

10 Low capacity, elite capture in Gheegbarn 2 Community Forest



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Summary

The majority of the members in the Gheegbarn 2 community forest have limited capacity to manage their community forest. Most forest committee members do not understand their roles and responsibilities as enshrined in law. This has led to the exclusion of the larger community from forest governance. It has also promoted the dominance of a few community members. There is too much interest and authority defending the company against the community on the part of community members who were influential in bringing in the logging company.

The conflicts among community members have been used by the logging operators to exploit the forest resources. Some leaders of the community forest committees feel more accountable to the Forestry Development Authority (FDA) than to the community that appoints them to the different committees. They believe the government and the logging company owners have more authority over the management of the forests than ordinary community members.

The governance challenges in the Gheegbarn 2 community forest started from its establishment. The required steps to authorize a community forest may have been followed, but the wider community, particularly the Community Assembly and ordinary community members, have limited knowledge of the processes leading to the authorization of the community forest.

The community receives fewer benefits from the forest than it is entitled to. Payments of royalties are inconsistent. The logging operators decide which royalty to pay and at what time. Even though they are to pay the community's benefits upon harvesting the logs, they have paid much later, if at all. Consequently, there is inadequate revenue generation which is harming community development.

The loggers have never prioritized the construction of the schools, clinics, and primary and secondary roads they committed to in the community-company agreement.

This study recommends the Government of Liberia and donors recognize the critical need to increase support for rural peoples and local communities. They need to mobilize greater and more effective support for forest communities, starting with knowledge of the forestry laws and regulations, community-company agreements, by-laws, and constitution of the Authorized Forest Community, and roles and responsibilities of Community Assembly, its Executive Committee and Community Forest Management Body (CFMB) members. The FDA needs to launch an investigation into the alleged financial mismanagement and misrepresentation in the Gheegbarn 2 CFMB. The National Union of CFMBs and other CSOs should play leading roles in ensuring forest communities are adequately informed and prepared to sustainably manage their forests.



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Methodology

This investigation reviewed several documents including the Community Rights Law,¹ the Gheegbarn 2 Community Forest Management Agreement (CFMA),² its Third Party Agreement (TPA) with L&S Resource Incorporated (L&S),³ and the Voluntary Partnership Agreement (VPA) Liberia and the European Union ratified in 2013.⁴ It also looked at the Monitoring Tool the Gheegbarn 2 Community Forest Management Body (CFMB) completed with the National Union of Community Forest Management Bodies (NUCFMB) at its General Assembly in December 2022, performance reports, civil society and media reports.

CS-IFM carried out two field missions in the study community to understand and document forest development issues. Study questions were responded to by 74 persons including members of the Gheegbarn 2 Community Assembly, its Executive Committee, and the CFMB. It also gathered the views of ordinary community members, local leaders (town chiefs, a women's chairlady, and youth leaders), staff at the NUCFMB, L&S, the Forestry Development Authority (FDA), and civil society organizations (CSOs) including the Sustainable Development Institute.



Traditional meeting point of Gheegbarn 2 community forest, January 2022 © CS-IFM

Findings

Forest communities receive few benefits

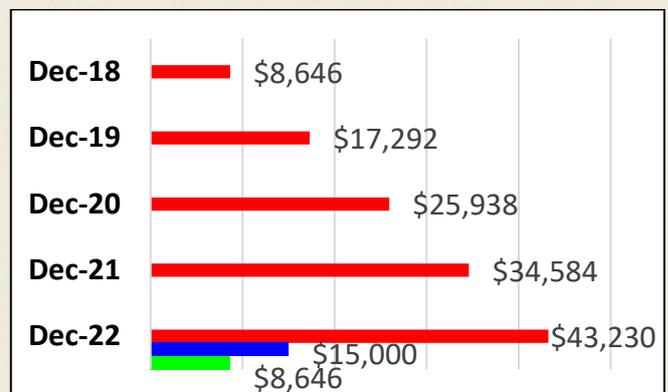
The Gheegbarn 2 community forest is 12,576 hectares (ha) of land. It was authorized on 17 January 2018 through a CFMA that runs for 15 years, to 2033. Like many forest communities in Liberia, Gheegbarn 2 entered into a commercial logging agreement (TPA) a few months after the authorization of the community

forest, in this case with L&S logging company, on 12 December 2018.

Land Rental Fees Payment

According to the TPA, the company is required to pay US\$ 15,720 for the Gheegbarn 2 community forest as a land rental fee every year, of which 55% is to be paid to the people of Gheegbarn 2. Analysis of the land rental fees calculation shows the company needed to pay US\$ 43,230 to Gheegbarn 2 community for the five years since the TPA was signed.⁵

In a one-on-one discussion during a CS-IFM field mission in December 2022, members of the CFMB reported that the company had paid the sum of US\$ 15,000 in land rental fees for three years (2019, 2020, and 2021) to the community. This would mean that as of May 2023, Company owes the Gheegbarn 2 about US\$ 28,230 in land rental fees. However, the Monitoring Tool administered by the NUCFMB in December 2022 shows the CFMB has received far less (US\$ 8,646) as land rental fees, which means the company owes Gheegbarn 2 US\$ 34,584 in land rental fees. At the time of the interview, members of the CFMB reported that the company has not paid any land rental fees for 2022.

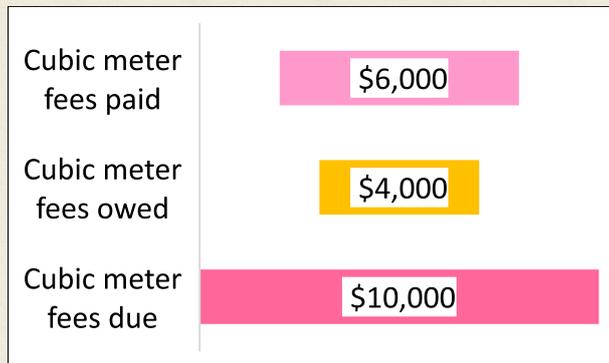


Land rental fees payment: ■ amount due (cumulative); ■ paid (source 1); ■ paid (source 2).

Cubic Meters Fees Payment

According to the TPA, L&S is to pay US\$ 1.50 the community for every cubic meter it harvests from the Gheegbarn 2 community forest. The monitoring report submitted by the Chief Officer of Gheegbarn 2 indicates that the L&S owes Gheegbarn 2 US\$ 4,000 as cubic meter fees as of December 2022. The total amount due to the community was US\$ 10,000, but the company has paid US\$ 6,000. This study was unable to gather the total volumes of logs harvested in the Gheegbarn 2 community forest over the past four years (2019-2022) to verify the amount due to the community. The TPA

states that L&S shall provide to the Gheegbarn 2 CFMB the Log Data Form to serve as the official source to determine the volumes of log felled, but this study did not have access to any Log Data Form for verification of the volumes of logs felled and the amount of cubic meter fees paid to the community's account.



Cubic meter fees payment

Scholarship payments

The CFMB reported that L&S was fully committed to scholarship payment to Gheegbarn 2 CFMB. The TPA states that the company shall pay US\$ 5,000 every year to the Gheegbarn 2 CFMB as scholarship support to citizens of Gheegbarn 2 attending higher education at universities or colleges in Liberia. According to the CFMB, L&S has paid a sum of US\$ 20,000 to the community in the last four years.

Other social commitments in TPA

A review of the TPA shows that in the first two years of implementation (2019 and 2020), L&S should have constructed a total of ten hand pumps and six latrines in Gheegbarn 2. L&S also agreed to rehabilitate damaged hand pumps in Gheegbarn 2. The logging company also committed to constructing two schools and two clinics. The TPA further specified that L&S shall construct a school and clinic in the first five years of operation in Gheegbarn 2 community forest (i.e. by December 2023). The logging company agreed to construct a 30-mile road in and around Gheegbarn 2. The 30-mile road is different from the roads the company will build to transport logs Buchanan and for logging operations.

In interviews with members of the CFMB, it was reported that L&S has constructed only three hand pumps. It has failed to implement most of the above-mentioned social obligations it committed to, including the construction of schools, clinics, and roads. The Chief Officer was recorded saying that Gheegbarn 2 is planning to take action against L&S for its refusal to live up to the conditions agreed in TPA.

Community perceptions

During field monitoring, members of the CFMB failed to share reports on financial transactions, projects they have implemented and operational reports or documents they have received from the company (e.g., Log Data Forms, payment receipts, etc.). They did not provide any information to CS-IFM on fund utilization, and the total balances in the community's account. In several group discussions, community members reported irregularities in the activities of the CFMB. Some community members also noted, with grave concern, the Chief Officer's deliberate refusal since he took office to provide a comprehensive financial report of his dealings with the company. This study was unable to access any financial and programmatic report of the Gheegbarn 2 CFMB, except for the completed NUCFMB Monitoring Tool from December 2022.

Some community members raised concerns over the continued absence from the community and the county of the Chief Officer and other CFMB members, which according to them affected the community's ability and interest in the management of the logging contract. This study confirmed the CFMB Chief Officer and the Secretary-General live outside of the forest community, and in Monrovia, and during the field visit, not one member of the CFMB was present in the community. This contradicts the 2017 Community Rights Law Regulations, which imply that to be eligible for membership of the Community Assembly, Executive Committee, or CFMB a person must reside in the community.⁶

Some Community Assembly members believed the limited capacity of most community members is responsible for the poor management and governance of their community forest. Many community members did not appear to be knowledgeable about the processes and procedures for handling situations with the CFMB.

The level of frustration amongst the Community Assembly and ordinary community members was high to the point they want the CFMB removed, but they also fear the current leadership of the CFMB. Many community members reported that some CFMB members do not live in Gheegbarn 2. In one-to-one discussions, several community members expressed mixed feelings about the CFMB over the implementation of their TPA. This study observed several community members had limited knowledge of their TPA, the CRL, and its regulations as well as on benefit sharing and funds utilization. The majority

believe – correctly – that Gheegbarn 2 community is receiving fewer benefits from the forest than it has the right to.

Complications within community forest management

This study records that most members of the Community Assembly and ordinary community members were excluded in decision-making on the scholarship beneficiaries. According to them, most of their children in schools (colleges and universities) in Monrovia and Buchanan have never benefited from the scholarships provided by the logging company. The angry community members argued that it is enshrined in the agreement that the logging company provides scholarships for citizens of the community, which they think the company is fully committed to. According to the agreement, beneficiaries of said scholarship should be regular students attending schools in Liberia in both high school and college/university. The process of obtaining the scholarship by citizens of the forest community is not clear. In one-to-one interviews, members of the Community Assembly declared their children have been recommended and applied several times to benefit from the scholarship, but to no avail.

In a general community meeting with the company in October 2021, the community members demanded to know the status of their agreement with the logging company, particularly on the non-compliance of the company regarding infrastructure development. In response, the company declared that the CFMB leadership was responsible. According to the company representative at the meeting, the company has paid all of the land rental and cubic meter fees to the Gheegbarn 2 CFMB leadership, and it must account for the funds before the general community. He encouraged the community to ask the CFMB leadership about the payments the company has made to the community's account covering the land rental, cubic meter fees, and scholarship funds. There were claims and counterclaims of misrepresentation and mismanagement among the members of the CFMB, Executive Committee, Community Assembly, concerned women and youth groups, and other community members. The Gheegbarn 2 CFMB leadership reported that the company was not saying the truth. The leadership reported that the company had defaulted on several occasions regarding payments, as well as on commitments to construct roads and schools.

During the field interviews, the CS-IFM team found little larger community involvement in the management of

the community forest. The Gheegbarn 2 Authorized Forest Community has a total of ten persons on the Community Assembly, but none could speak clearly about how forest funds were generated and utilized. However, members of the CFMB insisted that the community, particularly the Community Assembly members were informed on where funds were generated and how the CFMB utilized the revenues from their forest.

This study uncovered serious financial and project management capacity gaps within the Gheegbarn 2 community forest CFMB, Executive Committee, and Community Assembly. There was no evidence that any other CFMB, Executive Committee, or Community Assembly member, except the Chief Officer, had benefited from training in forestry law, regulations, project and financial management, and other aspects relevant to sustainable forest management. According to some CFMB members, the Gheegbarn 2 CFMB has received several training opportunities outside of the community, but only the Chief Officer often attends. There has been no training conducted in Gheegbarn 2 to allow other forest committee members to participate.

Clause 4.1(a) of the CRL states that the Community Assembly is the highest decision-making body in community forestry.⁷ By law, the CFMB is required to work with the Executive Committee and Community Assembly in deciding on projects for community development. According to Clause 3.2 of the CRL, the community has the responsibility to ensure transparency and accountability in community forest resources management.⁸ This is contrary to what is happening in the Gheegbarn 2 community, where the majority of members of the Community Assembly interviewed reported little involvement in contract management. According to some Community Assembly members, the CFMB decides all projects. Study respondents, particularly the members of the CFMB, reported that the projects implemented included the purchasing of power saws, payment of teachers' salaries and purchasing of chairs for an elementary school, musical sets, drums for entertainment, and renovation of town halls in Gheegbarn 2.

According to Clause 4.1(c) of the CRL, the Community Assembly is must "ensure that incomes from the community forest resources contribute to the development of the community and the well-being of the community members according to the vision of the Community Assembly". Yet the Gheegbarn 2 CFMB confirmed reports that the funds generated from the community forest were used to buy chairs and musical

sets and renovate the town hall and houses of some elders. The fund's utilization approach was intended to satisfy individual community members' needs, particularly the community elders and youth.

According to the CFMB, a significant amount of the funds was used without the knowledge of the community, CSOs, or legal advisors. Simply put, it was used during a dispute involving the community and the Akewa group of companies. In one-on-one discussions, after being informed of their rights to be fully involved in the decision-making of the fund generation and utilization of their community forest, members of the Community Assembly and local leaders said that the attitudes of the CFMB were in total disrespect to the forest laws of Liberia.

Technical support from CSOs

The rapid roll-out of Authorized Community Forests has overwhelmed CSOs and made it extremely difficult for them to effectively support communities in establishing robust committees in charge of the management of their forests. Gheegbarn 2 community forest was authorized in 2018, but this study found no record of direct civil society engagement with the community on governance, participation, inclusion, transparency, financial management or gender equality through capacity strengthening.

Analysis

This study reveals limited support for strengthening the capacity of forest communities. Most logging companies, including L&S in Gheegbarn 2 community forest, have taken advantage of the weaknesses in the community's administrative capacity to deny the community of their promised forest benefits.

The lack of information sharing and exclusion of the larger community, especially the Community Assembly, which has a legal responsibility to decide on community projects and or utilization of the funds from the forest, resulted in dissatisfaction among community members. Most of the Community Assembly members expressed disenchanted and demanded a comprehensive report from the CFMB leadership on the usage of funds entrusted to them. This study found little evidence of transparency and accountability in utilizing revenues received from logging and other forest operations in community infrastructure projects.

Awareness and education on the forest laws and regulations and other areas must be provided to the Gheegbarn 2 forest community to support informed

decision-making among the community members. Limiting any meetings and training to the CFMB leadership, particularly the Chief Officer, has strengthened individual control over the community forest. Knowledge of the laws could lead to the community being better able to counter the dominance of the CFMB leadership and work towards a more inclusive and resilient management group. In particular, the by-laws of most Approved Forest Communities state "Members of the CFMB who are found to be incapable of effectively performing the duties of their office may be removed by a [...] majority vote of the Community Assembly at a properly constituted special meeting of the Assembly. Before such a vote, members of the CFMB should be allowed to respond to any charges that they are unable to effectively perform their duties. In the event a member's role in the CFMB is terminated, all relevant Liberian labor laws shall be followed".⁹

Even though the Gheegbarn 2 community recognizes that the CFMB leadership is not in the interest of the community or its forest, there has been no decision reached to remove the current leadership and appoint new members to replace the CFMB leadership. The community is interested in resolving the matter with the CFMB through the full participation of the Community Assembly.

Conclusions

This study sheds light on inadequate capacity and underrepresentation in Gheegbarn 2 community forest. It uncovered limited education and awareness of the forest laws, regulations, community-company agreements, and project and financial management as factors contributing to the lack of transparency and possible bias in the use of funds the community has received from logging operations. The community still struggles to understand their rights, roles, and responsibilities in forest governance. Consequently, there are many shortcomings in decision-making and representation, resulting in low community benefits from the community forest resources. This study observed challenges in information sharing resulting in limited community knowledge of forest laws and agreements. The Community Assembly and the larger community do not understand the procedures and systems for planning and implementation of infrastructure projects derived from forest revenues in the community. The larger community was unaware of most decisions taken by the CFMB for implementing projects funded by forest resources. Many showed limited knowledge to engage in monitoring forest

operations, benefit sharing, agreements, and reporting on trending forest issues. The community could start to demand their rights and full implementation of the forest agreement and the Liberia forest laws when provided with needed training.

The findings of this study show the CFMB, the Chief Officer, in particular, has received a disproportionate amount of capacity enhancement. Even though building the capacity of CFMB, the body representing the legal interest of the forest community, is important, doing so whilst leaving behind the Executive Committee and Community Assembly members has made the CFMB appear as the highest decision-making body in the community forestry regime. The larger community's involvement could promote accountability and transparency in community forestry, which will help to hold the CFMB to account to report regularly on the management of the community forest. The study found no pressure on the CFMB leadership to report all transactions between it and the company. The figures for revenue generated recorded by the CFMB in this study were inconsistent, and the bank balances were not reported.

Recommendations

The GoL and donors should:

- Recognize the critical need to increase support for rural peoples and local communities;
- Mobilize greater and more effective support for forest communities, focusing on forest communities' knowledge of forest laws and regulations, community-company agreements, by-laws and constitution of the Authorized Forest Community, and roles and responsibilities of, Community Assembly, Executive Committee and CFMB members;

References

- ¹ Community Rights Law with respect to Forest Lands, 2009; www.fao.org/faolex/results/details/en/c/LEX-FAOC143892.
- ² Gheegbarn 2 Community Forest Management Agreement; <https://loggingoff.info/library/gheegbarn2-cfma/>.
- ³ Gheegbarn 2 Third Party Agreement with L&S Resource Inc. <https://loggingoff.info/library/gheegbarn2-tpa-l-and-s/>.
- ⁴ EU-GoL Voluntary Partnership Agreement; <https://flegtvpafacility.org/countries/liberia/official-documents/>.
- ⁵ Land rental becomes due from the time a TPA is signed, and in this case, the TPA states payments to the community should be "in the first 5 months of each physical year". Thus, five years of rental should have been paid by 13 May 2023.
- ⁶ Regulation to the Community Rights Law with respect to Forest Lands, as amended 2017. Section 1.2, 'Definitions', clause (f) states a community is a "self-identified and publicly or widely recognized coherent social group, or groups, that shares common customs and

The FDA should:

- Launch an investigation into the alleged financial mismanagement and misrepresentation of the Gheegbarn 2 CFMB;
- Take legal action against those found guilty of the alleged financial mismanagement, and witness the removal and replacement of CFMB members permanently living outside the Gheegbarn 2 Community;

The NUCFMB and other CSOs should:

- Play a leading role in ensuring forest communities are adequately informed and prepared to sustainably manage their forests;
- Include other community members (Community Assembly, youth, and women leaders) when providing training in forest laws, regulations, monitoring tools, and logging agreements, avoid overly concentrating on one or two CFMB figures, and monitor participation to detect any overly authoritarian or secretive tendencies.
- Continue to provide specialized training (forest monitoring, project, and financial management) to CFMB, Executive Committee, and Community Assembly members to empower them to sustain the fight against illegalities in the forestry sector;
- Contribute to the development of, and then provide training to the forest communities on, the FDA's complaints mechanism to demand enforcement of forest laws and agreements by logging companies and their community leaderships;
- Continue to support forest communities to demand full implementation of their by-laws and constitutions by the CFMB leadership.

traditions, irrespective of administrative and social sub-divisions, *residing in a particular area of land over which members exercise jurisdiction*" and Section 5.1, 'Membership rights', states *members must be "resident in a community, who wishes to participate in the community forest program"* (emphasis added) www.fao.org/faolex/results/details/en/c/LEX-FAOC180010.

- ⁷ Community Rights Law with respect to Forest Lands, 2009; www.fao.org/faolex/results/details/en/c/LEX-FAOC143892.
- ⁸ Community Rights Law with respect to Forest Lands, 2009; www.fao.org/faolex/results/details/en/c/LEX-FAOC143892.
- ⁹ The by-laws template contains this text as Section 5, 'Removal of CFMB Officials – vote of no confidence'. Although the specific by-laws for Gheegbarn 2 have not been made available to CS-IFM the template suggests the vote should depend on a two-thirds majority. Individual by-laws should be accessible upon request from the FDA or community concerned.