

**For Immediate Release  
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**Liberia Categorically Rejects Global Witness's Allegations of Mismanagement  
Of Its Forest and Mining Sectors**

The Government of Liberia, through its Forestry Development Authority (FDA), has categorically rejected allegations made by Global Witness, a UK-based non-governmental organization, of mismanagement of its natural resources, calling them "baseless, non-founded and malicious."

The Government believes these allegations to be ill-intentioned and intended to undermine the excellent relations which Liberia enjoys with its international partners.

In a press release dated May 21, which was widely disseminated, Global Witness accused the Government, among other charges, of rushing to restart forestry and mining activities; of mismanaging the forest sector by awarding contracts to weak companies; of breaking its own laws; and of ignoring a Norwegian Government offer of carbon credits.

The Government states that there has been no rush to restart forest activities in Liberia. Since 2005, the Government has partnered with its international friends, led by the United States, to reform the forestry sector. It has taken this collaborative effort approximately five years to research best international practices, and to develop and put into place a reform regime in the forestry sector. It was not until 2009 that the Government, under the reform laws and processes established, began to issue concessions in the sector. The shipment of logs commenced in earnest in 2010, and less than 2,000 cubic meters of logs have been shipped. Six years of collaborative efforts is no rush.

Liberia is also not mismanaging its forestry sector. The current processes established by the reform regime are transparent and accountable. Contrary to the purposeful lies being propagated by Mr. Patrick Alley of Global Witness, the companies awarded contracts are not weak. All are paying their taxes. Ten companies have been awarded contracts in the forestry sector; of that number, seven have fully paid up their taxes; two companies, affected by the global financial crises, have partially paid more than 50 percent of their taxes; and only one company has paid less than 50 percent. Of a total of US\$12.6 million estimated taxes for fiscal year 2009/2010 which ends June 30, 2010, approximately \$9 million has already been paid by these companies.

Liberia is not compromising its own laws. To the contrary, the country is forging ahead to enhance its transparency and accountability regimes. It is implementing the internationally recommended and recognized Chain of Custody (COC) system; is a member of the Extractive Industry Transparency Initiative (EITI); and is currently negotiating with the European Commission to join its Voluntary Partnership Agreement

(VPA). All of these measures aim at strengthening Liberia's transparency and accountability regime in sustainable forestry management. Global Witness should take cognizance of the fact Liberia was, in 2009, the first country to win the internationally acclaimed EITI transparency and accountability compliance award. In fact, Liberia is the only country that included forestry in its EITI program.

Regarding the offer of financial resources of carbon credits for its forest resources by the Norwegian Government, President Sirleaf has already freely initiated dialogue with the Norwegians, indicating that investment resources to create jobs and provide social services to forest communities, as an alternative to generated forestry revenues, would have to be available now, rather than three or five years hence. As far as Liberia is concerned, the ball is now in Norway's court, and Liberia will be ready to act when conditions are mutually acceptable to both countries.

Reflecting the views of the Ministry of Lands, Mines and Energy to the charge that mining concessions were being awarded in worrying non-transparent ways, it should be stated that since 2006, mining concessions have been awarded for only two brown field mineral deposits, namely, the Nimba Deposit to Mittal Steel (now ArcelorMittal) and the Bong Deposit to China Union. A third deposit, the Western Cluster Iron Ore Deposits, was tendered internationally twice since 2007, under the monitoring of the Governance Economic Management Assistance Program (GEMAP) and the International Senior Lawyers Program (ISLP). The only other mineral concessions granted, or being negotiated, are in transition from an exploration License to a Mineral Development Agreement (MDA). Negotiations with BHP Billiton and Silverstal are cases in point. The Government is, therefore, surprised that anyone knowing these facts would allege that mining concessions are being awarded in non-transparent ways.

The suggestion that the Ministry of Lands, Mines and Energy does not have sufficient control over the diamond trade is disingenuous. Diamond, being a non-metallic mineral, is very hard to detect, coupled with the fact that our borders are porous. Smuggling is an international vice which cannot be completely eliminated. Nevertheless, the Government is Kimberley Process compliant, as evidenced by the reports of the last three annual review visits by the KPCS teams. Currently, Liberia is the only country in the world that is engaged in a tripartite arrangement with civil society, industry and the government, working together to monitor implementation of KPCS minimum requirements.

The reforms achieved thus far, with the assistance of international partners, are on track and are being strengthened. The Public Procurement and Concessions Commission Act (PPCC) is being amended; the Mineral Exploration Regulations have been promulgated; a new Mineral Cadastre has been established; and the regulations to implement the Community Forestry Rights Law are being developed. All of these

enhancements have been, and are being, undertaken with the assistance of the international community. Accordingly, the initial reforms are not at risk.

Liberia reaffirms and reconfirms that given the robust regulatory regimes now in place, with the assistance of the international community, no criminal behavior of any forest and mining concessionaire is likely. Global Witness intentions regarding Liberia's forests have always been suspect. The nefarious allegations of Mr. Alley of Global Witness are intended to serve their selfish motivations, including those of their sponsors. Regardless of this blatant effort at blackmail, Liberia will continue to work with its partners to ensure sustainable forest management and mining for the benefit of future generations.