## **SOCIAL AGREEMENT**

Between the

**EURO LIBERIA LOGGING Company** 

And the

Community Forestry Development Committee (CFDC)

Of

FOREST MANAGEMENT CONTRACT (FMC) AREA-F,
GRAND GEDEH County, Liberia



FORESTRY DEVELOPMENT AUTHORITY (FDA)

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#### LEGAL REQUIREMENT FOR THE FORMATION OF CFDC

This Social Agreement (Agreement) is hereby made and entered into by and between the Euro Liberia Logging Company and the communities of Grand Gedeh Community Forest Development Committee, hereinafter referred to as the Communities, for Forest Management Contract "F," and attested to as to its completeness by the Forestry Development Authority, Monrovia, Liberia, hereinafter referred to as the FDA, under the provisions of the 2006 National Forestry Reform Law, and FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses.

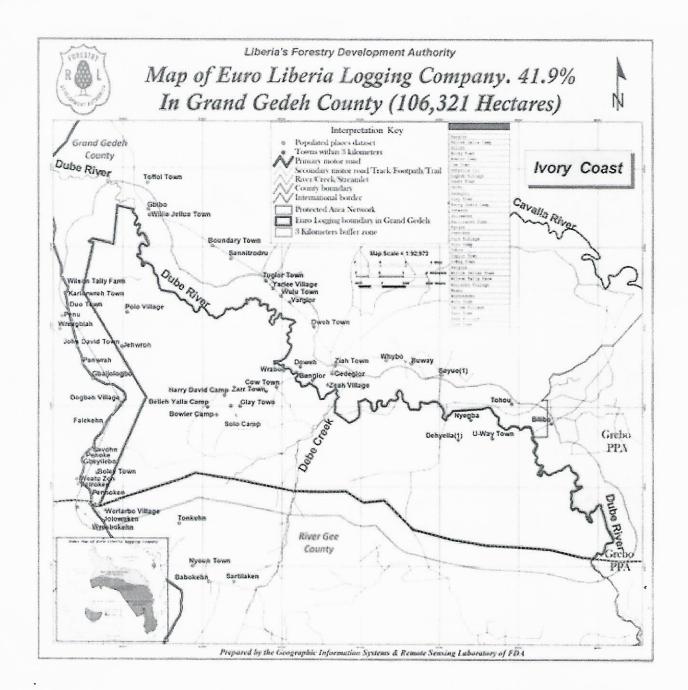
#### TECHNICAL DESCRIPTION OF THE CONTRACT AREA

The Forest Management Contract "F" within Latitude 5%'0''- 5%4'0'' North of the Equator and Longitudes 7%30'0''- 8%6'0'' West of the Greenwich meridian and is located in Grand Gedeh and River Gee Counties.

#### Metes and Bounds

Starting from the town of Matuwakeh, (5°11'21.81"N - 7°40'55,60"W) thence a line runs S 62° E for 10,706 meters to the point of COMMENCEMENT near River Gbeh. (5°08'36.57"N-7°35'49.36"W); thence a line runs N11° E for 8,509 meters to a point (5°13'05.91"N-7°34'57.58"W); thence a line runs N 23° W for 5,349 meters to a point (5°15'45.32"N-7°36'04.75"W); thence a line runs \$ 72° W for 7,679 meters to a point (5°14'28.34"N-7°40'02.51"W); thence a line runs N36° W for 31,945 meters to a point (5°28'25.51"N-7°50'12.76'W); thence a line runs N69° W for 20,610 meters to a point (5°32'23.34"N-8°00'38.28"W); thence a line runs \$73° W for 11,280 meters to a point (5°30'39,29"N-8°06'29.33"W); thence a line runs N 16° W for 7,927 meters to a point (5°34'41.36"N-8°07'41.67"W); thence a line runs N 23° E for 15,918 meters to a point (5°42'34.89"N-8°04'17.42"W); thence a line runs N 31° W for 19,984 meters to a point (5°51'49.11"N-8°09'51.45"W); thence a line runs N 51° 30' E for 4,514 meters to a point (5°53'22.51" $N_{\tilde{\epsilon}}$ 8°07'54.21"W); thence a line runs S 76° E for 2,730 meters to a point (5°52'59.86"N-8°06'27.33"W); thence a line runs N5° E for4,920 meters to a point (5°55'38.39"N-8°06'11.77"W); thence a line runs \$ 76° E for 2,136 meters to a point on the Dube River (5°55'21.35"N-8°05'04.09"W); thence a line runs along the Dube River in the Southeastern direction for 173,000 meters to a point (5°19'51.44"N-7°30'54.08"W); thence a line runs Due South for 4,167 meters to a point (5°17'36.54"N-7°30'54.08"W); thence a line runs Due East for 1,003 meters to a point (5°17'36.54"N-7°30'21.49"W); thence a line runs Due South for 6,058 meters to a point (5°14'19.46'N-7°30'22.45"W); thence a line runs Due East for 1,062 meters to a point (5°14'19.57"N-7°29'48.00"W); thence a line runs Due South for 2,955 meters to a point (5°12'43.91"N-7°29'48.96"W); thence a line runs Due East for 2,801 meters to a point on the Cavalla River (5°12'41.99"N-7°28'16,94"W) which forms the boundary between Liberia and Cote d' Ivoire; thence a line runs along the Cavalla River in the Southern direction for 22,684 meters to the confluence of the Cavallo River and the River Gbeh; thence a line runs along River Gbeh in the Northwestern direction for 13,250 meters to a point of commencement (5°08'36.57"N-7°35'49.36"W), embracing Two Hundred and Fifty-Three Thousand Six Hundred and Seventy (253,670) hectares of forest land and no more.

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### I. PURPOSE:

The Social Agreement is an agreement between the contract holder and the affected communities around a given logging contract area which establishes the relationship between the community and the company.

The Social Agreement is a requirement by FDA Regulation No. 105-07 between any company that plans to harvest timber and the affected communities that could be affected by that commercial activity.

Social Agreements shall:

- a) Only be established between companies that have been authorized by the FDA through the competitive bidding or Sole Source<sup>1</sup> process and affected communities;
- b) Establish a code of conduct regarding the rights and responsibilities of the company and affected communities;
- c) Establish the financial benefits for all affected communities with respect to section 34 of FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses;
- d) Be negotiated directly between companies and local communities;
- e) Be attested to and regulated by the FDA.

#### II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:

Like the earlier Social Agreements signed by the Parties, Euro Liberia Logging Company and the Forest Management Contract "F" Community Forest Development Community of Grand Gedeh County, strive to engage in a mutually beneficial relationship by agreeing to the terms of this Agreement. Working cooperatively in the ongoing implementation of Forest Management Contract "F" will allow the affected communities and Euro Liberia Logging Inc. to achieve their respective goals.

In consideration of the above premises, the parties hereto agree as follows:

#### III. DUTIES AND RESPONSIBILITIES OF EURO LIBERIA LOGGING COMPANY

Euro Liberia Logging Company shall identify its representative designated by it to represent it in negotiating the terms of the Agreement. Euro Liberia Logging Company representatives must include:

- (1) Persons whose names are maintained on the list of names identified in its prequalification documents or have such documentation to verify his/her employment with Euro Liberia Logging Company, and have the power to negotiate on its behalf; and
- (2) In the event that this person is unable to negotiate with the Affected Community, any other person that Euro Liberia Logging Company may designate, is subject to the requirements of Count one above.

Euro Liberia Logging Company shall maintain a list of community representatives (CFDC) of Grand Gedeh County for Forest Management Contract "F", Grand Gedeh County.

Euro Liberia Logging Company shall address the following issues, rights, and responsibilities as negotiated and agreed upon with the Community.

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<sup>&</sup>lt;sup>1</sup> Sole Source is defined in PPCA as when only one supplier has the exclusive right to manufacture a goods, carry out the works, or perform the services to be procured and there is no suitable alternative.

- That Euro Liberia Logging Company agreed to design its operations to minimize effects on traditional practices such as taboo days, sacred sites, and the range of taboo animals/plants, medicinal plant sites, and non-timber forest products sites.
- That Euro Liberia Logging Company shall ensure that its operations protect and maintain existing water collection points. Euro Liberia Logging Company shall construct two (2) handpumps through the CFDC annually within the affected communities based on the market value. The CFDC shall identify sites for the construction of those handpumps. The handpumps shall be constructed on or before February 28 of each year of the implementation of this agreement.
- That Euro Liberia Logging Company agreed that its timber operations are timed
  to minimize disruption to subsistence agricultural activities. Euro Liberia Logging
  Company agreed that its timber operations respect the existing cash/food crops
  and shall be responsible to pay for food or tree crops established/planted prior to
  the effective date of this agreement.
- That Euro Liberia Logging Company agreed to participate in Community Development Programs. Euro Liberia Logging Company shall provide educational support to the Community annually in the amount of Twelve Thousand United States Dollars (US\$12,000.00). Payment shall be made in two (2) instalments. The first of 60% or US\$7,200.00 shall be made on or before February 4th of each year of implementation and the second instalment shall be made on or before the 5th of May of each year of implementation of this agreement. All outstanding payments for educational support from earlier social agreements, if there are any, shall be made within six (6) months of the effective date of this social agreement.
- Euro Liberia Logging Inc agreed to respect workers' rights at every stage of its operations consistent with the Labor Laws of Liberia
- That Euro Liberia Logging Company agreed to provide first preference for employment for skilled and unskilled locals from the affected communities during the five (5) years of the implementation of this agreement.
- Euro Liberia Logging Company agreed to provide available transportation to the Communities during emergencies but will not be responsible for any damage, injury, or other subsequent events that may occur during the provision of this service.
- That Euro Liberia Logging Company agreed to recondition and maintain roads in its operation area to be used by the Community without any cost attached to the community during the phase of their harvesting operation in Grand Gedeh. The company will recondition the road from Bolo Town to Wlagbo Town in the first year of its operation.
- Euro Liberia Logging Company agreed not to construct log bridges on primary roads in agreement with the Ministry of Public Works.
- Euro Liberia Logging Company agreed to allow the Community to use, free of charge, any roads constructed and maintained by it, provided that such use shall not unduly prejudice nor interfere with the Company operations.
- Euro Liberia Logging Company agreed to allow the Community Forest Development Committee (CFDC) representatives to verify its production.
- Euro Liberia Logging Inc agreed to convene quarterly meetings with the CFDC and the Communities on the last Friday of the last month (April, August, & December) of each quarter. Euro Liberia Logging Company shall provide US\$2,000.00 (Two Thousand United States Dollars) to the Community for each quarterly meeting. In addition to quarterly meetings, Euro Liberia Logging Inc may at its discretion hold emergency meetings with the CFDC and the affected community to discuss any issues affecting the community.

- That Euro Liberia Logging Inc agreed to pay USD 1.50/cubic meter to the Community Forestry Development Committee apart from 30% land rental (\$2.50 per acre) to the Community benefit-sharing scheme. This amount (cubic meter fee) shall be paid on a check to the community with a photocopy of said check to the FDA.
- Euro Liberia Logging Company agreed to maintain and, where necessary, construct or recondition workers' camps near existing towns and villages.
- Euro Liberia Logging agreed not to harvest palm trees for any purpose.
- Euro Liberia Logging agreed to establish a functional sawmill within its concession consistent with the National Forestry Reform Law and the forest Management Contract it signed with the Government of Liberia.
- Euro Liberia Logging Company agreed to provide timber products at a minimum cost/discounted prices to the community where need be during community development project execution. The Community must prove that the product shall be exclusively used for the projects. The Company is obligated to support only one development project annually with timber if requested.

#### IV. DUTIES AND RESPONSIBILITIES OF THE AFFECTED COMMUNITIES:

The Affected Communities shall identify their representatives elected by them to the Community Forest Development Committee (CFDC). The CFDC is responsible for representing the affected communities in negotiating the terms of this Agreement. The CFDC agreed to and shall abide by the following conditions:

- (a) A Community Forestry Development Committee must consist of at least five members who are residents of the community or communities they represent;
- (b) All members of a Community Forestry Development Committee must be freely and fairly elected by residents of the community or communities represented by the CFDC;
- (c) A Community Forestry Development Committee must provide a means for all residents that it represents, including women and youths, and elders, to have their views heard and considered;
- (d) Prior to the disbursement of funds, a Community Forestry Development Committee must be incorporated under the laws of the Republic and should have a bank account at a recognized bank in Liberia.
- (e) CFDC must hold a monthly meeting with the community members for briefing, updates, and grievances, if any.
- (f) CFDC shall maintain a list of Euro Liberia Logging Company representatives for FMC-

#### **Code of Conduct**

- The Community agreed to avoid the expansion of subsistence agriculture activities within the Contract Area. Hence community shall promote and encourage low-land agriculture development.
- The community agreed to discourage unnecessary fire disposal and encourage fire safe practices, especially in the Contract Area;
- Existing cash crops planted prior to the existence of this agreement will be identified and the company will be informed duly by the community to not conflict with the company's harvest operation;
- The communities agreed to channel all their grievances through the CFDC and shall abide by this Social Agreement.

• The CFDC will ensure that the Company is protected from disruption of its operations by third parties or community members.

#### The Forestry Development Authority shall:

- Ensure that FMC-F is authorized after fulfilling all set requirements so that all terms and conditions of the license are met.
- Ensure that the Operations of Euro Liberia Logging Inc. are in compliance with the FMC-F contract signed by them and the government of Liberia.
- Make available, where need be copies of the Contract to the Parties to this Agreement.

#### VI. MUTUAL AGREEMENT

IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:

A. PRINCIPAL CONTACTS. The principal contacts for this agreement are:

### Euro Liberia Logging Company

Mr. Jihad Y. Akkari Phone: 0880712510

Email: <u>j.akkari@hotmail.com</u>

# Community Forest Development Committee Chairperson

Mr. Sam T. Waylee Phone: 0881142097

Email:

# Forest Development Authority Contact

Hon. C Mike Doryen Managing Director Phone: 0777111434

Email: mikedoryen@gmail.com

- **B.** It is the intent of this agreement that the parties may modify this agreement by mutual agreement. The FDA will need to attest to its completeness prior to any modifications going into effect.
- **C.** The parties will maintain lines of communication regarding operations and specifically provide periodic updates to the chairperson regarding any issues in implementing the social agreement. The update should specifically provide information as to the volume of logs removed to date.
- **D.** The parties will hold an annual meeting with representatives of the Community Forest Development Committee, FDA, and authorized representatives of the FMC Holder to discuss the upcoming annual operating plan as well as attempt to resolve any issues identified from the previous operating season.
- **E.** The parties may provide support and assistance to each other in seeking grant and alternative funding opportunities via letters of support and work on grant applications.

#### SECTION VII. REAL PROPERTY IMPROVEMENTS.

Any improvements (facilities, roads, etc.) developed as a result of this agreement and at the direction of either of the parties, shall thereupon become the responsibility of the affected communities, and shall be subject to the same regulations and administration as other similar improvements of a similar nature. No part of this Agreement shall entitle Euro Liberia Logging Inc to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

#### SECTION VIII. PARTICIPATION IN SIMILAR ACTIVITIES.

This agreement in no way restricts Euro Liberia Logging Company or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.

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#### SECTION IX. DISPUTE RESOLUTION.

In the event of any issue of controversy under this agreement, the parties will initially seek to resolve their differences with the assistance of the FDA. In the event that there are still differences, local government officials (District Commissioner, Paramount Chiefs, Clan Chief, and Town Chief) should be considered neutral parties in a third-party mediation process, provided their neutrality is so proven in said conflict. If not resolved by the steps above, any controversy or claim arising out of or relating to this agreement shall be exclusively settled by binding arbitration in accordance with the Commercial Arbitration Rules, and judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Social Agreement, and the interpretation thereof are the laws of Liberia. The arbitration shall take place at an acceptable location within the towns represented by the CFDC and the arbitral proceedings will be in English with an interpreter(s) provided for local languages.

#### X. AUTHORIZED REPRESENTATIVES

By signing below, the Chairperson of the Community Forest Development Committee certifies that the individuals listed in this document are representatives of the Affected Communities and are authorized to act in their respective areas for matters related to this agreement. Also, by signing below, the assigned representative of Euro Liberia Logging Inc certifies that this individual is authorized to act in this capacity for matters related to this agreement.

# XI. COMMUNITIES BE SUPPORTED TO MONITOR AND EVALUATE SOCIAL AGREEMENT

Participatory compliance monitoring of community benefit delivery by Euro Liberia Logging Company and the CFDC is mandatory. The CFDC shall be supported by community funds at the rate of 10% of annual benefit delivery (only area and production-based fees). Independent monitoring by an expert adviser to the CFDC is allowed (under an agreement), however, an independent expert shall not receive remuneration exceeding 5% of the area and production fees.

XII. COMMENCEMENT/EXPIRATION DATE.

This agreement is executed as of the date of the last signature and is effective for 5 years. The authority and format of this agreement have been reviewed and approved for signature.

This Agreement shall be binding on the parties, their heirs, administrators, assigns, and successors in office as though they were physically present when this Agreement was signed.

In witness whereof, the parties hereto have executed this agreement as of the last date written below.

Sam T. Waylee Chairperson	Spirt Elik	Date //-12-71
Community Forest Development Committee		Date , r
Jihad Y. Akkari Euro Liberia Logging Inc	pp. Sign	23/11/2022
C. Mike Doryen		Date Jan 6, 2022
Managing Director Forestry Development Authority	01/	A A

Annex 1

#### Code of conduct regarding rights and responsibilities of the company and affected communities

Joint Responsibilities	Euro Logging	Affected Communities
	Responsibilities	responsibilities
<ul> <li>Social Agreements for TSCs to be simplified to provision of Social Amenities and Livelihood Assistance as well as small infrastructural projects such as provision of safe drinking water, pit latrine, etc.,</li> <li>Describe the three part structure for Social Agreements for FMC including:         <ul> <li>A 25 year</li> <li>Framework</li> <li>Social Agreement</li> <li>A 5 year Social</li> <li>Agreement Plan, with update every five years;</li> <li>An initial Outline</li> <li>Social</li> <li>Agreement for the first year;</li> </ul> </li> <li>Describe the updating of the Outline Social Agreement within one year, and updating of Social Agreement every five years in line with the Management Plan revisions.</li> <li>Parties should describe what area of the concession is covered by the SA; and how production fee benefits are shared equally among all affected communities with CFDC.</li> <li>Reconciliation or synergies of production volumes recorded by SGS, Concession and the Community representatives</li> <li>Describe how the Provision of So-called</li> </ul>	Responsibilities  Describe how holders operations are designed to minimize effects to traditional practices such as taboo day, sacred sites, and the range of taboo animals/ plants medicinal plant sites, hunting ground, non timber forest products sites. Describe how existing water collection points are protected and maintained. Describe how timber operations are timed to minimize disruption to subsistence agricultural activities. Describe how timber operations respect the existing cash crops. Describe the level of company in community development programs. Describe the conditions, if any, under which the Holder will provide transportation. Describe the proposed road building and maintenance in and adjacent to the contract area. Describe how the Holder will abide by terms and conditions of Social Agreement. Describe the extent to which timber products will be	responsibilities  Describe how activities of members of affected community will strive to minimize the expansion of subsistent agriculture activities within Contract Area including a description of communities' effort to encourage low land agriculture development.  Describe how affected communities will discourage unnecessary fire disposal and encourage fire safe practices.  Describe existing cash crops and how these crops will be managed to not conflict with harvest operations.  Describe under what conditions the affected community can reques Non-Financial benefits (benefits in kind).  Describe how the affected community will use the proposed roads and how they expect to benefit from existing and planned roads in and adjacent to contract area.  Describe how the affected community will abide by terms an conditions of Social Agreement.  Describe the needs for Non-timber forest products (NTFP) from within the contract areas.  Describe which financial benefits are included in the SA.  Describe what is the timing for benefits to

"benefits	in	kind"	will be
explicitly	d	efined	

- Describe who will be involved in agreeing SAs and what are their responsibilities; (Annex 1 a)
- Describe what is the timing of SAs being agreed (Annex 1 b)
- made available to the community.
- Description of meeting schedule with CFDC's and affected community to
- discuss any issues.

  Outline the investments and social services provision plan with specific qualitative and quantifiable objectives (how many and type), location (where), and timelines (when).

different communities.

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ANNEX 2a

# Who is involved in agreeing SAs and what are their responsibilities?

	Name of Institution	Responsibility(ies)
1	Forestry Development Authority (FDA)	<ul> <li>FDA ensures that all stakeholders (e.g. local communities, title holders, local governments, elected representatives, civil society, etc.) understand the exact nature and scope of the legal obligations of the title holders under the SAs.</li> <li>FDA should ensure that Title holders are more forthcoming and more honest on what they can realistically do as part of the SAs and do not make promises they cannot keep.</li> <li>FDA should ensure that communities fulfil whatsoever responsibilities as stated in the SA</li> <li>FDA should play a leading role to ensure that local communities are educated on what it is reasonable to demand or to expect from title holders;</li> <li>FDA and title holders should work together to identify what are reasonable expectations for FMCs and TSCs.</li> <li>FDA attest and regulate the Social Agreement.</li> </ul>
2	Civil Society Organization (CSO)	<ul> <li>Provide training and guidance to the Communities in the process of negotiation and signing of the SA;</li> </ul>
3	Liberia Agency for Community Empowerment (LACE)	<ul> <li>Provide guidance for communities' infrastructure development planning</li> <li>Help the CFDC to develop Community Development Committee</li> </ul>
4	Ministry of Internal Affairs (MIA)	<ul> <li>Work with the FDA and others to ensure that the SAs are fully adhered to.</li> </ul>

### ANNEX 2b

## What is the timing of SAs being agreed?

More time should be allocated to the process of electing the members of the CFDCs, to
informing and educating local communities on the SAs and benefit sharing mechanism,
and finally to allow wide and in depth consultation with all affected communities before
the signing of the SA.

• Signing of the SA should not be rushed. Additional time spent (by FDA, title holders, CFDC, affected communities, etc.) on the information, wide consultation and signing processes should be compensated later on through less time consumed to resolve conflicts.

Community consultation and participation should be based on FPIC/RBA

Processes	Minimum Time	Maximum Time	Responsible stakeholders
Election of the members of the CFDCs,	2weeks	4weeks	Community members, CSO, FDA
Informing and educating local communities on the Sas and benefit sharing mechanism	3weeks	4weeks	FDA, CSO
Allowing wide and in-depth Consultation with all affected communities before the signing of the SA	2weeks	4weeks	Title holders, CFDC, FDA, CSO

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Signing of Social Agreement	2 days	1 week	Title holders, CFDC,
			FDA, CSO

#### ANNEX 3a

# HOW CAN COMMUNITIES BE SUPPORTED TO MONITOR AND EVALUATE THE SA?

Activity	Responsible Group	Compensations
Participatory compliance monitoring of community benefit	Title holders and CFDC	10% of annual Benefits (area and production-base fees) to CFDC
Participatory stakeholders monitoring and development of a framework	FDA, COS, MIA, MOW, MHSW, MOE AND LACE	Individual Institutions take responsibility of activities.

#### ANNEX 3b

Who is responsible for ensuring that agreed benefits are provided?

Activity	Responsible Group
Making sure that SA is followed	FDA and MIA
Who should be involved when there is problem between	FDA, CSO, MIA
the Title holder and the Communities	
Support the process to ensure the infrastructure is build on time and of good standard	LACE/Public works

#### ANNEX 4

Requirement for membership to the Community Forestry Development Committee

A Community Forestry Development Committee member should:

- Consist of at least five members and not more than 10 members who are permanent residents of the community or communities that the Committee represents;
- Be a representative elected from a cluster of communities/villages within the affected communities of the contract area;
- Should not be a GOL or Company employee;
- Shall be removed by community members that elected you for inefficiency, ineffectiveness and misconduct.
- A Community Forestry Development Committee shall receive 10% of the annual revenue to the communities (area and the production base-fees) as compensation;
- (f) The 10% of the area-base fee benefit will be paid directly by the National Benefit Sharing Trust Board every month but the 10% of the production-base fee compensation shall be received at the end of the year.
- The Compensation shall be distributed based on position according to the following:

Chairman:	20%
Co-Chairman:	15%
General Secretary:	12.5%
Treasurer:	13%
Financial Secretary:	10%
Chaplain:	7.5%
Other members:	20%

