

Liberia Forest Concession Review (Phase II)

VOLUME 2

CASE BRIEFS

FOREST TRENDS

JANUARY 2024

DISCLAIMER

This Volume contains the individual Case Briefs that were prepared by the LFCRII team for each of the Forest Resources Licenses in the Concession Review. The Case Briefs were also used to inform the Consultative Meetings, and they were shared with the individual Operators and the FDA during the review process. The Case Briefs/Volume 2 should be seen as working documents.

If there are any differences in content and interpretation between the Case Briefs/Volume 2 and the Final Report, it is the Final Report that is the authoritative version.

This publication reflects the professional conclusions of the authors and does not necessarily reflect the views of funders.

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FMC A – Alpha Logging & Wood Processing Inc.

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Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>Legal Existence: Associations Law Section 12.1; 1.7(2) NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Partially compliant</p> <p>Company's registration and Articles of Incorporation met legal and regulatory standards.</p> <p>No declaration of ownership and/or notarized affidavit declaring that the company's owners do not include prohibited persons.</p>	<p>Business Registration (expired November 2021) indicates ownership is Malaysian/South Korean.</p> <p>No Articles of Incorporation or shareholding declaration were provided. Neither FDA nor LBR made these documents available.</p> <p>Global Witness (2017) claims Alpha is owned by Samling Global (through its ownership of Woodman); Samling Global also had controlling interest in Atlantic (FMC P) through PDT¹.</p> <p>Ownership is said to be German on the registration Certificate, but there is no information on shareholding or a debarment listing to confirm that the ultimate beneficiary is not a prohibited person or is debarred.</p> <p>No evidence of FDA's approval of any transfer of rights.</p>
Principle 2: Forest Allocation		
<p>For CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>Consultation with Affected Communities (Social Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22); Regulation 104-07(62), Section 87 of the PPCA</p> <p>Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(I)); PPCA (46)</p> <p>Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3,</p>	<p>Noncompliant</p> <p>A "justification document" was presented in place of the concession procurement plan required by section 79 of the PPCC Act.</p> <p>All other documents created prior to the allocation of the contract, including the bidders' bond and liquidity guarantee document, were reported missing.</p>	<p>No documentation was provided to confirm the competitive bidding process and the allocation requirements were met, according to, for example, the PPCC Act.</p> <p>2009 FMC contract not notarized but attested that it was ratified by the legislature.</p> <p>A \$250,000 Performance Bond (in this case a Guarantee Bond) was issued in 2012 by Continental General & Life Insurance (expired 2013). It is not clear if the bond was issued as part of the pre-qualification process.</p> <p>There is no evidence of any subsequent performance bond.</p> <p>The Social Agreements (2015 & 2016) referenced a consultative process with community, but the community statement referenced therein was not exhibited. This agreement covers the communities in Lofa and Gbarpolu Counties</p>

¹ <https://www.globalwitness.org/en/reports/liberia-holding-line/>

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10.4)		<p>One SA was signed in 2015 by only the FMC A County Chairman and no other community members; it is not notarized. A second SA was signed in 2016 by only CFDC Chair and no other community members; it is not notarized.</p> <p>LEITI reports that the communities were not involved with the validation process.</p> <p>No evidence that Alpha Logging obtained a Pre-qualification certificate.</p> <p>No Concession Certificate from MFDP was presented.</p>
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)); Regulation 105-07 (33); Regulation 117-17</p> <p>Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36); COCS SOP (9)</p> <p>Timely payments of fees under SA and CUC: Regulation 105-07(36)10; Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Partially compliant</p> <p>There was an error in the holder's name, should be "Alpha Logging Wood and Processing" instead of "International Consultant Capital."</p> <p>The criteria "payment by the holder" and "funds released by the holder" were missing from the social agreement.</p> <p>Point 4 of standard content (escrow account) was missing. The contract was entered into with the registered list of CFDC members and 90% of in-kind benefits negotiated have been implemented by the company.</p> <p>Membership of CFDC is available.</p> <p>Lack of transparency in payment of benefits – no bank payment.</p>	<p>The 2015 & 2016 SAs were signed by the concession holder and the CFDCs for each of affected communities. Only a list of CFDC Lofa is indicated in the SA.</p> <p>No evidence that complaints were filed with the FDA by the affected communities.</p> <p>No evidence of CFDCs being incorporated.</p> <p>No evidence that a specific bank account was opened by the holder for payments to the concerned communities.</p> <p>Attestation by FDA on the Social Agreement has been provided.</p> <p>The SA has minimum contents contained therein. The duration of the Gbarpolu's SA was extended for the duration of the FMC, which is in violation of Reg. 105-07 Section 31 (b), setting the duration for an SA at 5 years for FMCs. The SA for Lofa has a duration of 5 years.</p> <p>There was no attestation by the FDA of payments made to the community by the company. However, CS-IFM (2015) reported 51,201.85 m³ of logs harvested (2008-2015) valued at US\$76,829.76, while a total of 16,989.05 m³ of logs reportedly valued at US\$25,483.58 has been exported, and the community has only received US\$13,560 as cubic meter fees.²</p> <p>No evidence of community projects (agriculture and infrastructure).</p>

² <https://loggingoff.info/wp-content/uploads/2016/03/CS-IFM2015-ManagementGovernanceM3Fees3FMCsBrief05.pdf>

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		Signatories to the SA: names of traditional leaders are listed, contrary to legal requirements/CFMB signatures and no signatures.
Principle 4: Forest Management Operations & Harvesting		
<p>Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3, 5.4, 5.6); Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1)</p> <p>Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>Business Plan: FMC Contract (B3.11, B3.13)</p> <p>FDA Approval: FMC Contract (B3.11)</p> <p>Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>Annual Compliance Audit: FMC Contract (B8.81)</p> <p>Five-year Management Review: FMC Contract (B8.82)</p> <p>For CFMAs:</p> <ul style="list-style-type: none"> a. Preconditions: CFRL Reg. <ul style="list-style-type: none"> i. Community Assembly CFMB b. Community Forest Management Agreement: Reg. 7.1 <ul style="list-style-type: none"> i. Acceptance by Community: Reg. 7.5 ii. Acceptance by FDA: Reg 7.7 c. Community Forest Management Plan: Reg. 8.1 d. No third party can operate on >250,000 ha at a time: Reg. 10.4 	<p>Noncompliant</p> <p>The 5YFMP was not available to be assessed by the review team.</p> <p>Neither the SFMP nor the AOP are compliant, although they do exist.</p> <p>The basics of the management plan are not met; no inventory, no stock calculation, no DBH calculation, etc.</p> <p>The basics of the AOP are not met. No enumeration, no stock calculation, no maps, compartment not in line with SFMP.</p>	<p>25YFMP was reviewed.</p> <p>There is no evidence that the company operated during the first 5 years of obtaining the FMC in 2009.</p> <p>The 2021/2022 AOP has expired. It mentions the existence of the previous 4 years of AOPs and 5YFMP, but they were not available for review. The 2021 AOP was approved by the FDA despite being noncompliant (e.g., 48 blocks but only 22 inventoried, no map of road building).</p> <p>Harvesting Certificate expired in Jan 2023. Issued although the performance bond had expired.</p> <p>No evidence of Annual Compliance Audit by the FDA.</p>
Principle 5: Environmental Obligations		
<p>ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107); COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>Compliance with environmental standards and ESIA Report: EPML (24-27)</p> <p>Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>Compliance with Forest Management Guidelines: NFRL (8.1)</p>	<p>Noncompliant</p> <p>The content of the report is noncompliant with the EIA Procedural Guidelines of 2006. It lacks an Executive Summary, public consultation, impact rating scores, indicators, and verifiers for mitigation measures, EMP reporting procedures, etc.</p>	<p>EIA Permit was issued in 2020 and expired in 2022.</p> <p>ESIA report indicates that the assessment was performed in 2015.</p> <p>There is no evidence that FDA/EPA requested the renewal of the EIA permit before Alpha logging continued its harvesting in 2023.</p> <p>No evidence that annual environmental audits were conducted.</p>

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<p>Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V); CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>Reforestation within 5 years: FMC Contract (B6.42)</p>	<p>A permit was issued but it was based on the faulty EIA report.</p> <p>A field visit in 2019 revealed weaknesses of the environmental and social facilities compared to the content of the EIA and EIP.</p>	
Principle 6: Timber Transportation & Traceability		
<p>Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63)</p> <p>FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)</p>	<p>Partially compliant</p> <p>The annual compliance audit report was not provided to the review team.</p>	<p>Access to LiberTrace is needed to confirm compliance.</p> <p>Confirmation/attestation is required that Alpha does not have abandoned logs in the forest.</p> <p>In May 2014, a Global Witness (2017) report on an SGS investigation into Alpha's adherence to the chain of custody system demonstrated that data submitted by Alpha to SGS showed "important discrepancies" and that the company had undertaken "data manipulation." In January 2017, in a letter to Global Witness, the FDA stated that logging companies had not manipulated their data but that large-scale errors were the result of "human errors."³</p>
Principle 7: Transformation & Timber Processing		
<p>Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2)</p> <p>Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8)</p> <p>Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63)</p>	<p>Not applicable</p>	<p>No evidence that the findings in the Sofreco report relative to this principle have changed.</p> <p>Alpha Logging, without permission from FDA, had given unattended logs/abandoned logs to communities for charcoal production and field visit confirmed evidence of unspecified quantities of abandoned logs and unattended logs.</p>

³ <https://www.globalwitness.org/en/reports/liberia-holding-line/>

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Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)		
Principle 8: Workers Rights, Health Safety & Welfare		
<p>Preference for Liberians; work permits duly issued for foreign workers: Section 45.1(a) DWA</p> <p>Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>Standard labor practices (rest period/ child labor/social security/health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4); NSSWL (89.8, 89.16, 89.41); CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)</p>	<p>Noncompliant</p> <p>The reports supposed to be produced by the Ministry of Labor, NASSCORP, and the FDA were not available to be assessed by the review team.</p> <p>No objective evidence was available to show that the workers' rights, health, safety, and welfare requirements were being met either by the company or the regulatory authorities.</p>	<p>No FDA Compliance Audit report.</p> <p>No report from Ministry of Labor.</p> <p>NASSCORP records show a total of 240 employees enrolled in the schemes, but its contribution history ranges from 2013 only up to 2020.</p> <p>No payroll information was provided to confirm minimum wage payments nor on which salary base these payments were made.</p> <p>MoL statistical report is needed to establish evidence of number of local hires.</p>
Principle 9: Taxes, Fees & Other Payments		
Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)	<p>Partially compliant</p> <p>Tax Clearance certificate up to date.</p> <p>Annual area fees paid.</p> <p>US\$59,074.00 overdue in stumpage fees.</p> <p>US\$119,571.00 overdue in export fees.</p> <p>US\$1,000.00 overdue in barcode tag fees.</p>	<p>Partial records sighted regarding the community payments.</p> <p>Sector specific fees and levies: Of a total invoiced amount of US\$6,063,979.33, Alpha has paid US\$4,309,231.06 as of March 1, 2023, with outstanding arrears of US\$1,754,748.27.</p> <p>(LiberTrace as of March 1, 2023). Area fees, annual contract administration fees and bid premium are the outstanding fees.</p> <p>Tax payment information is pending response from LRA. Tax clearance status to be provided by LRA if available.</p>
Principle 10: Export, Processing & Trade Requirements		
<p>Annual registration of exporter with FDA: Regulation 108-07 (41)</p> <p>Confirmation that all logs timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5</p> <p>Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21)</p>	<p>Partially compliant</p> <p>The Market Intelligence Database (MIDB) report was not provided to the review team and besides the official FOB prices have not been reviewed for at least the last four (4) years.</p>	<p>No export permit was shared.</p> <p>No export volumes were reported.</p> <p>Access to LiberTrace is needed to verify the existence or non-existence of these documents.</p> <p>Report on export volume pending access to LiberTrace.</p>

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		LiberTrace records as of March 1, 2023, indicate full payment of export fees of US\$1,874,097.93.
Principle 11: Transparency & General Disclosure		
<p>Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8)</p> <p>Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4)</p> <p>FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)</p>	<i>Not previously reviewed</i>	<p>No records are available on publications from Alpha Logging or FDA.</p> <p>LEITI has the FMC contract published.</p>

Obligations under FMC A's Social Agreements

Terms	Date for delivery
Lofa County	
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³ with data log sheet	
First preference for skilled and unskilled labor	
Representation in a middle management job	
On the job training for employees	
Transportation in emergency or major development project	As needed, ongoing
Annual contribution US\$13,000 for scholarships	
Construction of 10 handpumps	Within 5 years
Construction of 2 roads	Within 3 years
Construction of 5 latrines	Within 5 years
Construction and operation of 1 clinic in worker's camp, consistent with standards of Min of Health Action Plan	Within 3 years
Construction and operation of elementary schools in workers camp for education of employees' dependents, in line with standard of Min of Education Action Plan	Within 3 years
Construction of schools in affected communities that have no school	
Construction of workers housing in nearby community consisting of concrete one-room apartment	Assessment within 3 months of signing agreement, commencement of construction within 6 months and completion within 9 months.
Maintain all existing roads in and adjacent to contract area and construct new roads to villages and communities with no road. All roads to national road building construction standard, all bridges (basically Wadalba and Seleiyah bridges) of concrete	Construction during dry season. New roads to national road standard from Gboneya Junction to Gboneya, Kpayarquelleh, Kpowansanyea, and Kpeteyea in Years 1-2; open or maintain

	roads from Kpayarquelleh to Barquelleh, Barquelleh to Gbarquita, Kpayarquelleh to Kpotoi Village in Years 2-3; new roads to national road standards from Kpayarquelleh to Barquelleh in Years 3-5.
Provide timber products and technical support for community development projects	
Employ one Community Liaison officer to monitor field activities and report to community monthly	
Annual contribution US\$13,000 for scholarships	Annual; \$6,500 in June and \$6,500 in January of each year
Will not harvest palms for bridges	
Bokomu, Gou-Nwolaila districts, Gbarpolu County	
30% of land rental (US\$2.50/ha)	
US\$1.50/m3 with data log sheet	Every 3 months
First preference for skilled and unskilled labor	
On the job training for employees	
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	
Construction of worker camps nearby existing towns	
Construction of at least 3 four-toilet modern latrines in each town in the concession	
Construction of 3 handpumps in each large town and 2 handpumps in each small town in the concession	
Provision of in-kind benefits such as jobs, roads, buildings in the affected communities	
Establish a scholarship for residents to attend university or technical programs	Annual; to commence within first year of operation until the final year

Maintenance of all major roads within concession	
Alpha will enter the concession through Lofa county by the Via River and build a road through the concession and connect HQ in Palakwelleh to Dorkorta, build a bridge over Tuma Creek between Dorkorta and Monlakwelleh to connect the Bopolu- Belle Yallah Highway to Bopolu City county seat. The road will be to the standard of the Min of Public Works	Construction of the road will begin in the first year of operation in Gbarpolu County
All bridges will be of steel and concrete, not of logs	
Construction of new clinics or modernization of existing ones in the concession area, including maternity health facilities. One new clinic will be built in Gou-Nwonaila. Population centers will be prioritized. One modern clinic in Bokomu to be specific to Forkpata. Clinics will be to standard of Min of Health.	Construction to commence in year 2 and end in year 3.
Construction or modernization of junior-high schools, at least one in Nwolaila Chiefdom, and will be to standard of Min of Education.	Construction to commence in year 3
Construction of roads to link all major towns and crossing links in affected communities, in line with County Development Agenda and built to Min of Public Works standard	
Adequate accommodation, healthcare facilities, and safe drinking water for employees and their families	

Financial status FMC A

Land Rental Fees			
Type of fees	Invoice Amount	Amount Paid	Balance Due
Annual Contract Administration Fee (2009)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2010)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2011)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2012)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2013)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2014)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2015)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2016)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2017)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2018)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2019)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2020)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2021)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2022)	\$ 1,000.00		\$ 1,000.00
Area Fee (2009)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2010)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2011)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2012)	\$ 298,100.00	\$ 297,100.00	\$ 1,000.00
Area Fee (2013)	\$ 298,100.00	\$ 297,100.00	\$ 1,000.00
Area Fee (2014)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2015)	\$ 298,100.00	\$ 100,000.00	\$ 198,100.00
Area Fee (2016)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2017)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2018)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2019)	\$ 298,100.00	\$ 298,100.00	
Area Fee (2020)	\$ 298,100.00	\$ 160,408.58	\$ 137,691.42
Area Fee (2021)	\$ 298,100.00		\$ 298,100.00
Area Fee (2022)	\$ 298,100.00		\$ 298,100.00
Sub Total Land Rental	\$ 4,187,400.00	\$ 3,251,408.58	\$ 935,991.42

Source: LiberTrace, October 6, 2009, to April 10, 2023; does not include community arrears or LRA arrears

Land Rental Bid Fee	\$ 3,595,086.00	\$ 2,576,229.15	\$ 1,018,856.85
Annual Coupe Inspection Fee	\$ 14,850.00	\$ 14,850.00	
Barcode Tag Fee	\$ 16,075.00	\$ 16,075.00	
Export fee	\$ 2,435,998.49	\$ 2,435,998.49	
Stumpage Fee (Grouping)	\$ 2,186,490.04	\$ 2,186,490.04	
Waybill Sticker Fee	\$ 48,750.00	\$ 48,750.00	
Sub Total	\$ 4,702,163.53	\$ 4,702,163.53	

Source: LiberTrace, October 2017 to April 10, 2023

FMC F – Euro Liberia Logging Co.

ISSUE	Sofreco Review	LCFRII Review
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>Prohibited Persons: (Section 5.2(b) of NFRL) Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Partially compliant</p> <p>Business Registration and Articles of Incorporation verified.</p> <p>There was a declaration of ownership.</p> <p>There is no notarized affidavit declaring that the company's owners do not include prohibited persons.</p>	<p>Business Registration remains current until December 2023, and indicates ownership is Italian.</p> <p>But the amended Articles of Incorporation from 2009 cite Lamii Kpargoi as the sole owner. They do not name the new owners – but ELL confirmed that sole owner was deleted, and number of issue shares increased.</p> <p>No evidence of FDA's approval of the transfer of ownership (FDA to confirm approval requirement).</p> <p>Failed to comply with LEITI reporting requirements to submit a list for their ultimate or "beneficial" owners to LEITI in 2015. The LEITI FY2019 report notes ownership as Moggi Studio Gaggini (80%), Marco Braglia (10%) and Guido Monarca (10%). However, Euro Logging Liberia confirmed the Shareholders of the corporation are Guido Monarca, Sadalmelik, and Marco Braglia, all of whom were or are Italians.</p>
Principle 2: Forest Allocation		
<p>CFMA- completion of the 11 steps CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>FMC- Competitive Bidding and Pre-qualification requirements PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <ol style="list-style-type: none"> Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA Obtain Concession Certificate from MFDP Regulation 104-07 (5.2(a)(i)); PPCA (46) Pre-qualification requirements (including performance bond) NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL 	<p>Noncompliant</p> <p>All documents created prior to the allocation of the forestry contract, including bidders' bond and liquidity guarantee, were reported missing.</p> <p>No proof of community consultation, approved concession certificate, public tender notice, due diligence report, performance bond, etc.</p>	<p>No documentation provided to confirm competitive bidding process allocation requirements were met according to the PPCC Act – ELL asserts that the Supreme Court opinion of 2020 confirms validity and legality of its FMC.</p> <p>\$250,000 Performance Bond issued in January 2023 by Continental General & Life (expires Jan 29, 2024). This bond was issued for the purpose of obtaining a harvesting certificate and was also issued for a prior period (2022-2023). The bond for pre-qualification was not provided.</p> <p>The Social Agreement references consultative process with community, but the community statement referenced therein was not exhibited. This agreement only covers the communities in</p>

ISSUE	Sofreco Review	LCFR II Review
Regulation (10.3, 10.4)		<p>Grand Gedeh and River Gee. Only the minutes from the negotiations in River Gee were provided.</p> <p>LEITI reports that the communities were not involved with the validation process (FDA to confirm communities' involvement with the validation process). No pre-qualification certificate was provided.</p> <p>No concession Certificate from MFDP provided.</p>

Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Noncompliant</p> <p>Only the chairperson of the CFDC was specified in the SA; CFDC lacks full representation as required by law.</p> <p>No evidence that no complaints were filed with the FDA by the affected community.</p> <p>No evidence that a specific bank account was opened by the holder for the payment of the concerned communities.</p> <p>No attestation by the FDA of payments made to the community by the company.</p> <p>No escrow account established for communities.</p> <p>Payments made to communities are made through cash payments in the absence of bank system with the FDA verifying; payments are not reflected on LiberTrace.</p>	<p>Only the chairperson of the CFDC was specified in the Social Agreement (SA). However, the possibility exists that he may have been given the authority to sign on behalf of the entire CFDC (community to confirm the chairperson's authority to be the sole signatory).</p> <p>No evidence that complaints were filed with the FDA by the Affected Community. No evidence that a specific bank account (by the CFDC in Tchien-Kon FMC-Area-F) was opened by the holder for the payment of the concerned communities.</p> <p>Evidence of attestation by the FDA of payments made to the community by the company (FDA to confirm, but no response).</p> <p>The SA has minimum contents contained therein. However, the duration of the SA is extended for the duration of the FMC, which is in violation of Reg. 105-07 Section 31 (b) setting the duration for 5 years for FMCs (FDA to comment, but no response).</p> <p>Current Tax clearance certificate provided; expiration date is July 12, 2023.</p> <p>Overdue payments cited in Global Witness Report⁴ indicating, as of November 2016, Euro was in arrears of US\$8,735,802 to the Liberian government for rental fees and arrears from previously unpaid fees for FMC F.</p>

⁴ <https://www.globalwitness.org/en/reports/liberia-holding-line/>

		<p>Operator confirms indebtedness to the Government of Liberia but asserts that the amount is subject to reconciliation.</p> <p>Previous payments (corporate social agreements) made in fiscal year 2012 (\$42,271) and in 2015 (3 payments: \$44,405.00, 3,000.00, \$2,500) paid as Mandatory cash social expenditures, including:</p> <ul style="list-style-type: none"> ○ Stumpage (m³) fee in Grand Gedeh Co. ○ HR fee development fund (CFDC River Gee). ○ HR fees (CFDC Grant Gedeh).⁵
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⁵ Forest Trends Policy Trade & Finance Initiative Report- 2020

Principle 4: Forest Management Operations & Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval: Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review: FMC Contract (B8.82)</p> <p>For CFMAs:</p> <p>a. Preconditions CFRL Reg.</p> <p>i. Community Assembly CFMB</p> <p>b. Community Forest Management Agreement Reg. 7.1</p> <p>i. Acceptance by Community Reg. 7.5</p> <p>ii. Acceptance by FDA Reg 7.7</p> <p>c. Community Forest Management Plan Reg. 8.1</p> <p>d. No third party can operate on >250,000 ha at a time Reg. 10.4</p>	<p>Noncompliant</p> <p>The AOP doesn't comply with the official guidelines.</p> <p>The SFMP and the 5YFMP were not available to be assessed by the review team.</p> <p>The company was given a harvesting certificate despite its weaknesses in the management documents.</p> <p>The company labels trees and logs and these are recorded on LiberTrace enumeration and TDF databases.</p>	<p>The current AOP (October 2022) was reviewed and approved by the FDA as compliant with the PROSPER template and the Guidelines. It was noted to be the 5th AOP of the company. This AOP has been updated to show compliance in response to the comments in the Sofreco report.</p> <ul style="list-style-type: none"> ○ However, the AOP still does not comply with requirements, e.g., there is not a 100% inventory nor description of road building. ○ The AOP indicates that the coupe is within the 1st 5-year logging compartment, but the FMC is more than 12 years old. ○ ELL confirms that its operations and AOP have been compliant with the law, having obtained its harvesting certificates from FDA. <p>5-year Forest Management Plan 2018/2019 approved by the FDA to be compliant with guidelines.</p> <ul style="list-style-type: none"> ○ However, the 5YFMP does not comply with requirements, e.g., there is no multi-resources inventory. <p>The AOP refers to a required Strategic Forest Management Plan from 2018, but no copy was provided.</p> <p>The Company was issued a harvesting certificate that expired in September 2023, and evidence of previous harvesting certificates issued by FDA for the years 2014 through 2023.</p> <p>There is a 2013 USAID report which says that Euro's harvest is unsustainable, logs are untagged, and there was no operable heavy equipment.⁶ ELL asserts that its operations are compliant with legality systems (FDA to comment the accuracy of these statements).</p>

⁶ https://pdf.usaid.gov/pdf_docs/PA00JZR8.pdf

Principle 5: Environmental Obligations		
<p>a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>b. Compliance with environmental standards and ESIA Report: EPML (24-27),</p> <p>c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>d. Compliance with Forest Management Guidelines: NFRL (8.1)</p> <p>e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>f. Reforestation within 5 years: FMC Contract (B6.42)</p>	<p><i>Partially compliant</i></p> <p>The EPA and FDA did not provide tangible evidence of inspection and audit of the company's environmental documents.</p> <p>Met most of its obligations to supply documents on LiberTrace.</p> <p>The abstract and content of the EIA report complies with the guidelines; nevertheless, two-thirds of the document was not provided to the review team.</p>	<p>EPA Permit current and valid up to 2023; previous permit and Environmental Audit Report cited on permit.</p> <p>No ESIA Report was provided; however, it is the foundation upon which environmental audits are conducted and permits are issued (EPA to validate).</p>

Principle 6: Timber Transportation & Traceability		
<p>a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63)</p> <p>b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)</p>	<p>Partially compliant</p> <p>The annual compliance audit report was not provided to the report team.</p> <p>Bar codes, waybills, tally sheets, cross cutting data are all available on LiberTrace.</p>	<p>Access to LiberTrace is needed to confirm this principle.</p> <p>Confirmation/attestation required that Euro Logging does not have abandoned logs in the forest.</p> <p>Euro Logging confirms it has logs in the port awaiting shipment and that they are not abandoned because they've paid all associated fees.</p> <p>Euro Logging asserts that the delay in the issuance of the export permit resulted into a ship returning empty, and other unplanned expenses (FDA to confirm).</p>
Principle 7: Transformation & Timber Processing		
<p>a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2)</p> <p>b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8)</p> <p>c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63)</p> <p>d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)</p>	<p>Not applicable</p>	<p>The 5-year FMP of the company indicated that it had established a wood processing plant/sawmill in keeping with the FMC contract.</p> <p>During the FT Team verification visit, Euro Logging showed unassembled machinery parts for sawmill.</p> <p>Evidence of EPA permit for the operation of a sawmill.</p> <p>Evidence of Euro claims of tax credits for investment in sawmill under the FIDERA Act (but documentation does not appear to meet the US\$2.28 million claim, although PWC attests to the claim).</p> <p>Although the letter claims \$2.28 million, Euro now claims only US\$1,512,271.39.</p> <p>Euro claimed that they are ready to set up the sawmill and start operations but due to the lack of required infrastructure to support its operations in the port of Greenville, Sinoe County, it cannot make further investment until the required infrastructure is in place (FDA to confirm).</p>

Principle 8: Workers Rights, Health Safety & Welfare		
<p>a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA</p> <p>b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)</p>	<p>Noncompliant</p> <p>The reports which should have been produced by the Ministry of Labor, NASSCORP, and the FDA were not.</p> <p>The review team could not find enough objective evidence that the workers rights, health, safety, and welfare requirements were being met either by the company or the regulatory authorities.</p>	<p>No FDA Compliance Audit report.</p> <p>No report from Ministry of Labor, but evidence of a Euro Logging statistical report for the 1st quarter 2023 was reviewed and approved by the Ministry of Labor. This report indicates that five (5) out of fifty-five (55) employees are non-Liberians.</p> <p>NASSCORP records show a total of 47 employees enrolled in the schemes, but its contribution history ranges from 2009 only up to 2010; the company was recently issued a harvesting certificate to harvest for 2022/2023.</p> <p>No payroll information was provided to confirm minimum wage payments nor on which salary base these payments were made. However, the statistical report for the 1st quarter of 2023 asserts that the hourly minimum wage of workers is US\$0.78 while the average monthly earnings of Liberian workers is US\$253.50 (all above the minimum wage).</p> <p>MoL statistical report is needed establish evidence of number of local hires.</p>
Principle 9: Taxes, Fees & Other Payments		
<p>Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)</p>	<p>Noncompliant</p> <p>No records were provided regarding the community payments.</p> <p>A tax clearance certificate was issued by the LRA, however, the SGS system recorded considerable volumes of overdue area fees and stumpage fees.</p> <p>\$1,080,739 in overdue fees, including \$624,175 in area fees.</p> <p>Almost \$7.5 million in area fees is “undue” (presumably forgiven or removed).</p>	<p>Partial records sighted regarding the community payments.</p> <p>A tax clearance certificate was issued by the LRA with the expiration date July 12, 2023</p> <p>Euro shared payment records indicating total payments of US\$389,945.66 to communities from March 27, 2013 to March 28, 2023; this is pending confirmation from NUCFDC, CFDC, and FDA.</p> <p>Sector specific fees and levies: of a total invoiced amount of US\$7,927,797.16, Euro has paid US\$4,688,850.03 as of March 1, 2023, with outstanding arrears of US\$3,238,947.13. Bid premiums invoiced from January 2009 to December 2011 were US\$7,800,352.50. Amount paid was US\$2,675,117.50, leaving an outstanding unpaid balance of US\$5,125,235.00 for bid premium (LiberTrace as of March 1, 2023). Area fees, annual contract administration fees, annual coupe inspection fees, and waybill sticker fees are the outstanding fees.</p>

		Tax payment information is pending response from LRA. Tax clearance is current to July 12, 2023.
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Principle 10: Export, Processing & Trade Requirements		
<ul style="list-style-type: none"> a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21) 	<p>Partially compliant</p> <p>The MIDB report was not provided for the review team. The official FOB prices have not been reviewed for at least the last four years.</p>	<p>LiberTrace records as of March 1, 2023 indicate full payment of export fees of US\$1,669,438.</p> <p>No export permit was shared.</p> <p>No export volume was reported.</p> <p>Access to LiberTrace was needed to verify the existence or non-existence of these documents, but it has not been forthcoming.</p>
Principle 11: Transparency & General Disclosure		
<ul style="list-style-type: none"> a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4) c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6) 	<p>Not previously reviewed</p>	<p>No records are available on publications from Euro Liberian Logging Co. or FDA.</p> <p>LEITI has the FMC contract published.</p>

Obligations under FMC F's Social Agreements

Terms	Date for delivery
Konobo, Gbeapo, Webbo, Grand Gedeh, River Gee (2950)	
30% land rental (US\$2.50/ha)	
\$1.50/m ³ stumpage	
First preference for skilled and unskilled labor	
Transportation in emergency of major development project	As needed, ongoing
US\$3000 per each 9 months production period, not to exceed \$27,000 annually, for participation in community development programs (human resource development, construction of school, clinics, etc.)	Paid at start of felling operations
Will not construct logged bridges on primary roads	
Recondition and maintain roads adjacent to its annual operation areas and will connect nearby towns	
Construction of schools for employees' dependents where operational area does not have access to schools	
Provide timber products for community development projects	Upon operation of sawmill
Construction of schools and clinics in affected communities where logging operations have reached	Construction shall commence within 2 years of logging
Construction of 6 handpumps over the life of the contract	
Contribution of US\$6,000 to CFDC for human resource capacity development	Annually during the phase of logging operation in River Gee; 50% of this fee is payable in January in absence of their logging operation
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites	

Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	
Konobo, Grand Gedeh (2936)	
30% land rental (US\$2.50/ha)	
\$1.50/m ³ stumpage	
First preference for skilled and unskilled labor	
Transportation in emergency of major development project	As needed, ongoing
Annual contribution of US\$11,000 to CFDC for human resource capacity development during harvesting operations in Grand Gedeh	\$6,400 payable on Feb 5 of each year of operations, and \$4600 payable on May 5 of each year
Construct and maintain roads used by Euro during harvesting in Grand Gedeh	
Will not construct logged bridges on primary roads	
Construction of schools within operational period for education of employees “dependents where operational area does not have access to schools”	
Recondition and maintain roads adjacent to its annual operation areas and connect nearby towns	
Provide timber products for community development projects	Upon operation of sawmill
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities’ drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds, or NTFP sites	
Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	

Financial status FMC F

Land Rental Fee			
Type of fees	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee (2009)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2010)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2011)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2012)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2013)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2014)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2015)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2016)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2017)	\$ 1,000.00		
Annual Contract Administration Fee (2018)	\$ 1,000.00	\$ 150.00	
Annual Contract Administration Fee (2019)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2020)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2021)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2022)	\$ 1,000.00		
Area Fee (2009)	\$ 634,175.00	\$ 634,175.00	
Area Fee (2010)	\$ 634,175.00	\$ 202,333.40	\$ 431,841.60
Area Fee (2011)	\$ 634,175.00	\$ 634,175.00	
Area Fee (2012)	\$ 634,175.00	\$ 273,360.94	\$ 360,814.06
Area Fee (2013)	\$ 634,175.00		\$ 634,175.00
Area Fee (2014)	\$ 634,175.00	\$ 634,175.00	
Area Fee (2015)	\$ 634,175.00		\$ 634,175.00
Area Fee (2016)	\$ 634,175.00	\$ 460,175.00	\$ 174,000.00
Area Fee (2017)	\$ 634,175.00		
Area Fee (2018)	\$ 634,175.00	\$ 95,426.25	

Area Fee (2019)	\$ 634,175.00	\$ 95,498.45	
Area Fee (2020)	\$ 634,175.00	\$ 634,175.00	
Area Fee (2021)	\$ 634,175.00	\$ 100,000.00	\$ 534,175.00
Area Fee (2022)	\$ 634,175.00		\$ 634,175.00
Sub Total Area fee	\$ 8,892,450.00	\$ 3,774,644.04	\$ 3,403,355.66

Source: LiberTrace, September 2009 to April 10, 2023; does not include community arrears or LRA arrears

Bid Premium	\$ 7,800,352.50	\$ 2,675,117.50	\$ 5,125,235.00
Annual Coupe Inspection Fee	\$ 20,400.00	\$ 20,400.00	
Barcode Tag Fee	\$ 25,300.00	\$ 25,300.00	
Export fee	\$ 1,855,404.06	\$ 1,855,404.06	
Stumpage Fee (Grouping)	\$ 1,917,371.94	\$ 1,917,371.94	
Waybill Sticker Fee	\$ 79,500.00	\$ 79,500.00	
Grand Total	\$ 3,897,976.00	\$ 3,897,976.00	

Source: LiberTrace, August 2016 to April 10, 2023

FMC I – Geblo Logging, Inc.

ISSUE	Sofreco Review	LCFRII Review
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)); NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Partially compliant</p> <p>Although a notarized affidavit declaring the company's owners do not include prohibited persons was unavailable for review, the company's ownership was assessed by LEITI and found to be fully compliant.</p>	<p>Business Registration expired (April 10, 2023).</p> <p>Business Registration indicates ownership is Liberian.</p> <p>The Articles of Incorporation list McDonald Wentto as the sole shareholder. The Articles were signed in 2007 but notarized in 2009.</p> <p>The 2019 Shareholder's declaration, however, shows that there are 2 shareholders.</p> <p>77% of shares owned by Natural Resources Development Corporation, whose owner is NRD Natural Resources Development S.A., Brunnenbritschen 2, 9493 Mauren, of Liechtenstein (the same owner of 92.5% of ICC, the operator of FMC K).</p> <p>The SYMP (undated) lists: Macdonald Wentto, Mark Went, Caesar Colombo (Italian), and Madam Sherlay with 30%, 30%, 20%, & 20% shares, respectively.</p> <p>No evidence of the FDA's approval of the transfer of ownership.</p> <p>Because the beneficial owners of the various companies are unreported and unknown, it is not clear whether any are prohibited from operating in the sector.</p>
Principle 2: Forest Allocation		
<p>a. CFMA- completion of the 11 steps CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p>	<p>Noncompliant</p> <p>No documents available relating to bidding and awarding processes for this concession.</p>	<p>No documentation was provided to confirm the competitive bidding process and requirements were met, according to the PPCC Act.</p> <p>Performance Bond- issued in 2014 by American Underwriters Group (expired 2019) in the number of US\$250K. The bond for pre-qualification was not provided.</p> <p>Indication of consultative process with community in the Social Agreement, but the community statement referenced therein was not provided (pg. 5).</p> <p>Pre-qualification certificate (2007) provided was to qualify the company to participate in the competitive bidding. No other bidding documents were provided. The certificate was awarded prior to the change in ownership of Geblo.</p>

ISSUE	Sofreco Review	LCFR II Review
e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)		No concession Certificate from MFDP was provided.
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Noncompliant</p> <p>Only the CFDC's chairperson is mentioned in the SA.</p> <p>There is no evidence that a specific bank account was opened by the holder for the payment of the concerned communities.</p> <p>The content of the SA complies with the regulation, with the exception of the escrow account setup (Reg. 105-07 (33)(3)).</p>	<p>Only the chairperson of the CFDC was specified in the SA. However, the possibility exists that he may have been given the authority to sign on behalf of the entire CFDC.</p> <p>No evidence of membership provided and difficult to determine if gender representation requirement was met.</p> <p>No evidence that no complaints were filed with the FDA by the affected community.</p> <p>No evidence that a specific bank account was opened by the holder for the payment of the concerned communities.</p> <p>No attestation by the FDA of payments made to the community by the company.</p> <p>Attestation by FDA on the Social Agreement.</p> <p>SA has minimum contents contained therein. The duration of the SA is for 5 years is in line with Reg. 105-07 Section 31 (b).</p> <p>SA provision on disbursement of funds – SA must have been incorporated prior to disbursement of funds. No evidence cited.⁷</p> <p>Social obligations: 50% of total cubic meter fees to be paid for logging season was stipulated: April 2015-2016 and balance to be paid on May 26, 2016; a default on payment will render the contract null and void. Despite this, no report provided on payment from community and FDA and actions/sanctions taken by FDA in cases of default.</p>

⁷ file:///C:/Users/Carol/Downloads/Liberia_logging_accountability_report_AW_lowres.pdf

ISSUE	Sofreco Review	LCFR II Review
		Likewise, no evidence of 3 roads built and other social obligations met, including no evidence of annual payments for human resource capacity-building of citizens of affected communities.

Principle 4: Forest Management Operations & Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3, 5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1)</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review FMC Contract (B8.82)</p> <p>For CFMAs:</p> <p>c. Preconditions CFRL Reg.</p> <p>i. Community Assembly CFMB</p> <p>d. Community Forest Management Agreement Reg. 7.1</p> <p>i. Acceptance by Community Reg. 7.5</p> <p>ii. Acceptance by FDA Reg 7.7</p> <p>c. Community Forest Management Plan: Reg. 8.1</p> <p>d. No third party can operate on >250,000 ha at a time: Reg. 10.4</p>	<p>Noncompliant</p> <p>The SFMP was not provided to the review team.</p> <p>The 5YFMP and the AOP don't comply with the official guidelines.</p> <p>The company was granted a harvesting certificate despite its weaknesses on the management documents.</p>	<p>Only the FDA's approval of the expired 2021/2022 AOP was provided, but without the accompanying AOP itself.</p> <p>5 Year Forest Management Plan (FMP) approved in 2019 was reviewed; it covers the period of 2015-2020.</p> <p>5YFMP appears to be expired as the logging coupes are for 2013-2017.</p> <p>5YFMP is noncompliant, e.g., no multi-resource inventory.</p> <p>5YFMP mentions the SFMP approved in 2019, though contract effective date is 2009; SFMP has not been provided.</p> <p>The harvesting certificate expired in March 2022. It was awarded despite the fact that the performance bond had expired.</p> <p>March 2022 – FDA, EPA, and MoL conduct a 9-day inspection of Geblo Logging FMC area in Sinoe County and uncover “certain incompliance;” no further details readily available.⁸</p>

⁸ <https://flegt-vpa.fda.gov.lr/fda-epa-and-mol-inspection-at-geblo-community-forest/>

Principle 5: Environmental Obligations		
<p>a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>b. Compliance with environmental standards and ESIA Report: EPML (24-27),</p> <p>c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>d. Compliance with Forest Management Guidelines: NFRL (8.1)</p> <p>e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>f. Reforestation within 5 years: FMC Contract (B6.42)</p>	<p>Noncompliant</p> <p>EIA document was missing but the company was still delivered an EIP.</p> <p>Reports which were supposed to be produced by the EPA and FDA were also missing.</p>	<p>Only the EIA's permit was issued by the EPA (expired in 2021). None of the documents were reviewed or provided.</p>
Principle 6: Timber Transportation & Traceability		
<p>a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63)</p> <p>b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)</p>	<p>Partially compliant</p> <p>The annual compliance audit report was not provided to the review team.</p>	<p>Access to LiberTrace needed to confirm this principle.</p> <p>Confirmation/attestation required that Geblo does not have abandoned logs in the forest.</p> <p>No evidence of CDFC verification of Euro production.</p>

Principle 7: Transformation & Timber Processing		
<p>a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2)</p> <p>b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8)</p> <p>c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63)</p> <p>d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)</p>	<i>Not applicable</i>	No data provided on this principle to enable compliance examination.

Principle 8: Workers Rights, Health Safety & Welfare		
<p>a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA</p> <p>b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)</p>	<p>Noncompliant</p> <p>The reports which should have been produced by the Ministry of Labor, NASSCORP, and the FDA were not.</p> <p>The review team could not find enough objective evidence that the workers rights, health, safety, and welfare requirements were being met either by the company or the regulatory authorities.</p>	<p>No FDA Compliance Audit report.</p> <p>Report to be provided by Ministry of Labor.</p> <p>NASSCORP records show a total of six (6) employees enrolled in the schemes, and its contribution history ranges from 2016 to August 2017. Yet the company was recently issued a harvesting certificate to harvest for the year 2021/2022.</p> <p>No payroll information provided to confirm minimum wage payments nor on which salary base these payments were made.</p> <p>Preference for local unskilled and skilled staff formed part of the SA; no employment record provided.</p> <p>Workers' rights provision in the SA; Operator to provide evidence of HR policy and employment contracts.</p> <p>Workers camps constructed; evidence to be confirmed by FDA and Operator.</p> <p>March 2020 assessment by Volunteers to Support International Efforts in Developing Africa and National Union of Community Forestry Development Committee alleges poor working conditions, inadequate safety gear, no formal contracts. FDA concedes that they have struggled to address these issues due to logistical and financial constraints.⁹</p>
Principle 9: Taxes, Fees & Other Payments		
<p>Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)</p>	<p>Noncompliant</p> <p>No records were provided regarding the community payments.</p>	<p>No records were provided regarding the community payments.</p> <p>No tax clearance certificate was provided for review.</p> <p>No evidence of payment to communities, pending response from NUCFMB and CMFMB.</p>

⁹ <https://gnnliberia.com/as-govt-poorly-monitor-forest-management-contracts-bad-labour-practices-at-logging-companies-3-logging-groups-accused/>

	At the time of the review, the company had built up its area debt to the amount of US\$657,330.00, and was in arrears of US\$345,983 in other fees	<p>Tax clearance status to be provided by LRA if available.</p> <p>Sector specific fees and levies: ff a total invoiced amount of US\$6,829,950.82, Geblo has paid US\$4,851,128.32 as of March 1, 2023, with outstanding arrears of US\$1,978,822.50.</p> <p>Bid premium invoiced from July 2009 to December 2011 was US\$4,239,778.50, and US\$1,835,480.94 has been paid, leaving outstanding unpaid bid premium of US\$2,404,297.56.</p> <p>LiberTrace as of March 1, 2023: outstanding fees are area fees, annual contract administration fees, and barcode tag fees.</p> <p>Tax payment information is pending response from LRA.</p>
Principle 10: Export, Processing & Trade Requirements		
<ul style="list-style-type: none"> a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21) 	<p><i>Partially compliant</i></p> <p>The MIDB report was not provided to the review team.</p> <p>The official FOB prices had not been reviewed for at least the last four years prior to the review</p>	<p>No export permit available.</p> <p>No export volume.</p> <p>No proof of payment of export fees.</p> <p>Access to LiberTrace needed to verify the existence or non-existence of these documents.</p> <p>Report on export volume pending access to LiberTrace.</p> <p>LiberTrace records as of March 1, 2023, indicate full payment of export fees of US\$1,959,865.54.</p>
Principle 11: Transparency & General Disclosure		
<ul style="list-style-type: none"> a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4) c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6) 	<p><i>Not previously reviewed</i></p>	<p>LEITI has published contract information.</p>

Obligations under FMC I's Social Agreements

Terms Grand Gedeh	Date for Delivery
30% land rental (US\$2.50/ha)	
\$1.50/m ³ stumpage	For production during season of April 2015-April 2016, the first 50% of logging fees are due by April 26, 2016, and the remaining 50% will be paid by May 26, 2016, or the contract is NULL and VOID
Construction of one handpump per year	
Participate in community development programs	
US\$6,000 annual donation to CFDC for human resource capacity building	Annually; by 31 December of each year
Construction of 3 roads: Sanquin to Pennoken to be commenced in the second phase of the contract, and the subsequent (Putu) from Kuma Town to Jellue Town and Wleagbelleh to Duo Town will be based on technical assessment, and involving the Ministry of Public Works	Construction to begin in March 2017
Recondition and maintain roads adjacent to its annual operation areas	
First preference for skilled and unskilled labor	
Provide timber products for community development projects	
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	

Financial status FMC I

Land Rental Fee			
Type/kind of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee (2009)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2010)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2011)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2012)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2013)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2014)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2015)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2016)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2017)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2018)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2019)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2020)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2021)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2022)	\$ 1,000.00		\$ 1,000.00
Area Fee (2009)	\$ 328,665.00	\$ 328,665.00	
Area Fee (2010)	\$ 328,665.00	\$ 164,832.50	\$ 163,832.50
Area Fee (2011)	\$ 328,665.00		\$ 328,665.00
Area Fee (2012)	\$ 328,665.00		\$ 328,665.00
Area Fee (2013)	\$ 328,665.00		\$ 328,665.00
Area Fee (2014)	\$ 328,665.00		\$ 328,665.00
Area Fee (2015)	\$ 328,665.00		\$ 328,665.00
Area Fee (2016)	\$ 328,665.00	\$ 164,000.00	\$ 164,665.00
Area Fee (2017)	\$ 328,665.00		\$ 328,665.00
Area Fee (2018)	\$ 328,665.00	\$ 328,665.00	
Area Fee (2019)	\$ 328,665.00	\$ 328,665.00	

Area Fee (2020)	\$ 328,665.00	\$ 328,665.00	
Area Fee (2021)	\$ 328,665.00		\$ 328,665.00
Area Fee (2022)	\$ 328,665.00		\$ 328,665.00
Sub Total Land Rental	\$ 4,615,310.00	\$ 1,656,492.50	\$ 2,958,817.50

Source: LiberTrace, September 30, 2009, to April 10, 2023; does not include community arrears or LRA arrears

Land Rental Bid Fee	\$ 4,239,778.50	\$ 1,835,480.94	\$ 2,404,297.56
Type of fee	Invoiced Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Coupe Inspection Fee	\$ 19,650.00	\$ 19,650.00	
Barcode Tag Fee	\$ 18,500.00	\$ 18,500.00	
Export fee	\$ 1,962,555.67	\$ 1,962,555.67	
Stumpage Fee (Grouping)	\$ 2,029,799.10	\$ 2,029,730.99	\$ 68.11
Waybill Sticker Fee	\$ 42,300.00	\$ 42,300.00	
Sub Total	\$ 4,072,804.77	\$ 4,072,736.66	\$ 68.11

Source: LiberTrace - August 2016 to April 10, 2023

FMC K – International Consultant Capital (ICC)

ISSUE	Sofreco Review	LCFR II Review
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p><i>Partially compliant</i></p> <p>Although a notarized affidavit declaring the company's owners do not include prohibited persons was unavailable for review, the company's ownership was assessed by LEITI and found to be fully compliant.</p>	<p>Business Registration expired November 2021.</p> <p>Business Registration indicates German ownership.</p> <p>Articles of Incorporation have not been provided aside from the Amended Articles of Incorporation, which were filed in 2009 to change the shareholding to Liberia Wood Industry having 92.5% ownership and Willie Mulbah having 7.5% ownership after the pre-qualification certificate was issued.</p> <p>FDA's approval of the change of ownership has not been provided.</p> <p>2019 Declaration of Ownership is:</p> <ul style="list-style-type: none"> ○ Liberia Wood Industry 95% ○ Willie Mulbah 2% ○ McDonald Wentto 3% <p>Ownership of Liberia Wood Industry is reportedly Natural Resources Development Corporation, whose beneficial owner is the NRD Natural Resources Development S.A., Brunnenbritschen 2, 9493 Mauren, of Liechtenstein.</p> <ul style="list-style-type: none"> ○ This is the same company that is a 77% owner of Geblo Logging (of FMC I). <p>The FDA's approval of the change of ownership has not been provided.</p> <p>No indication of the ultimate beneficial owner[s] of NRD Natural Resources Development, and therefore cannot confirm there are no prohibited persons.</p> <p>SIIB recommended debarment of Forest Venture (FV) for fraudulent and illegal activities during the PUPs; however, FV was allowed by the FDA to operate FMC K for 5 years when ICC could not commence operation.</p> <p>Global Witness (2017) alleges 15% of ICC's shares were owned by Rep. Alex Tyler and 6% by Rep. Moses Kollie (who both would have been prohibited as lawmakers from being involved in the sector).¹⁰</p>

¹⁰ <https://www.globalwitness.org/en/reports/liberia-holding-line/>

ISSUE	Sofreco Review	LCFRII Review
		Global Witness also alleges that a registered agent for FV was William Hock Kong Yui. William Yui was formerly a senior manager with the Oriental Timber Corporation, whose claim was nullified in the first Forest Concession Review of 2005.
Principle 2: Forest Allocation		
<ul style="list-style-type: none"> a. CFMA- completion of the 11 steps CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC b. FMC- Competitive Bidding and Pre-qualification requirements PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36 c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46) e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4) 	<p>Noncompliant</p> <p>All documents created prior to the allocation of the forestry contract and held by the FDA were declared lost and therefore unavailable for review.</p>	<p>No documentation was provided to confirm competitive bidding process and the allocation requirements were met, according to, for example, the PPCC Act.</p> <p>FMC contract from 2009 not notarized but includes attestation of legislative ratification.</p> <p>\$250,000 Performance Bond (in this case a Guarantee Bond) was issued in 2010 by Blue Cross Insurance (expired 2011). It is not clear if the bond was issued as part of the pre-qualification process.</p> <p>There is no evidence of any subsequent performance bond.</p> <p>The Social Agreements reference a consultative process with the community, but the community statement referenced therein was not exhibited. This agreement only covers the communities in Grand Geddeh, Nimba, and River Cess.</p> <p>LEITI reports that the communities were not involved with the validation process. A pre-qualification certificate was issued in 2007 for 3 years duration.</p> <p>No Concession Certificate from MFDP was provided.</p> <p>Concerns were raised and ignored before the concession award about the financial viability of ICC due to linkage with Geblo Logging (FMC I) having common shareholding and equipment, and the unsubstantiated financial backing (SDI 2014¹¹).</p> <p>In 2009, logging company Southeast Resources Limited brought a complaint against the FDA before the Complaints, Appeals & Review Panel (CARP) of the Public Procurement and Concessions Commission for allegedly awarding FMC K to ICC in spite of the company not having met the due diligence requirements¹² and a prior recommendation from the Bid Evaluation Panel that placed Southeast</p>

¹¹ <https://loggingoff.info/wp-content/uploads/2015/09/846.pdf>

¹² <https://loggingoff.info/wp-content/uploads/2015/09/846.pdf>

ISSUE	Sofreco Review	LCFR II Review
		Resources at the top of the bidding list. CARP appears to have ruled in favor of Southeast Resources, but ICC was, nonetheless, awarded the contract. ¹³
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Noncompliant</p> <p>The SA was signed by the concession holder and the CFDC but there was no list of identified and registered CFDC members with the FDA.</p> <p>There is no evidence that a specific bank account was opened by the holder for the payment of the concerned communities.</p> <p>The content of the SA complies with the regulation, with the exception of the escrow account set up.</p>	<p>The 2010 SA was signed by the concession holder and the CFDC but there was no list of identified and registered CFDC members with the FDA. The subsequent (2016) SAs signed by ICC and CFDCs from Nimba, River Cess, and Grand Gedeh indicate only the Chairman for each of the CFDCs.</p> <p>No evidence that complaints were filed with the FDA by the affected communities. However, the SIIB Report reported violations of the laws to FDA for action.</p> <p>No evidence that a specific bank account was opened by the holder for payments to the concerned communities.</p> <p>No attestation by the FDA of payments made to the community by the company.</p> <p>SA has minimal contents. The duration of the 2010 SA was extended for the duration of the FMC, which is in violation of Reg. 105-07 Section 31 (b), setting the duration for a SA at 5 years for FMCs. However, this was corrected in the 2016 SAs to indicate 5 years duration.</p> <p>SDI (2014¹⁴) confirms ICC's failure to operate in the forest for 5 years and to pay arears to government. The obligations under the SAs were partially fulfilled by ICC or its partner, Forest Venture.</p> <p>The community registered dissatisfaction with partial fulfilment of obligations.</p> <p>The FDA 2018 approval letter for ICC allowed re-entry into 42 blocks but instructed ICC to pay all social benefits owed. No records that this instruction was complied with.</p> <p>No evidence of annual payment for human resource assistance to CFDCs – operator to provide.</p> <p>No evidence of infrastructure projects, e.g., roads, bridges.</p>

¹³ <https://www.ppcc.gov.lr/doc/fda2.pdf>

¹⁴ <https://loggingoff.info/wp-content/uploads/2015/09/846.pdf>

ISSUE	Sofreco Review	LCFRII Review
Principle 4: Forest Management Operations and Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1)</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval: FMC Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review: FMC Contract (B8.82)</p> <p>For CFMAs:</p> <p>e. Preconditions: CFRL Reg.</p> <p>i. Community Assembly CFMB</p> <p>f. Community Forest Management Agreement Reg. 7.1</p> <p>i. Acceptance by Community Reg. 7.5</p> <p>ii. Acceptance by FDA Reg 7.7</p> <p>c. Community Forest Management Plan: Reg. 8.1</p> <p>d. No third party can operate on >250,000 ha at a time: Reg. 10.4</p>	<p>Noncompliant</p> <p>SFMP and 5YFMP were not provided to the review team.</p> <p>The AOP doesn't comply with the official guidelines.</p> <p>The company was granted a harvesting certificate despite its weaknesses in the management documents.</p>	<p>ICC failed to operate within the first 5 years of the contract.</p> <p>No AOP, 5YFMP, or CFMP approved by the community, or the FDA were provided for review.</p> <p>No valid Annual Harvesting Certificate was provided.</p> <p>In 2018, the Company was permitted to re-enter 42 blocks it had previously harvested in 2016/17 & 2017/18 without any Compliance Audit report being available.</p> <p>The FDA issued the company harvesting certificate for 2019 & 2020 without evidence of Performance Bond & AOP for these years.</p> <p>From August 2021, there are allegations of widespread unregulated cutting (linked to Geblo).¹⁵</p> <p>ICC accused the local community of not complying with the terms of the CFMA.</p> <p>ICC has reportedly abandoned 7,000 logs in Nimba.¹⁶</p> <p>There have been accusations of reckless and harmful logging by ICC in Grand Bassa county and a failure to meet the social obligations of their agreement with the local CFMB. Locals quoted also claim that deforestation in the community has led to more damage from storms and high winds without adequate tree cover to protect homes and infrastructure.¹⁷</p>

¹⁵ <https://tsmliberia.com/liberias-tropical-rainforest-gradually-depleted-increasing-risk-of-warming-who-takes-responsibility/>

¹⁶ <https://www.liberianobserver.com/liberia-after-failing-locals-large-concessions-italian-tycoon-lets-community-forests-down>

¹⁷ <https://tsmliberia.com/liberias-tropical-rainforest-gradually-depleted-increasing-risk-of-warming-who-takes-responsibility/>

Principle 5: Environmental Obligations		
<p>a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>b. Compliance with environmental standards and ESIA Report: EPML (24-27),</p> <p>c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>d. Compliance with Forest Management Guidelines: NFRL (8.1)</p> <p>e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>f. Reforestation within 5 years: FMC Contract (B6.42)</p>	<p>Noncompliant</p> <p>The EIA document was missing but the company still delivered an EIP.</p> <p>An undated EPA monitoring report was filed as an EIA in LiberTrace.</p> <p>Reports which were supposed to be produced by EPA and FDA were also missing.</p>	<p>EIA Permit was issued in 2014. It was renewed in 2016 and expired in 2018.</p> <p>No evidence of ESIA report, nor annual environmental audits.</p>

Principle 6: Timber Transportation & Traceability		
<ul style="list-style-type: none"> a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63) b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7) 	<p>Partially compliant</p> <p>The annual compliance audit report was not provided to the review team.</p>	<p>Access to LiberTrace was needed to confirm this principle.</p> <p>Confirmation/Attestation required that ICC does not have abandoned logs in the forest, but no evidence was provided.</p> <p>Global Witness (2017) alleges that the employee of SGS that ran the Chain-of-Custody system was in “regular contact” with Forest Venture, representing a conflict-of-interest. SGS fired the employee “for having inappropriate financial relationship with a logging company.”¹⁸</p>
Principle 7: Transformation & Timber Processing		
<ul style="list-style-type: none"> a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2) b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8) c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19) 	<p>Partially compliant</p> <p>ICC manages the only industrial sawmill in Liberia, which transforms wood from FMC I (Geblo Logging) and FMC K (ICC).</p> <p>Inputs and Outputs statements were in line with the LiberTrace requirements, although the environmental plan was not shared for review.</p>	<p>The FMC contract required the establishment of a sawmill by ICC. No additional information has been provided to confirm the findings in the Sofreco report.</p>

¹⁸ <https://www.globalwitness.org/en/reports/liberia-holding-line/>

Principle 8: Workers Rights, Health Safety & Welfare		
<p>a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA</p> <p>b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)</p>	<p>Noncompliant</p> <p>The reports, which should have been produced by the Ministry of Labor, NASSCORP and FDA, were not provided to the review team.</p> <p>The review team couldn't find enough objective evidence that the workers' rights, health, safety, and welfare requirements were being met either by the companies or regulatory authorities.</p>	<p>No FDA Compliance Audit report.</p> <p>No report from Ministry of Labor.</p> <p>NASSCORP records show a total of 321 employees enrolled in the schemes, but its contribution history ranges from 2014 only up to 2020.</p> <p>No payroll information was provided to confirm minimum wage payments nor on which salary base these payments were made.</p> <p>The MoL statistical report is needed establish evidence of number of local hires.</p> <p>The SDI 2014¹⁹ report mentions poor working conditions for its workers (no housing or medical facility)</p> <ul style="list-style-type: none"> o Allegedly, 250 workers threatened to go on a hunger strike for 5 months back pay.²⁰ o Allegations of poor labour practices, inadequate safety gear, and a lack of contracts.²¹
Principle 9: Taxes, Fees & Other Payments		
<p>Settlement of taxes, fess, levies, tax arrears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)</p>	<p>Noncompliant</p> <p>A tax clearance certificate was issued in April of 2019 notwithstanding some 3 million USD in overdue forest tax, non-tax, and fees.</p> <p>ICC has a large debt with the LRA, not only with unpaid area fees but also unpaid stumpage fees and missing payments to cover the area fees arrears.</p>	<p>Partial records were provided regarding the community payments.</p> <p>The tax clearance certificate provided expired in 2009.</p> <p>There is some evidence of payment to communities, pending confirmation from NUCFDC, CFDC, and FDA.</p> <p>Sector specific fees and levies: of a total invoiced amount of US\$12,211,971.52, ICC has paid US\$4,771,951.63 as of March 1, 2023, with outstanding arrears of US\$7,440,019.89.</p>

¹⁹ <https://loggingoff.info/wp-content/uploads/2015/09/846.pdf>

²⁰ <https://medium.com/@GFerrarius/liberia-sighs-under-dutch-rule-in-liechtenstein-logging-company-caeda7d7c6d1>

²¹ <https://gnnliberia.com/as-govt-poorly-monitor-forest-management-contracts-bad-labour-practices-at-logging-companies-3-logging-groups-accused/>

	No records were provided regarding community payments.	<p>Bid premiums of US\$8,446,976.50 were invoiced between July 2009 and December 2011, and US\$5,872,826.65 were paid, leaving an outstanding unpaid bid premium balance of US\$2,574,149.85 (LiberTrace as of March 1, 2023). Area fees, annual contract administration fees, and barcode tag fees are the outstanding fees.</p> <p>Tax payment information is pending response from LRA. Tax clearance status to be provided by LRA if available.</p> <p>In 2020, there were allegations that Geblo and ICC combined owe 25 million USD meant to benefit local communities.²²</p>
Principle 10: Export, Processing & Trade Requirements		
<p>a. Annual registration of exporter with FDA: Regulation 108-07 (41)</p> <p>b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5</p> <p>c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21)</p>	<p>Partially compliant</p> <p>The MIDB report was not provided to the review team.</p> <p>Official FOB prices had not been reviewed for at least the last four years prior to the review.</p>	<p>No export permit shared.</p> <p>No export volume reported.</p> <p>Access to LiberTrace is needed to verify the existence or non-existence of these documents, but it has not been forthcoming.</p> <p>Export fees invoiced totaled US\$1,840,690.14, of which the full amount was paid as of March 1, 2023.</p>
Principle 11: Transparency & General Disclosure		
<p>a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8)</p> <p>b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4)</p> <p>c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)</p>	<p>Not previously reviewed</p>	<p>No records available on publications from ICC or FDA.</p> <p>LEITI has the FMC contract published.</p>

²² <https://medium.com/@GFerrarius/liberia-sighs-under-dutch-rule-in-liechtenstein-logging-company-caeda7d7c6d1>

Obligations under FMC K's Social Agreements

Terms	Date for delivery
Grand Gedeh, Nimba, River Cess (2951)	
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³ stumpage	
First preference for skilled and unskilled labor	
Transportation in emergency of major development project	As needed, ongoing
Recondition and maintain roads adjacent to its annual operation areas and connect nearby towns	
Provide timber products for community development projects	
Construct schools for education of employees' dependents	
Participation in community development programs (human resource development, construction of school, clinic, etc.	
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	

Terms Grand Gedah (2944)	Date for delivery
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³ stumpage	
Construction of 2 handpumps in community each year	Annual
US\$5,000 to CFDC for human resource development	Annual (on or before 31 December)
First preference for skilled and unskilled labor	
Construction of 2 road networks: from Quibo Town to Zammie Town, from Senewon to Ploe-Bodee	Quibo-Zammie to commence in Nov 2016, Senewon-Ploe-Bodee to commence immediately with operations
Provide timber products for community development projects	
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	

Terms Nimba (2941)	Date for delivery
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³ stumpage	

Construction of 2 handpumps in community each year	Annually, in March of each year
First preference for skilled and unskilled labor	Upon signing
Build and maintain roads adjacent to its operations	
Transportation in emergency of major development project	Ongoing, as needed
Build roads from Glahn Town To Gborbor. Min of Transport will also be involved, and a road will be based on technical assessment	Commence in March 2017
US\$6,500 to CFDC for human resource development	Annual (on or before 31 December)
Provide timber products for community development projects	
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	

Terms River Cess (2940)	Date for delivery
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³ stumpage	For production during season of March 2015-July 2016, remaining 50% arears of logging fees are due by Oct 28, 2016, or contract is NULL and VOID
Construction of 15 hand pumps, maintenance of 8 existing pump	3 pumps built it 1st year (2016/17), 4 pumps each year following

US\$7,000 contribution for human resource capacity building	Annually. First payment due in Oct 2016, remaining years to be in August of each year
Construct secondary roads based on request by CFDC and assessment; maintain all operation and access roads.	Assessment will be completed in 2 nd year (2016/17) and construction will begin in 2nd year (2017/18).
First preference for skilled and unskilled labor	
Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges	
Will construct workers camps nearby towns	

Terms Grand Gedeh (2939)	Date for delivery
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³ stumpage	
Construction of 2 handpumps per year	
US\$5000 annual donation to CFDC for human resource capacity building	December 31 of each year
First preference for skilled and unskilled labor	
Construction of two roads from Quiboe Town and Zammie Town and from Senewon to Ploe-Bodee	Quibo-Zammie to commence in Nov 2016, Senewon- Ploe-Bodee to commence immediately with operations
Provide timber products for community development projects	

Protect local water sources, will not log at water sources, dump chemicals or other logging products into rivers or other water sources or otherwise spoil the communities' drinking water

Will not cause damage to farms or crops, and compensate when such damage occurs

Will not operate on taboo days, sacred sites, on taboo animals / species, medicinal plant sites, hunting grounds or NTFP sites

Will not harvest palm trees for bridges

Will construct workers camps nearby towns

Implementation of obligations under FMC K's Social Agreements

Forest Management Contract Area K - Nimba Social Compliance Monitoring Report - Based on Implementation Plan From 2018-2019				
No	Agreed Key SA Terms	Agreed Points Implemented	Agreed points Not implemented	Comment(s)
1	Four agreed Community roads	Yes		
2	Two Hand pumps/latrines	Yes		
3	Cubic meter Record and fees Payment	Yes		
4	First Aide/workers clinic	Partially		No emergency Vehicle
5	First Preference of employment for community members	Partially		Less than 60% of contractors from the communities
6	Training on job	Partially		Less # have the opportunity
7	Workers' rights respected	Partially		The contracts are not fully implemented
8	No forest farming & commercial chainsaw milling	Partially		No strong monitoring
9	Quarterly meetings	Partially		2 out of 4
10	General community meetings	Partially		Limited funding
11	Dispute resolution respected	Yes		
12	Workers' camp	Partially		Not well built
13	Women involvement	Partially		Less # involved

Forest Management Contract Area K - River Cess
Social Compliance Monitoring Report - Based on Implementation Plan
From 2018-2019

No	Agreed Key SA Terms	Agreed Points Implemented	Agreed points Not implemented	Comment(s)
1	Two agreed Community roads for rehabilitation		Not implemented	Company failed to do-no reason
2	Hand pumps/latrines	Yes		
3	Cubic meter record and fees payment made	Partially		Full data is not yet known
4	Scholarship/human resource funds	Yes		
5	First Aide/workers clinic		Not implemented	Camp no longer exist
6	First Preference of employment	Partially		Less number
7	Training on job	Partially		Less number
8	Workers' rights respected	Partially		Contract not fully implemented
9	No forest farming & Commercial chainsaw milling	Yes		
10	Quarterly meetings	Partially		2 out of 4
11	General community meetings	Partially		Limited funding
12	Dispute resolution respected	Yes		
13	Workers' camp	Partially		Camp not proper
14	Women involvement	Partially		Less number

Prepared and submitted by: **Sonnie Geekoah**
CFDC Chairperson

Forest Management Contract Area K - Grand Gedeh
Social Compliance Monitoring Report - Based on Implementation Plan
From 2018-2019

No	Agreed Key SA Terms	Agreed Points Implemented	Agreed points Not implemented	Comment(s)
1	Community roads Rehabilitation		Not implemented	Company failed
2	Hand pumps/latrines	Yes		
3	Cubic meter Record fees Payment		Not implemented	Company not working
4	Scholarship/human resource funds	Yes		
5	First Preference of employment For Community members		Not implemented	Company not working
6	Quarterly meetings	Partially		2 out of 4
7	General community meetings	Partially		
8	No forest Farming & Chainsaw milling	Partially		No effective monitoring

Prepared and submitted by: **Edward Q. Teah**

Financial status FMC K

Land Rental Fee			
Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee (2009)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2010)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2011)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2012)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2013)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2014)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2015)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2016)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2017)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2018)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2019)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2020)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2021)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2022)	\$ 1,000.00		\$ 1,000.00
Area Fee (2009)	\$ 667,275.00	\$ 667,275.00	
Area Fee (2010)	\$ 667,275.00	\$ 667,275.00	
Area Fee (2011)	\$ 667,275.00	\$ 667,275.00	
Area Fee (2012)	\$ 667,275.00	\$ 269,587.50	\$ 397,687.50
Area Fee (2013)	\$ 667,275.00	\$ 667,275.00	
Area Fee (2014)	\$ 667,275.00	\$ 510,425.32	\$ 156,849.68
Area Fee (2015)	\$ 667,275.00		\$ 667,275.00
Area Fee (2016)	\$ 667,275.00		\$ 667,275.00
Area Fee (2017)	\$ 667,275.00		\$ 667,275.00
Area Fee (2018)	\$ 667,275.00	\$ 175,000.00	\$ 492,275.00
Area Fee (2019)	\$ 667,275.00		\$ 667,275.00
Area Fee (2020)	\$ 667,275.00		\$ 667,275.00

Area Fee (2021)	\$ 667,275.00		\$ 667,275.00
Area Fee (2022)	\$ 667,275.00		\$ 667,275.00
Sub Total Land Rental	\$ 9,355,850.00	\$ 3,629,112.82	\$ 5,726,737.18

Source: LiberTrace, September 2009 to April 10, 2023; does not include community arrears or LRA arrears

Land Rental Bid Fee	\$ 8,446,976.50	\$ 5,872,826.65	\$ 2,574,149.85
Type of fee	Invoiced Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Coupe Inspection Fee	\$ 36,700.00	\$ 14,600.00	\$ 22,100.00
Barcode Tag Fee	\$ 58,200.00	\$ 57,200.00	\$ 1,000.00
Export fee	\$ 2,267,420.37	\$ 2,267,420.37	
Other (13%)	\$ 1,892,855.09	\$ 939,766.48	\$ 953,088.61
Stumpage Fee (Grouping)	\$ 2,870,345.86	\$ 2,840,050.62	\$ 30,295.24
Waybill fee	\$ 3,600.00	\$ 3,600.00	
Waybill Sticker Fee	\$ 78,300.00	\$ 78,300.00	
Sub Total	\$ 7,207,421.32	\$ 6,200,937.47	\$ 1,006,483.85

Source: LiberTrace - August 2016 to April 10, 2023

Excerpt Letter from the Community to the MD of the FDA dated April 2018

The worst side

ICC is the company that owed the highest in Land Rental Fees, **three million six hundred eighty-four thousand three hundred eighty-nine dollars, twenty-seven cent (3,684,389.27)** (*LVD reports October 2017*).

ICC is the top company that have poorly perform in social agreement full implementation (*NUCFDC Social Agreement Compliance Monitoring Report 2017*).

Poor Social Agreement full implementation indicators:

- Not having regular quarterly meeting with affected communities
- Not carrying out social-infrastructures development per social agreement
- The worst of all, ICC with all the highest harvest, highest export, the company has not paid a cent for Cubic Meter fees to CFDC in FMC K River Cess since April 2017 up to present, and paid only a little amount of US\$25,000.00 to CFDC in FMC K Nimba since the company operation entered in Nimba in 2016.
- Payment of scholarship fees to affected communities not regular

Cubic Meter record validated by FDA Commercial Department show that ICC owed the affected Communities of FMC K Nimba the following amount in Cubic meter fees:

1. 2016/2017	=====	US\$192, 267.00
2. January & February 2018	=====	US\$22, 435.00
Total	=====	US\$214,702.00

In River Cess, where ICC operation started, currently the CFDC does not have any record from ICC or SGS on the total volume of logs harvested over five years. This has may it impossible for anyone to know the actual amount they owed the affected communities in cubic meter fees. A verbal report the ICC management provided to the CFDC in a meeting at their head office in March 2018 was that the company owed the affected community prior to the attack on the company by some aggrieved citizens in April 2017 a little over seventy-six thousand and after the incident in

April 2017 up to March 2018 the company owed almost three hundred thousand in cubic meter fees. But there are no records to prove. Every time the company management will tell the CFDC to go to SGS and SGS will tell the CFDC they are not under obligation to provide information to CFDC.

These have become a very serious problems for our people and we are asking FDA Management, the VPA NMSMC to quickly look into these situations and let our people have their just benefits.

We at the NUCFDC and our CFDC will wait on you FDA and the VPA up to the end of April 2018 and if there is no redress to these situations, we will be left with no other options but to take ICC to court for debt and failure to live up to the social agreements.

Thank you for your understanding and timely intervention.

FMC P – Atlantic Resources Ltd.

ISSUE	Sofreco Review	LCFRII Review
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons-legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Partially compliant</p> <p>The declaration of ownership and notarized affidavit declaring that the company's owners do not include prohibited persons were unavailable for review.</p>	<p>Atlantic was registered in 2007. There is no evidence that the registration was subsequently renewed.</p> <p>The Articles of Incorporation do not list the shareholders and no ownership declaration was made.</p> <p>The Amended Articles of Incorporation (unsigned, but apparently from 2014) indicate 20% ownership for both Han Dong Chun and Yong Nyan Siong, both of Monrovia, and a change of the remaining 60% ownership from PDT to Premium Estate Investment Ltd (of the BVI).</p> <p>Global Witness (2017) claims PDT owns 5% of Samling Global, which has a controlling interest in Alpha Logging (FMC A) through its ownership of Woodman.</p> <p>Ownership is said to be Liberian on the 2007 registration certificate.</p> <ul style="list-style-type: none"> ○ However, there is no declaration of beneficial ownership of either PDT or Premium Estate Investment LLC. ○ There is no debarment listing to confirm debarment. <p>SIIB Report recommended permanent debarment of Atlantic (including prosecution of its owners/officers) after illegal logging & fraudulent activities during the PUP episode. "Atlantic Resource Limited should be required to pay all tax arrears on FMC 'P' and be permanently barred from engaging in commercial forestry activities for violation of NFRL 20.6(a)(i) and NFRL 20.6(a)(ii) and for orchestrating fraudulent activities in Liberia's forest sector."</p> <p>The Sarawa Report indicates that Atlantic's shareholder (Samling) has been implicated in many logging-related illegalities around the world, hence the necessity to be debarred in Liberia.</p>
Principle 2: Forest Allocation		
<p>a. For CFMA- completion of the 11 steps CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs:</p>	<p>Noncompliant</p> <p>All documents created prior to the allocation of the forestry contract and held by the FDA were declared lost and therefore unavailable for review.</p>	<p>No documentation was provided to confirm competitive bidding process and that the allocation requirements were met, according to, for example, the PPCC Act.</p> <p>A Performance Bond was issued in 2012 by Continental General & Life Insurance (expired 2013). The bond does not state any value.</p> <p>There is no evidence of any subsequent performance bond.</p> <p>The performance bond is related to Tartwah Community Forest and not FMC P</p>

ISSUE	Sofreco Review	LCFRII Review
<p>NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>		<p>The Social Agreements (2015) executed cover the communities in River Gee, Maryland, and Grand Kru Counties. The names of CFDCs are annexed to the SAs.</p> <p>A pre-qualification certificate was issued in 2016 for 3 years duration.</p> <p>No Concession Certificate from MFDP was presented.</p> <p>Front Page Africa (2017) reported collusion between Atlantic and Southeast Resources, as both companies submitted their bids in the same envelope (Global Witness 2017). The SIIB also recommended Southeast Resources be permanently barred.</p>
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Noncompliant</p> <p>Obligations of the holder are missing; however, it can be found in the paragraphs of the previous SA.</p> <p>There is no evidence that a specific bank account was opened by the holder for the payment of the concerned communities.</p> <p>A receipt shows that a payment by check was made to the community concerned, but it was not possible to relate the payment to any specific fee.</p> <p>The content of the SA complies with the regulation, with the exception of the escrow account set up.</p>	<p>Three SAs (2015; none notarized) were signed by the concession holder and the Chair of the CFDCs for the 3 counties, with each having annexed to it a list of identified and registered CFDC members (who did not sign).</p> <p>There is no explanation provided on the signing of these SAs after 5 years since the FMC was ratified (2009).</p> <p>No evidence that the SAs were renewed or reviewed after the first 5 years.</p> <p>No evidence that complaints were filed with the FDA by the affected communities. However, the SIIB Report reported violations of the laws to FDA for action.</p> <p>No evidence that a specific bank account was opened by the holder for payments to the concerned communities.</p> <p>No attestation by the FDA of payments made to the community by the company.</p> <p>The CFMB M&E indicate non-compliance (see Annex 1).</p> <p>Attestation by the FDA on the Social Agreement has been provided.</p>

ISSUE	Sofreco Review	LCFR II Review
		The SA has minimal contents contained therein. The duration of the SA was extended for the duration of the FMC, which is in violation of Reg. 105-07 Section 31 (b), setting the duration for a SA at 5 years for FMCs.
Principle 4: Forest Management Operations & Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1)</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval: FMC Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review: FMC Contract (B8.82)</p> <p>For CFMAs:</p> <p>g. Preconditions: CFRL Reg.</p> <p>i. Community Assembly@CFMB</p> <p>h. Community Forest Management Agreement: Reg. 7.1</p> <p>i. Acceptance by Community: Reg. 7.5</p> <p>ii. Acceptance by FDA: Reg 7.7</p> <p>c. Community Forest Management Plan: Reg. 8.1</p> <p>d. No third party can operate on >250,000 ha at a time: Reg. 10.4</p>	<p>Noncompliant</p> <p>Neither the SFMP, 5YFMP, nor the AOP were found to be compliant.</p> <p>The company was granted a harvesting certificate despite its weaknesses on the management documents.</p>	<p>The 25-year FMP was provided, but there is no evidence as to whether Atlantic operated within the first 5 years of the contract, and no evidence the SFMP has been updated.</p> <p>The AOP (2017) was approved by the FDA, despite not being compliant.</p> <p>No 5YFMP was provided.</p> <p>The FDA issued the company harvesting certificate for 2019 & 2020 without evidence of Performance Bond & AOP for these years.</p> <p>No evidence that a compliance audit was performed by FDA.</p>
Principle 5: Environmental Obligations		
<p>a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP</p>	<p>Partially compliant</p>	

ISSUE	Sofreco Review	LCFRII Review
<p>(9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>b. Compliance with environmental standards and ESIA Report: EPML (24-27),</p> <p>c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>d. Compliance with Forest Management Guidelines: NFRL (8.1)</p> <p>e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>f. Reforestation within 5 years: FMC Contract (B6.42)</p>	<p>The company meets most of its obligations regarding the supply of documents in LiberTrace. However, the EPA and FDA did not provide tangible evidence on their inspections and audits.</p>	<p>EIA Permit was issued in 2017 and it expired in 2020.</p> <p>No evidence of ESIA report, nor annual environmental audits.</p>
Principle 6: Timber Transportation & Traceability		
<p>a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63)</p> <p>b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)</p>	<p>Partially compliant</p> <p>The annual compliance audit report was not provided to the review team.</p>	<p>Access to LiberTrace is needed to confirm compliance with this principle.</p> <p>Confirmation/attestation is required that Atlantic does not have abandoned logs in the forest, but no evidence was provided.</p> <p>Atlantic is allegedly involved with manipulating data required to input into the log tracing system. FDA instead attributes the significant incorrect data to “human errors.” No investigative report from FDA is available on the issue.</p>
Principle 7: Transformation & Timber Processing		
<p>a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2)</p> <p>b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8)</p> <p>c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19)</p>	<p>Not applicable</p>	<p>No evidence that the findings in the Sofreco report relative to this principle have changed.</p>

ISSUE	Sofreco Review	LCFR II Review
& 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)		
Principle 8: Workers Rights, Health Safety & Welfare		
a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3) c. Standard labor practices (rest period/child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)	Noncompliant The reports which should have been produced by the Ministry of Labor, NASSCORP, and the FDA were not provided to the review team. The review team couldn't find enough objective evidence that the workers' rights, health, safety, and welfare requirements were being met either by the companies or regulatory authorities.	No FDA Compliance Audit report. No report from MOL. NASSCORP records show a total of 439 employees enrolled in the schemes. No payroll information provided to confirm minimum wage payments, nor on which salary base these payments were made.
Principle 9: Taxes, Fees & Other Payments		
Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)	Noncompliant No records were provided regarding community payments.	No records were provided regarding the community payments. The tax clearance certificate provided was issued in 2007. No evidence of payment to communities, pending response from NUCFMB and CMFMB. Sector specific fees and levies: of a total invoiced amount of US\$2,350,253.13, Atlantic has paid US\$95,658.87 as of March 1, 2023, with outstanding arrears of US\$2,254,594.26 (LiberTrace as of March 1, 2023). Area fees, annual contract administration fees, annual coupe inspection fees, barcode tag fees, bid premium, and waybill sticker fees are the outstanding fees. Tax payment information is pending response from LRA. Tax clearance status to be provided by LRA if available.
Principle 10: Export, Processing & Trade Requirements		
a. Annual registration of exporter with FDA: Regulation 108-07 (41)	Partially compliant	No export permit was shared.

ISSUE	Sofreco Review	LCFRII Review
<p>b. Confirmation that all logs/timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5</p> <p>c. Pricing in accordance with LVD: Regulation 108-07 (43); COCS SOP (18 &21)</p>	<p>The MIDB report was not provided to the review team.</p> <p>The official FOB prices had not been reviewed for at least the last four years prior to the review.</p>	<p>No export volume was reported.</p> <p>No proof of payment of export fees was provided.</p> <p>Access to LiberTrace was needed to verify the existence or non-existence of these documents, but it has not been forthcoming.</p> <p>In 2014, an SGS investigation discovered that Atlantic had paid money to Market Bridge International (MBI) to assist in processing chain of custody data, while a SGS employee held a managerial role at MBI (Global Witness 2017). No evidence that any action was taken against Atlantic by the FDA, although SGS fired the employee “for having inappropriate financial relationship with a logging company” (Global Witness 2017).</p> <p>Report on export volume pending access to LiberTrace.</p> <p>LiberTrace records as of March 1, 2023 indicate full payment of export fees of US\$46,936.60.</p>
Principle 11: Transparency & General Disclosure		
<p>a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8)</p> <p>b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4)</p> <p>c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)</p>	<p><i>Not previously reviewed</i></p>	<p>No records are available on publications from Alpha Logging or FDA.</p> <p>LEITI has the FMC contract published.</p>

Obligations under FMC P's Social Agreements

Terms	Date for delivery
Maryland (2942)	
30% of land rental (US\$2.50/ha)	
US\$1.50/m ³	
First preference for skilled and unskilled labor	
Transportation in case of emergency or major development project	As needed, ongoing
Local water sources are protected and maintained	
Will not cause damage to farms or cash crops	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges, processing, or export	
Participate in community development projects (human resource development, construction of schools, clinics, etc.)	
Maintain/recondition roads adjacent to contract area and connect nearby towns	
Make available timber products for community development projects	
Construct schools for education of employees' dependents	After 1 st year of operation
Annual contribution of US\$6000 for scholarship for citizens of Maryland County	Annually
Terms	Date for delivery
Grand Kru (2943)	

30% of land rental (US\$2.50/ha)	
US\$1.50/m ³	
First preference for skilled and unskilled labor	
Transportation in case of emergency or major development project	As needed, ongoing
Local water sources are protected and maintained	
Will not cause damage to farms or cash crops	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	
Will not harvest palm trees for bridges, processing, or export	
Participate in community development projects (human resource development, construction of schools, clinics, etc.)	
Maintain/recondition roads adjacent to contract area and connect nearby towns	
Make available timber products for community development projects	
Construct schools for education of employees' dependents	After 1st year of operation
Annual contribution of US\$6000 for scholarship for citizens of Maryland County	Annually
Construction of a school in each community where operations have reached	Within 2 years of operation
Construction of 2 hand pumps in each large town and 1 pump in each small town of Atlantic's operation area	
Transportation in emergency of major development project	as needed, ongoing
Construction of concrete and iron bridges on primary roads	

Annual contribution of US\$8,000 for scholarship for citizens of Grand Kru County

Terms

Date for delivery

Grand Kru, River Gee (2946)

30% of land rental (US\$2.50/ha)

US\$1.50/m³

First preference for skilled and unskilled labor

transportation in emergency or major development project

as needed, ongoing

Local water sources are protected and maintained

Will not cause damage to farms or cash crops

Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites

Will not harvest palm trees for bridges, processing, or export

Participate in community development projects (human resource development, construction of schools, clinics, etc.)

Maintain/recondition roads adjacent to contract area and connect nearby towns

Will not construct logged bridges on primary roads

Forest Management Contract Area P - Maryland
Social Compliance Monitoring Report - Based on Implementation Plan
From 2018-2019

No	Agreed Key SA Terms	Agreed Points Implemented	Agreed points Not implemented	Comment(s)
1	Community roads Rehabilitation		Not implemented	Company work has not start there
2	Schools/clinics		Not implemented	Company work has not start there
3	Cubic meter record and fees Payment		Not implemented	Company work has not start there
4	Scholarship/human resource funds	Yes		
5	Workers' camp		Not implemented	Company work has not start there
6	Employment first preference for community		Not implemented	
7	Quarterly meetings	Partially		
8	General meetings	Partially		
9	Dispute resolution	Yes		
10	Women involvement	Partially		

Forest Management Contract Area P - Grand Kru
Social Compliance Monitoring Report - Based on Implementation Plan
From 2018-2019

No	Agreed Key SA Terms	Agreed Points Implemented	Agreed points Not implemented	Comment(s)
1	Community roads rehabilitation	Yes		
2	Schools & clinics		Not implemented	No plan yet
3	Hand pumps & latrines	Yes		
4	Cubic meter record & fees payment	Yes		
5	Scholarship/human resource funds	Yes		
6	First Aid/workers' clinic		Not implemented	No reason provided
7	Workers' camp	Yes		
8	Employment first preference for community members	Yes		
9	Training on job	Yes		
10	Workers' rights respected	Partially		Contract not well implemented
11	No forest farming & commercial chainsaw milling	Yes		
12	Quarterly meetings	Partially		2 out of 4
13	General meetings	Partially		Limited funds
14	Women involvement	Partially		# of women less
15	Dispute resolution respected	Yes		

Prepared and submitted by: **Vincent T. Doe**
CFDC Chairperson

Financial status FMC P

Land Rental Fee			
Type of fees	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee (2009)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2010)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2011)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2012)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2013)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2014)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2015)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2016)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2017)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2018)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2019)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2020)	\$ 1,000.00	\$ 1,000.00	
Annual Contract Administration Fee (2021)	\$ 1,000.00		\$ 1,000.00
Annual Contract Administration Fee (2022)	\$ 1,000.00		\$ 1,000.00
Area Fee (2009)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2010)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2011)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2012)	\$ 298,360.00	\$ 250,000.00	\$ 48,360.00
Area Fee (2013)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2014)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2015)	\$ 298,360.00		\$ 298,360.00
Area Fee (2016)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2017)	\$ 298,360.00	\$ 298,360.00	
Area Fee (2018)	\$ 298,360.00		\$ 298,360.00

Area Fee (2019)	\$ 298,360.00		\$ 298,360.00
Area Fee (2020)	\$ 298,360.00		\$ 298,360.00
Area Fee (2021)	\$ 298,360.00		\$ 298,360.00
Area Fee (2022)	\$ 298,360.00		\$ 298,360.00
Sub Total Land Rental	\$ 4,191,040.00	\$ 2,350,520.00	\$ 1,840,520.00

Source: LiberTrace, September 2009 to April 10, 2023; does not include community arrears or LRA arrears

Land Rental Bid Fee	\$ 3,186,484.80	\$ 2,575,700.79	\$ 610,784.01
Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Coupe Inspection Fee	\$ 5,900.00		\$ 5,900.00
Barcode Tag Fee	\$ 4,000.00	\$ 4,000.00	
Export fee	\$ 46,936.60	\$ 46,936.60	
Other (13%)	\$ 15,785.91		\$ 15,785.91
Stumpage Fee (Grouping)	\$ 38,422.27	\$ 38,422.27	
Waybill Sticker Fee	\$ 6,300.00	\$ 6,300.00	
Sub Total	\$ 117,344.78	\$ 95,658.87	\$ 21,685.91

Source: LiberTrace-August 2016 to April 10, 2023

CFMA Beyan Poye – Akewa Group of Companies (Liberia) Inc.

ISSUE	Sofreco Review	Current Status
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Partially compliant</p> <p>The CFMA is compliant.</p> <p>No documented evidence to confirm that members do not include persons that are ineligible to operate in the forestry sector (e.g., no reference to debarment listing).</p>	<p>Business Registration expires Aug 2023, indicates Nigerian ownership.</p> <p>2016 Amendment of the 2013 Articles of Incorporation indicates owners Funke & Timothy Odebunmi and Chief K Amazeika were joined by Samson Odebunmi (now 40% for the first, and 20% each for the remaining three people).</p> <ul style="list-style-type: none"> ○ The Amendment is not witnessed. ○ No evidence provided that the FDA approved the Amendment. <p>FDA does not have a debarment listing that can be used for this assessment.</p>
Principle 2: Forest Allocation		
<p>a. CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>	<p>Noncompliant</p> <p>Approved applications for community assembly, executive community, and CFMB were unavailable for review.</p> <p>Existence of Social Agreement.</p> <p>No social-economic survey report.</p> <p>No bylaws.</p> <p>No reconnaissance report/approved CF map.</p>	<p>The CFMA is actually a 3rd party agreement with Akewa.</p> <p>Not notarized and signed only by the Chair of the BP CFMB.</p> <p>No further information on the completion of the nine steps.</p> <p>No Performance Bond.</p> <p>No social-economic survey report.</p> <p>No bylaws.</p> <p>No pre-qualification certificate.</p> <p>Global Witness (2018) reports that the CFMA overlaps with the entire CF encompassed by the Gibi PUP.</p>

ISSUE	Sofreco Review	Current Status
Principle 3: Social & Financial Obligations & Benefit Sharing		
<ul style="list-style-type: none"> a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi) b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17 c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4) d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9) e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8 	<p>Noncompliant</p> <p>The 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.</p> <p>No evidence of payments to communities (escrow account).</p> <p>No FDA Compliance Audit Report/Verification visit to Communities.</p>	<p>Third party agreement provided (but inaccurately called a CFMA).</p> <p>No evidence of payments to communities.</p> <p>No FDA Compliance Audit/verification visits to communities.</p>
Principle 4: Forest Management Operations and Harvesting		
<ul style="list-style-type: none"> a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1) b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11) c. Business Plan: FMC Contract (B3.11, B3.13) d. FDA Approval: FMC Contract (B3.11) e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13) f. Annual Compliance Audit: FMC Contract (B8.81) g. Five-year Management Review: FMC Contract (B8.82) <p>For CFMAs:</p> <ul style="list-style-type: none"> a. Preconditions: CFRL Reg. <ul style="list-style-type: none"> i. Community Assembly CFMB 	<p>Noncompliant</p> <p>No CFMP or 5YFMP.</p> <p>AOP is Noncompliant with the official guidelines.</p> <p>Logs enrolled in COC/LiberTrace system.</p> <p>Annual Harvesting Certificate issued by FDA despite the fact that the plans were noncompliant.</p>	<p>No AOP (the AOP provided expired in 2018).</p> <p>No CFMP or 5YFMP provided.</p> <p>Need access to LiberTrace to confirm Logs enrolled in COC/LiberTrace system.</p> <p>Annual Harvest issued by FDA but expired in 2019.</p>

ISSUE	Sofreco Review	Current Status
b. Community Forest Management Agreement: Reg. 7.1 i. Acceptance by Community: Reg. 7.5 ii. Acceptance by FDA: Reg 7.7 c. Community Forest Management Plan: Reg. 8.1 d. No third party can operate on >250,000 ha at a time: Reg. 10.4		
Principle 5: Environmental Obligations		
a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11) b. Compliance with environmental standards and ESIA Report: EPML (24-27), c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41) d. Compliance with Forest Management Guidelines: NFRL (8.1) e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3) f. Reforestation within 5 years: FMC Contract (B6.42)	Noncompliant ESIA report and permit available on LiberTrace but when reviewed it was Noncompliant. Annual environmental audit not done.	No EIA Permit. An undated ESIA report was provided but evidence of consultations with the community referenced in the report was never annexed. No evidence of the conduct of Annual environmental audits.
Principle 6: Timber Transportation & Traceability		
a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63) b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)	Partially Compliant Bar codes, waybills, tally sheets, and cross-cutting data all available on LiberTrace. No Annual Compliance Audit.	Access to LiberTrace was needed to confirm this principle. Confirmation/attestation required that Akewa does not have abandoned logs in the forest.
Principle 7: Transformation & Timber Processing		
a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2)	Not applicable	

ISSUE	Sofreco Review	Current Status
b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8) c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)		
Principle 8: Workers Rights, Health Safety & Welfare		
e. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA f. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3) g. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)	Noncompliant No reports from MOL or NASSCORP to obtain confirmation. No FDA Compliance Audit report. No payroll to confirm minimum wage.	No FDA Compliance Audit report. No report for MOL. NASSCORP information needed. No payroll to confirm minimum wage.
Principle 9: Taxes, Fees & Other Payments		
Settlement of taxes, fess, levies, tax arrears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)	Partially compliant No evidence of payment to communities. US\$14,706 in arrears (mainly area fees).	No evidence of payment to communities. In 2019, the LRA reportedly initiated an investigation into the CEO of Akewa Group for falsifying a tax clearance certificate in the process of bidding for a contract on the Gola Konneh Forest. ²³ In 2022, there was a report that the Beyan Poye CFMB took Akewa to court over still-unpaid harvest and land rental fees, along with ongoing failure to honor social obligations as outlined in their contract. The article notes that Akewa had also been found liable in the tax fraud case from 2019. ²⁴

²³ <https://allafrica.com/stories/202206090136.html>

²⁴ <https://thedaylight.org/2022/04/14/case-compels-company-to-settle-logging-disputes-with-community/>

ISSUE	Sofreco Review	Current Status
		<p>No evidence of payment to communities, pending response from NUCFMB and CMFMB. Tax clearance status to be provided by LRA if available.</p> <p>Sector specific fees and levies: of a total invoiced amount of US\$775,325.11, Akewa has paid US\$602,983.60 as of March 1, 2023, with outstanding arrears of US\$172,341.51 (LiberTrace as of March 1, 2023). Annual coupe fee, area fees, annual contract administration fees, and CoC registration fees are the outstanding fees.</p> <p>Tax payment information is pending response from LRA.</p>
Principle 10: Export, Processing & Trade Requirements		
<ul style="list-style-type: none"> a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21) 	<p>Partially Compliant</p> <p>Export permit available.</p> <p>Report on export volume.</p> <p>Proof of payment of export fees.</p>	<p>No export permit available.</p> <p>No proof of payment of export fees.</p> <p>Access to LiberTrace is needed to verify the existence or non-existence.</p> <p>Report on export volume pending access to LiberTrace.</p> <p>LiberTrace records as of March 1, 2023 indicate full payment of export fees of US\$292,120.65.</p>
Principle 11: Transparency & General Disclosure		
<ul style="list-style-type: none"> a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4) c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6) 	<p>Not previously reviewed</p>	<p>No records available.</p>

Obligations under Beyan Poye's Social Agreements

Terms	Date for delivery
55% of US\$1.25/ha land rental, with report to community at the time of each payment to FDA	Annual
US\$2.25/m ³	Quarterly
Construction of 13 hand pumps	
Construction of 13 wells	Two in each of the first 6 years and one in the 7th year
Construction of 13 latrines	Two in each of the first 6 years and one in the 7th year
Construction of a 6-class elementary school, and a junior high school. The schools shall contain a principal's office, staff office, reading room, and 2 latrines for students and 1 latrine for staff	Completion of the elementary school in the 3rd year of operation and the junior high in the 6th year of operation
Full scholarships for local students to attend full college or education at University of Liberia, with the agreement to return and contribute to the development of the district. After the first 3 years, scholarships for 2 additional students each year for the payment of textbooks and tuition fees	Four full scholarships for the first 3 years, thereafter 2 additional per year
Construction of a 4-room guesthouse	By the 7th year
Construction of a market hall	By 4th year
Provision of emergency transport	Ongoing as needed
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	
Construction of worker camps nearby towns, to the extent feasible	
First preference for skilled and unskilled employment, including building skill capacity where needed for employment	

Financial status CFMA Beyan Poye

Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee (Beyanpoye)	\$ 7,000.00	\$ 2,000.00	\$ 5,000.00
Annual Contract Administration Fee (Gola Konneh)	\$ 3,000.00	\$ 1,000.00	\$ 2,000.00
Annual Contract Administration Fee (TSC A3)	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Annual Coupe Inspection Fee	\$ 3,000.00	\$ 2,550.00	\$ 450.00
Area Fee (Beyanpoye)	\$ 131,255.83		\$ 131,255.83
Area Fee (Gola Konneh)	\$ 82,989.57	\$ 19,202.75	\$ 63,786.82
Area Fee (TSC A3)	\$ 24,125.00	\$ 10,835.00	\$ 13,290.00
Barcode Tag Fee	\$ 5,300.00	\$ 5,300.00	
Chain of Custody Registration Fee	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
Export fee	\$ 316,152.89	\$ 316,152.89	
Stumpage Fee (Grouping)	\$ 301,505.82	\$ 301,505.82	
Waybill Sticker Fee	\$ 2,625.00	\$ 2,625.00	
Grand Total	\$ 880,954.11	\$ 663,071.47	\$ 217,882.64

Source: LiberTrace March 17, 2017, to April 10, 2023; does not include community arrears or LRA arrears

Land Rental Bid Fee	\$ 52,000.00	\$ 52,000.50	\$.50
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CFMA Bluyeama – Sing Africa Plantations Liberia, Inc

ISSUE	Sofreco Review	Current Status
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)); NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Noncompliant</p> <p>The Report did not examine the legal existence of Sing Africa.</p> <p>No examination on ownership/shareholding.</p> <p>No reference to debarment listing.</p>	<p>Business Registration expired (February 2023), indicates Singaporean/Indian ownership.</p> <p>Amended Articles of Incorporation from 2018 (initial Article of Incorporation from 2015 was notarized yet the same signature appears for all three owners; signatures were not witnessed).</p> <p>No evidence that FDA approved the change in ownership.</p> <p>No debarment listing to confirm debarment.</p> <p>No ultimate Beneficiary declaration or affidavit on prohibited persons.</p>
Principle 2: Forest Allocation		
<p>a. CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>	<p>Partially compliant</p> <p>No evidence of community compliance with the 9/11 steps.</p> <p>CFMA reviewed.</p> <p>Existence of Social Agreement.</p> <p>No social-economic survey report.</p> <p>No bylaws.</p>	<p>Existence of CFMA (2012).</p> <p>Not notarized.</p> <p>Signed only by Chair of CFMB.</p> <p>Global Witness (2017) alleges CFMB was only created two months after the CFMA was signed.</p> <p>US\$25,000 Performance Bond (expired 2020) secures obligation only to the FDA. Further confirmation on the solvency of Family Dollar Insurance is needed.</p> <p>Social-economic survey report available.</p> <p>No bylaws.</p> <p>Pre-qualification certificate valid from 2018-2021</p> <p>Socio-economic & reconnaissance survey (prepared by FDA in 2011) has the exact same inventory data (starting on p.21) as FMC A (even though they claim the Bluyeama data was collected in 2011 and the FMC A data was collected in 2007).</p>

ISSUE	Sofreco Review	Current Status
		<p>SDI (2016) contract negotiations between SAPLI and the Bluyeama without broader consultation and only made public during the signing process.</p> <p>No evidence of membership listing to determine if it meets gender representation.</p> <p>SGS noted that implementation of principles 3, 4, and 5 in the CFMA Bluyeama plan was not completed.</p> <p>Global Witness (2017) reported that logging companies dominated and influenced the CFMA application process in Bluyeama.²⁵</p>
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Noncompliant</p> <p>Existence of Third-party agreement.</p> <p>Minimum conditions included in the Agreement.</p> <p>Inadequacy of documentation in the LiberTrace system.</p> <p>No evidence of payments to communities (escrow account).</p> <p>No FDA Compliance Audit Report.</p> <p>"There is no evidence that the holder fulfills his payment obligations towards the communities."</p>	<p>Third-party agreement with Sing Africa with the communities exists.</p> <p>Minimum conditions included in the Agreement.</p> <p>No evidence of payments to communities.</p> <p>No FDA Compliance Audit.</p> <p>Area Map existence.</p> <p>SDI report from 2022 cited partial payment on land rental fees (annual fees paid US\$47,421.00).</p> <p>SDI 2022 report cited irregularity in payment of land rental fees.</p> <p>In January 2021, the affected community accused Sing Africa of not fulfilling the social agreement it signed when it took over the contract from ECOWOOD. It only delivered 30% of the funding it committed to for community and infrastructure improvements.²⁶</p>

²⁵ ile:///C:/Users/ngoodman/Downloads/Global_Witness_-_Changes_Needed_to_Liberias_Community_Forestry_Laws_-_4_Aug_17.pdf

²⁶ <https://frontpageafricaonline.com/news/liberia-blueyama-residents-express-frustration-over-logging-company-failure-to-address-social-development-responsibilities/>

ISSUE	Sofreco Review	Current Status
Principle 4: Forest Management Operations and Harvesting		
<ul style="list-style-type: none"> a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1) b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11) c. Business Plan: FMC Contract (B3.11, B3.13) d. FDA Approval: FMC Contract (B3.11) e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13) f. Annual Compliance Audit: FMC Contract (B8.81) g. Five-year Management Review: FMC Contract (B8.82) <p>For CFMAs:</p> <ul style="list-style-type: none"> c. Preconditions: CFRL Reg. <ul style="list-style-type: none"> i. Community Assembly CFMB d. Community Forest Management Agreement: Reg. 7.1 <ul style="list-style-type: none"> i. Acceptance by Community: Reg. 7.5 ii. Acceptance by FDA: Reg 7.7 c. Community Forest Management Plan: Reg. 8.1 d. No third party can operate on >250,000 ha at a time: Reg. 10.4 	<p>Noncompliant</p> <p>Existence of AOP, 5YFMP.</p> <p>No CFMP.</p> <p>AOP and 5YFMP are Noncompliant with the guidelines for the plans.</p> <p>Logs enrolled in COC/LiberTrace system.</p> <p>Annual Harvesting Certificate issued by FDA although the plans were non-complaint.</p>	<p>None of the updated AOP, 5YFMP, and CFMP have been provided.</p> <p>No CFMP approved by CA, EC, and FDA has been provided.</p> <p>No Annual Harvesting Certificate provided.</p> <p>No report on annual compliance audit.</p>

ISSUE	Sofreco Review	Current Status
Principle 5: Environmental Obligations		
<ul style="list-style-type: none"> a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11) b. Compliance with environmental standards and ESIA Report: EPML (24-27), c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41) d. Compliance with Forest Management Guidelines: NFRL (8.1) e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3) f. Reforestation within 5 years: FMC Contract (B6.42) 	<p>Noncompliant</p> <p>ESIA report and permit available on LiberTrace, but when reviewed, they lack substance and requirements.</p> <p>Annual environmental audits not done.</p>	<p>No EIA Permit.</p> <p>No ESIA cited.</p> <p>Evidence of the conduct of Environmental Audit (from 2019). The EAR is available, with references made therein to the existence of EIA permit and ESIA report.</p>

ISSUE	Sofreco Review	Current Status
Principle 6: Timber Transportation & Traceability		
<ul style="list-style-type: none"> a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63) b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7) 	<p>Partially compliant</p> <p>Bar codes, waybills, tally sheets, and cross cutting data all available on LiberTrace.</p> <p>No compliance audit report was cited.</p>	<p>Access to LiberTrace is needed to confirm this principle.</p> <p>Confirmation/attestation required that Sing Africa does not have abandoned logs in the forest.</p>
Principle 7: Transformation & Timber Processing		
<ul style="list-style-type: none"> a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2) b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8) 	<p>Not applicable</p>	<p>Attestation on the existence of sawmill to confirm compliance.</p>

ISSUE	Sofreco Review	Current Status
<ul style="list-style-type: none"> c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19) 		

ISSUE	Sofreco Review	Current Status
Principle 8: Workers Rights, Health Safety & Welfare		
<ul style="list-style-type: none"> a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3) c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5) 	<p>Noncompliant</p> <p>No reports from MOL or NASSCORP to obtain confirmation.</p> <p>No FDA Compliance Audit report.</p> <p>No payroll to confirm minimum wage.</p>	<p>No FDA Compliance Audit report.</p> <p>No report from MOL.</p> <p>NASSCORP records show a total of 143 employees enrolled in the schemes as of March 2023, but its contribution history ranges from 2015 up to September 2020.</p> <p>No payroll to confirm minimum wage or the base on which these payments were made.</p>
Principle 9: Taxes, Fees & Other Payments		
Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)	<p>Partially compliant</p> <p>No evidence of payment to communities.</p> <p>Still in arrears/overdue payments to government for area, stumpage, and export fees (US\$139,766).</p>	<p>No evidence of payment to communities.</p> <p>No Tax Clearance provided.</p> <p>No evidence of payment to communities, pending response from NUCFMB and CMFMB.</p> <p>Tax clearance status to be provided by LRA if available.</p> <p>Sector specific fees and levies: of a total invoiced amount of US\$1,888,408.01, Sing has paid US\$1,537,177.17 as of March 1, 2023, with outstanding arrears of US\$351,230.84 (LiberTrace as of March 1, 2023). Area fees, annual contract administration fees, stumpage fees, and barcode tag fees, are the outstanding fees.</p> <p>Tax payment information is pending response from LRA.</p>

ISSUE	Sofreco Review	Current Status
Principle 10: Export, Processing & Trade Requirements		
<ul style="list-style-type: none"> a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21) 	<p><i>Partially compliant</i></p> <p>Export permit available.</p> <p>Payment of export fees (although there are overdue payments).</p> <p>Report on export volume.</p>	<p>No export permit available.</p> <p>No export volume.</p> <p>No proof of payment of export fees.</p> <p>Access to LiberTrace needed to verify the existence or non-existence of these documents.</p> <p>Report on export volume pending access to LiberTrace.</p> <p>LiberTrace records as of March 1, 2023 indicate full payment of export fees of US\$710,285.17.</p>
Principle 11: Transparency & General Disclosure		
<ul style="list-style-type: none"> a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4) c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6) 	<p><i>Not previously reviewed</i></p>	<p>No records available.</p>

Obligations under Blueyama's Social Agreements

Terms	Date for delivery
60% of US\$1.25/ha land rental, with report to community at the time of each payment to FDA	Annual
US\$3.00/m ³ of NTFP such as camwood	One month after shipment
Construction of international standard bridge over Via River, as near as possible to the Clan capital Wumai	Assessment to be completed in year 1, preparation in year 2, construction to commence in year 3 and every effort to complete by the end of second year of construction
First preference for skilled and unskilled employment, including building skill capacity where needed for employment	
Equal opportunity for women for employment, skilled and unskilled	
Protect and maintain local water sources	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	
Construction of worker camps nearby towns, to the extent feasible	
Will not harvest palms for bridges, processing, or export	
Conduct community wide sensitization to assess community needs and contribute substantially to identified community development programs (human resource development, construction of school, clinic, etc.)	
Connect all 12 towns of the Clan by suitable and durable road network	Within 6 years of signing
Bridges on secondary roads will be made of Ekki or similar hardwoods for durability, all buildings will be of concrete or dirt block plastered with concrete whenever possible	
Will provide transport in case of emergency or major development project	

Financial status CFMA Bluyeama

Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee	\$ 7,000.00	\$ 4,000.00	\$ 3,000.00
Annual Coupe Inspection Fee	\$ 4,500.00	\$ 4,500.00	
Area Fee	\$ 174,998.25	\$ 94,999.50	\$ 79,998.75
Barcode Tag Fee	\$ 24,200.00	\$ 20,100.00	\$ 4,100.00
Chain of Custody Registration Fee	\$ 1,000.00	\$ 1,000.00	
Export fee	\$ 710,285.17	\$ 710,285.17	
Stumpage Fee (Grouping)	\$ 842,953.34	\$ 705,042.25	\$ 137,911.09
Waybill Sticker Fee	\$ 36,000.00	\$ 35,250.00	\$ 750.00
Grand Total	\$ 1,800,936.76	\$ 1,575,176.92	\$ 225,759.84

Source: LiberTrace January 30, 2016 to April 10, 2023; does not include community arrears or LRA arrears

CFMA Gbi – Liberia Tree & Trading Co (LTTC), Inc.

ISSUE	Sofreco Review	LCFRII Review
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<i>Not previously reviewed</i>	<p>Originally amongst the companies that were issued PUPs.</p> <p>Commencing from 2011/2012, the CEO was prohibited from operating in the sector, as he was elected to the House of Representatives (District 6 of Nimba County).</p> <p>Business Registration that expired June 2023 indicates Liberian ownership.</p> <p>Amended Articles of Incorporation (from 2014) exists, removing Ricks Toweh.</p> <p>Notarized Articles of Incorporation for the Gbi Chiefdom Community Assembly, Inc (signed June 2011).</p> <p>No evidence of FDA's approval of the transfer.</p> <p>Ownership is Liberian, but no debarment listing to confirm debarment.</p> <p>No ultimate Beneficiary declaration or affidavit on prohibited persons.</p>
Principle 2: Forest Allocation		
<p>a. For CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements PPCC Act: NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>	<i>Not previously reviewed</i>	<p>Existence of CFMA, listing of governance structure, and Articles of Incorporation exist for the Community (CFMA was not notarized).</p> <p>Notably, the CFMA was signed (January 2011) after the community executed a social agreement with LTTC in December of 2010.</p> <p>Performance Bond which secures obligation only to the FDA expired May 2023.</p> <p>Further confirmation needed on the solvency of SAARL Insurance.</p> <p>No social-economic survey report.</p> <p>No bylaws.</p>

ISSUE	Sofreco Review	LCFRII Review
		<p>Existence of pre-qualification certificate (valid 2021-2024); no pre-qualification certificate provided from 2011-2024.</p> <p>No evidence of CFDCs being incorporated or evidence of operational bank account.</p> <p>No evidence of CFDC membership.</p>
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<i>Not previously reviewed</i>	<p>Existence of Third-party agreement with LTTC but signed by local authority, chief, elder, etc. and not the CFMB.</p> <p>Minimum Conditions on land area, rights & obligation of parties, tenure, definite amount for cubic meter, and social obligations.</p> <p>No FDA Compliance Audit.</p> <p>No evidence to show that social obligations were performed as listed in SA: job creation, scholarships (10 persons), teachers' stipend, and agroforestry projects.</p> <p>Allegations of failure to comply with social benefits payments.²⁷</p> <p>Dispute resolution minutes not provided by FDA.</p> <p>Community claims US\$43,312 in unpaid fees owed to them by LTTC. FDA evidently gave LTTC an ultimatum to pay the fees, but LTTC did not comply.²⁸</p>
Principle 4: Forest Management Operations & Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3, 5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1</p>	<i>Not previously reviewed</i>	<p>AOP expired in 2022.</p> <p>While Noncompliant, Acting MD approved the AOP in 2021.</p>

²⁷ <https://www.liberianobserver.com/liberia-fda-watches-company-abandon-5000-logs-nimba>

²⁸ <https://frontpageafricaonline.com/county-news/logging-company-sues-community-leader-over-money-materials-for-doru/>

ISSUE	Sofreco Review	LCFRII Review
<ul style="list-style-type: none"> b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11) c. Business Plan: FMC Contract (B3.11, B3.13) d. FDA Approval: FMC Contract (B3.11) e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13) f. Annual Compliance Audit: FMC Contract (B8.81) g. Five-year Management Review: FMC Contract (B8.82) <p>For CFMAs:</p> <ul style="list-style-type: none"> a. Preconditions: CFRL Reg. <ul style="list-style-type: none"> i. Community Assembly: CFMB e. Community Forest Management Agreement: Reg. 7.1 <ul style="list-style-type: none"> i. Acceptance by Community: Reg. 7.5 ii. Acceptance by FDA: Reg 7.7 c. Community Forest Management Plan: Reg. 8.1 d. No third party can operate on >250,000 ha at a time: Reg. 10.4 		<p>5- year Plan (expired 2019). Should not be third 5- year plan with increased information requirements.</p> <p>The expired 5 Year Plan refers to a SFMP approved in July 2011, but it is not provided.</p> <p>No CFMP approved by CA, EC, and FDA has been provided.</p> <p>Access to LiberTrace is needed to confirm enrollment of logs.</p> <p>LTTC was issued an Annual Harvesting Certificate (expired Sept 2022).</p> <p>No report on annual compliance audit.</p>
Principle 5: Environmental Obligations		
<ul style="list-style-type: none"> a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11) b. Compliance with environmental standards and ESIA Report: EPML (24-27), c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41) d. Compliance with Forest Management Guidelines: NFRL (8.1) e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3) f. Reforestation within 5 years: FMC Contract (B6.42) 	<i>Not previously reviewed</i>	<p>Noncompliant.</p> <p>EPA Permit expired April 1, 2023.</p> <p>No ESIA cited.</p> <p>Environmental audit conducted in 2017 which referenced the ESIA report.</p>

Principle 6: Timber Transportation & Traceability		
a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63) b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)	<i>Not previously reviewed</i>	Access to LiberTrace is needed to confirm this principle. Confirmation/Attestation required that LTTC does not have abandoned logs in the forest.
Principle 7: Transformation & Timber Processing		
a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2) b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8) c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)	<i>Not previously reviewed</i>	Confirmation of the existence of a sawmill is needed to confirm compliance. Access to LiberTrace is needed to confirm COC ID# assigned to logs harvested.
Principle 8: Workers Rights, Health Safety & Welfare		
a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3) c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)	<i>Not previously reviewed</i>	No FDA Compliance Audit report. No report from Ministry of Labor. NASSCORP records show a total of 2,723 employees enrolled in the schemes, but its contribution history ranges from 2010 only up to 2021. Some months are skipped in the payment history. No payroll information was provided to confirm minimum wage payments nor on which salary base these payments were made. MoL statistical report is needed establish evidence of number of local hires.

Principle 9: Taxes, Fees & Other Payments		
Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)	<i>Not previously reviewed</i>	No evidence of payment to communities. Tax Clearance expired in November 2022.
Principle 10: Export, Processing & Trade Requirements		
a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21)	<i>Not previously reviewed</i>	No Export permit was shared. No export volume was reported. Access to LiberTrace was needed to verify the existence or non-existence of these documents, but it has not been forthcoming.
Principle 11: Transparency & General Disclosure		
a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4) c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)	<i>Not previously reviewed</i>	No records available.

Obligations under Gbi's Social Agreements

Terms	Date for delivery
55% of US\$2.50/ha land rental	Annual
US\$2.00/m ³ with waybill	One month after shipment
Recondition major roads as identified by the communities, build and recondition bridges out of steel and concrete as identified by communities	
Construction of one high school in a town as indicated by the communities	
Construction of clinics in both communities	
Construction of latrines in both communities	
Construction of boreholes for safe drinking water in both communities	
Assist pastors in the communities with construction of churches and provides them with some incentives for the spiritual service of the community	
Provide employment opportunities, on a gender-equal basis	
Provide scholarships for 10 people in forestry, construction, nursing, engineering, agriculture	
Carry out agroforestry projects in the communities	
Provide stipends for teachers and elders	

Financial status CFMA Gbi

DESCRIPTION	INVOICE AMOUNT (USD)	AMOUNT PAID (USD)	BALANCE DUE (USD)
Annual Contract Administration Fee (2011)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2012)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2013)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2014)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2015)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2016)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2017)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2018)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2019)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2020)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2021)	\$1,000.00	\$1,000.00	
Annual Contract Administration Fee (2022)	\$1,000.00	\$1,000.00	
Area Fee (2011)	\$17,524.69	\$17,524.69	
Area Fee (2012)	\$17,524.69	\$1,475.31	\$16,049.38
Area Fee (2013)	\$17,524.69		\$17,524.69
Area Fee (2014)	\$17,524.69		\$17,524.69
Area Fee (2015)	\$17,524.69		\$17,524.69
Area Fee (2016)	\$17,524.69	\$17,524.69	
Area Fee (2017)	\$17,524.69	\$6,475.31	\$11,049.38
Area Fee (2018)	\$17,524.69	\$17,524.69	
Area Fee (2019)	\$17,524.69	\$17,524.69	
Area Fee (2020)	\$17,524.69	\$14,761.24	\$2,763.45
Area Fee (2021)	\$17,524.69	\$17,524.69	
Area Fee (2022)	\$17,524.69	\$17,524.69	
<i>Source: LiberTrace July 18, 2011 to April 10, 2023; does not include community arrears or LRA arrears</i>			
Sub Total Land Rental	\$222,296.28	\$139,860.00	\$82,436.28

Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Coupe Inspection Fee	\$ 6,500.00	\$ 2,150.00	\$ 4,350.00
Barcode Tag Fee	\$ 13,800.00	\$ 13,800.00	
Export fee	\$ 38,603.89	\$ 38,603.89	
Other (13%)	\$ 24,975.96		\$ 24,975.96
Stumpage Fee (Grouping)	\$ 1,011,694.37	\$ 1,011,694.37	
Waybill fee	\$ 5,250.00	\$ 5,250.00	
Waybill Sticker Fee	\$ 21,150.00	\$ 21,150.00	
Sub Total	\$ 1,121,974.22	\$ 1,092,648.26	\$ 29,325.96

CFMA Gheegbarn #1 – West African Forest Development Inc. (WAFDI)

ISSUE	Sofreco Review	Current Status																								
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector																										
<div>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</div> <div>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</div>	<div>Not previously reviewed</div>	<div>Business registration valid until September 2023.</div> <div>Business registration indicates ownership is Chinese. Amended Articles of Incorporation provided from 2019, but current ownership is not clear (see block of text: The name, nationality, a ddress and number of shares of the initial shareholder/subscriber are as follows and hereby amended: <table><thead><tr><th>Name</th><th>Nationality</th><th>Address</th><th>Shares</th><th>Tel</th><th>Email</th></tr></thead><tbody><tr><td>Wang Chenchen</td><td>Chinese</td><td>Sinkor Old Road, Monrovia, Liberia</td><td>100%</td><td>0886737830</td><td>astella0221@msn.cn</td></tr></tbody></table> The name, nationality, address and number of shares of the initial shareholder/subscriber are as follows is hereby amended and read as follows: <table><thead><tr><th>Name</th><th>Nationality</th><th>Address</th><th>Shares</th><th>Tel</th><th>Email</th></tr></thead><tbody><tr><td>Fang Jiang Sheng</td><td>Chinese</td><td>Nanchang City, People's Republic of China</td><td>100%</td><td></td><td></td></tr></tbody></table></div> <div>No evidence of debarment.</div> <div>No ultimate Beneficiary declaration or affidavit on prohibited persons.</div>	Name	Nationality	Address	Shares	Tel	Email	Wang Chenchen	Chinese	Sinkor Old Road, Monrovia, Liberia	100%	0886737830	astella0221@msn.cn	Name	Nationality	Address	Shares	Tel	Email	Fang Jiang Sheng	Chinese	Nanchang City, People's Republic of China	100%		
Name	Nationality	Address	Shares	Tel	Email																					
Wang Chenchen	Chinese	Sinkor Old Road, Monrovia, Liberia	100%	0886737830	astella0221@msn.cn																					
Name	Nationality	Address	Shares	Tel	Email																					
Fang Jiang Sheng	Chinese	Nanchang City, People's Republic of China	100%																							
Principle 2: Forest Allocation																										
<div>a. CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</div> <div>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</div> <div>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5);</div>	<div>Not previously reviewed</div>	<div>Existence of CFMA (from November 2017), but no further information on the completion of the nine steps has been provided.</div> <div>Signed only by Chief Officer of CFMB.</div> <div>Approved by FDA Board 10 months later.</div> <div>Not notarized.</div> <div>US\$50,000 Performance Bond which secures obligation only to the FDA remains current until June 2023.</div>																								

ISSUE	Sofreco Review	Current Status
<p>Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>		<p>Further confirmation is needed on the solvency of the Insurer.</p> <p>No social-economic survey report.</p> <p>No bylaws.</p> <p>Area Map cited.</p> <p>Pre-qualification certificate expired in 2020. The Pre-qualification certificate was awarded in 2017, before the change of ownership; the FDA should have approved the transfer of ownership rights (no evidence of this has been provided).</p>
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	Not previously reviewed	<p>There is existence of a Third-party agreement with WAFDI valid for 7 years (from Dec 2018), but signed only by the Chief Officer of the CFMB with no documentation to show evidence of authority to sign on behalf of the CFMB.</p> <p>Not notarized.</p> <p>Minimum Conditions on land area, rights & obligation of parties, tenure, definite amount for cubic meter, social obligations (See Annex 1).</p> <p>Mode of payment to FDA in breach of CRL regulation.</p> <p>No evidence of payments to communities, according to the NUCFMB and CMFB.</p> <p>No FDA Annual Compliance Audit.</p> <p>SGS report indicated that the company is Noncompliant with social payment.</p> <p>Community representatives complained that WAFDI had not fulfilled its obligations as per projects in their December 2018 agreement.²⁹</p> <p>No evidence provided by the FDA regarding the stocktaking and documentation of forest resources.</p>

²⁹ [Visit Gives Ambassadors Clues To Community Forestry Challenges - The Daylight, March 16, 2023](#)

ISSUE	Sofreco Review	Current Status
		<p>FDA has not provided any information to the CMFM on the minimum standards for the development, renewal, and approval of CFMP.</p> <p>No evidence to show technical assistance provided to CMFB on zoning limits, scale, conservation, and/or commercial exploitation.</p> <p>No evidence of a capacity development plan on sustainable management of community resources, including security, financial, and technical assistance.</p> <p>No M&E report/evidence available on all legal and technical standards provided by the FDA.</p> <p>WAFDI – community compliant regarding company’s failure to meet obligations – no evidence of dispute resolution between the parties by FDA.</p>
Principle 4: Forest Management Operations and Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval: FMC Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review: FMC Contract (B8.82)</p> <p>For CFMAs:</p> <p>a. Preconditions CFRL Reg.</p> <p>i. Community Assembly CFMB</p> <p>b. Community Forest Management Agreement: Reg. 7.1</p> <p>i. Acceptance by Community: Reg. 7.5</p> <p>ii. Acceptance by FDA: Reg 7.7</p> <p>c. Community Forest Management Plan: Reg. 8.1</p>	Not previously reviewed	<p>On Dec 2021, the MOJ found “gross violations of our forestry laws and procedures by WAFDI (Ref: MD/123/2021/-1), concluding:</p> <ul style="list-style-type: none"> WAFDI was issued an Annual Harvesting Certificate despite non-compliance with the Code of Harvesting Practices, etc. (although they were compliant in the past). SGS noted that WAFDI was in arrears but “later complied with.” SGS had confirmed that FDA’s approval of WAFDI’s 5YFMP & AOPs were based on an illegal 5YFMP. WAFDI’s “commercial use agreement” violated the legislative framework, as it allowed “the harvest of the entire 26,000 ha within 5 years,” and despite this violation no action was taken by the FDA. <p>“There has been a pattern and practice of violations of forestry laws, regulations, and Code of Harvesting Practices by FDA.”</p> <p>a) The FDA MD approved the harvest of the entire area within 5 years (violating NFRL Section 8.2(a) and Section 6.2(a) of the Code of Harvesting Practices “as well as the current 15-year harvesting cycle established by FDA for community forestry.”</p> <p>b) WAFDI was allowed by FDA and SGS to “harvest and export logs under this illegal management plan until September 2, 2021.”</p> <p>c) Even if the community approved of the 7-year plan “FDA has the legal authority and responsibility to ensure that the contract and the approved management plans comply with the forestry laws.”</p> <p>WAFDI is “obligated to know and comply with all forestry laws and procedures.”</p>

ISSUE	Sofreco Review	Current Status
d. No third party can operate on >250,000 ha at a time: Reg. 10.4		<p>The MOJ concluded that the findings “require administrative actions against those found culpable” and WAFDI’s plans “should be immediately rectified.”</p> <ul style="list-style-type: none"> • 5YFMP was approved by the FDA as compliant with the guidelines in June 2022, although logging began in 2018. • AOP was approved despite being noncompliant (missing, for example, a map of roads and an inventory (The AOP says the inventory is in LiberTrace, but no access was given to LFCRII)). • FDA Board Resolution 19 (January 2022) required WAFDI to “adjust the plans in conformity with the 15 years’ life span of Authorized CFMA.” • We have not received an approved CFMP by CA, EC, and FDA (although the SFMP is referred to in the 5 Yrs. Plan as being approved in 2018). • Access to LiberTrace is needed to confirm enrollment of logs. • Annual Harvesting Certificate expired in Sept 2022 (it was valid for only two months –August & September 2022). • No report on annual compliance audit.
Principle 5: Environmental Obligations		
<p>a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>b. Compliance with environmental standards and ESIA Report: EPML (24-27),</p> <p>c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>d. Compliance with Forest Management Guidelines: NFRL (8.1)</p> <p>e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>f. Reforestation within 5 years: FMC Contract (B6.42)</p>	<i>Not previously reviewed</i>	<p>EIA Permit (expires 2024).</p> <p>No ESIA provided.</p> <p>No evidence of the conduct of annual environmental audits.</p> <p>SGS reported that the company is Noncompliant with the socio-economic survey report and the company provided no evidence of compliance.</p>

ISSUE	Sofreco Review	Current Status
Principle 6: Timber Transportation & Traceability		
a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63) b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)		Access to LiberTrace was needed to confirm this principle, but was not provided. Confirmation/attestation required that WAFDI does not have abandoned logs in the forest. Total abandoned logs within LiberTrace /FDA need to be confirmed. FDA assessment report (2020) confirmed huge unspecified quantities of “unattended /abandoned logs.” Allegations that the FDA was recommended to suspend WAFDI until a review pf “operational documents, their management plans and AOPs” and have SGS revisit contractual documents in the LiberTrace System. ³⁰
Principle 7: Transformation & Timber Processing		
a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2) b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8) c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)	Not previously reviewed	Confirmation of the existence of sawmill to confirm compliance. Access to LiberTrace needed to confirm COC ID# assigned to logs harvested. Daylight reported that WADFI had informed that FDA about pit-sawing activities within its operations. ³¹
Principle 8: Workers Rights, Health Safety & Welfare		
a. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3) c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA	Not previously reviewed	No FDA Compliance Audit report. Review pending MoL data. No evidence that WAFDI is in compliance with NASSCORP obligations.

³⁰ Infractions in Liberia’s forestry sector: examples and evidence September 2022

³¹ [Visit Gives Ambassadors Clues To Community Forestry Challenges - The Daylight](#)

ISSUE	Sofreco Review	Current Status
(Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)		NASSCORP information not available, pending NASSCORP submission. No payroll to confirm minimum wage, pending operator submission of information.
Principle 9: Taxes, Fees & Other Payments		
Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)	<i>Not previously reviewed</i>	No evidence of payment to communities, pending NUCFMB and CMFMB. Tax Clearance expired Nov 2022, pending LRA confirmation. FDA Board Resolution 19 (January 2022) required WAFDI to pay “additional taxes.” No evidence of payment to communities, pending response from NUCFMB and CMFMB. Tax clearance status to be provided by LRA if available. Sector specific fees and levies: of a total invoiced amount of US\$1,576,781.86, WAFD has paid US\$1,560,393.86 as of March 1, 2023, with outstanding arrears of US\$16,388.00 (LiberTrace as of March 1, 2023). Area fees, annual contract administration fees, and waybill sticker fees are the outstanding fees. Tax payment information is pending response from LRA.
Principle 10: Export, Processing & Trade Requirements		
a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21)	<i>Not previously reviewed</i>	No export permit available. Report on export volume. No proof of payment of export fees. Access to LiberTrace needed to verify the existence or non-existence.
Principle 11: Transparency & General Disclosure		
a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4)	<i>Not previously reviewed</i>	No records available. Tax filing and audited financial statements, pending verification from LRA.

ISSUE	Sofreco Review	Current Status
c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)		

Obligations under Gheegbarn #1's Social Agreements

Terms	Date for delivery
55% of US\$1.25/ha land rental	Annual
US\$2.00/m ³ with waybill	One month after shipment
Install and maintain 10 water pumps	By 2nd year of operation
US\$5,000 scholarship contribution	annual
Construct 10 latrines, each with 2 toilet rooms	By 31 December 2020
Construct/recondition road from Wakka Town to Ponney	Begin upon signing agreement, complete by end of 2nd year
Construct 4 additional roads in the community, as identified by community	
Construct and furnish 2 elementary schools, each with 9 classrooms, and consistent with Min of Education regulations for school construction	First completed in 2nd year, Second completed in 4th year
Construction of one clinic with incendiary	Completed by 4th year
First preference for skilled and unskilled employment, including building skill capacity where needed for employment	
Equal opportunity for women for employment, skilled and unskilled	
Protect and maintain local water sources	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	
Construction of worker camps nearby towns, to the extent feasible	
Will not harvest palms for bridges, processing, or export	

Financial status CFMA Gheegbarn #1

Type of fees	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee (Gheegbam 1)	\$ 5,000.00	\$ 5,000.00	
Annual Contract Administration Fee (Tarsue)	\$ 4,000.00	\$ 2,000.00	\$ 2,000.00
Annual Coupe Inspection Fee	\$ 4,200.00	\$ 4,200.00	
Area Fee (Gheegbam 1)	\$ 74,145.95	\$ 74,145.95	
Area Fee (Tarsue)	\$ 21,276.00	\$ 10,638.00	\$ 10,638.00
Barcode Tag Fee	\$ 8,500.00	\$ 8,500.00	
Chain of Custody Registration Fee	\$ 2,000.00	\$ 2,000.00	
Export fee	\$ 729,373.01	\$ 729,373.01	
Stumpage Fee (Grouping)	\$ 713,494.06	\$ 702,373.07	\$ 11,120.99
Waybill Sticker Fee	\$ 27,450.00	\$ 27,450.00	
Grand Total	\$ 1,589,439.02	\$ 1,565,680.03	\$ 23,758.99

Source: LiberTrace December 21, 2018 to April 10, 2023; does not include community arrears or LRA arrears

CFMA Sewacajua – Mandra Forestry Liberia Ltd.

ISSUE	Sofreco Review	LCFR II Review
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Noncompliant</p> <p>No documents were shared.</p> <p>The report did not examine the legal existence of Mandra.</p> <p>No examination of ownership/shareholding.</p> <p>No evidence of debarment listing.</p>	<p>Business Registration expires in September 2023, indicating ownership is Malaysian/British.</p> <p>Articles of Amendment exists, indicating ownership is Malaysian, BVI, & Hong Kong.</p> <p>No ultimate Beneficiary declaration or affidavit on prohibited persons (99.7% of shares are owned by Mandra Plantations Liberia Ltd).</p> <p>FDA does not have a debarment listing that can be used for this assessment.</p> <p>No evidence of FDA's approval of any transfer of rights.</p> <p>(Note for FDA attention): There is no debarment listing to confirm debarment?</p>
Principle 2: Forest Allocation		
<p>a. CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>	<p>Noncompliant</p> <p>No documents were shared.</p> <p>No evidence of community compliance with 9/11 steps.</p> <p>No commercial use contracts. Existence of Social Agreement.</p>	<p>CFMA executed between the Sewacajua and FDA.</p> <p>Allegation of a misstep in implementation of the nine steps by FDA (SDI 2018 report): CMFA was approved by FDA before the establishment of the CFMB and adoption of by-laws.³²</p> <p>SDI (2018) report confirms existence of governance structure but no bylaws.</p> <p>Performance bond which secures obligation only to the FDA.</p> <p>Mutual Benefit Insurance Policy remains current until July 2023.</p>

³² https://www.sdiliberia.org/sites/default/files/publications/FINAL%20SDI%20briefing%2005_compressed.pdf

ISSUE	Sofreco Review	LCFR II Review
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p><i>Partially compliant</i></p> <p>Existence of third-party agreement.</p> <p>Minimum conditions included in the Agreement.</p> <p>Inadequacy of documentation in the LiberTrace system.</p> <p>“There is no evidence that the holder fulfills his payment obligations towards the communities.”</p>	<p><i>Partially compliant</i></p> <p>No evidence of third-party agreement between Mandra and community.</p> <p>Minimum conditions included in the CFMA outline rights & obligation of the parties’ tenure definite amount for cubic meter, social obligations (See Annex 1).</p> <p>Remittance of Community benefits to FDA is in breach of CRL regulation.</p> <p>No evidence of payments to communities, pending CMFB and CFDC reports.</p> <p>No FDA Compliance Audit.</p> <p>Area Map cited.</p> <p>No evidence of CFDCs being incorporated or evidence of operational bank account.</p> <p>No evidence of CFDC membership.</p> <p>In April 2021, community members reportedly brought a lawsuit against Mandra for non-compliance with the Social Agreement. Specifically, they allege that the company committed to building new latrines, repairing existing latrines, building a clinic, and repairing and maintaining roads, all of which it failed to do.³³</p>

³³ <https://gnnliberia.com/liberia-mandras-logging-contract-with-sawacajua-risks-termination/>

Principle 4: Forest Management Operations & Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1)</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval: FMC Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review: FMC Contract (B8.82)</p> <p>For CFMAs:</p> <p>a. Preconditions: CFRL Reg.</p> <p>i. Community Assembly CFMB</p> <p>b. Community Forest Management Agreement: Reg. 7.1</p> <p>i. Acceptance by Community: Reg. 7.5</p> <p>ii. Acceptance by FDA: Reg 7.7</p> <p>c. Community Forest Management Plan: Reg. 8.1</p> <p>d. No third party can operate on >250,000 ha at a time: Reg. 10.4</p>	<p>Noncompliant</p> <p>According to LEITI, Mandra was the largest producer and exporter of timber in Liberia in FY19/20 (21.5% of production).</p> <p>Existence of AOP, 5YFMP, and CFMP.</p> <p>All are noncompliant with the law, regulation, and guidelines Logs enrolled in COC/LiberTrace system.</p> <p>Annual Harvesting Certificate was issued by the FDA despite the plans being noncompliant.</p>	<p>None of the updated AOP, 5YFMP, and CFMP were provided.</p> <p>No evidence of an approved CFMP by CA, EC, and FDA.</p> <p>Access to LiberTrace is needed to confirm enrollment of logs.</p> <p>No Annual Harvesting Certificate was provided.</p> <p>No report on FDA's annual compliance audit was provided.</p> <p>Multi-resource inventory and documentation of forest resources; no evidence provided by FDA.</p> <p>Information to CMFP on minimum standards for the development, renewal, and approval of CFMP – no evidence provided by FDA.</p> <p>No evidence of technical assistance to CMFB on zoning limits, scale, conservation, and/or commercial exploitation.</p> <p>No evidence of capacity development plan on sustainable management of community resources, including security, financial and technical assistance.</p> <p>No data on M&E report/evidence on any legal and technical standards.</p>

Principle 5: Environmental Obligations		
<p>a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11)</p> <p>b. Compliance with environmental standards and ESIA Report: EPML (24-27),</p> <p>c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41)</p> <p>d. Compliance with Forest Management Guidelines: NFRL (8.1)</p> <p>e. Compliance with Wildlife rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3)</p> <p>f. Reforestation within 5 years: FMC Contract (B6.42)</p>	<p>Noncompliant</p> <p>ESIA report and permit available on LiberTrace but lack substance and are noncompliant.</p> <p>Annual environmental audits not done.</p>	<p>No evidence provided.</p>

Principle 6: Timber Transportation & Traceability		
<p>a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63)</p> <p>b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7)</p>	<p>Partially compliant</p> <p>Bar codes, waybills, tally sheets, and cross cutting data all available on LiberTrace.</p> <p>No FDA Annual compliance Audit was provided.</p>	<p>Access to LiberTrace needed to confirm this principle.</p> <p>Confirmation/attestation required that Mandra does not have abandoned logs in the forest.</p>
Principle 7: Transformation & Timber Processing		
<p>a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2)</p> <p>b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8)</p> <p>c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63)</p> <p>d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19)</p>	<p>Not applicable</p>	<p>Confirmation of the existence of a sawmill is needed to confirm compliance.</p> <p>Access to Liberace is needed to confirm COC ID# assigned to logs harvested.</p> <p>An estimated 7,000 logs were harvested between 2019 and 2021 and reported to be abandoned by the company³⁴ (FDA technical assessment report (August 2020)).</p>

³⁴ [LIBERIA: LOGGING COMPANY IN SINOE ABANDONS LIKELY 7,000 LOGS | Smart News Liberia](#)

Principle 8: Workers Rights, Health Safety & Welfare		
<p>a. Preference for Liberians; Work permits duly issued for foreign workers Section 45.1(a): DWA</p> <p>b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>c. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)</p>	<p>Noncompliant</p> <p>No reports from MOL or NASSCORP to obtain confirmation.</p> <p>No FDA Annual Compliance Audit report.</p> <p>No payroll to confirm minimum wage.</p>	<p>No FDA Compliance Audit report.</p> <p>No report from Ministry of Labor.</p> <p>NASSCORP records show a total of 110 employees enrolled in the schemes, but its contribution history ranges from 2010 only up to 2021. Some months are skipped in the payment history.</p> <p>No payroll information was provided to confirm minimum wage payments nor on which salary base these payments were made.</p> <p>MoL statistical report is needed to establish evidence of number of local hires.</p> <p>2018 report indicates possible labor violations including lack of employment contracts for staff and wrongful dismissal.³⁵</p>
Principle 9: Taxes, Fees & Other Payments		
<p>Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)</p>	<p>Partially compliant</p> <p>Records available show it only paid a third of the annual area fees.</p> <p>No evidence of payment to communities.</p> <p>Still in arrears to government (US\$221,127).</p>	<p>Tax payment information is pending response from LRA. Tax clearance status to be provided by LRA if available.</p> <p>No Tax Clearance was provided.</p> <p>Evidence of payment to communities, pending confirmation from NUCFDC, CFDC, and FDA.</p> <p>Sector specific fees and levies: of a total invoiced amount of US\$866,177.67, EJ&K has paid US\$144,322.67 as of March 1, 2023, with outstanding arrears of US\$721,775.00 (LiberTrace as of March 1, 2023). Area fees and annual contract administration fees are the outstanding fees.</p> <p>The most recent LiberTrace report (May 2022) documents export of 704 (5,048 m³), as well as an unpaid invoice of US\$126,178 for stumpage, export, and other fees.</p>

³⁵ https://www.sdiliberia.org/sites/default/files/publications/FINAL%20SDI%20briefing%2005_compressed.pdf

Principle 10: Export, Processing & Trade Requirements		
<p>a. Annual registration of exporter with FDA: Regulation 108-07 (41)</p> <p>b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5</p> <p>c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21)</p>	<p><i>Partially compliant</i></p> <p>Export permit available.</p> <p>Payment of export fees.</p> <p>Report on export volume.</p>	<p>No export permit was shared.</p> <p>No export volume was reported. Report on export volumes pending access to LiberTrace.</p> <p>No proof of payment of export fees. LiberTrace records as of March 1, 2023 indicate full payment of export fees of US\$14,411.48.</p> <p>Access to LiberTrace was needed to verify the existence or non-existence of these documents, but it has not been forthcoming.</p>
Principle 11: Transparency & General Disclosure		
<p>a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8)</p> <p>b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4)</p> <p>c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6)</p>	<p><i>Not previously reviewed</i></p>	<p>No records available.</p>

Obligations under Sewacajua's Social Agreements

Terms	Date for delivery
55% of US\$1.25/ha land rental	Annual
\$1.75/m ³ , with log data form	
Construct 2 elementary schools, 2 junior high schools, consistent with Ministry of Education regulation for school construction	2nd year of operation
Construct one clinic	By end of 3rd year of operation
US\$1,500 donation to each of 4 existing clinics, every 6 months until new clinic construction is complete	Every 6 months until new clinic is finished
US\$10,000 annual donation to scholarship fund	Annual
Transportation in case of emergency	Ongoing as needed
Build and maintain roads, including Seekron road from Gbalawein to Jude's Town, Bilibokree to Toboe's Town, rehabilitation of road from Cherue Town to Senowen Town, from Karmo's Town to Plandialibo.	Begin construction upon signing agreement
Build bridges of durable wood like Ekki	
First preference recruitment for skilled and unskilled including managerial positions based on competence and in compliance with GoL labour law	
Equal opportunity for women for employment, skilled and unskilled	
Construction of one 2-compartment modern latrine in each village of the affected community	Complete by the 2nd year
Construction of at least 1 handpump in each of 14 towns, where a pump is damaged it will be rehabilitated	Complete by the 2nd year. Assessment of damaged pumps to be complete within 2 months of signing
Protect and maintain local water sources	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	

Financial status CFMA Sewacajua

Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee	\$ 6,000.00	\$ 6,000.00	\$ -
Annual Coupe Inspection Fee	\$ 6,150.00	\$ 6,150.00	\$ -
Area Fee	\$ 107,784.00	\$ 89,820.00	\$ 17,964.00
Barcode Tag Fee	\$ 13,200.00	\$ 13,200.00	\$ -
Chain of Custody Registration Fee	\$ 1,000.00	\$ 1,000.00	\$ -
Export fee	\$ 2,748,627.17	\$ 2,748,627.17	\$ -
Stumpage Fee (Grouping)	\$ 2,303,580.26	\$ 2,303,580.26	\$ -
Waybill Sticker Fee	\$ 63,000.00	\$ 63,000.00	\$ -
Grand Total	\$ 5,249,341.43	\$ 5,231,377.43	\$ 17,964.00

Source: LiberTrace May 10, 2017 to April 10, 2023; does not include community arrears or LRA arrears

CFMA Zuzohn – Booming Green Liberia, Inc.

ISSUE	Sofreco Review	Current Status
Principle 1: Legal Existence/Recognition & Eligibility to Operate in Forestry Sector		
<p>a. Legal Existence (Associations Law Section 12.1; 1.7(2)): NFRL Section 1.3 (Persons- legal and natural) & 5.1</p> <p>b. Prohibited Persons (Section 5.2(b) of NFRL): Regulation 103-7(21-22) Regulation 104-07(62); Sections 44, PPCA; CRL 4.1(e) Regulation 103-07 Sections 21 & 23 (Debarment)</p>	<p>Noncompliant</p> <p>The Report did not examine the legal existence of Sing Africa (previous holder)</p> <p>No examination of ownership/shareholding.</p> <p>No reference to debarment listing.</p>	<p>Business Registration expired for 2 years.</p> <p>Articles of Incorporation from 2017 indicate 100% ownership by Tian Xia (of Monrovia, but citizenship is not noted).</p> <p>Business registry indicates ownership is Chinese, but there's no debarment listing to confirm debarment.</p> <p>No ultimate Beneficiary declaration or affidavit on prohibited persons.</p> <p>FDA does not have a debarment listing that can be used for this assessment.</p>
Principle 2: Forest Allocation		
<p>a. CFMA- completion of the 11 steps: CRL 2.2(c); CRL Regulation 2.2, 2.6, 2.5, 2.8, 2.7, 2.9, 2.10, 3.4, 3.8, 3.11, 7.1; For FMC & TSC</p> <p>b. FMC- Competitive Bidding and Pre-qualification requirements: PPCC Act NFRL (3.3 & 5.2(a)); CRL 6.3; PPCA (115(1) & (2) and 116); and FDA Regulations 104, Section 31-36</p> <p>c. Consultation with Affected Communities (Social-Impact Study) for FMCs & TSCs: NFRL (4.1-4.5); Regulation 102-07(21-22) Regulation 104-07(62) Section 87 of the PPCA</p> <p>d. Obtain Concession Certificate from MFDP: Regulation 104-07 (5.2(a)(i)); PPCA (46)</p> <p>e. Pre-qualification requirements (including performance bond): NFRL (3.3; 5.2(a)(i); Regulation 103-07 (41-46); CRL Regulation (10.3, 10.4)</p>	<p>Noncompliant</p> <ul style="list-style-type: none"> No evidence of community compliance with the 9 steps. No CFMA reviewed. Existence of Social Agreement. <p>No socio-economic survey report.</p> <p>No bylaws.</p>	<p>Existence of CFMA, but no further information on the completion of the nine steps.</p> <p>CFMA from 2018 is not notarized and signed only by the Chief Officer of the CFMB.</p> <p>US\$25,000 Performance Bond (expired 3 years ago) which secures obligation only to the FDA. Further confirmation on the solvency of the Insurer/ACCICO.</p> <p>No social-economic survey report.</p> <p>No bylaws.</p> <p>Area Map cited.</p> <p>Existence of pre-qualification certificate which expired in 2020.</p> <p>Notarized 3rd Party Agreement Cancellation & General Release from 2021 transfers all obligations to Nexview.</p> <p>No evidence of FDA's approval of any transfer of rights.</p>

ISSUE	Sofreco Review	Current Status
		<p>The release is signed by Nexview CEO McCarthy Sehwhy.</p> <p>The SIIB report recommended Sehwhy be investigated for conflict of interest (accepting US\$28,100 from Cavalla Forestry Company for enumeration and demarcation; note the SIIB also found “The PUP was issued to a larger area than that contained in deeded area”).</p>
Principle 3: Social & Financial Obligations & Benefit Sharing		
<p>a. Execution of a social agreement with authorized representatives of affected communities: Regulation 105-07 (31&32); NFRL 5.6(d)(vi)</p> <p>b. Minimum contents of Social Agreement included: NFRL (5.3(b) & 5.6(d)), Regulation 105-07 (33); Regulation 117-17</p> <p>c. Minimum contents of CUC included: CRL (3.1(d), 6.5); CRL Regulation (9.1, 10.2, 10.3, 10.4, 10.5, 11.1, 11.2, 11.3, 11.4)</p> <p>d. Attestation by FDA on Social Agreements and CUCs: Regulation 105-07 (36) COCS SOP (9)</p> <p>e. Timely payments of fees under SA and CUC: Regulation 105-07(36)10 Regulation 107-07 (33); CRL Regulation 9.1, 9.7, 9.8</p>	<p>Partially compliant</p> <p>Existence of Third-party agreement.</p> <p>Minimum conditions included in the Agreement.</p> <p>No evidence of payments to communities (escrow account).</p> <p>No FDA Compliance Audit Report/Verification visit to Communities.</p>	<p>No third-party agreement cited.</p> <p>No evidence of payments to communities.</p> <p>No FDA Compliance Audit/verification visits to communities.</p>
Principle 4: Forest Management Operations and Harvesting		
<p>a. Annual Operation Plan, 5yFMP & 25 years, Strategic Forest Management Plan in place: NFRL (4.5, 5.3,5.4, 5.6) Regulation 104-07 (62a); EPML (23); COCS SOP (9); CRL Regulation (10.3, 10.4); CFHP (2.2); FMC Contract (B3.1</p> <p>b. Compliance with the plans: NFRL (3.2;3.4) & COCS SOP (7-11)</p> <p>c. Business Plan: FMC Contract (B3.11, B3.13)</p> <p>d. FDA Approval: FMC Contract (B3.11)</p> <p>e. Annual Harvesting Certificate: FMC Contract (B3.14, B6.13)</p> <p>f. Annual Compliance Audit: FMC Contract (B8.81)</p> <p>g. Five-year Management Review: FMC Contract (B8.82)</p>	<p>Noncompliant</p> <p>Existence of AOP, 5YFMP, but Noncompliant with official guidelines.</p> <p>No CFMP.</p> <p>AOP and 5YFMP are noncompliant with the guidelines for the plans.</p> <p>Logs enrolled in COC/LiberTrace system.</p>	<p>AOP noncompliant (and expired in 2019).</p> <p>No CFMP and 5YFMP.</p> <p>AOP compliance with the guidelines for the plans.</p> <p>Need access to LiberTrace to confirm Logs enrolled in COC/LiberTrace system.</p> <p>Annual Harvesting Certificate issued by FDA but expired in 2020.</p>

ISSUE	Sofreco Review	Current Status
<p>For CFMAs:</p> <ul style="list-style-type: none"> f. Preconditions: CFRL Reg. <ul style="list-style-type: none"> i. Community Assembly CFMB g. Community Forest Management Agreement: Reg. 7.1 <ul style="list-style-type: none"> i. Acceptance by Community: Reg. 7.5 ii. Acceptance by FDA: Reg 7.7 c. Community Forest Management Plan: Reg. 8.1 d. No third party can operate on >250,000 ha at a time: Reg. 10.4 	<p>Annual Harvesting Certificate issued by FDA although the plans were noncompliant.</p>	
Principle 5: Environmental Obligations		
<ul style="list-style-type: none"> a. ESIA report and ESIA Permit obtained: EPML (6,21-23); Reg (105-107) COCS SOP (9); Regulation 112-08 the Forest Products Processing and Marketing (11); FMC Contract (B3.11) b. Compliance with environmental standards and ESIA Report: EPML (24-27), c. Compliance with Code of harvesting practices: EPML (parts IV & V), CFHP 2.5.1; GFMP; FMC Contract (B3.43, B6.41) d. Compliance with Forest Management Guidelines: NFRL (8.1) e. Compliance with Wildlife Rules: Sections 9.11 and 9.12 of the NFRL; EPML (parts IV & V), CFHP (2,5.3); NWL Chapter 6; FMC Contract (B6.3) f. Reforestation within 5 years: FMC Contract (B6.42) 	<p>Noncompliant</p> <p>ESIA report and permit are available on LiberTrace but lack substance and do not meet requirements.</p> <p>Annual environmental audits not done.</p>	<p>EPA Environmental Permit expired in 2021.</p> <p>ESIA report provided (from 2018), but evidence of consultations with the community referenced in the report was never annexed.</p> <p>No evidence of the conduct of Annual environmental audits.</p>

ISSUE	Sofreco Review	Current Status
Principle 6: Timber Transportation & Traceability		
<ul style="list-style-type: none"> a. Timber placed in the Chain of Custody system: COCS SOP (10-19); Reg. 108-07; FMC Contract (B6.63) b. FDA compliance with rules on auctioning confiscation and abandoned timber or timber products: Regulation 118-17 (4, 5, 6); 116-117 (4,7) 	<p><i>Partially compliant</i></p> <p>Bar codes, waybills, tally sheets, and cross-cutting data all available on LiberTrace.</p> <p>No compliance audit report was cited.</p>	<p>Access to LiberTrace is needed to confirm this principle.</p> <p>Confirmation/attestation required that Booming Green does not have abandoned logs in the forest.</p>
Principle 7: Transformation & Timber Processing		
<ul style="list-style-type: none"> a. Sawmill, ply/veneer mill (expenditures) requirement: FMC contract (A2) b. Sawmill Permit required References: Regulation 107-07 (46); COCS SOP (20, 26); Regulation 112-08 the Forest Products Processing and Marketing (7,8) c. Logs harvested or imported for processing have assigned COC ID#: COCS SOP (15, 19 & 20); Regulation 112-08 the Forest Products Processing and Marketing (9); FMC Contract (B6.63) d. Traceability of products from Sawmill permit: NFRL 13.5; COCS SOP (19) 	<p><i>Not applicable</i></p>	<p>The existence of a sawmill needs to be confirmed in order to confirm compliance.</p>

ISSUE	Sofreco Review	Current Status
Principle 8: Workers Rights, Health Safety & Welfare		
<p>a. Preference for Liberians; Work permits duly issued for foreign workers Section 45.1(a): DWA</p> <p>b. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>c. Preference for Liberians; Work permits duly issued for foreign workers: Section 45.1(a) DWA</p> <p>d. Payment of minimum wage: DWA (5.1-5.6, 13.1, 16.1, 16.2, 16.3)</p> <p>e. Standard labor practices (rest period/ child labor/social security/Health and safety requirements/): DWA (Chapters 17-20) (2.2, 21.4) NSSWL (89.8, 89.16, 89.41) CFHP (2.3); DWA (24.1, 24.2, 25.1, 25.2, 25.3, 25.4, 25.5)</p>	<p>Noncompliant</p> <p>No reports from MOL or NASSCORP to obtain confirmation.</p> <p>No FDA Compliance Audit report.</p> <p>No payroll to confirm minimum wage.</p>	<p>No FDA Compliance Audit report.</p> <p>No report for MoL.</p> <p>NASSCORP information needed.</p> <p>No payroll to confirm minimum wages.</p> <p>Allegation from 2020 of link to human trafficking (Anti-Corruption Commission reportedly rescued seven Chinese and Malaysians, including two females, from Booming Green's office, though individuals deny having been trafficked.)³⁶</p> <p>No evidence of payment to communities, pending response from NUCFMB and CMFMB.</p> <p>Tax clearance status to be provided by LRA if available.</p> <p>Sector-specific fees and levies: of a total invoiced amount of US\$970,389.52, Booming has paid US\$946,108.45 as of March 1, 2023, with outstanding arrears of US\$24,281.07 (LiberTrace as of March 1, 2023). Area fees and annual contract administration fees are the outstanding fees.</p> <p>Tax payment information is pending response from LRA.</p>
Principle 9: Taxes, Fees & Other Payments		
<p>Settlement of taxes, fess, levies, tax arears: Section 2108 of Tax Code, Section 14.2 of the NFRL, Regulations 107-0761-63, COCS SOP (9)</p>	<p>Partially compliant</p> <p>No evidence of payment to communities.</p> <p>No record of tax arrears.</p> <p>Company had been inactive for 2.5 years</p>	<p>Noncompliant</p> <p>No evidence of payment to communities.</p> <p>Tax Clearance expired in 2019.</p>

³⁶ <https://frontpageafricaonline.com/news/liberia-booming-green-logging-company-refutes-allegations-of-human-trafficking/>

ISSUE	Sofreco Review	Current Status
Principle 10: Export, Processing & Trade Requirements		
<ul style="list-style-type: none"> a. Annual registration of exporter with FDA: Regulation 108-07 (41) b. Confirmation that all logs / timbers to be exported were enrolled in the COC system: Regulation 108-07 (42); COCS SOP (23-37); NFRL 13.5 c. Pricing in accordance with the LVD: Regulation 108-07 (43); COCS SOP (18 & 21) 	<p><i>Partially compliant</i></p> <p>Export permit available.</p> <p>Report on export volume.</p> <p>Proof of payment of export fees.</p>	<p>No export permit available.</p> <p>No proof of payment of export fees.</p> <p>Access to LiberTrace is needed to verify the existence or non-existence.</p> <p>Report on export volume pending access to LiberTrace.</p> <p>LiberTrace records as of March 1, 2023 indicate full payment of export fees of US\$808,258.63.</p>
Principle 11: Transparency & General Disclosure		
<ul style="list-style-type: none"> a. Bi-annual publication by companies of payments made to GOL on the contracts (no later than 15 March and 15 September): NFRL (5.8) b. Companies compliant with LEITI disclosure requirements: LEITI Act (4.1 & 5.4) c. FDA makes publicly available forest contracts and bid evaluation report: LEITI Act (4.1 & 5.4); Freedom of information Act (Section 2.6) 	<p><i>Not previously reviewed</i></p>	<p>No records available.</p>

Obligations under Zuzohn's Social Agreements

Terms	Date for delivery
55% of US\$1.25/ha land rental	Annual
US\$1.50/m ³ paid quarterly, with log data form	Quarterly
First preference recruiting for employment, skilled and unskilled	
Equal opportunity for women for employment, skilled and unskilled	
Construction of one 6-room school	31 December 2020
US\$2,500 annual contribution to scholarship program	
Construction of one clinic	31 December 2021
Construction of five hand pumps (1 pump in the clinic, 1 in school, and 3 in community)	31 December 2019
Construct new roads and maintain existing ones: Flomo Town to Charley Mengee, SOS to Dee Town, Bible Faith to Jarwoo Town. Construction to commence upon signing agreement, and will connect feeder roads when operations begin in the community	
Build durable log bridge on secondary roads, will replace logs with concrete after 7 years and use durable logs on feeder roads connecting communities	
Protect and maintain local water sources	
Will not cause damage to farms or crops, and compensate when such damage occurs	
Will not operate on taboo days, sacred sites, on taboo animals/species, medicinal plant sites, hunting grounds or NTFP sites	

Financial status CFMA Zuzohn

Type of fee	Invoice Amount (USD)	Amount Paid (USD)	Balance Due (USD)
Annual Contract Administration Fee	\$ 4,000.00	\$ 1,000.00	\$ 3,000.00
Annual Coupe Inspection Fee	\$ 450.00	\$ 450.00	
Area Fee	\$ 28,374.76	\$ 7,093.69	\$ 21,281.07
Barcode Tag Fee	\$ 800.00	\$ 800.00	
Export fee	\$ 808,258.63	\$ 808,258.63	
Fine	\$ 10,000.00	\$ 10,000.00	
Stumpage Fee (Grouping)	\$ 115,506.13	\$ 115,506.13	
Timber Export License Fee	\$ 300.00	\$ 300.00	
Waybill fee	\$ 2,700.00	\$ 2,700.00	
Grand Total	\$ 970,389.52	\$ 946,108.45	\$ 24,281.07

Source: LiberTrace November 17, 2018, to April 10, 2023; does not include community arrears or LRA arrears