

6.10 CFMA Sewacajua - Mandra Forestry Liberia Ltd

6.10.1 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	C
	-	Community Forest Management Plan	C
Community Company /	-	MOU / Social Agreement between logging company and CFMB	C
	-	Third Party Agreement / Commercial Use Contract	C
FDA	-	Socio-Economic Survey/Resource	C
	-	Reconnaissance Report / Approved CF Map	C

6.10.2 Principle 3: Social obligations and benefit sharing

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
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	B
	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
Company	3.5.1	Receipt of payments to escrow account	C
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 72 - 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		A
Funds released by the Holder		A
Practical settlement dispute mechanism		A

Regarding the Social Agreement (SA) the content complies with the regulation, including the escrow account setting up.

As a result, CFMA Sewacajua is partially compliant with Principle 3.

6.10.3 Principle 4: Forest management operations and harvesting

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Company		Community Forest Management Plan (CFMP)	B
	4.1.1	Annual Harvesting Certificate	A
	4.1.2	5 Year Forest Management Plan (5YFMP)	B
	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

Mandra is the only company having submitted a CFMP, which was unfortunately not in line with the official guidelines. Nevertheless, there is a loophole concerning the regulations for forest management planning of CFMAs. Nevertheless, the CFMP is designed on a 15 years rotation and no multi-resources inventory were conducted.

The AOP nor the 5 YFMP comply with the official guidelines (see tables 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 Sewacajua is not compliant with Principle 4.

Table 73 - Assessment of the AOP - CFMA Sewacajua

<i>Criteria</i>		<i>Validity criteria</i>
AOP is existing		A
Ratification of the AOP		A
Location of the Annual Coupe (AC) on the FMC area (FMCs and CFMAs only)	The AC location is based on a 15 years rotation	B
AC Area		A

<i>Criteria</i>		<i>Validity criteria</i>
Annual audit report		NA
Pre-harvest enumeration (stock survey)		A
Harvesting forecasts	The forecasts are not based on an enumeration	B
Annual Coupe Map	-	C
Stock map	-	C
Planning of harvesting operations	-	C
Planning of other activities	-	C
Overall compliance of the document	Not in line with most of the official guidelines. No enumeration.	C

Table 74 - Assessment of the 5YFMP – CFMA Sewacajua

<i>Criteria</i>	<i>Comments</i>	<i>Validity criteria</i>
5YFMP is existing		A
General framework	-	A
Description and location of the forest compartment	-	C
Results of the multi-resources inventory	No multi-resources inventory conducted	C
Planning of logging activities on the Forest Compartment		A
Activity forecast / implementation chart	No implementation chart	B
Overall compliance of the document	Not in line with official guidelines. Besides, as no multiresources inventory was conducted, this document has no background.	C

6.10.4 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.

Table 75 - 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

As a result, CFMA Sewacajua is not compliant with Principle 5.

6.10.5 Principle 6: Timber transportation and traceability

Key Document & Responsible Party	Supporting Documents and Other Requirements		Document assessment
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 Sewacajua is partially compliant with Principle 6.

6.10.6 Principle 7: Transformation and timber processing

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

6.10.7 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 Sewacajua is not compliant with Principle 8.

6.10.8 Principle 9: Taxes, fees and other payments

<i>Key Document & Responsible Party</i>	<i>Supporting Documents and Other Requirements</i>		<i>Document assessment</i>
Company Mandra	9.1.1	Tax clearance certificate	C
	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, 79840 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.	C, 106115 USD overdue
	9.3.3	Invoices and receipts for Contract Administration Fee in Libertrace.	C, 2000 USD overdue
	9.3.4	Invoices and receipts for Annual Coupe Inspection Fees in Libertrace.	A
	9.3.5	Invoices and receipts for Waybill Sticker Fees in Libertrace.	A
		Invoices and receipts for Barcode Tag Fee in Libertrace.	A
	9.3.6	Invoices and receipts for Chain of Custody Fees in Libertrace.	A
	Invoices and receipts for Exports Fees in Libertrace.	C, 33171 USD overdue	
Company / CFDC / CFMB		Receipts for Community Benefits Fees (\$1.50/m ³) 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

The company has only paid a third of their annual area fees although it is managing considerable logging operations.

No supporting documents have been made available and no records were sighted regarding the community payments.

As a result, CFMA Sewacajua is not fully compliant with Principle 9.

Table 76 - State of concession fee payments (in USD - 1/2017-7/2019) – CFMA Sewacajua

Area Fee	Export fee	Stumpage fee	arrears	other fees	sum	status
79 840	33 171	106 115	0	2 000	221 127	Overdue
39 920	1 087 750	946 676	0	60 300	2 134 646	Paid
119 760	1 120 921	1 052 791	0	62 300	2 355 772	Total

6.10.9 Principle 10: Export, processing and trade requirements

Key Document & Responsible Party	Supporting Documents and Other Requirements		Document assessment
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.

CFMA Sewacajua is partially compliant with Principle 10.