

PRE-PIC* PROPOSAL

*Prior informed consent



The NGO ERuDeF (Environment and Rural Development Foundation) has set as its objective to support actions to enhance the value of local plants in order to generate income for the development of local communities. The NGO applies this approach to engage local communities in sound management of their environment as a way to preserve the forest cover, the flora, and the fauna.

As part of this approach, the NGO also strives to encourage private partners who have the ability to work with local communities in enhancing the value of natural resources.

It is hereby suggested to clarify the objectives of research and development activities that may be developed in relationship with local plants in order to guarantee respect for local customs as well as transparency and equity in operations.

The NGO ERuDeF will work to involve the company Mane in enhancing the value of the following resources: roots of Echinops giganteus (local name: Ayrlagwem) in cooperation with the community Magha.

The research activities are geared to give a cosmetic value to the plant and the company commits to explain in due time, prior to any marketing, the uses considered and the amounts that may be ordered over time so that all signatory parties can endorse the marketing of the product considered.

The parties acknowledge that this is a research project and therefore it does not yet allow for making any commitment on prices and amounts, and that it may take several months or years to obtain results and subsequently reach the point where they will discuss and agree on conditions for exploitation.

As research and development at a stage where the product's commercial value is yet to be confirmed is a costly process, the signatories hereof agree to keep confidential the research underway and even the concept of using the plant. None of them shall disclose any information on this activity unless it is agreed by all parties.

The company commits to refrain from developing the purchase of the plants or extracts of the plants without consulting the community ______ on their interest to take part in its marketing, if any.

The community ______ and the representative of the company Mane will agree on the price of the raw material to be purchased, such price being in keeping with the level of effort required for the raw material production and equitable local salaries criteria while allowing for commercial development.

In case it disagrees with the venture and is not interested in working with the company, the community shall formally make it known. The company may then turn to other communities in the area who are willing to work under similar equitable conditions.

All the signatories commit to ensure that the species used are not overexploited and to pay special attention to preserving the environment from any damage.

By signing this document,

- The representatives of the community Magha confirm that their community is not opposed to the initiation of commercial operations in relationship with this plant in the future;
- The company Mane, through the NGO ERuDeF, commits to ensure that no sacred site and no local customs will be disturbed as a result of any possible exploitation.

In-depth discussions will be conducted between the communities and other stakeholders in order to ensure that the communities are adequately informed of the purpose and the conditions for the operations considered before any exploitation is developed.

The exportation of raw materials or extract of natural matters shall be subject to the authorization of national authorities.

Date: 19/07/2013

Place: Maghs

Signatures:

Tacham Martin The representative

of the community

of the NGO ERuDeF

The representative of the company Mane

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