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# Social Agreement Negotiations Guide

Liberia



NOT FOR SALE



This guide has been co-developed by the Association of Community Rights Defenders (ACORD), the National Union of Community Forest Development Committees (NUCFDC), Heritage Partners and Associates (HPA) and ClientEarth. We thank Gayaneh Shahbazian, who during her internship at ClientEarth, substantially contributed to this publication.

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## **Get in touch!**

This guide has been developed to help representatives from communities affected by logging operations in Liberia support/take part in negotiations of social agreements (SA). If you are planning to enter such negotiations you can contact us to help you prepare by giving legal advice. You can also get in touch with us if you have specific legal questions during the negotiations.

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## Acronym list

ACORD	Association of Community Rights Defenders
CRL	Community Rights Law with Respect to Forest Lands (2009)
CFMA	Community Forest Management Agreement
CFMB	Community Forest Management Body
CFDC	Community Forest Development Body
FDA	Forest Development Authority
FMC	Forest Management Contract
FRL	Forest Resource Licenses
NFRL	National Forestry Reform Law (2006)
NUCFDC	National Union of Community Forest Development Committees
PUP	Private Use Permit
SA	Social Agreement
TSC	Timber Sale Contract
VPA	Voluntary Partnership Agreement between Liberia and the European Union

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## Introduction

The National Forestry Reform Law (NFRL) provides that communities and citizens benefit from forest resources<sup>1</sup> by (i) receiving a portion of land rental fees paid by timber companies<sup>2</sup> and by (ii) entering into Social Agreements (SAs) with timber companies<sup>3</sup>. Under the NFRL, any company who has been granted a concession by the Forest Development Authority (FDA) must negotiate a SA with the Community Forest Development Committee (CFDC) representing the affected communities.<sup>4</sup>

While concluding a SA is a legal requirement, this does not, in itself, assure that affected communities really benefit. For SAs to make a difference in practice they need to contain specific, enforceable and relevant provisions that respond to the needs of affected communities. This underscores the need for supporting these communities and their CFDCs with necessary information, knowledge, skills and tips to take part in negotiating SAs.

This negotiation guide is composed of five distinct but interrelated sections: The first section contains a number of practical tips for this type of contract negotiation. The second section includes a more detailed look at the criteria and legal requirements specific to SAs. In section three, we have included suggested standard terms and conditions which can serve as a starting point for negotiating the different provisions included in SAs. This is followed by the official template for SAs in section four, in which we have indicated what

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<sup>1</sup> National Forestry Reform Law, 2006, Section 3.1. available on <https://www.clientearth.org/liberia-law-database/>

<sup>2</sup> FDA Regulation NO 106-07 on benefit sharing part III (see page 154 of this guide)

<sup>3</sup> FDA Regulation No. 105-07 on Major Pre-Felling Operations under Forest Resources Licenses, Sections 21 and 24 (see page 135 of this guide)

<sup>4</sup> Ibid; Section 32 (e) (see page 139 of this guide)

information needs to be included as part of the negotiation process. Finally, in section five, this guide contains a selection of regulations which are relevant for CFDCs in general and for the negotiation of SAs specifically.

It is our hope that this guide will contribute to better SAs between timber companies and communities, which in turn will contribute to better forest governance in Liberia.

**DISCLAIMER:** although this guide includes tips and suggestions on how to negotiate SAs, it is ultimately the responsibility of the CFDC to negotiate these contracts on behalf of the affected communities they represent. This guide can help but cannot replace the participatory preparation and negotiation process by and on behalf of affected communities.





# SECTION 1: PRINCIPLES AND TIPS FOR CONTRACT NEGOTIATION

This first section of the guide provides principles and practical tips to follow when negotiating contracts. These ‘tips and tricks’ are based on experience and will help you while preparing and negotiating SAs. For the most part there is no obligation to follow these tips (where the tips are also a legal obligation we have indicated this in footnotes), but knowing and applying them before and during contract negotiations may help overcome hurdles or disagreements and will hopefully result in better SAs.

**Prepare as a community:** Make sure all affected communities are aware and involved in the preparation to negotiate a SA. CFDCs have the legal obligation to provide a means for all residents that it represents, including women and youth, to have their views heard and considered.<sup>5</sup> This means all preparation and negotiation has to be inclusive and gender sensitive.

**Prepare by researching your rights:** Preparation includes thoroughly examining the relevant legal texts (like the ones included in section 5 of this guide) and previous and/or similar agreements. For example, you can ask the NUCFDC, or look on the FDA website for examples of SAs that have recently been negotiated by other communities.<sup>6</sup> This will ensure a good understanding of your rights, duties and responsibilities as well as those of the other parties.

**Prepare by defining your priorities:** Preparation should include developing a plan which details and prioritizes things the affected

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<sup>5</sup> FDA Regulation 105-07, Section 62 (c) (see 148 of this guide)

<sup>6</sup> Available on <http://www.fda.gov.lr/information/agreements/>

communities need and want to be in the agreement. The difference between what you *need* vs what you *want* will define the limits that you do not want to cross in the negotiation. When you represent a group or community, preparations should involve the group through awareness raising, preparatory meetings and an agreement on the priorities.

**Make sure preconditions are met:** Before starting any negotiation, it is important that you check whether you are on the right side of the law yourself. Laws often impose preconditions, requirements and rules before contracts can be negotiated. Examples could be the establishment of a CFDC, or using the correct template. If you are representing someone else, a group or a community, part of the preconditions will be proper authorization to represent them. Also make sure preconditions are met on a practical level. For example, before the negotiation and signing ceremony starts, make sure electricity, a printer and paper are available.

**Know the other parties:** To know the other negotiating party or parties, one can read about them, their activities and core work or ask others who have already negotiated contracts with them. Also, research how much valuable timber is expected to be logged in the concession (there may be differences between Timber Sales Contracts and Forest Management Contracts). You can use this knowledge to make stronger arguments, and to imagine what the negotiating position of the timber company will be and prepare some counter arguments.

**Ask for advice:** Communities and their CFDCs can ask advice and assistance from other communities who have already negotiated contracts in the past, from the NUCFDC, from civil society organizations, legal counsel, or other resource persons. It is important to ask advice and assistance because you will negotiate

with timber companies who are likely to be experienced negotiators and who may also have help from experts.

**Don't be rushed:** Sometimes time pressure is used as a tactic to encourage signing an agreement before everyone agrees or before all points have been properly discussed. For example, if a signing ceremony is scheduled but you feel rushed or haven't received the draft SA document in advance, ask to postpone the ceremony so you can prepare and will not be forced to take rushed decisions.

**No logging without a signed agreement:** Once logging has started, the logging company may have *less* interest to come to an agreement, because it will be costly (e.g. paying cubic meter fees, building infrastructure, etc.). It is therefore important to insist on finalizing negotiations and signing the social agreement before logging begins.

**Together you are strong, divided you will be weak:** Negotiators can play on divisions among the other party. For example, if half of the CFDC representatives would agree to US \$1 cubic meter fee and the other half wants US \$1.5, the company is likely to exploit this division and aim to negotiate the lower cubic meter fee. If you go into negotiations with a united voice, you will have stronger bargaining power. CFDCs can also reinforce their position by collaborating with other CFDCs. For example, if all CFDCs in Liberia decide together to not accept a cubic meter fee below US \$1.5, it will be very difficult or even impossible for a timber company to negotiate a lower cubic meter fee in any specific negotiation. The NUCFDC is the appropriate body to facilitate such decisions.

**Aim for a win-win situation:** Be prepared to concede and find a middle ground on some of your wants - and sometimes even some of your needs. Do not go into a negotiation with an 'all or nothing'

attitude, expecting to get everything you ask for. At the same time, do not settle for too little, and make sure that you get as much from your 'need list' as possible.

**Don't be intimidated or enticed:** Do not be afraid or feel intimidated. Consider yourself equal to other parties. No matter who sits at the other side of the negotiation, what their title may be, who they are represented by or surrounded with, do not be afraid to negotiate your points. Equally, don't be enticed. In negotiations the other side may try to offer enticements hoping to seduce you to stray from defending the communities' best interests. Be careful if any such enticements are offered. Accepting them may be illegal, will not be in the interest of the community and will rarely serve you in the long run.

**Attitude matters:** Be professional, calm and focused and make an effort to listen and understand as well as wanting to speak and be understood. In a negotiation, if you lose patience or respect, you lose power at the same time.

**Choose your words, be precise:** In contract negotiations, similar words can have different consequences. A contract is not the same as a gentleman's agreement. Contracts can be enforced in court. A gentleman's agreement is usually less powerful, and a court may decide it does not bind those who signed it. The more detailed a contract is, the easier it will be to enforce it. For example, when a contract only mentions that 'Company X will build a bridge', you will not be able to complain if only a log bridge was built. Making sure SAs are implemented starts with negotiating a precise SA in the first place.

**Put it on paper:** Make sure that what is negotiated is written in the agreement. People have signed contracts which do not contain all the points that were agreed, either because the points were mistakenly left out, or somebody knowingly left out material terms. Therefore, before signing a contract, read it carefully to ensure that the points agreed are all included. What is not in the contract cannot be enforced.

**It's only over when it is signed:** The negotiation of a contract is not over until a contract is signed. Once the contract is signed, it is binding and cannot easily be cancelled or changed without everyone agreeing on the cancellation or change.

**Contracts may only be final when approved:** Even when a contract is signed, it may not become final until it is approved by a state authority, the Community Assembly or sometimes the Board in case of a company. For example, SAs have to be approved by the FDA. This is important to take into account while negotiating. Do not negotiate anything you know will not be approved.



## SECTION 2: LEGAL REQUIREMENTS FOR NEGOTIATING SAs

In this section we will look at what the law in Liberia says about SAs: when they are required, what needs to be contained in them, and the different steps needed to negotiate them. You will see that this part contains a lot of footnotes. In those footnotes you will find legal references which you can use to find that particular point in the laws and regulations. We have included some of the most important regulations in section 5 of this guide, and where a footnote refers to any of them, the page number reference is mentioned so you can find it more easily.

### 1.1 When are SAs a requirement?

SAs ensure that forest communities gain certain benefits from forestry operations which have been allowed by the government under a Forest Resource License (FRL) and which are likely to affect them.<sup>7</sup> The definition of affected communities is broad, and includes communities whose interests are likely to be affected by timber operations. ‘Interests’ for the purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.<sup>8</sup>

FDA Regulation No. 105-07 states that all timber companies must sign and implement SAs with all affected communities.<sup>9</sup> It does not matter whether the timber company holds a Forest Management Contract (FMC), Timber Sales Contract (TSC), Forest Use Permit

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<sup>7</sup> Forest Resource Licenses are contracts through which the FDA grants the right to exploit certain forest resources. Forest Management Contracts, Timber Sales Contracts, Forest Use Permits and Private use Permits are all types of Forest Resource Licenses.

<sup>8</sup> FDA Regulation No. 102-07 on Forest Land Use Planning, Section 1. (Check page 92 of this guide)

<sup>9</sup> FDA Regulation No. 105-07 on Major Pre-Felling Operations under Forest Resources Licenses, Section 24 (a)(1). (Check page 135 and 136 of this guide)



(FUP) or Private Use Permit (PUP). In each of these cases a SA will have to be negotiated. A SA must be in force for the entire duration of the FRL and no trees may be felled in the absence of a SA. So if a SA ends before the FRL has ended, it is the duty of the timber company to negotiate a new SA.<sup>10</sup>

In 2009 a law was passed which aims to give communities ownership and management rights over their community forest lands. Where communities have reached a Community Forest Management Agreement (CFMA) with the FDA, and have complied with a number of conditions like developing a community forest management plan, they can allow third parties to commercially harvest timber on their lands. Because the community is the one issuing the commercial use contract, there is no requirement to negotiate a SA for these contracts on recognized community forest lands.<sup>11</sup>

## 1.2 What are the main legality criteria for SAs?

The main legality criteria can be found in one of the ten core regulations of the FDA. Further explanation for forest officials is included in the FDA social agreement handbook. Many of the criteria are also included in the legality assurance system put in place by the VPA.

FDA Regulation No. 105-07 lists a number of elements that must be included in a SA for it to be legal.<sup>12</sup> The main legality criteria for every SA are:

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<sup>10</sup> FDA Regulation No. 105-07, Section 31(b)(2). (Check page 137 of this guide)

<sup>11</sup> For more information on different types of logging permits check the briefing available on <https://www.clientearth.org/liberia/>

<sup>12</sup> FDA Regulation No. 105-07, Section 33. (Check page 140 and 141 of this guide)

1. **Code of Conduct:** every SA must include a code of conduct that governs the rights (including access rights) and responsibilities of members of the affected communities, as well as the rights and responsibilities of the FRL holder and the holder's employees, contractors and other associates;
2. **Enumeration of financial benefits:** every SA must include a description of the financial benefit that the affected communities will receive from the FRL holder. The minimum amount fixed in the regulation is US \$1 per cubic meter of logs harvested;<sup>13</sup>
3. **Specified schedule of payment:** Every SA needs to require that the FRL holder pays the negotiated financial benefit on a quarterly basis into an account that the FRL holder maintains in trust for all affected communities;
4. **Disbursement only upon written request by CFDC:** A requirement that the FRL holder releases funds from the abovementioned account for the benefit of an affected community only upon written request by a CFDC; and
5. **Agreed dispute resolution mechanism:** A practical mechanism for resolving disputes that may arise between the FRL holder and members of affected communities.

SAs which are negotiated as part of a TSC are different from SAs which are negotiated as part of a FMC. TSCs only last for three years and can cover areas up to 5,000 ha while FMCs last for 25 years and can cover areas between 50,000 and 400,000 ha.<sup>14</sup>

In addition to the regulations and the NFRL, the FDA has published a draft Social Agreement Handbook.<sup>15</sup> This Handbook contains

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<sup>13</sup> Ibid, Section 34. (Check page 141 of this guide)

<sup>14</sup> FDA regulation No. 105-07, Section 31(b). (Check page 137 of this guide)

<sup>15</sup> Available on <https://www.clientearth.org/liberia-law-database/>

additional information for forest officials to guide the development and implementation of SAs by providing interpretation and explanation to obligations included in the Regulation.<sup>16</sup> However, it is important to point out that this handbook is a draft and only contains guidelines. The interpretations and recommendations made by the FDA in the handbook are therefore not binding and cannot be enforced in court.

The Voluntary Partnership Agreement (VPA) concluded between Liberia and the European Union also requires that a FRL holder negotiates SAs with affected communities as a component of the legality verification process of timber and timber products.<sup>17</sup> The definition of affected community under the VPA includes all communities within 3 kilometers of the proposed concession or permit area.<sup>18</sup> The VPA also specifies a duty of the FDA to engage with the relevant affected communities and to ensure their adequate participation.<sup>19</sup>

### 1.3 What are the different steps to negotiate SAs?

Section 32 of FDA Regulation 105-07<sup>20</sup> gives details on the process which the timber company must follow to negotiate a SA with affected communities.

1. **Identification of affected communities:** The timber company must give notice of its intent to conduct negotiations with representatives of affected communities by publishing a notice

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<sup>16</sup> FDA Social Agreement Handbook, Section 33.

<sup>17</sup> Voluntary Partnership Agreement between the European Union and the Republic of Liberia on forest law enforcement, governance and trade in timber products to the European Union, 2012 ('VPA'). Available on <https://www.clientearth.org/liberia-law-database/>

<sup>18</sup> VPA, Annex 2.

<sup>19</sup> VPA, Annex 2.

<sup>20</sup> FDA Regulation 105-07. (Check page 133 to 149 of this guide)

in a newspaper, announcements on the radio, or by sending written notice to anyone on the existing forest management stakeholder list.<sup>21</sup> The timber company must then identify and maintain a list of affected communities, which should include any community located within the geographic area that will be logged under the FRL or adjacent to that area. Affected communities may also include those whose members use natural resources located in the geographic area that will be logged under the FRL.<sup>22</sup> It is important for communities who believe that they will be impacted by the logging operations to engage with the timber company. Any individual who believes that the timber company should have identified its community may ask the FDA to review the decision of the company not to include their community.<sup>23</sup>

2. **Community preparation for negotiation:** In practice, both parties – the CFDC representing the community and the timber company – will develop a negotiating position. For the CFDC to arrive at their negotiating position, they are expected to hold one or more pre-negotiation meetings following awareness-raising on the SA process by the FDA. Often these pre-negotiation meetings are funded by the timber company. Once the community has agreed on a negotiation position, it will be sent to the FDA by the CFDC. The FDA will collate the negotiating positions it has received from the timber company and the CFDC into one draft document, which will form the basis for final negotiations. CFDCs may seek the assistance of experts, legal counsel, civil society organizations or any other

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<sup>21</sup> Ibid, Section 32(a). (Check page 137 of this guide)

<sup>22</sup> Ibid, Section 32(b). (Check page 137 of this guide)

<sup>23</sup> Ibid, Section 32(d). (Check page 138 of this guide)

person to help them effectively represent communities in negotiating a SA with the timber company.<sup>24</sup>

3. **Public meeting and signing ceremony:** The timber company must conduct at least one public meeting with CFDCs and affected communities, attended by the FDA.<sup>25</sup> The aim of the meeting is to describe the timber operations and likely impacts, and to give community members the opportunity to ask questions about, and express views on, community rights and benefits. The language, location and participation of the meeting must be inclusive.<sup>26</sup> In practice this meeting usually also allows the timber company and communities through their CFDCs to negotiate and sign the SA (which is why this meeting is most often called the signing ceremony).<sup>27</sup> The timber company is responsible for making sure the SA is signed in duplicate originals with the timber company retaining one original version and the CFDC representative retaining the other original.<sup>28</sup>
4. **FDA approval:** The role of the FDA in the negotiation process is to attest to the completeness, accuracy and conformity of the SA with the requirements of the NFRL, the FDA Regulations, the Forest Management Guidelines, the Code of Forest Harvesting Practices and the terms of the FRL.<sup>29</sup> If the FDA believes that the negotiations between the timber company and CFDC omitted the interests of one or more affected communities or the signature of the CFDC was not knowingly and voluntarily given, the FDA should not

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<sup>24</sup> Ibid, Section 32(i). (Check page 139 of this guide)

<sup>25</sup> Ibid, section 35. (Check page 141 of this guide)

<sup>26</sup> Ibid, Section 35. (Check page 141 of this guide)

<sup>27</sup> Ibid, Section 23. (Check page 135 of this guide)

<sup>28</sup> Ibid, Section 35(b). (Check page 143 of this guide)

<sup>29</sup> Ibid, Section 36(b). (Check page 143 of this guide), for other legal texts see: <https://www.clientearth.org/liberia-law-database/>

approve the SA.<sup>30</sup> In the event that the timber company and a CFDC cannot in good faith agree to the terms of a SA, the FDA must use its best efforts to resolve outstanding differences between the parties.<sup>31</sup>

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<sup>30</sup> Ibid, Section 36(d). (Check page 143 of this guide)

<sup>31</sup> Ibid, Section 37. (Check page 144 of this guide)

## Preparation checklist

### Awareness

1. Have all communities who are affected been identified and made aware of the negotiations?

Yes

No

### Preparatory meetings

2. Did affected communities meet at an open meeting to discuss their priorities?
3. Were all members of the CFDC present at the community meetings?
4. Was every affected community represented during the meeting?
5. Was the meeting of affected communities participatory and were diverse views considered, including those of women and youth?

### Negotiation strategy preparation

6. Have communities identified the list of their 'wants' and their 'needs'?
7. Did the affected communities agree on the projects they want to be supported by the concessionaires?
8. Did the affected communities agree with the decisions reached at the meeting?
9. Did you research the company you will be negotiating with?

### **Negotiation and signing ceremony preparation**

10. Were the proposals from the affected communities for the social agreement sent to the FDA?
11. Are all affected communities invited and able to access the signing ceremony venue?
12. Are printers, paper and a generator available for the negotiation and signing?
13. Are the NUCFDC and other organizations invited and able to be present at the ceremony?
14. Will the FDA be present at the ceremony?

### **Social agreement content**

15. Has the social agreement template been used?
16. Are all points of agreement included in writing in the social agreement?
17. Is it clear what is expected from the communities?
18. Is it clear what is expected from the timber company? when, where, how and how much?
19. Is it clear how the agreement will be executed if the timber company works with subcontractors?
20. Is it clear who can be contacted in case of problems?



## SECTION 3: SUGGESTED STANDARD TERMS FOR NEGOTIATING SAs

Social agreements are negotiated using a template which has been developed by the FDA.<sup>32</sup> This template SA foresees that any SA will be built up out of the following parts:

- Legal requirement for the formation of CFDC
- Technical description of the contract area
- Purpose of the social agreement
- Statement of mutual benefit and interest
- Obligations of the timber company
- Obligations of the affected communities
- The code of conduct
- Obligations of the FDA
- Other provisions
- Annexes

In this section, we will look at each of these parts and provide suggestions on what you could negotiate for each of them. But before we do so, it is important to remind ourselves of two distinctions:

1. **TSC vs FMC** - SAs that are negotiated as part of a TSC are different from SAs which are negotiated as part of a FMC. TSCs only last for three years and can cover areas up to 5,000 Ha while FMCs last for 25 years and can cover areas between 50,000 and 400,000 Ha. Affected communities and their CFDC who are negotiating a SA will have to take into account whether it is part of an FMC or a TSC. For example, under TSCs it will

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<sup>32</sup> This template was included under Section 4 in this guide (starting from page 46)

be more difficult to negotiate infrastructure projects because these often span a longer time period.

2. **One county vs several counties** - SAs which are negotiated as part of a FMC which covers several counties are different from where a FMC only covers one county. Each county will be represented by a different CFDC so different SAs have to be negotiated. In FMC contracts, timber harvesting operations will shift throughout the contract area over the course of 25 years to ensure sustainability. This means it can take quite some time before the timber operations shift from one county to the next and for SAs with communities in areas where the company has not yet started to work to become effective. We recommend that communities, CFDC and timber companies be clear about when they expect the SA to start delivering and to take that into account during the negotiations.

### 3.1 What can you negotiate for the first four parts of SAs?

The first four parts of any SA don't need much negotiating, but do require some information to be provided which the FDA will use to complete the SA template.

In the first part the names of the timber company and the affected communities, as well as the forest resource license will need to be inserted into the text under the heading '*Legal requirement for the formation of CFDC*'.

In the second part of the SA the area which has been granted to the timber company is identified. Because the forest resource license has been granted to the timber company by the government, it will not be possible to change the area of operations as part of the SA negotiations. Careful! If the SA only covers one of several counties

which are part of an FMC it should clearly mention which county is covered.

The third part of the SA titled '*I. purpose*' again, does not require negotiation because the purpose and reason for the SA have been fixed by law and will be included similarly in all SAs.

Like the parts before, the forth part titled '*II. Statement of mutual interest*' does not require any negotiation and only requires filling in the names and some details.

### **3.2 What can you negotiate as part of the obligations for the timber company?**

For most communities and their CFDCs ***this is the most important part of the SA***. After creating space to name the representative of the timber company the template for the agreement mentions different types of obligations which should be included (in addition to the ones mentioned in the list, it is possible to add other types of obligations). Roughly they are:

- Minimize impact on traditional practices
- Protection of existing water points
- Respecting subsistence farming, cash and food crops
- Company participation in community development programs
- Workers rights and welfare, workers' housing and social services
- Transportation for communities
- Non-financial benefits including employment opportunities for the community, and benefits in kind
- Road building and maintenance
- Other infrastructure
- How the logging company will abide by the agreement

- Timber products that will be made available to the community
- Description of the meeting schedule with CFDC and affected communities
- Payment schedule including cubic meter fees

To support communities and their CFDC in negotiating these obligations for timber companies we have developed some suggested standard terms and conditions. They have been developed by looking at SAs which have already been negotiated, by discussing with representatives of CFDCs and NGOs and by looking at similar agreements used in other sectors (like for example the memoranda of understanding signed between palm oil companies and local communities<sup>33</sup>). These suggested standard terms can be used as a starting point by communities to negotiate this part of the SA. However it is important that in preparing for the negotiations the communities discuss each of these standard terms and adjust them to their specific needs and context.

### **Suggested standard provision on minimizing the impact of timber operations on traditional practices:**

*“[fill in name of company] agrees to design its operations to minimise effects on traditional practices such as taboo days, sacred sites, and the range of taboo animals/plants, medicinal plant sites, hunting grounds, non-timber forest products sites. To do so [fill in name of company] will make every effort to identify, with appropriate community participation, sites where operations (including logging, road and infrastructure operations) will not be permitted before starting to work in that area. Such sites can*

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<sup>33</sup> For example, MoUs between Golden Veroleum Liberia and local communities have inspired some suggestions in this part, they are available on <http://goldenveroleumliberia.com/index.php/downloadable-content/memorandums-of-understanding>

*include community protected areas (including cemeteries, shrines, sacred forests, special trees and forest collection areas e.g. for special medicines) and other areas identified as culturally or economically significant and important to the community. If any community becomes aware during the operations that any important site is negatively affected, the community, through the local CFDC can inform [fill in name of company] who will stop operations until sites to avoid are fully identified.”*

As part of the preparation for the negotiation, communities and CFDC can also draw up a list of traditional practices and important sites which the timber company needs to consider when planning its operations. They can, for example, include in this provision that no logging operations can take place on certain days, they can also include a list of sites or types of trees they have already identified which should not be harmed as part of the logging operations.

### **Suggested standard provision on the protection of existing water points**

*“[fill in name of company] agrees that its operations should not negatively affect existing water collection points. Before [fill in name of company] starts working in an area for which no or incomplete information is available on known water points [fill in name of company] will identify those points with local communities and CFDC. If a community becomes aware during operations that any water collection point is negatively affected, they can through the CFDC inform [fill in name of company] who will stop operations until additional measures are taken to protect that water collection point.”*

## **Suggested standard provision on respecting subsistence farming, cash and food crops**

*“[fill in name of company] agrees that its timber operations will be timed to minimize disruption to subsistence agricultural activities and existing cash/food crops. This includes not harvesting palm trees and [if needed fill in other types of trees or crops] for processing, bridge construction or export. If operations affect existing agriculture, the farmer or any CFDC member can inform [fill in name of company] who will stop operations until additional measures are taken to protect existing subsistence agricultural activities. Where timber operations will necessarily damage crops or farms [fill in name of company] shall agree with the farmer on fair compensation before the company starts working in that area. During these negotiations, the farmer can be supported by the CFDC, NGOs and experts. Where any unexpected damage to food or cash crops occurs, the [fill in name of company] shall compensate the farmer according to the current market value of the crops destroyed. Where the crops which have been destroyed were expected to yield produce on multiple occasions over a longer period of time the compensation to be paid shall be the market value of the expected yield covering the time needed to re-grow those crops.”*

The payment of compensation for the loss of subsistence or cash crop is often a difficult point in the implementation of SAs. Communities and their CFDCs can make this process easier by agreeing on a list of the most common crops and fixed amounts of compensation which need to be paid in case they are destroyed. Such a list can be included together with the suggested standard provision. Remember: ensuring implementation of SAs starts with negotiating a good and clear agreement in the first place!

## **Suggested standard provision on company participation in community development programs**

*“[fill in name of company] agrees to participate in community development programs for a total amount of [fill in total amount the timber company will contribute to development programs]. [fill in name of company] will do this by transferring of funds to the CFDC accounts to financially support the following programs:*

- *Transfer of [fill in amount] to be paid to CFDC for human resource development. This amount will be paid in [fill in number of instalments] instalments payable on [fill in dates of payments of different instalments];*
- *Transfer of [fill in amount] to be paid to CFDC to participate in the [fill in community development program like construction of schools/ clinics/latrines, supporting the creating of fuel wood plantations, or tree nurseries, etc] This amount will be paid in [fill in number of instalments] instalments payable on [fill in dates of payments of different instalments].”*

Careful! Although this seems the first possibility to include financial benefits for the community, including financial support by the company here means that the CFDC and community are responsible for the implementation of these programs. We recommend communities look at this option if they have programs ongoing and/or planned for which other funding is also available. If this is not the case it may be better for communities and their CFDC to negotiate that the timber company is responsible for the implementation and include those projects under infrastructure or benefits in kind below. Negotiating a lot of financial contribution by the timber company under this section will also probably lead to lower cubic meter fees and less other benefits.

## **Suggested standard provision on workers' rights, workers' housing and social services**

*“[fill in name of company] agrees to respect the rights of its employees consistent with the Labour Laws of Liberia, especially in relation to minimum wage and workers' health and safety. Employees will have the right to sick pay and to reimbursement of medical costs. Employees who suffer permanent injuries or disability as a result of working for [fill in name of company] shall receive adequate compensation. [fill in name of company] also agrees to provide housing/accommodation, food, medical and other basic social services for its workers. These will be provided in the worker's camp and will be free-of-charge. The workers' camp and housing therein will be built using [fill in whether housing is expected to be built in temporary materials or in concrete], and will be located at [fill in e expected location of the workers' camp]. In the workers camp the following services will be available: free electric power before and after working hours; water, toilets and shower facilities; medical care for employees; professional training.”*

Many communities want to negotiate workers' camps to be built up out of permanent buildings and be located close to a village. It is however important to remember that a timber company will shift its camp after operations in a certain area have been completed. A permanent workers camp located far from the logging operations may result in substantial extra costs for the timber company, which means that if they are forced to do so they will be less willing to negotiate high cubic meter fees, high local employment or more infrastructure projects. For SAs which are negotiated as part of a TSC, any infrastructure works will need to take the shorter duration of a TSC into account, so it may be best for communities and their



CFDCs not to prioritise negotiating any infrastructure works which would span a long time (like a permanent workers camp).

### **Suggested standard provision on transportation for communities**

*“[fill in name of company] agrees to allow the community to use, free of charge, any transport roads constructed and/or maintained by it (skidding trails are not considered as roads and are not available for use by community members); provided that such use shall not unduly prejudice nor interfere with either party. [fill in name of company] also agrees to provide transportation to the communities during emergency situations but will not be responsible for any damage, injury or any other subsequent events that may occur during the provision of this service. Requests for emergency transport can be made by any community member in distress or any CFDC member. [fill in name of company] can only refuse emergency transport when it would put their staff or property at risk in a disproportionate way. Should such a refusal occur the [fill in name of company] will subsequently provide explanation in a letter to the CFDC.”*

### **Suggested standard provision on non-financial benefits including employment and benefits in kind**

*“[fill in name of company] agrees to give first preference for employment for unskilled job opportunities and a representation in middle management to locals from the affected communities. Hiring for those positions shall be done in collaboration with the CFDC. A list of all community members employed or contracted by the company shall be made available to the CFDC in the second month of this agreement and will be updated every six months. [fill in name of company] will also provide the other*

*benefits in kind which have been included in other provisions in this agreement concerning infrastructure, roads, scholarships, etc.”*

## **Suggested standard provision on road building and maintenance**

*“[fill in name of company] agrees to maintain all roads in the concession area, specific attention will be given to make sure that roads used by logging trucks remain in sufficient condition for other vehicles to be able to pass. When the condition of the road makes it impossible for a 4x4 vehicle to pass, repairs and maintenance should be done within 24 hours. Any delay beyond 24 hours should subsequently be explained by the timber company in a letter to the local CFDC and can result in penalty charges mentioned below.*

**[fill in name of company] will build the following roads: [include detailed description of the roads which the company will build and when they will be built]. Any bridges that need to be built as part of the road building will be built in [include description of the materials in which bridges will be built]”**

Similar as for other infrastructure projects, road building outside of the area of logging operations may result in substantial extra costs for the timber company, which means that if they are forced to do so they will be less willing to negotiate high cubic meter fees, high local employment or other infrastructure projects. For SAs which cover only one of several counties included in the FMC area of the timber company, it will be likely that infrastructure works and road building will only start in the other counties when the company actually starts working there. For SAs which are negotiated as part of a TSC, any infrastructure works will need to take the shorter duration and small

surface area of a TSC into account, so it may be best for communities and their CFDCs not to prioritise negotiating any infrastructure works which would span a long time.

### **Suggested standard provision on other infrastructure**

*“[fill in name of company] agrees to build the following community infrastructure:*

- *[fill in number] of hand pumps in the affected communities during the lifetime of the contract. These hand pumps will be installed as follows: [include names of communities where the hand pumps will be installed and timelines for the installation]. Hand pump construction shall be in line with national WATSAN policy. The total cost of these pumps is valued at [fill in total estimated cost of the hand pumps].*
- *[fill in number] of latrines in the affected communities during the lifetime of the contract. These latrines will be installed as follows: [include names of communities where the latrines will be installed and timelines for the installation]. The total cost of these latrines is valued at [fill in total estimated cost of latrines].*
- *[fill in number] of schools in the affected communities during the lifetime of the contract. These schools will be built in [include names of communities where the schools will be built and timelines for the completion]. They will be built in concrete and according to Ministry of Education standards. [fill in name of company] agrees to furnish and finance the operations of these schools for the duration of this agreement. The total cost of the schools, including furnishing and operating them is valued at [fill in total estimated cost of schools].*

- **[fill in number]** *of clinics in the affected communities during the lifetime of the contract. These clinics will be built in [include names of communities where the clinics will be built and timelines for completion]. They will be built in concrete and according to Ministry of Health standards and will be furnished and operated for the duration of this agreement by [fill in name of timber company]. The total cost of these clinics, including furnishing and operating them is valued at [fill in total estimated cost of schools].*

**[fill in name of timber company]** *is responsible for the maintenance of all community infrastructure it builds for the duration his agreement.”*

Careful! For communities who want to negotiate (some of) these different infrastructure works it is important to be as precise as possible on where exactly the infrastructure will be built, who will provide the land, when it will be built, which materials will be used and who is responsible for maintenance. It could be a good idea to look at existing buildings which can be refurbished rather than constructing new buildings. The cost of refurbishing will be less which means the CFDC may be able to negotiate more. For example, refurbishing two buildings into a clinic and a school instead of constructing only one new clinic. Take into account that if a lot of infrastructure projects are negotiated it will be more difficult to also negotiate a high cubic meter fee, a lot of scholarships, etc. As mentioned before, negotiating infrastructure under TSCs is different because of the short duration of TSC contracts. If the SA is negotiated for one of several counties under a FMC, infrastructure works will most probably only start once the company starts operating there.

## **Suggested standard provision on how the logging company will abide by the agreement**

*“[fill in name of timber company] agrees to employ one community liaison and monitoring officer to monitor all field activities. At the end of each week the data clerk of [fill in name of timber company] will share a copy of the record of production which clearly mentions the total amount of logs harvested and their volume in cubic meter. This copy will be co-signed by the data clerk and the community liaison and monitoring officer and will be handed over to the CFDC. In addition the community liaison and monitoring officer will draw up a monthly report which (s)he will transfer to the CFDC latest 3 working days after the end of each month.*

*In addition [fill in name of timber company] agrees to employ one community liaison and timber protection officer who will patrol the contract area, raise awareness and report any illegal pit/chain sawing, fires or other activities causing damage to timber trees to [fill in name of timber company], the CFDC and to the local authorities.”*

*[fill in name of timber company] will provide the following documents at each of the quarterly community meetings:*

- *Proof of transfer of the cubic meter fee;*
- *Progress reports on road building and infrastructure*
- *Proof of payment of scholarships*
- *Proof of employment of local unskilled and skilled labour*

*Delays in implementing this social agreement by [fill in name of timber company] will result in the following penalties:*

- *Delay in compensating damage to subsistence, food or cash crops will result in penalties of US \$300 per 10 days of delay in paying compensation (counting starts from day operations start/continue after damage has been caused) to be paid directly to the affected farmer;*
- *Delay in building and furnishing of the workers' camp, delay in road building or delay in completing community infrastructure will result in penalties of US \$300 per week of delay beyond agreed completion date unless agreed differently in writing between CFDC and [fill in name of timber company]. Penalties will be payable to the CFDC;*
- *Delay in payment of cubic meter fees will result in penalties of US \$300 per week of delay in payment and will be paid to the CFDC;*
- *Delays in the start of timber operations which exceed 9 months will result in penalties of US \$1,000 per additional month of delay and will be paid to the CFDC.*

*Failure to implement obligations in this social agreement will result in the following penalties:*

- *Delays in the payment of compensation which exceed 3 months will be considered as a failure to pay compensation and will attract the penalty of US \$2,500 per hectare of damaged crops paid directly to the affected farmers;*
- *Delays exceeding 1 year in building and furnishing of the workers camp, in road building or completing community infrastructure will be considered as a failure to implement these obligations. Such failure will attract the following penalty: The total estimated amount of the construction work as mentioned in this agreement plus an additional 30% paid to the CFDC.*

**[fill in name of timber company]** *will post an annual performance bond to ensure the implementation of this social agreement. The amount of the performance bond will equal US \$1.5 per hectare of area subject to this social agreement.*

**[fill in name of timber company]** *agrees that all its obligations under this social agreement equally and fully apply to any third party subcontractors. When [fill in name of timber company] intends to subcontract any part of its operations it should notify the CFDC in writing of this and subsequently introduce the third party at a community meeting. The letter should include details of the contact person for any of the third parties and should include a copy of the social agreement co-signed by the third party subcontractor and [fill in name of timber company].”*

Including predetermined penalties for the company which are applied in case it does not respect the SA can be a powerful tool to make sure the timber company respects the agreement. Careful! The amounts included above are only tentative and can be changed, so make sure to check whether they are sufficient for your context. Be aware that when negotiating the inclusion of such penalties in the SA, it is quite likely that the company will also want to negotiate penalties for communities who don't respect their side of the SA (for example by engaging in chain/pitsawing in concession areas).

### **Suggested standard provision on which timber products will be made available to the community**

**[fill in name of timber company]** *agrees to provide reasonable amounts of timber products (including sawn timber) needed for community development projects. Requests for the provision of*

*such timber will be made in writing through the CFDC. [fill in name of timber company] also recognizes that any off cuts resulting from timber operations belong to the community and will be made available to them upon written request through the CFDC.”*

### **Suggested standard provision on description of the meeting schedule with CFDC and affected communities**

*“[fill in name of timber company] agrees to convene and finance quarterly meetings with the CFDC and affected communities on the last Friday of each quarter. [fill in the exact dates for the meetings and the place where they will be held]. In addition to quarterly meetings, [fill in name of timber company] agrees to hold emergency meetings with the CFDC and affected communities when the need arises.”*

### **Suggested standard provision on payment schedule including cubic meter fees**

*“[fill in name of timber company] agrees to pay US \$[fill in desired amount of cubic meter fee] per cubic meter to the Community Forestry Development Committee in addition to the payment of 30% land rental [fill in US \$2.50 per hectare in case of FMC or US \$1.25 in case of TSC] to the community benefit sharing scheme. The cubic meter fee will be calculated using the total volume of logs harvested, which has been confirmed on a weekly basis by the data clerk of [fill in name of timber company] together with the community liaison officer (see above).”*

The amount of cubic metre fee timber companies agree to pay vary but the minimum is US \$1 per cubic meter and most SAs include a



cubic meter fee payment of US \$1.5 per cubic meter. You can find this minimum amount mentioned in Regulation 105-07 section 34 on page 141 in section 5 of this guide. Bear in mind that negotiating higher cubic meter fees will most likely result in less additional benefits like community infrastructure, scholar ships, etc.

## Other suggested standard provisions

On replanting:

***“[fill in name of timber company] agrees to establish and maintain a tree nursery in which the main timber species and other species of trees important to the communities will be grown for replanting. [fill in name of timber company] will employ [fill in number of employees required] community members to operate the tree nursery and to replant produced trees.”***

On hunting:

***“[fill in name of timber company] agrees to forbid any hunting by any of its employees who are not a citizen of the affected communities. [fill in name of timber company] will also forbid all its employees (whether or not member of the community) to hunt animals protected by Liberian law such as chimpanzees (“baboon”), hippos or crocodiles, and will equally forbid hunting in river buffer zones.”***

Where a SA is negotiated for a county which has to wait before timber operations will arrive in the area, it advisable to clearly state in the SA when you expect certain obligations to be implemented and what kind of benefits are expected during the time when operations have not yet started in your county. In addition one could for example propose to include something along the lines of:

*“[fill in name of timber company] agrees to pay US \$2,500 per quarter as timber protection fee during the period where timber operations have not yet started in the county covered by this social agreement. In addition [fill in name of timber company] agrees to employ 2 community liaison and timber protection officers who will patrol the contract area, raise awareness and report any illegal pit/chain sawing, fires or other activities causing damage to timber trees to [fill in name of timber company], the CFDC and to the local authorities.”*

### **3.3 What can you negotiate as part of the obligations for the affected communities?**

After the obligations for the company, the SA template numbers the obligations for the affected communities and their CFDC. The obligations which are included here are fairly standard and usually more or less the same for different SAs. It is however possible that the timber company will ask to add additional obligations for the communities and their CFDC. A typical example of an additional obligation for the affected communities would be to avoid/combat chain-sawing and the establishment of new farms in the concession area.

### **3.4 What can you negotiate as part of the code of conduct?**

SAs have to include a ‘code of conduct’ in which the rights and responsibilities of the communities, their CFDC and the timber company are defined.<sup>34</sup> Careful: Quite often a lot of the rights and responsibilities have already been mentioned in the parts containing

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<sup>34</sup> FDA Regulation No. 105-07, Section 33. (Check page 140 and 141 of this guide)

the obligations of the timber company and the affected communities. Because of this, it is important to make sure that what is included under this code of conduct does not contradict what has been mentioned before in the agreement. Below are some suggested standard provisions you can include under this section:

In the case of SAs under an FMC:

*“This code of conduct will apply for the contract area described above in this social agreement and will be valid for 5 years. Within the period of 25 years covered by the FMC this social agreement can be renewed at the end of each 5 year period. Six months prior to the expiration of this social agreement CFDC will notify the communities, [fill in name of timber company] and FDA.*

*If several social agreements are negotiated as part of the FMC held by [fill in name of timber company], the rights and duties under this code of conduct will only apply to the communities from [fill in name of the county represented] represented for its negotiation. [fill in name of timber company] will negotiate a separate agreement with the affected communities from the other counties not covered by this social agreement. The code of conduct will be valid for the entire period covered by this social agreement.”*

In the case of SAs under a TSC:

*“This code of conduct will apply for the contract area described above in this social agreement and will be valid for 3 years and can only be renewed in case a new Timber Sales Contract or other Forest Resource License has been granted to the same timber company. The code of conduct will be valid for the entire period covered by this social agreement.”*

Then continue for both types of SA (under TSC or under FMC):

*“After the first year of implementation of this social agreement parties will meet and assess the implementation. If needed, parties can at that time agree on changes to be made to this social agreement for the remaining years. Any such changes will be signed and approved in the same way as was done for the initial agreement.*

*Members of the affected community will strive to minimize the expansion of subsistence agriculture which would result in the clearance of timber trees within the contract area and will prioritize low land agriculture development. The community liaison and timber protection officer will support this aim through awareness raising and the reporting of incidents.*

*[fill in name of timber company] will respect existing agricultural activities, provide financial support to community development programs, pay financial benefits including cubic meter fees, build infrastructure, allow access to NTFP and off cuts, etc as provided under its obligations in this social agreement. [fill in name of timber company] will involve the relevant government agencies to do so.*

*The persons involved in negotiating this social agreement are affected communities through their CFDC, representatives from [fill in name of timber company] and representatives of the Forest Development Authority. Other representatives from the affected communities (including local authorities, senators or law makers), experts and representatives of NGOs can support negotiating parties but are not allowed to take part directly.*

*Communities will be able to monitor this social agreement through the community liaison and monitoring officer mentioned under the obligations for the timber company. In addition, information will be shared by [fill in name of timber company] at each of the quarterly community meeting as mentioned above. CFDC members can also ask [fill in name of timber company] in writing to share any other information they may need to monitor the implementation of this agreement. [fill in name of timber company] shall provide this information within 10 working days.*

*As mentioned above [fill in name of company] agrees to allow the community to use, free of charge, any transport roads constructed and/or maintained by it (skidding trails are not considered as roads and are not available for use by community members); provided that such use shall not unduly prejudice nor interfere with either party.*

*The community liaison and timber protection officer will raise awareness and help communities abide by the terms and conditions of this agreement.*

*In addition, the communities and [fill in name of company] are jointly responsible for safeguarding the environment, people and property.”*

### **3.5 What can you negotiate as part of the obligations of the FDA?**

The obligations of the FDA usually don't need much negotiating and are about the same for all SAs. In this part some information will need to be included on where CFDC guidelines will be sent to.

### **3.6 What can you negotiate as part of the other provisions?**

After the obligations of the FDA, the SA template includes a number of standard provisions which are usually included in the same way in all SAs. Before signing, it is important to check whether all the standard provisions mentioned in the template have duly been included in the SA.

### **3.7 What can you negotiate as part of the annexes?**

When negotiating any annexes it is particularly important to make sure obligations and information included therein is consistent with what has been included in the main text of the SA.

Sometimes one of the annexes includes a summary table of the code of conduct in which the first column offers the possibility to also include joint responsibilities of the timber company and the affected communities. These joint responsibilities have not yet been mentioned in the main text of the SA so this is an opportunity to negotiate those. The second and third column should repeat the obligations for the timber company and the affected communities which have already been negotiated as part of the main text of the SA.

## SECTION 4: SOCIAL AGREEMENT TEMPLATE

In the following section we have included the Model Social Agreement recommended by the FDA. During the negotiation of SAs this template will have to be completed with additional information and the results of the negotiation. Where such information has to be completed we have included **boxes** in which we clarify which information is needed.

## **SOCIAL AGREEMENT TEMPLATE**

### **SOCIAL AGREEMENT**

**Between the**

*fill in name of timber company* **CONTRACT HOLDER**

**And the**

**COMMUNITIES/VILLAGES REPRESENTED BY CFDC** *fill in name of  
concerned CFDC*

**As Attested to by the**

**FORESTRY DEVELOPMENT AUTHORITY**

### **LEGAL REQUIREMENT FOR THE FORMATION OF CFDC**

For suggestions on what you can negotiate under this part check page 25 to 26 of this guide.

This Social Agreement (agreement) is hereby made and entered into by and between the *fill in full name of timber company* hereinafter referred to as *fill in short name of timber company*, the communities of *fill in districts and counties where affected communities are located*, hereinafter referred to as the Communities, for Forest Management /Timber Sale Contract area *fill in contract area and county*, and attested to as to its completeness by the Forestry Development Authority, Monrovia, Liberia, hereinafter referred to as the FDA, under the provisions of the 2006 National Forestry Reform Law, and FDA Regulation No. 105-07 Regulation on Major Pre-felling



Operations under Forest Resource Licenses you can find this regulation further on in this guide starting from page 133

## TECHNICAL DESCRIPTION OF THE CONTRACT AREA

*For suggestions on what you can negotiate under this part check page 25 to 26 of this guide.*

### Technical Geographic Description of the Contract Area

The FMC / Timber Sale Contract (TSC) is located in fill in name of county county.

Include a description of the area, which includes an area within certain latitudes and longitudes and a description of the boundaries using GPS coordinates.

### Metes and Bounds with the Area Map

Include a map on which the boundaries of the contract area are shown

The fill in type of contract FMC/TSC contract was awarded to fill in name of timber company. In the preparation of the fill in contract name, notice was given and surveys conducted in a portion of the affected communities. The purpose of these surveys was to validate whether the area was suitable for commercial forest practices based upon ecological, economic and social considerations. As part of this survey, the affected communities were informed of the potential fill in type of contract contract in the vicinity and the requirements for a social agreement. As a result of this, the FDA secured a statement, using FPIC/RBA, (Reg 104 section 22 J) [This reference seems

*confusing; for written consent please check Reg 104-07, Section 61 (c) (3) on page 102 of this guide*) on behalf of affected communities around the *fill in contract name* that they intend to negotiate a social agreement in good faith with the winner of the competitive bid.

## I. PURPOSE:

*For suggestions on what you can negotiate under this part check page 26 of this guide.*

The Social Agreement is a contract *fill in contract area and concession name* between the *fill in name of timber company* and the affected communities around *fill in concession name* which establishes the relationship between community and company.

The Social Agreement is a requirement by FDA Regulation No. 105-07 between any company that plans to harvest timber and the affected communities that could be affected by that commercial activity. *You can find this requirement in Section 21 and 24 of that regulation on page 135 and 136 of this guide*

This Social Agreement is:

- a) Established between *fill in name of the timber company* that has been authorized by the FDA through the competitive bidding/Sole Source<sup>35</sup> process *indicate through which process the concession was granted* and affected communities<sup>36</sup>;

<sup>35</sup> Sole Source is defined in PPCA as When only one supplier has the exclusive right to manufacture the goods, carry out the works, or perform the services to be procured and no suitable alternative is available;

<sup>36</sup> Affected Communities as defined in the regulation is as follows: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by Operations carried out under a Forest Resource License. "Interests" for purposes of this definition may be an

- b) Establishing a code of conduct regarding rights and responsibilities of the company fill in name of timber company and affected communities fill in concession name. Reference the FDA regulation/CRL
- c) Establish the financial benefits for all affected communities with respect to section 34 of FDA Regulation No. 105-07 Regulation on Major Pre-felling Operations under Forest Resource Licenses. You can find this section of regulation 105-07 on page 141 of this guide
- d) establish Non-financial benefits (Employment and Benefits in Kind)
- e) Establish Processes to Agree Social Agreement implementation (annexes)
- f) Negotiate directly between FDA fill in name of timber company and local communities;
- g) Develop monitoring and evaluation of the implementation of the Social Agreement (Annexes 3a&b)
- h) Reference the role of FDA as in Annex 1a of the SA Template.

## II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:

*For suggestions on what you can negotiate under this part check page 26 of this guide.*

Fill in name of timber company and the affected communities represented by fill in name of concerned CFDC of fill in concession name strive to engage in a mutually beneficial relationship by agreeing to the terms of this Contract. Working cooperatively in the on-going implementation of the fill in concession name will allow the

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economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.

affected communities and the FDA fill in name of timber company to achieve their respective goals.

In consideration of the above premises, the parties hereto agree as follows:

**III. Fill in short name of timber company SHALL:**

*For suggestions on what you can negotiate under this part check page 26 to 41 of this guide.*

Identify the representative of the company to represent it in negotiating the terms of this social agreement. The company representatives is —

(1) A Person whose name is maintained on the list of names identified in the company's pre-qualification documents or has such documentation to verify his employment with the company and has the power to negotiate on the company's behalf; and

(2) In the event that this person is unable to negotiate with the Affected Community, any other person that the Company may designate, subject to the requirements of this Paragraph.

*Fill in the name of the representative of the timber company and mention that the company commits to inform the FDA and CFDC of the name of any other person designated where the original person is unable to negotiate*

The Holder shall maintain a list of community representatives (CFDC) for its fill in type of contract – you can ask the timber company to share the list of affected communities it is currently using.

The Holder shall address the following issues, rights and responsibilities under the negotiated contract.

- Describe how holders operations are designed to minimize effects to traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plant sites, hunting grounds, non timber forest products sites.
- Describe how existing water collection points are protected and maintained as stated in code of harvesting practice.
- Describe how timber operations respect the affected communities' rights to subsistence agricultural activities.
- Describe how timber operations respect the existing cash/food crops.
- Describe the level of participation of company in community development programs.
- Describe how workers rights will be respected including housing and other social services.
- Describe the conditions, if any, under which the Holder will provide transportation to the affected Communities.
- Describe the conditions under which Non-financial benefits are provided (employment and benefits in kind) to the communities.
- Describe how the provision of so-called "benefits in kind" are explicitly defined and budgeted against the financial timber levy revenue.
- Describe the proposed road building and maintenance in and adjacent to the contract area.
- Outline all community infrastructure benefits and include detailed timeline for implementation.
- Describe how the Holder will abide by terms and conditions of Social Agreement.
- Describe the extent to which timber products will be made available to the community.
- Description of meeting schedule with CFDC's and affected community to discuss any issues.
- Describe the payment schedule for community benefits.

- Mention the government relevant Agencies that are involved in the infrastructure development (MOE, MOH, MPW, LACE).
- Describe the welfare of the Workers be addressed.

#### **IV. THE AFFECTED COMMUNITIES SHALL:**

*For suggestions on what you can negotiate under this part check page 41 of this guide.*

Identify their representatives through the election of their members to a Community Forest Development Committee (CFDC). The CFDC is responsible for representing the affected communities in negotiating the terms of a social agreement.

Community Forest Development Committees must abide by the following conditions —

(a) Community Forestry Development Committee members should:

- Consist of at least five members and not more than ten members ;
- They must be permanent residents of the community or communities that the Committee represents;
- Be a representative of clusters within the community
- Not be a GOL, CSO/NGO Company employee;
- Be removed by community members that elected you for inefficiency, ineffectiveness and misconduct. Refer to CFDC guidelines/rules (Reg 105 Part XI section 62)

(b) All members of a Community Forestry Development Committee must be freely and fairly elected by residents of the community

cluster<sup>37</sup> of the affected community; and should reflect gender balance;

(c) A Community Forestry Development Committee must provide a means for all residents that it represents, including women and youths and elders, to have their views heard and considered;

(d) Prior to the disbursement of funds, a Community Forestry Development Committee must be incorporated under the laws of the Republic and should have a bank account at a recognized bank in Liberia.

(e) A Community Forestry Development Committee shall receive 10% of the annual revenue to the communities (area and the production base-fees) as compensation and shall be distributed based on position according to Annex 4.

(f) The 10% of the area-base fee benefit will be paid directly by the National Benefit Sharing Trust Board every month but the 10% of the production-base fee compensation shall be received at the end of the year.

(g) Community Forest Development Committee and local Authorities shall ensure that no Chain sawing and farming are allowed in contract areas

(h) CFDC must hold a monthly meeting with the community members for briefing, update and grievances, if any.

(i) CFDC should be respected and if any change in its leadership structure, FDA, Community and other stakeholders must be immediately informed.

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<sup>37</sup> Community Cluster is defined as communities/villages that are close to one another. These groups of communities /villages are to elect one person to represent them in the CFDC of the entire affected communities.

(j) CFDC shall maintain a list of contract holders' representatives for its FMC/TSC.

### **Code of Conduct**

*For suggestions on what you can negotiate under this part check page 41 to 44 of this guide.*

**Section 33 of Regulation No.105-07** stipulates that a Social Agreement should contain a code of contract defining the rights and responsibilities of Affected Communities and the Holder. You can find this section of regulation 105-07 on page 140 of this guide.

- Describe how *Social Agreements for areas that do not exceeds 5,000 ha and duration not more than three (3) years be ( as per value of timber extracted) simplified to provision of Social Amenities and Livelihood Assistance only (i.e. omitting community infrastructure development);*
- Describe the three part structure for Social Agreements for FMC including:
  - A 25 year Framework Social Agreement – reference in regulation
  - A 5 year Social Agreement Plan, with update every five years;
  - An initial Outline Social Agreement for the first year;
- Describe the updating of the Outline Social Agreement within one year and the *general updating of Social Agreement after every five years in line with the Management Plan revisions;*
- Describe what area of the concession is covered by the SA;
- Describe how activities of members of affected community will strive to minimize the expansion of subsistent agriculture activities within Contract Area including a description of



communities efforts to encourage low land agriculture development:

- Describe how affected communities will discourage unnecessary fire disposal and encourage fire safe practices:
- Describe existing cash/food crops and how these crops will be managed to not conflict with harvest operations.
- Describe which financial benefits are included in the SA;
- Describe what is the timing for benefits to be shared with different communities;
- Describe how Non-financial benefits are managed;
- Mention the government relevant Agencies that are involved in the infrastructure development (MOE, MOH, MPW,LACE)
- An exit strategy, CFDC should notify contract holders and FDA six months prior to the expiration of the SA.
- Describe how the Provision of so-called “*benefits in kind*” will be explicitly defined and budgeted against the financial timber levy revenue;
- Describe who will be involved in agreeing SAs and what are their responsibilities;
- Describe what is the timing of SAs being agreed;
- Describe how communities will be supported to monitor the SA;
- Describe the sources of information that will be made public to help monitor SAs
- Describe who is responsible for ensuring that agreed benefits are provided;
- Describe how the affected community will use the proposed roads and how they expect to benefit from existing and planned roads in and adjacent to contract area.
- Describe how the affected community will abide by terms and conditions of Social Agreement.

- Describe the needs for Non-timber forest products (NTFPs) from within the contract areas with the intention for community access and link to market.
- Describe the means by which the community access the wood waste/residue from the concession area.

**V. THE FORESTRY DEVELOPMENT AUTHORITY SHALL:**

*For suggestions on what you can negotiate under this part check page 44 of this guide.*

- A.** Ensure that the TSC/FMC CONTRACT is authorized so that all terms and conditions of the License are met.
- B.** Ensure that the Operations of the Holder are in compliance with the FMC/TSC.
- C.** Ensure drafting of CFDC guidelines (election process, by-laws/constitution, etc) and the social agreement guidelines (SA negotiation and observing FPIC).

a. Send an original to:	b. Send a copy to:
<ul style="list-style-type: none"><li>• TSC Holder</li></ul>	<ul style="list-style-type: none"><li>• Community Forest Development Committee</li><li>• FDA Managing Director</li></ul>

**VI. IT IS MUTUALLY AGREED AND UNDERSTOOD BY AND BETWEEN THE PARTIES THAT:**

*For suggestions on what you can negotiate under this part check page 45 of this guide.*

**A. PRINCIPAL CONTACTS.** The principal contacts for this agreement are:

**TSC / FMC Company  
Contact**

e.g John Smith

Phone: 077-

FAX:

Email: johnsmith@

**Community Forest  
Development Committee  
Chairperson**

e.g John Brown

Phone:

FAX:

Email: johnbrown@

**Forest Development  
Authority Contact**

e.g. John Gee

Phone:

Email:

- B.** It is the intent of this agreement that the parties may modify this agreement by mutual agreement. The FDA will need to attest to its completeness prior to any modifications going into effect.
- C.** The parties will maintain lines of communication regarding operations and specifically provide periodic updates to the chairperson regarding any issues in implementing the social agreement. The update should specifically provide information as to the volume of logs removed to date.
- D.** The parties will hold an annual meeting with representatives of the Community Forest Development Committee, FDA and authorized representatives of the TSC Holder to discuss the upcoming annual operating plan as well as attempt to resolve any issues identified from the previous operating season.
- E.** The parties may provide support and assistance to each other in seeking grant and alternative funding opportunities via letters of support and work on grant applications.
- F. REAL PROPERTY IMPROVEMENTS.** Any improvements (facilities, roads, etc.) developed as a result of this agreement and at the

direction of either of the parties, shall thereupon become the responsibility of the affected communities, and shall be subject to the same regulations and administration as other similar improvements of a similar nature. No part of this agreement shall entitle TSC Holder to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

- G. **PARTICIPATION IN SIMILAR ACTIVITIES.** This agreement in no way restricts the TSC/FMC Holder or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.
- H. **DISPUTE RESOLUTION.** In the event of any issue of controversy under this agreement, the parties consisting of two (2) members of the CFDC and two (2) from the companies and one person that both parties agreed on will seek to initially resolve their differences with the assistance of those mentioned in Annex 2a. In the event that there are still differences, local government officials (District Commissioner, Paramount Chiefs, Clan Chief, and Town Chief) should be considered as neutral parties in a third-party mediation process, provided their neutrality is so proven in said conflict. If not resolved by the steps above, any controversy or claim arising out of or relating to this agreement shall be exclusively settled by binding arbitration in accordance with the Commercial Arbitration Rules and judgment rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The laws applicable to the dispute, the Social Agreement and the interpretation thereof are the laws of Liberia. The arbitration shall take place at an acceptable location within the towns represented by the CFDC and the arbitral proceedings will be in English with interpreter provided for local languages.
- I. **AUTHORIZED REPRESENTATIVES:** By signing below, the Chairperson of the Community Forest Development Committee certifies that the individuals listed in this document are representatives of the Affected Communities and are authorized to act in their

respective areas for matters related to this agreement. Also, by signing below, the assigned representative of the FMC/TSC Holder certifies that this individual is authorized to act in this capacity for matters related to this agreement.

J. **COMMUNITIES BE SUPPORTED TO MONITOR AND EVALUATE THE SA:**

Participatory compliance monitoring of community benefit delivery by title holders and CFDCs; the CFDC to be supported from the Community Fund at the rate of 10% of annual benefit delivery (area and production base fees);

Independent Monitoring by CFDC Expert Advisor under an MOU and on a fee basis supported from the Community Fund of 5% of annual benefit delivery(area and production base fees);

K. **COMMENCEMENT/EXPIRATION DATE.** This agreement is executed as of the date of the last signature and is effective through the duration of a FMC/TSC and reviewed every 5 years for an FMC and 3 years for TSC when the duration is to be extended after which time it will expire.

The authority and format of this agreement has been reviewed and approved for signature.

In witness whereof, the parties hereto have executed this agreement as of the last date written below.

Chairperson Community Forest Development Committee		Date
President Xxxx Timber Sale Company		Date
HARRISON S. KARNWEA Sr. Managing Director Forestry Development Authority		Date

## ANNEXES to SOCIAL AGREEMENT TEMPLATE

### Annex 1

#### Code of conduct regarding rights and responsibilities of the company and affected communities

Joint Responsibilities	Holder responsibilities	Affected Communities responsibilities
<ul style="list-style-type: none"> <li>• Social Agreements for TSCs to be simplified to provision of Social Amenities and Livelihood Assistance as well as small infrastructural projects such as provision of safe drinking water, pit latrine, etc.,</li> <li>• Describe the three part structure for Social Agreements for FMC including:</li> <li>• A 25 year Framework Social</li> </ul>	<ul style="list-style-type: none"> <li>• Describe how holders operations are designed to minimize effects to traditional practices such as taboo day, sacred sites, and the range of taboo animals/plants, medicinal plant sites, hunting ground, non timber forest products sites.</li> <li>• Describe how existing water collection points are</li> </ul>	<ul style="list-style-type: none"> <li>• Describe how activities of members of affected community will strive to minimize the expansion of subsistent agriculture activities within Contract Area including a description of communities' efforts to encourage low land agriculture development.</li> <li>• Describe how affected</li> </ul>

<p>Agreement</p> <ul style="list-style-type: none"> <li>• A 5 year Social Agreement Plan, with update every five years;</li> <li>• An initial Outline Social Agreement for the first year;</li> <li>• Describe the updating of the Outline Social Agreement within one year, and updating of Social Agreement every five years in line with the Management Plan revisions;</li> <li>• Parties should describe what area of the concession is covered by the SA; and how production fee benefits are shared equally among all affected communities with</li> </ul>	<p>protected and maintained.</p> <ul style="list-style-type: none"> <li>• Describe how timber operations are timed to minimize disruption to subsistence agricultural activities.</li> <li>• Describe how timber operations respect the existing cash crops.</li> <li>• Describe the level of participation of company in community development programs.</li> <li>• Describe the conditions, if any, under which the Holder will provide transportation.</li> </ul>	<p>communities will discourage unnecessary fire disposal and encourage fire safe practices.</p> <ul style="list-style-type: none"> <li>• Describe existing cash crops and how these crops will be managed to not conflict with harvest operations.</li> <li>• Describe under what conditions the affected community can request Non –financial benefits (benefits in kind).</li> <li>• Describe how the affected community will use the proposed roads and how they expect to</li> </ul>
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<p>CFDC.</p> <ul style="list-style-type: none"> <li>• Reconciliation or synergies of production volumes recorded by SGS, Concession and the community representatives</li> <li>• Describe how the Provision of so-called "benefits in kind" will be explicitly defined.</li> <li>• Describe who will be involved in agreeing SAs and what are their responsibilities; (Annex 1a)</li> <li>• Describe what is the timing of SAs being agreed (Annex 1b)</li> <li>• Describe how communities will be supported to monitor the SA;</li> <li>• Describe the sources of</li> </ul>	<ul style="list-style-type: none"> <li>• Describe the proposed road building and maintenance in and adjacent to the contract area.</li> <li>• Describe how the Holder will abide by terms and conditions of Social Agreement.</li> <li>• Describe the extent to which timber products will be made available to the community.</li> <li>• Description of meeting schedule with CFDC's and affected community to discuss any issues.</li> <li>• Outline the investments and</li> </ul>	<p>benefit from existing and planned roads in and adjacent to contract area.</p> <ul style="list-style-type: none"> <li>• Describe how the affected community will abide by terms and conditions of Social Agreement.</li> <li>• Describe the needs for Non-timber forest products (NTFP) from within the contract areas.</li> <li>• Describe which financial benefits are included in the SA.</li> <li>• Describe what is the timing for benefits to be</li> </ul>
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<p>information that will be made public to help monitor SAs</p> <ul style="list-style-type: none"> <li>• Describe who is responsible for ensuring that agreed benefits are provided;</li> <li>• Describe who is responsible for ensuring that agreed benefits are provided;</li> </ul>	<p>social services provision plan with specific qualitative and quantifiable objectives (how many and type), location (where), and timelines (when).</p>	<p>shared with different communities.</p>
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## ANNEX 2a

### Who is involved in agreeing SAs and what are their responsibilities?

	Name of Institution	Responsibility (ies)
1	Forestry Development Authority (FDA)	<ul style="list-style-type: none"> <li>• FDA ensures that all stakeholders (e.g. local communities, title holders, local governments, elected representatives, civil society, etc.) understand the exact nature and scope of the legal obligations of the title holders under the SAs.</li> </ul>

		<ul style="list-style-type: none"> <li>• FDA should ensure that Title holders are more forthcoming and more honest on what they can realistically do as part of the SAs and do not make promises they cannot keep.</li> <li>• FDA should ensure that communities fulfil whatsoever responsibilities as stated in the SA</li> <li>• FDA should play a leading role to ensure that local communities are educated on what it is reasonable to demand or to expect from title holders;</li> <li>• FDA and title holders should work together to identify what are reasonable expectations for FMCs and TSCs.</li> <li>• FDA attest and regulate the Social Agreement</li> </ul>
2	Civil Society Organization (CSO)	<ul style="list-style-type: none"> <li>• Provide training and guidance to the Communities in the process of negotiation and signing of the SA;</li> </ul>
3	Liberia Agency for Community Empowerment (LACE)	<ul style="list-style-type: none"> <li>• Provide guidance for communities infrastructure development planning</li> <li>• Help the CFDC to develop Community Development Committee</li> </ul>
4	Ministry of Internal Affairs (MIA)	<ul style="list-style-type: none"> <li>• Work with the FDA and others to ensure that the SAs are fully adhered to.</li> </ul>

## ANNEX 2b

### *What is the timing of SAs being agreed?*

- More time should be allocated to the process of electing the members of the CFDCs, to informing and educating local communities on the SAs and benefit sharing mechanism, and finally to allow wide and in-depth consultation with all affected communities before the signing of the SA.
- Signing of the SA should not be rushed. Additional time spent (by FDA, title holders, CFDC, affected communities, etc.) on the information, wide consultation and signing processes should be compensated later on through less time consumed to resolve conflicts.
- Community consultation and participation should be based on FPIC/RBA

<b>Processes</b>	<b>Minimum Time</b>	<b>Maximum Time</b>	<b>Responsible stakeholders</b>
Election of the members of the CFDCs,	<b>2 weeks</b>	<b>4 weeks</b>	<b>Community members, CSO, FDA</b>
Informing and educating local communities on the SAs and benefit sharing mechanism	<b>3 weeks</b>	<b>4 weeks</b>	<b>FDA, CSO</b>

Allowing wide and in-depth consultation with all affected communities before the signing of the SA	<b>2 weeks</b>	<b>4 weeks</b>	<b>Title holders, CFDC, FDA, CSO</b>
Signing of Social Agreement	<b>2 days</b>	<b>1 week</b>	<b>Title holders, CFDC, FDA, CSO</b>

**ANNEX 3a****How can communities be supported to monitor and evaluate the SA?**

<b>Activity</b>	<b>Responsible Group</b>	<b>Compensations</b>
Participatory compliance monitoring of community benefit	title holders and CFDCs;	10% of annual Benefits (area and production - base fees) to CFDC
Participatory stakeholders monitoring and development of a framework	FDA, COS, MIA, MOW, MHSW MOE and LACE	Individual institutions take responsibility for activities

**ANNEX 3b****Who is responsible for ensuring that agreed benefits are provided?**

<b>Activity</b>	<b>Responsible Group</b>
Making sure that SA is followed	FDA and MIA
Who should be involved when there is problem between the Title holder and the Communities	FDA, CSO, MIA
Support the process to ensure the infrastructure is build on time and of good standard	LACE/Public works

## ANNEX 4

### Requirement for membership to the Community Forestry Development Committee

A Community Forestry Development Committee member should:

- Consist of at least five members and not more than 10 members who are permanent residents of the community or communities that the Committee represents;
- Be a representative elected from a cluster of communities/villages within the affected communities of the contract area;
- Should not be a GOL or Company employee;
- Shall be removed by community members that elected you for inefficiency, ineffectiveness and misconduct.
- A Community Forestry Development Committee shall receive 10% of the annual revenue to the communities (area and the production base-fees) as compensation ;
- (f) The 10% of the area-base fee benefit will be paid directly by the National Benefit Sharing Trust Board every month but the 10% of the production-base fee compensation shall be received at the end of the year.
- The Compensation shall be distributed based on position according to the following:

Chairman: -----	20%
Co-Chairman:-----	15%
General Secretary: -----	12.5%
Treasurer: -----	13%
Financial Secretary: -----	10%
Chaplain: -----	7.5%
Other members: -----	20%

## SECTION 5: SELECTED KEY REGULATIONS

In this last section of the guide we have included the official texts of some of the most important regulations for CFDCs in general and negotiating SAs in particular.

*Regulation No. 101-07 on Public Participation in Promulgation of Regulations, Codes, and Manuals* contains the rules which allow citizens to participate in the making of forest rules, including those that apply to SA..... (Starts from page 73)

*Regulation No. 102-07 on Forest Land Use Planning* contains the definition of affected community and regulates the different aspects of planning the management of forests and the involvement of communities therein..... (Starts from page 92)

*Regulation 104-07 on Tender, Award, and Administration of Forest Management Contracts, Timber Sale Contracts, and Major Forest Use Permits* includes the rules to award and tender forest resource licenses. This regulation is important because it contains the requisite of free, prior and informed consent to be given by affected communities before an area is given out as an FMC, TSC or Major FUP.....(Starts from page 108)

*Regulation 105-07 on Major Pre-Felling Operations under Forest Resources Licenses* includes the bulk of the rules concerning SA by including it as one of the major pre-felling requirements. The regulation explains when SAs are required, how and with whom they should be negotiated and what should be contained in them.  
.....(Starts from page 133)

*Regulation 106-07 on Benefit Sharing* deals with benefit sharing and includes more detailed rules on how land rental fees are shared with counties and communities.....(Starts from page 150)



*Regulation 114-10 on Procedures to Access and Manage Funds on Behalf of Affected Communities by Community Forestry*

*Development Committees* contains all the procedures to access and manage funds on behalf of affected communities by the CFDC. This includes the establishment and functioning of the National Benefit Sharing Trust Board, the procedure for disbursing funds and safeguards..... (Starts from page 159)

**Forestry Development Authority**

**Regulation No. 101-07 on Public Participation in  
Promulgation of Regulations, Codes, and  
Manuals**

WHEREAS, the National Forestry Reform Law of 2006 establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic; and

WHEREAS, meaningful public participation in forest sector decision-making is essential to the long-term success of forestry reform in the Republic; and

WHEREAS, an informed and engaged public can play a critical role in the forest sector by helping to ensure transparency and Government accountability, and also by educating the staff of the Forestry Development Authority about local priorities, concerns, and practices that are relevant to sustainable forest management; and

WHEREAS, broad public access to information concerning the forest sector is critical to the ability of the public to review and comment on the proposed actions of the Forestry Development Authority; and

WHEREAS, clear procedures are necessary to guarantee a high level of fully informed public participation in the forest sector; and

WHEREAS, the National Forestry Reform Law of 2006 provides for broad public access to information (Section 18.5) and authorizes the Forestry Development Authority to issue regulations and other rules necessary to implement the law (Section 19.1(a)), specifically including regulations that establish procedures for the public vetting of regulations (Section 19.2(b)); and regulations that pertain to any matter concerning documents or information under the law (Section 19.1(b));

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:

## **PART ONE: DEFINITIONS; PURPOSE; FORESET MANAGEMENT STAKEHOLDER LIST**

### **Section 1. Definitions**

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

- (a) Authority: Forestry Development Authority.
- (b) Board: Board of Directors of the Forestry Development Authority.
- (c) Code: Any Code of practices promulgated by the Forestry Development Authority.
- (d) Committee: Forestry Management Advisory Committee.
- (e) Managing Director: The Managing Director of the Forestry Development Authority.
- (f) Manual: Any procedural Manual promulgated by the Forestry Development Authority.
- (g) Regulation: Any regulation promulgated by the Forestry Development Authority.
- (h) Supporting Documents and Information: All plans, strategies, public comments, reports, inventories, databases, contracts, and other documents and information, in whatever format maintained, upon which the Authority has relied in adopting or amending Regulations, Codes, or Manuals.

Other terms used in this Regulation have the meaning provided in the National Forestry Reform Law of 2006, as amended.

### **Section 2. Purpose**

This Regulation—

- (a) Establishes transparent, participatory procedures that the Authority shall follow in adopting or amending Regulations, Codes, and Manuals; and

(b) Establishes procedures that the Authority shall follow to ensure broad public access to Regulations, Codes, and Manuals and to all Supporting Documents and Information, to the greatest extent permitted by law.

### **Section 3. Forest Management Stakeholder List**

(a) The Authority shall maintain a list of persons known to the Authority to be interested in forest management in the Republic, including businesses in the forest sector, community leaders, government officials, civil society organizations, international donors, persons who have expressed interest to the Authority about forest policy, and other concerned individuals.

(b) For each person on the list, the list must indicate a physical address, electronic address, or other reliable way to send written notice to the person.

(c) The Authority shall make a reasonable effort to keep names and addresses on the list current and shall add or remove a person from the list at the person's request.

(d) This Section is intended to facilitate prompt and efficient communication between the Authority and stakeholders; accordingly, this Section may not be interpreted to limit public access to information or participation in Forestry decision-making processes.

**Sections 4 to 20. Reserved**

## **PART TWO: REGULATIONS—GENERALLY; EFFECT; ADOPTION; AMENDMENT**

### **Section 21. Generally**

(a) The Authority shall adopt, and as necessary amend, Regulations to ensure the sustainable management of the Republic's forests and to implement the requirements and policies of the National Forestry Reform Law of 2006, as amended.

(b) The Authority may adopt or amend Regulations jointly with another Ministry or Agency, so long as the Authority does so in accordance with

the procedures established by this Part.

(c) If a court strikes down any provision of a Regulation as contrary to law, the remaining provisions of the Regulation remain in effect.

## **Section 22. Effect**

The Authority and all persons shall be bound by the requirements of a properly promulgated Regulation with respect to the subject matter addressed by the Regulation.

## **Section 23. Procedure for Adopting New Regulations**

(a) The Authority shall initially prepare each new Regulation as a proposed Regulation.

(b) The Authority shall submit each proposed Regulation for a public review and comment period of no fewer than 60 days, subject to the requirements of this Subsection.

(1) The Authority shall prepare a newspaper advertisement and a radio announcement containing—

- (A) A brief summary of the proposed Regulation;
- (B) The beginning and end dates of the public review and comment period;
- (C) The dates, times, and locations of regional public meetings to be convened by the Authority to receive public comment on the proposed Regulation;
- (D) The address or location of any Authority office where the public may review a copy of the proposed Regulation, free of charge, during regular business hours; and
- (E) An invitation to the public to submit written or oral comments on the proposed Regulation, at any Authority office, during regular business hours, or at a regional public meeting convened by the Authority for this purpose.

(2) The Authority shall run the advertisement required by Paragraph (b)(1) of this Subsection in a newspaper of general circulation in Monrovia, and the radio announcement required by Paragraph (b)(1) of this Subsection on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement for at least two days per week, for no fewer than two consecutive weeks.

(3) The Authority shall make available, upon request by any person, paper or electronic copies of the proposed Regulation, according to Section 41 of this Regulation.

(4) The Authority shall provide written notice of the proposed Regulation to all persons on any forest management stakeholder list that the Authority maintains pursuant to Section 3 of this Regulation.

(5) The Authority shall convene no fewer than three regional public meetings on the subject of the proposed Regulation.

(A) At each regional public meeting, the Authority shall—

(i) Describe to meeting participants the proposed Regulation and its purpose

(ii) Allow each participant an opportunity to comment—orally, in writing, or both—on the proposed Regulation; and

(iii) Record all public comments so that the Authority may consider and respond to them.

The Authority shall conduct each regional public meeting in English and at least one local vernacular.

(B) The Authority shall open each regional public meeting to all members of the public, including, but not limited to, community members, industry representatives, government officials, members of civil society organizations, and the press.

(C) The Authority shall use its best efforts to involve women, youth, and other historically excluded groups in each regional public meeting.

(D) The Authority shall select the location for each regional public meeting so as to ensure maximum public participation. Factors that the Authority may consider include—

- (i) Proximity to Forest Lands and communities likely to be most affected by the proposed Regulation;
- (ii) Ease of access by community members; and
- (iii) Whether the venue is sufficiently large to accommodate all participants who are likely to attend.

(E) The Authority shall advertise the purpose, date, time, and location of each regional public meeting at least 15 days in advance.

(6) The Authority shall advertise each regional public meeting as follows:

(A) By notifying local government officials and community leaders, including District Commissioners, Corps of Officers, Township Commissioners, City Mayors, Paramount Chiefs, Clan Chiefs, Landlords, General Town Chiefs, Town Chiefs, Quarter Chiefs, all members of Community Forestry Development Committees, and village heads;

(B) By running radio advertisements in the area of the regional public meeting;

(C) By posting signs in English and at least one local vernacular at the nearest Authority regional office; and

(D) By any other method that the Authority may devise to ensure maximum public participation, tailored to the

specific locality and community needs.

(c) At the close of the public review and comment period for a proposed Regulation, the Authority shall—

- (1) Prepare a document summarizing the substance of all public comments; and
- (2) Revise the proposed Regulation, as necessary, in response to the public comments received.

(d) Not later than 14 days prior to the effective date of the proposed Regulation, the Authority shall present the comment summary document and the revised proposed Regulation to—

- (1) The Board; and
- (2) The Forestry Management Advisory Committee.

The Board and the Committee shall review the comment summary document and the revised proposed Regulation and provide to the Authority their respective comments, if any, in writing.

(e) Taking into account the comments received during the public review and comment period from the Board, the Committee, and all other sources, the Authority shall—

- (1) Prepare a final Regulation; and
- (2) Prepare an accompanying justification document that—
  - (A) Explains how the Regulation was changed, if at all, in response to public comments; and
  - (B) For each public comment that resulted in no change to the Regulation, explains why the Authority reached this decision.

(f) Following signature by the Managing Director, the Regulation takes effect on the date established by the Regulation.

(g) Not later than ten days after the effective date, the Authority shall provide paper copies of the Regulation, the comment summary document, and the justification document to each local government official and community leader contacted by the Authority for purposes of



organizing and convening regional public meetings during the public review and comment period.

## **Section 24. Amendments to Regulations**

(a) The Authority shall initially prepare each amendment to a Regulation as a proposed amended Regulation.

(b) Subject to the conditions established by Paragraphs (1) and (2) of this Subsection, if the Authority believes that a proposed amended Regulation would materially alter the rights or responsibilities of any person under any law of the Republic, or under any Regulation, Code, or Manual, the Authority shall amend the Regulation by following the procedure established by Section 23 of this Regulation.

- (1) The proposed repeal of any Regulation, in its entirety, is deemed to result in a material alteration of rights and responsibilities.
- (2) Notwithstanding whether material rights or responsibilities would be altered by the proposed amended Regulation, the Authority may choose to follow the procedure established by Section 23 of this Regulation.

(c) If the Authority believes that a proposed amended Regulation would not materially alter the rights or responsibilities of any person under any law of the Republic, or under any Regulation, Code, or Manual, the amendment is deemed minor and the Authority may amend the Regulation by following the procedure established by Section 25 of this Regulation.

## **Section 25. Procedure for Minor Amendments to Regulations**

(a) The Authority shall submit each proposed amended Regulation for a public review and comment period of no fewer than 60 days, subject to the requirements of this Subsection.

(b) The Authority shall prepare a newspaper advertisement and radio announcement containing—

- (1) A summary of the proposed amended Regulation;
- (2) A statement that the Authority believes the proposed

amendment to be minor;

- (3) The beginning and end dates of the public review and comment period for the proposed amended Regulation;
- (4) The address or location of any Authority office where the public may review a copy of the proposed amended Regulation, free of charge, during regular business hours; and
- (5) An invitation to the public to submit written or oral comments on the proposed amended Regulation, at any Authority office, during regular business hours.

(d) The Authority shall run the advertisement required by Subsection (b) of this Section in a newspaper of general circulation in Monrovia, and the radio announcement required by Subsection (b) of this Section on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement for at least two days per week, for no fewer than two consecutive weeks.

(e) The Authority shall make available, upon request by any person, a paper or electronic copy of the proposed amended Regulation, according to Section 41 of this Regulation.

(f) The Authority shall provide written notice of the proposed amended Regulation to all persons on any forest management stakeholder list that the Authority maintains pursuant to Section 3 of this Regulation.

(g) At the close of the public review and comment period, the Authority shall—

- (1) Prepare a document summarizing the substance of all public comments; and
- (2) Revise the proposed amended Regulation, as necessary, in response to the public comments received.

(h) Not later than 14 days prior to the effective date of the proposed amended Regulation, the Authority shall present the comment summary document and the revised proposed amended Regulation to the Board, and the Authority may submit the comment summary document and the revised proposed amended Regulation to the Forestry Management

Advisory Committee. The Board (and the Committee, if the Authority chooses to consult with the Committee) shall review the comment summary document and the revised proposed amended Regulation and provide to the Authority their respective comments, if any, in writing.

(i) Taking into account the comments received during the public review and comment period from the Board (and, if consulted, the Committee) and all other sources, the Authority shall—

(1) Prepare a final Regulation; and

(2) Prepare an accompanying justification document that—

(A) Explains how the Regulation was changed, if at all, in response to public comments; and

(B) For each public comment that resulted in no change to the Regulation, explains why the Authority reached this decision.

(j) Following signature by the Managing Director, the Regulation takes effect on the date established by the Regulation.

**Sections 26 to 30. Reserved**

## **PART THREE: CODES AND MANUALS—GENERALLY; EFFECT; CONFLICTS; ADOPTION; AMENDMENT**

### **Section 31. Generally**

(a) The Authority shall adopt, and as necessary amend, Codes that regulate and give guidance to all persons engaged in forest-sector activities, and Manuals that regulate and provide detailed guidance to Authority staff.

(b) The Authority shall adopt, and as necessary amend, Codes and Manuals in accordance with the procedure established by this Part.

(c) The Authority may adopt or amend Codes or Manuals jointly with another Ministry or Agency, so long as the Authority does so otherwise in accordance with the procedure established by this Part.

(d) If a court strikes down any provision of a Code or Manual as contrary to law, the remaining provisions of the Code or Manual remain in effect.

### **Section 32. Effect**

(a) The Authority and all persons are bound by the requirements of a properly promulgated Code with respect to the subject matter addressed by the Code.

(b) The Authority is bound by the requirements of a properly promulgated Manual with respect to the subject matter addressed by the Manual.

### **Section 33. Conflicts**

(a) The Authority shall resolve any conflict between a Regulation and either a Code or a Manual in favor of the Regulation.

(b) The Authority shall resolve any conflict between a Code and a Manual in favour of the Code.

### **Section 34. Procedure for Adopting Codes**

(a) The Authority shall initially prepare each new Code in the form of a proposed Code.

(b) The Authority shall submit each proposed Code for a public review and comment period of no fewer than 60 days, subject to the requirements of this Subsection.

(1) The Authority shall prepare a newspaper advertisement and a radio announcement containing—

(A) A brief description of the purpose and contents of the proposed Code;

(B) The beginning and end dates of the public review and comment period;

(C) The address or location of any Authority office where the public may review a copy of the proposed Code, free of charge, during regular business hours; and

(D) An invitation to the public to submit written or

oral comments on the proposed Code, at any Authority office, during regular business hours.

- (2) The Authority shall run the advertisement required by Paragraph (b)(1) of this Subsection in a newspaper of general circulation in Monrovia, and the radio announcement required by Paragraph (b)(1) of this Subsection on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement for at least two days per week, for no fewer than two consecutive weeks.
- (3) The Authority shall make available, upon request by any person, a paper or electronic copy of the proposed Code, according to Section 41 of this Regulation.
- (4) The Authority shall provide written notice of the proposed Code to all persons on any forest management stakeholder list that the Authority maintains pursuant to Section 3 of this Regulation.

(c) At the close of the public review and comment period for a proposed Code, the Authority shall—

- (1) Prepare a document summarizing the substance of all public comments; and
- (2) Revise the proposed Code as necessary in light of the public comments received.

(d) Not later than 14 days prior to the effective date of the proposed Code, the Authority shall present the comment summary document and the revised proposed Code to—

- (1) The Board; and
- (2) The Forestry Management Advisory Committee.

The Board and the Committee shall review the comment summary document and the revised proposed Code and provide to the Authority their respective comments, if any, in writing.

(e) Taking into account the comments received during the public review and comment period from all sources, and from the Board and the Committee, the Authority shall—

- (1) Prepare a final Code; and
- (2) Prepare an accompanying justification document that—
  - (A) Explains how the Code was changed, if at all, in response to public comments; and
  - (B) For each public comment that resulted in no change to the Code, explains why the Authority reached this decision

(f) Following signature by the Managing Director, the Code takes effect on the date established by the Code.

### **Section 35. Amendments to Codes**

(a) The Authority shall initially prepare each amendment to a Code as a proposed amendment to a Code. This document shall contain—

- (1) The name of the Code to be amended;
- (2) Any language (or a summary of the language) proposed to be added to the existing Code;
- (3) Any language (or a summary of the language) proposed to be stricken from the existing Code; and
- (4) A brief description of the purpose of the proposed amendment.

(b) Subject to the conditions established in this Subsection, if the Authority believes that a proposed amendment to a Code would materially alter the rights or responsibilities of any person under any law of the Republic, or under any Regulation, Code, or Manual, the Authority shall amend the Code by following the procedure established by Section 34 of this Regulation.

- (1) The proposed repeal of a Code, in its entirety, is deemed to result in a material alteration of rights and responsibilities.
- (2) Notwithstanding whether material rights or responsibilities

would be altered by the proposed amendment to a Code, the Authority may choose to follow the procedure established by Section 34 of this Regulation.

(c) If the Authority believes that a proposed amendment to a Code would not materially alter the rights or responsibilities of any person under any law of the Republic, or under any Regulation, Code, or Manual, the Authority may amend the Code by following the procedure established by Section 36 of this Regulation.

### **Section 36. Procedure for Minor Amendments to Codes**

(a) The Authority shall submit each proposed amendment to a Code for a public review and comment period of no fewer than 60 days, subject to the requirements of this Subsection.

(b) The Authority shall prepare a newspaper advertisement and a radio announcement containing—

- (1) A summary of the proposed amendment, as described in Subsection 35(a) of this Regulation;
- (2) A statement that the Authority believes the proposed amendment to be minor;
- (3) The beginning and end dates of the public review and comment period;
- (4) The address or location of any Authority office where the public may review a copy of the proposed amendment, free of charge, during regular business hours; and
- (5) An invitation to the public to submit written or oral comments on the proposed amendment, at any Authority office, during regular business hours.

(c) The Authority shall run the advertisement required by Subsection (b) this Section in a newspaper of general circulation in Monrovia, and the radio announcement required by Subsection (b) of this Section on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement at least one time.

(d) The Authority shall make available, upon request by any person, a paper or electronic copy of the proposed amendment, according to Section 41 of this Regulation.

(e) At the close of the public review and comment period, the Authority shall—

- (1) Prepare a document summarizing the substance of all public comments; and
- (2) Revise the proposed amendment as necessary in light of the public comments received.

(f) Not later than 14 days prior to the effective date of the proposed amendment, the Authority shall present the comment summary document and the revised proposed amendment to the Board, and the Authority may submit the comment summary document and the revised proposed amendment to the Forestry Management Advisory Committee. The Board (and the Committee, if the Authority chooses to consult with the Committee) shall review the comment summary document and the revised proposed amendment and provide to the Authority their respective comments, if any, in writing.

(g) Taking into account the comments received during the public review and comment period from the Board (and, if consulted, the Committee) and all other sources, the Authority shall—

- (1) Prepare a final Code; and
- (2) Prepare an accompanying justification document that—
  - (A) Explains how the Code was changed, if at all, in response to public comments; and
  - (B) For each public comment that resulted in no change to the Code, explains why the Authority reached this decision.

(h) Following signature by the Managing Director, the Code, as amended, takes effect on the date established by the Code.

## **Section 37. Adoption and Amendment of Manuals**



(a) The Authority shall initially prepare each Manual or Manual amendment as a proposed Manual or Manual amendment.

(b) The Authority shall make a determination whether the proposed Manual or Manual amendment involves a high degree of public interest or controversy, based on the following factors:

- (1) The degree of interest already expressed in the subject by stakeholders, the press, or the public.
- (2) The degree of interest or controversy attached to similar proposals in the past.
- (3) The magnitude of change the proposal represents compared to present policy.
- (4) The likelihood that the proposal will have a significant impact, good or bad, on stakeholders, the public, or the environment.

(c) If the Authority determines that the Manual or Manual amendment involves a high degree of public interest or controversy, the Authority shall allow a period of public comment on the proposal as follows:

- (1) The Authority shall send a brief description of the proposal, along with an invitation to view the full proposal and comment on it, to all persons on any forest management stakeholder list that the Authority maintains pursuant to Section 3 of this Regulation.
- (2) The Authority shall make copies of the proposal available to all interested persons, in both electronic and printed form, according to Section 41 of this Regulation.
- (3) The Authority shall accept written comment on the proposal for a period of at least 30 days.

(d) The Authority may substitute an alternative process that provides at least as much opportunity for notice and comment, such as combining public review of a Manual with public review of a Code or Regulation, or public review of an environmental impact assessment or land management plan of national interest.

(e) If the Authority receives comments on a proposal, the Authority shall analyze the comments and employ them in the revision of the proposed Manual or Manual amendment.

(f) The Authority shall submit the proposed Manual or Manual amendment to the Board together with a written statement explaining—

- (1) Whether the proposal involves a high degree of public interest or controversy;
- (2) The general nature and content of comments that the Authority received on the proposal, if any; and
- (3) Any changes that the Authority has made to the proposal in response to comments.

(g) The Manual or Manual amendment becomes effective upon approval by the Board, unless the Board in its approval sets a later date.

#### **Sections 38 to 40. Reserved**

### **PART FOUR: PUBLIC ACCESS TO REGULATIONS, CODES, MANUALS, AND SUPPORTING DOCUMENTS AND INFORMATION**

#### **Section 41. Public Access—Generally**

(h) The Authority shall maintain at all of its offices complete and accurate paper copies of the National Forestry Reform Law of 2006, as amended, and all Regulations, Codes, and Manuals, as amended, and all publicly released drafts of proposals for, or proposed amendments to, Regulations, Codes, and Manuals.

- (1) The Authority shall maintain a public area in all its offices where these materials are available for inspection by any person during normal business hours, without prior request.
- (2) The Authority shall, upon request, offer paper copies of these materials for sale to the requesting person at a cost not

exceeding one United States dollar (US \$1) for every 20 pages of copies.

(i) The Authority shall maintain at its headquarters in Monrovia complete and accurate electronic copies of the National Forestry Reform Law of 2006, as amended; and all Regulations, Codes, and Manuals, as amended; and all publicly released drafts of proposed amendments or additions to Regulations, Codes, and Manuals.

- (1) The Authority shall make these materials freely available on the Internet.
- (2) The Authority shall make these materials freely available by electronic mail (email), upon request by any person.

## **Section 42. Public Access to Supporting Documents and Information**

(a) The Authority shall retain, for at least five years, all Supporting Documents and Information upon which the Authority has relied in adopting or amending any Regulation, Code, or Manual.

(b) The Authority shall, upon written request, make available for inspection by any person, at no cost, any Supporting Documents and Information upon which the Authority has relied in adopting or amending any Regulation, Code, or Manual, subject to the conditions set forth in this Subsection.

- (1) Within 30 days of receiving a written or oral request, the Authority shall make Supporting Documents and Information available for inspection.
- (2) The Authority shall permit inspection during normal business hours at its headquarters offices in Monrovia or at the Authority regional office nearest the residence or principal place of business of the requesting person.
- (3) The Authority shall make Supporting Documents and Information available for inspection in whatever format (paper or electronic) they have been maintained in the ordinary course of business, unless the requesting person indicates a preference for paper or electronic copy—in which case the Authority shall accommodate this

preference.

- (4) The Authority shall, upon request, offer paper copies of Supporting Documents and Information for sale to the requesting person at a cost not exceeding one United States dollar (US \$1) for every 20 pages of copies.
- (5) The Authority shall not make available for public inspection documents and supporting information exempted from public release under Section 18.15 of the National Forestry Reform Law of 2006, as amended.

**Sections 43 to 50. Reserved**

## **PART FIVE: REPEALS AND EFFECTIVE DATE**

### **Section 51. Repeals**

This Regulation repeals no existing regulations.

### **Section 52. Effective Date**

- (a) This Regulation is effective on September 11, 2007.
- (b) The Authority shall announce this Regulation and make it available to the public and the media.

**SIGNED:**

A handwritten signature in dark ink, appearing to be 'J. T. Woods', written over a solid horizontal line.

**Mr. John T. Woods**  
**Managing Director**  
**Forestry Development Authority**

## **Forestry Development Authority**

### **Regulation No. 102-07 on Forest Land Use Planning**

WHEREAS, the National Forestry Reform Law of 2006 establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic; and

WHEREAS, a sound approach to forest land use planning is needed to maximize the benefits of forest land allocation to Liberian society as a whole; and

WHEREAS, forest land use planning must be consistent with national land use priorities in all sectors; and

WHEREAS, proposed uses for forest lands must be validated locally to ensure the accuracy and legitimacy of the planning process, and the results reached; and

WHEREAS, the National Forestry Reform Law of 2006 requires the Forestry Development Authority to adopt a National Forest Policy (Section 4.3); and to prepare and validate a National Forest Management Strategy (Sections 4.4 and 4.5); and further authorizes the Authority to issue regulations and other rules necessary to implement the law (Section 19.1(a));

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:

## **PART ONE: DEFINITIONS**

### **Section 1. Definitions**

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

(a) Affected Community: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by

Operations carried out under a Forest Resources License. “Interests” for purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.

- (b) Authority: Forestry Development Authority.
- (c) Board: Board of Directors of the Forestry Development Authority.
- (d) Commission: National Land Use Commission.
- (e) Committee: Forestry Management Advisory Committee.
- (f) End States: The ecological, economic, and social attributes characterizing desired outcomes from land management practices.
- (g) Forest Land Suitability Maps: Color-coded maps that define the land uses for which Forest Land is most suitable.
- (h) Forest Land Use Action: Activity recommended by the Authority to implement the National Forest Management Strategy with respect to a particular area of Forest Land.
- (i) Forest Land Use Category: Classification of Forest Land as primarily suitable for conservation, commercial, or community use, or for a combination of uses.
- (j) National Development Plan: A national-level land use plan addressing all natural resource management issues in the Republic.
- (k) Strategy: National Forest Management Strategy.

Other terms used in this Regulation have the meaning provided in the National Forestry Reform Law of 2006, as amended.

## **Sections 2 to 20. Reserved**

# **PART TWO: FOREST LAND USE PLANNING—PURPOSE AND POLICY; DUTIES OF FORESTRY DEVELOPMENT AUTHORITY**

## **Section 21. Purpose; Policy**

- (a) The purpose of forest land use planning is to establish the suitability of Forest Lands for sustainable land use allocations through a

participatory process, based on local validation, that optimizes the benefits of forest land allocation to Liberian society as a whole.

(b) The Authority shall conduct forest land use planning activities in a manner that advances and balances each of the following national priorities to the greatest possible extent: economic development; benefit to forest-dependent communities; and protection of the Republic's Environment and natural resources.

## **Section 22. Duties of the Forestry Development Authority**

(a) The Authority shall develop a National Forest Management Strategy consistent with the requirements of this Regulation.

(b) The Authority shall implement the Strategy by proposing and validating Forest Land Use Actions following the procedure established by this Regulation.

(c) Subject to the conditions established by Paragraphs (1) and (2) of this Subsection, the Authority shall report to the National Land Use Commission its progress in developing a National Forest Management Strategy and validating Forest Land Use Actions to implement the Strategy.

(1) The Authority shall make progress reports to the Commission at least once every three months.

(2) This Subsection applies only if the Commission has been duly constituted under law.

(d) The Authority shall collect and maintain in a forest land use database all available socioeconomic, biological, and physical data pertaining to Forest Land in the Republic, subject to the conditions established by Paragraphs (1), (2), and (3) of this Subsection.

(1) The Authority shall, when possible, collect and maintain data that is geographically quantifiable.

(2) The Authority may collect and maintain any form of data for scientific and economic planning purposes.

(3) The Authority shall collaborate with the Liberia Institute for Statistics and Geoinformation Services (LISGIS) and may rely on data provided by LISGIS.

(e) The Authority shall respect customary and statutory land tenure rights in connection with all forest land use planning activities undertaken or sanctioned by the Authority. The Authority shall seek guidance on matters of land tenure, as necessary, from the Forestry Management Advisory Committee and any governmental entity that may be established to address land tenure issues in Liberia.

## **Sections 23 to 30. Reserved**

# **PART THREE: PROHIBITIONS; ACTIVITIES TO BE CONSISTENT WITH NATIONAL FOREST MANAGEMENT STRATEGY**

## **Section 31. Prohibitions**

The Authority shall neither advertise nor award any Forest Resources License until the Authority has—

- (a) Adopted a National Forest Management Strategy pursuant to the requirements of this Regulation; and
- (b) Validated the Forest Land Use Action under which the Forest Resources License would be advertised or awarded.

## **Section 32. Activities to Be Consistent with Strategy; Exceptions**

- (a) The Authority shall ensure that all activities it undertakes or approves are consistent with the National Forest Management Strategy, subject to the exceptions established by Subsections (b) and (c) of this Section.
- (b) The Authority may undertake or approve an activity that is inconsistent with the Strategy when the activity is allowed under a final Forest Land Use Action approved by the Board pursuant to this Regulation.



(c) The Authority may take emergency action inconsistent with the terms of the National Forest Management Strategy subject to the conditions established by Paragraphs (1) and (2) of this Subsection.

(1) The Authority may take emergency action inconsistent with the terms of the Strategy only to the extent that the emergency action is necessary to protect life, health, or property from an imminent and substantial threat.

(2) After taking emergency action under this Subsection, the Authority shall, within ninety days, review the Strategy to determine whether amendment of the Strategy has become necessary.

### **Sections 33 to 40. Reserved**

## **PART FOUR: DEVELOPMENT OF NATIONAL FOREST MANAGEMENT STRATEGY DOCUMENT; CONTENTS; CONSULTATIONS AND ADOPTION; AMENDMENT**

### **Section 41. Development of Strategy**

(a) The Authority shall develop a National Forest Management Strategy.

(b) The Authority shall consult with the Forestry Management Advisory Committee throughout the process of developing the Strategy.

### **Section 42. Contents of Strategy**

(a) The Authority shall ensure that the National Forest Management Strategy—

(1) Classifies all Forest Land in the Republic into one or more Forest Land Use Categories; and

(2) Includes one or more Forest Land Suitability Maps depicting the classification made pursuant to this Subsection.

(b) The Authority shall base the classifications required by Subsection (a) of this Section on its consideration of—

(1) The desired End States for particular Forest Land;

- (2) Any relevant data, including data maintained in the forest land use database, data maintained by the Liberia Institute for Statistics and Geo-information Services (LISGIS), and data from any other source, provided that the Authority reasonably believes that the data is sound and has been obtained from a credible source; and
- (3) All public comments received during the national-level and regional-level consultations required by this Part.

### **Section 43. National and Regional Consultations**

- (a) Prior to adopting a National Forest Management Strategy, the Authority shall undertake national-level and regional-level consultations pursuant to this Section.
- (b) The Authority shall conduct a national-level consultation by convening a public meeting to present and solicit comment on the proposed Strategy.
- (c) Following the national-level consultation, the Authority shall conduct regional-level consultations by convening at least one public meeting for each relevant geographic region to present and solicit comment on the proposed Strategy as it pertains to that region. The Authority shall delineate geographic regions for purposes of this Subsection based on political boundaries, geographic boundaries, or as it may otherwise deem appropriate.
- (d) After the national-level and regional-level consultations required by Subsections (b) and (c) of this Section are completed, the Authority shall convene a final national-level public meeting to report on all public comments received to date on the proposed Strategy and to accept any additional public comments.
- (e) For each public meeting that it convenes under this Section, the Authority shall—
  - (1) Prepare a newspaper advertisement and a radio announcement containing—
    - (A) A brief description of the proposed Strategy;

(B) The date, time, and location of the public meeting to be convened by the Authority to receive public comment on the proposed Strategy;

(C) The address or location of any Authority office where the public may review a copy of the proposed Strategy, free of charge, during regular business hours; and

(D) An invitation to the public to submit written or oral comments on the proposed Strategy, at any Authority office, during regular business hours, or at a public meeting convened by the Authority for this purpose.

(2) Provide written notice of the public meeting to all persons on any forest management stakeholder list maintained under Authority Regulation No. 101-07, concerning public participation.

(3) Run the advertisement required by Paragraph (e)(1) of this Subsection in a newspaper of general circulation in Monrovia, and the radio announcement required by Paragraph (e)(1) of this Subsection on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement for at least two days per week, for no fewer than two consecutive weeks.

(4) Make available, upon request by any person, paper or electronic copies of the Strategy, and the Authority also shall make the Strategy freely available according to Section 41 of Authority Regulation No. 101-07, concerning public participation.

(5) During the public meeting:

(A) Describe to meeting participants the proposed Strategy and its purpose;

(B) Allow each participant an opportunity to comment—orally, in writing, or both—on the proposed Strategy; and

(C) Record all public comments so that the Authority may consider and respond to them. The Authority shall conduct each public meeting in English and at least one local vernacular.

(6) Open the public meeting to all members of the public, including, but not limited to, community members, industry representatives, government officials, members of civil society organizations, and the press.

(7) Use its best efforts to involve women, youth, and other historically excluded groups in the public meeting.

(8) Advertise the purpose, date, time, and location of each public meeting at least 15 days in advance.

(9) Advertise the public meeting as follows:

(A) By notifying local government officials and community leaders, including District Commissioners, Corps of Officers, Township Commissioners, City Mayors, Paramount Chiefs, Clan Chiefs, Landlords, General Town Chiefs, Town Chiefs, Quarter Chiefs, all members of Community Forestry Development Committees, and village heads;

(B) By running radio advertisements in the area of the public meeting;

(C) By posting signs in English and at least one local vernacular at the nearest Authority regional office; and

(D) By any other method that the Authority may devise to ensure maximum public participation, tailored to the specific locality and community needs.

#### **Section 44. Adoption of Strategy**

The National Forest Management Strategy shall not take effect until the Authority has—

(a) Completed all consultations required by Section 43 of this Regulation and revised the Strategy as necessary in response to comments received during the consultations;

(b) Presented the Strategy to the Forestry Management Advisory Committee for review and comment and revised the Strategy as necessary in response to comments received from the Committee; and

(c) Obtained written approval from the Board.

## **Section 45. Amendment of Strategy**

(a) The Authority may amend the National Forest Management Strategy if—

- (1) New data has become available, substantially altering one or more of the assumptions on which the Strategy is based;
- (2) The Strategy no longer reflects national land use priorities;
- (3) A provision of the Strategy is inconsistent with the National Forestry Policy; or
- (4) A provision of the Strategy is inconsistent with a National Development Plan.

(b) At least once every five years, the Authority shall vet the Strategy at the regional level, subject to the requirements of Section 43 of this Regulation, to determine whether the Strategy should be amended pursuant to Subsection (a) of this Section.

(c) The Strategy, as amended, shall not take effect until the Authority has—

(1) For an amendment that is likely to result in an irretrievable commitment of Forest Lands or Forest Resources to a Commercial Use—

- (A) Satisfied the national-level consultation requirements established by Section 43 of this Regulation;
- (B) Satisfied the regional-level consultation requirements established by Section 43 of this Regulation for any region that will be directly affected by the amendment; and
- (C) Revised the Strategy as necessary in response to comments received during the consultations.

(2) For all amendments—

- (A) Presented the Strategy to the Forestry Management Advisory Committee for review and comment and revised the

Strategy as necessary in response to any comments received from the Committee; and

(B) Obtained written approval from the Board.

## **Sections 46 to 50. Reserved**

## **PART FIVE: NATIONAL FOREST MANAGEMENT STRATEGY TO BE CONSISTENT WITH NATIONAL FORESTRY POLICY, NATIONAL DEVELOPMENT PLAN**

### **Section 51. National Forestry Policy**

(a) The Authority may adopt or amend a National Forest Management Strategy only when a National Forestry Policy is in force.

(b) The Authority shall ensure that the Strategy is consistent with the National Forestry Policy in effect at the time of the Strategy's adoption or amendment.

### **Section 52. National Development Plan**

(a) The Authority may adopt or amend a National Forest Management Strategy in the absence of a National Development Plan.

(b) The Authority shall ensure that the Strategy is consistent with the National Development Plan, if any, in effect at the time of the Strategy's adoption or amendment.

## **Sections 53 to 60. Reserved**

## **PART SIX: LOCAL VALIDATION**

### **Section 61. Proposed Forest Land Use Actions**

(a) The Authority shall implement the National Forest Management Strategy with respect to a specific area of Forest Land through a Forest Land Use Action.

(b) Each Forest Land Use Action proposed by the Authority shall—

- (1) Be based on the suitability determinations made in the National Forest Management Strategy and on any relevant Forestry, ecological, socio-economic, and other data available to the Authority;
  - (2) Commit an area of Forest Land to a commercial, community, or conservation use, or to a combination of uses;
  - (3) Recommend one or more management tools for the area (for example, issuance of a Forest Resources License, creation of a Protected Area, creation of a Community Forest); and
  - (4) Include approximate metes and bounds for the area.
- (c) The Authority shall not propose a Forest Land Use Action that would allow Commercial Use unless each of the following conditions is satisfied:
- (1) The area to be committed to Commercial Use does not include any part of a Protected Area or Proposed Protected Area, deeded or tribal land, or an area known to contain mineral deposits of substantial commercial value.
  - (2) The area to be committed to Commercial Use contains sufficient Timber volume to support the Commercial Use to be permitted.
  - (3) If the area to be committed to Commercial Use includes customarily held Forest Land, a Community Forestry Development Committee has granted prior, informed consent to the Commercial Use, in writing, on behalf of Affected Communities.
- (d) The Authority shall validate each proposed Forest Land Use Action through the local validation procedure established by this Part before implementing the Forest Land Use Action.

## **Section 62. Procedure for Validating Proposed Forest Land Use Actions**

- (a) For each proposed Forest Land Use Action, the Authority shall convene one or more local public meetings for communities located within and immediately adjacent to the Forest Land that would be

affected by the Forest Land Use Action, to assess potential local impacts and to evaluate alternatives.

(b) The Authority shall select the location for each local public meeting so as to ensure maximum community participation. Factors that the Authority may consider include, without limitation—

- (1) Proximity to Forest Lands and communities likely to be most affected by the proposed Forest Land Use Action;
- (2) Ease of access by community members; and
- (3) Whether the venue is sufficiently large to accommodate all participants who are likely to attend.

(c) The Authority shall advertise the purpose, date, time, and location of each local public meeting at least 15 days in advance, using the following methods:

- (1) Notification of local government officials and community leaders, including District Commissioners, Corps of Officers, Township Commissioners, City Mayors, Paramount Chiefs, Clan Chiefs, Landlords, General Town Chiefs, Town Chiefs, Quarter Chiefs, all members of Community Forestry Development Committees, and village heads;
- (2) Running a radio announcement that satisfies the requirements of Subsections (d) and (e) of this Section;
- (3) Posting signs in English and all relevant local vernaculars at any Authority regional office located within or immediately adjacent to the Forest Land that would be affected by the Forest Land Use Action;
- (4) Providing written notice to all persons on any forest management stakeholder list maintained under Authority Regulation No. 101-07, concerning public participation; and
- (5) Any other method that the Authority may devise to ensure maximum local participation, tailored to the specific locality and community needs.



(d) For each local public meeting, the Authority shall prepare a radio announcement containing—

- (1) A brief summary of the proposed Forest Land Use Action to be discussed at the meeting;
- (2) The date, time, and location of the meeting; and
- (3) An invitation to the public to submit written or oral comments on the proposed Forest Land Use Action, at any Authority office, during regular business hours, or at the meeting.

e) The Authority shall run the radio announcement required by Subsection (d) of this Section on one or more radio stations (national radio stations, community radio stations, or both), as needed, to ensure full coverage of the affected communities. The Authority shall run the announcement at least two days per week, for no fewer than two consecutive weeks.

(f) At each local public meeting, the Authority shall—

- (1) Describe to participants the proposed Forest Land Use Action;
- (2) Allow each participant an opportunity to comment—orally, in writing, or both—on the proposed Forest Land Use Action; and
- (3) Record all public comments so that they may be fully considered by the Authority.

(g) The Authority shall conduct each local public meeting in English and at least one local vernacular.

(h) The Authority shall open each local public meeting to the public, including community members, industry representatives, government officials, members of civil society organizations, and the press.

(i) The Authority shall use its best efforts to involve women, youth, and other historically excluded groups in each local public meeting.

(j) Following the local public meeting or meetings convened to validate a proposed Forest Land Use Action, the Authority shall—

(1) Collect any additional Forestry, ecological, socio-economic, and other relevant data required to validate the proposed Forest Land Use Action.

(2) Prepare a document summarizing the substance of all public comments; and

(3) Prepare a Justification Document for the proposed Forest Land Use Action that responds to the public comments received. The Authority shall ensure that the Justification Document—

(A) Includes boundaries for the area subject to proposed Forest Land Use Action that are, to the extent feasible, easily identifiable on the ground.

(B) Addresses all ecological, economic, cultural, and social issues that have been identified by any person with respect to the area.

(k) The Authority shall validate the Justification Document as follows:

(1) Pursuant to the requirements of Subsections (a) through (j) of this Section, the Authority shall present the Justification Document for comment at one or more additional local public meetings, and;

(2) The Authority shall present the Justification Document to the Forestry Management Advisory Committee for review and comment.

(l) Taking into account the comments received from the public, the Committee, and all other sources, the Authority shall prepare a final Justification Document setting forth the Forest Land Use Action for the area and submit it to the Board for approval.

(m) The Board may approve the final Forest Land Use Action, modify it, or require the Authority to undertake further validation activities under this Part.

### **Section 63. Environmental Impacts; Coordination with Environmental Protection Agency**

(a) The Authority shall use its best efforts to identify adverse environmental impacts that could result from a suitability determination

under the National Forest Management Strategy or from implementation of any proposed Forest Land Use Action.

(b) The Authority shall work with stakeholders in connection with all activities required by this Regulation to identify means of minimizing or mitigating adverse environmental impacts identified under Subsection (a) of this Section.

(c) To the extent feasible, the Authority shall coordinate its activities under this Regulation with the Environmental Protection Agency.

### **Section 64. Requirement of Continued Stakeholder Involvement in Planning**

The Authority shall adopt a formal procedure for ensuring continued stakeholder involvement in the land use planning processes established by this Regulation. Specifically, the Authority shall ensure a defined community role in—

(a) Identifying further potential uses for Forest Lands; and

(b) Monitoring and evaluating the implementation of each approved Forest Land Use Action.

### **Sections 65 to 70. Reserved**

## **PART SEVEN: REPEALS AND EFFECTIVE DATE**

### **Section 71. Repeals**

This Regulation repeals no existing regulations.

### **Section 72. Effective Date**

(a) This Regulation is effective on September 11, 2007.

(b) The Authority shall announce this Regulation and make it available to the public and the media.

### **SIGNED:**

A handwritten signature in black ink, appearing to read 'J. T. Woods', is positioned above a solid black horizontal line.

**Mr. John T. Woods**  
**Managing Director**  
**Forestry Development Authority**

**Forestry Development Authority**

**Regulation No. 104-07 on Tender, Award, and  
Administration of Forest Management Contracts,  
Timber Sale Contracts, and Major Forest Use  
Permits**

WHEREAS, the National Forestry Reform Law of 2006 establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic; and

WHEREAS, a prerequisite for meeting these goals is a clear process for tendering, awarding, and administering Forest Resources Licenses that is administered professionally, transparently, and in a non-discriminatory manner, without personal interest or aim of self-enrichment; and

WHEREAS, the Public Procurement and Concessions Act provides a fair and transparent framework under which contracts for significant Forest Resources Licenses must be tendered to the public; and

WHEREAS, the National Forestry Reform Law of 2006 authorizes the Forestry Development Authority to issue regulations and other rules necessary to implement the law (Section 19.1(a)), including regulations that govern contracting and permitting (Section 19.1(c)), and regulations that establish bonding requirements (Section 5.1(e));

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:

**PART ONE: GENERAL PROVISIONS**

**Section 1. Policy**

When allocating commercial access to Forest Resources, the Authority and its staff aim to:

- (a) Act as trustee of a national asset, in a professional, transparent, and non-discriminatory manner, without personal interest or aim of self-enrichment.
- (b) Provide social and economic benefits for forest-dependent communities and the nation as a whole.
- (c) Assure sustainable development and conservation of the forests.

## **Section 2. Definitions**

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

- (a) Affected Community: A community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by Operations carried out under a Forest Resources License. “Interests” for purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.
- (b) Authority: Forestry Development Authority.
- (c) Board: Board of Directors of the Forestry Development Authority.
- (d) FMC: Forest Management Contract, a long-term license issued by the Government under Section 5.3 of the National Forestry Reform Law of 2006, allowing a Person to manage a tract of Forest Land and to harvest or use Forest Products.
- (e) Forest Resources: Anything of practical, commercial, social, religious, spiritual, recreational, educational, scientific, subsistence, or other potential use to humans that exists in the forest environment, not limited to flora, fauna, or micro-organisms.
- (f) Government: The Government of the Republic of Liberia and all its branches, subdivisions, instrumentalities, authorities, and agencies.
- (g) Managing Director: The Managing Director of the Forestry Development Authority.

(h) Major FUP: A Forest Use Permit that Section 5.5(d)(i) of the National Forestry Reform Law of 2006 requires the Authority to offer through a concessions process because the permit allows use of more than US \$10,000 worth of Forest Resources. “Use” in this context means the harvest or consumption of Forest Resources, but does not include observation or study of Forest Resources, or non-exclusive occupation of land.

(i) Person: An individual, partnership, joint venture, association, corporation, trust, estate, unincorporated entity, community, government or state, and any branch, division, political subdivision, instrumentality, authority, or agency thereof.

(j) Proposed Protected Area: An area that the Authority has identified as suitable for designation as a Protected Area in an approved National Forest Management Strategy under Chapter 4 of the National Forestry Reform Law of 2006.

(k) Protected Areas Ordinarily Closed to Commercial Use: Nature Reserves, National Parks, Strict Nature Reserves, and other special areas set aside for non-extractive uses under Chapter 9 of the National Forestry Reform Law of 2006.

(l) TSC: Timber Sale Contract, a license from the Government under Section 5.4 of the National Forestry Reform Law of 2006 allowing a Person to harvest Timber from a specified tract of Forest Land.

Other terms used in this Regulation have the meaning established in the National Forestry Reform Law of 2006, as amended.

### **Section 3. General Guidelines**

In offering and administering FMCs, TSCs, and Major FUPs, the Authority shall follow the standards and procedures found in the Public Procurement and Concessions Act, as amended; the National Forestry Reform Law of 2006, as amended; the regulations, codes, manuals, and guidelines of the Authority; and any other applicable law.

## **Section 4. Debarment**

If the Authority receives credible information that a Person should be debarred from public contracting under Section 44 of the Public Procurement and Concessions Act, as amended, the Managing Director shall ask the Public Procurement and Concessions Commission to debar the Person.

## **Sections 5 to 20. Reserved**

# **PART TWO: PRELIMINARY MATTERS**

## **Section 21. Selection of Areas to Offer for FMCs and TSCs**

(a) Procedural prerequisites. The Authority shall only seek to offer FMCs or TSCs on areas that meet all three of the following criteria:

- (1) The area has been identified in the National Forest Management Strategy as suitable for Commercial Use, under Section 4.4(d)(i) of the National Forestry Reform Law of 2006 and any applicable regulations;
- (2) The Authority has validated the area locally, under Section 4.5 of the National Forestry Reform Law of 2006 and any applicable regulations; and
- (3) The Authority has found the area suitable for offering in a pre-feasibility assessment, under Section 103 of the Public Procurement and Concessions Act, involving forest inventories, biological studies, and socio-economic assessment of the area.

(b) Substantive prerequisites. In addition to the requirements found in the National Forestry Reform Law of 2006, the Authority shall only seek to offer FMCs and TSCs on areas that have all of the following characteristics:

- (1) The area is reasonably contiguous.



- (2) The area is large enough to sustain the commercial purposes of the contract.
- (3) The area is small enough to be practically managed by a single contract Holder.
- (4) The area excludes lands in Protected Areas Ordinarily Closed to Commercial Use or Proposed Protected Areas, unless the Authority makes a written finding explaining why the Commercial Use would be compatible with the lands' protected status.
- (5) The area excludes lands where the Authority does not have the power to grant permission to harvest Forest Resources.
- (6) As far as practical, the area excludes lands that are unsuited to the commercial purposes of the contract.

(c) Additional Standard for TSCs.

- (1) The Authority shall only offer TSCs on Forest Lands whose prior use, present condition, or planned future use makes them unsuitable for management under FMCs.
- (2) The Authority shall not offer TSCs covering more than 5,000 hectares.

**Section 22. Identification of Affected Communities; Pre-Implementation Community Consultations**

- (a) Before seeking a Certificate for Concession with respect to an area, the Authority shall conduct preliminary consultations with Affected Communities pursuant to this Section.
- (b) The Authority shall give notice of its intent to conduct consultations with representatives of Affected Communities by:
  - (1) Publication of a notice in a newspaper of general circulation in the area, if one exists; publication of a notice in a newspaper of general circulation in Monrovia; and announcement on national radio stations and community radio stations with coverage in the area; and

(2) Sending written notice to Persons on any forest management stakeholder list maintained under Authority Regulation No. 101-07, concerning public participation.

(c) The Authority shall identify as an Affected Community each community—

- (1) Located within the geographic area that will be subject to the Forest Resources License;
- (2) Located adjacent to the geographic area that will be subject to the Forest Resources License;
- (3) Whose members use Natural Resources located in the geographic area that will be subject to the Forest Resources License;
- (4) Determined to be affected through the local validation process established by Part Six of Authority Regulation No. 102-07, concerning forest land use planning; or
- (5) That, for any other reason, the Authority reasonably believes will be affected by activities conducted under the Forest Resources License.

(d) The Authority shall maintain a list of Affected Communities for each area subject to an FMC, a TSC, or a Major FUP.

(e) Any individual who believes that the Authority should have identified the individual's community may ask the Board to review the decision of the Authority not to include the community.

- (1) Following receipt of a request under this Subsection, the Board shall determine whether the community satisfies the definition of an Affected Community set forth in Section 1(a) of this Regulation.
- (2) The Board shall issue any determination made under this Subsection in writing.

(f) For purposes of conducting preliminary consultations with Affected Communities under this Section, the Authority shall consult with Community Forestry Development Committees that satisfy the

requirements of Part Six of Authority Regulation No. 105-07, concerning major pre-felling operations, or with an interim representative selected under Subsection (g)(2) of this Section.

(g) If the Authority determines that one or more Affected Communities is not represented by a Community Forestry Development Committee, the Authority shall use its best efforts to ensure that the unrepresented Affected Communities are brought under the representation of existing or new Community Forestry Development Committees.

(1) The Authority may take steps to facilitate the prompt establishment of a new Community Forestry Development Committee to represent an unrepresented Affected Community.

(2) The Authority may, in coordination with civil society organizations, facilitate a process of participatory selection of an interim representative for an unrepresented Affected Community, until that Affected Community can be represented by a Community Forestry Development Committee.

(h) The Authority shall maintain a list of Community Forestry Development Committees representing Affected Communities subject to each potential FMC, TSC, or Major FUP.

(i) The Authority shall consult with Community Forestry Development Committees representing the Affected Communities, concerning the Forest Resources License proposed for the area. The Authority shall use its best efforts to understand the priorities and concerns of all Affected Communities with respect to the proposed Forest Resources License.

(j) Social Agreements—

(1) The Authority shall not proceed with offering a proposed FMC or TSC unless the Authority has obtained free prior informed consent, in writing, from Community Forestry Development Committees representing all Affected Communities identified under this Section, to negotiate in good faith a social agreement with the winning bidder and subject themselves to independent arbitration should those negotiations not reach a satisfactory conclusion.

(2) If the Authority fails to obtain agreement under Paragraph (1) of this Subsection from Community Forestry Development Committees representing all Affected Communities, the Authority may reconsider the terms of the proposed FMC or TSC.

(k) Community Forestry Development Committees may seek the assistance of experts, legal counsel, civil society organizations, or any other Person to help them effectively represent the interests of Affected Communities in consultations under this Section.

## **Sections 23 to 30. Reserved**

# **PART THREE: OFFERING OF CONCESSIONS**

## **Section 31. Certificate of Concession**

In compliance with Section 87(3) of the Public Procurement and Concessions Act, as amended, prior to commencing any activity for the purpose of offering a specific concession, the Managing Director shall request the Minister responsible for Economic Affairs to issue a Certificate of Concession.

## **Section 32. Concession Procurement Plan**

The Authority shall prepare the Concession Procurement Plan required under Sections 77 and 79 of the Public Procurement and Concessions Act, as amended, and submit the Plan to the Public Procurement and Concessions Commission.

## **Section 33. Bidder Qualifications (Prequalification and Two-Envelope Bidding)**

Consistent with the requirements of Authority Regulation No. 103-07, the Authority shall assess bidder qualifications through a prequalification process and, in special cases, a two envelope bidding system.

## **Section 34. Standard Contracts**

- (a) In consultation with the Ministry of Justice, the Authority shall develop a standard contract for Timber-based FMCs and a standard contract for TSCs.
- (b) In the concession bid documents required under Section 104 of the Public Procurement and Concessions Act, as amended, the Authority shall include all the additional specific provisions or conditions the Authority expects to include in the final contract, including provisions identifying the lands subject to the concession; requirements for the installation of wood processing facilities, if any; and requirements for forest certification, if any.
- (c) As early as is practical in each bidding process, the Authority shall submit the appropriate contract, with the intended specific conditions, to the Inter-Ministerial Concessions Committee for endorsement under Section 117 of the Public Procurement and Concessions Act, as amended.

## **Section 35. Documents Related to Offering Concessions**

- (a) The Authority shall prepare the concession bid documents required under Sections 104 and 105 of the Public Procurement and Concessions Act, as amended, which documents shall also include a concession prospectus outlining the forest quality and general expectations for the management of the area, and identifying known social issues.
- (b) In addition to selling copies of these documents for fees set out in Authority Regulation No. 107-07, concerning certain forest fees, the Authority shall allow Persons to review copies of these documents without charge at the Authority's headquarters, Regional offices, and other places where the Authority elects to make public copies available for review.

## **Section 36. Notification**

In addition to the means of notification required under Sections 106 and 107 of the Public Procurement and Concessions Act, as amended, the Authority shall also provide General Notices of Investment Opportunity, Expressions of Interest, and Requests for Proposals to Persons on the forest management stakeholder list maintained under Authority Regulation No. 101-07, concerning public participation.

## **Sections 37 to 40. Reserved**

# **PART FOUR: INTERESTED PARTIES AND BIDDING**

## **Section 41. Investigation of Area by Interested Parties**

- (a) The Authority shall, without charge, allow any Person to enter and inspect the area that the Authority proposes to offer under an FMC or TSC.
- (b) As part of the invitation for bids for an FMC or TSC, the Authority may state reasonable inspection conditions to protect Forest Resources and the interests of communities in the area.
- (c) Compliance with inspection conditions is a criterion for award of the concession, and the Government shall not award a concession to a Person who violates the inspection conditions.

## **Section 42. Liberian Ownership and National and International Competitive Bidding**

- (a) For FMCs covering less than 100,000 hectares, and for all TSCs:
  - (1) The Authority shall apply the Liberian ownership requirements found in Sections 5.3(g) and 5.4(g) of the National Forestry Reform Law of 2006; and
  - (2) The Authority may award the contracts through national competitive bidding, unless Section 97 of the Public Procurement

and Concessions Act, as amended, requires international competitive bidding.

(b) The Authority shall offer FMCs covering more than 100,000 hectares through international competitive bidding.

(c) If the Public Procurement and Concessions Commission has established criteria under Section 99 of the Public Procurement and Concessions Act to allow for a Margin of Preference for Domestic and Liberian Businesses, the Authority shall include a Margin of Preference in the criteria for examination or evaluation of bids.

(d) If Liberian ownership requirements, national competitive bidding, or a Margin of Preference for Domestic and Liberian Businesses apply to a concession:

(1) The Authority shall indicate that in the concession bid documents.

(2) Each bidder shall include with its bid a declaration, sworn or affirmed under penalty of perjury, stating whether the bidder qualifies under the applicable business ownership criteria.

### **Section 43. Bidder's Bond**

(a) A Person submitting a bid for an FMC or TSC shall include with the bid a bidder's bond, valid for at least 12 months, in the amount specified in Subsection (b) and of the kind specified in Subsection (c) of this Section.

(b) The amount of the bidder's bond for a particular contract is one sixth the annual area fee expected to be imposed under Section 33 of Authority Regulation No. 107-07, concerning certain forest fees, rounded up to the nearest thousand United States dollars.

(c) The following are acceptable as bonds:

(1) A bond, issued by a company authorized to issue sureties in Liberia.

(2) A letter of credit or manager's check from a reputable bank operating in Liberia, payable to the Government.

(d) The bidder shall also submit a name (of the bidder or the bidder's agent) and an address in Monrovia for the Authority to use when returning the bond.

(e) By the end of the second business day after the selection of a winning bidder, the Authority shall return the bonds of the unsuccessful bidders.

(f) Within 30 days after the selection of the winning bidder, the winning bidder may reclaim the original bond by depositing the bond amount in cash with the Central Bank of Liberia or other bank officially designated to hold the Authority's accounts and presenting the proof of deposit to the Authority.

g) Upon timely presentation of proof of deposit under Subsection (f) of this Section, the Authority shall return the original bond to the winning bidder.

(h) If the winning bidder fails to offer proof of deposit within 30 days after selection, the Authority shall draw on the bond and deposit the funds with the Central Bank of Liberia or other bank officially designated to hold the Authority's accounts.

(i) If the winning bidder and the Government execute an FMC or TSC, the Authority shall arrange to credit the deposited funds towards any amounts the winning bidder owes the Government under the contract.

(j) If the winning bidder is not ready, willing, and able to execute a contract, the funds become the property of the Government as liquidated damages for the expenses incurred due to the failure to execute the contract.

(k) If the winning bidder is ready, willing, and able to execute a contract, but the Government fails to execute the contract, the Authority shall arrange to return the deposited funds to the winning bidder, upon the bidder's request.



## **Section 44. Fair and Open Competition**

(a) No Person shall engage in behaviour intended to suppress fair and open competition in bidding on a Forest Resources License, including:

(1) Bid rigging, in which a group of potential bidders arrange in advance who will submit the best bid among them, including:

(A) Bid suppression.

(B) Complementary bidding, where some Persons agree to submit bids that are known to be unacceptable.

(C) Bid rotation, where bidders agree to take turns being the successful bidder.

(2) Market division, where a group of bidders agree among themselves which of them will bid on particular contracts based on geographic area, predominant tree species, time, or other factors, and so reduce competition.

(3) Price fixing, in which a group of bidders attempt to lower, fix, or maintain the bid amount or other aspects of the concessions contract, including agreements to:

(A) Establish and adhere to certain bid amounts.

(B) Hold firm to particular positions in contract negotiations.

(C) Adopt a standard formula for arriving at bids.

(D) Maintain bid differentials reflecting species, resources, sizes, or quantities offered.

(E) Follow a maximum bid schedule.

(b) The Government shall not award an FMC or TSC to any Person who has violated the prohibition in Subsection (a) of this Section in the course of that particular bid, and the Authority shall terminate the existing permits and contracts of any Persons found to have violated the prohibition.

## **Section 45. Reserve Bid**

- (a) The Authority shall engage an independent third party to calculate and hold in confidence a reserve bid for each contract put up for public bid.
- (b) The independent third party shall calculate the reserve bid according to a formula to be developed by the Authority and the independent third party.
- (c) The independent third party shall guard the reserve bid from discovery by bidders, the Authority, and the public and shall first disclose the reserve bid at the place and time slated for bid opening under Section 110 of the Public Procurement and Concessions Act, as amended, after submission of all bids.
- (d) Any action intended to disclose the reserve bid before the time specified in Subsection (c) of this Section constitutes the offense of economic sabotage under the Penal Code.

## **Section 46. Assistance to Bidders**

From time to time the Authority shall organize workshops to train potential bidders on how to participate effectively in the tender system.

## **Sections 47 to 50. Reserved**

# **PART FIVE: BID EVALUATION**

## **Section 51. Bid Evaluation Criteria**

The Authority shall propose and the Government shall use only the following criteria for final evaluation of the bids:

- (a) Whether the bidder is debarred, disqualified, or suspended from bidding, either under the provisions of the Public Procurement and Concessions Act, as amended, or under the provisions of Authority

Regulation No. 103-07, concerning bidder qualifications; and if the bidder is not debarred, disqualified, or suspended—

(b) Whether the bidder is properly qualified pursuant to Authority Regulation No. 103-07 (as demonstrated by the bidder through presentation of a notarized copy of a valid prequalification certificate and, if the Authority is using a two-envelope bidding system for the bid, through the contents of the bidder's first envelope); and if so—

(c) Whether the bidder has met all other substantive and procedural requirements in the bidding competition, including the various requirements in Part Four of this Regulation; and if so—

(d) Whether the bid is equal to or greater than the reserve bid, set under Section 45 of this Regulation; and if so—

(e) The amount of the bid, adjusted using any applicable Margin of Preference for domestic bidders set by the Public Procurement and Concessions Commission.

## **Sections 52 to 60. Reserved**

## **PART SIX: POST-EVALUATION MATTERS**

### **Section 61. Performance Bond**

(a) Successful bidders and Holders of FMCs and TSCs shall post an annual performance bond to assure payment of amounts due the Government, including taxes, fees, damages, and penalties.

(b) Successful bidders for FMCs shall post the initial performance bond within 90 days after successfully concluding negotiations for the bid with the Negotiation Team, and successful bidders for TSCs shall post the initial performance bond within 30 days after successfully concluding negotiations for the bid with the Negotiation Team.

(c) The Authority shall state the amount of the initial performance bond in the concession bid documents.

(d) The Authority shall set the performance bond according to the following formula:

(1) The Authority shall select a minimum level as follows:

(A) 25,000 United States dollars for TSCs;

(B) 150,000 United States dollars for FMCs covering less than 100,000 hectares; and

(C) 250,000 United States dollars for all other FMCs.

(2) The Authority shall estimate the expected annual Government revenue from the concession, not including the land rental fee, for the next full year of contract operation.

(3) The Authority shall multiply the expected annual Government revenue by 50 percent and round the resulting figure up to the nearest thousand.

(4) If the amount calculated under Paragraph (3) of this Subsection is more than 1,000,000 United States dollars, the performance bond is 1,000,000 United States dollars.

(5) If the amount calculated under Paragraph (3) of this Subsection is less than the minimum level selected under Paragraph (1), the performance bond is the minimum level selected under Paragraph (1).

(6) In all other cases, the performance bond is the amount calculated under Paragraph (3) of this Subsection.

(e) The bidder or Holder may post the performance bond in any of the following forms:

(1) A letter of credit or manager's check from a bank licensed to do business in Liberia.

(2) A bond issued by a company licensed to issue sureties in Liberia.

(f) The Government may seek to collect on the performance bond if the bidder or Holder is in arrears in any amount owed to the Government.

(g) If the bidder or Holder fails to post a performance bond, the Government shall not grant the bidder or Holder permission to use or harvest Forest Resources and shall suspend any existing permissions until the bidder or Holder posts the necessary bond.

## **Section 62. Signing the Contract and Granting Permission to Use or Harvest Forest Resources**

(a) The Government shall not sign an FMC or a TSC until the winning bidder is in good standing regarding all taxes, fees, bonds, and other financial obligations to the Government.

(b) The Authority shall not grant the Holder of an FMC permission to harvest Timber until all the following have occurred:

(1) Under Section 5.3(f) of the National Forestry Reform Law of 2006, the President has signed the contract and the Legislature has ratified it.

(2) The Holder has satisfied its obligations under Authority Regulation No. 105-07, concerning major pre-felling requirements.

(3) The Holder has signed the contract.

(4) The Holder has met all requirements for operational planning and environmental assessment.

(c) The Authority shall not grant the Holder of a TSC permission to harvest Timber until all of the following have occurred:

(1) The Holder has satisfied its obligations under Authority Regulation No. 105-07, concerning major pre-felling requirements.

(2) The Holder and the Authority have signed the contract.

(3) The Holder has met all requirements for management or operational planning and environmental assessment.

## **Sections 63 to 70. Reserved**

# **PART SEVEN: ADMINISTRATION OF THE CONTRACT**

## **Section 71. Standards for Assignment of Contracts**

(a) A Person shall not assign or transfer an FMC or TSC or any interest, rights, privileges, or obligations under such a contract without prior written approval from the Authority.

(b) Upon receiving a request for approval of an assignment or transfer, the Authority shall conduct a diligent investigation of the capacity and character of the proposed new Holder and shall direct the proposed new Holder to submit a business plan demonstrating financial and technical capacity to carry out the obligations under the FMC or TSC.

(c) If the proposed new Holder meets all the requirements for prequalification in Authority Regulation No. 103-07 (and if the Authority awarded the contract under a two-envelope bidding process, if the proposed new Holder also meets all the standards for first-envelope bids established by the Authority for the original award under that Regulation), and if the proposed new Holder meets all applicable Liberian ownership requirements, the Authority may approve the assignment or transfer.

(d) After an assignment or transfer, the new Holder is liable for all taxes, fees, debts, and obligations owed to the Government under the contract, including unpaid taxes, fees, debts, and obligations incurred by the previous Holders, and the previous Holders remain secondarily liable for all taxes, fees, debts, and obligations under the contract, including future obligations.

(e) For the purposes of this Section, the term “assign” includes the admission into partnership of any third party in the activities and operation of forest management or harvest under this contract, as well as the mortgaging of any rights, privileges, liabilities, or obligations granted or imposed by this contract.

(f) If the Authority initially awarded the FMC or TSC under a Margin of Preference for Domestic and Liberian Businesses and the new Holder is not eligible to claim the Margin of Preference, the Authority shall increase subsequent concession payments to remove the Margin of Preference.

## **Section 72. Conformity with Plans and Assessments**

(a) Except as provided in Subsections (c) and (d) of this Section, the Holder of an FMC or TSC shall undertake only activities under the contract that are described in forest management plans or annual operational plans approved by the Authority.

(b) Except as provided in Subsection (c) of this Section, the Holder of an FMC or TSC shall not take an action that it knows or reasonably should know carries a risk of significant environmental impact, unless the environmental impact has already been disclosed, discussed, and allowed under an environmental impact assessment approved by the Environmental Protection Agency.

(c) The prohibitions in this Section do not apply to emergency actions taken:

- (1) In response to fire or other significant threats to property;
- (2) To prevent or reduce a significant risk of damage to the environment; or
- (3) To prevent or abate a threat of significant injury or death to people.

(d) The prohibitions in Subsection (a) of this Section do not apply to activities undertaken before the Authority has approved a forest management plan or annual operations plan if both of the following are true:

- (1) The activities do not include commercial harvest of Forest Resources.
- (2) The Authority has consented to the activities in writing.

### **Section 73. Responsible Practices**

- (a) The Holder of an FMC or TSC shall follow internationally recognized, modern safety precautions in all activities, as are used elsewhere by others under comparable conditions, and shall comply with safety instructions that the Government gives in writing.
- (b) Unless otherwise agreed to by the Authority or local police in writing, when the Holder of an FMC or TSC conducts Operations adjacent to or on roads and trails open to public travel, the Holder shall maintain temporary traffic controls to assure safety, subject to Paragraphs (1) and (2) of this Subsection.
- (1) The Holder shall maintain temporary traffic controls only in coordination with the Liberian National Police.
- (2) The Holder shall not employ checkpoints of any kind.
- (c) The Holder of an FMC or TSC shall employ internationally recognized, modern measures for the protection of general health and safety of its employees and all other Persons having legal access to the contract area, and shall comply with reasonable public health instructions given in writing by the Government.
- (d) The Holder of an FMC or TSC shall give preference to competent and qualified ECOWAS citizens in the selection of employees to conduct its Operations, and shall not import unskilled labor from outside of the ECOWAS nations.
- (e) The Holder of an FMC or TSC shall comply with all training and employment obligations required by law or regulation.

### **Section 74. Sustainable Practices**

- (a) The Holder of an FMC or TSC shall conduct Timber harvests in accordance with generally accepted silvicultural practices and in accordance with all regulations, codes, and guidelines issued by the Authority.



(b) The Holder of an FMC or TSC shall cooperate with the Authority on technical studies and research to improve forest practices and increase knowledge about forests.

(c) The Holder of an FMC or TSC shall carry out Operations in accordance with the terms and conditions of the contract and in a manner that promotes the sustained development of Forest Resources and environmental protection for the common good of the people of Liberia, as provided for in applicable laws, statutes, rules, and regulations of Liberia.

## **Section 75. Recordkeeping and Inspections**

(a) By signing the contract, the Holder of an FMC or TSC consents to the Government conducting annual audits of operations and other reasonable inspections necessary to determine compliance with the contract conditions and all applicable laws.

(b) The Holder of an FMC or TSC shall retain all records necessary to demonstrate compliance with the contract during the duration of the contract and for five years after the contract terminates.

(1) The Holder shall take reasonable steps to safeguard the records necessary to demonstrate compliance, including, as appropriate, keeping duplicate copies in a separate location to guard against loss.

(2) The Holder shall not invoke an act of God or third parties to excuse a violation of record keeping requirements.

(c) The Holder of an FMC or TSC shall keep its business records and any other required records in the English language, with financial information expressed in United States dollars.

(d) This Section does not limit obligations for recordkeeping or inspection under other laws or regulations.

(e) The Holder may identify records containing confidential business information and request that the Government not make public the confidential business information, and the Government shall honor that

request if the Authority finds that the information meets the requirements for protection in Section 18.15 of the National Forestry Reform Law of 2006.

## **Section 76. Restrictions on Use of Information from Internal Audits and Third Party Audits**

(a) This Section applies to internal audits and third party audits that a Person arranges to verify the Person's compliance with forest-related contract and legal requirements or with forest certification standards.

(b) If those audits bring to light evidence of unlawful activities, the records of the audits are not admissible in court as evidence supporting imposition of penalties so long as the Person audited and the audit meet all the following conditions:

(1) The audit was a private effort conducted in the ordinary course of business—that is, no arm of the Government initiated or participated in the audit, and the audit was part of an ongoing program to assure quality control, environmental performance, or compliance with legal or certification requirements.

(2) The Person did not institute the program in bad faith to avoid prosecution or to give a false impression of the quality or lawfulness of the Person's actions.

(3) The unlawful activity occurred despite the Person's good-faith effort to comply with the contract or the law.

(4) The Person reported the unlawful activity to the Authority promptly after becoming aware of it.

(5) The Person made the report as a matter of voluntary, good-faith cooperation with the Authority—that is, the report was not otherwise required by law and was not prompted by knowledge of a forthcoming or ongoing inspection, investigation, enforcement action, or lawsuit.

- (6) The Person cooperated with the Authority in any investigation carried out subsequent to the report.
- (7) The Person took timely steps to halt the unlawful activity, repair or give compensation for any injury done by the unlawful activity, and prevent the unlawful activity from recurring.
- (8) The Person does not have a history of engaging in repeated unlawful activity of this type.

### **Section 77. Changing Circumstances**

- (a) During the duration of an FMC or TSC, the Holder shall continue to meet the prequalification requirements set out in Schedule I of Authority Regulation No. 103-07, concerning bidder qualifications (and in the case of an FMC or TSC awarded through a two envelope bidding system, the Holder shall also continue to meet the requirements that the Authority set out for first-envelope bids under that Regulation).
- (b) In addition to direct non-compliance with those requirements, and non-compliance caused by a change in circumstance (including a change in management or ownership), if any individual violates a pledge made in support of prequalification or a bid, or if any sworn document in support of prequalification or a bid is inaccurate or incomplete, the Holder is deemed to be out of compliance with those requirements.
- (c) If a Holder is out of compliance with those requirements, the Holder shall report the noncompliance to the Authority within five business days after the Holder discovers, or reasonably should have discovered, the non-compliance.
- (d) If the Holder is unable to come into compliance within 30 days after the Holder discovers, or reasonably should have discovered, the non-compliance, or if the Holder fails to report the non-compliance in a timely fashion, the Authority may suspend or terminate the license.

**Sections 78 to 80. Reserved**

**PART EIGHT: MAJOR FOREST USE PERMITS**

**Section 81. Treatment of Major FUPs**

(a) The Authority shall award Major FUPs through a concessions process.

(b) In awarding and administering Major FUPs, the Authority shall apply the procedural and substantive requirements in this Regulation that apply to TSCs, except for the following:

(1) The Authority may use forms of contract other than the standard contract for TSCs required under Section 34 of this Regulation.

(2) Bidders for Major FUPs do not need to post bidder's bonds under Section 43 of this Regulation.

(3) Winners of Major FUPs do not need to post performance bonds under Section 61 of this Regulation.

(4) Holders of Major FUPs shall follow health and safety practices identified by the Authority in the permit as practical and within the economic reach of the Holder, instead of the internationally recognized standards required of Holders of TSCs and FMCs under Section 73 of this Regulation.

(5) The area covered under a Major FUP allowing exclusive rights for Timber harvest must be less than 1,000 hectares, instead of the 5,000-hectare limit for TSCs under Section 21(c)(2) of this Regulation.

(c) The Authority shall not offer multiple Forest Use Permits as a substitute for a single Major FUP, a TSC, or an FMC, in an effort to avoid requirements that this Regulation or other regulations or laws place on Major FUPs, TSCs, or FMCs.

**Sections 82 to 90. Reserved**

**PART NINE: REPEALS AND EFFECTIVE DATE**

**Section 91. Repeals**

This Regulation repeals no existing regulations.

**Section 92. Effective Date**

(a) This Regulation is effective on September 11, 2007.

(b) The Authority shall announce this Regulation and make it available to the public and the media.

**SIGNED:**

A handwritten signature in dark ink, appearing to be 'J. T. Woods', is written over a solid horizontal line.

**Mr. John T. Woods**  
**Managing Director**  
**Forestry Development Authority**

## **Forestry Development Authority**

### **Regulation No. 105-07 on Major Pre-Felling Operations under Forest Resources Licenses**

WHEREAS, the National Forestry Reform Law of 2006 establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic; and

WHEREAS, community social agreements, environmental assessments, and management plans are critical to the successful implementation of Forest Resources Licenses; and

WHEREAS, it is essential that community social agreements and environmental assessments (and, in the case of Forest Management Contracts, management plans) be developed and in place *before* trees are felled under a Forest Resources License; and

WHEREAS, the National Forestry Reform Law of 2006 authorizes the Forestry Development Authority to issue regulations and other rules necessary to implement the law (Section 19.1(a)), specifically including regulations that govern the preparation of plans and environmental assessments (Section 19.1(k)); regulations that serve to institutionalize the participation of communities in forest management through the requirement of a social agreement (Section 5.1(f)(iii)); and regulations that empower communities (Section 10.1);

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:

## **PART ONE: DEFINITIONS AND PURPOSE**

### **Section 1. Definitions**

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

- (a) Affected Community: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by Operations carried out under a Forest Resources License. “Interests” for purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.
- (b) Authority: Forestry Development Authority.
- (c) Felling Effective Date: The date on which the Authority certifies that the Holder has completed all Pre-Felling Operations.
- (d) FMC: Forest Management Contract, a long-term Forest Resources License issued by the Government under Section 5.3 of the National Forestry Reform Law of 2006, allowing a person to manage a tract of Forest Land and harvest or use Forest Products.
- (e) Forest Resources License: any legal instrument under which the Authority allows a person, subject to specified conditions, to extract Forest Resources or make other productive and sustainable use of Forest Land. FMCs and TSCs are types of Forest Resources Licenses.
- (f) Holder: a person who holds a valid Forest Resources License under which commercial logging activities are authorized.
- (g) Major Pre-Felling Operations: preparation of an environmental impact assessment and execution of a social agreement (and, for FMCs, preparation of a forest management plan).
- (h) Managing Director: Managing Director of the Forestry Development Authority.
- (i) TSC: Timber Sale Contract, a license from the Government under Section 5.4 of the National Forestry Reform Law of 2006, allowing a Person to harvest timber from a specified tract of Forest Land.

Other terms used in this Regulation have the meaning established in the National Forestry Reform Law of 2006, as amended.

## **Section 2. Purpose**

This Regulation describes certain social, environmental, and forest management planning obligations that a Holder of a Forest Resources License must satisfy prior to felling trees.

## **Sections 3 to 20. Reserved**

## **PART TWO: REQUIREMENT OF CERTIFICATION BY AUTHORITY; PROCEDURE**

### **Section 21. Prohibition**

No person shall fell a tree under any Forest Resources License until the Authority certifies that the Holder has completed all Major Pre-Felling Operations.

### **Section 22. Additional Pre-Felling Requirements Specific to Holders of FMCs**

In addition to satisfying all other Pre-Felling Operations required of Holders of Forest Resources Licenses, the FMC Holder shall prepare a forest management plan, as required by Part Five of this Regulation.

### **Section 23. One Public Meeting May Help to Satisfy Multiple Requirements**

Where appropriate, the Holder may rely on a single public meeting to help satisfy multiple requirements of this Regulation.

### **Section 24. Certification by Authority**

(a) To obtain certification by the Authority of all Major Pre-Felling Operations, the Holder shall submit to the Authority a request for certification, together with complete copies of all of the following:



(1) **Executed social agreement.** A complete copy of one or more executed social agreements, bearing the verifiable signatures of members of Community Forestry Development Committees that represent all Affected Communities with respect to the area to be logged under the Forest Resources License.

(2) **Environmental impact assessment and approval by EPA.**

(A) A complete copy of the environmental impact study for the Forest Resources License, performed by the Holder under Section 14 of the Environmental Protection and Management Law, as amended, and approved by the Environmental Protection Agency; and

(B) The environmental impact assessment approval issued to the Holder by the Environmental Protection Agency.

(3) **Approved forest management plan.** For FMCs, a complete copy of the forest management plan for the area subject to the FMC, approved by the Authority.

(b) The Holder may submit the documents required under Subsection (a) of this Section to the Authority separately, or in a single package; however, the Authority shall not consider a request for certification from the Holder prior to receipt of all required documents.

(c) When the Authority has certified that the Holder has performed all Major Pre-Felling Operations, the Authority shall issue to the Holder a written certification, the date of which becomes the Holder's Felling Effective Date.

**Sections 25 to 30. Reserved**

## **PART THREE: SOCIAL AGREEMENT**

### **Section 31. Duty to Negotiate Social Agreement; Duration**

- (a) The Holder shall negotiate one or more social agreements for the benefit of all Affected Communities with respect to the area to be logged under the Forest Resources License.
- (b) A social agreement negotiated and executed under this Regulation has a duration of five years (for FMCs) or three years (for TSCs).
  - (1) The Holder shall ensure that at all times, for the duration of the Forest Resources License, a social agreement for the benefit of all Affected Communities is in force with respect to the area to be logged.
  - (2) The Holder may not fell trees unless a social agreement for the benefit of all Affected Communities is in force with respect to the area to be logged.

### **Section 32. Affected Communities; Representation by Community Forestry Development Committees**

- (a) The Holder shall give notice of its intent to conduct negotiations with representatives of Affected Communities by:
  - (1) Publication of a notice in a newspaper of general circulation in the area, if one exists; publication of a notice in a newspaper of general circulation in Monrovia; and announcement on national radio stations and community radio stations with coverage in the area; and
  - (2) Sending written notice to Persons on any forest management stakeholder list maintained under Authority Regulation No. 101-07, concerning public participation.
- (b) The Holder shall identify as an Affected Community each community—

(1) Maintained on the list of Affected Communities identified by the Authority during the concession allocation process or the local validation process for the Forest Resources License; and

(2) Any other community—

(A) Located within the geographic area that will be logged under the Forest Resources License;

(B) Located adjacent to the geographic area that will be logged under the Forest Resources License;

(C) Whose members use Natural Resources located in the geographic area that will be logged under the Forest Resources License;

(D) Determined to be affected through the local validation process established by Part Six of Authority Regulation No. 102-07, concerning forest land use planning, with respect to the area that will be logged under the Forest Resources License; or

(E) That, for any other reason, is likely to be affected by the Operations of the Holder.

(c) The Holder shall maintain a list of Affected Communities for its Forest Resources License.

(d) Any individual who believes that the Holder should have identified the individual's community may ask the Authority to review the decision of the Holder not to include the community.

(1) Following receipt of a request under this Subsection, the Authority shall determine whether the community satisfies the definition of an Affected Community set forth in Section 1(a) of this Regulation.

(2) The Authority shall issue any determination made under this Subsection in writing and notify the Holder and the requesting individual of its determination.

(e) For purposes of this Regulation, the Holder may negotiate and enter into social agreements for the benefit of Affected Communities only with a Community Forestry Development Committee that satisfies the requirements of Part Six of this Regulation, or with an interim representative selected under Subsection (f)(2) of this Regulation.

(f) If the Holder determines that one or more Affected Communities is not represented by a Community Forestry Development Committee, the Holder shall report this determination to the Authority, which shall use its best efforts to ensure that all Affected Communities are brought under the representation of existing or new Community Forestry Development Committees.

(1) The Authority may take steps to facilitate the prompt establishment of a new Community Forestry Development Committee to represent an unrepresented Affected Community.

(2) The Authority may, in coordination with civil society organizations, facilitate a process of participatory selection of an interim representative for an unrepresented Affected Community, until that Affected Community can be represented by a Community Forestry Development Committee.

(g) The Holder shall maintain a list of Community Forestry Development Committees representing Affected Communities for its Forest Resources License.

(h) The Holder shall negotiate one or more social agreements with Community Forestry Development Committees representing the Affected Communities for the Holder's Forest Resources License.

(i) Community Forestry Development Committees may seek the assistance of experts, legal counsel, civil society organizations, or any other person to help them effectively represent Affected Communities in negotiating or administering a social agreement with the Holder.

### **Section 33. Contents of Social Agreement**

(a) A social agreement negotiated between a Holder and one or more Community Forestry Development Committees must contain all of the following elements:

(1) A code of conduct that governs:

(A) The rights (including access rights) and responsibilities of members of the Affected Communities; and

(B) The rights and responsibilities of the Holder and the Holder's employees, contractors, and other associates.

The Authority shall make model codes of conduct freely available on the Internet and shall, upon request, provide paper or electronic copies of model codes of conduct to Holders, Community Forestry Development Committees, and Affected Communities.

(2) A description of the financial benefit that the Affected Communities will receive from the Holder, subject to the minimum requirement established by Section 34 of this Regulation.

(3) A requirement that the Holder pay the amount of the negotiated financial benefit on a quarterly basis into an interest-bearing escrow account that the Holder shall maintain in trust on behalf of all Affected Communities.

(4) A requirement that the Holder release funds from the escrow account for the benefit of an Affected Community only upon written request by a Community Forestry Development Committee, and only if—

(A) The request satisfies the requirements of Part Six of this Regulation; and

(B) The Authority consents to the request.

(5) A practical mechanism for resolving disputes that may arise between the Holder and members of Affected Communities.

(b) Subject to the requirements and limitations of this Section, the Holder and Community Forestry Development Committees may agree to terms that are tailored to the local context.

### **Section 34. Minimum Financial Benefit under Social Agreements**

The total annual financial benefit provided by the Holder for the benefit of all Affected Communities with respect to logging under the Forest Resources License, under one or more social agreements, must equal or exceed US \$1 per cubic meter of Logs harvested annually under the Forest Resources License, based on verifiable information recorded in the chain of custody system.

### **Section 35. Public Meetings with Affected Communities and Execution of Social Agreement**

(a) In negotiating a social agreement with Community Forestry Development Committees, the Holder shall afford each Community Forestry Development Committee and the Affected Communities that it represents the opportunity to participate in at least one public meeting, facilitated and attended by the Authority, to ask questions about and express views on community rights and benefits under the Forest Resources License.

(1) At each public meeting, the Holder shall—

- (A) Describe to participants the Forest Resources License and its likely effects on the community;
- (B) Respond to participant questions about the Forest Resources License; and
- (C) Allow each participant an opportunity to comment—orally, in writing, or both—on the Forest Resources License.

(2) The Holder shall conduct each public meeting in English and any local vernacular necessary to ensure community understanding.

- (3) The Holder shall open each public meeting to all members of the public, including, but not limited to, community members, industry representatives, government officials, members of civil society organizations, and the media.
- (4) The Holder shall use best efforts to involve women, youth, and other historically excluded groups in each public meeting.
- (5) The Holder shall select the location for each public meeting so as to ensure maximum participation by Affected Communities. Factors that the Holder may consider include—
  - (A) Proximity to Forest Lands and communities likely to be most directly affected by the Forest Resources License;
  - (B) Ease of access by community members; and
  - (C) Whether the venue is sufficiently large to accommodate all participants who are likely to attend.
- (6) The Holder shall advertise the purpose, date, time, and location of each public meeting at least 15 days in advance.
- (7) The Holder shall advertise each public meeting as follows:
  - (A) By notifying local government officials and community leaders, including District Commissioners, Corps of Officers, Township Commissioners, City Mayors, Paramount Chiefs, Clan Chiefs, Landlords, General Town Chiefs, Town Chiefs, Quarter Chiefs, all members of Community Forestry Development Committees, and village heads;
  - (B) By running radio advertisements in the area of the public meeting;
  - (C) By posting signs in English and any necessary local vernacular at the nearest Authority regional office; and
  - (D) By any other method that the Holder may devise to ensure maximum participation by Affected Communities, tailored to the specific locality and community needs.

(b) The Holder shall ensure that the social agreement is signed in duplicate originals, with the Holder retaining one original version and the Community Forestry Development Committee representative retaining the other original.

### **Section 36. Oversight and Attestation by the Authority**

(a) The Holder shall submit its executed social agreement to the Authority for attestation.

(b) Upon receipt of an executed social agreement, the Authority shall review it for completeness, accuracy, and conformity with the requirements of the National Forestry Reform Law of 2006, this Regulation, the Forest Management Guidelines, the Code of Forest Harvesting Practices, and the terms of the Holder's Forest Resources License.

(c) If the Authority requires additional information to determine whether the executed social agreement is complete, accurate, and in conformity with law, or whether the agreement represents the will of the Affected Communities, the Authority may request further information from the Holder, from Community Forestry Development Committees, or from any other source.

(d) If the Authority determines that the social agreement is incomplete, inaccurate, or otherwise not in conformity with law, the Authority shall reject the agreement and provide to the Holder and the Community Forestry Development Committee a written explanation of the reason for its decision.

(1) The Authority shall decline to attest to a social agreement on reasonable suspicion of inadequate public consultation, including either of the following:

(A) Negotiations between the Holder and Community Forestry Development Committees omitted the interests of one or more Affected Communities.



(B) The signature made on behalf of a Community Forestry Development Committee was not knowingly and voluntarily given.

(2) The Holder may seek to remedy any insufficiencies in the social agreement identified by the Authority and, after further negotiations with the Community Forestry Development Committees and execution of a new agreement, submit a revised social agreement to the Authority for review.

(e) If the Authority determines that the social agreement is complete, accurate, and in conformity with law, the Authority shall attest to the agreement.

(f) The Authority shall promptly conduct any review required by Subsection (b) of this

Section and shall not withhold attestation to a social agreement that substantially satisfies the requirements of this Part.

### **Section 37. Dispute Resolution**

(a) In the event that the Holder and a Community Forestry Development Committee cannot in good faith agree to the terms of a social agreement under this Part, the Authority shall use best efforts to resolve outstanding differences between the Holder and the Community Forestry Development Committee.

(b) If the Holder and the Community Forestry Development Committee cannot, with the assistance of the Authority, resolve their differences, either may request non-binding, third party mediation, the expense of which shall be borne by the Holder.

(c) If the Holder or the Community Forestry Development Committee is dissatisfied with the results of the mediation, either may request binding arbitration, the expense of which shall be borne by the Holder.

(d) Either the Holder or the Community Forestry Development Committee may appeal the result of the binding arbitration to a court of competent jurisdiction in the Republic.

### **Sections 38 to 40. Reserved**

## **PART FOUR: ENVIRONMENTAL IMPACT ASSESSMENT**

### **Section 41. Duties of the Holder**

(a) The Holder shall comply with the requirements of the 2003 Environment Protection and Management Law, as amended, including the requirements of—

- (1) Completing an environmental impact statement under Section 14 of that Law; and
- (2) Obtaining an environmental impact assessment license from the Environmental Protection Agency.

(b) Because Forest Lands covered by Forest Resources Licenses must have previously been deemed suitable for Commercial Use, the Holder shall focus its environmental analysis on mitigating the potential adverse environmental effects of its Operations on Natural Resources and the health of residents in Affected Communities.

### **Section 42. Duties of the Authority**

(a) Although the Holder alone bears the responsibility of satisfying the requirements of the Environment Protection and Management Law, as amended, with respect to the impacts of the Holder's Forest Resources License, the Authority shall use best efforts to ensure that, through coordination with the Environmental Protection Agency and a broad process of community consultation during the local validation process, the Environmental Protection Agency has deemed any area to be offered by the Government for a Forest Resources License suitable for Commercial Use.

(b) To further clarify the relationship between the Authority and the Environmental Protection Agency, and thereby more effectively implement this Part, the Authority may seek to enter into a Memorandum of Understanding with the Agency pertaining to environmental impact assessment.

## **Sections 43 to 50. Reserved**

## **PART FIVE: FOREST MANAGEMENT PLANNING (FMC HOLDERS)**

### **Section 51. Preparation of a Forest Management Plan**

(a) The FMC Holder shall prepare a forest management plan covering the entire area subject to the contract.

(b) In developing the plan required by this Part, the Holder shall ensure that the plan conforms to the requirements, including the requirements for public consultation, of the following:

- (1) The Forest Management Guidelines issued by the Authority; and
- (2) The Code of Forest Harvesting Practices issued by the Authority.

(c) In developing the plan required by this Part, the FMC Holder may seek input and guidance from the Authority to ensure that the plan incorporates sound forestry principles and addresses any concerns that the Authority may have.

(d) The FMC Holder shall submit its completed forest management plan, together with any supporting documents or other information, to the Authority for approval.

### **Section 52. Approval by the Authority**

(a) Upon receipt of a forest management plan, the Authority shall review it for completeness, accuracy, and conformity with the requirements of the National Forestry Reform Law of 2006, this Regulation, the Forest

Management Guidelines, the Code of Forest Harvesting Practices, and the terms of the Holder's FMC.

(b) If the Authority requires additional information to determine whether the forest management plan is complete, accurate, and in conformity with law, the Authority may request the information from the Holder or any other source.

(c) If the Authority determines that the plan is incomplete, inaccurate, or otherwise not in conformity with law, the Authority shall reject the plan and provide to the Holder a written explanation of the reason for its decision.

(1) The Authority may reject the plan for inadequate public consultation under the Forest Management Guidelines.

(2) The Holder may seek to remedy any insufficiencies in the plan identified by the Authority and resubmit the plan.

(d) If the Authority determines that the forest management plan is complete, accurate, and in conformity with law, the Authority shall provide the Holder with a written approval of the Plan.

(e) The Authority shall promptly conduct any review required by Subsection (a) of this Section and shall not withhold approval of a forest management plan that substantially satisfies the requirements of this Part.

**Sections 53 to 60. Reserved**

## **PART SIX: COMMUNITY FORESTRY DEVELOPMENT COMMITTEES; REQUESTS FOR DISBURSEMENT OF FUNDS**

### **Section 61. Requests for Disbursement**

Only a Community Forestry Development Committee established under this Part may make a request for disbursement of funds under a social agreement.

## **Section 62. Community Forestry Development Committees**

- (a) A Community Forestry Development Committee must consist of at least five members who are residents of the community or communities that the Committee represents.
- (b) All members of a Community Forestry Development Committee must be freely and fairly elected by residents of the community or communities represented by the Committee.
  - (1) The Authority shall work with civil society organizations and the public to develop uniform standards by which membership elections are to take place.
  - (2) The Authority and civil society organizations, upon request by community members, may help to facilitate membership elections.
- (c) A Community Forestry Development Committee must provide a means for all residents that it represents, including women and youth, to have their views heard and considered.
- (d) A Community Forestry Development Committee must be incorporated under the laws of the Republic.
- (e) The Authority shall maintain a list of Community Forestry Development Committees.
- (f) The Authority may, in consultation with civil society organizations and the public, issue additional guidelines governing the development and structure of Community Forestry Development Committees.

## **Section 63. Consensus among Affected Communities; Consent of Authority**

- (a) Prior to making a request for disbursement of funds under a social agreement, a Community Forestry Development Committee shall provide written notice to the Authority and the Holder of its intent to make the request.

(b) The Authority shall consent to a request for disbursement of funds under a social agreement unless one or more Affected Communities with respect to the area to be logged under the Forest Resources License, as represented by their respective Community Forestry Development Committees, object to the request.

**Sections 64 to 70. Reserved**

## **PART SEVEN: REPEALS AND EFFECTIVE DATE**

### **Section 71. Repeals**

This Regulation repeals no existing regulations.

### **Section 72. Effective Date**

(a) This Regulation is effective on September 11, 2007.

(b) The Authority shall announce this Regulation and make it available to the public and the media.

**SIGNED:**

A handwritten signature in dark ink, appearing to be 'J. Woods', written over a horizontal line.

**Mr. John T. Woods**

**Managing Director**

**Forestry Development Authority**

## **Forestry Development Authority**

### **Regulation No. 106-07** **Regulation on Benefit Sharing**

WHEREAS, the National Forestry Reform Law of 2006 establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic; and

WHEREAS, allocating to Counties and local communities a percentage of land rental fees collected from commercial forestry operations contributes to the sustainable management of the Republic's forest estate and helps to ensure that the people most affected by timber extraction also share in its benefits; and

WHEREAS, procedures for allocating and distributing financial benefits to Counties and local communities must be fully transparent and accountable; and

WHEREAS, the National Forestry Reform Law of 2006 authorizes the Forestry Development Authority to issue regulations and other rules necessary to implement the law (Section 19.1(a)), including regulations that concern the fees and payments under control of the Authority (Section 19.1(d)); and, specifically, regulations that establish a fair and transparent procedure for allocating land rental fees to communities and Counties (Section 14.2(e), (f));

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:

## **PART ONE: GENERAL PROVISIONS**

### **Section 1. Definitions**

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

Affected Community: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all

human settlements) whose interests are likely to be affected by Operations carried out under a Forest Resources License. “Interests” for purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.

Authority: Forestry Development Authority.

Board: Board of Directors of the Forestry Development Authority.

Managing Director: Managing Director of the Forestry Development Authority.

Other terms used in this Regulation have the meaning established in the National Forestry Reform Law of 2006, as amended.

## **Section 2. Purpose**

This Regulation implements the requirement of the National Forestry Reform Law of 2006 that the Authority establish a fair and transparent procedure for allocating a designated percentage of land rental fees to Counties and to communities entitled to benefit sharing under Forest Resources Licenses.

## **Section 3. Coordination with Ministry of Finance**

The Authority shall coordinate all of its activities under this Regulation with the Central Bank and the Ministry of Finance.

## **Sections 4 to 20. Reserved**

# **PART TWO: BENEFIT SHARING WITH COUNTIES**

## **Section 21. Value of Benefit**

In coordination with the Central Bank and the Ministry of Finance, the Authority shall ensure that a sum equal to 30 percent of all land rental fees collected is distributed for the benefit of all of the Republic’s Counties.



## **Section 22. Allocation among Counties**

In coordination with the Central Bank and the Ministry of Finance, the Authority shall allocate the amount set forth in Section 21 of this Regulation in equal proportion among all 15 Counties in the Republic.

## **Section 23. Deposit to County Forestry Development Funds**

(a) Each County wishing to receive an allocation of funds under Section 14.2(e)(ii) of the National Forestry Reform Law of 2006 shall maintain a County Forestry Development Fund, consistent the requirements of Section 24 of this Regulation.

(b) Annually, the Authority, in coordination with the Ministry of Finance, shall arrange for one-fifteenth of the amount established in Section 21 of this Regulation to be deposited in each County Forestry Development Fund. The Authority shall notify the public of the fact and amount of all deposits made under this Subsection, as follows:

- (1) The Authority shall run an advertisement in a newspaper of general circulation in Monrovia, and a radio announcement on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement for at least two days per week, for no fewer than two consecutive weeks.

- (2) The Authority shall provide written notice to all persons on any forest management stakeholder list maintained pursuant to Authority Regulation No. 101-07, concerning public participation.

- (3) The Authority shall provide written notice to all signatories to each County Forestry Development Fund.

(c) Deposit of funds to a County Forestry Development Fund under this Section is the sole means by which the Government shall transfer funds to a County under the benefit-sharing mechanism of the National Forestry Reform Law of 2006.

## **Section 24. Use of Amounts Allocated to Counties**

The Authority shall make no disbursement to a County Forestry Development Fund under this Part unless the County meets all of the following requirements:

- (a) The County expends the funds contained in its County Forestry Development Fund only in support of services or activities in the public interest that benefit the residents of the County, subject to the requirements of Subsections (b), (c), and (d) of this Section.
- (b) The County matches any expenditure from the County Forestry Development Fund with a contribution of cash, in-kind services (such as labor), or property that is equal in value to the expenditure.
- (c) The County manages and accounts for payments into, and disbursements from, the County Forestry Development Fund as part of the ordinary and established budgetary process for the County.
- (d) Annually, the County provides a detailed accounting to the Authority on its Fund, listing all receivables and disbursements. The Authority shall report to the public all information received from the Counties under this Subsection, as follows:

- (1) The Authority shall run an advertisement in a newspaper of general circulation in Monrovia, and a radio announcement on a radio station with national coverage and on local community radio stations. The Authority shall run both the advertisement and the announcement for at least two days per week, for no fewer than two consecutive weeks.
- (2) The Authority shall provide written notice to all persons on any forest management stakeholder list maintained pursuant to Authority Regulation No. 101-07, concerning public participation.
- (3) The Authority shall provide written notice to all signatories to each County Forestry Development Fund.

## **Section 25. Duties of the Authority**

- (a) A regional manager of the Authority shall advise the County on the operations of the County Forestry Development Fund.

(b) The Authority, in coordination with the Central Bank and the Ministry of Finance, shall from time to time conduct audits of the County Forestry Development Funds to ensure their effective, fair, and transparent operation.

(c) Upon request by a County, the Authority shall provide other technical assistance in carrying out the requirements of this Part.

(d) The Authority shall, as necessary, seek the assistance of experts, legal counsel, civil society organizations, or any other person to assist the Authority in effectively carrying out its duties under this Section.

## **Sections 26 to 30. Reserved**

# **PART THREE: BENEFIT SHARING WITH COMMUNITIES**

## **Section 31. Value of Benefit**

In coordination with the Central Bank and the Ministry of Finance, the Authority shall ensure that a sum equal to 30 percent of all land rental fees collected is distributed to Affected Communities through the National Community Benefit Sharing Trust mechanism established by this Part.

## **Section 32. Distribution to National Community Benefit Sharing Trust**

In coordination with the Central Bank and the Ministry of Finance, the Authority shall distribute the amount established by Section 31 of this Regulation to the National Community Benefit Sharing Trust, on a quarterly basis.

## **Section 33. National Community Benefit Sharing Trust**

(a) The purpose of the National Community Benefit Sharing Trust is to:

- (1) Hold in trust and manage all funds received for the sole benefit of Affected Communities.
- (2) Receive and review applications for funds submitted by Community Forestry Development Committees on behalf of Affected Communities.

(3) Disburse funds to Community Forestry Development Committees to undertake projects on behalf of the Affected Communities they represent.

(b) The Trust Board is composed as follows:

- (1) One representative of a civil society organization.
- (2) One local Paramount Chief selected by his peers from a forest-dependent community;
- (3) One representative from the Government of Liberia;
- (4) One logging industry representative;
- (5) One representative of an international non-governmental organization; and
- (6) One representative of an international donor organization.

(c) No member of the Trust Board shall receive remuneration or any other form of compensation for serving on the Board.

(d) Subject to broad public participation and comment, the Trust shall, in consultation with the Authority, relevant government agencies, local community representatives from Affected Communities, and civil society organizations, draft and adopt bylaws and guidelines for the operation and management of the Trust.

(e) The Trust shall obtain an independent audit of its accounts at least annually.

(f) Subject to broad public participation and comment, the Trust shall, in consultation with the Authority, relevant government agencies, local community representatives from Affected Communities, and civil society organizations, develop a manual of procedures and guidelines governing how it will allocate funds to and among Affected Communities, including how it will evaluate requests for funds submitted by Community Forestry Development Committees, and how it will ensure the fair allocation of limited funds among Community Forestry Development Committees.

(g) The Trust may hire staff to conduct its day-to-day operations, including District-level staff to assist the Trust in evaluating local

requests for disbursement of funds submitted by Community Forestry Development Committees on behalf of Affected Communities.

(h) None of the following individuals shall directly benefit from funds distributed by the Trust while in the service of the Republic:

- (1) The President.
- (2) Senators.
- (3) Representatives.
- (4) Ministers, heads of public agencies and public corporations, and their deputies, assistants, and all directors.
- (5) Security and military personnel.
- (6) Judicial officers, including Justices of the Supreme Court and all lower court judges.
- (7) Local government officials and community leaders, including District Commissioners, Corps of Officers, Township Commissioners, City Mayors, Paramount Chiefs, Clan Chiefs, Landlords, General Town Chiefs, Town Chiefs, Quarter Chiefs, all members of Community Forestry Development Committees, and village heads.

(i) Civil society organizations, members of Affected Communities, and international organizations may provide independent monitoring of the creation and operation of the Trust.

(j) The Authority shall solicit national and international technical and financial assistance through bilateral or multilateral means to provide support for—

- (1) The creation and operation of the Trust; and
- (2) The independent monitoring activities identified in Subsection (i) of this Section.

### **Section 34. Requests by Community Forestry Development Committees**

(a) Only a Community Forestry Development Committee may request from the National Community Benefit Sharing Trust disbursement of

funds for projects to be undertaken on behalf of one or more Affected Communities.

(b) A Community Forestry Development Committee may request disbursement of funds only if the Committee satisfies the requirements of Section 62 of Authority Regulation No. 105-07, concerning social agreements.

(c) A Community Forestry Development Committee requesting disbursement of funds must present a written project proposal to the National Community Benefit Sharing Trust that includes all of the following:

- (1) A detailed description of the need for the project, including who will benefit.
- (2) A detailed description of how the project will be carried out.
- (3) A budget including the total amount requested and a breakdown of that amount into categories (for example, labor and materials).

## **Sections 35 to 40. Reserved**

## **PART FOUR: TRANSPARENCY**

### **Section 41. Reporting**

(a) Within 60 days after the end of each fiscal year, the Authority shall compile in writing, and make available for public inspection, a report containing the following information for the preceding year:

- (1) The amount of money disbursed by the Government to each of the 15 Community Forestry Development Funds under this Regulation, and the date of each disbursement.
- (2) The amount of money disbursed to the National Community Benefit Sharing Trust under this Regulation, and the date of each disbursement.
- (3) The total amount of money disbursed by the Trust to Community Forestry Development Committees, and a breakdown of those disbursements by project, date, and Affected Community.

(4) (4) A list of all complaints received from the public in connection with Community Forestry Development Funds, the National Community Benefit Sharing Trust, or any Community Forestry Development Committee.

(b) If any person makes a reasonable claim to the Authority that the report contains an error, the Authority shall promptly investigate the claim and make necessary corrections to the report and any copies of the report in its possession.

(c) The Authority shall make copies of the report available subject to the requirements of Section 41 of Authority Regulation No. 101-07, concerning public participation.

**Section 42 to 50. Reserved.**

## **PART FIVE: REPEALS AND EFFECTIVE DATE**

### **Section 51. Repeals**

This Regulation repeals no existing regulations.

### **Section 52. Effective Date**

(a) This Regulation is effective on September 11, 2007.

(b) The Authority shall announce this Regulation and make it available to the public and the media.

### **SIGNED:**

A handwritten signature in black ink, appearing to be 'J. Woods', written in a cursive style.

**Mr. John T. Woods  
Managing Director  
Forestry Development Authority**

**Forestry Development Authority**  
**Regulation No. 114-10 on Procedures to Access**  
**and Manage Funds on Behalf of Affected**  
**Communities by Community Forestry**  
**Development Committees**

WHEREAS, the National Forestry Reform Law of 2006 (NFRL) establishes a transparent framework for the use, management, and protection of forest resources that balances the commercial, community, and conservation priorities of the Republic;

WHEREAS, the National Forestry Reform Law of 2006 (NFRL) allocates to counties and local communities a percentage of land rental fees collected from commercial forestry operations, contributes to the sustainable management of the Republic's forest estate and helps to ensure that the people most affected by timber extraction also share in its benefits;

WHEREAS, procedures for allocating and distributing financial benefits to counties and local communities must be fully transparent and accountable;

WHEREAS, Chapter 14, Section 14.2(e) and (f) of the NFRL and the National Forest Policy specify that the Forestry Development Authority shall allocate and disburse fees to Affected Communities.

WHEREAS, Part Three, Section 32 of Authority Regulation 106-07 requires that thirty percent (30%) of all land rental fees is disbursed through a National Benefit Sharing Trust (Trust) in coordination with the Central Bank and the Ministry of Finance to ensure the people who are affected by concessions in Liberia's forests benefit from those concessions. At its inception, the Trust shall hold in trust, manage, and disburse to Community Forestry Development Committees thirty percent (30%) of the land rental fee earmarked for Affected Communities pursuant to Section 31 of Authority Regulation 106-07.

NOW, THEREFORE, the Forestry Development Authority does hereby rule and regulate as follows:



## **PART ONE: DEFINITIONS, PURPOSE**

### **Section 1. Definitions**

In this Regulation, the following terms have the meaning indicated, unless the context otherwise requires:

Affected Community: a community comprising less than a statutory district (including chiefdoms, clans, townships, towns, villages, and all human settlements) whose interests are likely to be affected by operations carried out under a Forest Resources License. “Interests” for purposes of this definition may be of an economic, environmental, health, livelihood, aesthetic, cultural, spiritual, or religious nature.

Authority: Forestry Development Authority

Beneficiary: person or persons within the Affected Community who are entitled to benefit from the National Benefit Sharing Trust.

Benefit: for purposes of the National Benefit Sharing Trust, a share of the proceeds from land rental fees collected as provided for under the National Forestry Reform Law of 2006.

Cubic Meter Fee: a type of annual financial benefit provided by the Holder under a social agreement. Such a fee must equal or exceed US\$1 per cubic meter of Logs harvested annually under the Forest Resources License.

Donor: partner to the Trust Board that funds or delivers development and technical assistance to the Trust.

Forest Resources License: any legal instrument under which the Authority allows a person, subject to specific conditions, to extract Forest Resources or make other productive and sustainable use of Forest Land. Forest Management Contracts (FMCs), Timber Sale Contracts (TSCs) and Private Use Permits (PUPs) are types of Forest Resources Licenses.

Holder: any person who holds a valid Forest Resources License under which commercial logging activities are authorized.

Monitoring and Evaluation: the collection of information for use in decision making and project management. Contemporary monitoring and evaluation (M&E) tracks efforts against intended results, and identifies barriers to implementation, as well as false assumptions. Properly applied monitoring and evaluation builds capacity by creating learning opportunities and promotes continuous improvement.

Safeguards: systems for financial and political accountability, including accounting and reporting, monitoring and evaluation.

Trust Board: board of directors of the Trust.

Other terms used in this Regulation have the same meaning as established in the National Forestry Reform Law of 2006, as amended.

## **Section 2. Purpose**

This Regulation implements the requirements of the National Forestry Reform Law of 2006 that the Authority establishes a fair and transparent procedure for allocating a designated percentage of land rental fees to counties and to communities entitled to benefit sharing under Forest Resources Licenses.

## **Section 3. Capitalization**

The Trust shall be financed by the following:

- (1) Thirty Percent (30%) of land rental fees received for the benefit of Affected Communities; and
- (2) Grants and donations from donors.

## **PART TWO: GOVERNANCE OF THE TRUST**

### **Section 4. Remuneration**

Pursuant to Section 33(c) of Authority Regulation 106-07, Trust Board members shall not receive any compensation for its services on the Trust Board.

## **Section 5. Trust Board Institutional Structure**

The Trust Board shall be composed of thirteen (13) persons as follows:

- (a) Two (2) Paramount Chief;
- (b) One (1) representative of the Forestry Development Authority (FDA);
- (c) One (1) representative of Civil Society Organizations;
- (d) One (1) Logging Industry representative;
- (e) One (1) representative of the Ministry of Finance;
- (f) One (1) representative of the Ministry of Internal Affairs;
- (g) Six (6) representatives of the Union of Community Forestry Development Committees, two (2) from each of the three (3) regions recognized by the Union of CFDCs;
- (h) The International donor organizations and the international non-governmental organizations shall have one representative on the Board. However such representatives shall serve as an observer to the proceedings of the Board and therefore in this light cannot be permitted to vote and shall not contribute to the quorum even though he/she may take an active part in any proceeding.
- (i) Two (2) appointed *ex officio* members shall be permitted to sit on the Trust Board. Such members shall not be permitted to vote and shall not contribute to the quorum. Nominations shall be proposed at the first sitting of the Trust Board by the Authority and approved by a two-thirds majority.

## **Section 6. Election of the Trust Board**

- (a) The representatives of the three (3) government institutions shall be found through the seconding of a nominee by their respective institution based on a request for said nomination from the FDA to the respective government institution.
- (b) The Paramount Chief's Representatives: The selection of the representative of the paramount chiefs shall be done in consultation with

the National Traditional Council of Liberia with the FDA and the Ministry of Internal Affairs supervising the process. Affected communities in each county shall select one Paramount Chief from among themselves, who will gather with their peers to select from among themselves their representatives to the Board. The selected individuals must reside within an Affected Community during their tenure on the Board.

(c) Civil Society Organization's Representative: All Civil Society Organizations on the stakeholder registry set up under Section 19 of this Regulation will be invited to submit nominations for election as Trust Board Members.

(d) The Union of Community Forestry Development Committees' Representatives: The representative of the Union of Community Forestry Development Committees shall be done in consultation with the leadership of the Union with the FDA and the Civil Society Organizations supervising the process. Two (2) persons from each of the three (3) regions recognized by the Union of CFDCs shall be selected to represent the Union on the Board. The selected individuals must reside within an Affected Community during their tenure on the Board.

Elections or selection for each category of Board Member shall be the responsibility of the organizations/institutions within the said category; however non-voting members of the Board may witness the election procedure and results.

## **Section 7. Term Limit**

Board members shall be elected every three (3) years as herein provided. The terms of the Board Members shall be staggered to ensure that turnover is limited. At the first meeting of the Board, initial terms should be established by lottery, with six (6) members having three (3) year terms and seven (7) members having two (2) year terms. At least three (3) of the members having the three (3) year terms must be representative of the Union of CFDCs. Board members shall serve not more than two (2) terms and may serve such terms either consecutively or non-consecutively.

## **Section 8. Officers of the Trust Board**

The Trust Board shall nominate a Chairman, Co-Chairman, Secretary, Treasurer, and such other officers as the Board may deem necessary.

## **Section 9. Meetings**

The Trust Board shall meet at least once every calendar quarter, but the Chairman of the Board may call a special meeting at any time he or she deems necessary. Special meetings may also be called upon written request of any four (4) members of the Board.

## **Section 10. Quorum**

Eight (8) elected board members are required to constitute a quorum; of which one (1) must be a representative of the various government institutions and three (3) must be representatives of the Union of CFDCs. No decision shall be made by the Board without a quorum. Should the number of board members change, the quorum shall be adjusted to approximately sixty percent (60%) of the elected board.

## **Section 11. Functions of the Trust Board**

The Trust Board shall:

- (a) Hold in trust, manage, and supervise the land rental fee funds received for the benefit of Affected Communities.
- (b) Receive and review applications for funds submitted by Community Forestry Development Committees on behalf of Affected Communities.
- (c) Disburse funds to Community Forestry Development Committees for projects/programs approved for the Affected Communities.
- (d) Track the Land Rental Fees paid by Holders to ensure that the Communities receive their benefits.
- (e) Supervise the Cubic Meter Fees received for the benefit of the Affected Communities.
- (f) Commission an annual independent audit as required by Section 33(e) of Authority Regulation 106-07.

(g) Every three (3) months, with the assistance of the Monitoring and Evaluation Committee, provide a report to all Community Forestry Development Committees detailing the financial status of the Fund. The report shall include the Trust's income and expenditures for that respective quarter.

(h) Provide to the public every six (6) months, a report detailing the activities and financial status of the Trust Board. The report shall include Trust Board decisions, complaints levied against the Trust; Trust Board meeting minutes, income and expenditure, and the independent audit report;

(i) At the written request of an Affected Community, the Trust Board may supervise the Cubic Meter Fee established under Section 34 of Authority Regulation 105-07. In its supervisory role, the Trust Board may advise CFDC on receipt and collection of the Cubic Meter Fee and act as repository and forum for complaints issued by Affected Communities on any issue related to Cubic Meter Fees. It may also intervene on behalf of an Affected Community on any issue related to Cubic Meter Fees, based on a written request.

(j) The Trust may be vested with the authority, through any subsequent legal instrument, to manage and serve as the distribution mechanism for new revenue sources that may arise from new forms of benefits, including but not limited to, carbon concessions, payment for ecosystem services, and agricultural concessions.

## **Section 12. Responsibilities of the Board of Trustees**

The Trust Board shall:

(a) Establish a Project Technical Review Committee to thoroughly review Community Forestry Development Committee project proposals for financial feasibility, market acceptance, organizational capacity, and past performance on similar projects.

(b) Develop guidelines and templates to determine, among other things, how Community Forestry Development Committee funding requests are evaluated and how the Trust account will be managed.

- (c) Based upon the recommendations of the Project Technical Review Committee, review and endorse project proposals submitted by Community Forestry Development Committees.
- (d) Transfer funds from the Trust escrow account to the Community Forestry Development Committee accounts for the implementation of approved projects.
- (e) Establish a Monitoring and Evaluation Committee to evaluate project successes, Community Forestry Development Committee reporting, and Trust reporting.
- (f) Review and act upon progress reports submitted by the Community Forestry Development Committees based upon the recommendations of the Monitoring and Evaluation Committee.
- (g) Receive requests from and, to the best of its ability, provide assistance to, Affected Communities and/or Community Forestry Development Committees that cannot resolve disputes between the Affected Community, a Committee, a Holder, and/or the government.
- (h) Serve as an advocate for Affected Communities if new policies are being discussed that might affect the revenues of Affected Communities.

### **Section 13. Secretariat to the Trust Board**

- (a) The Trust Board shall establish a Secretariat of not more than two (2) persons to assist the Board perform its functions.
- (b) The activities of the Secretariat and any administrative costs of the Trust Board shall be funded annually by not more than five percent (5%) of the Trust principle for each respective year.

## **PART THREE: FUND DISBURSEMENT PROCEDURE**

### **Section 14. Accrual of Funds**

- (a) It is possible that funds allocated to a Community Forestry Development Committee are not immediately used. Given that the funds are distributed to the Community Forestry Development Committees on a

*pro rata* basis consistent with land rental fees paid for a given Forest Resource License, the funds are considered the property of the Affected Community, and are to be held in trust until such time as the Committee requests the funds.

(b) Community Forestry Development Committees shall be entitled to receive thirty percent (30%) of land rental fees where Holders have paid the entire amount of fees due. If a Holder has failed to pay its land rental fee in full, the Committee is entitled to whatever amount the Holder has paid in any given year.

(c) If the Community Forestry Development Committee represents an Affected Community covering the entire concession, then the Community is entitled to thirty percent (30 %) of the entire land rental fee. However, if the Community Forestry Development Committee represents a Community that covers only part of the concession (when a concession is divided into more than one Committee) then the Affected Community is entitled to thirty percent (30 %) of the land rental fee for that proportion of the contract area under its jurisdiction.

(d) Affected Communities shall not receive any land rental fee where the Holder has not paid any land rental fee payment due.

(e) The Trust Board shall not disburse more than seventy-five percent (75%) of the principal in the first two (2) years of the Trust Fund coming into operation; thereafter, the principal and one hundred percent (100%) of the interest accruing may be applied to finance community projects.

## **Section 15. Distribution of and Accessing the Benefit**

(a) The Holder shall pay its land rental fee to the Ministry of Finance annually.

(b) The Ministry of Finance, in collaboration with the Authority and the Central Bank of Liberia, shall establish an escrow account for purposes of the Trust at the Central Bank.

(c) In conformity with Section 32 of Authority Regulation 106-07, the Authority shall transfer thirty percent (30%) of the money within the land rental fee account on a quarterly basis into the Trust account.



(d) A Community Forestry Development Committee may request disbursement of funds only if the Committee satisfies the requirements of Section 62 of Authority Regulation 105-07.

(e) Community Forestry Development Committees shall submit written project proposals to the Trust Board requesting funds for a specified project. These project proposals shall include the following:

(1) A detailed description of the need for the project and its beneficiaries (including the specific towns or villages to be benefited);

(2) A detailed description of how the project will be implemented and the timeframe for completion; and

(3) A budget that includes the total cost of the project, giving a breakdown of the amount for labor, materials, transportation, etc.

(f) Each Community Forestry Development Committee shall open an account in any recognized local commercial bank.

(g) There shall be three (3) authorized signatories for each Community Forestry Development Committee's bank account:

(1) First Principal Authorized Signatory;

(2) Second Principal Authorized Signatory; and

(3) Third Principal Authorized Signatory.

(h) All withdrawals from the account shall require the authorization of the First and either the Second or the Third Authorized Signatory. A withdrawal authorized by only the Second and Third Authorized Signatories shall not be considered valid, or shall be declared null and void unless the withdrawal was taken with the prior written approval of the Trust Board.

(i) Prior to the award of a project, the Community Forestry Development Committee shall, with input from their Affected Community, draft a Constitution that will ensure transparent and accountable management of funds.

(j) The Community Forestry Development Committee shall submit to the Trust Board a progress report every three (3) months regarding the status and/or completion of the project. The Trust Board, through the Monitoring and Evaluation Committee, may evaluate the progress of and satisfactory completion of a project on an ad hoc basis.

## **Section 16. Performance Based Awards**

(a) Initial awards shall be based on written project proposals and accompanying budgets. All initial awards are subject to availability of funds for given contract areas.

(b) Any subsequent award to Community Forestry Development Committees shall be performance based and contingent upon satisfactory implementation of any previous award.

(c) In the event that the Trust Board, through an evaluation process undertaken by the Monitoring and Evaluation Committee, identifies inadequate performance of a project, the Trust Board, in consultation with the Community Forestry Development Committee, shall endeavor to solicit training opportunities with a strategic partner to improve the Community Forestry Development Committee's ability to implement its projects. Following receipt of training and upon recommendation of the respective Affected Community and the Monitoring and Evaluation Committee, a Community Forestry Development Committee may submit a new proposal.

## **Section 17. Debarment**

In conformity with Section 33(h) of Authority Regulation 106-07, individuals, companies and other entities debarred from doing business with the Government of Liberia shall not participate in the Trust or its projects. The Trust Board may itself debar individuals, companies or other entities from participation in the Trust or its projects if it can prove failure to avoid malfeasance on the part of the person or entity.

## **PART FOUR: SAFEGUARDS**

### **Section 18. Transparency and Public Access to Information**

- (a) The Trust Board, its administration, and related Committees shall operate under an assumption of openness and inclusiveness.
- (b) The Trust Board shall make available all proposed regulations, guidelines, and monitoring and evaluation reports for public review and comment. Copies will be available at all district offices and the headquarters of the Authority. Notice of the availability of these documents shall be published in a newspaper of general circulation.
- (c) All meetings of the Trust Board shall be open to the public. The Trust Board shall publish announcements of Trust Board meetings in a newspaper or over the radio of general circulation no less than two (2) weeks in advance.
- (d) All reports, materials for comment, or notifications of meetings shall be distributed in good time and as cheaply and widely as possible. The Trust Board shall consider the use of an SMS (text) notification system to disseminate relevant information.

### **Section 19. Registration of Stakeholders**

The Trust Board shall maintain a register of stakeholders. The register shall be updated quarterly. Any private or civil society organization in good standing under Liberian law that expresses interest in writing to the Trust Board or its Secretariat shall be inscribed in the register. Registered stakeholders will receive Trust Board mailings.

### **Section 20. Public Forum**

- (a) In conjunction with the Authority, the Trust Board shall convene an annual National Forest Forum. This Forum shall be open to the public without restriction, and shall have an open agenda, which shall include, in addition to a formal Board meeting, opportunities for stakeholders to air grievances and share successes and failures. Lessons learned from the monitoring and evaluation process will also be discussed.

(b) Subject to the availability of resources and when possible, the Trust shall support County Forest Forums.

## **Section 21. Dispute Resolution**

The Trust Board will receive requests from and, to the best of its ability, provide assistance to, Affected Communities and/or Community Forestry Development Committees that cannot resolve disputes between the Affected Community, a Community Forestry Development Committee, a Holder, and/or the government. It will establish binding independent arbitration procedures that it will propose as a regulation in accordance with Section 17.1 of the National Forestry Reform Law of 2006. Such binding procedures will provide a fair and transparent mechanism for the management of disputes within the Trust Fund.

## **PART FIVE: REPEALS AND EFFECTIVE DATE**

### **Section 22. Repeals**

Section 5 (a-i) of this Regulation repeals and replaces Section 33 (b) (1-6) of Authority Regulation 106-07.

### **Section 23. Effective Date**

(a) This regulation is effective on July 4, 2011.

(b) The Authority shall announce this regulation and make it available to the public and the media.

### **SIGNED:**

**Moses D. Wogbeh, Sr.**  
**Managing Director**  
**Forest Development Authority**

This guide has been co-developed by the Association of Community Rights Defenders (ACORD), the National Union of Community Forest Development Committees (NUCFDC), Heritage Partners and Associates (HPA) and ClientEarth. Funding was provided by UK Aid.

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