industries. In addition, the development of reservoirs will allow for development of a tourist industry and job creation for fishing, boating, wildlife management, and related economic activities.

- c) The Authority will have oversight authority, excluding licensing, for all development activities affecting both upstream and downstream portions of the Saint Paul and other river basins, including the revitalization of the Mount Coffee hydropower plant in a manner consistent with optimal development of Liberia's water and hydroelectric resources.

OFF-GRID POWER AND RENEWABLE ENERGY

Access

To avoid the historical neglect of remote and low income rural communities the Government shall establish special incentives and financing mechanisms to facilitate the availability of affordable electricity supplies. The development and growth of private and community-owned rural energy service companies shall be supported. The Government recognizes the need to provide efficient non-electric energy resources for those communities that will, for the foreseeable future, not have access to the grid or off-grid electricity due to affordability and resource constraints. Examples of non-electric energy resources that could be considered include high-efficiency charcoal or biomass stoves for cooking. Low cost but efficient solar lanterns will be promoted for lighting. To generate employment and help to raise incomes for such communities, the Government will prioritize the use of modern energy services for productive activities. With increased incomes, demand for modern energy services for enhanced quality of life will increase naturally.

Quality

To protect customers the Government shall establish and enforce technical standards for renewable energy technologies used for off-grid electrification. The Government shall also establish a licensing system for installation contractors.

Cost

The Government shall adhere to the policy of cost-reflective but affordable pricing. Operators shall be free to establish their own prices subject to costs allowed by the ERB and pricing principles designed to facilitate access by the poor. Appropriate financing mechanisms will need to be established to support all economically and socially acceptable rural energy projects regardless of financial viability. Targeted subsidies in the form of grants, low interest loans or guarantees shall be utilized to allow access by the poor.

Institutions

- 1) The Government shall establish an Off-Grid Power and Renewable Energy Unit in the MLME (within the Division of Electricity and Renewable Energy) and a Rural and Renewable Energy Agency and its associated Rural Energy Fund as institutions dedicated to provide the special support required for remote and low income communities.
- 2) The RREA, which shall be responsible for managing the REFUND, shall provide technical and financial support, but the actual delivery of services will be undertaken by the public and private sectors, and community developers, with the regulatory oversight of the ERB.

Petroleum Sector Reform

Sector Reform Principles and Objectives

The Government's institutional framework for the petroleum sector comprises an office responsible for hydrocarbons in the MLME and two state-owned enterprises dedicated to upstream operations (NOCAL) and downstream operations (LPRC). In many countries which have human and material resource constraints similar to those facing Liberia the upstream and downstream operations are undertaken within one company. This has the advantage of reducing institutional costs and overheads.

In the upstream sub-sector petroleum exploration and development is one of the highest priorities for the nation. Although the history in Liberia shows that there was minimal attention given to upstream operations

until a dedicated institution for that sub-sector was created, one of the major lessons that have been learned from experience is that the Government needs to be more involved in the upstream sector to ensure that the public interest is protected. On the other hand, in the downstream operations the focus is to unbundle in order to facilitate the maximum private sector investment that is urgently required. The remaining functions can then be more efficiently undertaken by a single corporation that has responsibility over both upstream and downstream operations. Subject to the necessary legislative process, the GOL will create such a corporation to be the successor to NOCAL and LPRC.

Because the law does not provide for separation of policy-setting, monitoring, and operational roles, both the MLME and NOCAL are involved in policy setting in the upstream sector. The MLME chairs the Inter-Ministerial Petroleum Technical Committee (IMPTC) that analyzes the technical issues related to applications for licenses and concessions. The IMPTC is the technical arm of the Inter-Ministerial Concessions Committee (IMCC) which makes the final recommendations, in accordance with applicable laws, regulations, and procedures, to grant the licenses and concessions. NOCAL receives applications from interested investors, submits them to the IMPTC, to which it provides technical advice, and then supervises the implementation of the resultant concession agreements. Except for NOCAL's conflict of interest explained in more detail below, and the need to have a more formally defined role for the sector ministry, this licensing process, which is in accordance with the Public Procurement and Concessions Act (PPCA), works very well and the Government shall also adopt it for the licensing of the electricity sector and downstream operations.

With the creation of an independent regulatory body, the Energy Regulatory Board, it will be necessary to amend the Petroleum Law to vest explicitly the policy setting functions in the MLME, policy monitoring role in the ERB, and the commercial operational functions in NOCAL or its successor. The main problems with the Act which established NOCAL and the New Petroleum Law under which it is operating are in consistencies and, in some instances, violation of international best practices:

1. Those Acts empower NOCAL to grant petroleum rights to itself as well as to other companies. In essence, companies may compete with NOCAL in the allocation of petroleum blocks. This makes NOCAL a “player and referee at the same time.”
2. Blanket powers were given to NOCAL to “...undertake planning for the orderly, rational and optimized development of the petroleum and energy requirements of the Republic of Liberia.” This conflicts with one of the functions of the Minister of Lands, Mines and Energy.
3. The Act empowers NOCAL to participate in downstream petroleum activities. With the existence of the LPRC, two public corporations are in charge of the same sub-sector.
4. There are also concerns about budget, especially if oil is found. As a public corporation, NOCAL will legally have the right to expend millions or billions of oil revenue, as long as it has the approval of the Board of Directors.
5. The Petroleum Law is also inconsistent in its discussion of the signatories required to make petroleum contracts binding on the state. The Law mentions nothing of Legislative Ratification of Petroleum Agreements.

There are other issues in the Petroleum Law which have to be addressed to make Liberia competitive for private sector investment in the upstream sector, such as the Government's free equity, mandatory bidding requirements for blocks, and other petroleum contracts.

To underscore the country's desire to achieve international best practice in terms of transparency and good governance, Liberia has joined the Extractive Industries Transparency Initiative, which is a verifiable commitment to ensure the transparent and effective disclosure and use of revenues generated by its natural resources.

In the downstream sub-sector there have been significant improvements since 2006. The main problems concern the quality of the petroleum products and lubricants, dilapidated storage and pipeline facilities, and legal provisions that create conflicts of interest by giving LPRC functions that overlap policy setting, monitoring, and implementation. Therefore, the main issues for the downstream sector are the unbundling of LPRC operations to facilitate privatization and the review of the enabling legislation to remove current inconsistencies. The following specific actions are to be undertaken:

1. Amendment of LPRC's corporate charter to limit its monopoly role in overseeing: the physical importation of petroleum products and lubricants; the requisite offloading and handling facilities at the port (including all pipelines); the ownership of storage tanks and other ancillary facilities; the further offloading onto trucks for wholesale distribution; and responsibility for meeting all safety and environmental laws, rules, regulations on any of the above activities.
2. Transfer of the legal authority to manage and operate the jetty-to-shore pipeline and the rehabilitation and operation of the jetty piers from the Monrovia Port Authority to the LPRC or another licensee after international competitive bidding.
3. Transfer to ERB of all regulatory oversight of petroleum product and lubricant quality, regulation of all tank cars moving such products to enforce compliance with safety and environmental laws, rules, and regulations, as well as monitoring of retail outlets to ensure quality standards, proper calibration of pumps, etc.
4. Rescission of LPRC's right to issue import licenses and transfer of this authority to the Inter-Ministerial Committee chaired by the MLME, which will be responsible for establishing transparent licensing criteria, with LPRC serving as technical advisor as required.
5. Scrapping of LPRC's old refinery, which has been out of commission even before the commencement of the civil conflict and was severely looted during the years of unrest, and allowing private investors to explore investment opportunities for construction of a new refinery focused on the export market because the domestic demand at present is relatively small.

Statements of Policy

1. Given the Government's limited human, financial, and material resources and infrastructure, upstream and downstream petroleum operations (exploration, production, and refining, wholesale and retail operations) shall be undertaken by a single state-owned corporation operating in partnership with domestic and international private enterprise.
2. It is the policy of the Government to ensure transparent and independent regulatory oversight by vesting policy setting functions in the MLME, policy monitoring functions in the Energy Regulatory Board, and limiting the role of public and private companies to policy implementation.
3. It is the policy of the Government of Liberia that environmental protection is exercised to the maximum extent possible throughout all aspects of petroleum exploration and development. Petroleum exploration and development should be conducted within sound principles of resource

conservation together with due regard for the health and safety of workers, marine and other waterborne wildlife, and surrounding communities. Where laws need modification to ensure such environmental protection, it is the policy of the Government that this be made a critical priority of both the legislative and executive agencies.

4. It is the policy of the Government that throughout the entire process of petroleum exploration and extraction there should be transparency of procedure and accountability to the Liberian people.

Upstream Operations

Access

For the purpose of oil exploration, the country has been divided into 17 blocks which extend from the continental shelf into deep water. These are allocated to petroleum exploration companies on the basis of international competitive bidding. As incentives, the winning bidders are offered internationally competitive terms in Production-Sharing Agreements (PSAs) where they get the bulk of the revenues in the initial years in order to recoup their development costs.

Quality

Tendering for exploration blocks shall be based on transparent international competitive bidding.

Cost

All operations shall be monitored by the ERB to minimize adverse impacts on health, safety and environment.

Institutions

- a) Under the proposed reforms, the MLME, acting through the Hydrocarbons Division (Upstream Operations Unit), shall be the Procuring or Concession Entity for the purposes of the PPCA.
- b) The MLME shall assume responsibility for policy formulation, setting the terms and conditions of companies desiring licenses for exploratory drilling, exploration, and commercial development.
- c) Based on these criteria, internationally competitive tenders for access to various areas of the country, including both onshore and offshore activities, shall be issued and bids processed in accordance with the regulations.
- d) Any fees, royalty payments or drilling bonuses from the resultant agreements that include concessions, leases, and production-sharing agreements relating to petroleum exploration and development, are public funds that shall be collected according to prevailing revenue legislation. A percentage of the funds collected, to be specified in regulations, shall be allocated as a contribution towards rural energy development.

The assumption of the above functions by the MLME will require the amendment of the existing legislation establishing NOCAL and LPRC which are currently vested with these policy setting functions.

- 1) The GOL shall create a new state-owned enterprise, the Liberia National Oil Corporation that shall take over the technical and commercial operational functions of NOCAL and LPRC that do not relate to the GOL's policy setting and monitoring roles.
- 2) NOCAL's residual functions shall be undertaken by LNOC's department of upstream operations, and those of LPRC shall be undertaken by LNOC's department of downstream operations.
- 3) LNOC shall provide technical advice to the Government in determining licensing criteria and during the processing of applications for licenses and concessions. LNOC shall continue NOCAL's present function of reviewing technical proposals from the international oil and gas industry and providing them with the best geophysical and other data available to the Government. If commercial discoveries are made, LNOC staff, working as production-sharing contractors, will represent the Government's

financial interest. Revenue accruing from Liberia's share of PSAs or other payments will be sent to the Ministry of Finance (MoF).

- 4) LNOC shall also be called upon to advise MoF, MLME, and ERB on the implementation by licensees of the terms and conditions of their concessions, PSAs, or other contract terms. If deficiencies are found, these shall be referred to the ERB for resolution.
- 5) LNOC's operating budget shall be funded from revenues derived from the licenses and other fees with any deficit being made up from funds allocated from the national budget.
- 6) LNOC's board shall comprise of technical and managerial qualified people from the private sector and be responsible for preparing the budget and submitting through the MLME for GOL approval in accordance with standing regulations.
- 7) The board shall provide operating reports and audited accounts to the GOL through the Ministry's Division of Hydrocarbons.

Downstream Operations

Access

In order to expand access to both urban and rural areas, various options are to be considered, such as partial or full privatization of the LPRC, or unbundling the operations of the LPRC into various functional companies and privatizing some of these businesses. The RREA shall actively promote and support commercial delivery of quality petroleum products and lubricants through rural energy service companies.

Quality

Based on standards established by the Government, the ERB shall establish a monitoring system to ensure accuracy of gauges, quality of products, and compliance with safety and environmental regulations.

Cost

The Government shall ensure that the pricing of petroleum products is determined using a transparent formula and the costs to be recovered shall be subject to regulatory oversight by the ERB.

Institutions

The Government shall exercise policy setting functions for this sub-sector through the Downstream Operations Unit in the Division of Hydrocarbons of the MLME. LPRC's functions that are not privatized or transferred to the MLME shall be undertaken by LNOC. The LNOC's downstream operations department shall be the technical advisor to the Government, performing the same role in the licensing and regulatory process as that described for the upstream sub-sector. Similarly, any public funds from downstream operations shall be collected in accordance with prevailing revenue legislation.

Rural and Renewable Energy Development

Sector Reform Principles and Objectives

The major constraints to the delivery of rural energy services are affordability and remoteness. Rural areas are characterized by relatively low income levels due to underdeveloped economic potential. Many rural communities are difficult to access owing to poor transport and communication infrastructure. Consequently, commercial energy service providers, who operate on the basis of financial viability, tend to avoid serving remote and low income rural areas.

Without dedicated institutions that are resourced to deal with the special challenges of energy provision for the rural poor, the rural communities will continue to be neglected. Accordingly, the Government will establish, by law, a Rural and Renewable Energy Agency and Rural Energy Fund to support all economically viable, socially acceptable, and environmentally friendly rural energy projects and programs regardless of financial viability. The focus on renewable energy is due to the fact that off-grid and renewable

energy technologies offer the best solution for remote communities and will complement the targeted subsidies that will address the issue of affordability.

While electricity will be the major focus of the rural energy activities of the RREA, care will be taken to ensure that balanced attention is given to non-electrical options, hence the creation of an “Energy” rather than an “Electrification” agency. This is in recognition of the reality that many rural people are too remote and too poor for regular electricity supply to be a feasible energy option for them in the short to medium term. These people can still attain a higher quality of life through affordable solar lanterns and LED lighting and more efficient and less labor-intensive non-electrical energy technologies, such as efficient charcoal and wood stoves.

One of the most important tools for the RREA and REFUND will be a Rural Energy Master Plan, which will provide a prioritized development program to achieve universal energy access. Together with a Grid Development Master Plan, the country’s long-run marginal cost can then be derived to serve as a strategic planning guide.

The day-to-day operations of the RREA shall be managed by a board appointed by the Minister with the consent and advice of the President. The MLME shall provide policy guidance through the Office of Off-grid Power and Renewable Energy. The ERB shall provide regulatory oversight which will take account of the need for simplified licensing and monitoring procedures for small installations (less than 500 kW or some threshold determined from operational experience).

The ultimate goal of the RREA and the REFUND is to ensure that every household, commercial enterprise, and social and administrative center in every village and town of every district of every county has access to affordable, sustainable and environmentally friendly modern energy services.

Statements of Policy

1. It is the policy of the Government to facilitate and accelerate the economic transformation of rural Liberia by establishing a semi-autonomous agency dedicated to the commercial development and supply of modern energy services to rural areas with an emphasis on locally available renewable resources.
2. It is the policy of the Government to support the development of all economically viable, socially acceptable, and environmentally friendly rural energy projects regardless of financial viability. Social acceptability shall include the need to provide preference to projects by Liberian nationals and those that take account of diversity and national interest.
3. It is the policy of the Government to ensure that the utilization of biomass and other renewable resources for energy does not contribute to deforestation or to food insecurity and will adopt appropriate environmental and agricultural support strategies such as tree replanting programs and limiting biofuel production to non-edible plants or food crops that are surplus to requirements.
4. It shall be the policy of the Government to prioritize projects on the basis of economic, demographic, and geographical criteria designed to ensure enhanced access with equity.

Rural and Renewable Energy Agency

Purpose

- (a) The Rural and Renewable Energy Agency shall facilitate and accelerate the economic transformation of rural Liberia by promoting the commercial development and supply of modern energy services to rural areas with an emphasis on locally available renewable resources.
- (b) The agency shall have an operational role under the oversight of the ERB and the policy direction of the MLME.
- (c) The RREA's principal functions will be the planning and financing of projects to be implemented by public, private, and community developers. Secondary functions will include educating the general public about renewable energy as well as rural energy options and opportunities. In regard to the latter, the RREA will facilitate capacity building among potential rural energy service companies, including training in financial controls and general business management.

Planning

The RREA shall prepare rural energy master plans which will integrate energy into rural development planning and other cross-cutting issues such as gender considerations, biomass use for food versus fuel, energy efficiency, and environmental protection, including deforestation safeguards; promote research and development of renewable energy technologies; recommend policies and standards for renewable energy equipment and service provision; and establish a central repository or one-stop center for all information on rural energy activities in the country.

Financing

The RREA shall facilitate the funding of rural energy projects, including managing a Rural Energy Fund that will provide low interest loans, loan guarantees, and grants as targeted subsidies to ensure access by the poor. The operations of the RREA shall be supported by the REFUND.

Projects

The RREA shall provide technical assistance to support the development, operation, and maintenance of rural energy products and services delivered through rural energy service companies and community initiatives.

Rural Energy Fund

Purpose

- The REFUND is to be established by law to provide for the coordinated and sustainable financing of projects and programs for the delivery of modern energy services for rural development. Once the REFUND has been established, it shall become the channel through which all domestic and international financial resources intended for rural energy delivery in Liberia shall be managed.
- The REFUND's main distinction from other funds is the focus on economic viability, including environmental and social benefits, regardless of financial viability. Prioritization of projects on the basis of economic viability will ensure that the income generation programs supported by initial investments will be able to contribute financially to subsequent projects. It is also important, however, to consider demographic and geographic criteria in order to ensure growth with equity.
- Where projects are of the same order of economic viability, preference shall be given to those serving more people. Where the projects serve approximately the same number of people, preference shall be given to those serving more than one village, district, or county.

Sources and Uses of Funds

- (a) The REFUND will mobilize funding for rural and renewable energy services through the following mechanisms:
 - i) *Domestic*: Energy taxes, levies, and fees; general taxes; user fees and capital contributions; voluntary corporate social responsibility contributions.
 - ii) *International*: Traditional bilateral and multilateral loans and grants; carbon finance.
- (a) The three main uses of the REFUND will be:
 - i) Capacity building – This will be based on grant funding and includes support for the operating budget of the RREA, marketing and promotion of renewable energy technologies, and technical assistance (research and development, feasibility studies, business planning, training and development, etc.).
 - ii) Project and consumer finance – This includes provision of grants to match community contributions for approved rural and renewable energy projects and programs; provision of subsidized loans for projects that cannot be funded through commercial financial services; provision of consumer loans through micro-credit financial institutions.
 - iii) Risk management – This includes provision of partial or full guarantees for approved rural and renewable energy projects and programs that can be funded through commercial financial services but where the project promoters do not have the collateral needed.

Fund Management

The RREA will provide the day-to-day management for the REFUND. The RREA board will follow the standard procedures employed by commercial financial service providers in the processing of applications for funding. The management and staff of the RREA will include people trained to analyze projects and vet the creditworthiness and integrity of applicants. A Fund Management Committee will be established that will include non-board members selected for their expertise, interest, and commitment, for example representatives of donor organizations, senior executives, and experts in financial services and technical experts in renewable energy technologies.

Institutional and Regulatory Framework

Institutional and Regulatory Reform Principles and Objectives

Energy Stakeholder Roles

The fundamental principle in establishing transparency, independence, and objectivity in decision making is separation of the roles of policy making, policy implementation, and policy monitoring. This is a principle which has been validated by many years of practice in national governance where there is a separation of the branches of government between the Legislature (law making), the Executive (law implementation), and the Judiciary (law interpretation).

Policy making is concerned with the establishment and review of guiding principles. Energy policy making includes the development of energy master plans, pricing principles and quality standards, and the granting of investment and operating licenses and concessions. Policy monitoring is the process of ensuring compliance with the guiding principles, plans, and standards.

The process of making policies shall involve coordination of input from different stakeholders. Therefore the MLME shall, through its Policy and Planning Division, reconvene the National Energy Committee. Chaired by the MLME, the NEC shall comprise relevant ministries and government agencies, NGOs, and

development agencies. The NESF recommended the following – Ministries of Planning and Economic Affairs, Agriculture, Internal Affairs, Finance, Education, Health and Social Welfare, Labor, Commerce and Industry, Transport, and Gender and Development; LEC; NOCAL; LPRC; EPA; Forestry Development Authority; National Fire Service; Conservation International; Center for Sustainable Energy Technology; and international development agencies. Representatives of development agencies would not be involved in policy making but would be invited for their expertise and to share their countries' experiences.

Once policies, rules, and plans have been established, the actual implementation will be executed or supervised by the relevant sector agency and monitored by the ERB. While the ERB shall not make policies, plans, or standards, the board shall have the responsibility of interpreting and enforcing them – a process analogous to the functions of a judge in a court of law. The ERB shall, however, develop and recommend the procedures, guidelines, and regulations to be followed in implementing policy. The ERB shall also provide policy recommendations based on the experience gained in interpreting and enforcing policies and laws. The ERB shall therefore work closely with the MLME's unit responsible for policy and planning.

Ensuring Transparency and Good Governance

Practices in the Energy Sector Achieving transparency and good governance is probably the greatest challenge for the Government in the effort to enhance energy access through private sector investment. What is critical is the enforcement of rules and regulations designed to achieve transparency and good governance. Actions that Government will undertake to provide investor confidence include the following:

1. To ensure transparency and good governance of the ERB and public utilities, the appointment and reporting relationships of the boards and principal officers shall avoid conflict of interest by respecting the separation of stakeholder roles. Accordingly, the boards of the ERB and public utilities, which are policy monitoring and policy implementation bodies respectively, shall not comprise government ministers and other officials responsible for policy setting. The Government shall appoint independent people from the private sector with the relevant technical and managerial skills required. The boards shall be appointed by the President on the advice and recommendations of the Senate based on a shortlist submitted by the Minister responsible for energy.
2. Budgets for all sector agencies owned by the Government shall be submitted to the MoF through the MLME for approval. Once approved, the boards shall have the operational autonomy to utilize approved budgets, subject to periodic operational, financial, audit, and other reports which the regulatory body and the Minister may require for their policy monitoring and policy setting duties.
3. All evidence of corruption, abuse of office, and mismanagement of public resources shall result in immediate and non-discriminatory corrective action. Some of the more common abuses that are relevant to the energy sector include failure to adhere to procurement procedures, failure by Government and senior public officials to pay for energy services on time or at all, discrimination in application of disconnection policy, failure to enforce laws relating to the theft of service (electricity) or adulteration of products (petroleum), and failure to dismiss inefficient or corrupt public officials.

Improving the Financial Environment for Energy Sector Investments

This is an issue of communication because Liberia has a uniquely advantageous financial environment for energy sector investment due to the fact that the country's long run marginal costs are lower than current prices – an unintended but advantageous consequence of the civil crisis. The usual situation is the other way around because developments are generally made on a least-cost basis, with the more expensive

options being developed after the lower cost options have been exhausted. In many countries, the situation is made worse where the Government has been subsidizing energy prices. This means that the cost of new investments inevitably results in significant increases in prices and hence, there is usually a lot of political resistance to private sector investments as they are associated with increased prices.

In Liberia, the civil crisis destroyed the low-cost energy options and people are now very much aware of the much higher cost of having to provide the energy through other means. Liberians with access to modern energy services are paying prices that are much higher than would be the case after significant investment into larger capacity generating units. This means that private sector investments will lower prices and enhance affordability thereby generating popular support or minimizing political resistance normally associated with the introduction of private sector investment and its requirement for cost-reflective prices.

The policy validation workshops also confirmed that there is a strong willingness and ability to pay for energy even among the very poor. This is because they are already paying high costs for inferior alternatives. People just need incentives to prioritize energy in their budgets. Again, emphasizing the key role of transparency and good governance, workshop delegates emphasized that people would happily mobilize their own financial resources if they had confidence in the integrity of the people and institutions handling the money.

Statements of Policy

1. It is the policy of the Government to provide an enabling legal and regulatory framework that will guarantee that an efficient operator can profitably provide affordable and environmentally-friendly energy services and products of the highest quality to the whole population.
2. It is the policy of the Government to establish a transparent and independent regulatory process by separating the roles of policy setting, policy implementation, and policy monitoring.
3. It is the policy of the Government to vest the policy setting function in a department of energy that is resourced adequately to deal with all the sector and cross-cutting issues. Policy setting shall include the development of plans and licensing criteria as well as the issuing of licenses that are consistent with the plans and license criteria. For transparency, the plans and licensing criteria shall be made public as part of the regulatory body's functions and the regulatory body shall adjudicate, with appeals to the courts if necessary, on any grievances arising from the licensing process.
4. In the granting of licenses, it is the policy of the Government to give preference to projects that provide maximum involvement and benefit to Liberian nationals and that take account of diversity and national interest.
5. It is the policy of the Government to vest the policy monitoring functions, involving examining and enforcing compliance with licenses, leases, concessions, plans, and standards, in an independent energy regulatory board established by law and whose principal objective will be to balance the interests of investors, consumers, and other stakeholders.
6. It is the policy of the Government to involve policy monitoring and implementation stakeholders in the policy making process and, towards this end, the Government shall establish a forum for multi-sector coordination through reconstituting the NEC.

Restructuring of the Ministry of Lands, Mines And Energy

There are three Deputy Ministers responsible for administration, operations, and planning, respectively. Reporting to the Deputy Minister for Operations are four Assistant Ministers responsible for energy, lands, mines, and mineral exploration. This structure overburdens the Deputy Minister for Operations. The proposed structure corrects this by elevating each of the core functions of the Ministry to the level of Department under the oversight of a Deputy Minister reporting directly to the Minister. It is however noted

that there are proposed public sector reforms recommended by the Governance Commission which, if adopted, will result in the phasing out of the short-term political post of Assistant Minister. The technical management of each Department shall then be undertaken by a Director reporting to a Principal Administrative Officer (PAO), both permanent civil service posts. The general financial and administrative support functions for the Ministry shall be undertaken by a Director reporting to the PAO.

Although the structure shows the Deputy Minister for Energy having oversight over the Energy as well as the Water and Environment Departments, the latter functions are currently under the oversight of the MLME's minerals division. The appropriate location of these functions is a matter of policy that is outside the scope of this document. This NEP provides details on the energy department and the details of the other departments are separately addressed in the Lands Policy and Mines Policy respectively. The proposed structure of the energy department is in Annex 4. It is designed to ensure that there is adequate attention to all cross-cutting issues as well as those relating to each energy sector. With this structure there are clear reporting lines for all public utilities and other energy sector agencies.

Principal Administrative Officer for Lands, Mines and Energy

Under the proposed reorganization of the public service, a new position, Principal Administrative Officer for Lands, Mines and Energy, will be created, which reports directly to the Minister. The PAO, acting in accordance with authority delegated by the Minister, oversees the Ministry's operational, financial, administrative, and other related functions of the GOL as defined in the NEP and supporting legislation. The PAO, who will be a permanent civil servant with relevant professional expertise and experience, will function as the Ministry's Chief Executive Officer. The Minister, working in collaboration with the Deputy Ministers, shall function as the board of directors of the Ministry providing policy guidance and exercising general oversight responsibility in accordance with the applicable governing laws.

Director of Energy

The Director of Energy is a new position reporting to the PAO. The Director is the head of the Department of Energy, which is responsible for the following duties:

1. ***Policy development and planning:*** Development and review of energy policies, quality standards, and master plans based on recommendations from all stakeholders; convening of National Energy Committee meetings; and liaising with the Energy Regulatory Board.
2. ***Licensing:*** Coordination and administration of all support services required for the issuing of licenses and concessions in the sector; this includes but is not restricted to establishing licensing criteria and procedures with technical assistance from the government energy agencies, facilitating the processing of applications for investment and operating licenses.
3. ***Monitoring and evaluation:*** Measurement of the impacts and benefits of energy sector policies through regular reviews of government energy parastatal reports (budgets, operations, audits, policy recommendations, etc.) as well as reviewing the activities of private players in the sector.

In the processing and granting of licenses and concessions in the energy sector, the Director of Energy, supported by the relevant divisions and units of the energy department, shall be the principal adviser to the Minister, ensuring that the requirements of the Public Procurement and Concessions Act are followed. The MLME shall develop the rules, regulations and procedures for the issue of licenses and concessions and recommend for approval by the Public Procurement and Concessions Commission. Following approval the MLME shall ensure that these are well publicized.

The Department of Energy shall have at least three divisions managed by Assistant Directors – the Division of Hydrocarbons with oversight responsibility over the petroleum sector, the Division of Electricity and Renewable Energy to look after the electricity sector and promote the development of renewable energy resources, and the Division of Energy Policy and Planning to look after all the cross-cutting issues.

Division of Hydrocarbons

Purpose

This division shall have the following principal functions:

1. ***Petroleum sector policy and plans***: Development and review of policies, quality standards, and master plans for upstream and downstream operations.
2. ***Petroleum investment and operating licenses***: With technical assistance from the government energy agencies and parastatals, establishing licensing criteria and procedures for upstream and downstream operations; processing of applications for investment and operating licenses.
3. ***Oversight responsibility over public and private sector operators in the sub-sector such as NOCAL, LPRC and the proposed successor company, the LNOC.***

Upstream Operations Unit: This unit is to be set up once the volume of work justifies the need for dedicated staff.

Downstream Operations Unit: This unit is to be set up once the volume of work justifies the need for dedicated staff.

Division of Electricity and Renewable Energy

Purpose

This division shall have the following principal functions:

Electricity sector policy and plans – Development and review of policies, quality standards, and master plans for grid and off-grid and renewable energy investments.

Licenses for generation, transmission, distribution, and supply of electricity – Establishing licensing criteria and procedures with technical assistance from the government energy agencies and parastatals.

Oversight responsibility over public and private sector operators in the sub-sector such as LEC, RREA, SPRA or LRA. Due to human resources and financial constraints, and to avoid creating unnecessary central bureaucracy, the division's work shall start off by being handled in one office.

Grid Power Unit: This unit is to be set up once the volume of work justifies the need for dedicated staff.

Off-Grid Power and Renewable Energy Unit: This unit is to be set up once the volume of work justifies the need for dedicated staff.

Division of Energy Planning and Policy

Purpose

This division shall have the following principal functions:

1. Coordination of energy planning and policy development – Development and review of National Energy Policy and Energy Master Plan documents; convening and following up on recommendations from the National Energy Committee.
2. Cross cutting issues – Energy efficiency, conservation and environment; gender issues.
3. Reporting for ERB – Liaison office for regulatory policy issues and recommendations; for independence, ERB's operating reports and budgets shall be approved by an appropriate committee of the Legislature. This is because the ERB's policy monitoring role includes oversight over the Executive Branch's policy setting process.

Due to human resources and financial constraints, and to avoid creating unnecessary central bureaucracy, the division's work shall start off being handled in one office.

Energy Planning and Policy Unit

- This unit is to be set up once the volume of work justifies the need for dedicated staff.

Energy Efficiency, Conservation & Environment Unit

- This unit is to be set up once the volume of work justifies the need for dedicated staff.

ENERGY REGULATORY BOARD

Purpose

Reporting to the Office of the President and the appropriate committee of the Legislature, the Energy Regulatory Board shall ensure a balance between stakeholder interests by monitoring the implementation of policies, plans, quality standards, and license provisions. The ERB shall discharge its mandate by undertaking the following principal functions:

1. ***Economic regulation***: Monitoring of costs and enforcement of pricing principles; promoting fair competition and regional trade; making recommendations of pricing principles.
2. ***Technical regulation***: Monitoring and enforcing of technical standards for products and services (safety, security, reliability, service responsiveness); recommending technical standards.
3. ***Dispute resolution***: Consumer protection; investor protection; complaints handling; litigation.
4. ***Stakeholder relations***: Information and publicity; administrative support services for the ERB.

Office of Economic Regulation: Cost monitoring and enforcing pricing principles: It is important to note that the ERB role is not to establish prices, because these are automatically established by the policy requirement for cost-reflective pricing. The role of the ERB is to ensure that only the minimum allowable costs plus a fair rate of return are passed on to the customer. This will be done by reviewing budgets and

investment plans developed by the different sector agencies whose operations are subject to the ERB's oversight. The rest of the economic regulatory functions can be added as capacity is built.

Office of Technical Regulation

Monitoring and enforcing of technical standards: The ERB will need to employ technical experts who are sufficiently knowledgeable in the different energy technologies to be able to assess the reasonableness of technical standards and to supervise technical studies by consultants hired by the ERB to review standards for energy products and services. The actual standards will be established by the Government as part of its policy making function. The Bureau of Standards will work with the Department of Energy in developing quality standards appropriate to the provision of energy products.

Office of Legal Affairs and Dispute Resolution

Dispute resolution: This is the Office that specializes in disputes related to the provision of energy services and products; appeals from the ERB are to be made to a competent court of law. Only questions relating to whether ERB acted in accordance with its charter shall be challenged in court. The Office shall also be involved in the drafting and review of laws and regulations and developing the procedures for the operation of the ERB.

Office of Administrative Services: Information and publicity; support services for ERB operations.

Legal Framework

Purpose

The purpose is to provide clear and enforceable legal provisions to facilitate the implementation of the National Energy Policy.

New Energy Law

This is a law to promote the orderly development of the energy sector in accordance with the National Energy Policy and to establish the ERB, the body responsible for regulating the energy sector in accordance with the sector laws. It should be noted that similar regulatory bodies are also designated as an Authority, Agency, or Commission. The appropriate designation of the regulatory body shall be determined through stakeholder consultations during the legislative process.

New Electricity Law

The objective of the new law, which shall be a chapter of the Energy Law, is to regulate and promote the development of the electricity sector, to review the mandate of LEC in line with the National Energy Policy, create the successor company to LEC, and to provide for the establishment of the SPRA or LRA at an appropriate time.

New Petroleum Law

The objective of the new law, which shall be a chapter of the Energy Law, is to regulate and promote the development of the petroleum sector and to review the mandate of NOCAL and LPRC in line with the National Energy Policy, create the successor company, the Liberia National Oil Corporation, at an appropriate time.

New Renewable Energy Law

The objective of the new law, which shall be a chapter of the Energy Law, is to regulate and promote the development of the renewable energy sector and to establish the RREA and REFUND at an appropriate time.

Strategic Roadmap

Small Light Today, Big Light Tomorrow

President Ellen Johnson Sirleaf, in the dedication ceremony for the re-establishment of public power supply in Monrovia on July 26, 2006, summarized the strategic roadmap with the phrase “Small light today, big light tomorrow.” This NEP provides the way forward from the small light to the big light.

The small light has been made possible through grant funding and the Government’s own limited funds. In contrast, the bulk of the funds required for the big light will come from loans borrowed from banks. Therefore, while the small light has been a result of political and commercial decisions, the big light will be the result of decisions by banks. A decision to commit grant or equity funds is based on a balance of probabilities, analogous to the standard of proof in a civil court of law. A decision to commit debt funds is based on proof beyond reasonable doubt, analogous to the more onerous standard of proof in a criminal court of law. The focus of this NEP is to create the environment for bankable projects that will stand the exacting scrutiny and analysis by lenders.

The Government has adopted a three-pronged strategy towards the realization of the vision outlined in the NEP – the short term (emergency phase), the medium term (capacity building phase), and the long term (development phase). The three phases are defined by the role that Liberians have been and shall be playing in the implementation of the energy policy. In the emergency phase, Liberians have been recipients of grant funds and technical and management expertise (the donors have been providing fish). In the capacity-building phase, the Government will focus on building local expertise and institutions to enable them to replicate the donor-funded managerial and technical expertise (donors will be teaching fishing). This expertise will then launch the country into the long-term development phase when the country expects to realize its vision of universal access to modern energy services for all (Liberians will be fishing for themselves).

Statements of Policy

1. It is the policy of the Government to keep its promises by undertaking all actions required to ensure visibility and maximum participation of Liberian stakeholders in the implementation of the NEP.
2. It is the policy of the Government to adopt an implementation timeline to serve as a reference for performance measurement in the implementation of the NEP.

Emergency Phase

The emergency phase was launched in January 2006 and is now coming to an end with the finalization of the National Energy Policy. Although during this phase several pilot projects have been implemented and a few individuals and communities have been able to benefit, the main achievement from a national point of view has been the development of this energy policy, which is to serve as an agenda for action. The projects and programs have provided lessons and support for the development of the NEP.

Capacity Building Phase

The period 2008 to 2015 is for building local capacity for implementation of the energy policy. Significant donor assistance shall continue to be required during this phase and the projects to be implemented during this phase are expected to culminate in the achievement of the 2015 Millennium Development Goals as defined in the policy document. Some of the critical-path activities required to ensure the achievement of the targets that have been set are as follows:

Drafting and enactment of enabling legislation: Many of the policy recommendations require an enforceable legal framework and therefore, the immediate task is to draft the appropriate laws and get the Legislature to enact them at the earliest opportunity.

Setting up appropriately resourced institutions: This activity can progress in parallel with the legislative work by beginning with prototypes. The role of the prototypes will be to coordinate and roll out emergency phase activities as capacity building for the official institutions. The prototypes are also an effective tool for communicating the Government's commitment to the implementation of the energy policy. GOL has already initiated the process of setting up a prototype Rural and Renewable Energy Agency and Rural Energy Fund. A prototype Energy Regulatory Board can also be set up as another capacity building exercise.

Development of energy master plans: Currently, there are a lot of uncoordinated donor-driven initiatives that, as a result, have a limited development impact. It is necessary to develop both grid and off-grid energy master plans, focused on both supply-side and demand-side options, in order to have an orderly and more effective national energy development program consistent with the principles and goals outlined in the NEP. One of the advantages of setting up the prototype institutions is to be able to immediately embark on the development of the master plans.

Facilitating the first major independent power producer investments: The Government has received proposals for medium-term power development projects that require immediate action to ensure their successful and timely implementation. An operationally efficient and financially viable transmission and distribution business in Monrovia is the minimum requirement for bankable IPP or utility development projects. These projects will require bank funding for at least 70% of project costs and IPPs and the utility will need to demonstrate beyond reasonable doubt that they will have the ability to deliver power and collect revenue from the end-users to pay into an escrow account for loan repayment. At present, the Government recognizes that LEC does not satisfy the requirements for a bankable power purchase agreement and therefore there is a need to attend to this deficiency as a matter of urgency.

Rehabilitation of petroleum storage and distribution infrastructure: Although LPRC is operating profitably, its operations are based on infrastructure that is in serious and urgent need of rehabilitation. The Government does not have the capital required and needs to urgently mobilize significant private sector investment. The Government must translate its stated policy of involving the private sector to the greatest degree possible by taking immediate action to facilitate the private sector investment required to rehabilitate storage tanks and pipelines.

Allocation of all vacant petroleum exploration blocks: It is important for the GOL to establish conclusively whether or not the country has commercially exploitable oil and natural gas resources. It is therefore essential to grant exploration licenses for all the vacant off-shore blocks at the earliest possible opportunity.

Rehabilitation of Mount Coffee: This is a project that is required to lay the foundation for the large hydropower developments along the Saint Paul River and the other major rivers, which are needed to provide more affordable power for the country. It will be a challenging exercise for the developers to raise the capital required, and the starting point will again be a bankable power purchase arrangement.

Development Phase

The development phase is expected to be the period beyond 2015, which will build upon the achievements of the capacity building phase. Assuming that the policies and principles outlined in the NEP are followed, by that time the new institutions, such as RREA and the ERB, and the restructured public utilities and companies, will be fully resourced with skilled and experience people. The projects and programs implemented during the emergency and capacity building phases will lead to improvements in energy access in the medium term. Once the system is stabilized and the economy resumes a reasonable rate of growth, the Government can look at longer-term options such as development of the country's large-scale hydropower potential, the creation of public-private partnerships for exploiting opportunities for imports and exports of electricity either directly with neighboring countries or via the West African Power Pool, and the development of the country's other vast renewable energy resources.

**REGULATIONS GOVERNING EXPLORATION UNDER “A” MINERAL EXPLORATION
LICENSE OF LIBERIA (EXPLORATION REGULATIONS)**

1 Interpretation And Applicability

1.2 Principles of Interpretation and Administration:

- (a) All references to this regulation or to Law are to this regulation or to Law from time to time in effect. References to a “Section” or a “Schedule,” without other specification, are references to Sections of or Schedules to this regulation.
- (b) If a Person holds more than one License, this regulation applies separately to all matters relating to each License held by such Person unless this regulation clearly requires otherwise.
- (c) Whenever a Licensee is required to satisfy certain standards or other requirements in order to obtain an approval or consent required by the terms of this regulation, the consent or approval is not to be given unless the standards or other requirements are determined to have been satisfied. No application by a Licensee under Section 5.1, 5.2, 8.3, 8.4, 13.2 or 15 will be approved if (i) any payments due under Section 12.1 or 12.2 have not been paid in full, or (ii) a suspension order under Section 16 is outstanding and unrevoked, or (iii) a License Termination Event under Section 17 has occurred and is continuing, or (iv) an Annual Report due under Section 6 is more than 30 days overdue, in each case, with respect to any License held by such Licensee.
- (d) All payments made by a Licensee under Section 12 of this regulation are matters of public record.
- (e) No interpretation of this regulation is binding on the Ministry unless made in writing. All written interpretations of this regulation made by the Ministry and delivered to any Person outside of the Government must be posted promptly on the website of the Ministry (www.molme.gov.lr).
- (f) All Licenses are public records and are available for public inspection and (for a reasonable fee covering reproduction costs) copying.
- (g) Authority provided in this regulation to be exercised by the Minister may be delegated by the Minister to the Deputy Minister for Operations or jointly to any two of the Assistant Minister for Mines, the Assistant Minister for Exploration and the Director of the Liberian Geological Survey.

1.2 This regulation applies to a License when issued. It does not apply to the process of applying for a License.

1.3 A License issued after the effective date of this regulation must be in the form set forth in Schedule

- 1.4 To satisfy the requirement in Section 5.3(b) of the Mining Law that the holder of an exploration license enter into an exploration agreement with the Government, each holder of a license issued under Regulation 002 or under subsequent authority must enter into an agreement with the Government in the form set forth in Schedule 1.5.

2 Exploration Rights

- 2.1 A License grants to the Licensee for the License Term the exclusive (except as provided in Section 2.4) right to Explore in the License Area on the terms and conditions set forth in this regulation for such Minerals as may be specified in the License. The right to Explore does not include the right to engage in bulk sampling or pilot mining and recovery except in compliance with Section 13.2, or to conduct exploration in any portion of the License Area after that portion has been surrendered or deemed surrendered pursuant to the relevant provisions of this regulation or after the License Term has expired or otherwise been terminated as provided in this regulation.
- 2.2 Limitations on the Right of a Licensee to Conduct Exploration:
- (a) A Licensee may not conduct exploration for minerals outside of its License Area.
 - (b) A Licensee may not begin Exploration (except for preparatory Work that does not involve the actual physical obtaining of geological data, such as importation of equipment, establishment of a local office, remote sensing data interpretation, or the conduct of aerial surveys or ground surveys using existing access roads in each case for such activities as planning exploration access roads, camp locations or survey patterns) unless the activities involved are provided for in a work program and budget approved or deemed approved by the Minister under Section 4 and the Licensee has provided any security for environmental remediation or restoration required by Section 10.3.
- 2.3 Impact on a Licensee's Environmental Management Program of EPA Requirements:
- (a) Subject to the remainder of this Section 2.3, any documentation concerning a Licensee's work program or its environmental management proposals submitted by a Licensee to the EPA under the EPA Act must be consistent with the Licensee's Environmental Management Program, including its closure management component, as then proposed to or approved by the Minister.
 - (b) Licensees should anticipate that if the EPA requires a Licensee to submit an "environmental mitigation plan" or similar plan under the EPA Act, the EPA may require more detail and impose more specific, measurable performance requirements than will an Environmental Management Program contained in a work program that has been approved by the Minister.
 - (c) If a Licensee is required by the EPA to adopt an "environmental mitigation plan" or similar plan under the EPA Act that is inconsistent with the Environmental Management Program component of the Licensee's work program as approved by the Minister, the Licensee must promptly submit to the Minister a revised Environmental Management Program that conforms to the requirements of the EPA-approved "environmental mitigation plan." The Minister must approve such plan if it accurately reflects the requirements of the EPA.

- (d) An EPA-approved “environmental mitigation plan” or similar plan is not inconsistent with a Licensee’s approved Environmental Management Program except to the extent it imposes requirements that cannot be performed if the Licensee performs its approved Environmental Management Program or that if performed, make it impossible for the Licensee to perform its approved Environmental Management Program.
- (e) If in the judgment of the Licensee, particular work to be performed under the EPA-approved “environmental management plan” or similar plan would if performed render particular work to be performed under its approved Environmental Management Program redundant or unnecessary but not impossible to be performed, the Licensee may apply to the Minister for a determination that the particular work under the approved Environmental Management Program need not be performed. The Minister may not unreasonably deny such an application.
- (f) If responsibility for administering applicable environmental Law as it applies to licensees under the Mining Law is delegated to the Ministry, this regulation is not applicable to the exercise of such responsibility, and the applicability to a Licensee of any requirements established by the Ministry in the exercise of such delegated authority will not be determined under this regulation.

2.4 License Area; Restricted Areas

- (a) The area available for exploration under a License (the “License Area”) is the area defined in the License, subject to adjustment as provided for in this regulation. The metes and bounds must be defined in UTM coordinates based on the WGS84 UTM Grid Zone 29N. The License Area may be reduced as provided in Section 3.2 or 5.2, and increased as provided in Section 5.1.
- (b) A License does not entitle a Licensee to conduct Exploration on any Land referred to in Section 10.1 of the Mining Law or other relevant Law except in strict compliance with the conditions set forth in such Section 10.1. Any consent obtained pursuant to such Section 10.1 must be in writing, and a copy thereof must be filed with the Minister by a Licensee promptly after it is received by the Licensee and before the Licensee carries out any Work on such Land. Such consents will be open to public inspection and (for a reasonable fee covering reproduction costs) copying.
- (c) A License entitles a Licensee to temporary access to areas within a License Area subject to a Class B or Class C Mining License or a Quarry License on reasonable prior notice to the license holder to carry out actual mineral searches (as defined in Section 7.1(b)) which in the Licensee’s reasonable judgment cannot effectively be conducted on neighboring non-licensed areas. A Licensee may not require the holder of a Class B or Class C Mining License or a Quarry License to relocate any fixed equipment or to suspend operations (other than for such temporary suspensions as may be necessary to insure the integrity of seismic exploration techniques), and may not damage any plant or equipment of the license holder. A Licensee is responsible for any damage caused to the plant or equipment of the holder of a Class B or Class C Mining License or a Quarry License in the exercise of the Licensee’s rights under this Section, and must restore Land damaged by the Licensee’s operations if requested by such holder. If the holder of a Class B Mining License requests in writing, any information obtained

by the Licensee as a result of such access with respect to the license area of such holder must be shared with such holder.

- (d) If the holder of a Class B or Class C Mining License or a Quarry License refuses to give the Licensee access as provided in Section 2.4(c), the Licensee may request the Minister to intervene.
- (e) The Minister will include in any Class B or Class C Mining License or Quarry License granted after the effective date of this regulation language reflecting the rights of the holder of a subsequently issued Exploration License under this Section 2.4.
- (f) The rights given under this Section 2.4 to a Licensee do not entitle the Licensee to obtain a Mining License with respect to any area within the boundaries of its License Area subject to a Class B or Class C Mining License or a Quarry License if such license (a) was issued prior to the Effective Date of the Licensee's License or (b) was issued (i) after such Effective Date, (ii) pursuant to a prospecting license or an exploration license issued under the Mining Law prior to such Effective Date and (iii) before the Licensee designated the relevant area as a proposed production area.

3 Term of Licenses

- 3.1 The initial term of a License (its "Initial Term") commences on its Effective Date and, unless terminated sooner pursuant to Section 4.5(b), 17 or 20, ends on the third anniversary of its Effective Date (or such later time as is then provided by the Mining Law) subject to surrender pursuant to Section 3.2. An extended term of two years or such longer period as is then allowed by the Mining Law (the "Extended Term") to follow the Initial Term may be granted as provided in Section 5.2. The Initial Term or the Extended Term of a License may also be extended as provided in Section 7.4, 8.3 or 20.5, or pursuant to relief granted in a proceeding referred to in Section 18.

3.2 Right to Surrender during the License Term

- (a) A Licensee may at any time by notice in writing to the Minister and delivery of the map required by Section 3.2(b) surrender its License and the License Area in its entirety, or surrender a portion or portions of the License Area. Any portion so surrendered must constitute not less than 10% of the original License Area, and the remainder of the License Area must at no time consist of more than three polygons. Each vertex of each such polygon must have unique coordinates and be connected by straight lines to two other vertices. The Director of the Liberian Geological Survey may after consultation with the Minister reject dumbbell or similarly shaped polygons that appear to be selected to connect with minimal surface area separate areas of mineralization. (For example, it is expected that two areas of mineralization each one-half mile square but 15 miles apart will constitute either two different polygons or one polygon that is substantially a rectangle or a rectangular trapezoid one-half mile in height and 15 miles in length.)
- (b) A surrender notice pursuant to Section 3.2(a) must be accompanied by a map in such scale as may then be specified by the Director of the Liberian Geological Survey, clearly setting forth the boundaries of the original License Area, the area(s) proposed to be surrendered and the

area(s) proposed to be retained, based on a GPS location system approved by the Director of the Liberian Geological Survey or an actual survey, and is effective on delivery to the Ministry.

- (c) Within 60 days after delivery of the surrender notice, the Licensee must deliver to the Minister:
 - (i) an environmental assessment and audit complying with Section 10.2 with respect to the surrendered area showing no non-complying locations, together with a certificate of the Chief Executive Officer of the Licensee to the effect that the Licensee is in compliance with its obligations under Section 10 with respect to the surrendered area;
 - (ii) all materials and information required to be furnished to the Ministry or the Liberian Geological Survey under Section 6 with respect to the surrendered area, including without limitation all overdue filings and a final Annual Report as to the surrendered area complying with Section 6.1(h), together with a certificate of the Chief Executive Officer of the Licensee to the effect that all such materials and information have been delivered.
- (d) The delivery of notice under Section 3.2(b) extinguishes the Licensee's mineral rights under this License with respect to all areas shown as surrendered on such map, absent manifest error promptly corrected. Thereafter the Licensee may conduct in the surrendered area(s) only environmental restoration and remediation Work and Work related to the shutting down of operations and the removal of equipment and facilities. All such Work must be completed within 60 days of the date of surrender. Upon any such surrender the Licensee has no further payment obligation under Section 12.1 with respect to the surrendered area, but no such surrender will entitle a Licensee to a refund of payments previously made under Section 12.
- (e) The Licensee shall pay in the manner provided by Section 12.4 a penalty of US\$100 for each day of delay after the effective date of a surrender notice under Section 3.2(e) in complying with the requirements of Section 3.2(c) (i) or Section 3.2(c)(ii). For so long as there is non-compliance with both such Sections, the penalty accrues at the rate of US\$200 per day.

3.3 End of License Term:

- (a) Subject to the following sentence, License automatically expires at the end of the Initial Term or the Extended Term, as the case may be, without requirement of action or notification by the Minister. If a Licensee has timely filed an application to extend the Initial Term of a License in compliance with the requirements of this regulation, and the Licensee's Extended Term work program is not approved within 180 days from the end of the Initial Term, the Licensee's application is deemed denied and the term of the License expires on the following day. Following the expiration of a License, the Licensee may conduct in the License Area only environmental restoration, reclamation and remediation Work and Work related to the shutting down of operations and the removal of equipment and facilities. All such work must be completed within 180 days of the end of the License Term. The two preceding sentences and the delivery requirements of Section 3.3(b) are not applicable to portions of the License Area that as of the end of the License Term are contained within proposed production areas designated by the Licensee prior to the end of the License Term in accordance with mining regulations issued under the Mining Law.

- (b) Notwithstanding the end of the License Term, the Licensee must:
 - (i) within 60 days of the end of the License Term, deliver all materials and information required to be furnished to the Ministry or the Liberian Geological Survey under Section 6 with respect to the License Area remaining subject to the License at the end of the License Term, including without limitation all overdue filings and a final Annual Report as to such area complying with Section 6.1(h), together with a certificate of the Chief Executive Officer of the Licensee to the effect that all such materials have been delivered; and
 - (ii) within 180 days of the end of the License Term deliver to the Minister the final environmental assessment and audit required by Section 10.2(b), together with a certificate of the Chief Executive Officer of the Licensee to the effect that the Licensee is in compliance with its obligations under Section 10.
- (c) The Licensee shall pay in the manner provided by Section 12.4 a penalty of US\$100 for each day of delay in complying with Section 3.3(b)(i) or Section 3.3(b)(ii). For so long as there is non-compliance with both such Sections, the penalty accrues at the rate of US\$200 per day.

4 Submission and Approval of Work Program and Budget

4.1 Submission of Work Program and Budget

- (a) Within 90 days of the later of the issuance of a License and the date this regulation becomes effective, a Licensee must submit:
 - (i) to the Minister, a proposed work program and budget and information addressing the requirements of Section 4.2(c) (“Section 4.2(c) Information”); and
 - (ii) to the EPA, all submissions as may then be required under the applicable law and regulations in order to obtain all approvals, licenses or permits required in order to implement the Licensee’s proposed work program.
- (b) A Licensee may file a proposed work program and budget at any time after the grant of its License is approved under Regulation 002 or any similar successor regulation of such Commission or the Ministry even if filed prior to the actual issuance of the License. Early filing is strongly encouraged.
- (c) The Ministry will not review a work program and budget if it is not timely submitted under Section 4.1(a).

4.2 The Minister may not approve a Licensee’s proposed work program and budget unless:

- (a) the proposed work program and budget satisfies the requirements of Schedule 4.2(a)(i);
- (b) the proposed work program and budget provide for the expenditure by the Licensee on Eligible Exploration Costs during each year of the License Term of an amount at least equal to the

Adjusted Per Hectare Expenditure Requirement applicable to such year multiplied by the number of hectares in the License Area;

- (c) the Section 4.2(c) Information furnished by the Licensee demonstrates to the reasonable satisfaction of the Minister that:
 - (i) in accordance with Schedule 4.2(c)(i) the Licensee possesses or has access to the technical capacity to carry out its proposed work program; and
 - (ii) in accordance with Schedule 4.2(c)(ii) the Licensee possesses or will possess the financial capacity to carry out its approved work program and comply with its obligations under this regulation and the Mining Law;
- (d) the Licensee has made in writing to the Minister the representations and warranties set forth in Schedule 4.2(d) with such modifications as may have been approved by the Ministry of Justice; and
- (e) the EPA has confirmed that it has issued all approvals, licenses or permits required in order to conduct the Licensee's proposed work program.

4.3 Approval or Disapproval of a Proposed Work Program and Budget, etc.

- (a) The Minister must approve a proposed work program and budget if the requirements of Section 4.2(a) through (e) are satisfied.
- (b) Any disapproval by the Minister of a proposed work program and budget or finding that the Licensee's Section 4.2(c) Information is insufficient to demonstrate compliance with Section 4.2(c) must be in writing and must set forth the reasons for such disapproval or finding. If a Licensee requests in writing, Ministry staff will meet with the Licensee to discuss the reasons for the disapproval or finding.
- (c) If a proposed work program or budget (or any resubmission thereof) is timely disapproved (as provided in Section 4.4.(a) or 4.4(b)), the Licensee is not entitled to resubmit a proposed work program and budget unless the resubmission is made within 45 days of the date on which the Licensee receives notice of the disapproval or within such 45-day period the Licensee commences a proceeding under Section 18 asserting that the disapproval was improper.

4.4 Deemed Approvals by the Minister; Nature of Resubmissions by Licensee

- (a) A proposed work program and budget timely submitted by a Licensee is deemed to satisfy the requirements of Sections 4.2(a) and (b) unless within 45 days of submission the Minister notifies the Licensee in writing of the reasons for disapproval or of a postponement of review as provided in Section 4.6. The Section 4.2(c) Information submitted by a Licensee is deemed to satisfy the requirements of Section 4.2(c) unless within 45 days of submission the Minister notifies the Licensee in writing of the deficiencies or of a postponement of review as provided in Section 4.6. A postponement pursuant to Section 4.6 shall postpone the 45-day review period provided for in this Section and 385-day period referred to in Section 4.5(b) by a number of days equal to the number of days of the postponement.

- (b) Following any such disapproval or notice of deficiencies and the resubmission by the Licensee of a modified work program and budget or submission of additional Section 4.2(c) Information, they will be deemed to satisfy the requirements of Section 4.2(a), (b) or (c), as the case may be, unless within 25 days of such resubmission the Minister delivers a further disapproval or notice of deficiencies. The preceding sentence applies equally to any further resubmission by the Licensee.
- (c) The initial resubmission and each subsequent resubmission by a Licensee of material relating to a proposed work program or budget must comply with Section 19.4 and include both a clean version and a version conspicuously marked to show all changes (additions and deletions) from the previous submission.

4.5 Impact of Approval Delays if a Licensee Has Satisfied the 90-Day Submission Requirements

- (a) If a Licensee has satisfied the 90-day submission requirement of Section 4.1(a), then for the purposes of Section 5.3(e) of the Mining Law the Licensee will be deemed to have commenced Exploration within 180 days of the issuance of its License if it commences Exploration within the later of 60 days of the Effective Date of the License or 180 days of the issuance of the License.
- (b) Notwithstanding the foregoing, but subject to Section 4.5(c), a License will automatically terminate if the Effective Date of the License does not occur within 385 days of the later of the Issue Date of such License and the effective date of this regulation unless (i) the Licensee has diligently sought to obtain the approval of the Minister and necessary approvals, permits and licenses from the EPA and (ii) either the approval of the Minister was unreasonably withheld or delayed, or an approval, permit or license required to be issued by the EPA was unreasonably withheld or delayed. The 385-day period referred to in the previous sentence is extended by the number of days of any postponement under Section 4.6.
- (c) The burden is on a Licensee to demonstrate the existence of the circumstances described in clauses (i) and (ii) of Section 4.5(b). If the Effective Date under a License does not occur at least 20 days prior to the expiration of the period determined under the preceding paragraph, the Licensee may prior to the expiration of such period request in writing delivered to the Minister a hearing under Section 18 to present a claim that the exception set forth in the previous paragraph is applicable. Any such request will suspend the termination of the License during the pendency of the proceedings.

4.6 Postponement by the Minister of Review of Work Programs

- (a) The Ministry will review proposed work programs and budgets in the order in which they are submitted. If the Ministry is unable reasonably promptly to perform an initial review of a proposed work program and budget timely submitted under Section 4.1, it may postpone such review for up to 90 days by notice to the affected Licensee. If the notice does not state the end date of the postponement period, the Minister must give the Licensee prompt notice of the end date of the postponement. If the Minister has postponed the initial review of a proposed work program and budget pursuant to the preceding sentence, it may not begin the initial review of

a work program and budget submitted at a later date until after it has approved (or initially disapproved) the earlier submitted work program and budget.

- (b) This Section is not applicable to submissions under Section 5.1 (additions to License Area), 5.2 (extensions of License Terms) or 8.4 (work program or budget amendments).

5 Additions to the License Area and Extension of the License Term

5.1 Right to Add to License Area

- (a) Subject to the aggregate 20% limitation contained in Section 5.3(o) of the Mining Law, a Licensee may from time to time apply to the Minister to add to its License Area the right to explore for mineral resources within the scope of the Licensee's License in one or more additional areas (each, an "Additional Area") adjoining its License Area not currently subject to Exploration Licenses or Class A Mining Licenses issued under the Mining Law (additional area must be unencumbered). Each proposed Additional Area must form a compact polygon, with one border aligned with a border of the original License Area. Each vertex of the polygon must have unique coordinates and be connected by straight lines to two other vertices. The Director of the Liberian Geological Survey may after consultation with the Minister reject dumbbell or similarly shaped polygons that appear to be selected to connect with minimal surface area separate areas of mineralization.
- (b) The application must (i) contain a precise description of each proposed Additional Area including a map in such scale as may then be specified by the Director of the Liberian Geological Survey, clearly setting forth the boundaries of the existing License Area and each proposed Additional Area, based on a GPS location system approved by the Director of the Liberian Geological Survey or an actual survey, (ii) demonstrate to the reasonable satisfaction of the Director of the Liberian Geological Survey that each proposed Additional Area has a geological relationship to mineral resources located within the original License Area within the scope of the Licensee's License, (iii) propose appropriate modifications to the Licensee's work program and budget (consistent with Schedule 4.2(a)(i)) to reflect the addition of each proposed Additional Area, and (iv) be accompanied by evidence of payment to the Ministry of Finance of the review fee provided for in Section 12.3.
- (c) The Licensee must also file with the EPA all submissions as may then be required in order to obtain all approvals, licenses or permits required in order to implement the Licensee's work program as proposed to be modified.
- (d) The Minister may not approve the work program and budget modifications unless they satisfy, and must approve them if they do satisfy, the requirements of Schedule 4.2(a)(i). A Licensee may not commence work in any Additional Area (except as permitted to be carried out in the absence of required EPA approvals, licenses and permits) until the EPA has issued all approvals, licenses and permits required in order to implement the Licensee's work program in the Additional Area. A Licensee is solely responsible for identifying those components of its revised work program that may be carried out without EPA review or the issuance of a new or revised EPA approval, permit or license, and is in violation of its License if it fails to comply with the first sentence of this paragraph.

- (e) The proposed work program may incorporate components of the approved Initial Term work program by reference if a copy of that work program is included in the submission. The procedures of Section 4.4 apply to any application filed under this Section 5.1.
- (f) If a Licensee believes that the Minister has failed to approve work program and budget modifications that should have been approved under the standard set forth in the first sentence of Section 5.1(d), it may seek relief as provided in Section 18.

5.2 Extension of License Term after End of Initial Term

- a) A Licensee may apply for an Extended Term if it has prior to the application fulfilled its approved work program and budget expenditure obligations for the License Area through all completed years of the Initial Term and is otherwise in compliance in all material respects with this regulation and applicable Law with respect to all licenses under the Mining Law then held by it or its affiliates. The License Area for the Extended Term may not exceed 50% of the sum of the original License Area and all additions to the License Area pursuant to Section 5.1, and must consist of not more than three polygons. Each vertex of each such polygon must have unique coordinates and be connected by straight lines to two other vertices. The Director of the Liberian Geological Survey may after consultation with the Minister reject dumbbell or similarly shaped polygons that appear to be selected to connect with minimal surface area separate areas of mineralization.
- b) The portion of the original License Area not covered by the extension application is treated as though it were the License Area under a License that has terminated, and the provisions of Section 3.3 are fully applicable to such portion.
- c) To apply for an extension, the Licensee must submit, not more than 120 days and not less than 45 days prior to the end of the Initial Term:
 - (i) to the Minister (1) a proposed work program and budget for the Extended Term substantially satisfying the requirements of Schedule 4.2(a)(i), (2) a map of the then-existing License Area, in such scale as may then be specified by the Director of the Liberian Geological Survey, clearly setting forth the boundaries of the area proposed to be retained as the Extended Term License Area and the portion of the License Area proposed to be surrendered, based on a GPS location system approved by the Director of the Liberian Geological Survey or an actual survey, and (3) evidence of payment to the Ministry of Finance of the review fee provided for in Section 12.3; and
 - (ii) to the EPA, all submissions as may then be required in order to obtain all approvals, licenses or permits required in order to implement the Licensee's proposed work program for the Extended Term. The proposed work program may incorporate components of the approved Initial Term work program by reference if a copy of that work program is included in the submission. The procedures of Section 4.4 apply to any application timely filed under this Section 5.2.

- d) The Extended Term, if timely applied for, commences on the day following the last day of the Initial Term even if the Extended Term work program has not then been approved. During the Extended Term and pending approval of the Extended Term work program (but subject to the second sentence of Section 3.3(a), the Licensee may continue to carry out in the portion of the original License Area covered by the extension application any and all uncompleted components of its approved Initial Term work program, subject to obtaining any required EPA approvals, licenses or permits or renewals thereof if then required.
- e) The Minister may not approve the proposed Extended Term work program and budget unless they satisfy, and must approve them if they do satisfy, the requirements of Schedule 4.2(a)(i), provided that if the Licensee proposes to conduct during the Extended Term pilot mining and recovery operations or bulk sampling operations as described in Section 13.2, the revised work program must also satisfy the requirements of that Section.
- f) A Licensee may carry out activities in the approved Extended Term work program not requiring EPA review or covered by EPA approvals, licenses or permits issued with respect to the Initial Term work program, but may not carry out other activities covered in the Extended Term work program until the EPA has issued all approvals, licenses or permits required in order to carry out such activities. A Licensee is solely responsible for identifying those components of its Extended Term work program that may be carried out without EPA review or the issuance of a new or revised EPA approval, permit or license, and is in violation of its License if it fails to comply with the first sentence of this paragraph. If a Licensee believes that the Minister has failed to approve a work program and budget that should have been approved under the standard set forth in Section 5.2(e), it may seek relief as provided in Section 18.

6 Reporting and Delivery of Information and Samples

- 6.1 A Licensee must prepare and submit exploration reports as required by the provisions of this Section 6. Reports are reviewed to assess exploration progress, and to ensure that the results of exploration are fully and clearly recorded for the benefit of future explorers and researchers. Close liaison is encouraged between the Licensee's professional and technical staff, and the staff of the Liberian Geological Survey. The Liberian Geological Survey is responsible for assessing reports, and staff members are available to provide advice on reporting requirements.

The Licensee is responsible for, and thus must ensure compliance with, the conditions of the License. The Licensee must therefore ensure that full details of all exploration carried out are included in reports, irrespective of whether the exploration is undertaken by the Licensee, a consultant, a joint venture partner or any other party.

- (a) Reports should be submitted to both: 1) The Minister of Lands, Mines & Energy and 2) The Director of the Liberian Geological Survey. Reports may not be submitted by email. They should be on specified media and be submitted to the above addresses.
- (b) The Licensee is responsible for, and thus must ensure compliance with, this Section 6. The Licensee must therefore ensure that full details of all exploration carried out are included in reports, irrespective of whether the exploration is undertaken by the Licensee, a consultant, a joint venture partner or any other party.

- (c) Reports required for Licenses are Quarterly Summary Reports and full Annual technical reports.
- (d) All Reports must be submitted in hard copy and (in the case of the reports to the Liberian Geological Survey) in digital form, and all Reports must have a cover sheet in the form set forth in Schedule 6.1(d). The digital reporting requirements are specified elsewhere in this Section 6.
- (e) Reports are to be submitted within 30 days after the end of each of the first, second and third quarters of each annual period under a License, and are due no more than 30 days after the end of each such quarter. The first such annual period begins on the Effective Date, and the quarters are deemed to end on the corresponding dates of the third, sixth and ninth months following the month in which the Effective Date occurs (or if there is no corresponding date, on the last day of such month). The due date for Reports is not affected by extensions to the length of the Initial Term or the Extended Term under this regulation. Reports shall contain:
- A summary description of studies, surveys, sampling or drilling programs, or other operations conducted during the quarter then ended;
 - The locations of those operations;
 - a summary of geological findings, which should include any completed geological and structural mapping and petrological and mineralogical studies;
 - Appropriate plans, sections, figures or other graphics as are necessary to satisfactorily identify and interpret the summary of geological findings;
 - An estimate of the amount of money expended on exploration during the report period;
 - An outline of the exploration activities planned to be conducted during the two quarters following the quarter being reported on.
- (f) An Annual Report must be submitted within 45 days after each Anniversary Date. An Annual Report must comply with the requirements of Section 6.1(g), and Section 6.2. A final Annual Report must be filed after the end of the License Term. A final Annual Report must comply with the requirements of Sections 6.1(g), 6.1(h) and 6.2. If the License term ends on an Anniversary Date, the final Annual Report is in lieu of the regular Annual Report and must be submitted within 60 days after that Anniversary Date. If the License Term does not end on an Anniversary Date a final Annual report is due within 60 days after the last day of the License Term. If the License Term is scheduled to end within 105 days of an Anniversary Date, the Licensee may on notice to the Minister and the Director of the Liberian Geological Survey, prior to such Anniversary Date, omit the Annual Report due 45 days after such Anniversary Date if it continues filing quarterly Reports at the end of each quarter (including the fourth quarter) ending prior to the end of the License Term, and timely files a final Annual Report covering the period from the second preceding Anniversary Date to the end of the License Term. The due date for Annual Reports is not affected by extensions to the length of the Initial

Term or the Extended Term. Each Annual Report must comply with the requirements of Sections 6.1(g), 6.1(h) (if applicable) and 6.2. See Section 10 for required annual environmental reports.

(g) Each Annual Report contents must be structured as contemplated by Section 6.2 and must contain:

- Full details and results of all studies, surveys, sampling or drilling programs, or other operations conducted.
- The locations of those operations; a statement of geological findings, which should include geological and structural mapping and petrological and mineralogical studies. (In the above required statement, information on stratigraphy, distribution and controls of mineralization, alteration features, etc., should be included if available. Where there have been external studies, such as University theses or where papers have been prepared for publication, the main conclusions of those works should be briefly summarized and reference to the full work provided.)
- Appropriate plans, sections, figures or other graphics as are necessary to satisfactorily identify and interpret the summary of geological findings.
- Discussion of results, conclusions and recommendations.
- The amount of money expended on exploration during the report period, and a demonstration of the extent to which there was compliance with Section 8.5; full details of any feasibility, metallurgical and marketing studies conducted (or if not completed, a clear description of the nature of the study or studies being conducted).
- The proposed program for the next annual period (except in the case of a final Annual Report. Annual Reports should also explain the exploration philosophy and objectives (e.g., the type of mineral deposit sought and the reasons for considering the area prospective for such deposits). This is particularly important for the first Annual Report since it provides a basis for future reports, and is the first opportunity at which the progress of the exploration program can be assessed. When extended surveys, such as regional geochemical surveys, are in progress at the time of submission of an Annual Report, it is acceptable to indicate the progress of such surveys, and to submit the full results and conclusions in a subsequent Annual Report (or in a supplement to the final Annual Report) when the survey has been completed.

(h) In addition to the information required by Section 6.1(g), a final Annual Report should in addition summarize step by step all the work carried out during the full term of the License, including areas previously surrendered, and should include the main results and conclusions of each phase of operations. It is not necessary to present all the detailed data again if these have been included in previous Annual Reports, but the relevant progress reports should be listed and referenced where appropriate. A final Annual Report should also outline the exploration objectives and discuss the final conclusions from the exploration. Plans should be included to show the location of the license, and the locations of the main activities and prospects. If one

or more portions of an Exploration Area are designated as proposed production areas under the mining regulations, the Licensee shall provide two final Annual Reports for the Exploration Area: one covering all the work done in the total License Area (to remain confidential in accordance with Section 13.4); and the other covering all work conducted outside the proposed production area(s), with the latter for immediate placement in the public files.

- (i) The fact that adjacent License Areas are held by a single Licensee or by affiliated Licensees does not authorize the filing of common reports for all License Areas. The reports filed for each License Area must include only the data for that License Area and must not be aggregated with the reports for other License Areas.
- (j) Expenditure statements accompanying Annual Reports must show in reasonable detail on a cash basis all Eligible Exploration Costs incurred during the covered period, with schedules setting forth each transaction described in Section 8.6(a) or (b) that is included in such statement, and setting forth costs excluded from Eligible Exploration Costs by virtue of the second proviso in the definition of such term. The statement must be accompanied by a report from a member office of an internationally recognized accounting firm to the effect that (a) it has reconciled the expenditures shown on such statement with expenditures recorded in the books of account or financial records of the Licensee, (b) the amounts reported as Eligible Exploration Costs in such report appear to exclude all amounts required to be excluded by the definition of such term, and (c) such books of account and financial records appear to be maintained in compliance with all of the requirements of Section 11.1. The delivery of such a statement or report does not in any way imply acceptance of such statement or report by the Minister, or preclude the Government from auditing the Licensee's books of account at the Government's expense.
- (k) Drill cores and cuttings from exploration must be preserved by a Licensee or its successors in interest to the extent not subjected to destructive analysis. Where destructive analysis is performed, half cores/cuttings must be preserved. All such preserved cores and cuttings must be labeled and the labels and sampling locations reported in the relevant Annual Report. A Licensee must make preserved materials available for inspection on request by the Ministry or the Liberian Geological Survey, subject to Section 13.4. Subject to the following paragraph, at the time of a final Annual Report covering any portion of the License Area all such cores and cuttings must be offered to the Liberian Geological Survey, under cover of a comprehensive index of materials and the sampling locations. The cost and expense of organization and transportation of such materials to a location in Liberia designated by the Liberian Geological Survey and of the preparation of such index are for the account of the Licensee. Pending delivery to the Liberian Geological Survey, all such materials shall be retained in a location protected from the weather. If the Liberian Geological Survey has not requested the delivery of such materials by the end of the thirteenth month following the offer of such materials, the Licensee need not continue to store and protect such materials so long as it gives written notice to the Liberian Geological Survey of its intent to cease protecting or dispose of such materials at least 30 days prior to the time it takes such action. Any such materials held by or for the Licensee may on at least two days prior notice be inspected by the Ministry or any subsequent holder of exploration rights in the area from which such materials were derived and sample portions thereof may be taken for analysis to the extent that they do not make unusable for evaluation purposes the remainder of the materials sampled. If a Licensee proceeds to apply

for a mining license, the preceding paragraph does not apply to any such materials from the area proposed to be covered by such mining license. However, such materials must be retained in a protected location by the Licensee or its successors in interest, and they become subject to the preceding paragraph as provided in the two following sentences. They become subject to the offer requirement of the preceding paragraph at such time as the application for a mining license is withdrawn or the areas from which the materials are obtained are withdrawn from the mining license application, or the mining license is terminated as to such areas, or the Licensee desires to dispose of such materials. In addition, once the mining license is granted, such materials, even if retained by the Licensee, may be inspected by the Ministry on request and sample portions thereof may be taken for analysis to the extent that they do not make unusable for evaluation purposes the remainder of the materials sampled.

- (l) Data from all airborne geophysical surveys are to be provided to the Liberian Geological Survey independently of Quarterly and Annual Reports as and when required by Section 6.2(j).
- (m) The required environmental assessments and audits are covered in Section 10.

6.2 An Annual Report will normally contain several parts or sections:

(a) Main Body of Report

- Title page - The title page should state the report title, author(s), date of the report and project manager or operator (company doing the work). The report title must include the License number(s), the project name or location, the report type (e.g., Annual or Final Annual) and the reporting period.
- Executive summary or abstract -, This should indicate commodity or deposit type covered by the License, the general character of the geology of the Exploration Area, the nature of the exploration conducted, and the main results and conclusions.
- Keywords - Keywords and map sheet names and numbers should identify the main points of the report for indexing purposes.
- List of contents - The list of contents should include section headings and all appendices and attachments. Note that the corresponding digital file name must be recorded against each item in the contents list.
- Text The text should encompass a reasonably detailed description of the work done and the results of that work, including interpretations and conclusions. It should also include details of expenditure as provided in Section 6.1(j) and the proposed program for the next period. Small figures (e.g., location plan) and tables may be interleaved with the text.
- Appendices - Appendices are items separate from the main body of the report, and may include a range of material – specific studies, consultant reports, tabular data such as drill logs, assay results, etc. – as necessary to explain in more detail the text of the report or to support the conclusions contained in the text of the report.

- Figures, Plans and Images
 - Figures, plans and images (other than small figures and tables) should not be interleaved with the text of a report and should appear grouped as attachments at the end of the report.
 - Maps and plans should be compiled and presented at standard scales (e.g. 1:1000, 2500, 10000, 25000, 50000) with a graphic bar scale in metric units, and a north point (grid, true or magnetic).
 - Maps and plans must show full coordinates, and the spatial reference must be WGS84 UTM Grid Zone 29N.
 - Maps, plans, sections, logs, etc. must be clearly labeled and should include a legend where appropriate.
- (b) Digital submissions should retain the well-established structure and sequence of a hardcopy (paper) report as outlined above. Digital formats for each component of a report are described below.
- (i) The main body of the report is to be provided in Adobe Acrobat Portable Document Format (PDF). This includes the title page, summary, list of contents, references and any figures and tables that are interleaved with the text. This should be a single PDF file created by conversion from Microsoft Word or another word processing program, and not by scanning a hard document. Appendices and attached figures, plans and images (and simple tables or maps) may be incorporated if appropriate, as long as the file does not exceed 5 Mb.
 - (ii) All tabular data (excluding small tables incorporated in the report text) should be supplied as American Standard Code for Information Interchange (ASCII) files. These should be tab or comma delimited (tab preferred), not fixed width.
 - (iii) All graphics should be provided in PDF, Joint Photographic Group (JPEG or JPG) or Tagged Image File (TIFF or TIF) format. They must be readable and of fair print quality, and the color and spatial data of the original plan or image should be maintained.
- (c) File names should conform to the following convention: **License id_YYYYMM_##_data type.eee**
- **License id** - an identifier for the License
 - **YYYYMM** - a 6-digit report date representing year and month
 - **##** - a 2-digit sequential number for each file submitted
 - **data type** - for the data type contained in the file (e.g. map, appendix, report, etc.)

- **eee** - files extension (including the period). For example .pdf, .txt, .jpg, .tif
- (d) Each file name should be recorded against the item to which it refers in the List of Contents of the report. In addition, a file verification listing as an ASCII file may be included but is not a specified requirement.
 - (e) Files other than those embodying maps and other graphic data should normally not exceed 5 Mb in size. This is to ensure easy handling and delivery via the Internet from the Mineral Cadastral Information Management System. Larger map or graphic files are acceptable, but should be limited to a single object and not encompass multiple objects. ASCII files containing tabular data, and PDF files containing multiple graphics or a mixture of text and graphics, should not exceed 5 Mb.
 - (f) Compressed files are acceptable but only if produced using Winzip. File names specified in the report's List of Contents must be the original file names. Nothing beyond single directories should be compressed and there should be no recompression of multiple, already-compressed files. As most people now use CD-ROM, disk space is seldom a limitation. Files should only be compressed if there is a need to do so. However, files submitted in GIS or other native formats should be compressed.
 - (g) Digital files should be submitted on either CD-ROM disks or DVD disks. All disks must be Microsoft Windows compatible and the files should be readable in a Microsoft Windows environment. Each disk should only contain one report, and should be clearly labeled to identify the Licensee, the License number, the type of report and the period covered. All files submitted on CD-ROM must be accompanied by a printed index of the files on the CD-ROM in form sufficient reasonably to identify the nature of each file.
 - (h) Geographical Information System (GIS) and other vector data in native format are generally not required as all the information should already be supplied as tabular data (in ASCII) and as plans or figures. Please seek advice from the Director or the Chief Geologist of the Liberian Geological Survey on the suitability of submitting data in this form. If GIS data are provided, however, all the files for a set of data should ideally be compressed as a single zip file.
 - (i) Wherever coordinates are used in the data, the spatial projection of the locations must be: **WGS84 UTM Grid Zone 29N**.
 - (j) Digital data from airborne magnetic, electromagnetic and radiometric surveys do not form part of the normal annual reporting on exploration licenses. All such data must be provided separately within three months of completion of the survey generating such data. The data are to be provided as standard ASCII, formatted in ASEG-GDF or as specified by the Liberian Geological Survey. Data should be supplied on CD-ROM or DVD disks. All such data should be accompanied by a metadata file and a covering letter giving details of the survey.

(k) Summary of File Formats

	Mandatory	Preferred	Acceptable
Text – Main body of report and additional reports as appendices	PDF		
Tabular Data – Drilling logs, geochemistry, ground geophysics, etc.	ASCII	tab delimited	comma delimited
Figures, Plans and Images	PDF, JPEG or TIFF	PDF for small plans; JPEG, TIFF for larger plans	
Airborne geophysical surveys – magnetic, radiometric, electromagnetic	ASEG-GDF (ASCII)		

7 Land and Facilities

7.1 Rights to Enter on Land; Compensation:

- (a) As provided in Section 10 of the Mining law, a License does not entitle a Licensee to enter upon any lands located within the boundaries of any cities, commonwealth districts, municipal districts, cemeteries, transportation or communication facilities, aqueducts, military base, port, Poro or Sande (communal land) grounds, or other grounds reserved for public purposes, except with the consent of the officials authorized to administer or control the affairs of such entities, and subject to such special terms and reasonable conditions as may be prescribed for the protection of surface users. Lands reserved for public purposes include lands held and allocated under the jurisdiction of the local village head or paramount chief and allocated to agricultural purposes.
- (b) A Licensee may not enter upon or carry out work on (i) areas that are cultivated for subsistence farming purposes or that are within 150 meters of a dwelling, or (ii) areas that constitute drinking or irrigation water sources that would be contaminated or interfered with by the Licensee's entry or work unless the Licensee concurrently provides water of at least equal quality and quantity at the same location.
- (c) With respect to Land in the License Area not covered by Sections 7.1(a) or (b), the limitations set forth in Sections 7.1(d) through (g) apply.
- (d) A Licensee may conduct Exploration operations other than actual mineral searches (such as construction of access roads, temporary camps, base camps, storage sites, and the like) on any such Land that is held by a Landowner or an Occupant other than the Republic only with the prior written permission of the Landowner or Occupant, and the Landowner or Occupant has no obligation to grant such consent. For the purposes of this regulation, "actual mineral searches" means drilling, seismic surveys, test pits and the like, as well as necessary means of access to conduct such activities, but does not include activities governed by Section 13.2.
- (e) A Licensee may conduct actual mineral searches on any such Land that is held by a Landowner or Occupant other than the Republic only if the Licensee has delivered the Landowner or Occupant the Licensee's written agreement to provide full and complete compensation for any damage to the Land or any crops or improvements thereon (including compensation for the expected market value of growing crops) or any long term loss in value of the Land caused by

or resulting from the activities of the Licensee, and has complied with Section 7.1(g). An acceptable form of agreement is set forth in Schedule 7.1(e). No other form of agreement is acceptable without the prior written approval of the Minister.

(f) Any such agreement must:

- (i) Include a bona fide estimate of fair compensation to the Landowner or Occupant for the costs and damage sustained by the Landowner or Occupant as a result of the Licensee's work on the land.
- (ii) State that if the amount paid is less than fair compensation for such costs and damage, the Licensee will pay the additional amount on demand by the Landowner or Occupant.

(g) The amount of the estimate referred to in clause (i) of Section 7.1(e) must be paid to the Landowner or Occupant prior to any entry of the Licensee on the Land.

7.2 Manner of Obtaining Access; Disputes

- (a) If a Landowner or Occupant of Land refuses to give a Licensee reasonable temporary access as provided in Section 7.1(e) after the Licensee has delivered the agreement and tendered the payment required by such Section, the Licensee may petition the Ministry for relief, setting forth all relevant facts and circumstances including any financial offers made to such Landowner or Occupant of Land and an explanation of why it is material to the Licensee's Exploration activities to have access to or to conduct operations on such Land.
- (b) If any Person believes that a Licensee has violated Section 7.1(a) or 7.1(b) with respect to Land administered or used by such Person, or if a Landowner or Occupant believes that a Licensee has failed to comply with its obligations under Sections 7.1(d) through (g), such Person may petition the Ministry for relief.
- (c) The Ministry will appoint one or more hearing officers to hear claims under Section 7.2(a) or (b) in accordance with the procedures established in Section 18. If the hearing officer determines that the compensation offered by a Licensee under clause (i) of Section 7.1(f) was inadequate to compensate fairly the Landowner or Occupant, the hearing officer will determine an appropriate compensation estimate, and if the hearing officer determines that the compensation initially tendered was unreasonably low under all the facts and circumstances, or that the Licensee has unreasonably refused to provide additional compensation when additional compensation is required under clause (ii) of Section 7.1(f), the hearing officer shall assess the Landowner's or Occupant's costs against the Licensee and shall award the Landowner twice the amount of the additional damages claimed. If the hearing officer determines that a Landowner or Occupant has denied entry to a Licensee that has complied with Section 7.1(e), the hearing officer will order the Landowner or Occupant to grant entry to the subject Land.
- (d) The Minister will establish by subsequent regulation appropriate procedures for the prompt hearing and determination of petitions filed pursuant to Section 7.2(a) or (b). Such procedures shall conform to the requirements of the Administrative Procedure Act, shall provide for the

- conduct of hearings at the county level, and shall provide for such notice of hearings as shall be calculated to maximize the likelihood that the Landowner or Occupant will receive timely notice of the hearing. The role of the hearing officer shall be to determine the facts and circumstances before reaching a decision, and the hearing officer is expected to make independent enquiry as to the facts and circumstances if the hearing officer determines that the presentations made to the hearing officer at a hearing are incomplete or one-sided.
- (e) A Licensee must attach to each quarterly report to the Minister under Section 6 a list identifying each agreement tendered by the Licensee under Section 7.1(e) during the quarter, the purpose of the access requested in connection with each such agreement and the period for which access is required, a summary of the nature and scope of the expected damages to the Land and other property involved, and the amount of compensation offered to the Landowner or Occupant.
- 7.3 The Licensee may from within the License Area utilize water, gravel, sand, clay, stone and timber (except for protected species) solely to the extent reasonably necessary for Exploration if the Licensee does so in accordance with applicable environmental Law, Section 10 of the Mining Law and Section 10 of this regulation, provided that a Licensee may not (a) sell or transfer any such material to any Affiliate or third party, (b) take any such material from Land in the License Area held by a Landowner or an Occupant other than the Republic without first obtaining the permission of such Person to do so, (c) utilize any gravel, sand, clay or stone from a site to which a third party (other than the Republic) holds exploitation rights or from which a third party is currently extracting such material, except in either case on terms and conditions satisfactory to such third party, (d) deprive any Person (even temporarily) of a constant and reasonable supply of usable water from a previously utilized traditional source without replacing it, or (e) interfere with any water rights enjoyed by any user under any agreement with the Government.
- 7.4 The Government may construct or permit third parties to construct roads, highways, railroads, pipelines, power, telegraph and telephone lines, other public transport or communications facilities or other public facilities in or across a License Area. If material aspects of a Licensee's work program are materially delayed by any such activities, the Licensee may apply to the Minister for a compensating extension of its License Term. The Minister must authorize such extension if and to the extent that the Licensee can reasonably demonstrate that the delay occurred notwithstanding the Licensee's reasonable efforts to coordinate its work program with such activities. Nothing in this regulation limits any right a Licensee may otherwise have to recover from the appropriate Governmental agency or third party for actual damage to or loss of use of equipment or facilities utilized by the Licensee in the performance of the Work.

8 Obligations of A Licensee

- 8.1 A Licensee must commence Exploration under a License within the later of 180 days of the issuance of the License or 60 days of the Effective Date of the License.
- 8.2 A Licensee must diligently carry on Exploration throughout the License Term in a good and workmanlike manner using appropriate, modern and effective plant, equipment, materials and methods in accordance with (i) the substantive and timing provisions of its approved work program, this regulation, the Mining Law and other applicable Law, and (ii) accepted international standards.

8.3 Right to Suspend Exploration under Section 5.3(k) of the Mining Law

- (a) Following the approval or deemed approval of a Licensee's work program and budget under Section 4.3 or Section 4.4 a Licensee may apply to the Minister for the suspension of its Exploration obligation under the related License on the following terms and conditions:
 - (i) The Licensee must apply in writing for the suspension, indicating the period of time for which the suspension is requested and the reasons for the suspension, including the Licensee's representation that as of the date of the application, the Licensee is in compliance in all material respects with its obligations under this regulation and the Mining Law, and providing evidence of the payment of the review fee provided for in Section 12.3.
 - (ii) If the period of suspension will extend beyond the next Anniversary Date under the License involved, the Annual Report due under Section 6.1(g) with respect to that Anniversary Date is due 60 days after the commencement of the suspension period and shall cover all Work performed up to the beginning of the suspension period.
 - (iii) If a Competent Person has advised the Minister in writing that the information then available about the geology of the License is insufficient to support a conclusion that there exist within the License Area mineral resources covered by the License constituting potentially mineable quantities of Indicated Resources (as defined in a CRIRSCO-compliant code) the maximum suspension period is 365 days. Otherwise the maximum suspension period is 180 days.
- (b) The Minister will grant a request duly made under Section 8.3(a) on the following terms and conditions:
 - (i) The Licensee undertakes in a writing delivered to the Minister to perform no Exploration during the suspension period (it being understood that analyses of samples and data obtained prior to the suspension period is excluded from this limitation), and acknowledges in the undertaking that a breach of the undertaking is grounds for termination of the relevant License.
 - (ii) The Licensee continues to make the surface rights and License fee payments required by Sections 12.1 and 12.2 as though the suspension did not occur.
 - (iii) The Licensee represents in writing to the Minister at the end of the suspension period that Licensee has complied with its undertaking referred to in clause (i) of this Section 8.3(b).
- (c) A Licensee is entitled to only a single suspension under this Section 8.3 during the License Term. The suspension may occur during the Initial Term or during the Extended Term. A suspension on the grounds of force majeure is governed by Section 20 and not this Section 8.3. A suspension under this Section 8.3 shall extend the Initial Term or the Extended Term (as the case may be) by the length of the suspension period and shall suspend, during the suspension period, the obligation to incur Eligible Exploration Costs.

8.4 Amendment of Work Program and Budget

- (a) A Licensee may seek amendment of its work program and budget at any time. An amendment request must include a description of the nature and impact of the proposed amendments and a copy of the complete work program and budget marked to show all additions and deletions from the work program and budget as most recently approved by the Minister, and must be accompanied by evidence of payment of the review fee provided for in Section 12.3. The provisions of Section 4.4 apply to any submission filed under this Section 8.4(a), except that the review periods are reduced from 45 to 30 and from 25 to 15 days, respectively.
- (b) If the requested amendment involves any activities subject to EPA review, the Licensee must also concurrently file with the EPA all submissions as may then be required in order to obtain all EPA approvals, licenses or permits required in order to implement the Licensee's work program as amended.
- (c) The Minister must approve the proposed amended work program and budget if it satisfies the requirements of Section 4.2(a) and (b). The Licensee may not implement any of the approved work program changes until the EPA has issued all approvals, licenses or permits or modifications thereof required in order to implement the Licensee's work program as amended.
- (d) If a Licensee believes that the Minister has failed to approve a work program amendment or budget amendment that should have been approved under the standard set forth in Section 8.4(c), it may seek relief as provided in Section 18.

8.5 Eligible Exploration Costs

- (a) A Licensee must incur Eligible Exploration Costs in the first year of a License Term in an amount equal to the Adjusted per Hectare Expenditure Requirement for such year multiplied by the number of hectares in the original License Area.
- (b) A Licensee must incur, in the second and each subsequent year of a License Term, Eligible Exploration Costs in an amount equal to the Adjusted per Hectare Expenditure Requirement for such year multiplied by the adjusted number of hectares in the License Area for such year. The adjusted number of hectares in a License Area for a given year of the License Term is determined on the basis that any portion of the License Area added to or removed from the License Area during a year of the License Term is weighted (for each such area) by multiplying the actual number of hectares in such area by a fraction, the numerator of which is the number of days that such area is included in the License Area during such year and the denominator of which is 365.
- (c) If a Licensee is excused by Section 8.3, Section 20 or otherwise from incurring Eligible Exploration Costs for any portion of a year, the Adjusted per Hectare Expenditure Requirement for such year is reduced in the same proportion.
- (d) If there is an extension of the Initial Term or the Extended Term for a portion of a year, the Adjusted per Hectare Expenditure Requirement for that portion of the year is equal to the

requirement for the full year multiplied by a fraction equal to the number of days of extension divided by 365.

- (e) Eligible Exploration Costs during any period are to be measured on a cash basis and not when accrued for accounting purposes.

8.6 A Licensee may not directly or indirectly enter into any transaction or group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate, except in the ordinary course and pursuant to the reasonable requirements of the Licensee's business and upon fair and reasonable terms no less favorable to the Licensee than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate. Compliance with the preceding sentence by a Licensee does not establish compliance by the Licensee with other Law that may be applicable to transactions by the Licensee with any of its affiliates.

8.7 Health and Safety; Labor Law

- (a) A Licensee must (i) comply with applicable health and safety Law, and (ii) install, maintain and use such modern health and safety devices and equipment and practice such modern health and safety procedures and precautions (including regular safety training instruction for its employees) as required by applicable Law and as are in accordance with practices generally accepted in OECD countries. This paragraph is to be interpreted as requiring a Licensee to consider the impact of Exploration on the health and safety of the residents of the area in which it is exploring as well as the health and safety of those carrying out Exploration.
- (b) A Licensee must comply with applicable Law setting forth the duties of an employer and the rights of employees and may not hire non-Liberian citizens for unskilled positions.
- (c) A Licensee must notify the appropriate Government agency immediately of any death of or serious injury to any employee that is reasonably attributable to his or her participation in the Work. For the purposes of this Section 8.7(c), a "serious" injury means an injury that is likely to cause the injured employee to lose 3 or more working days.
- (d) A Licensee must include the provisions of Sections 8.7(a), (b) and (c) in all contracts with third parties for the performance of any Work, and require their inclusion in all subcontracts under such contracts.

8.8 Seconded Ministry Employees

- (a) The Ministry may from time to time second up to two professionals (mining engineers or geologists) from the Ministry to a Licensee's operations after consultation with such Licensee as to the identity and skills of, and the work to be performed by, such secondees. Secondees shall be available for assignments from the Ministry one week out of four. If the Ministry is unable to schedule the use of a secondee's time available to it on a regular three weeks on/one week off (or six weeks on/two weeks off) basis, a Licensee must receive at least eight days' advance notice (or such lesser period time as the Licensee and the Ministry may otherwise agree) of the time the Ministry will require the services of a secondee, provided that if the

Ministry requires the services of a secondee in connection with a safety-related emergency at another location, no notice is required.

- (b) The Licensee must pay such stipends to secondees as from time to time are determined by the Minister as applicable to all secondees after consultation with Licensees generally. Allowances may reflect differences in the training and experience of secondees. Transport costs to and from Monrovia and the Licensee's location when a secondee will be stationed outside of Monrovia will be borne independently by the Licensee. When the Ministry requires the services of a secondee other than in Monrovia the transport costs are for the account of the Ministry.
- 8.9 By submitting its work program and budget to the Minister, a Licensee is deemed to have agreed to indemnify and hold harmless the Government and its officers and agents from all claims and liabilities for death or injury to Persons or damage to property from any cause whatsoever arising out of its Exploration operations.
- 8.10 A Licensee must at all times be an "Eligible Applicant" for a Class A Mining License under the Mining Law. A Licensee under a License awarded after the effective date of this regulation must at all times be a corporation organized and subsisting under the laws of the Republic.

9 Social Obligations of a Licensee

- 9.1 A Licensee must provide on a continuing basis for the training of Liberian employees in order to qualify them for skilled, technical, administrative and managerial positions. A Licensee must employ and give preference to the employment of qualified Liberian citizens for skilled positions as and when such persons become available. A Licensee must advertise in at least two Monrovia newspapers for all such positions expected to have a term of at least one year, and must maintain written records as to the number of local candidates applying and why they were determined to be unsuitable.
- 9.2 **Liberian Goods and Services**
- (a) When a Licensee purchases goods and services related to Exploration to be performed under its License, it must give preference to the maximum extent practical to materials and goods produced in Liberia, and to services provided by Liberian citizens resident in Liberia or entities incorporated or formed in Liberia where Liberian citizens resident in Liberia are entitled to receive 60% or more of all profits from such entities, provided that such goods and services are comparable in quality, terms, delivery, service, quantity and price, or better than, goods and services obtainable from other sources. Subject to the foregoing, a Licensee may freely contract with any Person. A Licensee is responsible for maintaining records sufficient to demonstrate its compliance with this Section.
 - (b) A Licensee must include the provisions of Section 9.1 and this Section 9.2 in all contracts with third parties for the performance of any Work, and require their inclusion in all subcontracts under such contracts.

9.3 Local Community Enhancement Obligations

- (a) A Licensee must encourage economic and social development in or adjacent to its License Area during the term of its License and must provide for meetings on a regular basis between representatives of the Licensee and of local communities affected by its Exploration operations for the purposes of reasonably minimizing any adverse impact of such operations upon local communities.
- (b) A Licensee must expend each year during the License Term an amount equal to at least 2% of its approved budget for such year on the construction, maintenance or rehabilitation of schools or clinics within its License Area or within other local communities affected by the Licensee's Exploration. The Licensee must consult with local officials and traditional leaders as to the facilities that will benefit from this expenditure, but will retain control over all expenditures.

10 Environmental Protection

- 10.1 All operations of a Licensee in connection with Exploration must comply with its Environmental Management Program, Sections 8.1 through 8.3 of the Mining Law, applicable environmental Law and the terms of all relevant approvals, licenses and permits issued to it by the EPA. A Licensee must in any event take preventive or corrective measures to ensure that all streams and water bodies within or bordering Liberia, all dry land surfaces, and the atmosphere, are protected from pollution, contamination or damage resulting from Exploration operations pursuant to its License, and shall construct its access roads and other facilities so as to limit the scope for erosion and the felling of mature trees. If the Exploration operations of a Licensee violate any requirement referred to in this Section or otherwise damage the environment, the Licensee must proceed diligently to mitigate and/or restore the environment as much as possible to its original and natural state and to take preventive measures to avoid further damage to the environment.

10.2 Annual Environmental Audit

- (a) A Licensee must deliver to the Minister and the EPA, within 60 days of each Anniversary Date (other than an Anniversary Date that is the last day of the License Term), an environmental audit and assessment of the License Area, supervised and signed by an environmental consultant who is not a regular employee of the Licensee or an Affiliate of the Licensee and who is a registered engineer with at least 10 years of experience in making environmental compliance assessments and audits. The assessment and audit are for the purpose of determining whether the Licensee's work program is being conducted in conformity with applicable environmental law and regulations and this Section 10, and whether the schedule of remediation and restoration work set forth in the Licensee's work program is being maintained.
- (b) A final environmental audit and assessment must be delivered to the Minister and the EPA within 180 days of the end of the License Term, with respect to work performed in the License area since the end of the period covered by the prior audit and assessment delivered under this Section 10.2. If the period from the previous Anniversary Date to the end of the License Term is less than 105 days, the Licensee may on notice to the Minister and the EPA prior to such previous Anniversary Date omit the audit and assessment due 60 days after such Anniversary Date and file only the final audit and assessment.

- (c) The assessment and audit must cover (i) all access roads and all locations at which the Licensee has maintained during the year then ended facilities and equipment engaged in or supporting Exploration (such as base camps and equipment pool locations, but excluding urban office locations) and (ii) locations randomly selected by the auditor from a list certified as complete and correct by the Licensee's chief operating officer of all locations at which the Licensee has conducted and completed drilling or other invasive Work during such year (including such locations as temporary camps as well as locations in which drilling or sampling of any kind occurred). The locations included pursuant to clause (ii) of the preceding sentence must include at least 10% of all such locations (and must include at least two such locations). The assessment and audit for each year must be accompanied by the Licensee's report of the amounts expended on restoration and remediation at each location covered by the assessment and audit.
- (d) If any such assessment and audit identifies any location as not in compliance with the requirements of Section 10.1, the Licensee must promptly remedy such situation, and must thereafter cause the auditor to perform a second assessment and audit (i) covering the locations at which remedial work was performed and (ii) if any non-complying location was a location included pursuant to clause (ii) of Section 10.2(c), covering 10% of the locations referred to in such clause (ii) that were not previously audited (but not less than two such locations). The cycle required by the preceding sentence must be repeated until an assessment and audit show no further non-complying locations.

10.3 Security for Remediation and Restoration

- (a) Notwithstanding any finding of financial capacity of a Licensee under Section 4.2(c), a Licensee must before beginning Exploration provide security for its performance of its obligations under Section 10.1 equal to 15% of the budget for its approved work program, or such greater amount as may be required by the EPA. The security must be provided as a letter of credit substantially in the form of Schedule 10.3 or in another form satisfactory to the Minister of Finance. If a Licensee requests the use of an alternative form (or requests material modifications in the attached form), it must fund the reasonable fees of New York or London counsel retained by the Minister of Finance to review the alternative form or modifications, as the case may be.
- (b) A Licensee must increase proportionately the amount available under any security delivered pursuant to this Section 10.3 whenever the cumulative increase in the total budget for the approved work program exceeds 10% or the sum of cumulative actual work program expenditures plus remaining budgeted work program expenditures exceed the budgeted amount by more than 10%. A Licensee is not entitled to a reduction in the amount available under any such security upon any reduction of the License Area under its License.
- (c) The Minister must release any security provided by a Licensee under this Section 10.3 at such time after the end of the License Term that the Licensee delivers a final environmental audit and assessment complying with the requirements of Section 10.2 that identifies no non-complying locations and there is no outstanding determination by the Minister or the EPA that the Licensee has failed to perform its environmental restoration and remediation obligations under this Section 10.

- (d) If a Licensee has not delivered an environmental audit and assessment satisfying Section 10.2(b) within 180 days of the end of the relevant License Term, the Minister may call on such security in its entirety (or in such lesser amount as is required by the following sentence) and hold the proceeds for application to remedy any environmental damage or defects attributable to the Exploration activities of the Licensee. If within such 180-day period an environmental audit and assessment is delivered that satisfies Section 10.2(b) subject to certain stated exceptions, the Minister shall call on such security only to the extent the Minister deems it necessary to remedy the damage or defects reflected in the stated exceptions. Any amounts so called upon must be transferred directly to and shall be held under the authority of the Minister of Finance separately from the general funds of the Government and may be applied by the Minister of Finance at the request of the Minister of Mines solely to discharge a failure of the Licensee to perform its environmental restoration and remediation obligations under this Section 10. Any unused amount will be returned to the Licensee on the third anniversary of the end of the License Term. The requirements of this Section are in addition to any late filing penalty under Section 3.3(c).
- (e) If under any law or regulation setting forth the powers of the EPA the EPA determines that security is to be provided by the holder of a License for environmental remediation and restoration, the Minister and the head of the EPA will determine whether there exploration regulations or the requirements of the EPA take priority. A Licensee may not be required to provide security to both the Minister and the EPA.

11 Books and Records and Related Obligations of a Licensee

11.1 Books and Records; Accounting

- (a) A Licensee must maintain books of account and financial records relating to the Work in conformity with IFRS and in compliance with all applicable requirements of Law. A Licensee must maintain its books of account and financial records in Dollars, and all amounts paid or received, and obligations incurred or transactions carried out, in Liberian Currency or in any other non-Dollar currency will be converted to Dollars in accordance with and pursuant to IFRS, based upon the Prevailing Market Rate of Exchange of Dollars and any such currency at the date of the applicable transaction.
- (b) The books of account and financial records of a Licensee relating to the Work must be maintained in a manner that will enable the Minister or the Minister's designee to determine the Licensee's compliance with Section 8.5 and that clearly identifies all transactions with Affiliates referred to in Section 8.6.
- (c) If a Licensee holds more than one License, it must maintain independent books and records, including books of account and financial records, for its operations under each License in such a manner as will permit the Minister to determine the compliance of the Licensee with the requirements of this regulation on a separate basis for each License. A Licensee holding multiple Licenses may not establish compliance with the annual exploration expenditure requirement contained in Section 8.5 or the 10% sampling requirement in Section 10.2 on an aggregative basis.

- 11.2 A Licensee must make payments to the Government of sums it collects on behalf of the Government (including, but not limited to, taxes withheld from the salaries or wages of its employees, and any other sums payable to other Persons from which a portion is required by Law to be withheld or retained by it on behalf of the Government) in the currency in which such salaries or wages or such other sums are paid. All other payment obligations of a Licensee to the Government, including all amounts due under the express provisions of this regulation, must be discharged by the payment of Dollars. Any obligation originally stated in Liberian Currency must be converted to Dollars at the Prevailing Market Rate of Exchange. For purposes of determining compliance by the Licensee of required payments in Liberian Currency under any Law (including without limitation any Law determining minimum wages), the amount of any payment by a Licensee made in Dollars will be converted to Liberian Currency at the Prevailing Market Rate of Exchange as of the date of payment.
- 11.3 A Licensee must have an office in Monrovia open from at least 10 AM to 4 PM on each Business Day for the receipt of notices and other communications and must inform the Minister promptly of the location of such office and of any changes in such location. A Licensee must maintain at such office (or in the case of retained core and other field samples at such other location in Liberia as is disclosed in writing to the Minister) originals or copies of all maps, geological, mining or other earth science reports and mineral analyses (together with all field data which support such reports or data), production records and other data obtained or compiled by or on behalf of such Licensee as a result of exploration operations under its License until such time as delivery of those items is made to the Minister or the Minister's designee under Section 6. A Licensee must also maintain at its office in Monrovia original or copies of all books of account and financial records of the Licensee relating to its License and the Work performed or to be performed thereunder. The Minister or the Minister's designee is entitled to full access to all such information, material, books of account and financial records on at least one Business Day's prior written notice to the Licensee.
- 11.4 Inspection
- (a) Agencies of the Government may monitor a Licensee's operations from time to time to determine compliance with applicable law and regulations. Government personnel may inspect any facilities or operations of a Licensee in Liberia without prior notice but at reasonable times of day. Such inspection may not materially interfere with the normal conduct of a Licensee's operations. The failure of any agency of the Government to make any such inspection or ascertain in any such inspection the existence of any breach by the Licensee of any of its obligations will not affect the ability of the Government to require full compliance by the Company with its obligations.
- (b) As a condition to permitting any such inspection made without at least one Business Day's prior notice, a Licensee is entitled to insist upon (i) receipt of a copy of written instructions to conduct such inspection from an official senior to the official purporting to conduct the inspection, manually and legibly signed and bearing such senior officer's telephone number, and (ii) viewing and copying the identification of the persons claiming the right to conduct such inspection.

12 Surface Rights Payments and Other Fees and Taxes

12.1 This Section 12.1 is subject to and is superseded by any inconsistent provisions of the Revenue Code of Liberia, as from time to time in effect. A License holder must comply with this Section 12.1 until notified of an inconsistency by the Minister or the Minister of Finance or until so determined by a final judgment of a Liberian court of competent jurisdiction.

- (a) A Licensee must make an annual payment (a “Surface Rights Payment”), in advance, for the right to Explore the License Area. Evidence of payment of the initial year’s Surface Rights Payment must be submitted with a License application (determined based on the applicant’s estimate of the License Area. This initial payment will cover the year of the License Term beginning on the Effective Date of the License. Subsequent annual payments during the Initial Term are due and payable by the Licensee on each Anniversary Date during the License Term. If the License Area is determined by the Minister to be more or less than that estimated by the Licensee, any additional amount due must be paid by the Licensee within 60 days of receipt of notice as to the amount due and the computation of such amount and any excess amount paid will be credited against the following year’s Surface Rights Payment obligations.
- (b) The Surface Rights Payment for any year of a License Term commencing prior to July 1, 2010 is US\$0.50 per hectare included in the License Area.
- (c) The Surface Rights Payment for any year of a License Term commencing in the 12-month period beginning July 1, 2010 or in any following 12-month period is US\$0.50 per hectare, adjusted, as of July 1 in each year (beginning with 2010), in proportion to the increase in value, if any, of the “GDP Implicit Price Deflator” published by the U.S. Department of Commerce, Bureau of Economic Analysis as the “revised” GDP Implicit Price Deflator for the fourth quarter of the preceding calendar year from the value of the “revised” GDP Implicit Price Deflator published for the fourth quarter of 2008. The Minister’s determination of such change in value and the Minister’s determination of the size of a License Area is final, absent manifest error. If such index is no longer published, the Minister will designate a substitute adjustment mechanism or index that will substantially preserve the economic impact and timing of the periodic adjustment provided for in this definition.
- (d) No abatement or refund of a Surface Rights Payment for any year will be made as a consequence of the surrender by a Licensee of any portion of a License Area or any termination of a License, except that:
 - (i) if a Licensee’s license is terminated under Section 4.5(b) and (c), or a Licensee relinquishes all of its License Area under Section 5.1 before the License Effective Date, the Licensee is entitled to a refund of the amount paid under the second sentence of Section 12.1(a); and
 - (ii) a surrender of all or any portion of the License Area prior to the 90th day of any year of a License term pursuant to Section 3.2 will entitle the Licensee to a credit based on the size of the surrendered portion against subsequent payments due with respect to such License under this Section 12.1. The credit under clause of this subsection (d) is equal to the unearned portion of the surface rights payment, determined on a pro rata basis based on

the ratio of the remaining number of days in the current year of the License Term to the number of days of a 365-day year.

- (e) Surface Rights Payments on any areas added to a License Area pursuant to Section 5.1 will accrue from the date such area becomes part of the License Area and will be due and payable for the balance of the current year of the License Term 10 days following notice from the Minister that such area has become part of the License Area.
- (f) If the Initial or Extended Term of the License is extended pursuant to Section 7.4 or 20.5, no Surface Rights Payment is due for such extended period. If the Initial or Extended Term of the License is extended pursuant to Section 8.3 for less than one year, then the Surface Rights Payment shall be prorated for the period of the extension.
- (g) A Licensee is not entitled to an abatement of Surface Rights Payments on the ground that portions of its License Area are subject to the rights of prior holders of Class B Mining Licenses, Class C Mining Licenses or Quarry Licenses issued under the Mining Law.

12.2 License Fee

- (a) An annual License fee of US\$5,000 is due and payable in advance for each year of the License Term. Any License fee payment coming due on or after July 1, 2010 will be adjusted in the manner provided for the adjustment of the Surface Rights Payment in Section 12.1(c). Evidence of payment of the initial year's Licensee fee must be submitted with a License application, and will cover the year of the License Term beginning on the Effective Date of the License. Subsequent annual payments are due and payable by the Licensee on each Anniversary Date during the License Term unless the Anniversary Date is the last day of the License Term. No abatement or refund of the annual Licensee fee will be made as a consequence of the surrender by a Licensee of any portion of a License Area or any termination of its License. If the Initial or Extended Term of the License is extended pursuant to Section 8.3 for less than one year, then the License fee shall be prorated for the period of the extension.
- (b) If the Initial or Extended Term of the License is extended pursuant to Section 7.4 or 20.5, no License fee is due for such extended period.

12.3 A Licensee must pay the following fees for the processing of applications made under this regulation:

- (a) for the processing of any application to add one or more Additional Areas to the License Area under Section 5.1, or to extend a License Term under Section 5.2, US\$5,000;
- (b) for the processing of any application to suspend exploration under Section 8.3, US\$2,500;
- (c) for the processing of any application under Section 8.4 to amend an approved work program and budget, US\$2,500;
- (d) for the processing of any application to undertake a pilot mining and recovery program under Section 13.2, US\$10,000 plus the fees of the independent Competent Person selected by the

Minister as contemplated by Section 13.2(e), whether such application is filed separately or together with an application for an Extended Term; and for the processing of any Transfer or Change of Control under Section 15, US\$2,500, provided that in the case of a Transfer or Change of Control governed by Section 15.6, the fee is not payable until there is an actual foreclosure or other exercise of remedies under the Mortgage that triggers the requirements of subsections (a) through (c) of such Section.

- 12.4 The issuance of a License does not excuse a Licensee from paying, and a Licensee must pay all direct and indirect income, profit, excess profit, additional profit, gains, capital gains, corporation, dividend, interest, financing, net worth, sales, transaction, payroll, import, export, customs, consul, inspection, value added, consumption, supply, use, turnover, severance, stumpage, cash flow, rental, land rental, surface rental, property, stamp, withholding and other taxes, duties, fees, levies, excises, rates, charges, imposts, surcharges, royalties and other Government-imposed revenue payments of whatever nature and however called from time to time imposed or required by the Revenue Code of Liberia or other applicable Law, whether paid to the Government or to any other Person at the directive of the Government.
- 12.5 A Licensee is entitled to import and use in respect of Exploration (including any pilot mining permitted under Section 13.2), and subsequently sell or export, any and all machinery, equipment, consumable items, fuels, explosives and any other commodity reasonably required for such purposes, subject to the following:
- (a) If items were imported under an exemption from Taxes and Duties, a Licensee must pay all Taxes and Duties on any resale of such items in Liberia as though they had been imported into Liberia at the time of the resale for the price for which they are resold. Such payments shall be made to the Ministry of Finance for deposit into the general revenue fund and a receipt for the deposit obtained from the Ministry.
 - (b) A Licensee must file promptly within 30 days after each June 30 and December 31 with the Minister of Finance a list of all items imported under an exemption from Taxes and Duties and resold during the six month period then ended, the sales prices of such items, the computation of Taxes and Duties due on such sales, and a copy of the deposit receipts evidencing payment of such amounts, or a certification that no such items were sold.
 - (c) A Licensee may not re-export fuels.
 - (d) A Licensee must comply with all provisions of Law regarding the use, security and storage of explosives, and may sell or otherwise dispose of explosives only to another licensed mining or exploration company or as authorized by the Minister.

13 Certain Rights of Licensees

- 13.1 A Licensee may obtain, either directly or from others who hold exploration or prospecting licenses issued and in effect under the Mining Law, and freely export (where it decides not to have tests conducted within Liberia) samples recovered from the License Area (or from other areas by third parties with the right to take samples from such areas) for analysis by recognized laboratories or research institutes so long as the samples are of no commercial value or represent concentrates and

in either case have been inspected and certified by the Liberian Geological Survey. The Licensee is not required to pay royalties or other Taxes and Duties on samples of no commercial value; otherwise royalties are due on shipment. The right set forth in this section extends to the taking by or on behalf of the Licensee of limited bulk samples (not in excess of five metric tons from any one location or 100 metric tons in the aggregate) from within its License Area so long as they are solely for analysis and verification of economic beneficiation or other processing techniques with respect to a mineral resource discovered by the Licensee and within the scope of its License. Notwithstanding the foregoing all bulk sampling of diamond-yielding resources must be carried out pursuant to Section 13.2.

13.2 Pilot Plant Mining and Bulk Sampling

- (a) If a Licensee with diamond exploration rights identifies a diamond prospect within its License Area and the Licensee is unable to determine through normal sampling techniques whether the mineral content is high enough to make large scale exploitation of the resource economically feasible, the Licensee may apply for permission under this Section 13.2 to conduct pilot diamond mining and recovery. The Minister will consider any such application only if the Licensee has prior to the application fulfilled its approved work program and budget expenditure obligations for the License Area, is otherwise in compliance with this regulation and applicable Law, and provides evidence of payment of the review fee provided for in Section 12.3.
- (b) The application requirements are set forth in Schedule 13.2(b). The salary, accommodations and per diem allowance for the monitor referred to in clause (b)(4) of Schedule 13.2(b) are for the account of the Licensee and will be set at the level reasonably determined by the Minister after consultation with the Licensee to be necessary to obtain the services of individuals with suitable prior experience.
- (c) Approval of the pilot mining and recovery work program and budget will follow the process outlined in Sections 4.3 and 4.4 (except that the Licensee need satisfy only the requirements of Sections 4.2(a), (c) and (e) with respect to its pilot mining program).
- (d) Only costs associated with pilot mining and recovery that exceed the amount recovered from the sales of recovered material (after payment of any royalties due) may be taken into account in determining compliance by a Licensee with the Adjusted Per Hectare Expenditure Requirement in any year of its License Term.
- (e) The Minister may also apply the requirements of this Section 13.2 with such changes as the Minister deems appropriate on the advice of a Competent Person to:
 - (i) a pilot mining and recovery plant to be used to determine the economic feasibility of developing a non-diamond mineral resource in which the recoverable mineral appears to be randomly distributed on a “nugget” basis if the Competent Person has advised the Minister in writing that there are no practical, less invasive, methods of determining whether the resource could be developed; or
 - (ii) a program for recovering bulk samples of up to 100 metric tons from a single site for analysis and verification of economic beneficiation or other processing techniques if the

Competent Person has advised the Minister in writing that there are no practical, less invasive methods of determining whether the resource could be developed.

In any such case the Minister may permit deviations from the otherwise applicable provisions of Section 13.2 on the advice of the Competent Person that such deviations represent best practice for the activity involved.

- (f) The Competent Person referred to in Section 13.2(e) will be selected by the Minister from a list (accompanied by comprehensive resumes) of at least three such persons nominated by the Licensee none of whom has in the preceding six years been regularly employed by the Licensee or any of its Affiliates, and none of whom has in the preceding three years been retained for any purpose by the Licensee or any of its Affiliates (other than in circumstances in which the Competent Person is acting under the direction of an unrelated party but funded by the Licensee or an Affiliate). The fees and expenses of the Competent Person selected are for the account of the Licensee.
- (g) If a Licensee believes that the Minister has failed to approve a work program that should have been approved under the standards applicable under this Section 13.2, it may seek relief as provided in Section 18.

13.3 Access to Information

- (a) A Licensee is entitled to have access to or obtain copies of all geologic information relating to its License Area or adjacent areas that is owned by or subject to the control of the Ministry (including any core library under the control of the Ministry or to which the Ministry has access rights) subject to any confidentiality obligations (or exclusions) required to be observed by the Ministry.
- (b) A prospective Licensee is entitled to have access to or obtain copies of all geologic information relating to areas in which it is interested that is owned by or subject to the control of the Ministry (including any core library under the control of the Ministry or to which the Ministry has access rights), subject to any confidentiality obligations (or exclusions) required to be observed by the Ministry.
- (c) The Ministry will establish charges for furnishing or making available such information to Licensees and to prospective Licensees reasonably related to the costs of receiving, preserving, indexing, retrieving and delivering the information.
- (d) The Ministry makes no representation or warranty as to the accuracy of any information provided by it under this Section 13.3.

13.4 Confidentiality

- (a) The Ministry will hold confidential all information and materials provided by a Licensee to the Ministry pursuant to Section 4, 5, 6 or 13.2 during the term of such Licensee's License constituting information about (a) the geology of or the minerals that may be found in the License Area, (b) the financial condition of the Licensee or any of its shareholders, or (c) the

specific exploration program proposed to be carried out by the Licensee that is designated by the Licensee in writing at the time of delivery as confidential material. In addition, if a Licensee has designated a portion of its License Area as a proposed production area under the Mining Law or mining regulations issued pursuant to the Mining Law, the information referred to in clause (a) will be kept confidential until the designation is revoked or withdrawn, or if a mining license is ultimately granted for any such designated area or portion thereof, for such longer period of time as provided in the mining regulations. Except as provided in the preceding sentence, the obligations of the Ministry under this Section 13.4 expire, in the case of information referred to in clause (a) or clause (c), at the termination of the License with respect to the area to which such information relates, and in the case of clause (b), two years after the information is received by the Ministry.

- (b) Information that (i) is publicly known prior to the time of disclosure to the Ministry (or was otherwise known to the Ministry at the time of disclosure and not subject to a confidentiality obligation), (ii) subsequently becomes publicly known through no act or omission by the Ministry, or (iii) is required to be disclosed pursuant to generally applicable Law or a final order of any court having jurisdiction, is not subject to the confidentiality requirements of this Section

14 Approvals not to be Unreasonably Withheld

- 14.1 The Minister may not unreasonably withhold approvals or consents that are necessary for the conduct of Exploration by a Licensee or that a Licensee is otherwise entitled to request under this regulation.

15 Assignments, Transfers and Changes of Control

- 15.1 No Transfer of a License is permitted unless it has received the prior written consent of the Minister or is otherwise permitted under the terms of Section 15.2, 15.3 or 15.6.
- 15.2 A Transfer of a License to an Affiliate of the Licensee is permitted if the Licensee undertakes in writing to remain jointly and severally liable for all of the obligations of the Affiliate under the License and the Affiliate delivers the agreements and other materials required by Section 15.3(a).
- 15.3 A Transfer of a License as a consequence of a merger or consolidation of a Licensee in which the Licensee is not the survivor, or a sale or other transfer of all of the Licensee's interest in a License (whether or not in conjunction with a sale of all or substantially all of the properties or assets of the Licensee), is permitted if:
 - (a) the survivor or transferee, as the case may be, is a corporation organized and validly subsisting under the laws of Liberia, and delivers to the Minister prior to the consummation of such Transfer (i) its agreement, in form and substance reasonably satisfactory to the Minister, to carry out the Licensee's work program and budget, as then approved under this regulation, (ii) evidence that all required consents or approvals of the EPA have been obtained (or that none are required), and (iii) its written representations and warranties as required by Schedule 4.2(d) made as of a time immediately after giving effect to such Transfer;

- (b) the survivor or transferee, as the case may be, has demonstrated to the reasonable satisfaction of the Minister that:
 - (i) it possesses, or has access to, the technical capacity as contemplated by Schedule 4.2(c)(i) to carry out its predecessor's approved work program and budget and comply with its obligations under this regulation and the Mining Law; and
 - (ii) it possesses or will possess the financial capacity as contemplated by Schedule 4.2(c)(ii) to carry out its predecessor's approved work program and budget and comply with its obligations under this regulation and the Mining Law; and
 - (c) The Licensee is in compliance with its reporting obligations under Section 6, no order suspending work under Section 16.2 is outstanding and not withdrawn or revoked, and no event or condition has occurred and is continuing that is, or after the passage of time would become, a License Termination Event under Section 17.1.
- 15.4 No Change of Control of a Licensee is permitted unless it has received the prior written consent of the Minister or is otherwise permitted under the terms of Section 15.5 or 15.6.
- 15.5 A Change of Control with respect to a Licensee is permitted if the Change of Control occurs solely by operation of a Transfer permitted under Section 15.3 or if:
 - (a) the Licensee delivers to the Minister (x) prior to the Change of Control, evidence that all required consents or approvals of the EPA have been obtained (or that none are required), and (y) its written representations and warranties as required by Schedule 4.2(d) made as of a time immediately after giving effect to such Change of Control; and
 - (b) the Licensee has demonstrated to the reasonable satisfaction of the Minister prior to the Change of Control that after giving effect to the Change of Control:
 - (i) it possesses, or has access to, the technical capacity as contemplated by Schedule 4.2(c)(i) to carry out its approved work program and comply with its obligations under this regulation and the Mining Law; and
 - (ii) it possesses or will possess the financial capacity as contemplated by Schedule 4.2(c)(ii) to carry out its approved work program and comply with its obligations under this regulation and the Mining Law; and
 - (c) on giving effect to the Change of Control, the Licensee is in compliance with its reporting obligations under Section 6, no order suspending work under Section 16.2 is outstanding and not withdrawn or revoked, and no event or condition has occurred and is continuing that is, or after the passage of time would become, a License Termination Event under Section 17.1.
- 15.6 A Licensee may mortgage, charge or otherwise encumber (collectively, a "Mortgage") all but not less than all of its interest under its License as security for an obligation or indebtedness as contemplated by Section 9.18 of the Mining Law if the holder of such Mortgage agrees in writing with the Minister prior to the granting of such Mortgage that a foreclosure or other exercise of

remedies under such Mortgage against the rights of the Licensee under its License may occur only if:

- (a) the exercise of remedies results in a Transfer of 100% of the interest of the Licensee in its License to a corporation organized and validly subsisting under the laws of Liberia;
 - (b) the transferee delivers to the Minister prior to such exercise of remedies (i) its agreement, in form and substance reasonably satisfactory to the Minister, to carry out the Licensee's work program and budget, as then approved under this regulation, (ii) evidence that all required consents or approvals of the EPA have been obtained (or that none are required), and (iii) its written representations and warranties as required by Schedule 4.2(d) made as of a time immediately after the Transfer of the License to the transferee;
 - (c) the transferee has demonstrated to the reasonable satisfaction of the Minister prior to the occurrence of such Transfer that: (i) it possesses, or has access to, the technical capacity as contemplated by Schedule 4.2(c)(i) to carry out its approved work program and comply with its obligations under this regulation and the Mining Law; and (ii) it has the financial capacity as contemplated by Schedule 4.2(c)(ii) to carry out its approved work program and comply with its obligations under this regulation and the Mining Law; and
 - (d) all failures of the Licensee to make any payments due to the Government under this regulation are cured at the time of such Transfer, and the transferee has undertaken to cure all other defaults of the Licensee then existing under this regulation (to the extent it can cure them) within nine months of the date of the transfer.
 - (e) Any exercise of remedies with respect to and transfer of a License by such holder in accordance with the requirements set forth in clauses (a) through (c) of this Section 15.6 is both a permitted Transfer and a permitted Change of Control. If requested, the Minister, acting on behalf of the Government, will enter into an agreement with any such holder embodying the terms of this Section 15.6 at the time any such Mortgage is granted.
- 15.7 The Minister must reissue in the name of the transferee any License that is the subject of a Transfer permitted under this Section 15 within 30 days after receipt of a transfer request from the transferor or the transferee. A License becomes invalid 90 days after a Transfer unless a request to reissue the License in the name of the transferee is received by the Minister within such 90-day period.
- 15.8 It is the responsibility of the Licensee and its Controlling Persons to ensure that Management Rights with respect to the Licensee are structured and held in such a manner that transfers of such rights are made in compliance with the Change of Control provisions of this Section 15.

16 Suspension of Work

- 16.1 If any of the following events or conditions relating to a Licensee or to Work being carried out under its License has occurred and is continuing, the Minister may order the suspension of all or any part of the Work under such License:

- (a) the Licensee did not make a payment when due under Section 12.1 or 12.2 and the failure is not cured within 10 days after the Licensee receives notice of the failure from the Ministry or the Ministry of Finance;
- (b) the Licensee is not an Eligible Applicant, or the Licensee is Controlled by a Person who is not an Eligible Applicant; or
- (c) there is a violation of Section 15; or
- (d) the Licensee is not in compliance with Section 8.7 or Section 10.1, and such failure poses significant risks to the health and safety of workers or individuals residing in or near the License Area; or
- (e) an environmental assessment and audit under Section 10.2 has demonstrated that there exists a material failure to comply with Section 10.1, the Licensee's Environmental Management Program or the Licensee's EPA-approved "environmental mitigation plan," as the case may be, and the Licensee has not remedied such failures to the reasonable satisfaction of the EPA within 60 days from notice to the Licensee from the Minister or the EPA as to the nature of such failure; or
- (f) the Licensee is utilizing resources from the Land in violation of Section 7.3 (other than an isolated immaterial violation); or
- (g) the Licensee is conducting Exploration in violation of Section 2.2 or Section 2.4(b); or
- (h) The Licensee has failed to comply in a material manner with the reporting or information and sample delivery requirements under Section 6, or to file when due any reports required under Section 3.2(c), 3.2(d) or 5.2(b), and the failure has not been cured within 30 days of notice from the Director of the Liberian Geological Survey.

16.2 Order Suspending Work

- (a) Except as provided in the following sentence, an order of suspension of Work must be in writing and signed by the Minister. Any such order is effective the Business Day following its receipt by the Licensee at its address for notices, or, if delivered to a field office or other location at which Work is performed and at which a person with supervisory responsibilities is present, is effective on delivery. An order of suspension of Work under Section 16.1(d) may be given by telephone confirmed in writing within 48 hours, and is effective immediately.
- (b) Any order suspending Work (except an oral order under the last sentence of Section 16.2(a)) must set forth in a summary manner the facts relied upon for the issuance of the order and the name, location and telephone number of a responsible person at the Ministry who may be contacted for additional information.
- (c) Neither a Licensee's payment obligations under Section 12 nor a Licensee's obligation to incur Eligible Exploration Costs under Section 8.5 is suspended by an order of suspension of Work under this Section 16.
- (d) A License Term is not extended by an order of suspension of Work under this Section 16.

- (e) If less than all Work by the Licensee is suspended, the order must delineate with reasonable clarity the nature of the Work to be suspended.
- 16.3 A Licensee must comply with an order of suspension of Work properly given under this Section 16 until such order is withdrawn by the Minister (or deemed withdrawn) pursuant to Section 16.4 or is directed to be withdrawn pursuant to a final administrative order in a hearing held under Section 18, or in a final order in a judicial proceeding referred to in Section 18.
- 16.4 Right to Resume Work
- (a) A Licensee may at any time submit a request that an order suspending Work be withdrawn, setting forth in detail the facts and circumstances relied upon to demonstrate the elimination or correction of the event or condition that supported the issuance of the order suspending Work. The Minister must withdraw the order if the event or condition no longer exists or has been remedied to the reasonable satisfaction of the Minister.
 - (b) If within 20 days of receiving such submission the Minister does not either grant such request or give notice to the Licensee setting forth reasons for not granting such request, the order involved will be deemed withdrawn. If within 15 days of receiving a resubmitted request for withdrawal of the same order, the Minister does not either grant such request or give notice to the Licensee setting forth reasons for not granting such request, the order involved will be deemed withdrawn.
 - (c) The initial and each subsequent resubmission (if any) must be conspicuously marked to show all changes (additions and deletions) from the previous submission.

17 License Termination Events

- 17.1 The occurrence of any of the following events or conditions will constitute a “License Termination Event” as to a particular License, subject to force majeure as provided in Section 20:
- (a) a Licensee has not made the filings required by Section 4.1(a) within the period provided in such Section, or has not commenced Exploration within the period provided in Section 8.1; or
 - (b) a Licensee has suspended substantially all Work for a period of 12 months, unless any such failure or suspension is excused by force majeure or is permitted under Section 8.3; or
 - (c) the Licensee did not make a payment when due under Section 12.1 or 12.2 and the failure is not cured within 30 days after the Licensee receives notice of the failure from the Ministry or the Ministry of Finance; or
 - (d) a Licensee is otherwise in violation of this regulation or the Mining Law and the failure is not cured within 60 days of notice from the Minister to the Licensee; or
 - (e) a representation or warranty made in writing by the Licensee to the Minister or the EPA is false or misleading in any material respect; or

- (f) the right to exercise or direct the exercise of more than 5% of the Management Rights of a Licensee is directly or indirectly held by one or more Prohibited Persons.

17.2 Termination by the Minister

- (a) The Minister may give notice of termination of a License (a “Termination Notice”) at any time that a License Termination Event has occurred and is continuing, setting forth in such notice a summary in reasonable detail of the facts relied upon to establish the occurrence and continuation of a License Termination Event.
- (b) Such notice must include a statement of the right of the Licensee to request a hearing to be held to contest the assertion that a License Termination Event has occurred.
- (c) Pursuant to Section 9.15 of the Mining Law a termination under this Section is effective two months after the Termination Notice is sent to the Licensee, subject to automatic stay during the pendency of any hearing or judicial appeal referred to below in Section 18.
- (d) If the Minister does not receive a request for a hearing under Section 18 within 30 days of the date on which the Licensee received the notice of termination, the Licensee will be deemed to have waived its rights to such hearing, and the License in question will then terminate at noon on the date provided in the preceding sentence; otherwise termination is stayed until the conclusion of the hearing and any subsequent judicial appeal.

18 Opportunity for Hearing and Judicial Review

18.1 If a Licensee wishes

- (a) to challenge a determination that a License Termination Event has occurred and is continuing, or the issuance of an order to stop Work under Section 16, or a refusal of the Minister to take an action or give a consent or approval under this regulation that is to be taken or given by the Minister if the requirements of this regulation have been satisfied, or
- (b) to assert that the Minister has acted in violation of this regulation or has failed to act reasonably in a situation in which this regulation requires reasonable action by the Minister or prohibits unreasonable action by the Minister, it may give notice requesting a hearing to the Minister, with a copy to the Ministry of Justice.
- (c) The notice must contain a summary in reasonable detail of the facts expected to be relied upon by the Licensee to establish the Licensee’s right to the remedy claimed.

18.2 Hearing and Appeal

- (a) Upon receipt of notice requesting a hearing, the Minister must cause a hearing to be held in compliance with the Administrative Procedure Act, to commence not more than 45 days following the date of such notice.

- (b) The Licensee must be given at least 20 days' notice of the date such hearing is scheduled to commence.
- (c) The notice must comply with the requirements of Section 82.4 governing the content of a notice of hearing given by an agency of the Government.
- (d) Thereafter the hearing schedule will be established by the hearing officer in consultation with the Ministry and the Licensee, the hearing will be conducted in accordance with Section 82.4, and a determination will be reached in accordance with Section 82.5.
- (e) The Ministry will seek in good faith to expedite in accordance with Section 82.6 all hearings under this Section 18.
- (f) If the determination is favorable to the Licensee, the hearing officer will order appropriate relief consistent with the terms of the Mining Law and this regulation. If the determination is adverse to the Licensee, the Licensee has the right of appeal to a court of competent jurisdiction provided in Section 82.8.
- (g) Review by a court is subject to the limitations contained in clause 7 of Section 82.8.
- (h) Any determination favorable to a Licensee shall take into account delays suffered by the Licensee in the commencement or conduct of its Exploration program and in the conduct of the proceedings contemplated by this Section 18 and shall include an appropriate adjustment to the Initial Term or the Extended Term, as the case may be.

19 Notices

- 19.1 All notices, demands, reports and other communications required or expressly provided for under this regulation must be in writing.
- 19.2 Communications to the Minister and Other Officials or Agencies of the Government
 - (a) A communication under this regulation to the Minister or any other agency or official of the Government must be in writing and is effective only when received at the address specified in this regulation or if no such address is specified, at the principal office in Monrovia of the relevant agency. Delivery of a communication will be deemed to have occurred if a copy is manually dated and signed by a responsible employee and returned to the Person making delivery. The preceding sentence does not prevent a Person from introducing evidence that a communication was duly tendered to an agency of the Government and a responsible employee at the agency involved refused to confirm delivery in the manner required.
 - (b) The Minister may from time to time, by notice to Licensees generally or by publication as provided in Section 19.6, provide that for specified purposes means of communication to the Minister or other governmental officials or agencies other than as provided in Section 19.1 will be necessary or sufficient (as the case may be) to establish delivery by such Licensee under this regulation. Such notice or publication is effective as to all Licensees.

- (c) Until further notice to a Licensee, the address of the Minister for any communications under this regulation is:

The Minister
Ministry of Lands, Mines and Energy
Capitol Hill, Monrovia
Republic of Liberia

- (d) Until further notice to a Licensee, a copy of all communications to the Minister or the Ministry under this regulation shall be given to the Liberian Geological Survey as follows: The Director
Liberian Geological Survey Old Sinkor Road Monrovia, Liberia

19.3 Communications to a Licensee

- (a) A communication under this regulation to a Licensee must go to the address specified by the Licensee to the Minister by notice from the Licensee given as provided in Section 19.2.
- (b) A Licensee's address for communications must be an address in Monrovia unless the Licensee has directed that notice be given by email.
- (c) The address of a Licensee in Monrovia stated on its License is its address for all communications until the Licensee by notice to the Ministry directs otherwise.
- (d) If the License does not contain an address in Monrovia, it is the responsibility of the Licensee to provide the Ministry with an address in Monrovia or an email address for communications.
- (e) Unless otherwise expressly provided in this regulation, a communication to a Licensee is effective only when delivered, provided that in the case of emails, the Minister will designate an independent third party as the recipient of copies of all emails to Licensees, and receipt of an email by the third party showing that a Licensee was properly addressed as a co-recipient of that email shall be proof of delivery to the Licensee.
- (f) Delivery of a communication to a Licensee will be deemed to have occurred in any one of the following circumstances:
 - (i) in the case of facsimile communication, confirmation of receipt is electronically issued to the sender by the facsimile receiving device; or
 - (ii) delivery is made by hand to the Licensee's address in Monrovia between 10 AM and 4 PM on a day that is not a Saturday, Sunday or national holiday and the person making the delivery has obtained a delivery receipt or has confirmed in writing deposited with the Ministry that the notice was delivered to that address during such hours and deposited within the premises; or
 - (iii) written confirmation of receipt is received by the postal or courier service delivering the communication and returned to the sender; or (d) the Licensee has otherwise directly or indirectly acknowledged in a writing (which for this purpose includes an email communication) receipt of the communication.

19.4 Quantities

- (a) All documents, information or materials delivered pursuant to Section 6 or required to accompany a submission under Section 6 must be delivered in the manner and in the quantities provided in or pursuant to Section 6.
- (b) All other notices, reports, applications, work programs, budgets, related plans and documents, financial statements and other materials furnished to the Minister under this regulation must be delivered in triplicate hard copy, and if more than 750 words long or in a spread-sheet format, must be accompanied by:
 - (i) a reproducible electronic copy on a CD-ROM in Word 2003, Excel 2003 or Adobe PDF format clearly labeled as to the name of the Licensee, the submission date and the purpose of the submission, together with
 - (ii) a printed index of the documents on the CD-ROM.

19.5 Notwithstanding that Section 19.3 states that notice to a Licensee is not effective until received, any time period provided in this regulation within which action must be taken by any agency or official of the Government is deemed to be complied with if notice to the relevant Licensee of the government's action is dispatched in appropriate manner appropriate for notices to a Licensee before the end of such time period.

19.6 The Minister may amend by notice any provision of this Section 19 to change the address of the Minister for any particular or all communications to the Minister, change the number of copies of a communication to be provided, add or subtract agencies of the Government to which communications are to be directed and their addresses for communications, or change the medium in which communications are to be provided, in each case without a hearing.

20 Force Majeure

20.1 If a Licensee is rendered unable, in whole or in part, by force majeure to carry out any obligation imposed on it by this regulation, the Licensee's obligation to perform such obligations is suspended to the extent provided in the Mining Law.

20.2 For the purposes of this regulation, "force majeure" has the meaning set forth in the Mining Law.

20.3 Nothing in Section 20.1 or the definition of force majeure may, in and of itself, be construed to require a Licensee to settle any strike, lockout or other labor or industrial dispute except as may be required by Law.

20.4 A Licensee's lack of financial capacity does not constitute force majeure. In addition, force majeure does not excuse:

- (a) delays caused by the negligence or omissions of a Licensee or the negligence or omissions of its contractors or suppliers; or

- (b) delays caused by a Licensee's inability to retain, or the unavailability of, contractors or suppliers, except to the extent such inability or unavailability is itself the result of force majeure; or
- (c) delays resulting from (i) reasonably foreseeable unfavorable weather conditions, (ii) reasonably foreseeable unsuitable sea conditions, (iii) unsuitable ground conditions (other than earthquakes or other geological calamities) or (iv) any other similar reasonable foreseeable adverse conditions.

20.5 Extension of Time for Performance

- (a) A Licensee is expected to make reasonable adjustments in its work program if force majeure prevents the conduct of Exploration in part of its License Area but not the remainder of its License Area. An event of force majeure will entitle the Licensee to an extension of the License Term only if the impact of such event, together with all prior events of force majeure, has forced the Work to be substantially discontinued for an aggregate period of at least 60 days.
- (b) If the Work is so discontinued, the affected Licensee may apply to the Minister for a compensating extension of its License Term.
- (c) The Minister must authorize such extension if the affected Licensee can reasonably demonstrate that the delay occurred notwithstanding the Licensee's reasonable efforts to adjust its work program and that the delay was not primarily attributable to any of the factors referred to in Section 20.4.
- (d) If an extension is granted, the affected Licensee will not be required as a consequence of the extension to make additional payments under Section 12.1 or 12.2 or to incur Eligible Exploration Costs under Section 8.5 beyond those that would have been required in the absence of such delay.
- (e) If a payment under Section 12.1 or 12.2 comes due during an event of force majeure constituting war, civil war, rebellion or the like, the due date of the payment is postponed until 30 days following the cessation of such event of force majeure, but the amount due remains unchanged.

20.6 If one or more events of force majeure have caused the work under a License to be suspended for an aggregate period of at least 12 months, the Licensee may by notice to the Minister terminate the License. A termination under the preceding sentence:

- (a) will excuse a Licensee from payment of all future amounts due under Section 12.1 and 12.2 but will not entitle the Licensee to the return of any payments previously made under Section 12;
- (b) will not excuse the Licensee from the performance of its post-term environmental restoration and remediation obligations unless (i) the force majeure events have made it impractical for Licensee to perform such work over two consecutive dry seasons following the Licensee's notice of termination or (ii) the Ministry has failed, after request by the Licensee, to give the

Licensee reasonable assurances under the circumstances that if the Licensee performs such Work it will be able to recover any security provided by it under Section 10.3; and

- (c) Will not exclude the Licensee from compliance with its obligations under this regulation to deliver final Annual Reports and geological materials and maps at the end of the License Term except to the extent such compliance is itself prevented by one or more events of force majeure.

For the purpose of clause (b) (ii) above, reasonable assurances include assurances as to both the future availability and the future transferability of the funds involved, and reasonableness will be evaluated based on the political and economic conditions prevailing at the time.

21 Mineral Development Agreement and Mining License

- 21.1 If in the written opinion of a Competent Person a portion of a License Area contains Inferred Mineral Resources as defined in SAMREC or another CRIRSCO-compliant code that are within the scope of the License, the Licensee may request (prior to the expiration of the License Term) that the relevant area be subjected to a Mineral Development Agreement with a view to continuing exploration and ultimately obtaining a Class A Mining License to exploit the minerals contained in such area. The Mineral Development Agreement offered by the Ministry will be based on the then existing standard form of Mineral Development Agreement used to cover deposits of similar types, grades and sizes, and be subject to then-existing Law (including tax Law) and will incorporate or include by reference the terms of any regulations then in effect applicable to the issuance and administration of Class A Mining Licenses. No Licensee is entitled as a matter of right to any extension of time or other variation from the terms of this regulation, any such mining regulations or other applicable Law as a consequence of entering into any such Mineral Development Agreement. Under existing law a Mineral Development Agreement may not be effective until approved by the Legislature.

REFERENCES

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Land Commission. 2013, land Rights Policy of Liberia, Monrovia

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Ministry of Lands, Mines and Energy. 2009, National Energy Policy: Agenda for Action and Economic and Social Development, Monrovia

Ministry of Lands, Mines and Energy. 2010, Regulation Governing Exploration Under A Mineral Exploration License of the Republic of Liberia (Exploration Regulations), Monrovia.