

05 A study on the Management & Governance of Cubic Meter Fees in three FMCs

BRIEFING | NOVEMBER 2015



Introduction

The National Forest Reform Law of 2006, and the subsequent regulations represent a significant break from the past whereby communities are legally entitled to receive direct financial benefits from logging companies.¹

Under the Forestry Development Authority (FDA) regulations, the payments of cubic meter fees are made exclusively by logging companies into the bank accounts managed by the Community Forestry Development Committees (CFDCs) of communities affected by logging activities.² The cubic meter fees are the total annual financial benefit provided by the holder under a social agreement. Such fee must equal or exceed US\$1.00 per cubic meter of logs harvested annually under the forest resources licenses.³ The cost charges vary based on the amount agreed and mentioned in the Social Agreement signed between the concession holder and the affected community. The relevant CFDC takes full charge of managing the cubic meter fees received and the decision to spend these funds is done through the holding of mass meeting so as to ensure community participation in the decision to spend the cubic meter fees (money).⁴ Moreover, community members are allowed to play other key roles such as forming part of advisory bodies and being signatory to bank accounts in the governance and financial management arrangements. The funds are generally used for community development projects such as; rubber farms, guest houses, school building, and scores of palava huts across other towns and villages.

At the time of this research, across Liberia, a total of 22 CFDCs have been established in various forested communities. The establishment of these community platforms is defined in the regulations⁵ and some of them have benefitted from direct capacity building opportunities including logistical, technical and financial supports provided by Civil Society Organizations (CSOs), international partners and the FDA.

This brief which is based on outcomes of research conducted in Forest Management Contract (FMC) areas A, B and C – seeks to show the reality of the process and procedures that companies use to make payments and communities use to spend the money they have received.⁶

This report did not delve into other aspects of the CFDC roles and responsibilities, such as access to the National Benefit Sharing Trust funds, the regular meetings with logging companies or the delivery of community infrastructure promised in the Social Agreements.

This brief examines the outcome so far, in terms of the project implementations and the system in place to manage the funds. It looks at the role Project Management Committees (PMCs) of FMCs B and C put in place to ensure the implementation of community projects while working in collaboration with the CFDCs. Each PMC represents individual Clans of the affected communities and is comprised of five representatives; each is selected by individual communities or Clans on a consensus basis during community meetings. Communities have also established by-laws which are crucial instruments to guide regulate and govern the affairs of affected communities including financial management activities. These by-laws constitute elements regarding the roles and responsibilities of CFDCs including how to account for and manage community finances.

Methodology

The CFDCs of FMC Areas A, B and C were selected on the basis that:

- they have received some amounts of money as cubic meter fees directly from logging companies; and
- they have spent some of the money they received.

Community members were assessed using a pre-prepared questionnaire developed by the Civil Society Independent Forest Monitoring (CS-IFM) team of the NGO Coalition of Liberia for the purpose of gathering, documenting and sharing information on the use of cubic meter fees. A total of 67 respondents across all three CFDCs were interviewed, including: local and traditional leaders; local government officials; women and youth group representatives; and ordinary community members. The CS-IFM team also gathered information from the concession holders of FMCs A, B and C.

Since 2008 to May 2015, the logging companies of FMCs A, B and C have exported total of 324,777.096m³ of logs from their respective concessions.⁷ The total value of this is USD\$487,165.64. The logging companies have paid a total of US\$214,850.11 and are in arrears of US\$272,315.53 as cubic meter fees to the three communities. Please see details of this in the assertions of individual community assessed.

footnotes

- ¹ Section 34 Regulation 105-07.
- ² Regulation 111-10 Cubic Meter Fee is to be paid by the logging company.
- ³ Regulation 111 – 10 Part I Section I.
- ⁴ Article IV Section 2.6 of the By-Laws of the CFDC of FMC A.
- ⁵ Section 62 (b 1 and 2) Regulation 105-07.
- ⁶ Section 3c Regulation 111-10 and Section 34 Regulation 105-07.
- ⁷ Data obtained from SGS.

A log field in
Rivercess County.
© CS-IFM



The table below illustrates basic information/data about logging companies and also their payments of the cubic meter fees to the affected communities since 2008 to May 2015.⁸

Table 1: How are CFDC's managing the fee cubic meter payments they receive from logging companies?

Company	Contract	Contract Area (Hectares)	Location	Log volume data for contracts	Total export volume 2008 to May 2015	Total value 2008 to May 2015	Total Amount of m ³ fees paid from 2008 to May 2015
Alpha Logging and Wood Processing Incorporated	FMC A	119,240	Lofa and Gbarpolu Counties	51,219.85 ^{m3}	16,989.05 ^{m3}	US\$25,483.58	US\$13,560.00
EJ&J Investment Incorporated	FMC B	57,262	Rivercess County	139,431.68 ^{m3}	116,179.738 ^{m3}	US\$174,269.60	US\$112,405.19
Liberia Tree and Trading Company	FMC C	59,374	Rivercess County	219,815.34 ^{m3}	191,608.308 ^{m3}	US\$287,412.462	US\$88,884.92

FMC A, Lofa County

Background

There are two CFDCs of FMC Area A. One is located in Salayea and Zorzor Districts, Lofa County and the other is located in Bokomu District, Gbarpolu County. The logging company operating in this area is Alpha Logging and Wood Processing Incorporated, and their logging activities affect ten towns in Salayea and Zorzor Districts. The focus of this assessment is on the CFDC of Salayea and Zorzor Districts because it is this CFDC that has received cubic meter fees from the company and Salayea and Zorzor Districts is where the company is based since its logging activities started in 2008. This concession covers 119,240 hectares of land in Lofa and Gbarpolu Counties.

The CS-IFM team conducted a five-day field visit between 15-19 May 2015 in the FMC A concession in Lofa County and interviewed the total of 13 persons including the Chairman and other members of the CFDC as well as some local leaders including traditional leaders, leaders of women and youth groups, members of the CFDC Board of Advisors⁹ and ordinary community members from the ten affected communities.

The CFDC of FMC A in Lofa County has its own By-laws and Constitution and it is legally registered with the government.

The By-Laws, provides that CFDC members shall receive a reasonable monthly compensation for their services.¹⁰ The constitution also provides that decisions on expenditure must be made through a series of mass community meetings¹¹ facilitated by the CFDC involving local leaders, including Clan and Paramount Chiefs, women and youth groups. The CFDC has a Board of Advisors that consists of seven members which is tasked with specific functions including but not limited to; impeachment of CFDC members, dispute resolution,¹² etc.

Findings

Income and expenditure of the Cubic Fees paid to the accounts of the CFDC by Alpha Logging and Wood Processing Incorporated

Since 2008 to May 2015, Alpha Logging and Wood Processing Incorporated has harvested a total of 51,201.85 volumes of logs value at USD\$76,829.76 while a total of 16,989.05 volumes of logs value at USD\$25,483.58 has been exported from the FMC A concession. Since 2008 to May 2015, the community has received USD\$13,560.00¹³ from Alpha Logging and Wood Processing only as cubic meter fees.

footnotes

⁸ Sourced from SGS LiberTrace.

⁹ Article III Section 6.1 of the by-laws and constitution of the CFDC of FMC A.

¹⁰ Article 3 Section 10.2 of the by-laws and constitution of the CFDC of FMC A.

¹¹ Article 4 Section 2.3 of the by-laws and constitution of the CFDC of FMC A.

¹² Article III Sections 6.1.2 and 6.1.3 of the by-laws and constitution of the CFDC of FMC A.

¹³ Copies of bank statement received from Alpha Logging and Wood Processing indicating payment of cubic meter fees to FMC A CFDC.

CFDC distributing Anti Ebola Materials in Salayea District, Lofa County. © CS-IFM

Bank book obtained from FMC A CFDC. © CS-IFM



The CFDC did not indicate a clear project for the spending of their cubic meter fees however, as indicated by the CFDC Chairman and confirmed by ordinary community members interviewed, they withdrew US\$10,360 from their account in early 2014 and during the ebola outbreak in August 2014.

Out of the amount mentioned above, US\$2,000 was spent to purchase anti-Ebola materials and to increase awareness on ebola which heavily hit Lofa County. Some of this amount was also used to ensure internal security within the affected communities. The security guards were monitoring the movement of people from one place to another and also ensuring inhabitants' adherence to all preventive health protocols put in place during the ebola outbreak.

In another instance, US\$360.00 was spent on CFDC members holding meetings with affected community members residing in Monrovia to inform them of the activities of the concession and the renegotiation of the Social Agreement. Lastly US\$8,000.00 was spent as compensation for all ten CFDC members (three serving and seven outgoing) for their performance as CFDC members over the first five years.¹⁴

Community Participation in decision making to spend the cubic meter fees

The CFDC Chairman, some new and old CFDC members and ordinary community members interviewed stated that a series of mass community meetings were held in line with the CFDC's By-laws and constitution as evident by five meeting minutes in separate years during the period; December 7, 2013 to February 7, 2015. The meetings were facilitated by the CFDC involving local leaders including Clan and Paramount Chiefs, women and youth groups and ordinary community members. The outcome of the meetings suggested that the CFDC has formally received the community's authorization to spend the cubic meter fees in line with their by-laws and constitution.

ACCOUNT Title		Community Forestry Dev. Comm. ACCOUNT No. (FMC-M)			
DATE	WITHDRAWAL	DEPOSIT	BALANCE	TELLERS INITIAL	DESCRIPTION
1/26/11	—	25.00	25.00	UKS	Initial
4-28-14	—	—	5025.55	—	—
2/16/14	1,000.00	—	3,604.22	—	—

Functioning of the CFDC and structures of fund management

What is not prevalent in the structure of this CFDC is the existence of a PMC that work in collaboration with the CFDCs of FMCs B and C. Yet, this FMC A CFDC share common strategy with the two CFDCs for the purpose of governance. Example is the CFDC Advisory Board. The FMC A Advisory Board has the power to impeach any CFDC member, settle dispute, etc.

Analysis

The financial records obtained from the Chairman and General Secretary of this CFDC commensurate with the payment or bank deposit slips for payment of cubic meter fees by Alpha Logging and Wood Processing Incorporated.

FMC B

Background

The CFDC of FMC B is headquartered in Neezuin Town, Central Rivercess District, Rivercess County. It has a membership of ten persons and has its own 'By-laws and Constitution', as required by law.¹⁵ The operator of FMC B is EJ&J Investment Corporation in partnership with MANDRA Forestry. This concession covers 57,262 hectares of forest land. The FMC B concession directly affects eleven Clans including; Wrozhohn, Banama, Siahn, Wheasay, Gbarsaw, Kebbeh, Weh, Doewin, Gborkon Tobo, Dobor and a section which is Sam Beach Junction.

The By-Laws and Constitution of this CFDC provides that, the CFDC is under obligation to ensure that their community development activities are enhanced through participatory discussion for the purpose of decision making by the larger community members.¹⁶

A total of 24 people including local and traditional leaders, local government officials, the Chairman and ordinary CFDC members, PMC members, women and youth group representatives, members of other Community Based Organization and ordinary community members were interviewed during a five day field visit May 2 – 6, 2015 to the affected communities.

footnotes

- ¹⁴ Section 10 of the by-laws and constitution of the CFDC of FMC A.
¹⁵ FDA Ten Core Regulations 105-07 part six section 62.
¹⁶ Article IV Nos. 1&4 of 'Rules Governing the CFDC of FMC B'.



Findings

Income and Expenditure of the Cubic Meter Fees paid to the accounts of the CFDC by EJ & J Investment Corporation

Since 2008 to May 2015, EJ&J Investment Incorporated has harvested a total of 139,431.68m³ of logs value at US\$209,147.52 while a total of 116,179.738m³ of logs value at USD\$174,269.60 has been exported from the FMC B concession. The community has received USD\$112,405.19¹⁷ from EJ&J Investment Incorporated only as cubic meter fees.

There is not a chronological order to determine the amount of money the community is supposed to receive as cubic meter fees and to indicate the required payment time. However, data gathered and analyzed from the EJ & J Investment Corporation and the CFDC of FMC B reveals that the amount of US\$112,405.19 has been paid into CFDC's bank account of FMC B only as cubic meter fees.¹⁸ Some copies of bank statements obtained from the CFDC and the management of EJ&J indicate that some of the payment for the cubic meter fees to the community account by EJ&J were made as follows; on 30 April, 2014 an amount of US\$17,981.00 July 23, 2014 an amount of USD\$13,849.00 was also paid. Indeed, EJ&J Investment Corporation has been paying some of the cubic meter fees to the community.

From the interview conducted, it is clear that community developments ongoing are sourced directly from the cubic meter fees paid by EJ&J Investment Corporation independent of the Social Agreement which has provisions for community responsibilities and benefits. However, the benefits section has not been well-defined. This section in the Social Agreement has recently expired and a new Social Agreement is expected to be re-negotiated.

Out of the ten community projects mentioned by the interviewees and verified by the interviewers, seven are incomplete and three are currently in use with established PMCs. Those currently in use are, a school building in Barkay Town, Palava Hut in Jay Town and another Palava Hut in Glanyon Town, Siahn Clan.

The CFDC of FMC B spent US\$2,500 from their cubic meter fees to roof a five bedroom clinic. Unfortunately this clinic is not in use because the community did not consult the Health Ministry so that the Ministry could advise on the size of the structure. The local health authority has subsequently instructed the community to add two additional rooms before the clinic can be recognized, accepted and dedicated.

Functioning of the CFDC and structures of fund management

An observation established by the CS-IFM team who interviewed members of the CFDC and non CFDC members indicates that there are eight performing members of this CFDC. This is evident by the inability of other CFDC members to adequately respond to questions during the five day visit to the community of this FMC in April - May, 2015.

On the other hand, the CS-IFM visit as well as administering set of questionnaires to the CFDC and non CFDC members, established that the CFDC is reporting financial matters to the larger community. This is also evident in some of the documents obtained from the CFDC which are meeting minutes.

The establishment of Project Management Committee (PMC) at the community level is an agreed action amongst members of the affected communities in consultation with their respective CFDCs. The role of the PMC is to ensure community development projects are realized. Each PMC consist of five members who assume responsibility either through election or selection by members of their respective communities. Community members who are serving as PMC members were able to provide documents authorizing the CFDC to make money available from the cubic meter fees for community projects. The CS-IFM team was privileged to interact with a total of eleven PMCs covering the 11 clans directly affected by the logging activities of EJ&J Investment Incorporated. Of all 11 PMCs, none seems to have a clear project implementation plan or adequate documents to indicate the expenditure of funds even though some of them including, Neezuin, Barkay Town, Gorzohn and Siahn Clan admitted they have received money from the CFDC for community projects.

This CFDC has a huge challenge of adequately communicating among themselves as well as passing information to the larger community in a timely manner due to the long distances in between the affected communities that require a motor bike or vehicle for any meaningful impact. The only motor bike available to the CFDC is the one assigned to the chairman.

Community Participation in decision making to spend the cubic meter fees

According to respondents, the CFDC of FMC B held cluster meetings for the purpose of discussing how to spend

footnotes

¹⁷ Copies of bank statement received from Alpha Logging and Wood Processing indicating payment of cubic meter fees to FMC A CFDC.

¹⁸ Bank details of Cubic Meter Fees Payment obtained and analyzed from EJ & J Investment Corporation and the CFDC of FMC B.

A Clinic in Say-wheon-wor Town, Siahn Clan, Rivercess County. © CS-IFM



their cubic meter fees. Some of the meetings were held at the headquarters of the CFDC in Neezuin while others were held in different towns. The community members who attended the meeting reportedly included: local and traditional leaders; representatives of women and youth groups; and ordinary community members.

Analysis

In order to enhance the performance of this CFDC some members of the CFDC have had the opportunity to receive formal training and capacity building from civil society organizations. However, there are observable challenges to the performance of some CFDC members whose impact are yet to be felt by the larger communities especially the clans they represent on the CFDC.

An example of this is a community member who represents the youth population on the CFDC. He does not regularly attend CFDC meeting neither does he attend general community meeting as a result of the below factors;

- He does not get information about CFDCs or general meetings in a timely manner; and
- Most of the times, he is unable to attend meetings due to logistical problems;

Out of the 10 community projects mentioned by the interviewees and verified by the interviewers, all their PMCs are established, seven are incomplete, and three are currently in use including a school building in Barkay Town, a palava hut in Jay Town and another palava hut in Glanyon Town, Siahn Clan. As previously mentioned, even though it is difficult to establish the exact amount that were given to the various PMCs to commensurate with their respective projects, however some PMCs were able to provide document indicating money they have received from the CFDC Chairman for their community projects.

The clinic in Say-wheon-wor Town is also completed but not in use due to the following reasons; 'the Rivercess County Health Team has no plans of providing any [additional] support to enhance the functioning of the clinic' – says a community member. According to the interviewee, the local health authority has told the community that they did not follow the standards as required by the Infrastructure Division of the Ministry of Health of Liberia. In order for the clinic to cater to the health needs of the community, series of questions will have to be addressed including; allowing the PMC to take full responsibility of their function as community project

management committee. The PMC needs to also be explicit to the local health authority about the need to make use of the only available health facility constructed by the CFDC which seeks to cater to the health problems of approximately more than 500 inhabitants of the town where the clinic is situated, including surrounding towns and villages.

Individual CFDC members of this CFDC has received 5% of the total amount paid to their account as compensation while 5% has been used for the operation of the CFDC. The by-laws and constitution of this CFDC provides that 10% of the cubic meter fees should be used in the following ways;¹⁹

- 5% should be used as compensation for individual CFDC member and
- 5% should be used as operational fees by the CFDC;

FMC C

Background

The FMC C Concession is operated by the Liberia Tree and Trading Company Incorporated (LTTC) in partnership with MANDRA Forestry. This concession covers 59,374 hectares of forest land between Central Rivercess and Morweh Statutory Districts in Rivercess County.

The CFDC of this concession has a membership of ten persons elected from approximately 35 communities divided into four Clans including; Teekpeh, Dobor, Zialue and Joe-win.

The By-Laws and Constitution of the CFDC, provides that all expenditures of Community funds must be made in accordance with an agreed development plan expressly approved by the community²⁰ during general community meeting.

Also, there is a provision in the Social Agreement that LTTC would undertake other community development initiatives including; road reconditioning, infrastructure development, etc. Additionally, the Social Agreement also provides that LTTC pays the amount of US\$1.50 to the community as cubic meter fees which is US\$1.50 multiply by the total volume of logs harvested. Once this money is paid to the community; the CFDC will use it to undertake development projects.

During the April 30 - May 5 visit by the CS- IFM team to the communities of FMC C, a total of 32 people including CFDC and non CFDC members, PMC members, local and traditional leaders as well as ordinary community members were interviewed. The interview also covered leaders of women and youth groups of the affected communities.

footnotes

¹⁹ The rules governing the CFDC of FMC B.

²⁰ Part III (2) of the Rules governing the CFDC of FMC C – 'Rights of community'.

A functioning
School Building in
Barkay Town.
© CS-IFM



Findings

Income and Expenditure of the Cubic Fees paid to the accounts of the CFDC by Liberia Tree and Trading Company Incorporated

Information gathered from the CFDC and other members of the community of FMC C indicates that the CFDC have received the amount of US\$88,884.92 from Liberia Tree and Trading Company Incorporated only as cubic meter fees.

Since 2008 to May 2015, Liberia Tree and Trading Company Incorporated has harvested a total of 219,815.34m³ of logs value at US\$329,723.01 while a total of 191,608.308m³ of logs value at USD\$287,412.462 has been exported from the FMC C concession. The community has received USD\$88,884.92 from Liberia Tree and Trading Company Incorporated only as cubic meter fees.

According to 80 – 95% of both community members as well as CFDC members interviewed; the spending of their cubic meter fees is the result of the below listed community projects;

Table 2: Affected clans, types of projects and amounts received for their community project

Affected Clans	Amount Received (us\$)	Type of Community Project
Zialue Clan	\$15,000.00	Purchase of Vehicles (an 18-seater bus & a 5 ton truck)
Teekpeh Clan	\$17,730.00	Rubber Farm
Jowein Clan	\$15,000.00	Rubber farm
Dobor Clan	\$15,000.00	5 bed room guest house

Zialue Clan consists of 11 towns and borders with Teekpeh Clan. In Zialue Clan most of the interviewees indicated that they would receive more cubic meter fees from the company as long as the company is operational. The community members interviewed also said as long as the company pays the cubic meter fees regularly in accordance with the Social Agreement, the community will continue with their community development projects.

Teekpeh Clan has a total of nine towns excluding smaller villages. This clan initiated a rubber farm project covering approximately 30 acres of land. The sustainability of the farm is uncertain as the US\$17,730.00 received by the Clan is not enough to maintain the community rubber farm. According to some interviewees, the USD\$17,730.00 received by the community was used for bush clearing, tree felling and planting of rubber samplings. This clan

used their cubic meter fees to enhance other activities including; the purchase of 2 drums of gasoline, 2 sets of chain-saw (power saw) and 1 motor bike to establish the rubber farm project while some of the money was used to pay community members who worked for the establishment of the rubber farm.

Jowein Clan is located in Morweh District and they received US\$15,000.00 from the CFDC that was used to establish the community rubber farm project. The PMC Chairman of this community project admitted that some money was given to community members who worked to establish the rubber farm project.

However, the PMC Chairman indicated that the money has been exhausted and that whenever, there is any more money available, they would do more work to ensure their project is a success. He escorted the CS-IFM team to see the farm.

There is a 5 bed room guest house situated in Garpue Town, Dobor Clan. It is completed at 80-85%. The people of this Clan received the sum of US\$15,000.00 from the CFDC to construct a guest house. According to the PMC Chairman, a contractor was hired and paid to do the work within a specific time frame. However, the continuous delay on the part of the contractor to complete the work has compelled the community to threaten court action against the contractor even though there is no written contract between the builder and the community which is making it impossible, if not difficult, for the community to legally hold the contractor for breach of contract.

Functioning of the CFDC

A major challenge that the CFDC faces is the difficulty in information sharing amongst its members. According to the Women Representative on the CFDC all records; financial and administrative are in the possession of either the chairman or the Secretary. Another respondent (a lady) who is also a CFDC member bluntly indicated that she is dissatisfied with the manner in which the CFDC leadership is performing. For example, they (as CFDC members) do not utilize the opportunity to attend workshops or other forms of training for CFDC members.

Community Participation in decision making to spend the cubic meter fees

About 90 – 95% of the interviewees admitted that; the CFDC have over times facilitated general town meetings and the discussions focused on the spending of their cubic meter fees.

A Guest House in
Garpue Town, Dobor
Clan, Rivercess
County. © CS-IFM



According to the Chairman and other members of the CFDC, the communities fully cooperated with the CFDC since the inception of the CFDC. But when the community became aware of the availability of the cubic meter fees (money), they asked the CFDC to turn the money over to them so that they could decide how and when to use it. The community insisted that the CFDC were only responsible to collect and deliver the money to them but not to tell or guide them what to do with it or how to spend it. The CFDC reluctantly turned over the amount that a community requested based on the kind of projects they have decided. This was done during the holding of segmented general meetings that were held in different locations at different times.

The construction of the 5 bed room guest house in Garpue Town is an example of a community project even though it is not 100% completed. The PMC Chairman mentioned that they are unable to hold the contractor for the completion of the building due to lack of the legal support for them to take the contractor to court.

Analysis

It is likely that the community agriculture projects will not succeed due to the kind of approach that was taken by the community to initiate the projects. Both rubber farms were visited by the CS-IFM team along with some PMC members and the growing rubber trees were not easily visible; the PMC Chairman who escorted the team had to brush the bushes for the growing trees to be seen.

Beside the information given to the CS-IFM team by the respondents, the Liberia Tree and Trading Corporation have yet to provide any relevant documentation referencing the payment of cubic meter fees even though the CS-IFM team requested many times.

Conclusions

CFDCs are engaging their respective community members as well as local and traditional leaders in order to ensure the inclusion of all members of the affected communities in decision making initiatives for development purposes and especially financial matters.

Even though CFDCs are making financial reports to their communities, however, some communities are making decisions on expenditure with little inputs from their CFDC. Community respondents stated this particular situation with the CFDC of FMC C in Rivercess County.

There are locally installed community platforms (Project Management Committees) to oversee community projects. Two of the three CFDCs have their individual PMCs.

In all of the communities visited, there is massive awareness of the activities of the CFDCs as well as the logging companies by the locals

Some communities are challenged with the election of more new CFDCs members. This has resulted to less performance of the newly elected CFDC members. This is a particular case with the CFDC of FMC A in Lofa County.

Recommendations

CFDCs need the requisite financial and logistical support to ensure that community meetings are held at specific time frame and at convenient locations so as to encourage massive attendance and participation. Current capacity building initiatives efforts in this regard by limited civil society organizations need to be strengthened in the framework of VPA in order to sustain the results.

Communities and their representative Project Management Committee (PMC) must undertake community development projects in direct consultation with their CFDC involvement, including other relevant stakeholders (i.e. FDA, CBOs or CSOs) for guidance to ensure the desired outcomes.

More training, education and awareness on (internal governance, information dissemination, CFDC-Community relationship etc) must be provided to CFDC members and PMCs s by FDA and/or CSOs to ensure adequate performance of CFDCs.

FDA must ensure that CFDCs receive adequate technical, material and capacity support so as to enhance adequate awareness activities to be carried out by CFDCs. This will ensure that communities as well as their CFDCs have a clearer understanding of activities of logging companies and that communities are engaging companies constructively.

CFDCs must establish a clear internal governance system among their members for the purpose of information sharing and access to handling documentations which allows for all CFDC members to be adequately informed.

Continued over >>

Conclusions	Recommendations
<p>Even though each CFDC assessed indicated a CFDC Headquarter, However, none of the CFDCs assessed was able to show any functional office, contributing to the observation of CFDCs having unsatisfactory record keeping system.</p> <p>Some CFDC members do not have relevant document about available income and expenditure in the possession of their own CFDC which has resulted to limited information dissemination among the CFDCs.</p>	<p>CFDCs must ensure a functional office in their headquarters which ensures documents are in order to address the current situation of missing records.</p> <p>CFDCs must ensure that community projects are properly documented, including written contract, so as to hold contractor or responsible implementing partner accountable to the community in the case of breach of contract.</p>
<p>Communities are not getting sufficient information and awareness of the performance of their CFDCs.</p>	<p>CFDCs must at all times ensure that they provide all information to communities, including income and expenditure of community funds at all times especially during general meetings.</p>
<p>Even though CFDCs and other community members are aware that they are entitled to more cubic meter fees because they know that the longer the company operates logging activities, the more cubic meter fees they will receive but they do not know if the payments are to be made before or after export periods.</p>	<p>FDA and SGS must ensure that CFDCs are aware of all information concerning their cubic meter fees payments as well as the volumes of logs extracted from their areas in a timely faction. This will enable CFDCs as well as other community members to carefully develop medium and long plans for their expected cubic meter fees and also use it in a sustainable way. The FDA and other stakeholders must clearly explain to communities the payment of their cubic meter fees; (i.e. paid from production fees, export fees or harvested volumes?).</p>
<p>The by-laws of the three CFDCs provide that individual member should be compensated with some of the community money.</p>	<p>CFDCs must review the provision in their by-laws which states; compensation for individual CFDC member.</p>
<p>There is a huge gap of CFDCs members fully performing in line with his or her ToR.</p>	<p>The FDA, CSOs and other forestry stakeholders must galvanized more funding so as to provide medium and long term support programs to CFDCs. CFDCs should in turn delegate responsibilities to each and every member to strengthen efficiency and effectiveness. This will enable dormant CFDC members to adequately perform in line with their ToR and also with the expectations of their communities.</p>
<p>The issue of gender on the CFDC membership is even more alarming as two of the three CFDCs are male dominant. Even the ladies who are on the CFDC are not active. As a result of this, the ladies are not demonstrating their full potential.</p>	<p>Communities must ensure a fair number of women are elected during CFDCs elections to commensurate with their male counterpart in an appreciable standard.</p> <p>CFDCs must ensure that women members are entrusted with more responsibilities in order to measure and appreciate their presence;</p> <p>FDA, CSOs, Communities and other support providers to CFDCs must ensure that women serving on the CFDCs have improved capacity to perform to the CFDCs' ToR.</p>
<p>There are huge difficulties reading the SGS Report especially enabling readers to be definite about the payment schedule commiserating with the volumes so as to determine the actual amount that is to be paid as cubic meter fees.</p>	<p>SGS should simplify for public consumption in a user friendly version, especially for CSOs and communities, the data it generates.</p>
<p>All of the FMCs investigated share common cubic meter fees which is USD\$1.50 per cube. However, the total number of cubic meter fees paid to each of the three FMCs mention above do not commensurate with the data provided by SGS.</p>	<p>SGS should simplify the information about cubic meter fees corresponding with the amount stipulated in the individual Social Agreement and the concession holders should inform the affected communities in a timely faction.</p>
<p>The payment of cubic meter fees to communities is also challenging to establish as this payment should be done either from volumes harvested or volumes exported.</p>	<p>The law should clearly provide for where communities should receive their cubic meter fees payments so as to adequately enhance further clarity for economic benefits for communities affected by logging operations.</p>



This publication is funded by the UK Department for International Development (DfID). However the views expressed in this briefing paper do not necessarily represent the official policies of DfID.

