

**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:

(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) 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) 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:**

**Managing Director  
Forestry Development Authority**