

CSO Position Statement on Draft Carbon Policy (Version 7) for Liberia

This position statement reflects Civil Society Organizations' observations, comments, and suggestions on Liberia's Draft Carbon Policy (Version 7) to ensure equity, transparency, and inclusivity in its finalization and implementation.

Date: December 03, 2025

To: Chief Executive Officer, Carbon Markets Authority

Cc: Environmental Protection Agency (EPA);
Forestry Development Authority (FDA);
Ministry of Finance and Development Planning (MFDP);
Ministry of Agriculture (MoA);
Liberia Land Authority (LLA);
Other relevant agencies

Civil society organizations¹ (CSOs) working in land governance, forest management, community rights, and environmental sustainability recognize some significant positives in both the development and content of Draft Carbon Policy (Policy), especially the latest (7th) version. We observe that the Policy formulation process has been largely inclusive, with CSOs and community representatives fairly engaged in a manner that demonstrates the government's commitment to transparency and the recognition of traditional knowledge as vital for sustainable policy implementation. We also welcome the Policy's recognition of community and private rights to carbon ecosystems as well as the expressed commitment to equity and fair sharing of benefits from carbon project developments and the trade in carbon credits.

While acknowledging the progress made thus far as outlined above, CSOs have identified several provisions of the Policy that need some major revisions to ensure consistency between the Policy's expressed objective and actual content that would promote its effectiveness and fair implementation. Some of the concerning provisions are:

1. **Separation of Ownership of Carbon rights from Ownership of Carbon Credits**

The Policy recognizes private landowners and communities' ownership of carbon rights but assigns carbon credit ownership solely to the Government (section 3.1). This separation of ownership creates confusion over how carbon rights translate into tradable carbon credits since as a general a general matter of near universal acceptance, ownership of carbon rights includes rights to trade in carbon credit derived therefrom.

While the Policy seems to justify this strange separation of ownership of carbon rights and carbon credit by the need to protect communities, CSOs believe that it is possible to recognize the unity of ownership of both carbon rights and carbon credits while

¹ The NGO Coalition, Multi-Actor Platform, CSO Working Group on Land Reform, CSO Oil Palm Working Group

designating the Government as the sole party to enter into carbon contract as agent of all owners of carbon credits right in Liberia.

To maintain the current separation and resulting confusion may lead to unintended exclusions, suspicions and negative consequences, even if fair sharing of revenue is promised and maintained. There is therefore a need to align carbon rights and carbon credits with the Land Rights Act to enhance private landowners and community interests and reflect realities on the ground.

2. **Unclear role of Communities in Carbon Contracts and Sale of Carbon Credits**

The Policy does not clarify whether only the government can enter carbon contracts or sell carbon credits, nor does it explain the rationale for the apparent exclusivity being granted the government through the Carbon market Authority to enter all carbon contracts.

The government's role as agent or custodian for rights holders is implied but not explicitly stated, raising concerns about limited private landowners and community participation and benefits.

3. **Revenue Sharing and Financial Governance**

The Policy lacks a clear legal framework for revenue sharing and does not specify how funds allocated to private landowners and communities will be managed independently of government control. There are no clear provisions for banking arrangements or alternative mechanisms to guarantee timely payments, risking a repeat of past forestry sector failures.

Additional notable concerns include the following:

- a. Section 11.4(B)(4) allows private entities dual benefits (ownership and developer share), potentially excluding communities from revenue even when credits originate from their customary land.
- b. the Policy does not specify that the 50% benefit share allocated to communities is a minimum or maximum, thus creating a risk that this figure may be adjusted downward such that communities may actually end up getting lower than 50% share of benefits or revenue from carbon credits sale.

4. **Weak Provisions for Required Community's Consent**

The Policy acknowledges communities' right to Free, Prior, and Informed Consent (FPIC), but the actual provisions of the Policy on FPIC seems very weak and not promotive of effective enforcement or protection. The Policy also does not clarify whether communities can independently negotiate lease agreements with developers, nor does it guarantee community autonomy in managing land and participating in carbon projects. The need to address these significant weaknesses cannot be overemphasized.

Key Recommendations

To address the concerns outlined above and strengthen the Policy, CSOs hereby advance the following recommendations:

1. Clarify definitions and rights
 - Define carbon rights and carbon credits in clear, accessible language
 - Explicitly state that carbon rights should be accompanied by carbon credits or a fair share of tradable benefits.
 - Recognize carbon rights as inherent to land ownership, ensuring private landowners/communities have a guaranteed stake in credit benefits.
 - Provide guidelines for transferring or leasing carbon rights without compromising private landowners and community sovereignty.
2. Specify roles and agency in Carbon Transactions
 - Clearly state whether only the government can enter contracts or sell carbon credits
 - If the government is the sole entity authorized, specify its role as agent or custodian for rights holders, not as exclusive owner.
 - Allow private landowners/communities to negotiate directly with developers for projects on community land.
3. Strengthen revenue sharing and financial governance
 - Establish a transparent and accountable governance structure for benefit sharing, with independent monitoring, reporting, and auditing of all carbon revenue transactions.
 - Adopt banking arrangements (e.g., escrow accounts) to guarantee timely payments and prevent arrears.
 - Ensure community autonomy over fund utilization, free from Ministry of Finance and Development Planning (MFDP) approval.
 - Publicly disclose all benefit-sharing agreements and financial reports.
 - Clarify that 50% is the guaranteed minimum share of benefits for communities in respect of revenues from sale of carbon credit sourced from Customary Land, and that said 50% cannot and shall not be reduced.
 - Remove or revise Section 11.4(B)(4) to prevent private entities from receiving dual benefits that diminish community entitlements.
 - Guarantee that carbon sourced from PPAs is treated as community-owned under the Land Rights Act.
 - Provide capacity-building programs for communities to manage funds responsibly.
4. Mandate and enforce community consent
 - Make FPIC a legal requirement for all carbon projects, ensuring communities approve projects before any activity begins.
 - Explicitly recognize community ownership of land and their right to independently negotiate lease agreements with developers.
 - Develop clear guidelines for community engagement, including timelines, language accessibility, and dispute resolution.

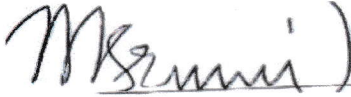
- Establish systems for monitoring compliance with prior approval requirements and impose penalties for violations.

Conclusion

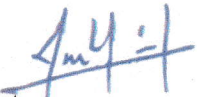
The Policy presents a pivotal opportunity to advance climate action, strengthen community rights, and foster equitable benefit-sharing from carbon markets. CSOs commend the government's commitment to participatory policy development and urge that this spirit of inclusion be sustained through finalization and implementation. Addressing the critical gaps identified above will ensure the policy delivers on its promise of equity, transparency, and accountability, safeguarding the interests of local communities and upholding Liberia's commitments under the Land Rights Act and international best practices.

Civil Society Organizations stand ready to support this process and to hold all parties accountable to the principles of fairness, transparency, and inclusivity.

Signed:

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