

Only Letter of Introduction
NO Private Use Permit

Community Forest Management Agreement



Between The
Forestry Development
Authority
&

*The People of Gbi Chiefdom,
Gbi & Doru and Doedain Districts,
Nimba and River Cess Counties*

F.D.A

P.O. Box 10-3010

Whein Town, Mt. Barclay

1000 Monrovia, 10 Liberia

July, 2011





**REPUBLIC OF LIBERIA)
MONTERRADO COUNTY)**

**COMMUNITY FOREST MANAGEMENT AGREEMENT BETWEEN THE
FORESTRY DEVELOPMENT AUTHORITY AND THE PEOPLE OF GBI
CHIEFDOM/COMMUNITY, LOCATED IN NIMBA AND RIVERCESS
COUNTIES FOR THE HARVESTING OF 31,155 HECTARES OF COMMUNITY
FORESTLAND**

THIS CONTRACT made and entered into this 18th day of July
A.D. 2011, by and between the Government of Liberia, through the Forestry
Development Authority, hereinafter referred to as the **Authority**, represented by its
Managing Director, Moses D. Wogbeh Sr., and the People of Gbi Chiefdom, spanning
through Nimba and Rivercess Counties, hereinafter referred to as **GBI represented** by its
Forest Management Committee by and thru its Chairman, Joseph C. Zanmie, Alfred J.
Barcom, Co-Chairman and Betty Isaac, Treasurer hereinafter collectively called the
"Parties", hereby;

W I T N E S S E T H:

WHEREAS, the Authority is statutorily responsible for the sustainable management and
use of all categories of forest resources;

WHEREAS, Chapter 10 of the National Forestry Reform Law of 2006 provides for
community participation within the forestry sector; which process is to be sanctioned by
A Community Rights Law and the attending regulation thereto;

WHEREAS, the Community comprising the People of Gbi District, have petitioned the
Authority for permission to harvest merchantable species of trees on their forestland; the
petitioned is hereto attached and marked Exhibit "A" to form an integral part of this
Agreement;

WHEREAS, validation of the area in keeping with Section 5.6 (d) (ii) of the NFRL and
Section 61 of FDA Regulation 102-07 shows that the said tract of land is suitable for
commercial forestry. Said validation report is hereto attached and marked Exhibit "B" to
form also an integral part of this contract;

WHEREAS, GBI is desirous of commercializing harvestable tree species on the said
tract of 31,155 hectares of land;

WHEREAS, the Authority having examined GBI'S petition and the requirements of
Section 5.6 of the NFRL having been met, declares GBI qualified for issuance of a
Community Forest Permit that will allow it enter into contractual agreement with a
company or corporation to carry out said commercial activities;

A.J.B. *ajb*
PCJ  *gac*

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, the parties do hereby agree as follows:

1. Definitions

PART "A"

- a. Authority: The Forestry Development Authority (FDA) created by an Act of the Legislature on November 1, 1976.
- b. Annual Operations Plan: the plan that guides the annual operations of the Holder
- c. Chain of Custody: the path of custodianship followed by logs, Timber and wood products through harvesting, transport, interim storage, processing, distribution and export from source of origin in the forest to end use.
- d. Code of Forest Harvesting Practices: a set of standards for environmentally sound forest use prepared by the Authority
- e. Conservation: the sustainable management and protection of forest resources to achieve maximum environmental, social, economic and scientific benefits for present and future generations
- f. Forestry: the science, art and practice of conservation of forest resources
- g. Forest Resources License: any legal instrument pursuant to which the Authority allows a person, subject to specified conditions, to extract forest resources or make other productive and sustainable use of forest land. This includes Forest management Contracts, Timber Sale Contracts, Forest Use Permit and Private Use Permit.
- h. Forestland: a tract of land, including its flora and fauna capable of producing forest resources, or land set aside for the purpose of forestry, but not including land in permanent settlements and land that has been in long term use for non-shifting cultivation of crops or raising livestock.
- i. Forest Product: any material or item derived from forest resources.
- j. Forest Management Contract: forestry contract which covers a land area of 50,000 – 400,000 hectares.
- k. Holder: a person who holds a valid forest resources license
- l. Land Owner: a person who owns land by legal title

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- m. Operator: a person harvesting or making commercial use of forest resources under a forest resources license, including a person working as an employee, contractor or other agent for a Holder.
- n. Pre-Felling Operations: legal requirements of the Holder before felling of logs. They include posting of required performance bond; preparation of initial annual operations plan and preparation of environmental impact assessment.
- o. Private Use Permit: a forest resource license issued by the Government to allow commercial use of the forest resources on private land.
- p. Public Use Permit: a forest resource license issued to extract forest resource from an area less than 1000 hectares.
- q. Reforestation: the establishment of a tree plantation in a previously forested area that has been affected by cutting, fire, or some other act of tree removal.
- r. Societe Generale de Surveillance (SGS): the institution/company responsible to manage the Chain of Custody System.
- s. Timber Sale Contract: a short term forest resources license issued by the Government for a period of three (3) years that allows a person to harvest timber from a specified tract of forest land.

PART "B"

Bid Premium: The difference between the area fee and the land rent bid fee written in the submission of a successful bidder.

By-Laws: A set of regulations, including internal rules, procedures and guidelines, prepared by a body recognized under this law for the purpose of administering said body and performing the functions for which it is created and established.

Community: A self-identified and publicly or widely-recognized coherent social group or groups, who share common customs and traditions, irrespective of administrative and social sub-divisions, residing in a particular area of land over which members exercise jurisdiction, communally by agreement, custom, or law. A community may thus be a single village or town, or a group of villages or towns, or a clan.

Commercial Use: Any use of forest products or forest resources, other than direct use for personal purposes or household infrastructure development. Commercial use includes uses involving trade or any other disposition of forest products or forest resources for direct or indirect financial gains.

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J. C. J.  *AK*

Community Assembly: the collectivity of resident adult members of a community aged 18 years and above, representative of gender and all social groupings within the community, organized into a body that meets at least twice a year to consult and take decisions on community forestry matters.

Community-based Forest Management: Forest Management activities that are carried out by a community with respect to forest resources for which the community has customary tenure or other forms of proprietorship or guardianship.

Community Forestry: The governance and management of community forests by a community for commercial and non-commercial purposes to further the development of the community and enhance the livelihoods of community members.

Community Forest Contract: Contract co-entered into by a community and the Authority with another party or parties for large and small-scale commercial activities relative to community forest resources.

Community Forest Fund: A fund established by a Community Forest Management Body, with community knowledge and consent, to finance the management of community forest resources, or other agreed activities supporting community development.

Community Forest Land: Forested or partially-forested land traditionally owned or used by communities for socio-cultural, economic and developmental purposes. This term is inter-changeable with the term "community forest".

Community Forest Management Body: A body appointed by the Community Assembly to manage community forest resources.

Community Forest Resources: Anything practical, commercial, social, religious, recreational, educational, scientific, subsistence or other potential uses to humans that exists in a community forest, including but not limited to flora, fauna, and micro-organisms.

Community Land Area: An area over which a community traditionally extends its proprietorship and jurisdiction, and is recognized as such by neighboring communities.

Concession: For the purpose of this law, a contractual right granted by the Community and Authority to a private commercial enterprise, whether by negotiation, bidding or other legal means, to harvest and market forest resources for commercial gains. Concessions are ratified by the National Legislature or approve by the Community Forest Management body.

Customary Land: Land, including forest land, owned by individuals, groups, families, or communities through longstanding rules recognized by the community. To be

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recognized as customary land, it is not necessary for the land to have been registered under statutory entitlements.

Executive Committee of the Assembly: Elected officials of the Assembly authorized to supervise the Community Forestry Management Body between sittings of the Assembly.

Forest Land: A tract of land, including its flora and fauna, producing or capable of producing forest resources, or land set aside for the purpose of forestry, but not including land in permanent settlements and land that has been in long-term use for non-shifting cultivation of crops or raising livestock.

Large-scale commercial use: Commercial activities of forest resources which are predominantly export oriented in their market for the sales and delivery of forest products, and which generate total revenue in excess of that specified by regulation as determined by the Authority in consultations with communities.

Non-timber Forest Products: Resources or products that may be extracted from forest lands and are utilized within the household or are marketed or have social, cultural or religious significance. These include plants and plant materials used for food, fuel, fiber, storage and fodder, medicine, bio-chemicals, as well as mammals, birds, reptiles, fishes and invertebrates.

Person: Any natural person, private entity, non-governmental organization, civil society organization, agency of the Government of Liberia, or any public body, including a community forest management body.

Small-scale commercial use: Commercial activities of forest resources which are predominately local in their markets for the sale and delivery of forest products, and which do not generate total revenue and/or occupy a land area greater than that specified by regulation as determined by the Authority in consultation with communities.

Timber: Industrial round wood and derived sawn lumber, wood chips, wood based panels and pulp for household use or commercial purposes.

PART "C"

- **Compliance:** To be in agreement with.
- **Community Forest Agreement:** a written agreement between a forestry community and the Forestry Development Authority that grants and protects a forest community's rights within a specified area to access, use, manage, protect and benefit from forest resources in a sustainable manner.
- **Authority regulatory rights:** rights of the Forestry Development Authority to regulate all forest resources in Liberia, except those located on communal lands.

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- **Community Forest:** is the natural forest and/or forest plantation where rights are granted by the Authority to a community living in or near it to access, use, and manage in a sustainable manner in compliance with a Community Forest Agreement.
- **Community consent rights:** community rights of "prior, free, informed consent" for any decision, agreement, or activity affecting the use of community forest resources as provided for by the CRL of 2009.
- **Forest community:** is a community authorized by the Authority under the Community Forest Agreement to access, use, manage, and benefit from forest resources within a specified area in an agreeable sustainable manner.
- **Forest Management Committee/Body:** is a five-member body elected or selected by the Community Assembly to manage the day-to-day affairs of the community forestry program.
- **Application Fee:** a specified amount of money paid to the Authority by communities applying for a forest community status.
- **Socio-economic surveys:** survey of a land to determine its social and economic characteristics and profile to be used in determination of the needs of the community and in management planning.
- **Community Assembly:** is a group of persons elected or selected by community members to direct the community forestry program. This body shall be the highest decision-making body of the community relative to the community forestry program.
- **Executive Committee:** is the body that comprises the elected officials of the Community Assembly. This small group of officers shall perform the role of the Assembly when the Assembly is on recess (when the Assembly is not in session).
- **Community Assembly Constitution:** is the organic law adopted by the community through its Community Assembly which sets out the broad purpose, objectives, and principles of the community forestry program and the rights and obligations of community members relative to the program.
- **Community Assembly By-Laws:** are the rules and processes established by the Community Assembly on the internal operations of the Assembly relative to such things as notices, quorum for meetings, decision-making methods, and processes for electing, removing and replacing officers, etc.
- **Community Forest Management Rules:** are specific rules and/or guidelines issued by the Community Forest Management Committee/Body relative to the sustainable use of community forest resources.

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A. J. B. *[Signature]*

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3. Contract Objective

- a. To harvest merchantable tree species from 31,155 hectares of tract of land otherwise called the GBI Community Forest Land
- b. To engage in reforestation of the area involving indigenous species
- c. To create alternative uses of the tract of land after harvesting of trees
- d. To create employment for about 300 locals of the contract area and surrounding towns and villages.

4. Contract Duration

The contract shall be for fifteen (15) years.

5. Chain of Custody System

In keeping with Section 13.5 of the National Forestry Reform Law of 2006 and sections (1-35) of FDA Regulation 108-07, the Chain of Custody System will apply during the life and implementation of this contract. The system so established for the tracking of logs, timber and wood products from forest to processing and then to domestic or foreign market shall be managed by Societe Generale de Surveillance (SGS) using SGS/Helveta equipment and software as provided for by section 3.2 (3) of the Chain of Custody System Management Contract of 2007.

6. Land Rental / Bid Premium & Stumpage Tax

Consistent with Section 6.5 of the Community Rights Law of 2008, the community or any company charged with the responsibility of managing the community forest shall pay land rental as specified in Regulation 107-07 Section 33 (a) and (b). The Community shall receive bid premium as specified in Section 33 (e) of the self-same Regulation herein referred.

Stumpage shall be paid consistent with Section 5.7 (c) of the National Forestry Reform Law and also consistent with Section 22(b) of Regulation 107-07.

7. Other Fees & GOL Taxes

All other fees and GOL Taxes levied on the Concession shall be consistent with the Revenue Law of Liberia and FDA Regulation.

8. Pre-felling Activities and Requirement

In keeping with the National Forestry Reform Law of 2006 and Section 6.4 of the Community Rights Law of 2008, without the following requirements, "no commercial activities shall occur on community forestlands":

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- a. The community has organized its Community Assembly
 - i. Only a community pre-qualified by the Authority shall be eligible to establish a Community Assembly
 - ii. Liberians at least 18 years of age and residing within the specified community shall qualify to be member of the Community Assembly
 - iii. Representation on the Assembly shall be broad based including men women and youth.
 - iv. Two members of the County Legislative Caucus shall be selected by members of the Caucus to represent it on the Community Assembly
 - v. An Executive Committee shall be elected by the Community Assembly to manage the affairs of the Assembly
 - vi. None of the two (2) representatives of the National Legislature shall hold a leadership position of the Community Assembly.
- b. A five (5) member Community Management Body must be appointed by the Community Assembly
 - i. The five member committee shall comprise Chief Officer, Secretary, Treasurer and another two persons
 - ii. The Community Forest Management Body shall have a term staggered between two (2) to five (5) years.
 - iii. No member of the Legislature shall be a member of the Community Forest Management Body
- c. Also the following activities must be carried out before commercialization of community forest
 - i. Community Forest Agreement
 - ii. Community Forest Management Plan
 - iii. Posting performance bond
 - iv. Environmental Impact Assessment
 - iv. Social Contract

9. **Employment**

Recruitment and employment by the Company shall be consistent with Labor Law of Liberia and International Labor Organization.

Termination

This contract shall be terminated if the company upon notice of breach of any term of this Contract fails to remedy said breach within a period of (60) sixty days.

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Force Majeure

In the event of force majeure, which causes either party from meeting its obligations herein stated, the Contract shall be suspended as long as the force majeure continues.

10.

Duty of Care

The Authority shall ensure that the Company maintains environmental quality of the cutting area and comply with all other conditions consistent with the Liberia Code of Harvesting Practices to include:

- a. Water course protection
- b. Erosion prevention
- c. Prevention of pollution to rivers, streams and other waterways by disposal of wastes
- d. Prevention of fire disaster

The operation shall also be in conformity with international conventions to which Liberia is a party. They include: the Convention on Biodiversity, the International Tropical Timber Agreement, the United Nation Framework Convention on Climate Change, the United Nations Convention to Combat Desertification, the Convention on International Trade In Endangered Species and the RAMSAR Convention on Wetland Management

11.

Governing Laws

In effecting this Contract between the Corporation and the Authority, the relevant Laws of Liberia including but not limited to the National Forestry Reform Law and regulation governing Chain of Custody will prevail.

12.

Binding Effect

This Agreement is binding on the parties, their successors-in-office as if they were physically present at execution of this instrument.

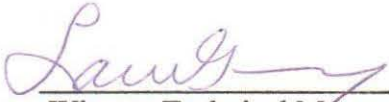
In witness whereof, we have affixed our signatures on the day and date first mentioned above.

A. J. B. M. W.
J. C. Z.  

FOR THE AUTHORITY



Moses D. Wogbeh, Sr.
MANAGING DIRECTOR



Witness-Technical Manager
Community Forestry



National Authorizing Officer

FOR THE GBI COMMUNITY



Joseph C. Zanmie 7-28-11
Joseph C. Zanmie/Chairman

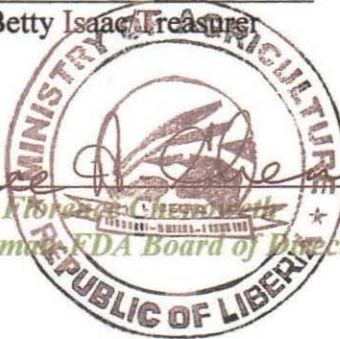
Alfred J. Barcom
Alfred J. Barcom/Co-Chairman

Betty Isaac/Treasurer

Approved



Florence Chestnut
Chairman, FDA Board of Directors



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