*An Aerial View of the River Gee Forest,
River Gee County, Liberia.
Photo: Bethel. Anthony Chisom*

INTERNATIONAL STATEMENT ON THE CARBON DEAL BETWEEN BLUE CARBON AND THE LIBERIAN GOVERNMENT

Liberia's Government is threatening to sign away the rights to more than one million hectares of forests[1] for thirty-years to Blue Carbon, a private company based in the United Arab Emirates (UAE). Blue Carbon will 'harvest' carbon credits from emissions supposedly saved by protecting and restoring these forests to sell them to major polluters to offset their own emissions.

This risks the livelihoods of up to a million people[2]. It would also extinguish community land ownership in the selected areas[3], while violating peoples' legal right to provide Free, Prior and Informed Consent[4] for any developments on their land.[5]

The draft contract detailing this agreement with Blue Carbon also removes Liberia's Government's chance to use the carbon credits generated itself. Only Blue Carbon will have the right to decide whether the carbon credits will be sold, and at what price. If they are sold, Liberia will not be able to use the carbon credits to meet its own climate targets. Liberia is therefore handing over decisions about how a substantial part of its carbon emissions for the next 30 years are to be managed by a UAE firm that has existed for less than a year, and which has no track record in carbon trading.

There is furthermore a clear 'greenwashing' risk. Blue Carbon LLC is a company under the patronage of Sheikh Ahmed Dalmook al Maktoum, a member of the UAE royal family. The family-office holds a number of companies, mainly in Energy, Oil & Gas and Infrastructure. There's therefore a considerable danger that the money they intend to invest will be used to offset their own emissions, thereby contributing to more climate change. The revenue model described in this contract generously allows for that.

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1 *Nearly a tenth of its total land area of 11 million ha and an estimated quarter of its remaining primary forest area.*
2 *Exact data don't exist but over half of Liberia's population of about 5 million people live in rural areas.*
3 *Under the 2018 Land Rights Act Liberia's communities have the ownership rights to their customary land. Many communities are now in the process of having their land demarcated, surveyed and approved.*
4 *As specified in the 2018 Land Rights Act and the 2009 Community Rights Law.*
5 *Communities will be prevented from establishing sources of income and can only benefit in a limited way from the contract once carbon credit sales commence. They also do not have direct autonomy over how any benefits payable to them are managed or used as benefits received are controlled by a 5-person committee, constituted by 2 persons from Blue Carbon, 1 person from the Government, and 2 from the community.*

It is noteworthy that the UAE is presiding over the next UNFCCC Climate COP 28 in Dubai, which will discuss which type of carbon credits will be eligible on the compliance and the voluntary carbon markets, under Article 6.2 and 6.4 of the Paris Agreement.[6] This contract seems to give Blue Carbon, a private UAE company, the authority to act on Liberia's behalf to negotiate UNFCCC Article 6 rules.

It is unclear what the benefits for Liberia and its communities will be. The contract is confidential and extremely vague, and a Memorandum of Understanding between the UAE company and the Government of Liberia signed in March this year has not been widely discussed.

It is unclear how much Blue Carbon will invest and in what; as well as what its' plans are to harvest the carbon credits, or how many credits it expects and at what costs. The contract also does not mention which certification standards will be used, nor what verification methods, nor what the transaction costs will be, nor what the financing mechanism will look like.

There is a clear risk of history repeating itself. In 2009 Liberia nearly signed a contract with the UK-based Carbon Harvesting Corporation for 400,000 ha of forests. That agreement was later to be found in violation of Liberian laws and many high-level government officials were charged with bribery and corruption.

> ***"The CHC carbon concession was (A) not approved by the FDA based on a proper understanding of its nature and the value it would offer Liberia; (B) Not duly approved by the FDA board, contrary to fraudulent misrepresentation to the contrary; (C) awarded and or negotiated in violation of the PPCC Act[7] and (D) could not be enforceable because it was tainted by corruption, fraud and other illegalities[8]"***

Given the lack of transparency, including in relation to benefits, and the absence of due process and due diligence, there is a significant risk that this applies to this contract as well. What is clear is that Liberia and its forest communities need to be compensated for protecting and restoring their forests. Liberia is the only forest-rich country left in West Africa and is one of the poorest countries on the planet. This makes it, however, more important that the deal is good for Liberia and specifically its communities.

It must therefore be based on an inclusive deliberative consultation process with community landowners and community rights holders, Free Prior Informed Consent, provide clear and substantial upfront and direct benefits to communities, e.g. in the form of land rental fees and support for community conservation areas, and be transparent. It should also prove that the financial support provided protects threatened forests and restores degraded forests with strict monitoring and control mechanisms in place. The current deal does none of this.

We therefore call upon the Government of Liberia and Blue Carbon to halt these negotiations until there is clear evidence that the contract is in line with Liberian law – specifically the Land Rights Act and the Public Procurement and Concession Act; that affected communities have given their Free Prior and Informed Consent as required under Liberian law and that there is a credible, financially supported, plan for forest protection and restoration.

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6 The type of carbon credits allowed on compliance markets under Article 6.2 will be negotiated at the next UNFCCC COP– with a strong push from the EU and others to exclude avoided emissions credits from Article 6.2 due to the difficulty of proving additionality. Such an outcome at COP28 would drastically reduce the volume and value of credits to be sold under the project.

7 Public Procurement and Concession Act

8 Statement by the Special Committee instigated by the President in 2010 into the contract with CHC.

ARA, Germany – Wolfgang Kuhlmann

Blue Dalian, China - Sun Li

denkhausbremen, Germany – Peter Gerhard

Dogwood Alliance, USA - Scot Quaranda

Earthsight, UK - Sam Lawson

Environmental Investigation Agency, UK – Faith Doherty

Friends of Earth Finland - Noora Ojala

Forum Oekologie & Papier, Germany – Evelyn Shoenheit

Forest Peoples Programme, UK – Tom Lomax

Fern, Brussels – Alexandra Benjamin

Green Longjiang, China - Lu Yingying

Milieudefensie / Friends of the Earth Netherlands - Danielle van Oijen

Pro REGENWALD, Germany - Hermann Edelmann

Rainforest Foundation UK - Joe Eisen

Scholar Tree Alliance, China - Zeng Shengwei

Snow Alliance, China - Mao Jing