

Letter of Intent
between the Government of the Republic of Liberia
and the Government of the Kingdom of Norway
on
“Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation (REDD+¹) and developing Liberia’s agriculture sector”

I. PREAMBLE

The Government of the Republic of Liberia (Liberia) and the Government of the Kingdom of Norway (Norway), (hereinafter referred to as the “Participants”):

- recognizing that poverty reduction and economic development are overall goals for the Government of Liberia;
- bearing in mind that climate change is the greatest challenge facing the world today;
- recalling that the Participants are Parties to the United Nations Framework Convention on Climate Change, the Kyoto Protocol, the Convention on Biological Diversity and the Convention on the Elimination of all Forms of Discrimination of Women;
- considering that the Preamble to the UNFCCC acknowledges that the global nature of climate change calls for the widest possible cooperation between all countries, and noting that the main goal of Liberia’s and Norway’s climate change policy is to limit the average rise in global temperature to below 2°C compared to the pre-industrial mean temperature;
- recognizing the relevance of Liberia’s Agenda for Transformation Vision 2030 and efforts to prepare for REDD+ in Liberia to date;
- recognizing the contributions of other development partners, including but not limited to the European Commission, the World Bank and USAID, to Liberia's efforts to improve forest management and reduce deforestation and forest degradation, and pledging to work closely with these partners going forward;

hereby establish a climate change partnership, focusing on REDD+ (hereinafter known as “the Partnership”).

II. PURPOSE AND FOCUS OF THE PARTNERSHIP

- a) Supporting the development and implementation of Liberia’s REDD+ strategy to ensure significant net reductions in greenhouse gas emissions from deforestation and forest degradation.

¹ Activities relating to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

- b) Contribute to sustainable development in Liberia through protecting natural forests, restoring degraded lands, and developing Liberia's agricultural sector through enhancing sustainable agricultural management, and greening supply chains.
- c) Working together to support progress on global efforts regarding climate change and sustainable development in general, and REDD+ in particular.

III. GENERAL APPROACH AND PRINCIPLES

In their cooperation, both Participants intend to:

- a) Ensure that this Partnership is based on and that nothing in this Partnership is or shall be in conflict with, relevant decisions of the UNFCCC.
- b) Give all relevant stakeholders, including local communities and civil society, and in particular women, the opportunity of full and effective participation in REDD+ planning and implementation.
- c) Respect the rights of individual, indigenous, forest dependent and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights, and ensure that those tenure rights are respected.
- d) Seek a proportional and progressive scaling up of financing, actions and results over time, based on the principle of payments for performance.
- e) Be fully transparent regarding financing, actions and results, both under the Partnership and in related efforts by the Government of Liberia and its other development partners.
- f) Report on results achieved and payments received to the UNFCCC REDD+ Information Hub and other international registries or databases, as appropriate.
- g) Ensure coordination and active collaboration with all other REDD+ relevant initiatives, including the Forest Carbon Partnership Facility, EU FLEGT, and other bi- and multilateral REDD+ relevant initiatives taking place in Liberia, and encourage the participation of other development partners in the Partnership.
- h) Seek to ensure the economic, social and environmental sustainability and integrity of all REDD+ efforts.
- i) Develop, recognise and enforce laws and regulations relevant to the successful implementation of REDD+ in Liberia.
- j) Encourage collaboration with, and investments by, private companies dedicated to deforestation-free supply chains.
- k) Encourage conservation based community forestry, and work to ensure that any logging that takes place in community forest areas is managed by and for local communities and follows verifiably low impact logging practices.

IV. PHASES OF THE PARTNERSHIP

The Partnership will be organized in three phases: "Preparation"; "Transformation" and "Contributions for verified emission reductions". However, activities initiated in one phase will often continue into the next. The aim is to enter phase III by 2018, but capacity building and governance improvements will continue beyond that time.

V. PHASE 1: PREPARATION

The Government of Liberia has already done good work, both on forest governance in general and on REDD+ in particular. Necessary institutions have been set up and numerous frameworks and institutions mobilized and tasked with supporting REDD+ developments. Laws and policies to support the successful implementation of a REDD+ strategy have been put in place. Liberia has successfully submitted a Readiness Preparation Proposal (R-PP) to the Forest Carbon Partnership Facility, and had this approved in March 2012. Further, Liberia has ratified a Voluntary Partnership Agreement (VPA) for Forest Law Enforcement, Governance and Trade with the European Union. Phase I will continue through 2014. Remaining preparatory deliverables, work on which will be initiated immediately, will be in place early in Phase II as specified below.

VI. PHASE 2: TRANSFORMATION

Phase II will be initiated in January 2015, with a shared aspiration to complete it by the end of 2020. The phase will focus on nine areas of effort:

i) Strategy Development and Multi-stakeholder Participation

Immediate actions:

- a) Finalizing a high level REDD+ strategy by June 2015, endorsed at cabinet level.
- b) Designate, operationalize and resource an institutionalized mechanism, including the National Climate Change Secretariat, for inter-ministerial coordination involving all key ministries and chaired by the president.
- c) Designate, operationalize and resource a national multi-stakeholder monitoring committee including the REDD Implementation Unit, to participate in the development and implementation of the REDD+ strategy.

Priorities in the 2015-2017 period:

To complete and begin implementing a national REDD+ strategy identifying and proposing measures to address all key existing and potential drivers of forest related emissions. The strategy shall build upon existing readiness work, most notably the approved R-PP, and be developed and implemented based on a transparent, inclusive multi-stakeholder process.

ii) Capacity Building in Key Institutions, Civil Society and Communities

Immediate actions:

As part of the World Bank Liberia REDD+ Investment Program, and in collaboration with relevant stakeholders, compose an overarching strategy for capacity building in key institutions, including the Forestry Development Authority (FDA), the Environmental Protection Agency (EPA), the Ministry of Justice, the Ministry of Finance and Development Planning, the Land Commission, the Ministry of Agriculture, the Ministry of Mines and Energy, the General Auditing Commission, the Anti-Corruption

Commission, civil society groups, including the Independent Forest Monitor teams, the private sector and relevant communities.

Priorities in the 2015-2020 period:

- a) Substantially increase capacity for all of the above stakeholders, with particular focus on strengthening the FDA's GIS unit, the Liberia Institute of Statistics and Geo-Information Services (LISGIS), the FDA's Community Department, communities and the civil society groups with whom they work. Emphasis will be placed on law enforcement and practical training for communities seeking to manage their forests, including governance, mapping, planning and support for sustainable community-focused forest economies, as well as working to ensure gender equality.
- b) Gradually throughout the period establish capacity to implement and enforce forest-related laws and regulations. Clear semi-annual benchmarks will be established.

iii) Legal Reform and Law Enforcement

Immediate actions:

- a) Moratorium on the award of new industrial logging concessions, including Community Forest Management Agreements (CFMA) that are backed by companies, until all concessions have been independently reviewed by a body approved by the Participants to ensure that legal compliance and satisfactory procedures are in place.
- b) Moratorium on all commercial activity of existing, suspected illegal concessions until satisfactory investigation has taken place.
- c) Enforcement of moratorium on companies that held illegal Private Use Permits (PUP), in accordance with Executive Order No. 44 (January 2013).
- d) Suspension of government officials and private sector representatives suspected of breaking the law.

Priorities in the 2015-2020 period:

- a) Complete an independent government investigation that will examine the legality of existing logging and other land-use contracts. Cancel illegal or non-performing contracts. Initiate discussions on altering the terms of contracts the implementation of which will lead to damage of natural forests.
- b) Harmonize existing legal frameworks to ensure the effective integration of REDD+ within national development strategies. Incorporate the Community Rights Law into the VPA legality definition.
- c) Finalize the legal framework to enact Liberia's land-use policy. Take appropriate measures to address land-tenure conflicts and compensation claims.
- d) Further develop Liberia's forest policy to ensure that conservation and community forestry are given equal priority compared to commercial forestry, in areas such as regulation, resourcing and enforcement, in line with other commitments in this LoI.
- e) Establish an independent panel to review all applications for forest licenses at an early stage in the process, including CFMA's, when issuance of these is resumed. Ensure that this panel has the authority to suspend the process for individual licenses if irregularities are discovered.

iv) Measurement, Reporting and Verification (MRV) and Reference Level Development

Immediate actions:

- a) Compose an overarching strategy for the development and institutionalization of an MRV system, MRV methodology and capacity (including broader Forest and Supply Chain Monitoring).
- b) Establish partner arrangements with Global Forest Watch and other organizations/institutions, to ensure rapid initiation of implementation.

Priorities in the 2015-2017 period:

- a) By June 2015: develop a roadmap for MRV, which describes key milestones and opportunities in MRV development. The process of developing the MRV roadmap should include a wide range of stakeholders and be initiated early in 2015.
- b) By December 2015: Finalize a strategy for, and establish the initial institutional and methodological framework of national MRV.
- c) By phase III have put in place country-wide MRV conforming to IPCC Tier 2 or better for significant pools and gases.
- d) By December 2015: Complete an initial historical analysis of emission rates, and use this to inform a reference level for results based financing for REDD+. The reference level methodology will be consistent with the MRV system and will be agreed to by the Participants before being used under the Partnership.
- e) The reference level referred to in d) will upon its completion be submitted to the UNFCCC for technical analysis in accordance with relevant UNFCCC decisions.

v) Social and Environmental Safeguards

Immediate actions:

- a) Initiate the development of a Safeguards Information System (SIS) in accordance with the Warsaw Framework on REDD+ and international best practise.
- b) By the end of 2015 make public an initial safeguards report covering the period until 1st October 2015.

Priorities in the 2015-2017 period:

To develop and implement a SIS covering all measures proposed in the REDD+ strategy and other relevant activities. Safeguards reporting should comprise information about Liberia's existing legal, institutional and compliance frameworks as well as processes and mechanisms put in place to address and report on REDD+ safeguards, and gaps and weaknesses identified and how to address these deficiencies.

vi) Protected Areas Expansion and Strengthening

Immediate actions:

- a) Commission a study to inform the identification and allocation of the target areas for conservation.

- b) As part of the World Bank Liberia REDD+ Investment Program, compose an overarching strategy for the allocation of selected forest areas to protected area status, detailing adequate resources necessary to safeguard existing and future protected areas.

Priorities in the 2015-2020 period:

Implement the strategy, placing 30% or more of Liberia's forest estate under protected area status in accordance with the National Forest Reform Law (NFRL) through a process that consults all relevant stakeholders and ensures that the Free, Prior, Informed Consent (FPIC) rights of individual, indigenous, forest dependent and local communities are respected.

vii) Land-use Planning and Analysis

Immediate actions:

- a) Commission a study on domestic timber and charcoal markets and their role in driving deforestation and forest degradation.
- b) Initiate a pre-study/gap analysis of information available on Liberia forest cover (including all biophysical forest) and degraded lands.

Priorities in the 2015-2020 period:

- a) Revitalize Liberia's land cadastre to ensure that it contains data on all lands owned by customary and individual landowners.
- b) Incorporate key information into a revitalized GIS database that will be linked to the land cadastre, under the auspices of LISGIS/the incoming Land Agency, the Ministry of Finance and Development Planning and the FDA. Information included in this database will include forest data, community socio-economic data, Non-Timber Forest Products, water sources, sacred areas and existing natural resource concessions.
- c) Have in place, under the auspices of LISGIS/the incoming Land Agency, a comprehensive integrated map of Liberia's rural lands, including geophysical, legal and social features, which should become the official land-use map for the country to be used for all planning purposes.
- d) Have established integrated spatial planning and decision-making processes to ensure systematic focus on conserving forest, developing and/or restoring degraded lands, and increasing crop production and productivity.

viii) Sustainable Agricultural Development

Immediate actions:

- a) Commission a study to consider alternative models of agriculture investment, including those driven by Liberian small and medium-scale initiatives, and inform identification of land areas suitable for deforestation free agricultural supply chain investments.
- b) Compose an overarching strategy for the allocation of selected areas for such use.

- c) Establish a public-private coalition with multinational companies committed to ambitious zero deforestation policies², only allowing companies adhering to such policies, and signing up to relevant Tropical Forest Alliance compacts, to do business in Liberia.
- d) Map existing standards for low impact logging practices and evaluate which, if any, standard is most suitable to help ensure verifiably low impact logging practices in community forests in Liberia.

Priorities in the 2015-2020 period:

- a) By 2018: Allocate land areas for deforestation free agricultural supply chain investments through a process that consults all relevant stakeholders and ensures that the FPIC rights of individual, indigenous, forest dependent and local communities are respected.
- b) Establish the core of a vibrant agricultural sector in Liberia, including small and medium-scale initiatives, focusing on developing palm oil, cocoa, and paper and pulp as well as increase climate smart rice production substantially.
- c) Adopt, through a consultative process, a legal framework to govern Liberia's agricultural sector, including safeguards ensuring zero deforestation, protections for the environment, FPIC and respect for the land rights of people living in proposed investment areas.
- d) Ensure that if people living in community forest areas have chosen to include logging within their forest management plans, such logging is subjected to an identified standard for verifiably low impact logging developed in close consultation with local communities.

ix) Testing Incentives for Participating Landowners

Immediate actions:

Initiate a pre-study on the cost-effective use of payments for ecosystem services to communities.

Priorities in the 2015-2017 period:

- a) Carry out initial analysis of and embark on experiments with, direct payment systems to communities and individual landowners in proportion to contributions to protecting forests and for community forestry, ensuring gender equality.
- b) Gradually scale up such systems, beyond 2017 and into phase 3, as designs are approved, lessons are learned and approaches refined.

² For the purposes of this Partnership 'ambitious zero deforestation commitment' shall be understood to meet a standard no less than that committed to by palm oil trader Wilmar. See <http://www.wilmar-international.com/wp-content/uploads/2012/11/No-Deforestation-No-Peat-No-Exploitation-Policy.pdf> This issue will if considered appropriate by the Parties be revisited in light of the forthcoming UN Principles for Responsible Investment in Agriculture and Food Systems.

VII. PHASE 3: CONTRIBUTIONS FOR VERIFIED EMISSION REDUCTIONS

The efforts described above will be continued through 2018 and beyond. The shared aspiration of the parties, however, is in parallel to initiate the third phase from 2018, with payments based upon 2017 verified emissions reductions achieved among other things through Phase 2 activities as described above. The payments-for-verified-emission-reductions mechanism will be implemented as follows:

- a) Liberia receives annual contributions for independently verified national emission reductions relative to a mutually agreed reference level, preferably a UNFCCC reference level, in accordance with relevant decisions of the Conference of the Parties.
- b) Based on Liberia's emission reductions Norway channel financial contributions through the World Bank to support, beyond the terms of the original World Bank Liberia REDD+ Investment Programme, Liberia's green economic growth.

VIII. NORWEGIAN FINANCIAL CONTRIBUTIONS

All REDD+ contributions from Norway to Liberia will be triggered by agreed deliverables regarding the reform agenda outlined in this document. Contributions will initially flow through the World Bank Liberia REDD+ Investment Program. Contributions will gradually develop into payments for verified emissions reductions to finance Liberia's full green growth development portfolio. Given verified progress on agreed deliverables, Norway has the intention to contribute funds to Liberia's REDD+ efforts up to an amount of 150,000,000 USD (given an exchange rate of six Norwegian kroner per USD) for a multiyear period starting in 2014.

IX. JOINT CONSULTATION GROUP

A Joint Consultation Group will be established to contribute to the effective implementation of this Partnership. The group will consist of points of contacts for the governments of Liberia and Norway and a qualified representative elected by Liberia's civil society groups, with the World Bank serving as secretariat. The EU FLEGT, USAID, international civil society groups and possibly others will be invited as observers when and as appropriate. If other donors join the Partnership as partners, they will participate on the same terms as the Participants.

X. INDEPENDENT REVIEW

Publicly available, independent reviews will consider the progress of the Partnership at times to be determined by the partners. In Phase III, independent, international verification of emissions reductions will be undertaken and made public annually.

XI. ENTRY INTO EFFECT, TERMINATION AND OTHER CONSIDERATIONS

- a) This Letter of Intent shall enter into effect upon signature by both Participants, and will remain valid until the end of 2020, automatically renewed thereafter for successive five year periods unless contrary notification is presented by either of the parties through diplomatic channels.

- b) This Letter of Intent may be terminated at any time by either of the Participants, by written notification, through diplomatic channels.

Done in New York City on the 23rd of September 2014

FOR THE GOVERNMENT OF
THE KINGDOM OF NORWAY

FOR THE GOVERNMENT OF THE
REPUBLIC OF LIBERIA

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