

LTA SUPPORTS THE CALL OF SEN. JALLAH FOR A REVVISIT OF THE FORESTRY SECTOR REFORM PROCESS

The persistent accusations that Liberian timber was a major contributor to fueling the 14 year civil war in the country, led to the imposition of UN sanction on the country's timber. The condition for lifting such sanction was a reform of the forestry sector through a rigorous legal and regulatory regime.

This reform process started with the "National Forestry Reform Law of 2006" followed by the first ten core regulations promulgated by the Forestry Development Authority (FDA). Since 2006, the forestry sector has undergone several reforms with additional laws and regulations, some which desperately need re-visitation today, because the condition under which some of these laws and regulations was promulgated no longer exist, hence the necessity to revisit, review and consider a change or changes in some of the laws and regulations in order to serve the national and international interest.

Senior Liberian Government officials, who were at the helm of the reform process at the FDA and the legislature, have publicly said that they were aware that some of the actions and decisions taken by them during the forestry sector reform process were not right, but they had to do it because "such was the time and condition." This is understandable and does not call for blame shifting, especially for a new government at the time that needed international acceptance and support. After all, laws are made for the good of people and those laws or any of their provisions become counterproductive to their intent and purpose, the laws are then the subject of amendment or abolition. This is where we are now, following six years of the forestry sector reform process. Admission by senior former government officials that the reform process was done under international pressure and that there is a need to revisit the laws, speak to the fact that some part of these laws and regulations are not realistically applicable to our current day reality.

The call and step taken by the President Pro-temp for re-visitation of the reform process is timely, necessary and commendable, because reviewing the process with the goal of correcting the pitfalls that are holding back sustainable commercial logging as envisaged in the National Forestry Reform Law of 2006, which recognizes Conservation, Community and Commercial forestry should be supported and adhere to.

The LTA supports the calls for a re-visitation of some aspect of the laws and a review of the tax regime of the sector in order for the forestry sector to be viable once again.

We believe the conditions we set create the environment that will allow a business to succeed or fail. We strongly feel that certain external forces have pressured the Government to believe that commercial logging is detrimental to the country and every effort is being made to frustrate its development and progress. The industry has been viewed in a negative way and with suspicion. It is an actual fact, that with proper policies and regulation in place, this will encourage the success of the industry in a transparent and accountable manner.

Taxation:

The taxes imposed on the sector are higher than most other timber producing country. For a country coming out of crisis; with the poor conditions of its infrastructure, it is strange to believe that we will impose the same or higher taxes than countries that have had over more than thirty (30) years of continuous activities, where all of their investment have been amortized. This makes our commodity not to be competitive with these countries. Added to this is the additional cost that we have to expense in order to meet all the new legal requirements (i.e.) Chain of custody using GPS, VPA & LEITI preparedness etc.). The government needs to re-look at its tax policies and come up with a more conducive tax structure that will attract more direct investment in this sector.

Legal Constraints:

As we improve the governance issues surrounding the Forestry Sector, we should be reminded that the Laws are the frame work around which we all have to work. The Government, Civil Society, Communities, Private Sector and our International Partners will all have to be held to the Law. Any action by any party should be according to the Law; The Government and any other Institution or Government cannot enter into any agreement outside the guidelines of the Law and expect that agreement to be legal. Also the actions we take to remedy any action we presume contrary to the Law needs to follow the rule of Law. When we realize that portions of the law has ambiguity we should not be afraid to seek amendments. We all agree that we are reforming the sector from the way things were; and reform is a process and not an event. Mistake and missteps will take place; we should have the wisdom to mutually work for improvement. An Executive Order cannot and should not be the medium for correcting issues of law.

Lack of facilities and Infrastructures:

It is no secret that our infrastructures are in a deplorable state. Our road network needs continuous repair, bridges need replacement; more work needs to be done on our ports. Electricity is not available or too expensive for industry such as processing facilities. This all add to the cost of production and limits productivity. Concessions (Forest Management Contracts) are given with no maintenance of the major highways. The timber companies are expected to maintain these highways without any compensation, while at the same time paying full taxes to Government. At ports there are no places to serve as Log Park; logs will have to be stored miles away from these ports increasing the cost of timber companies in handling. There need to be some compromises!

It is our hope that we will begin constructive engagement with Government to improve the relationship with all stakeholders; to seek ways of improving how the industry is perceived as we follow the Rule of Law and allow for due process.

Finally, the LTA supports the calls by all those who have seen the need for revisiting our forestry reform laws and regulations in order to align them to current day realities. Reviewing the law is no crime as it is a norm in any civilized society that believes in the rule of laws.