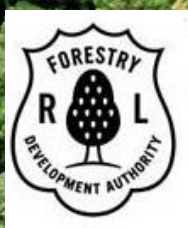




Project Reference PO 6380

**Establishing and Operating a Timber Legality Verification Department (LVD) within Liberia's Forestry Development Authority (FDA) and Building Capacity within FDA**



**Deliverable D02/5 - Chain of Custody Operation Report  
And D02/4 – Legality Verification Operation Report**

Work Package 3.4 - LV operations are ensured and audited

Work Package 4.3 - LVD staff fully trained to perform COC verifications

June, 2016

Co-Funded by



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## Document management

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### Approvals

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## Acronyms and abbreviations

CFMA	Community Forest Management Agreement
COC	Chain-of-Custody
COCIS	Chain-of-Custody Information System
COCS	Chain-of-Custody System
DFID	Department for International Development
EU	European Union
EPR	Export Permit Request
FDA	Forestry Development Authority
FLEGT	Forest Law Enforcement Governance and Trade
FMC	Forest Management Contract
LRA	Liberian Revenue Authority
GOL	Government of Liberia
HSE	Health Safety and Environment
IT	Information Technology
KPI	Key Performance Indicators
LAS	Legality Assurance System
LDF	Log Data Form
LV	Legality Verification
LVD	Liberia Legality Verification Department
LVS	Legality Verification System
M&E	Monitoring and Evaluation
PM	Project Manager / Project Management
PUP	Private Use Permit
SGS	SGS Société Générale de Surveillance S.A. or SGS Liberia Inc.
SOP	Standard Operating Procedure
TDF	Tree Data Form
TSC	Timber Sales Contract
USA	United States of America
USD	United States Dollar (\$)



## Introduction

This report provides a monthly summary of the Legality Verification activities and Chain of Custody activities conducted by SGS Liberia in the reporting month of June 2016 under the DFID Contract and the COC Management Contract, signed with the Government of Liberia (LiberFor Project).

## 1 Legality Verification Activities

### 1.1 LV activities conducted in June

#### 1.1.1 Technical Advisory Committee (TAC) Meeting

The TAC meeting could not be conducted during June due to involvement of staffs in various activities and non availability of FDA Board room, however the same has been fixed already for next month and invitation has been circulated to participants.

#### 1.1.2 Legality documentation upload process

There are new Resource Area Holders and Contract Holders have received permission to operate and have started submitting documents for registering in COCIS to be functioning in Liberia Forestry Sector. The LVD Lead Auditors and Legality Inspectors have started working on checklist developed by LAS Team Leader and continued to collect documents from new contract holders requested for registration in COCIS system. Once the documents necessary for registration will be completed they would be advised to create account in LiberTrace to start uploading documents in the software.

Companies were reminded to raise their concerns through notification to the IT team through the Helpdesk ([support@libertrace.com](mailto:support@libertrace.com)).

#### 1.1.3 Standard Operating Procedures (SOPs) review and validation

The internal and external SOPs for COC and LV have been reviewed and finalized by the LAS Team Leader in conjunction with Operations Manager, Legality Verification Lead Inspector and other FDA staffs; necessary corrections were incorporated. SOPs are being compiled in the form of a manual which would be presented to MD for approval, so that SOPs could be used in field.

### 1.2 LV Activities planned in the coming months

The following LV activities are expected to be delivered in the next quarter of 2016. The updated status of all the activities is as follows.

The following LV activities are being performed;

- Define the KPIs for LV Auditors to monitor performance – in progress
- Uploading legality verification documents to LiberTrace – checklist prepared and in use.
- Collaborate with VPASU to compile instructions and plan for the confirmation of the validity of the supplied documentary evidences at the offices of the role-playing FDA Departments/ Divisions and MACs – Initiated and in progress, and Initial discussions have been started to prepare a roadmap for collection of information pertaining to LVS implementation.
- Dashboard for capacity building through training of different stakeholders by VPASU and LVD for legality documentation and verification – in progress; LVD and VPASU are jointly working on it.

## 2 COC Operations

Data related to Chain of Custody (COC) operations was uploaded into the LiberTrack application while the rollout of the new Chain-of-Custody Information System, LiberTrace is under preparation.

Information pertaining to COC activities during field testing was uploaded in LiberTrace, as were the testing and results for companies participating in field testing. Migration of information from LiberTrack to LiberTrace is under testing and companies will be able to submit information to LiberTrace after Go-live.

### 2.1 Key risks and issues

The following risks and issues have been recorded this month pertaining to the COC Operations.

#### 2.1.1 Incidents and accidents

Neither incidents nor accidents were reported in this month on any SGS sites.

### 2.2 Capacity Building related to COC

#### 2.2.1 FDA Counterparts training

The capacity building schedule was followed through this month for the FDA LVD Database Information Manager and the FDA LVD Operations Manager, who are both being mentored and instructed by the respective SGS system builders and are fully participating in office and field based activities. Training on Timber Grading and Identification by Richard Fays the ATIBT expert was carried out in June, 2016.

#### 2.2.2 Health, Safety and Environment training

Health and safety (HSE) training sessions were conducted successfully at the SGS office, Monrovia in which COC staff took part. The topic for Office Safety was 15 Rules for life online training (June 16-17) and Fire Drill Training (June 29-30).

### 2.3 Summary of COC activities

#### 2.3.1 IT

There was an issue related to hard drive failure. However the database of LiberTrack was backed up to an external hard drive and the most up-to-date state of the database to the same backup drive was restored. The root cause was analysed and corrective actions such as server room is closed at all times was enforced. A solution with two databases running in parallel will be in place after the full backup (several Tb) will be completed.

#### 2.3.2 COCIS Equipment and consumables

The overview of the equipment and consumables for June, 2016 is presented in Table 01 hereafter:

Table 1 - Stock overview of the COCIS Equipment and Consumables

Consumables		
No	Item	Amount in stock
1	Barcode Tag Printers	2
2	Barcode Tag printable rolls	126
3	Tree Tags (1xbundle = 1000 tags)	75 bundles (7,500 barcodes)
4	Log Tags (1xbundle = 1000 tags)	7 bundles (700 barcodes)
5	PDA	14
6	Hammers	2
7	TDF	175 booklets
8	LDF	164 booklets
9	Waybills	90 booklets

### 2.3.3 Vehicles

The vehicles purchased under the original LiberFor contract have been used for eight years now and are generally in a poor mechanical condition, due mainly to the poor roads in concession areas and the prevailing climate/ conditions in country. Currently, the two Toyota Hilux (SGS 1, SGS, 2) and one Toyota Toy Hardtop (SGS 3) vehicles are stored in the FDA parking compound and are not being used due to mechanical failure and no immediate requirement for their services.

Three Toyota Hardtops (SGS 5, SGS 8 and SGS 9) are also in a poor mechanical condition, but will not be replaced before clarification is made on the timber production expectations. In this respect, renewal of vehicles cannot yet be considered since (i) the current level of activity does not generate sufficient revenues (ii) the current LiberFor Contract is terminated and a separate Service Agreement is under negotiation. As the mentoring activities are going to increase and request more presence in Buchanan SGS 7 has been repaired and assigned to the Operations Manager.

Table 2 – Overview of the vehicles situation

Vehicle	Issues for the month
LVD 8 (Ford Everest)	Presently in Monrovia in running condition
LVD 9 (Ford Everest)	Presently in Monrovia in running condition
LVD 10 (Ford Everest)	Presently in Monrovia in running condition
LVD 4 (Ford Ranger)	Presently in Monrovia in running condition
LVD 5 (Ford Ranger)	Presently in Monrovia in running condition
LVD 6 (Ford Ranger)	Presently assigned to the LVD Project Manager counterpart/FDA in Monrovia in the garage under repairs of the clutch system.
LVD 7 (Ford Ranger)	Presently in Monrovia in running condition
SGS 1 (Toy Hilux)	Grounded in Monrovia
SGS 2 (Toy Hilux)	Grounded in Monrovia
SGS 3 (Toy Hardtop)	Grounded in Monrovia
SGS 5 (Toy Hardtop)	Presently assigned in Greenville and in running condition
SGS 7 (Toy Hilux)	In Monrovia assigned to the SGS Operation Manager when documents are complete.
SGS 8 (Toy Hardtop)	Presently assigned in Buchanan and in running condition.
SGS 9 (Toy Hardtop)	Presently in Monrovia and is undergoing service.



### 2.3.4 Status of field inspections

In June 2016, the level of CoC block activity has increased slightly compared to the previous month.

Table 3 – Details of COC Activity

Concession	Activity			
	Blocking*	Felling	Transport	Shipment
FMC A/ALPHA	13	No	No	Yes
FMC B/MANDRA EJ&J	2	No	No	No
FMC C/MANDRA LTTC	0	No	No	Yes
FMC F/EURO	0	No	No	Yes
FMC K/ICC	22	Yes	Yes	Yes
FMC I/GEBLO	0	Yes	Yes	Yes
FMC P/ATLANTIC	26	Yes	Yes	Yes
TSC A2/Tarpeh Timber	0	No	No	No
TSC A3/AKEWA	0	No	No	No
TSC A6/B&V	0	No	No	No
TSC A7/Bargor & Bargor	0	No	No	No
TSC A9/B&V	0	No	No	No
TSC A10/B&V	0	No	No	No
TSC A16/Sun Yeun	0	Yes	No	No
CFMA 1/LIB HARDWOOD	Yet to start operation	Yet to start operation	Yet to start operation	Yet to start operation
CFMA 2/LIB HARDWOOD	0	Yes	Yes	Yes
CFMA 2R/LIB HARDWOOD	4	Yes	Yes	Yes
CFMA 3/ECOWOOD	Dormant	Dormant	Dormant	Dormant
CFMA 4/LTTC	0	No	No	No

\* Total number of blocks inventoried as of June, 2016

### 2.3.5 Block verification inspections

No block inspection has been conducted at FMC logging concession areas during the period under review. 46 block inspections have been scheduled for inspection and would be completed by August, 2016.

### 2.3.6 Stump inspections

There were no Stump inspections conducted in June, 2016.

### 2.3.7 Log Yard inspections

There were **three** log yard inspections conducted at FMC F (Euro Logging), FMC I (Geblo Logging) and CFMA 2 (Liberia Hardwood) in Buchanan and Greenville log yards respectively.

### 2.3.8 Pre-shipment inspection

There were two (2) **pre-shipment inspections** conducted in June for FMC F and FMC I in Greenville. EPR inspections were as well conducted for the same four companies at sites of FMC K, FMC I, FMC F and CFMA 2 in Buchanan and Greenville during the month of June 2016.

### 2.3.9 Rubber wood container verification

There was **no inspection** conducted for a container of Rubber Wood loading in the month.

## 2.4 Main figures of the COCIS in June, 2016

### 2.4.1 Allocation and usage of Barcode Tags

Barcode Tags are printed in Monrovia for the CoC operations using the barcode tag printers acquired in April 2015. The purpose of acquisition of the barcode printers was to provide autonomy for Liberia forestry operations in creation of tags, so as to be able to better respond to the forestry sector demands, and avoid delays in ordering and receiving such tags from overseas.

Table 4 represents the allocation of printed tree and log tag barcodes for the following forestry companies and resource areas in Liberia, as well as the amount of declared tree and log tag barcodes declared in the system per company and resource area.

No tree or log barcodes were issued during the month of June, 2016.

It is important that the companies declare the tree and log tag barcodes that have been used, so as to initiate further tag allocations.

An update on tree barcode declaration indicates that up to June, 2016 Atlantic Resources Limited (ARL) has declared 5939 tree barcodes while Euro Logging Liberia (ELL) declared 199, International Consultant Capital (ICC) declared 28,342 Liberia Hardwood Corporation (LHC) declared 635 and Mandra Forestry EJ & J declared 57 tree barcodes respectively.

An update on log barcode declaration indicates that up to June, 2016, Atlantic Resources Limited (ARL) submitted 4,663 log barcodes while Euro Logging Liberia (ELL) submitted 259, International Consultant Capital (ICC) 31599, Liberia Hardwood Corporation (LHC) 1,291 and Mandra Forestry EJ & J submitted 125 log barcodes respectively.

Table 4- Barcode Tags allocation and usage

Company	Resource Area	Allocated Tree Barcodes	Allocated Log Barcodes	Used Tree Barcodes	Used Log Barcodes	Declared Tree Barcodes	Declared Log Barcodes
Akewa Groups of Companies	TSC A3	2,000	2,000	0	0	0	0
Alpha Logging and Wood Processing Inc	FMC A	10,000	10,000	0	0	0	0
Atlantic Resources Limited	FMC P	28,300	30,000	10,000	17,300	5,939	4,663
Euro Liberia Logging	FMC F	15,000	15,000	14,000	5,000	199	259
Geblo Logging Inc.	FMC I	5,000	5,000	0	0	0	0
International Consultant Capital (ICC)	FMC K	200,100	146,000	100,200	78,000	28,342	31,599
Liberia Hardwood Corporation	CFMA 2	15,000	15,500	4,500	10,000	635	1,296
Liberia Tree and Trading Company Inc	CFMA 4	1,000	5,000	0	0	0	0
Magna-Tarpeh Timber Company	TSC A2	2,000	14,000	0	0	0	0
Mandra Forestry_EJ & J Investment	FMC B	15,100	14,300	2600	300	57	125
Mandra-LTTC	FMC C	15,000	14,000	0	0	0	0

## 2.4.2 Analysis of the submitted files

Analysis of the files submitted by the companies reveals that the pass rate for TDF was 69.23%. The LDF pass rate was 26.78% and the EPR pass rate was found to be 87.89%.

The files submitted by the companies for processing through LiberTrack are presented in Table 5.

Table 5 - Files submitted by the companies (m<sup>3</sup>)

Company	Forest Permit	TDF		LDF		EPR	
		Submitted	Passed	Submitted	Passed	Submitted	Passed
Euro Liberia Logging	FMC F	1,997.628	1,336.296	13,635.894	4,253.517	2,640.127	2,033.403
Plant Pool / Geblo Logging Inc.	FMC I	6,669.956	6,341.880	6,365.251	6,365.251	6,343.594	6,343.594
International Consultant Capital (ICC)	FMC K	12,798.682	7,183.008	42,062.424	5,948.285	19,465.236	16,577.415
Atlantic Resources Limited	FMC P	<u>0</u>	<u>0</u>	226.783	117.434	117.434	117.434
Mandra-LTTC, Inc.	FMC C	<u>0</u>	<u>0</u>	23.059	0.000	<u>0</u>	<u>0</u>
Liberia Hardwood Corporation	CFMA 2	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	349.449	342.656
Total		<b>21,466.267</b>	14,861.184	<b>62,313.411</b>	16,684.487	<b>28,915.84</b>	25,414.50
Pass Percentage		69.23%		26.78%		87.89%	

## 2.4.3 Declared harvesting figures

The harvested volumes shown in Table 6 are based on the TDF submitted by the timber companies. The TDF files are subject to an evaluation of format and compatibility and are then processed by the SGS team. Although the Ten Core Regulations specifies that “any person felling a tree shall pay the log stumpage fee no later than 30 days after the tree is cut”, this regulation is not enforced in the field.

Currently, the timber companies are submitting their TDF a few days before exporting their logs. As a consequence, it is currently not possible to have an accurate vision of the periodic harvesting activities.

The discrepancies between the volumes presented in Table 6 and Table 7 are due to the processing time of the data. This is especially shown for sites belonging to operators that submit very bad data. In this respect some data submitted at month “n” will only be declared as passed at month “n+1”.

Table 6- Declared harvested volumes (m<sup>3</sup>) per company and per species

Species	FMC I	FMC K	FMC P	FMC F	Grand Total
Abobonkahyire	0	1.901	0	0	1.901
Abura (Bahia)	6.212	0	0	104.58	110.792
Afromosia	0	0	0	12.831	12.831
Aiele	33.803	12.257	0	0	46.06
Akatio (Longui)	0	0	0	344.327	344.327
Ako	0	0	0	24.974	24.974
Apome	0	711.292	0	0	711.292
Bondu	0	527.698	0	153.577	681.275
Bosse	0	0	0	16.311	16.311
Dahoma	146.531	0	0	573.14	719.671
Doussie (Afzelia Apa)	0	3.632	0	55.987	59.619
Ekki (Azobe)	6,328.661	314.552	126.255	3,061.755	9,831.223
Faro	0	10.56	0	0	10.56
Framire (Baji Emire)	14.118	0	0	13.822	27.94
Ilomba	0	0	0	602.725	602.725
Iroko (Odum Kambala)	0	8.966	0	40.806	49.772
Irvingia	0	28.605	0	0	28.605
Klainodoxa (Eveuss)	0	43.66	0	0	43.66
Kokoti	11.08	0	0	0	11.08
Koto (Ake)	0	4.343	0	0	4.343
kropio (Eyoum)	0	13.102	0	26.209	39.311
Kusia (Bilinga Opepe)	5.441	58.418	0	465.127	528.986
Limbali	4.177	841.931	0	497.979	1,344.087
Lovoa (Dibetou)	9.36	11.295	0	56.749	77.404
Makore (Baku Douka)	0	0	0	219.352	219.352
Movingui	11.543	0	0	132.797	144.34
Naga	0	662.911	0	0	662.911
Niangon (Whismore)	5.611	533.157	0	465.561	1,004.329
Parinari (Songue)	4.241	13.635	0	0	17.876
Pocouli (Ebiara)	0	0	0	26.753	26.753
Sipo (Utile)	0	0	0	266.132	266.132
Symphonia	0	9.627	0	0	9.627
Tali (Sassawood)	77.058	20.326	0	50.601	147.985
Tetra (Sikon)	0	2,741.702	0	0	2,741.702
Tiama (Edinam)	0	0	0	199.036	199.036
Unknown	0	0	0	11.945	11.945
Frake (Limba Afara)	0	0	0	66.122	66.122
<b>Grand Total</b>	<b>6,657.836</b>	<b>6,573.57</b>	<b>126.255</b>	<b>7,489.198</b>	<b>20,846.859</b>

## 2.4.4 Exports figures

### 2.4.4.1 Volume requested for export on shipment specifications

The volumes shown in Table 7 are based on the LDF submitted by the timber companies in order to generate the export permits. This data is considered as compliant by the COC team but the Export fee has not been paid yet by the company. In this respect, these figures might be different from the Export Permits issued.

Table 7 – Export volume (m3) requested per company and per species

Species	FMC K	FMC P	FMC I	Grand Total
Akatio (Longui)	7.404	0	0	7.404
Apome	2,100.69	0	0	2,100.69
Badio (Calpocalz)	6.566	0	0	6.566
Bondu	2,452.01	0	0	2,452.01
Doussie (Afzelia Apa)	5.315	0	0	5.315
Ekki (Azobe)	1,259.87	116.56	6229.8	7,606.23
Iroko (Odum Kambala)	7.078	0	0	7.078
Irvingia	38.905	0	0	38.905
Klainodoxa (Eveuss)	51.784	0	0	51.784
kropio (Eyoum)	38.632	0	0	38.632
Kusia (Bilinga Opepe)	217.771	0	0	217.771
Limbali	3,536.17	0	0	3,536.17
Lovoa (Dibetou)	137.342	0	0	137.342
Naga	2,548.96	0	0	2,548.96
Niangon (Whismore)	559.177	0	0	559.177
Oldfieldia (Dantoue)	12.95	0	0	12.95
Pocouli (Ebiara)	5.684	0	0	5.684
Symphonia	29.414	0	0	29.414
Tali (Sassawood)	44.606	0	60.753	105.359
Tetra (Sikon)	5017.2	0	0	5017.2
Tiama (Edinam)	5.193	0	0	5.193
Unknown	9.776	0	0	9.776
Abobonkahyire	6.843	0	0	6.843
Parinari (Songue)	30.286	0	0	30.286
Faro	9.584	0	0	9.584
<b>Grand Total</b>	<b>18,139.21</b>	<b>116.56</b>	<b>6,290.553</b>	<b>24,546.323</b>

#### 2.4.4.2 Export permits issued

In June 2016, **19 Export Permits** have been issued this month for the total volume of **9,224.10m<sup>3</sup>**.

**Table 8– Details of Export Permits issued**

No :	EP #	Date of issue	Operator	Site	Volume
1	EP 001613	6/8/2016	International Consultant Capital (ICC)	FMC K	598.446
2	EP 001612	6/8/2016	Plant Pool / Geblo Logging Inc.	FMC I	263.034
3	EP 001611	6/8/2016	International Consultant Capital (ICC)	FMC K	2,339.30
4	EP 001610	6/8/2016	Liberia Hardwood Corporation	CFMA 2R	294.432
5	EP 001616	6/15/2016	Liberia Hardwood Corporation	CFMA 2R	708.322
6	EP 001615	6/15/2016	Mandra Forestry / EJ & J Investment	FMC B	7.56
7	EP 001614	6/15/2016	Euro Liberia Logging	FMC F	1,248.93
8	EP 001619	6/16/2016	Liberia Hardwood Corporation	CFMA 2R	69.642
9	EP 001618	6/16/2016	Mandra Forestry / EJ & J Investment	FMC B	120.571
10	EP 001617	6/16/2016	International Consultant Capital (ICC)	FMC K	728.142
11	EP 001622	6/17/2016	International Consultant Capital (ICC)	FMC K	880.76
12	EP 001621	6/17/2016	International Consultant Capital (ICC)	FMC K	502.556
13	EP 001620	6/17/2016	International Consultant Capital (ICC)	FMC K	295.972
14	EP 001623	6/21/2016	International Consultant Capital (ICC)	FMC K	874.624
15	EP 001624	6/24/2016	Euro Liberia Logging	FMC F	94.932
16	EP 001627	6/29/2016	International Consultant Capital (ICC)	FMC K	43.306
17	EP 001626	6/29/2016	International Consultant Capital (ICC)	FMC K	33.879
18	EP 001625	6/29/2016	International Consultant Capital (ICC)	FMC K	45.273
19	EP 001628	6/30/2016	International Consultant Capital (ICC)	FMC K	74.423
<b>Total Volume (m3)</b>					<b>9,224.10</b>



### 2.4.4.3 Exports completed in June, 2016

Exports conducted during this month are summarised in Table 9. Exports were conducted from the ports of Buchanan and Greenville.

**Table 9 - Summary of exports conducted**

No :	Company	Site	Vessel Name	EP#	EP Volume (m <sup>3</sup> )
1	International Consultant Capital (ICC)	FMC K	MV FIESTY KAREN	EP 001613	598.446
2	Plant Pool / Geblo Logging Inc.	FMC I	MV Roma	EP 001612	263.034
3	International Consultant Capital (ICC)	FMC K	MV FIESTY KAREN	EP 001611	2,339.30
4	Liberia Hardwood Corporation	CFMA 2R	MV Roma	EP 001610	294.432
5	Liberia Hardwood Corporation	CFMA 2R	MV Roma	EP 001616	708.322
6	Mandra Forestry / EJ & J Investment	FMC B	MV Roma	EP 001615	7.56
7	Euro Liberia Logging	FMC F	MV Roma	EP 001614	1,248.93
8	Liberia Hardwood Corporation	CFMA 2R	MV Roma	EP 001619	69.642
9	Mandra Forestry / EJ & J Investment	FMC B	MV Roma	EP 001618	120.571
10	International Consultant Capital (ICC)	FMC K	MV FIESTY KAREN	EP 001617	728.142
11	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001622	880.76
12	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001621	502.556
13	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001620	295.972
14	International Consultant Capital (ICC)	FMC K	MV FIESTY KAREN	EP 001623	874.624
15	Euro Liberia Logging	FMC F	MV Roma	EP 001624	94.932
16	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001627	43.306
17	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001626	33.879
18	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001625	45.273
19	International Consultant Capital (ICC)	FMC K	Sevkettin Sonay	EP 001628	74.423
20	International Consultant Capital (ICC)	FMC K	Container	EP 001606	5.09
21	International Consultant Capital (ICC)	FMC K	MV FIESTY KAREN	EP 001607	1,474.52
22	International Consultant Capital (ICC)	FMC K	Container	EP 001608	14.574
23	International Consultant Capital (ICC)	FMC K	MV FIESTY KAREN	EP 001609	1,165.32
<b>Total Volume (m3)</b>			<b>11883,61</b>		

### 3 Operational costs and budget

Further to the Project Board request, in this chapter, SGS provides a first draft on the COC and LV operation costs for the month of June 2016 as well as a budget projection for July 2016. The budget reporting structure will be adjusted in the next reports.

Please note that the costs provided in the table below are direct costs that should be borne by the autonomous LVD after full handover.

In the framework of the Service Agreement, these costs will be detailed and justified on a monthly basis for reimbursement by the GoL.

Table 10 - Monthly update on costs of operations and projection

Items	Description	Jun, 16	Jul, 16
<b>Bank Charges</b>	Bank charges and Commissions	8,222.08	800
<b>Communication</b>	Cell phone, mail services, Internet, etc.	2,278.28	2,300
<b>Depreciation</b>	Include depreciation of vehicles, equipment, furniture, etc.	1,678.94	2,000
<b>Office</b>	Include office cleaning materials, printing, stationary, various repair and maintenance costs	2,150.12	1,800
<b>Other</b>	Include consumable, office supplies, safety equipment, waste removal, fuel, other repair and maintenance costs	3,264.00	10,000
<b>Per Diem/Meals</b>	Include canteen expenses, coffee and water, duty allowance, local subsistence allowance, etc.	4,995.25	9,000
<b>Rental</b>	Equipment Rental	0	500
<b>Travels</b>	Local Travels costs such as taxi, public transport, parking fees, air tickets, restaurants	4,569.6	4000
<b>Utilities</b>	Electricity, gaz, security expenses, water	5,457.00	6,000
<b>Vehicles</b>	Diesel, insurance, maintenance and repair, others	10,852,88	8,000
<b>Total</b>		<b>\$43,438.55</b>	<b>\$44,400.00</b>

Note: Bank commission is higher than expected due to cash advance received from Geneva.

### 3.1 Follow up of the monthly KPIs

#### 3.1.1 Blocks inspection performance

Figure 1 - Block inspection performance

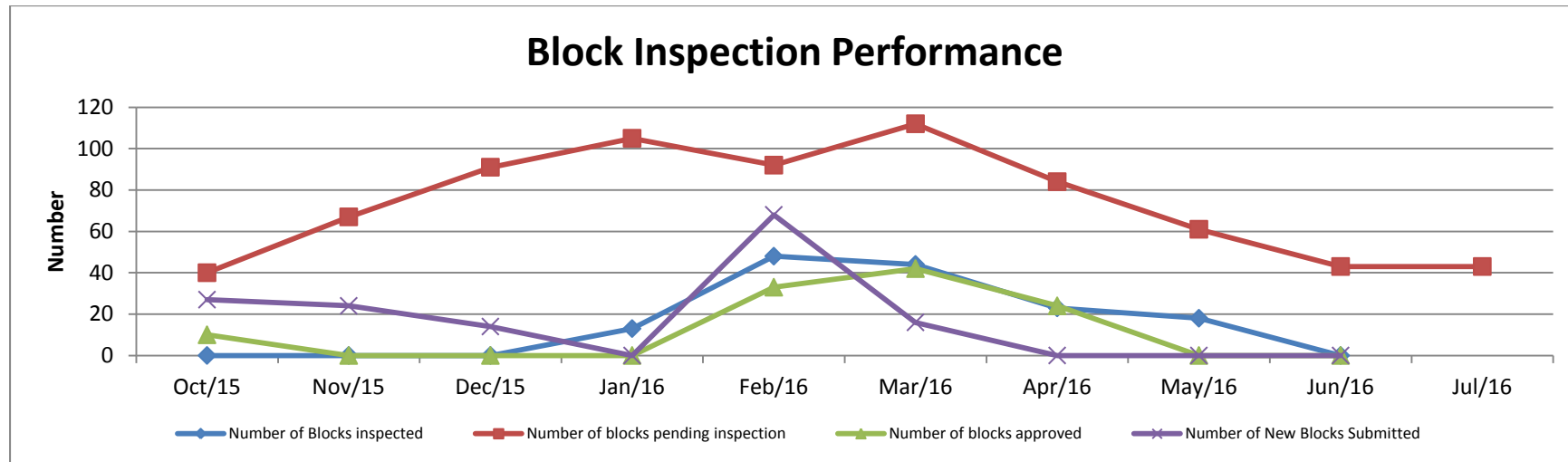


Table 11 - Figures for the block inspection performance

KPI	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Number of Blocks inspected	0	0	0	13	48	44	23	18	0
Number of blocks pending inspection	40	67	91	105	92	112	84	61	43
Number of blocks approved	10	0	0	0	33	42	24	0	0
Number of New Blocks Submitted	27	24	14	0	68	16	0	0	0
(Number of blocks on hold--PUP)	112	112	112	112	112	112	112	112	112

### 3.1.2 Log yard inspection performance

Figure 2 - Logyard inspection performance

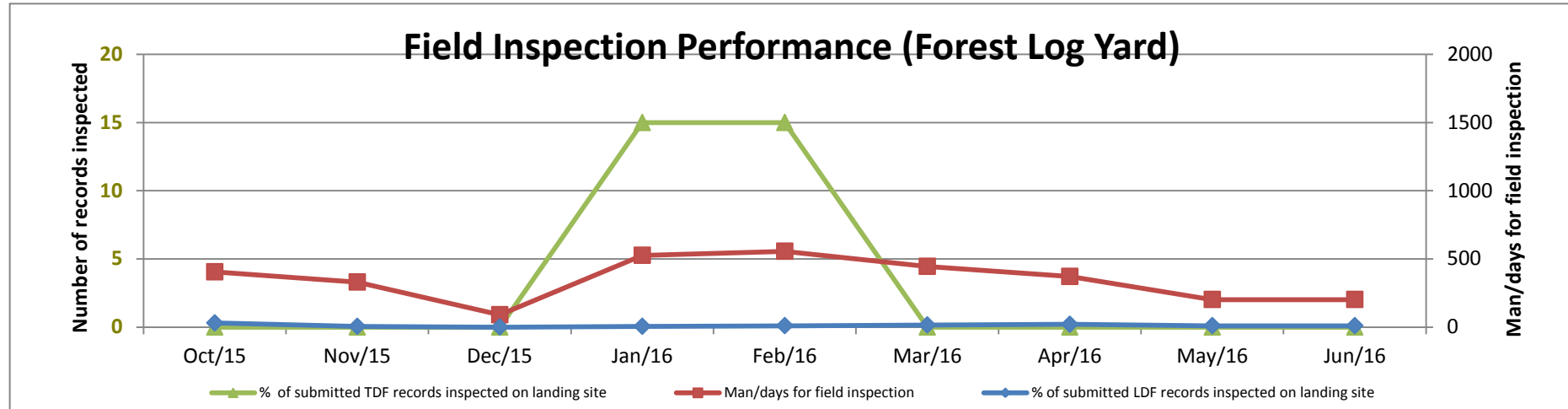


Table 12 - Figures for the logyard inspection performance

KPI	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Man/days for field inspection	405	330	90	526	556	445	371	202	202
% of submitted TDF records inspected on landing site	0	0	0	15	15	0	0	0	0
% of submitted LDF records inspected on landing site	30	5	0	5	10	15	20	10	10
Number of logs reported to FDA for seizing	0	0	0	0	0	0	0	0	0
(Number of operational concessions (felling))	2	2	2	3	4	5	5	5	6

### 3.1.3 Export process performance

Figure 3 – Export process performance

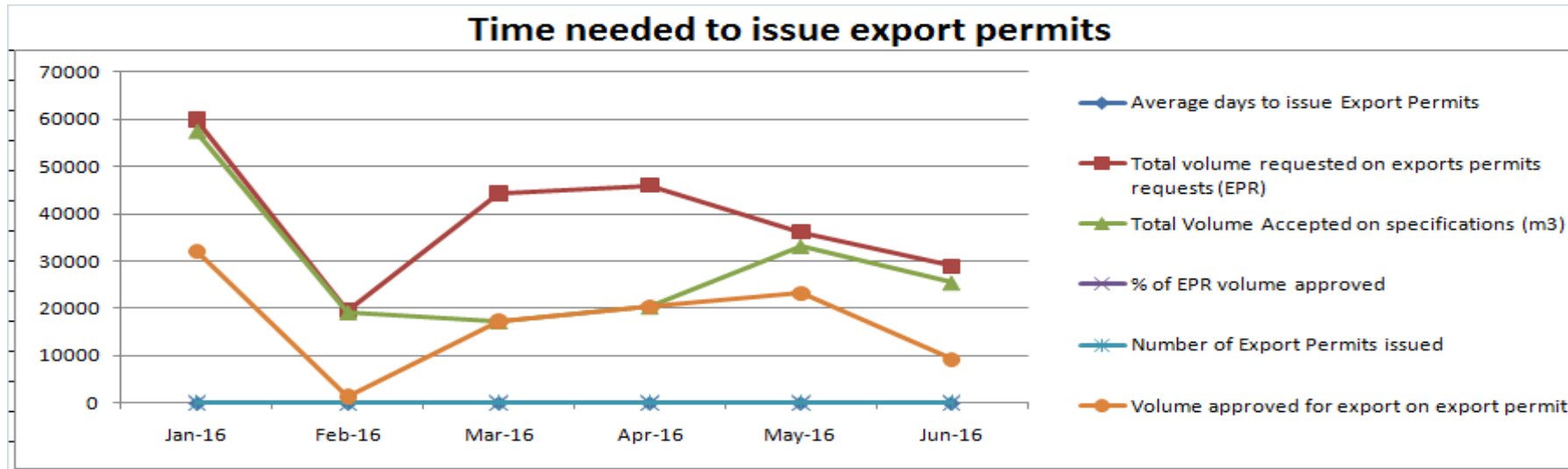


Table 13 - Figures for the export process performance

KPI	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Average days to issue Export Permits	4	3	4	5	5	4
Total volume requested on exports permits requests (EPR)	59,865.761	19,576.87117	44,292.23648	46,001.72884	36,170.5	28,915.84
Total Volume Cleaned on specifications (m3)	57,477.63151	19,188.91926	17,205.549	20,323.234	33,133.3	25,414.5
% of EPR volume approved	96.01%	98.018%	38.85%	44.18%	91.60%	87.89%
Number of Export Permits issued	23	4	14	14	23	19
Volume approved for export on export permit	32,128.70	1,375.306	17,205.549	20,323.234	23,232.11	9,224.10

### 3.1.4 Data processing performance

Figure 4 – Data processing performance

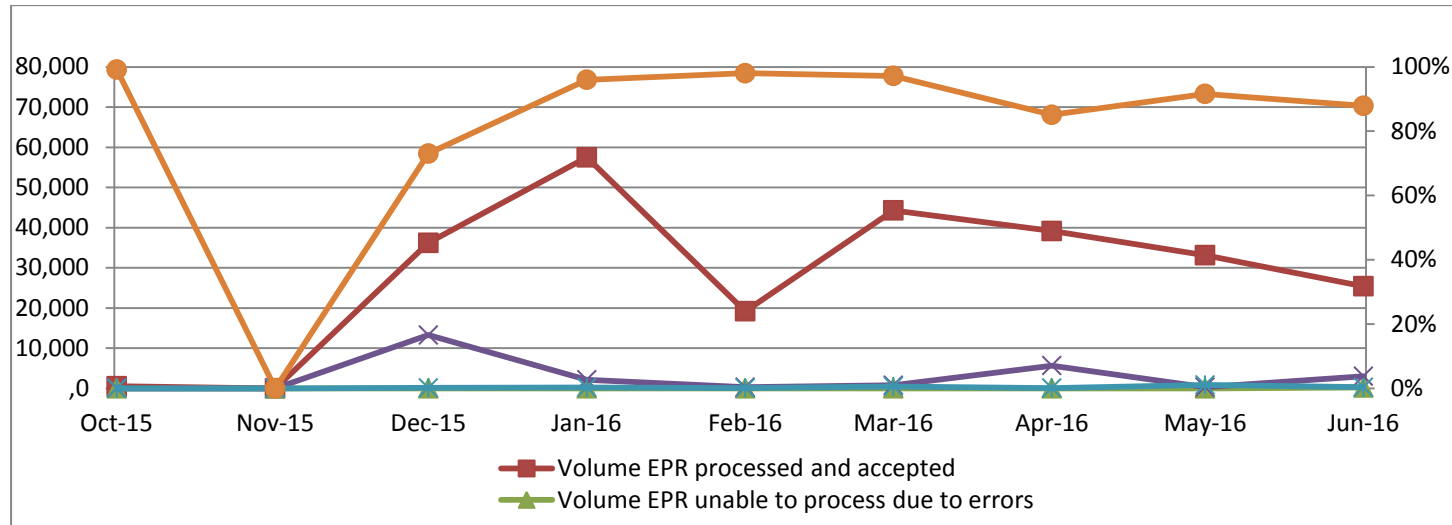




Table 14 - Figures related to the data processing performance

Particulars	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
<b>Total LDF Volume</b>	10,621.880	583.928	46,777.524	66,235.088	16,918.943	53,128.724	66,481.089	67,142.164	62,313.411
Volume LDF processed and accepted	1,050.137	377.355	34,553.860	33,298.411	12,044.664	23,465.357	32,145.673	32,534.128	16,684.487
Volume LDF accepted and corrected	880.750	157.833	4,227.191	22,695.821	4,409.894	24,967.347	13,279.189	28,970.573	24,201.672
Volume LDF unable to process due to errors	3,123.982	0.000	4,819.524	3,516.157	194.990	2,019.808	3,780.446	3,033.450	1,991.377
Volume LDF pending processing	0.000	0.000	4.652	0.000	2.918	15.720	3,219.178	18.533	52.973
Volume LDF processed and rejected due to errors	5,551.639	32.372	2,845.316	3,542.126	227.216	2,579.349	759.151	698.171	928.456
Volume LDF processed and rejected as duplicate	15.372	16.369	326.981	3,182.573	39.262	81.143	13,297.451	1,887.310	18,454.446
Percentage of LDF processed and accepted	10%	65%	74%	50%	71%	44%	48%	48%	27%
<b>Total TDF Volume</b>	2,508.873	418.873	59,802.809	36,784.954	23,206.447	29,745.188	52,280.075	38,715.103	21,466.267
Volume TDF processed and accepted	1,286.669	380.132	49,061.611	23,360.976	18,879.606	18,013.668	40,715.561	26,130.675	14,861.184
Volume TDF accepted and corrected	1,066.910	0.000	3,996.457	7,682.767	1,816.051	7,502.750	5,002.383	9,988.218	4,741.195
Volume TDF unable to process due to errors	11.741	0.000	4,710.855	481.522	6.842	540.225	1,755.877	664.167	212.923
Volume TDF pending processing	0.000	0.000	134.440	68.158	136.590	116.797	955.128	10.569	34.174
Volume TDF processed and rejected due to errors	143.553	18.487	947.967	4,202.501	2,301.182	2,558.259	2,237.757	1,332.408	1,340.160
Volume TDF processed and rejected as duplicate	0.000	20.255	951.479	989.030	66.177	1,013.489	1,613.368	589.066	276.632
Percentage of TDF processed and accepted	51%	91%	82%	64%	81%	61%	78%	67%	69%
<b>Total EPR Volume</b>	513.333	0.000	49,560.376	59,865.761	19,576.871	45,563.427	46,001.729	36,170.506	28,915.839
<b>Volume EPR processed and accepted</b>	509.022	0.000	36,193.813	57,477.632	19,188.919	44,292.236	39,143.588	33,133.304	25,414.503
<b>Volume EPR unable to process due to errors</b>	0.000	0.000	4.652	0.000	0.000	0.000	0.000	0.000	194.720
<b>Volume EPR processed and rejected due to errors</b>	4.311	0.000	13,254.660	2,145.197	292.113	765.318	5,672.979	314.593	3,017.994
<b>Volume EPR processed and rejected as duplicate</b>	0.000	0.000	107.251	226.163	95.839	483.211	82.910	844.707	274.658
<b>Percentage of EPR processed and accepted</b>	99%	0%	73%	96%	98%	97%	85%	92%	88%
<b>Grand Total</b>	<b>13,644.09</b>	<b>1,002.80</b>	<b>156,140.71</b>	<b>162,885.80</b>	<b>59,702.26</b>	<b>128,437.34</b>	<b>164,762.89</b>	<b>142,027.77</b>	<b>112,695.52</b>

## Annexes

### Annex 01: List of Forest Permits in Liberia

Table 15 - List of Forest Permits in Liberia

Company	Forest Permit	Contact person
Alpha Logging and Wood Processing Co.	FMC A	Mr. Han Dong Chun
EJ & J or (Mandra EJ&J)*	FMC B	Mrs. Eliza D. J. Kronyanh/Augustine B. M. Jognson
Liberia Tree & Trading Company Inc.(LTTC) or (Mandra LTTC)*	FMC C	Mrs. Nyunyun Johnson Tuweh/Augustine B. M. Johnson
Euro Liberia Logging	FMC F	Mr. Jihad Akkari
Geblo Logging	FMC I	Mr Alexander Wento
International Consultant Capital (ICC)	FMC K	Mr. Cesare Colombo
Atlantic Resources	FMC P	Mr. John Baxter
<b>FMC Grand Total</b>	<b>7 permits</b>	
Tarpeh Timber Co.	TSC A2	Mr. David G. Tarpeh/Molly Kamara
Akewa Group	TSC A3	Mrs. Funke Odebumi
Bulglar & Vincent (B&V)	TSC A6	Mr. Emmanuel Vincent
Bargor & Bargor (B&B)	TSC A7	Mr. Alfred D. Bargor
ThunderBird International Liberia	TSC A8	Mr. Andrew Oru
Bulglar & Vincent (B&V)	TSC A9	Mr. Emmanuel Vincent
Bulglar & Vincent (B&V)	TSC A10	Mr. Emmanuel Vincent
Bassa Timber And Logging	TSC A11	Mr. Clarence Massaquoi
Sun Yeun (1)	TSC A15	Mr. Zhang Wei/Joe Banks
Sun Yeun (2)	TSC A16	Mr. Zhang Wei/Joe Banks
<b>TSC Grand Total</b>	<b>10 permits</b>	
Liberia Hardwood Corporation	CFMA 1	Mr. Mr. Jihad Akkari
Liberia Hardwood Corporation	CFMA 2	Mr. Mr. Jihad Akkari
Ecowood Inc.	CFMA 3	Mr. Raul Ibadullin
Liberia Tree & Trading Company Inc.(LTTC)	CFMA 4	Mrs. Nyunyun Johnson Tuweh
<b>CFMA Grand Total</b>	<b>4 permits</b>	
<b>Forest Permits Grand Total</b>	<b>21 permits</b>	
<i>*Signed Management Contract with Mandra</i>		

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