



# Euro Liberia Logging Co.

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November 20, 2023

Mrs. Deontee King-Sackie  
Forest Trends

Dear Mrs. Sackie:

Re: Liberia Forest Concession Review (Phase II) – Final Report

We present our sincere compliments and wish to hereby thankfully acknowledge receipt of the above-referenced document which was shared with us by LibTA for our review and comments. Having thoroughly reviewed the rather copiously informative document, we are pleased to submit our observations and comments thereon via this communication. We implore and do hope that our reactions to the flagged comments of Forest Trends' will be reckoned in the final version of the Report.

	FOREST TREND'S COMMENTS	EURO LIBERIA LOGGING COMPANY'S REACTIONS
1	Across the 11 cases in the scope of the review, there was widespread non-Compliance with the minimum legal standard for a valid right to log in Liberia. (vide Page 30 of Report)	Euro Liberia Logging Company (hereinafter "ELL") is in full compliance with all requirements and therefore has the legal right to conduct logging activities in Liberia.
2	Table 3 indicates that ELL's Performance Bond has expired. (vide Page 32 of Report).	ELL has a valid, subsisting Performance Bond, a copy of which shared with Forest Trends in response to previous queries.
3	Table 4 indicates that (i) ELL's arrears to the Government of Liberia is US\$10.2 Million and (ii) ELL is not in full compliance with Pre-felling requirements (vide Page 35 of Report).	(i) The amount of US\$10.2 Million is inaccurate. In any event, however, ELL's arrears to GOL is currently undergoing a reconciliation exercise at the Liberia Revenue Authority (LRA) which is in the position to confirm the representation made. (ii) Regarding the issue of Pre-felling requirements, ELL affirmatively states that it is in full compliance.
4	The Report speaks of Operators' failure to meet their obligations in sharing benefits with the communities most affected by the logging. This is in respect of Principle 3: Social & Financial Obligations & Benefit Sharing (vide Page 36 of Report).	ELL is in full compliance with the discharge of its social and financial obligations with the affected communities under respective Social Agreements.



5	In respect of Principle 4: Forest Management Operations & Harvesting, the Report indicates that “none of the Operators produced the appropriate Pre-felling planning documents, and only one FMC among the 11 cases has a valid Annual Harvest Certificate (which should not have been granted given the absence of valid planning documents...” (vide Page 38 of Report).	ELL has a valid and current Harvesting Certificate which was awarded after meeting all the Pre-felling requirements which include the submission of the Planning Documents, namely, the Five-Year Management Plan (SYMP) and the Annual Operating Plan (AOP).
6.	In respect of Principle 5: Environmental Obligations, the Report indicates that “none of the cases were in compliance with environment regulations, and only one CFMA has a valid Environmental Permit (which should not have been granted given the absence of valid impact assessment) (vide Page 40 of Report).	ELL has a valid Certificate which was awarded by the Environmental Protection Agency (EPA) after ELL had submitted an Environmental Impact Assessment Study (EIAS) which was duly reviewed and approved by EPA.
7	<p>In respect to Principle 7: Transformation &amp; Timber Processing</p> <p>To date, the LFRCL has only found evidence that Euro Liberia Logging Co. (FMC F) has made such an investment. Euro claimed US\$2.28 million in tax relief under the <u>2017 Act to Govern the Forestry Industrial Development and Employment Regime</u> for the import of a Primultini 1600 sawmill invoiced at just US\$267,097.<sup>23</sup> The mill apparently remains in a container at the port, waiting to be installed when transportation infrastructure improves, especially roads and ports.</p> <p>(vide Page 40 of the Report).</p>	Investments made by ELL towards the wood processing facility (i.e. the Sawmill & accessories) and other associated & related costs, ELL claim of US\$1,512,271.39 to the Forestry Development Authority (FDA) and LRA for implementation via offset (credit) against ELL’s arrears to GOL in keeping with the FIDER Act. The amount of US\$276,097.23 stated in the matrix ( <i>Table 6. Financial investments in processing required by contract for each FMC.*</i> ) is a part and not the total of the investments made by ELL in the Processing facility. Concerning the current location of the sawmill, Forest Trends’ team had physically seen the sawmill in our Camp Site during their inspection visit to ELL’s concession area in Grand Gedeh County.
8	In respect of Principle 8: Workers Rights, Health, Safety & Welfare (vide Page 42 of Report).	ELL says that it is in full compliance with the Decent Work Act – 2015.

9	Forest Trends asserts that “Despite the large increase in arrears, all the export fee arrears and more than 80% of the stumpage arrears noted by Sofreco (2020) have reportedly been paid off, \$212,265 and \$777,130, respectively. (vide Page 45 of Report).	ELL confirms that it has no arrears in respect of stumpage and/or Export to date. As a matter of fact, ELL pays all of its Stumpage and Export fees prior to any shipment.
10	In respect of Principle 11: Transparency & General Disclosure, the Reports states that “None of the 11 operators reviewed provided evidence of publication of payments made to the Government, nor to communities, in satisfaction of their legal requirements. The LFCRII has observed the publication of some of the Operators’ contracts on the LIETI’s website but see no evidence of any such publication on the FDA’s website. The LFCRII cannot attribute the publication on LEITI’s website to any Operator given that they have provided no evidence of complying with LEITI’s disclosure requirements (vide Page 47 of Report)	ELL is in full compliance with declaring all payments made to GOL and the communities through LEITI and LIBERTRACE/SGS.
11	Table 10 indicates that ELL is not in compliance with the requirement for the submission of (i) Five-year Forest Management Plan (5Yfmp), (ii) Annual Operating Plan (AOP) and (iii) Environmental Impact Assessment Study (EIAS). (vide Page 73 of Report)	ELL is in full compliance with the enumerated requirements, namely the 5Ymp, AOP, and EIAS. It need be emphasized that ELL’s current valid environmental Permit Certificate was only issued after an EIA Study had been conducted and approved.
12	Table 11 of the Report indicates that ELL is not in compliance with the most important silvicultural requirements (FMP, AOP, EIA) (vide Page 75 of Report).	ELL is in full compliance as indicated in respect to previous Table 10 on Page 73 of the Report. It need be said that the 5YMP and AOP constitute the Forest Management Plan.

Kind regards,

Very truly yours,

Jihad Y. Akkari  
GENERAL MANAGER