

## **Steps followed by Chilimo forest user groups to carry out a closed auction for timber sale**

- Based on their forest management plan members of the forest management groups discuss and agree on sales issues such as place and quantity to be harvested;
- Based on the request from the forest management groups the woreda assigns experts to the forest site to undertake the study;
- The quantified result of the forest (in cubic meter) is compiled and sent back to the group;
- Executive committee of the group suggests the minimum price for the proposed plantation.
- A general meeting will then be called to establish the Auction Committee that will be responsible to organize and carry out the auction.
- This committee may consist of any of the member of the forest management group, except executive committee members.
- The duties of the committee include selling of the auction document and preparing the bid.

### **Once elected, the committee follow the steps below:**

- discusses the price range with the natural resource office because it has good experiences and also because the office gets 30% of the sale;
- Prepare the auction documents;
- Prepare a daily schedule for individuals who sell auction documents;
- Receive 10% bid bond from competitors;
- Include active participants who witness the bid (natural resource office, administration council, coop office etc) and Put out the bid box for 10 - 15 days and open it on the final day at the presence of witnesses;
- Announce the winner officially;
- Discuss and clear with the executive committee issues such as payment of annual tax and other levies by the winner;
- Sign final sales agreement with the winner (the signed agreement includes dates for payments of all outstanding fees, and beginning of harvesting and hauling of forest products);
- Ensure the winner harvests the trees within the specified dates (winner hires people to harvest the product, usually the surrounding community members are hired);
- Present the final agreement to the natural resource office to notify all checkpoints on the way to Addis to permit transport of products.