



global witness

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Florence Chenoweth
Minister of Agriculture &
Chair of the Forest Development Authority
Ministry of Agriculture
Box 10-90100
1000 Monrovia
10 Liberia

26th May 2010

Dear Minister,

Thank you for your letter dated 25th May 2010. I am, of course, sorry that the President is upset, because we do support her efforts to rebuild Liberia. However, it is this motivation that led us to publicise the information in this way. We have made direct approaches to the President on numerous occasions to address the issue of the allocation of the FMCs and the numerous breaches of the rule of law that accompanied them (see our letters dated 27th August 2009 and 18th February 2010), as well as to the FDA and the LFI, by letter, email and face to face meetings. Furthermore, various Liberian NGOs, not to mention the international donor community have also raised these concerns, but no attempt has been made to address them.

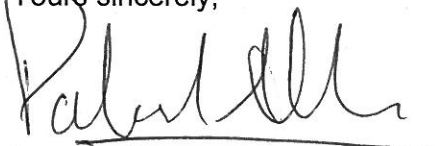
The international community has, quite rightly, invested billions of dollars towards the rebuilding of Liberia. The war took an extraordinary toll on Liberia. You know, better than I do, that this war was fuelled by the abuse of the forests and much of the international investment in Liberia since then has been to prevent a recurrence of this. Mechanisms have been put in place to prevent the 'bad actors' of the past re-entering the timber sector (through prequalification and vetting); to ensure that the logging companies are suitable, in terms of their ownership, experience and capitalisation; and to ensure good governance.

The allocation of the FMCs has ignored all of these safeguards. The initial effect is that revenues from this sector stand at around US\$8.6 million (with US\$4.5 million still outstanding), as opposed to the US\$60 million projected in the PRSP. If these issues are not addressed there will be serious implications for Liberia's forest-dependent people, the environment and the exchequer. In the short term it is hard to imagine how the majority of FMC holders will manage to pay the next instalment of their annual surface area fees due in July, given that most of them only managed to pay last year's fees over the past month, and that the majority have not yet commenced operations and therefore have not generated any revenues. I am afraid that we would not be doing our job if we didn't highlight these problems, because this scenario does not bode well for the future. The government would do better to address these problems than to blame Global Witness for raising them.

I would also note that Global Witness played a major role in bringing about discussions between your government and that of Norway and has been a strong advocate for this initiative, meeting with President Sirleaf about it in February 2009. Norway has always been clear that its engagement with Liberia was heavily dependent on your government choosing a low carbon development path, but the decision to press ahead with the allocation of the FMCs resulted in the calling off of a joint agreement between the two governments. Furthermore, the FDA played a significant role in blocking progress on the Norway deal. However, we remain convinced that such a deal could be a game-changer for Liberia and that it is not too late to resurrect it.

We really want to work with your government to try and address these issues. This is an offer made in good faith, and I would welcome the opportunity to be involved in substantive discussions on this issue.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Patrick Alley', written over a horizontal line.

Patrick Alley
Director