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INTRODUCTION

Context of Chain of Custody System

The forestry development, exploitation and trade reforms of Sierra Leone initiated in 2008 recommended among others a review of the 1988 Forestry Act to reflect international best practices in forest management which included establishment of a chain of custody system (CoC).

This manual, documents the standard operating procedures required to establish a supply chain management which is a key requirement for any timber producing country volunteering to embark upon the European Union (EU) Forest Law Enforcement, Governance and Trade (FLEGT) action plan. Illegally sourced and non-compliant timber cannot pass for EU-FLEGT and EU Timber Regulations should Sierra Leone maintain trading in timber products with the EU.

CoC system provides the mechanism for tracing forest products from its source usually the forest through the production to the point of sale or export of the final product. In order to carry out its mission of monitoring and controlling all wood and associated financial flows in the Sierra Leonean forestry sector, the Forestry Division (FD) is putting in place a system to cover all identified timber flows along a supply chain. This process chain will rely on a timber tracking system. However, record keeping and documentation by the various data custodians (i.e. forestry regulators and private operators) along the supply chain is very important for the control and verification of a functioning CoC.

This manual is being developed to outline how forestry regulators, relevant government institutions and private operators (loggers/millers/wood processors) will document and keep track of the flow of wood through the various stages of the forestry sector business process. The document briefly describes procedures and work instructions that have been put in place to ensure that wood materials can be traced through the forestry sector’s operations.

As far as timber legality is concerned, the timber flows starts from the source of timber and allocation rights through pre-harvest preparation to each stage of harvesting, transporting to mill, processing and transformation, shipping and transport, export/domestic sale and also distribution where progress to the next stage of the supply chain involves a change of ownership. Currently in Sierra Leone, the domestic market trade in lumber through the use of power chainsaw is very functional and forms the majority of the timber supply chain that meets wood demands of the country. Therefore it requires special attention in terms of legal regulatory requirements and efficiency in its operation.

The aim of the CoC Manual includes elaboration of the minimum processes which operators (i.e. large, small and others), must adopt during conversion, processing and manufacturing in order to:

- identify legal timber, ensure it is tracked throughout the conversion or manufacturing process;
- identify and eliminate illegal sources
- generate supporting data and information which is provided in a timely manner to the appropriate government agencies in order to ensure the legality of the timber within the process chain is maintained.

This manual of procedure has been prepared by the MAFFS through FD (a division established to exercise the regulatory functions of the Sierra Leoneans forest resources) with inputs from all relevant
stakeholders. This manual will be subjected to periodic review by the MAFFS as and when necessary and also with changes in scope of this current CoC.

**Schematic Description of Identified Timber Flows in the Formal Sector**

The flow diagram in Fig.1 below depicts the different timber flows that are identifiable in the formal sector of the Sierra Leoneans forestry business.

![Schematic timber flow diagram in the forestry sector (formal) of Sierra Leone](image)

Direction of timber flow

Figure 1 Schematic timber flow diagram in the forestry sector (formal) of Sierra Leone
**Scope of Chain of Custody**

Essentially, the description of CoC starts from Forest Rights Allocation and ends at a domestic sales point or export of processed wood (Fig. 1). Additionally, the associated transfer of ownership of the resource as well as changes in the status of the resource as it moves along the supply chain form part of the CoC.

The key CoC control points are listed as follows:

- Forest Rights Allocation
- Pre-harvest requirements especially inventory/stock enumeration and timber yield allocation
- Tree felling & Log production
- Transportation
- Mill/Log yard reception
- Log Processing
- Domestic sales point/Export of processed wood

**Timber and Wood Product Scope**

Timber products to be covered under this CoC manual shall take into consideration the harmonized commodity codes for timber and wood products applied globally. However, a phased approach shall be adopted starting with those products (i.e. logs and lumber) that are commonly traded in and out of Sierra Leone in order to satisfy a minimum CoC system. Other semi-processed and tertiary wood products of economic importance shall be added on at a later stage when their supply chains are better understood.

**Arrangement of Manual Sections**

For ease of use, this manual of procedures is divided into the following sections to coincide with the different sources of timber feeding a supply chain:

- Section 1 – Forest Reserve Concession timber flow
- Section 2 – Community Forest Concession timber flow
- Section 3 – Private Forest timber flow
- Section 4 – Plantation Concession timber flow
- Section 5 – Salvage timber flow and
- General Provisions (Section 6) which include:
  - Distribution of Land Lease Payment for Community/Private and National Forests
  - Benefit Sharing from Forest Exploitation
  - Administration of Social Corporate Responsibility
  - Offences and Sanctions.
SECTION 1  FOREST RESERVE CONCESSION TIMBER FLOW

Forest reserve concession CoC keeps information trail about how timber from a government gazetted forest reserve is acquired, harvested, transported, processed, exported and or sold at a local market outlet. Change in ownership of the timber product and the various transformation of the timber itself as it moves along the supply chain is documented for ease of traceability.

1.1 Timber Rights Allocation for National Forest Reserve

(i) Forestry Division Responsibility

- Prior to granting a forest concession in any production area of a national forest, a forest management plan for such area or series of related areas shall be prepared by, or authorized and approved by, the director of forestry in accordance with the provisions in part III sections 5-8 of the Forestry Act, 1988.
- The Director of Forestry invites tenders for Forest Concession Agreement (FCA) proposals to be submitted by prospective applicants in accordance with part IX Section 28 (Tenders) of the Forestry Regulation, 1990.
- The Forestry Division (FD) conducts a pre-investment evaluation using a standard checklist to be prepared by the division.
- Applicants that meet the criteria set out in the checklist are pre-qualified for an award of a concession.

(ii) Prospective Applicant (Investor) Responsibility

- Applies for a forest concession (bid submission for tender) including an investment proposal1.

(iii) The Commercial Forestry Unit of FD Responsibility

Following the tender, this unit keeps records on all successful/approved companies in a database for reference. This information shall include but not limited to the following:

- Name of company
- Property mark
- Contact details of company
- Origin of proprietor
- Legal proof of equipment owned by companies and related costs
- Activities to be carried out in the concession area (e.g. harvesting, processing and export)
- Approving authority and date of approval
- Land Lease Agreement
- Area (Ha) of the approved concession + computation of concession rent (5US$/ha/yr)² for payment by investor

(ii) Ministry of Agriculture, Forestry and Food Security (MAFFS) Responsibility

1 A new requirement specified in the Forestry Development, Exploitation and Trade Reforms approved by cabinet in 2008
2 Revised concession rent (land lease) in Appendix I of the 2008 Forestry Development, Exploitation and Trade Reforms
• For a forest reserve with area more than ten (10) square miles, the Minister of MAFFS shall forward such application to cabinet for approval. Areas less than ten (10) square miles shall be approved by the Minister as specified in section 13-1 of the 1988 Forestry Act.

1.2 Pre-Harvest Requirements

(i) Investor/Company Responsibility

• Upon approval by the Cabinet or Minister as the case may be, the investor is required to conduct an inventory and prepare a forest harvesting management plan for the consideration and approval of the Director of Forestry
• The investor shall support the Environmental Protection Agency in carrying out of Environmental Impact Assessment (EIA) for the area approved for concession grant
• The investor shall also prepare and keep a concession register (see Template 1A in Appendix I) and a yield allocated database (Template 2 in Appendix II).

(ii) Forestry Division Responsibility

• The Director of Forestry vets and approve inventory and a forest harvesting management plan prepared. In practice this inventory and harvesting plan is conducted by FD on behalf of the investor at an agreed fee/support as appropriate. The following activities are conducted by FD to this effect:
  o conducts 5% inventory (reference administrative procedures)
  o demarcates the area ear-marked for harvesting for a specified period
  o enumerate and mark trees and
  o computes the yield by species, class of species and diameter class
  o the inventory team produces the stock maps of the forest area(s) enumerated
  o field inventory report is submitted to the District Forestry Officer (DFO)
  o DFO in turn submits inventory report to the Director for final checking and approval
• Estimate fees for the inventory are prepared and sent to the Director of Forestry for approval.
• Recommends investor (applicant) to MTI for registration as an entity engaged in timber and timber products.

In practice, the investor requests the FD to conduct an inventory on her behalf. There is an informal arrangement where an initial part payment is made by the investor to the FD before inventory starts and a final payment effected upon submission of a final approved report by FD.

(iii) Environmental Protection Agency Responsibility

• Conducts the Environmental Impact Assessment (EIA) and develops a Land and Environmental Management Plan (EMP) in respect of the area approved for the prospective company/investor

(iv) Ministry of Trade and Industry Responsibility
• Registers all companies engaged in timber and timber products on the recommendation of Director of Forestry.

1.3 *Timber Production*

(i) **Investor/Company Responsibility**

• Undertakes tree felling of *only the trees approved* in the yield as specified in Template 2
• Company hauls felled trees to log ponds where they are cross-cut into logs bearing the same tree numbers with suffixes a, b, etc., indicating first and second logs produced from the felled tree including also the compartments numbers from which the trees came from.
• Company pays all prescribed forest fees (i.e. stumpage, reforestation and training) into the approved NRA fee collecting Account at an authorized bank and secure a receipt for verification purposes
• Company pays approved forest royalty rates to designated beneficiaries as specified in section 6.2 of this manual and submits copies of receipt to the DFO

(ii) **Forestry Division Responsibility**

• The responsible Forestry Officer measures felled tree length and diameters (two measurements at the butt end of the felled tree) in the presence of a company representative
• The responsible Forest Officer preferably in the presence of a Company representative then marks the exposed surface of the felled tree and also tree stump with paint marks for ease of verification
• The responsible Forest Officer records details of the felled tree and the constituent logs into Templates 3A and 3B, respectively in Appendix III.
• DFO prepares annual concession rent and monthly stumpage\(^3\) fees based on trees felled within the period and issues invoices for the company to pay into the approved NRA fees collecting Account in an authorized bank
• DFO prepares invoice(s) for royalty and concession rent (land lease) disbursement to the authorized beneficiaries using the approved disbursement rates
• DFO submits copies of all the company’s forest fee invoices and statement of Accounts in respect of the company’s operation to the Director of Forestry on monthly basis.

(iii) **NRA Responsibility**

• NRA compiles details of payment receipts in respect of all applicable fees and submits statement to the Director of Forestry every month.

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\(^3\) According to the Forestry Development, Exploitation and Trade Reforms approved by cabinet in 2008, the term stumpage fee will be redefined as severance fee. The new revised rates for such a fee, royalty, reforestation and training fees will be as per annex 1 of the Reforms
1.4 Log/Timber Transport

(i) Forestry Division Responsibility

- Forestry Division is responsible for issuing log/timber transport permit (Template 4 in Appendix IV) and associated transport fees invoice to the company

(ii) Investor/Company Responsibility

- Company presents the way bill which ascertains the quantity of timber in his possession and applies for permit to transport timber. In applying for a transport permit, the applicant must:
  - show proof of a Concession Agreement
  - timber being transported have identification mark/codes stamped by FD showing the origin of timber and the concession identification number (see Forestry Development, Exploitation and Trade reforms section 5- Forest Products transportation).
  - show official /stamped receipt from the DFO or his/her representative indicating that the timber transport fees has been paid
  - show official /stamped receipt from the Road Transport Authority indicating that Company/Investor has paid vehicle licensing fee.

(iii) Local Council Responsibility

- M & E Officers in the affected Local Government District will assist the FD to enforce the log/timber transport regulation

(iv) Road Transport Authority

- Registers company’s vehicles and issues certificates
- Ensures applicable fees are paid to the appropriate authority
- Provides vehicle license plates

1.5 Mill Reception

(i) Investor/Company Responsibility

- At the mill, a representative of company shall be responsible for taking inventory of logs entering the mill yard on daily basis and shall keep such information in a log entry register (see Template 5 in Appendix V). This register shall be kept at the mill gate at all times and made available for inspection by FD officials
- At the mill gate truck driver of the company hands over the way bill and log transport document to the entry clerk
- At the mill log yard, the company shall take the necessary steps to always keep logs of unknown origin or illegal logs separated from legal logs
(ii) Forestry Division Responsibility

- Conducts regular inspection of the company’s mill gate entry register

1.6 Log Processing and Processed Wood

(i) Investor/Company Responsibility

- Company shall keep a register that shows the progressive completion of a processed wood contract (e.g. lumber contract)
- Prepares input and output analysis of processed wood and keep records at the mill as shown in Template 6 of Appendix VI.
- Company shall clearly label processed wood materials, package them and keep them for inspection by FD officials (see figure...)

(ii) Forestry Division Responsibility

- Conducts regular inspection to verify company’s input and output analysis at the mills

1.7 Market Outlet and Trade Control

(i) Forestry Division Responsibility

- **Commercial Forestry Unit** of the FD works with the operator to provide product summary of the mill’s input and output analysis on daily, monthly and yearly basis to check consistency of mill production data.
- Provides guidance on product grading and pricing
- Estimates company’s product volume and value for local market annually based on contracts fulfilled
- Estimates company’s product volume and value for the export market annually based on contracts fulfilled

(ii) Investor/Company Responsibility

- Maintains and regularly updates sales register (Template 7 in Appendix VII) and keeps all sales invoice for verification by FD officials

1.7.1 Timber Export Permit

(i) Investor/Company Responsibility
Company applies to the FD through the Ministry of Trade and Industry (MTI) for export permit and submit all required documentation
Company provides (i.e. purchase) the required chemical for fumigation
Company pays export levy to NRA and 10% of export levy to the Afforestation Account

(ii) Forestry Division Responsibility

- Receives export permit applications from MTI
- Following the approval of the application, the FD assists custom to inspect the timber products which involves assessment of the timber products in a consignment for export (i.e. dimensions, total volume and value) based on which the applicable export taxes will be charged
- Attach Forestry seal to containers after loading is complete
- FD collects timber product inspection fee (10% of f.o.b) from investor. This revenue will be used to fund forest conservation activities in Sierra Leone

(iii) Ministry of Trade and Industry Responsibility

- Endorse application after confirmation that all the necessary business taxes and fees have been paid

(iv) National Revenue Authority Responsibility

- With the exception of product inspection fee all payments for timber export will be paid to NRA including fumigation fees

(v) Phyto-sanitary Unit of the Ministry of Agriculture’s Responsibility

- Undertakes fumigation and issues certificate to that effect
- Advises on the required chemicals for fumigation

(vi) Ministry of Transport and Aviation Responsibility

- The Custom and Excise unit of the Ministry of Transport and Aviation at the port (Queen Elizabeth Quay) scans and inspects containers preferably with assistance from FD to verify the legality of timber consignment for export.

(vii) Shipping Agencies Responsibility

- Facilitate timely allocation of shipping containers to exporting companies.
SECTION 2 COMMUNITY FOREST CONCESSION (CFC) TIMBER FLOW

CFC Chain of Custody (COC) keeps information trail about how timber from a community forest\(^4\) is acquired, harvested, transported, processed, exported and or sold at a local market outlet. The change in ownership of the timber product and the various transformation of the timber itself as it moves along the supply chain is documented for ease of traceability.

2.1  Timber Rights Allocation for Community Forest Concession (CFC)

(i) Forestry Division Responsibility

- Prior to granting of a forest concession in any area of a community forest, a forest management plan for such area or series of related areas shall be prepared by or authorized and approved by the Director of Forestry in accordance with the provisions in part III sections 5 – 8 of the Forestry Act of 1988.
- The Director of Forestry invites tender for Forest Concession Agreement (FCA) proposals to be submitted by prospective applicants in accordance with part IX section 28 (Tenders) of the Forestry Regulations, 1990.
- The Forestry Division (FD) conducts a pre-investment evaluation using a standard checklist to be prepared by the division.
- FD shall provide all the necessary advice and assistance for the management of community forests which the chiefdom council may request.
- Applicants that meet the criteria set out in the checklist are pre-qualified for an award of a concession.
- Recommends companies dealing with timber and wood products for registration with Ministry of Trade and Industry (MTI).
- Facilitate the signing of timber sales agreement.
- Issue timber licenses.
- Recommends investor (applicant) to MTI for registration as an entity engaged in timber and timber products.

(ii) Prospective Applicant (Investor) Responsibility

- Applies for forest concession (bid submission for tender) including an investment proposal a letter of recommendation signed by the Paramount Chief and landowners and a land lease agreement for the Ministry’s consideration (see the new Forestry Development, Exploitation and Trade Reforms approved by cabinet in 2008).
- Applies for registration with the MTI through Forestry Division.

(iii) The Commercial Unit of FD Responsibility

Following the tender, this unit keeps records on all successful/approved companies in a database for reference. This information shall include but not limited to the following:

- Name of company

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\(^4\) Part V Section 18-20 of the 1988 Forestry Act sets out the provisions for the constitution of a community forest; management of community forest (either on state lands or not) and enumerates the role of the chiefdom council, the Minister and the Chief Conservator (now the Director of Forestry) in such related matters.
• Property mark
• Contact details of company
• Origin of proprietor
• Legal proof of equipment owned by companies and related costs
• Activities to be carried out in the concession area (e.g. harvesting, processing and export)
• Approving authority and date of approval
• Land Lease Agreement
• Area (Ha) of the approved concession and computation of concession rent (5 US$/ha/yr) for payment by investor

(iv) Ministry of Agriculture, Forestry and Food Security (MAFFS) responsibility

• For a community forest concession approval rests with the Minister of MAFFS.

(V) Chiefdom Council

• The chiefdom council or entity responsible for the management of a community forest (especially those forests not on a state land) shall maintain records of the forest’s utilization, of silvicultural and afforestation activities and of all fees and prices received and, shall transmit such copies of information received to the Forestry Division and the chiefdom council.

2.2 Pre-Harvest Requirements

(i) Investor/Company Responsibility

• Upon approval by Minister, the investor is required to conduct an inventory and prepare a forest harvesting management plan for the consideration and approval of the Director of Forestry
• The Investor shall support the Environmental Protection Agency for carrying out of Environmental Impact Assessment (EIA) for the area approved for concession grant.
• The Investor shall also prepare and keep a concession register (see Template 1B in Appendix I) and a yield allocated database (Template 2 in Appendix II)

(ii) Forestry Division Responsibility

• The Director of Forestry vets and approve inventory and a forest harvesting management plan prepared. The inventory and harvesting plan is conducted by FD on behalf of the Investor at an agreed fees/support as appropriate. The following activities are conducted by FD to this effect:
  o Conduct 100% inventory as specified in Forestry Regulation of 1990 Part II section 4
  o Demarcates the area ear-marked for harvesting for a specified period
  o Enumerate and mark trees
  o Computes the yield by species, class of species and diameter class
The inventory team produces the stock maps of the forest area(s) enumerated.
Field inventory report is submitted to the District Forest Officer (DFO).
DFO in turn submits inventory report to the Director of Forests for final checking and approval.

- Estimate fees for the inventory are prepared and sent to the Director of Forestry. Part payment is made before inventory starts and final payment on submission of final approval of report.

### 2.3 Timber Production

(i) Investor/Company Responsibility

- Undertakes tree felling of **only the trees approved** in the yield as specified in Template 2
- Company hauls felled trees to log ponds where they are cross cut into logs, bearing the same tree numbers with suffixes a, b, c, etc, indicating first, second and third logs produced from the felled tree including the compartments numbers and the felling coupe from which the trees came from.
- Company pays all prescribed forest fees (i.e. stumpage, reforestation and training) into the approved NRA fee collecting Account at an authorized bank and secure a receipt for verification purposes
- Company pays approved forest royalty rates to designated beneficiaries as specified in section 6.2 of this manual and submits copies of receipts to DFO

(ii) Forestry Division Responsibility

- The responsible Forestry Officer measures felled tree length and diameters (two measurements at the butt end of the felled trees) in the presence of a company representation.
- The responsible Forest Officer preferably in the presence of a company representative then marks the exposed surface of the felled tree and also the tree stump with paint marks for ease of verification.
- The responsible Forest Officer records details of the felled tree and the constituent logs into Templates 3A and 3B, respectively in Appendix III.
- DFO prepares annual concession rent and monthly stumpage fees based on trees felled within the period and issues an invoice for the company to pay into the approved NRA fees collecting accountant in an authorized bank.
- DFO prepares invoice(s) for royalty and concession rent (land lease) disbursement to the authorized beneficiaries using the approved disbursement rates
- DFO submits copies of all the company’s forest fees invoice and statement of accounts in respect of the company’s operation to the Director of Forestry on monthly basis.

(iii) Environmental Protection Agency Responsibility
• Conducts the Environmental Impact Assessment (EIA) and develops a land and Environmental Management Plan (EMP) in respect of the area approved for the prospective company/investor.

(iv) Ministry of Trade and Industry Responsibility:

• Registers all company engaged in timber and timber products on the recommendation of the Director of Forestry.

(v) NRA Responsibility

• NRA compiles details of payment receipts in respect of all applicable fees and submits statement to the Director of Forestry every month.

2.4 Log/Timber Transport

(i) Forestry Division Responsibility

• Forestry Division is responsible for issuing of log/timber transport permit (Template 4 in Appendix IV) and associated transport fees invoice to the company.

(ii) Investor/Company Responsibility

• The company presents the way bill which ascertains the quantity of timber in his possession and applies for permit to transport timber. In applying for a transport permit, the applicant must:
  o show proof of a community forest concession agreement
  o indicate that timber being transported have identification mark/codes stamped by Forestry Division showing the origin of timber and the concession identification number (see Forestry Development, Exploitation and Trade Reforms section 5 – Forest Products Transportation)
  o show official /stamped receipt from the DFO or his/her representative indicating that the timber transport fees has been paid
  o show official /stamped receipt from the Road Transport Authority indicating that Company/Investor has paid vehicle licensing fee.

(iii) Local Council Responsibility

• M & E Officers in the affected Local Government District will assist the FD to enforce the log/timber transport regulation

(iv) Road Transport Authority

• Registers company’s vehicles and issues certificates
• Ensures applicable fees are paid to the appropriate authority
• Provides vehicle license plates

2.5 Mill Reception

(i) Investor/Company Responsibility

• At the mill, a representative of a company shall be responsible for taking inventory of logs entering the mill yard on daily basis and shall keep such information in a log entering register (see template 5 in Appendix V). The register shall be kept at the mill gate at all times and made available for inspection by Forestry Division officials.

• At the mill gate truck driver of the company hands over the way bill and log transport document to the entry clerk

• At the mill log yard, the company shall take the necessary steps to always keep logs of unknown origin or illegal logs separated from legal logs preferably with the use of colors (paint marks).

(ii) Forestry Division Responsibility

• Conduct regular inspection of the company’s mill gate entry register

2.6 Log Processing and Processed Wood

(i) Investor/Company Responsibility

• Company shall keep a register that shows the progressive completion of a processed wood contract (e.g. lumber contract)

• Prepares input and output analysis for processed wood and keep records at the mill as shown in Template 6 of Appendix VI

• Company shall clearly label processed wood materials, package them and keep them for inspection by FD officials

(ii) Forestry Division Responsibility

• Conducts regular inspection to verify company’s input and output analysis at the mills

2.7 Market Outlet and Trade Control

(ii) Forestry Division Responsibility
• Commercial Forestry Unit of the FD works with the operator to provide product summary of the mill’s input and output analysis on daily, monthly and yearly basis to check consistency of mill production data
  • **Provides guidance on product grading and pricing**
  • Estimates company’s product volume and value for local market annually based on the contracts fulfilled
  • Estimates company’s product volume and value for the export market annually based on contracts fulfilled

(ii) Investor/Company Responsibility

• Maintains and regularly updates sales register (Template 7 in Appendix VII) and keeps all sales invoices for verification by FD officials

2.7.1 **Timber Export Permit**

(i) Investor/Company Responsibility

• Company applies to the FD through the MTI for export permit and submit all required documentation
• Company provides (i.e. purchase) the required chemical for fumigation
• Company pays export levy to NRA and 10% of export levy to the Afforestation Account

(ii) Forestry Division Responsibility

• Receives export permit applications from the MTI
• Following the approval of the application, the FD assists Custom Officials to inspect the timber products which involves assessment in the timber products in a consignment for export (i.e. dimensions, total volume and value) based on which the applicable export taxes will be charged.
• Attach Forestry seal to containers after loading is complete.
• FD collects timber product inspection fee (10% of f.o.b) from investor. This revenue will be used to fund forest conservation activities in Sierra Leone
• FD shall work with the scanning section at the port to verify the legality of timber in containers

(iii) Ministry of Trade and Industry Responsibility

• Endorse application after confirmation that all the necessary business taxes and fees have been paid.

(iv) National Revenue Authority Responsibility

• With the exception of product inspection fees all payment for timber export shall be paid to NRA including fumigation fees.
(v) Phytosanitary Unit of the Ministry of Agriculture’s Responsibility

- Undertakes fumigation of the timber consignment for export and issues certificate to that effect
- Advises on the required chemicals for fumigation.

(vi) Ministry of Transport and Aviation Responsibility

- The Custom and Excise unit of the Ministry of Transport and Aviation at the port (Queen Elizabeth Quay) scans and inspects containers preferably with assistance from FD to verify the legality of timber consignment for export.

(vii) Shipping Agencies Responsibility

- Facilitate timely allocation of shipping containers to exporting companies.
SECTION 3 PRIVATE FOREST TIMBER FLOW

Private Forest Chain of Custody (CoC) keeps information trail about how timber from a private forest is acquired, harvested, transported, processed and sold at a local market outlet or exported. The change in the ownership of the timber product and the various transformation of the timber itself as it moves along the supply chain is documented for ease of traceability.

It is envisaged that products from private forest will predominantly feed the local market. Private forests in most cases are small forest holdings scattered in agricultural landscapes and most suited for small-scale timber extraction activities. It is recommended that such forests are ear-marked for artisanal milling which includes power chainsaw milling where intensity of logging is low and crop damage could be minimized through proper logging methods.

3.1 Timber Rights Allocation for Private Forest

(i) Forestry Division Responsibility

Principally, the timber right allocation in a private forest is governed by a Timber Sales Agreement (TSA). The role of FD in signing TSA for any private forest shall include the following:

- A management plan for such area or series of related areas shall be prepared or authorized and approved by the Director of forestry in accordance with the provisions in Part III sections 5 - 8 of the Forestry Act of 1988
- Recommends groups or individuals dealing in timber and wood products for registration with Ministry of Trade and Industry (MTI).
- Facilitates procedures for the signing of the Timber Sales Agreement
- Issue Timber License

(ii) Investor/Company Responsibility

- Applies for Timber Sales Agreement. The application shall be accompanied by a letter of recommendation signed by the Paramount Chief and landowners of the area.
- Signs Land lease Agreement with the Private Forest owner.

(iii) Commercial Forestry Unit Responsibility

Following the signing of the Timber Sales Agreement, this unit keeps records on the Investor in a data base for reference. The data base information shall include but not limited to the following:

- Name of Investor/Company
- Agreement details of Investor
- Property mark
- Origin of Investor
- Legal proof of equipment owned by the Investor and related costs
- Activities to be carried out in the private forest area (e.g. harvesting, processing and transport of products to a local market)
Approving Authority and date of approval
Land Lease Agreement
Area (Ha) of the approved private forest and computation of land lease rent (5 US$/ha/year) for payment by Investor

(iv) Ministry of Agriculture, Forestry and Food Security (MAFFS) Responsibility

- For Private Forests, approval of TSA including land lease agreement rests with the Hon. Minister of MAFFS.

3.2 Pre-Harvest Requirements

(i) Investor/Company Responsibility

- Upon approval by the Hon. Minister, the Investor is required to conduct an inventory and prepare a forest harvesting management plan for the consideration and approval of the Director of Forestry
- The Investor shall support the Environmental Protection Agency in carrying out Environmental Impact Assessment (EIA) for the area approved as private forest.
- The Investor shall also prepare and keep the private forest register (See Template 1C in Appendix I) and yield allocated data base (Template 2 in Appendix II)

(ii) Forestry Division Responsibility

- The Director of Forestry vets and approves inventory and forest harvesting management plan prepared. In practice, the inventory and harvesting plan is conducted by FD on behalf of the Investor at an agreed fees/support as appropriate. FD shall therefore conduct the following activities to this effect:
  - To conduct 100% inventory - reference Forestry Regulations of 1990 Part II 4.
  - Demarcate the area ear-marked for harvesting for a specified period
  - Enumerates and mark trees
  - Computes the yield by species, class and diameters class
  - Inventory Team produces stock maps of the forest(s) enumerated
  - Field inventory report is submitted to the District Forest Officer (DFO)
  - DFO in turn submits inventory report to the Director of Forestry for final checking and approval.

3.3 Timber Production

From a private forest, it is possible that logs and especially lumber are produced in-situ and sent directly to the local market.

3.3.1 Log Production

(i) Investor/Company Responsibility
• Undertake tree felling of only the trees approved in yield as specified in Template 2 of Appendix II
• Investor hauls felled trees to log ponds where they are cross cut into logs bearing the same tree numbers with suffixes a, b etc., indicating first and second logs produced from the felled tree including a defined area from which the trees were extracted
• Company pays all prescribed forest fees (i.e. stumpage, reforestation and training) into the approved NRA fee collecting Account at an authorized bank and secure a receipt for verification purposes
• Company pays approved forest royalty rates to designated beneficiaries as specified in section 6.2 of this manual and submits copies of receipts to DFO

(ii) Forestry Division Responsibility

• The responsible Forestry Officer measures felled tree length and diameters (two measurements at the butt end and one at the mid-section of the felled tree) in the presence of a company representative.
• The responsible Forest Officer preferably in the presence of a company representative then marks the exposed surface of the felled tree and also tree stump with paint marks for ease of verification
• The responsible Forest Officer records details of the felled tree and the constituent logs into Templates 3A and 3B, respectively in Appendix III.
• DFO prepares annual concession rent and monthly stumpage fees based on trees felled within the period and issues an invoice for the company to pay into the approved NRA fees collecting accountant in an authorized bank.
• DFO prepares invoice(s) for royalty and concession rent (land lease) disbursement to the authorized beneficiaries using the approved disbursement rates
• DFO submits copies of all the company’s forest fees invoice and statement of accounts in respect of the company’s operation to the Director of Forestry on monthly basis.

3.3.2 In-situ Lumber Production

(i) Investor/Company Responsibility

• Undertake tree felling of only the trees approved in yield as specified in Template 2 of Appendix II
• Convert logs to lumber using approved sawing equipment and methods
• Investor shall keep records showing the tally of lumber derived from every tree allocated as yield (see Template 3C in Appendix III)
• Investor shall clearly label the pile of lumber using the approved method and keep them for inspection by FD officials before a timber transport permit can be issued

3.4 Log /Timber Transport

(i) Forestry Division Responsibility
• Forestry Division is responsible for issuing log/timber transport permit (Template 4 in Appendix IV) and associated transport fees invoice to the Investor

(ii) Investor/Company Responsibility

• The company presents the way bill which ascertains the quantity of timber in his possession and applies for permit to transport timber. In applying for a transport permit, the applicant must:
  o show proof of a Timber Sales Agreement
  o indicate that timber being transported have identification mark/codes stamped by Forestry Division showing the origin of timber and the approved concession identification number (see Forestry Development, Exploitation and Trade Reforms section 5 – Forest Products Transportation)
  o show official /stamped receipt from the DFO or his/her representative indicating that the timber transport fees has been paid
  o show official /stamped receipt from the Road Transport Authority indicating that Company/Investor has paid vehicle licensing fee.

(iii) Local Council Responsibility

• M & E officers in the affected Local Government District will assist FD to enforce the log/timber transport regulation

(iv) Road Transport Authority Responsibility

• Registers company’s vehicles and issues certificates
• Ensures applicable fees are paid to the appropriate authority
• Provides vehicle license plates

3.5 Mill Reception

(i) Investor/Company Responsibility

• At the mill, the Investor’s representative shall be responsible for taking inventory of logs entering the mill yard on daily basis and shall keep such information in a log entry register (see template 5 in Appendix V). This register shall be kept at the mill gate at all times and made available for inspection by FD officials
• At the mill gate the Investor truck driver hands over the way bill and log transport document to the entry clerk
• At the mill log yard, the Investor shall take the necessary steps to always keep logs of unknown origin or illegal logs separated from the legal logs

(ii) Forestry Division Responsibility
• Conducts regular inspection of the company’s mill gate entry register

3.6 Log Processing and Processed Wood

(i) Investor/Company Responsibility

• Company shall keep a register that shows the progressive completion of a processed wood contract (e.g. lumber contract)
• Prepares input and output analysis and keep records at the mill as shown in Template 6 in Appendix VI
• Company shall clearly label processed wood materials, package them and keep them for inspection by FD officials

(ii) Forestry Division Responsibility

• Conducts regular inspection to verify Investors input and output analysis at the mills.

3.7 Market Outlet and Trade Control

(i) Forestry Division Responsibility

• Commercial Forestry Unit of the FD work with the operator to provide product summary of the mill’s input and output analysis on daily, monthly and yearly basis to check consistency of mill production data
• Provides guidance on product grading and pricing
• Estimates company’s product volume and value for local market annually based on contracts fulfilled
• Estimates company’s product volume and value for export market annually based on contracts fulfilled

(ii) Investor Responsibility

• Maintains and regularly updates sales register (Template 7 in Appendix VII) and keeps all sales invoices for verification by FD officials

3.7.1 Timber Export Permit

(i) Investor/Company Responsibility

• Investor applies to the FD through the MTI for export permit and submit all required documentation
• Investor provides the required chemicals for fumigation
• Investor pays export levy to NRA and 10% of export levy to the Afforestation Account

(ii) Forestry Division Responsibility

• Receives export permit applications from MTI
• Following the approval of the application, the FD assists Custom Officials to inspect the timber products which involves assessment of the timber products in a consignment for export (i.e. dimensions, total volume and value) based on which the applicable export levies will be charged.
• Attach Forestry seal to containers after loading is complete.
• FD collects timber product inspection fee (10% of f.o.b) from investor. This revenue will be used to fund forest conservation activities in Sierra Leone
• FD shall work with the scanning section at the port to verify the legality of timber in containers

(iii) Ministry of Trade and Industry Responsibility

• Assists FD to assess the timber products in a consignment for export
• Endorses application after confirmation that all the necessary business taxes and fees have been paid

(iv) National Revenue Authority Responsibility

• With the exception of timber product inspection fees all payments for timber export will be paid to N.R.A including fumigation fees

(v) Phytosanitary Unit of the Ministry of Agriculture's Responsibility

• Undertakes fumigation of the timber consignment for export and issues certificate to that effect
• Advises on the required chemicals for fumigation

(vi) Ministry of Transport and Aviation Responsibility

• The Custom and Excise unit of the Ministry of Transport and Aviation at the port (Queen Elizabeth Quay) scans and inspects containers preferably with assistance from FD to verify the legality of timber consignment for export.

(vii) Shipping Agencies Responsibility

• Facilitate timely allocation of shipping containers to exporting companies.
SECTION 4 PLANTATION FOREST CONCESSION (PFC) TIMBER FLOW

PFC Chain of Custody (COC) keeps information about how timber from a plantation forest concession is acquired harvested, transported, processed, exported and/or sold at a market outlet. Change in ownership of the timber product and the various transformation of the timber itself as it flows along the supply chain is documented for ease of traceability.

Part IV Section 16 of the 1988 Forestry Act describes the conditions under which a national forest may be granted as forest plantation concession. It notes that the Minister may enter into agreement with any person for a concession to clear any area of national forest classified for production forestry, to re-stock it with approved forest vegetation and, at the culmination of optimum growth of the re-stocked vegetation, to fell and extract same.

4.1 Timber Rights Allocation for Plantation Forest Concession

(i) Forestry Division Responsibility

- Prior to granting Plantation Concession Agreement or Timber Sales Agreement in national forest, a forest management plan for such area or series of related areas shall be prepared by, or authorized and approved by, the Director of forestry in accordance with the provisions in Part III Section 5-8 of the Forestry Act, 1988.
- The Forestry Division (FD) conducts a pre-investment evaluation using a standard checklist to be prepared by the division.
- Applicants that meet the criteria set out in the checklist are pre-qualified for an award of a plantation concession.

(ii) Prospective Applicant (Investor) Responsibility

- Applies for a plantation forest concession including an investment proposal.

(iii) The commercial Forestry Unit Responsibility

- Following the evaluation and approval, this unit keeps records on all successful/approved investors in a database for reference. This information shall include but not limited to the following:
  - Name of Investor
  - Property mark
  - Contact details of Investor
  - Origin of Investor
  - Legal proof of equipment owned by Investor and related costs
  - Activities to be carried out in the concession area (e.g. harvesting, processing and Export)
  - Approving authority and date of approval
  - Land Lease Agreement

5 A new requirement specified in the Forestry Development, exploitation and trade reforms approved by Cabinet in 2008
Area (ha) of the approved plantation concession and computation of concession rent (5 USD/ha/yr)

(iv) Ministry of Agriculture Forestry and Food Security (MAFFS) Responsibility

- For a plantation Forest Concession, the Hon. Minister of MAFFS approves the concession.

4.2 Pre-Harvest Requirements

(i) Investor Responsibility

- Upon approval by the Minister, the Investor is required to prepare an annual working plan for the consideration and approval of the Director of Forestry.
- The investor shall support the Environmental Protection Agency in carrying out the Environmental Impact Assessment (EIA) for the area approved for a plantation concession grant.
- The Investor shall also prepare and keep a concession register (see Template 1D in Appendix I) and also a yield allocated (tree felled, taken or extracted) database (Template 2 in Appendix II)

(ii) Forestry Division Responsibility

- From the Forestry Act, a forest utilization concession shall be subject to a forest management and reforestation plan prepared by the Director of Forestry.
- In practice inventory of trees to be felled, taken or extracted is conducted by FD on behalf of the Investor at an agreed fee/support as appropriate. The following activities are conducted by FD to this effect:
  o Enumerate and mark all the merchantable trees in the plantation
  o Select trees to be felled, taken or extracted by species and diameter class
  o Produce the stock maps of the forest area
  o Field inventory report is submitted to the District Forestry Officer (DFO)
  o DFO in turn submit inventory report to the Director for final checking and approval
  o Estimate fees are prepared and sent to the Director of Forestry. Part payment is made before inventory starts and final payment on submission of final approval of work
- Recommends investor (applicant) to MTI for registration as an entity engaged in timber and timber products.

(iii) Environmental Protection Agency Responsibility

- Conducts the Environmental Impact Assessment (EIA) and develops a Land and Environmental Management Plan (EMP) in respect of the area approved for the prospective investor.

(iv) Ministry of Trade and Industry Responsibility
• Registers all Investors engaged in timber and timber products on the recommendation of the Director of Forestry.

4.3 Timber Production

(i) Investor Responsibility

• Undertakes the tree felling and extraction of only the trees approved in the yield as specified in Template 2
• The investor hauls felled trees to log points where they are cross-cut into logs bearing the same tree numbers with suffixes a,b etc, indicating first and second logs produced from the felled tree including also the compartments numbers, coupe from which the trees came from.
• The investor makes approved stumpage and other related forest fees (i.e. reforestation and training fees) payment into the approved NRA fee collecting account at an authorized bank and secures a receipt for verification purposes. The reforestation and training fees are subject to refund if approved planting is completed on schedule.
• The investor pays approved royalty rates to the authorized beneficiaries as specified in section 6.2 of this manual and submits copies of receipts to DFO

(ii) Forestry Division Responsibility

• The responsible Forestry officer measure felled tree length and diameters (two measurements at the butt end and one at the mid-section of the felled tree) in the presence of the Investors representative.
• The responsible Forest Officer then marks the exposed surface of the felled tree and also tree stump with paint marks for ease of verification.
• The responsible Forest Officer records details of the felled tree and the constituent logs into Templates 3A and 3B, respectively in Appendix III.
• DFO prepares annual concession rent (land lease rent) and monthly stumpage fees based on trees felled within the period and issues invoices for the Investor to pay into the approved NRA fees collecting account in an authorized bank.
• DFO prepares invoice(s) for royalty and concession rent (land lease) disbursement to the authorized beneficiaries using the approved disbursement rates
• DFO submits copies of company's forest fees invoice and statement of accounts in respect of the company's operation to the Director of Forestry on monthly basis.

(iii) NRA Responsibility

• NRA compiles details of payment receipts and submits statement to the Director of Forestry every month.

4.4 Log/Timber Transport
(i) Forestry Division Responsibility

- Forestry Division is responsible for issuing of log/timber transport permit (Template 4 in Appendix IV) and associated transport fees invoice to the investors.

(ii) Investor Responsibility

- Investor presents the way bill which shows the quality of timber in his possession and applies for permit to transport timber. In applying for a transport permit, the applicant must:
  - show proof of Plantation Concession/Timber Sales Agreement
  - indicate that timber being transported have identification mark/codes stamped by Forestry Division showing the origin of timber and the approved concession identification number (see Forestry Development, Exploitation and Trade Reforms section 5 – Forest Products Transportation)
  - show official /stamped receipt from the DFO or his/her representative indicating that the timber transport fees has been paid
  - show official /stamped receipt from the Road Transport Authority indicating that Company/Investor has paid vehicle licensing fee.

(iii) Local Council Responsibility

- M & E officers in the affected district will assist the FD to enforce this log/timber transport regulation

(iv) Road Transport Authority Responsibility

- Registers company’s vehicles and issues certificates
- Ensures applicable fees are paid to the appropriate authority
- Provides vehicle license plates

4.5 Mill Reception

(i) Investor/Company Responsibility

- At the mill, a representative of the Investor shall be responsible for taking inventory of logs entering the mill yard on daily basis and shall keep such information in a log entry register (see Template 5 in Appendix V). This register shall be kept at the mill gate at all times and made available for inspection by FD officials and other verifiers
- At the mill gate, the truck driver of the Investor hands over the way bill and log transport document to the entry clerk
- At the mill log yard, the Investor shall take the necessary steps to always keep logs of unknown origin or illegal logs from the legal logs.

(ii) Forestry Division Responsibility

- Conducts regular inspection of the company’s mill gate entry register
4.6 Log Processing and Processed Wood

(i) Investor Responsibility

- Company shall keep a register that shows the progressive completion of a processed wood contract (e.g. lumber contract)
- Prepares input and output analysis and keep records at the mill as shown in Template 6 in Appendix VI)
- Company shall clearly label processed wood materials, package them and keep them for inspection by FD officials

(ii) Forestry Division Responsibility

- Conducts regular inspection to verify company’s input and output analysis at the mills.

4.7 Mark Outlet and Trade Control

(i) Forestry Division Responsibility

- Commercial Forestry Unit of the FD work with the operator to provide product summary of the mill’s input and output analysis on daily, monthly and yearly basis to check consistency of mill production data.
- Provides guidance on product grading and pricing
- Estimates company’s product volume and value for local market annually based on the contract fulfilled
- Estimates company’s product volume and value for the export market based on contracts fulfilled

(ii) Investor Responsibility

- Maintains and regularly update sales register (Template 7 in Appendix VII) and keeps all sales invoices for verification by FD officials

4.7.1 Timber Export Permit

(i) Investor Responsibility

- Investor applies to the FD through the MTI for export permit and submit all required documentation
- Investor provides the required chemicals for fumigation
- Investor pays export levy to NRA and 10% of export levy to the Afforestation Account
(ii) Forestry Division Responsibility

- Receives export permit applications from MTI
- Following the approval of the application, the FD assist custom to inspect the timber products which involves assessment of the timber products in a consignment for export (i.e. dimensions, total volume and value based on which the applicable export taxes will be charged)
- FD collects timber product inspection fee (10% of f.o.b) from investor. This revenue will be used to fund forest conservation activities in Sierra Leone

(iii) Ministry of Trade and Industry Responsibility

- Endorse application from Investor after confirmation that all the necessary business taxes and fees have been paid

(iv) National Revenue Authority Responsibility

- With the exception of timber product inspection fee all payments for timber export will be paid to NRA including fumigation fees

(v) Phytosanitary Unit of the Ministry of Agriculture Responsibility

- Undertakes fumigation and issues certificate to the effect
- Advises on the required chemicals for fumigation

(vi) Ministry of Transport and Aviation Responsibility

- The Custom and Excise unit of the Ministry of Transport and Aviation at the port (Queen Elizabeth Quay) scans and inspects containers preferably with assistance from FD to verify the legality of timber consignment for export.

(vii) Shipping Agencies Responsibility

- Facilitate timely allocation of shipping containers to exporting companies.
SECTION 5  SALVAGE TIMBER FLOW

CoC for Salvage timber keeps information trail about how salvaged timber is acquired, harvested, transported, and processed (preferably through in-situ artisanal milling) and sold at a market outlet for local consumption. Change in ownership of the timber product and the various transformation of the timer itself as it moves along the supply chain is documented for ease of traceability.

Part VI section 15 of the 1990 Forestry Regulation outlines the conditions under which a clearance license is granted for salvaging timber. A clearance license is issued to a holder to clear land in a classified or unclassified forest for the purpose of road construction, prospecting, mining, or to plant trees or agricultural crops. The duration for such license is normally restricted to a short period.

5.1 Timber Rights Allocation for Salvage Timber

Prior to granting of a clearance license under any conditions as specified in Part VI section 15 of the 1990 Forestry Regulation the following roles and responsibilities shall be observed:

(i) Forestry Division Responsibility

- The responsible DFO shall receive a duly completed application form as set out in the Third Schedule (Application for a Clearance License- Appendix VII) of the 1990 Forestry Regulation
- The responsible DFO shall conduct inspection of the area under application and verify applicant’s submission
- The responsible DFO shall prepare a report which includes location and extent of area to be cleared; description of stocking and reference to applicable inventory; purpose for which clearance license is required; end use of timber and other produce; etc. as specified in Appendix VII. The DFO shall submit such report together with the application form to the Director of forestry for his approval.
- The Director of Forestry vets and approves clearance license

(ii) Prospective Operator (Investor) Responsibility

- Applies for a clearance forest with the enumeration report
- Submits land lease agreement endorsed by Paramount Chief and the Council where applicable

(iii) The Commercial Forestry Unit Responsibility

- Following the application, this unit keeps record of all approved clearance license holders (operators) in a data base for reference. This information shall include but not limited to the following:
  - Name of Operator
  - Property mark
  - Contact details of operator
  - Origin of operator
  - Legal proof of equipment owned by operator and related costs
  - Activities to be carried out by operator in the salvage area
5.2 Pre-Harvest Requirements

(i) Forestry Division Responsibility

- Except for areas where clear felling is authorized, all trees to be felled shall be enumerated and marked by a forestry officer before felling
- The responsible forestry officer shall mark the boundaries of the area earmarked for salvaging
- The District Officer vets and selects the trees enumerated/ marked for felling. In practice this tree marking is conducted by FD on behalf of the operator at an agreed fee/support as appropriate.
- The DFO in turn submits the selected tree list for salvaging to the Director of Forestry for approval and endorsement
- All conditions attached to the clearance license as contained in the 1999 Forestry Regulation shall be well communicated to the operator.
- Recommends operator to MTI for registration as an entity engaged in timber and timber products.

(ii) Operator Responsibility

- Upon approval of the trees to be salvaged by the Director of Forestry the clearance license holder is required to observe the following:
  - The operator shall also prepare to keep a salvage area register (See Template IE in Appendix I) and salvage timber data base (Template 2)
  - The operator shall take steps to satisfy all terms and conditions specified in the clearance license.

5.3 Timber Production

From a forest (classified or unclassified) undergoing salvaging, it is possible that logs and especially lumber are produced in-situ and sent directly to the local market.

5.3.1 Log Production

(i) Operator Responsibility

- Undertake tree felling of only the trees approved for salvaging as specified in Template 2 of Appendix II
• Operator hauls felled trees to log ponds where they are cross cut into logs bearing the same tree numbers with suffixes a, b etc., indicating first and second logs produced from the felled tree including a defined area from which the trees were extracted
• The operator makes stumpage fees payment into the approved NRA fee collecting account at an authorized bank and secure receipt for verification purposes.
• The operator pays approved royalty rates to the authorized beneficiaries and submits copies of receipts to DFO

(ii) Forestry Division Responsibility

• Forestry Officer responsible measures felled tree length and diameters (two measurements at the butt of the felled tree) in the presence of the operator’s representative
• The Forestry Officer then marks the exposed surface of the felled tree and also tree stump with paint marks for ease of verification
• The responsible Forest Officer records details of the felled tree and the constituent logs into Templates 3A and 3B, respectively in Appendix III.
• DFO prepares weekly stumpage fees based on trees felled within the period and issue and invoice for the company to pay into the approved NRA fees collecting account in an authorized bank.
• DFO prepares invoice(s) for royalty and concession rent (land lease) disbursement to the authorized beneficiaries using the approved disbursement rates
• DFO submits copies of company’s forest fees invoice and statement of accounts in respect of the company’s operation to the Director of Forestry on monthly basis.

5.3.2 In-situ Lumber Production

(i) Operator Responsibility

• Undertake tree felling of only the trees approved for salvaging as specified in Template 2 of Appendix II
• Convert logs to lumber using approved sawing equipment and methods
• Investor shall keep records showing the tally of lumber derived from every tree allocated as yield (see Template 3C in Appendix III)
• Investor shall clearly label the pile of lumber using the approved method and keep them for inspection by FD officials before a timber transport permit can be issued

5.4 Log/Timber Transport

(i) Forestry Division Responsibility

• Forestry Division is responsible for issuing timber transport permit (Template 4 in Appendix IV) and associated fees invoice to the operator
(ii) Operator Responsibility

- Operator presents his waybill which ascertains the quantity of timber in his possession and applies for permit to transport timber. In applying for a transport permit, the applicant must:
  - show proof of Clearance license
  - indicate that timber being transported have identification mark/codes stamped by FD showing the origin of timber (i.e. from salvage/clearance forest area identification number (see Forestry Development, Exploitation and Trade reforms section 5- Forest products transportation).
  - show official /stamped receipt from the DFO or his/her representative indicating that the timber transport fees has been paid
  - show official /stamped receipt from the Road Transport Authority indicating that Company/Investor has paid vehicle licensing fee.

(iii) Local Council Responsibility

- M & E officers in the affected districts will assist the FD to enforce this regulation

5.5 Market Out and Trade Control

(i) Forestry Division Responsibility

- Commercial Forestry Unit of the FD work with the operator to provide product summary of his harvesting operations in the forest area under clearance/salvage. This includes for example a simplified input and output analysis on weekly basis to check the consistency of his logging operations
- Provides guidance on product grading and pricing
- Estimate the product volume for the local market only based on contracts fulfilled

(ii) Investor Responsibility

- Maintains and regularly update sales register (Template 7 in Appendix VII) and keeps all sales invoices for verification by FD officials.
SECTION 6 GENERAL PROVISIONS

6.1 Distribution of Land Lease Payment for Community/Private and National Forests

The Forestry Development, Exploitation and Trade Reforms of 2008, considers that in the past, the value for land had not been properly valued in forestry utilization. Thus beneficiaries including communities did not receive adequate compensation from land lease rents. It is therefore proposed that a standard land lease agreement be developed, which will require companies/investors to pay fee for land lease from the previous $ 0.5 to $ 5.0/ ha and should be reviewed every three years.

The distribution of Land Lease payment for Community, Private and National Forests are as follows:

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Percentage Share</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landowners</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Local Council/Government</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Paramount Chief</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Chiefdom Administration</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>National Government</td>
<td>20% (Afforestation Account)</td>
<td></td>
</tr>
</tbody>
</table>

6.2 Benefit Sharing from Forest Exploitation

According to the Forestry Development, Exploitation and Trade Reforms of 2008, the distribution of financial benefits (i.e. Royalty) shall be revised as follows:

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>Percentage Share</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Landowners</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Local Council/Government</td>
<td>20%</td>
<td>For council development purposes</td>
</tr>
<tr>
<td>Paramount Chief</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Chiefdom Administration</td>
<td>30%</td>
<td>For Chiefdom development purposes</td>
</tr>
<tr>
<td>National Government</td>
<td>100%</td>
<td>Stipulated fees for collection by NRA or appropriate government institution</td>
</tr>
</tbody>
</table>

6.3 Administration of Social Corporate Responsibility

The Forestry Development, Exploitation and Trade Reforms of 2008 advocates for a review of the 1988 Forestry Act and make amendments to reflect best forest governance practices such as social corporate responsibility. Social corporate responsibility usually ensures that the entire forest communities within which a Concessionaire or Timber Sales Agreement operates benefit from the exploitation of timber resources particularly from national and community forests.
Apart from royalties paid to beneficiaries, social corporate responsibility provides opportunity for the timber rights holder to contribute towards the developmental needs of a society. The development needs of communities vary and may include direct cash payments, logistic support, job opportunities, etc. The timber rights holder in turn receives support from the communities as partners in the protection of the forest resources.

Social corporate responsible agreements are usually signed between the Concessionaire or Timber Sales Agreement and the communities with the MAFFS represented by the FD playing a mediator role. When Social corporate responsible agreements are signed all parties are expected to fulfill their commitments. This is partly the reason why the performance bonds are made when acquiring a timber right so that in the event the company fails to corporate, the bond will be used to settle the commitments of the Concessionaire or Timber Sales Agreement holder.

### 6.4 Offences and Sanctions

The minimum listing of offences and sanctions as applicable to the operations in the forestry sector (sections 1-5) at the time of writing this manual is indicated in Table 1. The offences and sanctions shall be regularly updated as and when they are reviewed.

Table 1 Offences and sanctions governing timber operations

<table>
<thead>
<tr>
<th>Item #</th>
<th>Offence</th>
<th>Sanction(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>A company/investor operating without a valid Forest Concession Agreement/Timber Sales Agreement/Other License or any formal authorization from a competent authority</td>
<td>The competent Forestry Authority shall terminate operation, initiate arrest and prefer charges for prosecution</td>
</tr>
<tr>
<td>2</td>
<td>A company/investor operating without a valid business registration from MTI</td>
<td>The competent Forestry Authority shall suspend operation until business is duly registered</td>
</tr>
<tr>
<td>3</td>
<td>A company/investor in arrears of stumpage fees, concession rent, and other taxes/fiscal obligations including Social Corporate Responsibility commitments after serving sufficient notice</td>
<td>The competent National Revenue Authority/Forestry Authority shall suspend operation until arrears are settled or a formal commitment is made to redeem all outstanding fiscal obligations</td>
</tr>
<tr>
<td>4</td>
<td>A company conducting harvesting operations contrary to the provisions of the Environmental Management Plan (EMP)</td>
<td>The competent Environmental Protection Agency/Forestry Authority shall suspend operation until corrective measures are in place and followed strictly</td>
</tr>
<tr>
<td>5</td>
<td>In the case where a company fell trees that are not part of allocated yield /or selected trees for harvesting</td>
<td>A penalty of twenty fold the current maximum stumpage fees shall be surcharged</td>
</tr>
<tr>
<td>6</td>
<td>In the case where a company fells a protected tree species without the required permit</td>
<td>A penalty of twenty fold the current maximum stumpage fees for that species will be surcharged</td>
</tr>
<tr>
<td>7</td>
<td>If in the opinion of the DFO there has been damage to crops as a result of the operations not being carried out in accordance with the Forestry Regulations, and compensation has not been paid Company or holder of the timber harvesting right</td>
<td>The competent Forestry Authority shall suspend operation until he/she is satisfied that such compensation has been paid</td>
</tr>
<tr>
<td>Item #</td>
<td>Offence</td>
<td>Sanction(s)</td>
</tr>
<tr>
<td>--------</td>
<td>-------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>In the case where a company transports timber without the correct</td>
<td>Defaulters will have their timber detained and allowed 48 hours for the</td>
</tr>
<tr>
<td></td>
<td>identification marks/codes stamped by Forestry division showing the</td>
<td>payment of a penalty of four fold the fees for timber transportation.</td>
</tr>
<tr>
<td></td>
<td>origin of Timber and Concession’s identification number or Timber Sales</td>
<td>Failing to pay the penalty of four fold will lead to a forfeiture of the</td>
</tr>
<tr>
<td></td>
<td>Agreement holder</td>
<td>illegally transported timber</td>
</tr>
<tr>
<td>9</td>
<td>In the case where there is mis-naming of species by with the intention</td>
<td>The competent Forestry Authority shall suspend Company’s operation and</td>
</tr>
<tr>
<td></td>
<td>of evading stumpage fees/tax/levies</td>
<td>initiate investigations to arrive at a logical conclusion.</td>
</tr>
<tr>
<td>10</td>
<td>In the case where a company operates an expired processed wood contract</td>
<td>The competent Forestry Authority shall suspend Company’s operation until</td>
</tr>
<tr>
<td></td>
<td></td>
<td>corrective measures are in place and followed strictly</td>
</tr>
<tr>
<td>11</td>
<td>In the case where a company declares less contract volume as against</td>
<td>The competent Forestry Authority shall suspend Company’s operation and</td>
</tr>
<tr>
<td></td>
<td>shipment volume</td>
<td>initiate investigations to arrive at a logical conclusion.</td>
</tr>
<tr>
<td>12</td>
<td>In the case where product specification do not match with contract</td>
<td>The competent Forestry Authority shall suspend Company’s operation and</td>
</tr>
<tr>
<td></td>
<td>specification</td>
<td>initiate investigations to arrive at a logical conclusion.</td>
</tr>
</tbody>
</table>
# APPENDICES

Appendix I  Types of Forest Rights Allocation Register

Template 1A Forest Concession Agreement (FCA) Register

<table>
<thead>
<tr>
<th>National Forest Reserve Name</th>
<th>MAFFS/Cabinet Approval Reference</th>
<th>Size of Concession (HA)</th>
<th>Region and Forest District</th>
<th>Chiefdom Administration</th>
<th>Land Owner</th>
<th>Local Council</th>
<th>Date of Issue</th>
<th>Date of Expiry</th>
<th>Duration (years)</th>
</tr>
</thead>
</table>

Template 1B - Community Forest Concession (CFC) Register

<table>
<thead>
<tr>
<th>Community Forest Name + Location</th>
<th>MAFFS approval Reference</th>
<th>Size of Concession (HA)</th>
<th>Region and Forest District</th>
<th>Chiefdom Administration</th>
<th>Land owner</th>
<th>Local Council</th>
<th>Date of Issue</th>
<th>Date of Expiry</th>
<th>Duration (years)</th>
</tr>
</thead>
</table>

Template 1C - Private Forest Concession Register

<table>
<thead>
<tr>
<th>Private Forest Name + Location</th>
<th>MAFFS approval Reference/ TSA Reference</th>
<th>Size of Concession (HA)</th>
<th>Region and Forest District</th>
<th>Chiefdom Administration</th>
<th>Land owner</th>
<th>Local Council</th>
<th>Date of Issue</th>
<th>Date of Expiry</th>
<th>Duration (months/years)</th>
</tr>
</thead>
</table>

Template 1D - Plantation Concession Register

<table>
<thead>
<tr>
<th>Plantation Forest Concession Name + Location</th>
<th>MAFFS approval Reference/ Plantation Concession Agreement/TSA</th>
<th>Size of Concession (HA)</th>
<th>Region and Forest District</th>
<th>Chiefdom Administration</th>
<th>Land owner</th>
<th>Local Council</th>
<th>Date of Issue</th>
<th>Date of Expiry</th>
<th>Duration (years)</th>
</tr>
</thead>
</table>

Template 1E - Clearance (Salvage) Forest Area Register

<table>
<thead>
<tr>
<th>Location of Approved Clearance (salvage) area</th>
<th>MAFFS approval Reference</th>
<th>Size of Concession (HA)</th>
<th>Region and Forest District</th>
<th>Chiefdom Administration</th>
<th>Land owner</th>
<th>Local Council</th>
<th>Date of Issue</th>
<th>Date of Expiry</th>
<th>Duration (years)</th>
</tr>
</thead>
</table>
## Appendix II Yield List Details

### Template 2 Selected/Harvestable Tree List Details

Investor/Company…………………………………………………… Property Mark…………………………………………………………

Forest District…………………………………………………… Forest Compartment/Block/Coupe/Area…………………………

Name of National/Community/Private Forest Landowner / Chiefdom Administration

<table>
<thead>
<tr>
<th>Reference No. (Permit/Authorization)</th>
<th>Type of Timber Permit</th>
<th>Tree Stock Numbers</th>
<th>Tree species</th>
<th>Species Class</th>
<th>Estimated Tree Height (m)</th>
<th>Diameter (dbh) Measurement (cm)</th>
<th>Estimated volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ FCA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ CFC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Private Forest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>□ Plantation Forest</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>□ Salvaged (Clearance) Tim</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Title of Approving Authority………………………………… Total no. of Trees Allocated ……………………………

Signature……………………………………………………… Estimated Total Volume (m³)……………………………

Date………………………………………………………… Validity of Yield……………………………………
Appendix III  Felled Tree and Log/Lumber Information Details

Template 3A Felled Tree Information Form

<table>
<thead>
<tr>
<th>Investor/Company</th>
<th>Property Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Forest Compartment/Block/Coupe/Area</td>
</tr>
</tbody>
</table>

Reference No. (Permit/Authorization)

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Landowner/Chiefdom Administration</th>
<th>Local Council</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Timber Permit</th>
<th>Tree Stock No.</th>
<th>Company No.</th>
<th>Tree Species</th>
<th>Tree Length (m)</th>
<th>Db1 (cm)</th>
<th>Db2 (cm)</th>
<th>Dm (mid-section) (cm)</th>
<th>Volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Forestry Officer’s Name

Total no. of Trees Recorded

Signature

Estimated Total Volume (m³)

Date

Company’s Representative Name

Date

Signature
Template 3B Log Information Form

Investor/Company………………………………………………………….  Property Mark………………………………………..
Location……………………………………………………………….  Forest Compartment/Block/Coupe/Area
………………………………………………………………………..
Felled Tree Information Reference No……………………………..

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Landowner/Chiefdom Administration</th>
<th>Local Council</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Timber Permit</th>
<th>Tree Stock No.</th>
<th>Company No.</th>
<th>Tree Species</th>
<th>Log No.</th>
<th>Log Length (m)</th>
<th>Db1 (cm)</th>
<th>Db2 (cm)</th>
<th>Dm (mid-section) (cm)</th>
<th>Volume (m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Forestry Officer’s Name……………………………………..  Total no. of Logs Recorded……………………………………..
Signature………………………………………..  Estimated Total Volume (m³)………………………………………..
Date…………………………………………………………..
Contractor’s Representative Name……………………………..  Date…………………………………………………………..
Signature…………………………………………………………..

THIS IS NOT A PERMIT TO FELL TREES OR TRANSPORT TIMBER PRODUCTS
Template 3C In-situ Lumber Production Sheet

Investor/Company……………………………………………………………………………………………………………………………
Location………………………………………………………………………………………………………………………………………

Felled Tree Information Reference No………………………………………

<table>
<thead>
<tr>
<th>Forest District</th>
<th>Landowner/Chiefdom Administration</th>
<th>Local Council</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Timber Permit</th>
<th>Tree Stock No.</th>
<th>Company No.</th>
<th>Tree Species</th>
<th>Log No.</th>
<th>Log Dimension (Length&amp; Avg. Diameter(m))</th>
<th>Log Volume (m³)</th>
<th>Lumber Details &amp; Tally</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Dimension</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Quantity (pieces)</td>
</tr>
</tbody>
</table>

Forestry Officer’s Name………………………………………
Signature……………………………………………………
Date…………………………………………………………

Total no. of Lumber Recorded…………………………
Estimated Total Lumber Volume (m³)…………………

Contractor’s Representative Name……………………
Date…………………………………………………
Signature………………………………………………

THIS IS NOT A PERMIT TO FELL TREES OR TRANSPORT TIMBER PRODUCTS
Appendix IV  Timber Products Transport Permit

Template 4 Log/Lumber Transport Permit

Investor/Company……………………………………………… Property Mark………………………………………………
Origin………………………………………………………… Destination………………………………………………
Log Information Form No………………………………… Forest District………………………………………………
Driver’s Name……………………………………………… Vehicle Registration No…………………………………

<table>
<thead>
<tr>
<th>Type of Timber Permit</th>
<th>Tree Stock No.</th>
<th>Company No.</th>
<th>Tree Species</th>
<th>Log No.</th>
<th>Log Volume (m³)</th>
<th>Lumber Details &amp; Tally</th>
<th>Total Lumber Pcs/Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Dimension</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Pieces</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These Logs/Lumber have been inspected by a representative of the Forestry Division and approval to transport them is hereby granted

Title of Approving Authority……………………………… Date of Issue …………………………………………
Signature………………………………………………… Date of Expiry……………………………………………
Name of Authorizing Officer……………………………… Timber Transport Fee Receipt No. (Attach copy of receipt)…………………………………………………
Appendix V  Log Entry Register at Mill

Template 5 Log Entry Form at Mill

Investor/Company…………………………………………… Property Mark………………………………………………
Origin………………………………………………………… Destination………………………………………………
Timber/Log Transport Permit No……………………….. Date of Log Arrival at Mill……………………………..
Driver’s Name……………………………………………… Vehicle Registration No………………………………
Entry Clerk’s Name……………………………………… Company’s Waybill No………………………………

<table>
<thead>
<tr>
<th>Tree Stock No.</th>
<th>Company No.</th>
<th>Tree Species</th>
<th>Log No.</th>
<th>Log Length (m)</th>
<th>Db1 (cm)</th>
<th>Db2 (cm)</th>
<th>Dm (mid-section) (cm)</th>
<th>Volume (m$^3$)</th>
<th>Log Grade + Description of Defects</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

These Logs have been inspected by representatives of the Forestry Division and Company and approval to process/transform them is hereby granted

Forestry Officer’s Name……………………………….. Total no. of Logs Transported by Vehicle……………..
Signature……………………………………………….. Estimated Total Volume (m$^3$)…………………………..
Date……………………………………………………..
Company’s Representative Name………………………. Date………………………………………………….
Signature………………………………………………..
Appendix VI  Material Input and Product Output

Template 6 Input and Output Analysis Form

<table>
<thead>
<tr>
<th>Investor/Company</th>
<th>Property Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Specification</td>
<td>Market Destination</td>
</tr>
<tr>
<td>Validity Period of Contract</td>
<td>Production Start Date</td>
</tr>
<tr>
<td></td>
<td>Production End Date</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Timber Permit (Timber source)</th>
<th>Species</th>
<th>List of FD Tree stock numbers used in the production</th>
<th>List of constituent log numbers</th>
<th>List of cross-cut logs (bolts) with Job ID used in the production</th>
<th>Total bolt Input Vol.(m³)</th>
<th>Total product Output Vol.(m³)</th>
<th>Percent Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Production Manager’s Name……………………………………
Signature……………………………………………………
Date…………………………………………………………

Director of Company’s Name……………………………………
Signature……………………………………………………
Date…………………………………………………………
## Appendix VII  Sales Register

Template 7 Sales Register

<table>
<thead>
<tr>
<th>Investor/Company</th>
<th>Property Mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Address</td>
<td>Contact Person</td>
</tr>
<tr>
<td>Contact Telephone #</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales Invoice No.</th>
<th>Date</th>
<th>Sales Order No.</th>
<th>Item No.</th>
<th>Product Code</th>
<th>Description</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Price</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**Amount Excluding VAT**

**VAT**

**Total Amount**

### DELIVERY INFORMATION

<table>
<thead>
<tr>
<th>Shipping Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipping Agent:</td>
</tr>
<tr>
<td>Final Destination:</td>
</tr>
</tbody>
</table>