



TECHNICAL BRIEF – The carbon sector in Liberia: progress, challenges, and opportunities

Liberia's role in the global carbon and climate space is rooted in its vast forest estate and unique biodiversity. It has the largest remaining area of the Upper Guinean Forest Ecosystem covering 6.6 million hectares which is approximately 69% of the country's total land surface¹. Liberia's forest comprises land with tree canopy cover greater than or equal to 30% serving as a natural protection against climate change and home to endangered and endemic species. This rich carbon stock can be leveraged to bring billions of dollars of carbon investment into the country which is critical to national development and rural communities' livelihood.

Background

Since the enactment of the National Forest Reform Law (NFRL) in 2006, Liberia has been building the foundation for a sustainable forest economy through its Commercial, Community, and Conservation (3Cs) Policy². However, international interest in Liberia's forest for its ability to contribute to climate change mitigation has necessitated the inclusion of a 4th C (Carbon) within the Forestry Development Authority (FDA) mandate, which will enable the country to trade carbon credits.

To initiate the process, in 2008, the Government of Liberia submitted its Readiness Plan Idea Note (R-PIN) to the Forest Carbon Partnership Facility (FCPF) of the World Bank and

¹ National Forest Inventory (NFI, 2018)

² 3C stands for commercial, community and conservation

continued with the submission of Liberia's Reducing Emissions from Deforestation and Forest Degradation (REDD+)³ Readiness Preparation Proposal (R-PP) in 2011.

In 2014, the Government of Liberia signed a MOU with the Government of Norway to pilot REDD+ activities. This arrangement was facilitated through the World Bank and led to the creation of the Liberia Forest Sector Project (LFSP) based at the FDA that undertook major REDD+ readiness activities in Liberia.

Moreover, Liberia recently submitted its third Nationally Determined Contribution (NDC 3.0) to the United Nations Framework Convention on Climate Change (UNFCCC). The objective of NDCs is to contribute to global goals geared towards climate change mitigation and adaptation which is a requirement accepted by all developing country parties including Liberia. Liberia's NDC 3.0 recognizes forests as one of the country's strongest assets to joining global efforts to reduce emissions and enhance climate resilience.

Liberia envisions using carbon finance from both voluntary and compliance markets to mobilize resources for national development and community benefits. In 2024, the Government initiated work on a National Carbon Development Policy to ensure that any engagement in carbon markets benefits local people, strengthens climate integrity, and aligns with the country's development agenda.

Progress in the carbon sector

Institutional upgrades to expedite carbon harvesting and trading

In 2024, the President of the Republic of Liberia appointed a new administration at the FDA including the position of Deputy Managing Director for Community, Conservation, and Carbon. The appointment of this new role at the FDA has led to the creation of the Department of Carbon Harvesting, Trading, and Regulation. It will play a critical role in implementing policies related to carbon management, emissions reduction, climate resilience, and sustainable forest management. The department works in close coordination with other departments at the FDA and with government ministries and agencies that have the mandate with a focus on environmental management.

In addition, the President has created the National Carbon Markets Authority (CMA) through an executive order to serve as the lead national entity for all matters related to climate finance and carbon markets development working closely with the FDA and other relevant government institutions.

³ REDD' stands for 'Reducing emissions from deforestation and forest degradation in developing countries. The '+' stands for additional forest-related activities that protect the climate, namely sustainable management of forests and the conservation and enhancement of forest carbon stocks.

The National Carbon Development Policy

Since 2024, the Government of Liberia has been drafting the National Carbon Development Policy that aims to support Liberia to regulate carbon trading, secure financing, and reduce greenhouse gas emissions while promoting sustainable development and environmental conservation consistent with the Paris Agreement.

Key issues in the policy are related to the ownership of carbon credits, benefit sharing of the proceeds from the trading of carbon credits, and institutional arrangements.

The current draft of the policy proposes that all carbon credits generated by carbon reduction and removal activities shall be owned by the Government of Liberia. It also proposes an institutional arrangement that is still under review. For example, it states that sector institutions should be responsible for the approval of carbon project applications.

The policy has proposed considerations for benefit sharing depending on the categories of land ownership or the source of the carbon credits including government, community, and private owners.

The policy also addresses other issues including dispute resolution, Free Prior and Informed Consent (FPIC) and transparent consultation with communities or rights holders before executing a project agreement, and a grievance mechanism.

While the policy is being drafted, the President of Liberia, has appointed “The Carbon Markets Authority (CMA)” designated as the lead national entity for all matters related to climate finance and carbon markets development overseeing policy formulation, market participation, and compliance with international frameworks such as the Paris Agreement. This new development now requires changes to the proposed institutional arrangements.

Progress made under REDD+ Readiness

The Liberia Forest Sector Project (LFSP) that was funded by Government of Norway through the World Bank, completed four (4) essential instruments that countries must develop in the REDD+ readiness stage. These instruments are:

- National REDD+ Strategy and Action Plan
- Forest Reference Emission Level (FREL)
- National Forest Monitoring System (NFMS)
- Safeguards Information System (SIS).

Liberia also conducted a National Forest Inventory (NFI 2018), which is an account of Liberia's forest stock. The NFI has contributed to updating Liberia's Forest Atlas. The NFI has also provides more information about species richness, composition and stocking density of trees in Liberia's forest, which is critical in measuring carbon sequestration.

A REDD+ Pilot Project in Wonegizi PPA which aims to provide sustainable financing for the management of the landscape has been listed on the Vera platform to generate credit for carbon trading on the voluntary market.

Challenges

Liberia has the political will to address climate change through REDD+ and other approaches around payment for ecosystem services. However, the Government and partners need to swiftly address several challenges that could limit Liberia's ability to maximize the expected benefits from carbon trading. These challenges include:

- Liberia's forests face many threats such as illegal logging, agriculture expansion and land degradation from unregulated mining, which could undermine all the gains that have been made and hinder the country from achieving its carbon trading objectives. These activities threaten not only standing trees but ecosystem services, biodiversity, and the future supply of goods and services for communities.
- There needs to be more clarity on land tenure and how carbon rights, and benefit-sharing should be allocated. This will create complications for REDD+ and carbon market readiness, with the potential to delay results-based payments.
- Monitoring and patrol of potential REDD+ sites such as Protected Areas are not effective due to manpower gaps and limited logistics which could lead to reduction in carbon stocks.
- Limited institutional capacity for the operationalization of carbon related activities including forest Measurement, Reporting, and Verification (MRV).

Recommendations

From readiness to carbon trading

Liberia has made significant progress to align itself as one of the most REDD+-ready countries in West Africa; however, readiness alone is not enough. The next step is to activate the carbon markets. Liberia is currently seeking a phased approach in line with international best practices that takes into consideration the country's unique national situation. The following roadmap outlines steps that Liberia can follow over the next 3 - 5 years, moving from its current stage (Phase III) to a functioning carbon market that benefits both people and nature.

Laying the legal, technical, and institutional foundation for successful carbon trading

- The Government of Liberia with support from partners should fully operationalize the FDA Carbon Harvesting Department
- Finalize the National Carbon Development Policy
- Collaborate with the Carbon Markets Authority (CMA) to establish a National Carbon Registry (NCR) that will act as a "clearing house" for all carbon-related activities, from approving projects to tracking credits and managing benefit flows.

- Identify potential forest areas for undertaking carbon projects: the Wonegizi Proposed Protected Area (PPA) is already under a REDD+ pilot program and other sites such as Krahn-Bassa PPA, Foya PPA and Gola Forest National Park are potential sites for future REDD+ programs
- Publish national guidelines for carbon accounting. Clear methodologies, leakage management rules, and permanence buffers ensure Liberia's credits meet global integrity standards.

Through these recommendations, Liberia can demonstrate successful, community-centered carbon projects that attract credible buyers and provide evidence for scaling.

Conclusion

Liberia has several strengths that makes it attractive to the carbon market. It has one of the highest forest cover ratios in West Africa and has a strong legal foundation for community land rights. Liberia also has a decade of REDD+ experience and international partnerships and is drafting a National Carbon Development Policy that emphasizes integrity and fairness. If Liberia stays on course, it can become a regional leader in equitable carbon markets, showing that protecting forests can also mean empowering communities and driving economic transformation.

Liberia already has the essential building blocks including an NDC with a strong forestry role and pilot landscapes. If the country moves deliberately to secure rights and safeguards first, execute transparent MRV and registry systems, demonstrate and create visibility around existing community-centered pilots, Liberia can shorten the path to sustainable carbon revenues that fund conservation and uplift rural livelihoods.

The Government should also conduct capacity building training for local forest monitors, government technicians, and youth to create a new generation of forest stewards who will think differently about how best to use forests. Also ensure that women and youth play an active role in decision-making processes and benefit-sharing committees.