



## **Forest Destruction Fuels Regional Conflicts**

### **Environmental and social impacts of the Liberian timber industry**

The timber industry in Liberia is a lucrative one – at least for a country whose estimated Gross Domestic Product is only around US\$450 million. The forestry sector raised well over US\$100 million in 2000<sup>1</sup>, and it has long been one of the prime sources of Government revenue. Following a UN ban on all diamond exports from Liberia in March 2001<sup>2</sup>, it has become an industry which provides the main source of export earnings for the Liberian Government.

But it is also an industry that poses a major threat in the West African region, not only to the survival of the last West African rainforests, but also to national and regional security.

Recent reports by a Panel of Experts to the UN Security Council (UNSC) reveal the Liberian timber industry to be involved in a series of environmental and human rights abuses<sup>3</sup>. These range from driving the destruction of the Liberia's remaining forests to illegal arms trafficking to the Revolutionary United Front (RUF) of Sierra Leone. In light of these revelations, Greenpeace is calling on governments and the forest industry worldwide to stop their role in supporting these activities, by refusing to import wood and wood products coming from companies known to be involved in these scandals.

### **Liberia's forests: the last remnants of a biodiversity hotspot**

#### *What's at stake*

Due to their accessible lowland locations and ready coastal access, most of the tropical forests of West Africa have already undergone substantial logging activity and in many areas these degraded forests have by now been converted to agricultural use. It is estimated that almost 90 percent of these forests have already been destroyed and what remains is heavily fragmented.<sup>4</sup>

After years of overharvesting in the Upper Guinean Forest Ecosystem – a rainforest belt which once covered the whole of Liberia, plus parts of Sierra Leone, Guinea, Ivory Coast, Ghana and Togo - Liberia's forest now represents around 45 percent of the region's remaining forest. It has been identified as one of 25 threatened biodiversity 'hotspots' globally, and supports many species which are found nowhere else. This forest is home to some 9,000 species of plants and more than 1,300 species of vertebrate animals. It also supports the only viable populations of the Pygmy hippopotamus (*Hexaprotodon liberiensis*) and represents the last stronghold of the forest elephant (*Loxodonta africana cyclotis*) in West Africa<sup>5</sup>.

Liberia's forest is also the life-line of the country's indigenous communities who rely on the forest for their livelihood. It provides shelter for their cultural and religious practices including shrines, traditional bush schools and cover for the streams, and is a vital source of foods, medicinal herbs and other materials.

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<sup>1</sup> Estimated by Global Witness based on figures published in the World Trade Atlas: Global Witness (2001); UNSC (2001)

<sup>2</sup> The contribution made by the forestry sector is even more important now than in the past, following the UNSC imposed ban on Liberia's diamond trade in UNSC Resolution 1343 (2001) adopted on 7<sup>th</sup> March 2001 "until Liberia demonstrates convincingly that it is no longer involved in the trafficking of arms to, or diamonds from, Sierra Leone" UNSC (2000)

<sup>3</sup> UNSC (2000); UNSC (2001)

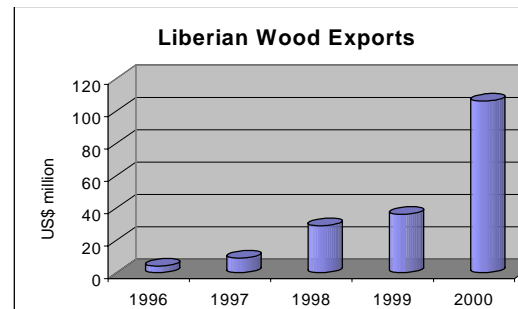
<sup>4</sup> TREES (1998)

<sup>5</sup> Peal A (2000); Myers N *et al* (2000)

### *Time to act*

But this forest stronghold may not last for much longer. The European Commission's Joint Research Centre (EC JRC) has recently reported high levels of deforestation in Liberia's remaining lowland rainforests, citing intensive logging as the primary cause of forest loss<sup>6</sup>. Meanwhile, just one company – Oriental Timber Company (OTC) – has recently been granted logging rights to 1.6 million hectares of the country's total 4.8 million hectares of forest. That's one third of the country's remaining forest<sup>7</sup>. According to the Liberian Forest Development Authority (FDA), a total of around 3 million hectares of the forest (63 %) have already been allocated to 25 logging companies.

**Timber Export Values – Liberia 1996-2000**



Source: World Trade Atlans cited in Global Witness (2001)

Recent figures reveal that the Liberian timber trade has expanded dramatically over the last 5 years, the income generated by timber exports rising from US\$5 million to at least US\$ 100 million annually<sup>8</sup>. This rapid expansion in Liberia's logging industry has resulted in an industry which is essentially unregulated. The direct and indirect implications of an unregulated industry operating at this level of forest exploitation will be severe, including loss of habitats and species, human displacement and cultural erosion and the long-term effects resulting from deforestation such as floods, droughts and changes in regional and global climate.

### **Liberia's forest industry and regional security**

In December 2000, a meeting of a Panel of Experts to the UN Security Council (UNSC) named Liberia's timber industry as one of several regional players involved in illegally supplying arms to RUF rebels in its war-torn neighbour, Sierra Leone, in defiance of existing UN sanctions<sup>9</sup>. The report revealed that the Liberian timber industry was involved in a series of illicit activities including the acquisition of weapons, and noted that roads built and maintained for timber exploitation were also used to move weapons from Liberia to Sierra Leone. The meeting recommended a temporary embargo on Liberian timber exports "until Liberia could convincingly demonstrate that it was no longer involved in the trafficking of arms to, or diamonds from, Sierra Leone". However, early in 2001, China and France – the two main importers of Liberian timber<sup>10</sup> – objected to the inclusion of timber sanctions, which was subsequently excluded from the final report<sup>11</sup>.

<sup>6</sup> TREES (1998)

<sup>7</sup> UNSC (2000)

<sup>8</sup> Global Witness (2001) reports total timber production in 2000 of 934,000 cubic metres, with a world market value of US\$187 million. However, both Global Witness (2000) and UNSC (2001) note that official statistics are likely to underestimate real exports by 50 to 200 percent as a result of tax evasion and undeclared timber flowing through the Ivory Coast.

<sup>9</sup> UNSC (2000)

<sup>10</sup> In 2000, China (45%) and France (26%) were responsible for more than two thirds of Liberia's timber imports (World Trade Atlas cited in Global Witness 2001)

<sup>11</sup> Pratt D (2001)

Since then, the British-based environmental and human rights organisation, Global Witness, and the UNSC have both released compelling evidence linking Liberia’s President Charles Taylor and the Liberian timber industry to the illegal trade in arms<sup>12</sup>. Their work reveals that:

- taxes from the logging industry have been used by Taylor to maintain brutal paramilitary units involved in human rights abuses
- Taylor tried to acquire several thousand ak 47 assault rifles and an unknown quantity of rpg-7 rocket-propelled grenades from Libya in May 2001
- logging companies have been recruiting and arming ex-combatants – often from Taylor’s now defunct National Patriotic Front – to build up private militias
- a number of companies employ indiscriminate logging practices which show no regard for their environmental or social impact

*Forest destroyers and arms dealers: who’s involved?*

Of some 25 companies producing timber in Liberia, there is strong evidence against several which are guilty of either causing environmental damage, abusing human rights, running private militia and/or trafficking illegal arms to RUF rebels in Sierra Leone.

The largest – the Oriental Timber Company – is also the most notorious. Other companies implicated in one or more of these scandals include the Royal Timber Corp (RTC), Mohammed Group of Companies (MGC) and INLAND Logging Company (ILC). In addition, the UNSC report from December 2000, named three companies known to be “providing a large amount of unrecorded extrabudgetary income to President Taylor for unspecified purposes”: Exotic and Tropical Timber Enterprise (ETTE), FORUM Liberia and OTC.

*Key Player: Oriental Timber Company<sup>13</sup>*

OTC, which is closely linked to the Hong-Kong based Global Star Holdings, is by far the largest and most notorious logging company operating in Liberia. It is a company whose operations are characterised by corruption, illegality and total disregard for the environmental or social impact of their indiscriminate logging practices.

**Key companies involved in Liberia’s forestry scandals**

Company	Description
Oriental Timber Company (OTC)	By far the largest – and most notorious – logging company operating in Liberia. It is run by Dutch national Gus Kouwenhoven, a close associate of President Taylor. Kouwenhoven has been described as “responsible for the logistical aspects of many of the arms deals [with the Revolutionary United Front, Sierra Leone].
Royal Timber Corp (RTC)	The second largest timber operation in Liberia, RTC is also run by Gus Kouwenhoven, and is believed to have vastly under-reported its timber production in the last two years.
Mohammed Group of Companies (MGC)	Two companies – Salami Molowi Inc (SMI) and Bureaux Ivorian Ngorian (BIN) – owned by Mohammed Salamé, a Liberian based in Ivory Coast. Salamé has been involved in assisting sanctions-busting arms transfers to Liberia.
INLAND Logging Company (ILC)	Managed by Maurice and Oscar Cooper, both long-term associates of President Taylor. The company reports that it exported around 20,000 cubic metres of logs in 2000, but there are indications that this figure was actually much higher - nearer 50,000 cubic metres. The ILC has a private militia, which harasses and intimidates local communities in Sinoe County.

Sources: UNSC (2000); Global Witness (2001)

OTC is believed to have paid somewhere between US\$ 3 and 5 million to President Taylor to obtain its huge concession – the largest in Liberia’s history. Yet despite yielding hundreds of thousands of cubic metres of valuable timber each year, the concession agreement has never been ratified by the Liberian Congress – and is thus not legally valid.

<sup>12</sup> Global Witness (2001) UNSC (2001)

<sup>13</sup> Information from Global Witness (2001) unless stated otherwise.

OTC has built several dozens of criss-crossing roads throughout Liberia's pristine forest, without conducting a single impact study, and has operated in flagrant violation of the FDA and its contractual regulations. It has invaded neighbouring concessions, and appears to be opening up between 5,000 and 10,000 hectares of undisturbed forest every month. That's an area the size of almost 500 soccer pitches every day.

The company also operates in violation of national labour laws, particularly regarding worker safety. It has shown a total disregard for the rights and customs of local people, and has met local government officials and the FDA with police intimidation and arrest. It also operates a private militia whose members are armed with AK-47s.

OTC's Dutch president, Gus Kouwenhoven, has been described as "responsible for the logistical aspects of many of the arms deals [with the Revolutionary United Front, Sierra Leone]."<sup>14</sup> He also runs the Royal Timber Corporation (RTC) in the northwest of the country, which is strategically located on the border with Sierra Leone. In March 2001 the UNSC imposed sanctions on Liberia for its role in blocking the peace process in Sierra Leone. The measures imposed included restricting the travel of certain individuals – including Kouwenhoven.

Public outcry against OTC has been widespread in both national and international press. Yet President Taylor continues to defend OTC, and has responded to criticism with measures such as removing people from office, police intimidation and arrests on the grounds of threats to national security.

### Driving the industry

Since at least 70 percent of the wood produced in Liberia is destined for the export market<sup>15</sup>, the key actors driving this destructive, corrupt and destabilising industry, are clearly the countries importing the timber coming from these companies.

Traditionally, Liberia exported logs largely to Europe. But today, this market has shifted increasingly to Asia as newly arrived companies such as OTC have concentrated more on selling materials to plywood and other processing factories that supply the South-East Asian markets. According to official figures<sup>16</sup> China (45%) was by far the largest importer of Liberian timber in 2000, followed by France (26%) and Italy (12%). In total, the EU was responsible for more than 50 percent of imports in 2000.

### Timber imports from Liberia (2000)

Importing country	Volume imported (m <sup>3</sup> )	Importing country	Volume imported (m <sup>3</sup> )
China	290,409	Indonesia	13,401
France	167,779	Portugal	13,171
Italy	78,800	Germany	12,364
Greece	23,513	Turkey	3,998
Netherlands	21,677	UK	3,108
Spain	15,238	Belgium	2,083
<b>TOTAL</b>			<b>645,541</b>

Source: World Trade Atlas cited in Global Witness (2001)

### Greenpeace call for action

In the run up to next year's Ancient Forest Summit<sup>17</sup>, Greenpeace is urgently calling on World

<sup>14</sup> Global Witness (2001); UNSC (2000)

<sup>15</sup> This is based on a production figure of 934,006 m<sup>3</sup> (Central Bank of Liberia) and total exports of 645,541 m<sup>3</sup> (World Trade Atlas). Both sources cited in Global Witness (2001).

<sup>16</sup> World Trade Atlas cited in Global Witness (2001)

<sup>17</sup> The Ancient Forest Summit is the 6<sup>th</sup> Conference of Parties to the Convention on Biological Diversity. It will be held in April next year, in The Hague, The Netherlands and will have a mandate to agree a 10 year

Governments to:

- stop the destruction – by stopping any further industrial activities in intact ancient forest until responsible plans for forest conservation and sustainable use have been agreed
- clean up the timber trade – by ensuring that timber is produced and traded in a legal and ecologically responsible way
- come up with the money – by providing at least US\$15 billion each year to pay for forest conservation and sustainable development

In the light of the evidence implicating Liberian logging companies in illegal and destructive logging and revealing their role as a threat to regional security, Greenpeace is urging the governments of all importing countries to immediately stop their role in the destruction of Liberian forests. To this end, governments must start demanding that all wood and wood products entering national ports must come from legal and well-managed forest operations according to high social and ecological standards<sup>18</sup>.

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programme on forests in preparation for Rio + 10 which will take place in Johannesburg in September 2002.

<sup>18</sup> The Forest Stewardship Council (FSC) is currently the only international certification and labelling system that uses globally endorsed ecological performance standards, ensures a traceable chain-of-custody from production to final consumption and brings together a broad range of environment, social and economic stakeholder interests.