

6.9 CFMA Beyan Poye – Akewa Groups of Companies

6.9.1 Principle 1: Legal existence/recognition and eligibility to operate in forestry sector

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Community Forest Management Agreement (CFMA)			
Community FDA	-	Approved application for the Community Assembly and Executive Committee and list of members.	C
	/ -	Approved application for the Community Forest Management Body (CFMB).	C
	-	Constitution, governing bylaws and forest rules for the Community Assembly.	C
	-	Community Forest Management Agreement	A
	-	Community Forest Management Plan	A
Community Company	/ -	MOU / Social Agreement between logging company and CFMB	A
	-	Third Party Agreement / Commercial Use Contract	A
FDA	-	Socio-Economic Survey/Resource	C
	-	Reconnaissance Report / Approved CF Map	C

The Community Forest Management Agreement satisfies the legal existence/recognition requirement. Approved applications for community assembly, executive community, and CFMB were unavailable for review. There was no documented evidence to confirm that members do not include persons that are ineligible to operate in the forestry sector.

Therefore, CFMA Beyan Poye-Akewa is partially compliant with Principle 1.

6.9.2 Principle 3: Social obligations and benefit sharing

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Social Agreement (for FMC, TSC, CFMA)			
Community/ Company	3.1.3	Evidence that no complaint filed to FDA by an affected community alleging exclusion from negotiation or failure of contract holder to negotiate	C
	3.2.1	Executed Social Agreement signed by contract holder and CDFC	A
	3.2.3	List of CFDC identified or registered with FDA	C
	3.3.2	Description of the minimum cubic meter fee that the contract/ permit holder will pay on a quarterly basis to the affected communities	A
	3.3.1	Code of conduct that determines rights and responsibilities of communities and contract holders	C
	3.3.3	Bank book or other records of the required interest-bearing escrow account opened by the contract/ permit holder in trust for the affected communities	C
	3.3.4	Social Agreement to include a dispute resolution mechanism	A
Quarterly Bank Statement of Escrow Account			
Company	3.5.1	Receipt of payments to escrow account	C
Compliance Audit Report (Post Harvest Report)			
FDA	3.5.2	FDA verification of payment to communities	C

This company doesn't meet its obligations regarding the supply of documents in LiberTrace. There is no evidence that the holder fulfills his payment obligations towards the communities.

The observations are the same as per Section 0.

Table 68 - Assessment of the Social Agreement

<i>Criteria</i>	<i>Comments</i>	<i>Validity</i>
Code of conduct		A
Financial benefit		A
Payment by the Holder	-	C
Funds released by the Holder	-	C
Practical settlement dispute mechanism		A

Regarding the Social Agreement (SA) and per the other FMCs, the content complies with the regulation, except the escrow account setting up.

As a result, CFMA Beyan Poye-Akewa is not compliant with Principle 3.

6.9.3 Principle 4: Forest management operations and harvesting

Key Document & Responsible Party	Supporting Documents and Other Requirements		Document assessment
Company		Community Forest Management Plan (CFMP)	C
	4.1.1	Annual Harvesting Certificate	A
	4.1.2	5 Year Forest Management Plan (5YFMP)	C
	4.1.2	Annual Operational Plan (AOP)	B
	4.1.4	Written permission from land owner	C
	Approved annual blocks		C
FDA	4.2.4	Annual Compliance Audit Report (Post Harvest Audit)	C
Company / FDA	4.2.3	Tally sheets / Felled trees data verification	A
Company	4.2.3	TDF records on LiberTrace	A

The CFMP and the 5YFMP weren't sighted by the review team. The AOP doesn't comply with the official guidelines (see table below). Even so, the company was granted a harvesting certificate.

The company labels trees and logs and these are recorded on LiberTrace enumeration and TDF databases.

Therefore, CFMA Beyan Poye-Akewa is not compliant with Principle 4.

Table 69 - Assessment of the AOP - CFMA Beyan Poye-Akewa

Criteria		Validity criteria
AOP is existing		A
Ratification of the AOP		A
Location of the Annual Coupe (AC) on the FMC area (FMCs and CFMAs only)	The compartments and AC are not based on a CFMP.	B
AC Area		A
Pre-harvest enumeration (stock survey)	No enumeration	B
Harvesting forecasts	-	C
Annual Coupe Map	-	C
Stock map	-	C
Planning of harvesting operations	No map presented	B
Planning of other activities	-	B
Overall compliance of the document	Not in line with most of the official guidelines. No enumeration.	C

6.9.4 Principle 5: Environmental obligations

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Environmental Impact Permit (for FMC, TSC, CFMA)			
Company	5.1.1	Environmental Impact Assessment Report prepared and approved	B
EPA	5.1.3	Environmental Impact Permit	A
	5.3.2	Annual Environmental Audit	C
FDA	5.4.2	Annual Compliance Audit (Post Harvest Audit) Report	C

This company meets most of its obligations regarding the supply of documents in LiberTrace. On the other hand, the EPA and the FDA do not provide tangible evidence on their inspections and audit.

The general observations are the same as per Section 0. The EIA lacks a proper field investigation and lacks most of the important items.

As a result, CFMA Beyan Poye-Akewa is not compliant with Principle 5.

Table 70 - Assessment of the Environmental Impact Assessment

Criteria	Comments	Validity
Executive summary	-	C
Introduction-overview of the project	-	C
Policy, legal and administrative framework	Not clearly detailed	B
Detailed project description	No distinction between construction and operational phases.	B
Description of the Environment	Very short on human environment.	B
Impact Prediction and Evaluation		A
Socio-economic analysis of project impacts	-	C
Environmental Management Plan (EMP) and Mitigation Measures	Not operational on site	B
Identification of Alternatives	-	C
Monitoring Program	-	C
Public Participation	-	C
Description of the best available Technology	-	C
Conclusion and Recommendations		B

6.9.5 Principle 6: Timber transportation and traceability

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Company / FDA		Barcode records in LiberTrace	A
Company / FDA	6.1.1	Waybills	A
	6.2.1	Tally sheets.	A
	6.2.1	LDF records in LiberTrace	A
	6.3.1	Cross cutting data in LiberTrace	A
	6.3.3	Annual Compliance Audit (Post Harvest Audit) Report	C

There is no specific observation for this company on Principle 6. The analysis made at Section 4.2.2.4 remains valid.

The annual compliance audit report was not sighted by the review team.

CFMA Beyan Poye-Akewa is partially compliant with Principle 6.

6.9.6 Principle 7: Transformation and timber processing

This Principle is not applicable as the company has no transformation and timber processing plant.

6.9.7 Principle 8: Workers rights, health safety and welfare

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Ministry of Labor	8.5.2	Ministry of Labor Audit Report	C
NASCORP	8.5.3	Attestation from National Social Security & Welfare Corporation (NASCORP)	C
FDA	8.6.1	Annual Compliance Audit (Post Harvest Audit) Report	C
Company	8.2.2	Payroll	C

The review team couldn't find enough objective evidence that the Workers Rights, Health Safety and Welfare requirements are being met either by the companies or the regulatory authorities.

Besides, the reports supposed to be produced by the Ministry of Labor, NASCORP and FDA were not sighted.

As a result, CFMA Beyan Poye-Akewa is not compliant with Principle 8.

6.9.8 Principle 9: Taxes, fees and other payments

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Akewa	9.1.1	Tax clearance certificate	A
	9.4.1	Tax return	C
FDA LVD / Company	9.2.1	Invoices and receipts for Annual Area Fees (including Previous Bid Premium) in Libertrace.	C, 138756 USD overdue
	9.2.2	Invoices and receipts for Bid Premium Fee Payment in Libertrace.	A
	9.2.3	Invoices and receipts for Annual Registration Fees in Libertrace (Timber Processor).	A
	9.3.2	Invoices and receipts for Stumpage Fees in Libertrace.	A
	9.3.3	Invoices and receipts for Contract Administration Fee in Libertrace.	C, 6000 USD overdue
	9.3.4	Invoices and receipts for Annual Coupe Inspection Fees in Libertrace.	C, 500 USD overdue
	9.3.5	Invoices and receipts for Waybill Sticker Fees in Libertrace.	A
		Invoices and receipts for Barcode Tag Fee in Libertrace.	C, 500 USD overdue
	9.3.6	Invoices and receipts for Chain of Custody Fees in Libertrace.	C, 1000 USD overdue
	Invoices and receipts for Exports Fees in Libertrace.	C, 10046 USD overdue	
Company / CFDC / CFMB		Receipts for Community Benefits Fees (\$1.50/m3) paid directly from the company to community representatives.	C
Ministry of Finance		Receipts for payment of 30% of land rental fee to community representatives.	C
Company / CFDC / CFMB		Receipts for payment of 55% of land rental fee to community representatives.	C

Only very small payments for annual area fees have been made which lead to the assumption that some undocumented arrangements have been made with LRA.

Neither complete set of receipts nor evidence by SGS could be found to prove compliance with principle 9 although a tax clearance document was issued in July 2019.

No records were sighted regarding the community payments.

As a result, CFMA Beyan Poye-Akewa is not compliant with Principle 9.

Table 71 - State of concession fee payments (in USD - 1/2017-7/2019) – CFMA Beyan Poye

<i>Area Fee</i>	<i>Export fee</i>	<i>Stumpage fee</i>	<i>arrears</i>	<i>other fees</i>	<i>sum</i>	<i>status</i>
138 756	0	0	0	6 950	145 706	Overdue
7 250	66 424	89 003	0	3 500	166 176	Paid
146 006	66 424	89 003	0	10 450	311 883	Total

6.9.9 Principle 10: Export, processing and trade requirements

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Company	10.2.1	Export Permit report from LiberTrace	A
	10.2.2	Export shipment specification log (SOP 20) in LiberTrace	A
	10.2.3	Export specification-sawn timber (SOP 21) in LiberTrace	NA
	10.2.4	Log export volume report	A
LVD	10.2.5	Proof of payment of export fees (SOP 26) in LiberTrace	A
		Reference price as found in market intelligence data base (MIDB)	C

There is no specific observation for this company on Principle 10. The analysis made at Section 4.2.2.8 remains valid.

The MIDB report was not sighted by the review team. Besides, the official FOB prices have not been reviewed for at least the last four years.

Beyan Poye-Akewa is partially compliant with Principle 10.