

NIMBA

**SOCIAL AGREEMENT**  
**Between the**  
**International Consultant Capital (ICC)**  
**And the**  
**Community Forestry Development Committee (CFDC)**  
**Of**  
**Forest Management Contract (FMC) Area-K,**  
**Nimba County**  
**Liberia**



**FORESTRY DEVELOPMENT AUTHORITY**

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**LEGAL REQUIREMENT FOR THE FORMATION OF CFDC**

This Social Agreement (Agreement) is hereby made and entered into by and between the International Consultant Capital, hereinafter referred to as ICC, and the communities of Nimba Community Forest Development Committee, hereinafter referred to as the Communities, for Forest Management Contract Area "K", 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.

**TECHNICAL DESCRIPTION OF THE CONTRACT AREA**

The Forest Management Contract Area "K" lies within Latitude 5°54'0"-6°24'0" North of the Equator and Longitudes 8°36'0"-9°18'0" West of the Greenwich meridian and is located in Grand Gedeh, Nimba and River Cess Counties-Liberia.

Forest Management Contract Area "K" is 206 miles accessible by primary motor road by way of Monrovia, Buchanan, Yarkpah's Town, and Stand Beach Junction, and is 133 miles accessible to the Port of Buchanan and 109 miles to the Port of Greenville.

**Metes and Bounds of Contract K**

Starting from the Toe Town, (6°24'32.02"N - 8°33'27.68"W) thence a line runs S 57° W for 3,987 meters to the point of COMMENCEMENT. (6°23'22.59"N-8°35'16.42"W); thence a line runs S 4° E for 12,917 meters to a point (5°16'22.32"N-8°34'50.78"W); thence a line runs S 89° E for 4,502 meters to a point (6°16'20.81"N-8°32'24.17"W); thence a line runs S 2° W for 7,198 meters to a point (6°12'27.97"N-8°32'33.24"W); thence a line runs S 41° W for 5,214 meters to a point (6°10'22.48"N-8°34'25.09"W); thence a line runs S 61° W for 5,639 meters to a point (6°08'51.77"N-8°37'05.31"W); thence a line runs S 75° W for 8,944 meters to a point (6°07'37.69"N-8°41'47.96"W); thence a line runs Due South for 5,793 meters to a point (6°04'27.75"N-8°41'47.74"W); thence a line runs S 35° E for 8,020 meters to a point on the Jobo River (6°01'48.61"N-8°38'19.97"W); thence a line runs along the Jobo River in the Southern direction for 16,535 meters to a point on the boundary line of the Gbi Proposed Protected area boundary line (5°55'19.16"N-8°39'56.06"W); thence a line runs Due East for 293 meters to a point (5°55'19.93"N-8°39'44.28"W); thence a line runs Due South for 157 meters to a point (5°55'12.36"N-8°39'44.28"W); thence a line runs S 45° E for 290 meters to a point (5°55'05.69"N-8°39'37.67"W); thence a line runs S 16° E for 144 meters to a point (5°55'02.01"N-8°39'36.66"W); thence a line runs S 66° E for 133 meters to a point (5°55'00.24"N-8°39'32.72"W); thence a line runs S 49° E for 123 meters to a point (5°54'57.67"N-8°39'29.75"W); thence a line runs N 65° E for 166 meters to a point (5°54'59.18"N-8°39'26.32"W); thence a line runs N 8° for 165 meters to a point (5°55'04.48"N-8°39'25.61"W); thence a line runs N 35° for 147 meters to a point

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(5°55'08.27"N-8°39'22.99"W); thence a line runs Due East for 144 meters to a point  
(5°55'08.22"N-8°39'18.19"W); thence a line runs N 47° E for 140 meters to a point on the  
(5°55'11.30"N-8°39'14.86"W); thence a line runs S 75° E for 184 meters to a point  
(5°55'09.88"N-8°39'09.06"W); thence a line runs N 45° E for 167 meters to a point  
(5°55'13.72"N-8°39'05.28"W); thence a line runs S 1° W for 1,151 meters to a point  
(5°54'36.45"N-8°39'06.15"W); thence a line runs S 67° W for 175 meters to a point  
(5°54'34.31"N-8°39'11.35"W); thence a line runs S 41° W for 419 meters to a point  
(5°54'23.89"N-8°39'20.28"W); thence a line runs S 13° W for 295 meters to a point  
(5°54'14.69"N-8°39'22.51"W); thence a line runs S 41° W for 141 meters to a point  
(5°54'11.25"N-8°39'25.53"W); thence a line runs Due West for 143 meters to a point  
(5°54'11.20"N-8°39'30.18"W); thence a line runs N 65° W for 219 meters to a point  
(5°54'14.22"N-8°39'36.59"W); thence a line runs N 85° W for 132 meters to a point  
(5°54'14.64"N-8°39'40.91"W); thence a line runs N 61° W for 267 meters to a point  
(5°54'18.92"N-8°39'48.49"W); thence a line runs N 37° W for 192 meters to a point  
(5°54'23.89"N-8°39'52.21"W); thence a line runs N 86° W for 428 meters to a point  
(5°54'25.01"N-8°40'06.15"W); thence a line runs S 42° W for 155 meters to a point  
(5°54'21.29"N-8°40'09.54"W); thence a line runs S 4° W for 325 meters to a point  
(5°54'10.78"N-8°40'10.24"W); thence a line runs S 71° W for 126 meters to a point  
(5°54'09.43"N-8°40'14.15"W); thence a line runs S 3° W for 404 meters to a point  
(5°53'56.32"N-8°40'14.98"W); thence a line runs S 12° W for 218 meters to a point  
(5°53'49.44"N-8°40'16.42"W); thence a line runs S 64° W for 132 meters to a point  
(5°53'47.54"N-8°40'20.28"W); thence a line runs N 71° W for 98 meters to a point  
(5°53'48.56"N-8°40'23.30"W); thence a line runs N 39° W for 230 meters to a point  
(5°53'54.32"N-8°40'27.90"W); thence a line runs S 86° W for 353 meters to a point  
(5°53'53.77"N-8°40'39.29"W); thence a line runs S 67° W for 402 meters to a point  
(5°53'48.75"N-8°40'15.31"W); thence a line runs N 89° W for 216 meters to a point  
(5°53'48.93"N-8°40'58.35"W); thence a line runs N 52° W for 337 meters to a point  
(5°53'42.24"N-8°41'07.04"W); thence a line runs N 87° W for 503 meters to a point  
(5°53'43.03"N-8°41'23.45"W); thence a line runs S 57° W for 389 meters to a point  
(5°53'36.19"N-8°41'34.09"W); thence a line runs N 25° W for 293 meters to a point  
(5°53'27.87"N-8°41'38.22"W); thence a line runs S 22° E for 219 meters to a point  
(5°53'21.31"N-8°41'35.61"W); thence a line runs S 5° W for 234 meters to a point  
(5°53'13.76"N-8°41'36.33"W); thence a line runs S 42° W for 141 meters to a point  
(5°53'10.44"N-8°41'39.39"W); thence a line runs S 5° E for 396 meters to a point  
(5°52'57.68"N-8°41'38.22"W); thence a line runs S 22° W for 198 meters to a point  
(5°52'51.75"N-8°41'40.65"W); thence a line runs S 38° E for 313 meters to a point  
(5°52'43.68"N-8°41'34.52"W); thence a line runs S 31° E for 400 meters to a point  
(5°52'32.74"N-8°41'27.77"W); thence a line runs S 47° E for 248 meters to a point  
(5°52'19.18"N-8°41'20.30"W); thence a line runs S 45° W for 119 meters to a point  
(5°52'16.37"N-8°41'23.12"W); thence a line runs S 39° W for 882 meters to a point  
(5°51'54.25"N-8°41'41.13"W); thence a line runs S 65° W for 387 meters to a point  
(5°51'48.89"N-8°41'52.53"W); thence a line runs S 22° W for 154 meters to a point

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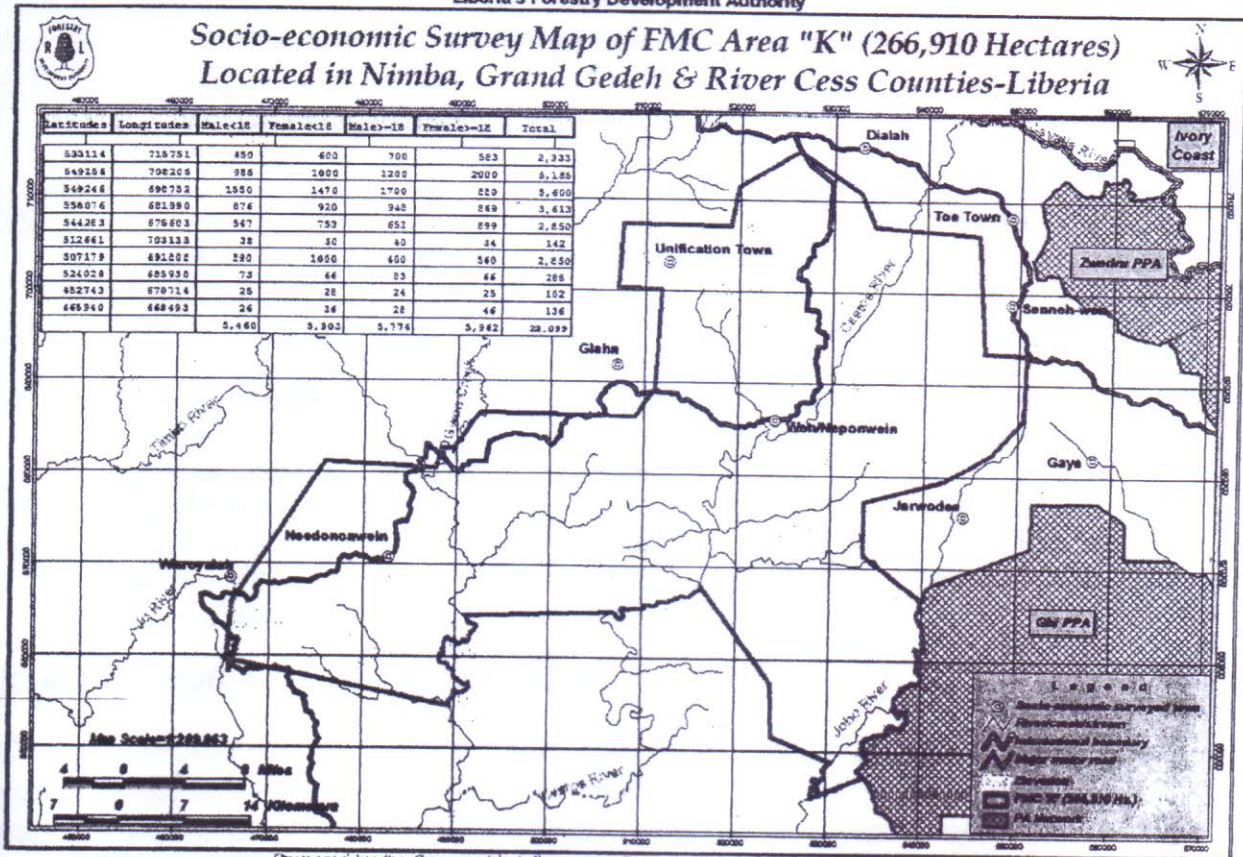
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(5°51'44.28"N-8°41'54.49"W); thence a line runs N 41° E for 973 meters to a point (5°51'20.42"N-8°41'33.88"W); thence a line runs S° 67 W for 5,987 meters to a point on the Jobo River (5°50'06.00"N-8°44'33.98"W); thence a line runs along the Jobo River in the Northern direction for 7,493 meters to a point (5°52'11.65"N-8°43'29.08"W); thence a line runs N 67° W for 6,981 meters to a point (5°53'40.48"N-8°47'02.49"W); thence a line runs N 1° W for 5,818 meters to a point (5°56'48.57"N-8°47'02.49"W); thence a line runs N 36° W for 13,061 meters to a point on the Cesto River (6°02'33.08"N-8°51'11.26"W); thence a line runs along the Cesto River in the Southwestern direction for 12,328 meters to a point (6°00'53.87"N-8°56'12.06"W); thence a line runs S 88° W for 15,980 meters to the point on the point on the Gwen Creek (6°00'40.61"N-9°04'53.39"W); thence a line runs along the Gwen Creek in the Southern direction for 19,435 meters to the confluence of the Bra Creek and the Gwen (5°55'21.00"N-9°05'44.49"W); thence a line runs N 78° W for 24,303 meters parallel with L.T.T.C. Northern boundary line to a point (5°58'09.13"N-9°18'39.55"W); thence a line runs N 4° E for 6,171 meters to a point (6°01'23.58"N-9°18'23.97"W); thence a line runs N 32° E for 18,194 meters to a point (6°09'41.53"N-9°13'08.79"W); thence a line runs S 87° E for 11,799 meters to the point on the Gwen Creek (6°09'22.42"N-9°06'44.98"W); thence a line runs along the Gwen Creek in the Northern direction for 15,603 meters to a point (6°12'39.50"N-9°03'43.08"W); thence a line runs N 32° E for 18,194 meters to a point (6°09'41.53"N-9°13'08.79"W); thence a line runs S 89° E for 16,002 meters to a point (6°12'28.62"N-8°55'01.91"W); thence a line runs N 31° E for 3,920 meters to a point (6°14'16.93"N-8°53'56.49"W); thence a line runs N 3° E for 10,647 meters to a point (6°20'01.04"N-8°53'35.07"W); thence a line runs N 87° W for 4,680 meters to a point (6°20'08.94"N-8°56'07.32"W); thence a line runs N 4° E for 7,091 meters to a point (6°23'56.84"N-8°55'49.27"W); thence a line runs Due East for 11,390 meters to a point (6°23'52.33"N-8°49'41.61"W); thence a line runs N 11° E for 4,298 meters to a point (6°26'07.71"N-8°49'14.54"W); thence a line runs N 59° E for 7,576 meters to a point (6°28'12.95"N-8°45'44.77"W); thence a line runs S 57° E for 7,975 meters to a point (6°25'54.17"N-8°42'07.11"W); thence a line runs S 23° E for 4,119 meters to a point (6°23'50.07"N-8°41'17.48"W); thence a line runs S 85° E for 11,155 meters to a point of COMMENCEMENT (6°24'32.02"N-8°33'27.68"W); EMBRACING 266,910 hectares of forest land and no more.



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Liberia's Forestry Development Authority



The Forest Management Contract Area "K" was awarded to International Consultant Capital (ICC). In the preparation of the Forest Management Contract Area "K", notice was given and surveys conducted in a portion of the affected Communities. The purpose of those surveys was to validate whether the area was suitable for commercial forest practices based upon ecological, economic and social considerations. As part of those surveys, the affected communities were informed of the potential of a Forest Management Contract Area "K" in the vicinity and the requirements for a social agreement. As a result of this, the FDA secured a statement on behalf of the affected communities around the Forest Management Contract Area "K" that they intended to negotiate a social agreement in good faith with the winner of the competitive bid. A social agreement was signed for five years which ended 2015. The Community and International Consultant Capital has negotiated the terms and conditions of another five year.

**I. PURPOSE:**

The Social Agreement is an agreement between the contract holder and the affected communities around a given logging contract area which establishes the relationship between community and company.

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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.

Social Agreements shall:

- a) Only be established between companies that have been authorized by the FDA through the competitive bidding or Sole Source process and affected communities;
- b) Establish a code of conduct regarding rights and responsibilities of the company and affected communities.
- 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.
- d) Be negotiated directly between companies and local communities;
- e) Be attested to and regulated by the FDA. However, the FDA does not play an active role in the negotiation process beyond serving as a facilitator or mediator if discussion breaks down.

## **II. STATEMENT OF MUTUAL BENEFIT AND INTEREST:**

The International Consultant Capital and the Forest Management Contract "K" Community Forest Development Community of Nimba, strive to engage in a mutually beneficial relationship by agreeing to the terms of this Agreement. Working cooperatively in the on-going implementation of the Forest Management Contract Area "K" will allow the affected communities and International Consultant Capital to achieve their respective goals.

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

## **III. DUTIES AND RESPONSIBILITIES OF INTERNATIONAL CONSULTANT CAPITAL:**

International Consultant Capital shall identify its representative designated by it to represent it in negotiating the terms of the Agreement. International Consultant Capital representatives must include:

- (1) Persons whose names are maintained on the list of names identified in its pre-qualification documents or has such documentation to verify his employment with International Consultant Capital and has the power to negotiate on its behalf; and
- (2) In the event that this person is unable to negotiate with the Affected Community, any other person that International Consultant Capital may designate, is subject to the requirements of Count one above.





International Consultant Capital shall maintain a list of community representatives (CFDC) of Nimba County for Forest Management Contract Area "K".

International Consultant Capital Liberia shall address the following issues, rights and responsibilities as negotiated and agreed with the Community.

- ICC agrees to design its operations to minimize effects on 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.
- ICC agrees that its operations protects and maintains existing water collection points.
- ICC agrees to build two hand pumps every year and said pump will be constructed in March of every year.
- ICC agrees that its timber operations are timed to minimize disruption to subsistence agricultural activities.
- ICC agrees that its timber operations respect the existing cash/food crops.
- ICC agrees to provide housing/accommodation, food, medical and other basic social services for her workers.
- ICC agrees to provide transportation to the Communities during emergency situation and major development activity.
- ICC agrees to provide first preference for employment for skilled and unskilled locals from the affected communities.
- ICC agrees to recondition and maintain roads adjacent to its annual operational areas. Site to be identified by the Company and the community.
- ICC agrees to respect the rights of its employees consistent with Labour Laws of Liberia.
- ICC agrees to build/maintain camps nears existing towns or affected areas
- ICC agrees not to harvest palm trees for processing, bridge construction and or export.
- ICC agrees to allow the Community to use, free of charge, any roads constructed and/or maintained by it; provided that such use shall not unduly prejudice nor interfere with either party.
- ICC agrees to allow the Community Forest Development Committee (CFDC) representatives to verify its production.
- ICC agrees to build one roads in their concession areas. This road network will commence from Glahn Town to Gborbor Town in this second phase of the social contract. This road will commence in the 3<sup>rd</sup> month of the 2<sup>nd</sup> year of ICC operation which is 2017. The road is based on technical assessment. The Ministry of Public Work will also be involved in the road construction project.
- ICC agrees to pay six thousand five hundred (\$6,500.00) every year to the CFDC for human resource capacity building for citizens of the affected community. This amount will be paid on December 31 of every year.
- ICC agrees to provide where need be timber products to community during community development projects.
- ICC agrees to convene quarterly meetings with the CFDC and the Communities on the last Friday of the last month of each quarter. In addition to quarterly

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meetings, the ICC shall hold emergency meetings with the CFDC and affected community to discuss any issues affecting the community when the need arises.

- ICC agrees to pay \$1.50 USD/cubic meter to the Community Forestry Development Committees apart from the payment of 30% land rental (\$2.50 per acre) to the Community benefit sharing scheme.

#### IV. DUTIES AND RESPONSIBILITIES OF THE AFFECTED COMMUNITIES:

The Affected Communities shall identify their representatives elected by them to the Community Forest Development Committee (CFDC). The CFDC is responsible for representing the affected communities in negotiating the terms of this Agreement. The CFDC agreed to and shall abide by the following conditions:

- (a) A Community Forestry Development Committee must consist of at least five members who are residents of the Community or communities they 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 CFDC;
- (c) Prior to the disbursement of funds, a CFDC must be incorporated under the laws of the Republic of Liberia.
- (d) A Community Forestry Development Committee must provide a means for all residents that it represents, including women, youths and elders, to have their views heard and considered;
- (e) 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.
- (f) The CFDC shall receive 10% of the annual revenue to the Communities (area and production based / fees) as compensation and shall be distributed based on positions according to Annex 4 .
- (g) The 10% of the area based 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.
- (h) CFDC must hold a monthly meeting with the community members for briefing, update and grievances, if any.
- (i) CFDC shall maintain a list of International Consultant Capital representatives for FMC "K".
- (j) Community agrees not to place any road block, aggrieved parties should address their issues through the CFDC or FDA Authorities.

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**Code of Conduct**

- The Community agreed to avoid the expansion of subsistence agriculture activities within the Contract Area. Hence community shall promote and encourage low land agriculture development.
- The community agreed to discourage unnecessary fire disposal and encourage fire safe practices especially in the Contract Area;
- Existing cash crops will be identified and the company will be informed duly by the community to not conflict with company's harvest operation;
- The community agreed to channel all her grievances through the CFDC, and shall abide by this Social Agreement.

**The Forestry Development Authority shall:**

- Ensure that Forest Management Contract (FMC) "K" is authorised after fulfilling all set requirements so that all terms and conditions of the license are met.
- Ensure that the Operations of International Consultant Capital are in compliance with the FMC "K" contract signed by them and the government of Liberia.
- Make available, where need be copies of the Contract to the Parties to this Agreement.

**VI. MUTUAL AGREEMENT**

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

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

**International Consultant Capital**

MacDonald A. Wento

Chief Executive Officer

Phone: 0888008200/0886856896

Email: macdonaldwento@yahoo.com

**Community Forest Development**

**Committee**

Jerry K. Gbaye Sr.

Chairperson

Phone: +231880525210

**Forest Development Authority**

Hon. Harrison S. Karnwea Sr.

Managing Director

Phone: 0886513358/0777513358

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

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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 FMC 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.

#### **SECTION VII. 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 International Consultancy Capital to any share or interest in the project other than the right to use and enjoy the same under the existing applicable regulations.

#### **SECTION VIII. PARTICIPATION IN SIMILAR ACTIVITIES.**

This agreement in no way restricts the International Consultancy Capital or Affected Communities or FDA from participating in similar activities with other public or private agencies, organizations, and individuals.

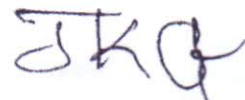
#### **SECTION IX. DISPUTE RESOLUTION.**

In the event of any issue of controversy under this agreement, the parties will initially seek to resolve their differences with the assistance of the FDA. 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.

#### **X. 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 International





Consultancy Capital certifies that this individual is authorized to act in this capacity for matters related to this agreement.




**XII. COMMENCEMENT/EXPIRATION DATE.**

This agreement is executed as of the date of the last signature and is effective for 5 years.

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

This Agreement shall be binding on the parties, their heirs, administrators, assigns, successors in office as though they were physically present when this Agreement was signed.

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

Jerry K. Gbaye, Sr. Chairperson <b>Community Forest Development Committee</b>		Date 21-04-2016
MacDonald A. Wento <b>CEO/PRESIDENT</b> <b>International Consultant Capital</b>		Date 24/04/2016
HARRISON S. KARNWEA Sr. Managing Director <b>Forestry Development Authority</b>		Date 17/5/16