



**Liberia Extractive  
Industries  
Transparency Initiative**



**Published by the LEITI Secretariat**

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# LEITI ANNUAL ACTIVITY REPORT 2013

## LEITI MULTI-STAKEHOLDERS STEERING GROUP

### Government of Liberia

1. Ministry of Finance - Chair
2. Ministry of Lands, Mines & Energy - Co-chair
3. Ministry of Internal Affairs (MIA)
4. Forestry Development Authority (FDA)
5. National Oil Company of Liberia (NOCAL)
6. Ministry of Agriculture

### National Legislature

1. The Liberian Senate
2. The Honorable House of Representatives

### Civil Society Organizations

1. Publish What You Pay (PWYP)
2. Federation of Liberian Youth (FLY)
3. Gold & Diamond Miners Workers Union of Liberia

### Private Sector

1. ArcelorMittal
2. Chevron
3. BHP Billiton
4. Liberia Timber Association (LTA)
5. Gold & Diamond Brokers & Dealers Association

### Others

1. National Traditional Council of Liberia (NTCL)

### Development Partners

1. World Bank (WB)
2. International Monetary Fund (IMF)
3. United Nations Development Program (UNDP)
4. UK's Department for International Development (DfID)
5. United States Government
6. United Nations Missions in Liberia (UNMIL)
7. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
8. African Development Bank (ADB)

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	sectors						requirement	
<input type="checkbox"/>	Resolution of discrepancies – 3 <sup>rd</sup> , 4 <sup>th</sup> Reports	<input type="checkbox"/> Unresolved discrepancies weakens accountability & transparency	<input type="checkbox"/> LEITI/Consultant	<input type="checkbox"/> Deputy Head of Secretariat <input type="checkbox"/> Technical Officer	\$25,000	<input type="checkbox"/> WB <input type="checkbox"/> GOL	<input type="checkbox"/> Sept 2013 – June 2014	<input type="checkbox"/> Increased accountability and transparency
			<input type="checkbox"/> Technical Officer					
	Develop & Implement MSG Operations Manual	<input type="checkbox"/> Lack of clear rules of engagement	<input type="checkbox"/> WB <input type="checkbox"/> LEITI Secretariat	<input type="checkbox"/> Head of Secretariat	\$5,000	<input type="checkbox"/> WB	<input type="checkbox"/> Jan 2014	<input type="checkbox"/> Effective functioning of the MSG <input type="checkbox"/> Effective policy formulation
	Implement LEITI Secretariat Manual	<input type="checkbox"/> Lack of clear rules of engagement	<input type="checkbox"/> LEITI Secretariat	<input type="checkbox"/> LEITI Secretariat	\$2,500	<input type="checkbox"/> WB	<input type="checkbox"/> Sept 2013	<input type="checkbox"/> Effective and efficient Secretariat operations
	Expansion of Extractive Clubs (e-clubs) in high schools & Inter-high school debate	<input type="checkbox"/> Little knowledge of LEITI activities amongst high school	<input type="checkbox"/> GIZ <input type="checkbox"/> LEITI Secretariat <input type="checkbox"/> MSG	<input type="checkbox"/> All Secretariat Staff	\$40,000	<input type="checkbox"/> GIZ	<input type="checkbox"/> Sept 2013 – Jun 2014	<input type="checkbox"/> Increased awareness and participation of LEITI activities and programs
<input type="checkbox"/>	Decentralization of LEITI activities	<input type="checkbox"/> Need to expand activities of LEIT to leeward counties to ensure wider participation of citizens	<input type="checkbox"/> WB <input type="checkbox"/> LEITI Secretariat <input type="checkbox"/> MSG	<input type="checkbox"/> Head of Secretariat <input type="checkbox"/> Deputy Head of Secretariat <input type="checkbox"/> Finance Director <input type="checkbox"/> Communications Officer	\$95,413	<input type="checkbox"/> GOL <input type="checkbox"/> WB	<input type="checkbox"/> Jan 2014 – March 2014	<input type="checkbox"/> Full decentralization of LEITI activities across the country
<input type="checkbox"/>	Integration of LEITI templates into IFMIS / MOF	<input type="checkbox"/> General lack of delay in payment <input type="checkbox"/> Delayed in LEITI reports <input type="checkbox"/> Inefficient reconciliation processes	<input type="checkbox"/> LEITI Secretariat	<input type="checkbox"/> Head of Secretariat	\$3,000	<input type="checkbox"/> WB	<input type="checkbox"/> May 2014 – June 2014	<input type="checkbox"/> Enhanced ability to generate sector &, regional reports <input type="checkbox"/> Real-time access to payment data <input type="checkbox"/> Efficient reconciliation process
<input type="checkbox"/>	Benefactor Ownership	<input type="checkbox"/> Little knowledge of ownership within extractive	<input type="checkbox"/> LEITI Secretariat	<input type="checkbox"/> Head of Secretariat	\$30,000	<input type="checkbox"/> UNDP	<input type="checkbox"/> Jan 2014 – Apr 2014	<input type="checkbox"/> Increased knowledge over ownership <input type="checkbox"/> EITI
<input type="checkbox"/>	Resolution of discrepancies – 3 <sup>rd</sup> , 4 <sup>th</sup> Reports	<input type="checkbox"/> Unresolved discrepancies weakens accountability & transparency	<input type="checkbox"/> LEITI/Consultant	<input type="checkbox"/> Deputy Head of Secretariat <input type="checkbox"/> Technical Officer	\$25,000	<input type="checkbox"/> WB <input type="checkbox"/> GOL	<input type="checkbox"/> Sept 2013 – June 2014	<input type="checkbox"/> Increased accountability and transparency

Stakeholder feedback mechanism	Minimum input from stakeholders in MSG decisions	LEITI Secretariat MSG	Head/Deputy Head of Secretariat Finance Director Administrative Manager	\$42,000	ADB	Jan 2014	Increased participation of stakeholders in the policy formulation
Talk show and Advocacy on LEITI activities	Weak advocacy resource issues	ELBC Radio LEITI	Head of Secretariat Communications Officer	\$14,000	UNDP	Aug 2013 - Dec 2013	Increased awareness of and participation in LEITI activities
Capacity Building amongst CSOs, Traditional Leaders	Weak capacities amongst CSOs, traditional leaders	LEITI CSOs Consultants	Head/Deputy Head of Secretariat Finance Director Technical Director Communications Officer	\$58,000	ADB	Sept 2013 - June 2014	Enhanced capacities for CSOs, traditional leaders to contribute to the LEITI process
Conduct Post Contract Award Process Audit of rights granted in the oil, mining, agriculture, and forestry sectors	Availability of all contracts, concessions, licenses in the oil, mining, forestry, and agriculture sectors Supervising agencies lack information on under their purview	ADB LEITI Secretariat	Head of Secretariat Deputy Head of Secretariat Administrative Manager Office Assistant	\$135,000	ADB	Dec 2013 - Mar 2014	Ascertain if applicable Liberian laws were followed Recommend ways to harmonize lapses/overlap in laws Ensure Liberians get fair benefits from their resources
Online Data Repository	Untimely reports	LEITI Secretariat	Head/Deputy of Secretariat	\$20,000	UNDP	Dec 2013	Enhanced report quality and timeliness

## MESSAGE FROM THE HEAD OF SECRETARIAT



The LEITI has achieved significantly against the many programs and activities earmarked for 2013 at the beginning of the year. Details of these are delineated in subsequent pages of this report.

Again, as I have always done, I am grateful to my staff who have demonstrated commitment and gave in their valuable expertise and time, to ensure these achievements. I am also thankful for support from the MSG that has continued to set the right policy direction as well as all other stakeholders of the LEITI whose contributions and support have made possible these accomplishments one way or the other.

However, the focus is ahead—and I'll like to talk a little more

about the new commitments LEITI has made in the pending year to ensure greater improvements in accountability and transparent resource management in Liberia.

By June 2014, Liberia is expected to publish its 5<sup>th</sup> EITI Report. The report will involve reconciliation of payments made to, and revenues received by the Government of Liberia from every oil, mining, forestry and agricultural company during the Fiscal Year July 1, 2011 up to and including June 30, 2012. This report will also include In-kind Contributions made by extractive companies, Revenue Tracking, and Amount Due for all fixed amounts from all covered sectors.

In light of the New EITI Standard and local laws, LEITI will publish its first report on beneficial ownership. Beneficial Ownership Disclosure will provide information on the ownership structure and show any conflict of interest in the assignment of material rights in the oil, mining, forestry and agriculture sectors by the government. Like the Post Award Process Audit, we expect this task to be daunting. But I am convinced Liberians are ready once again to demonstrate our commitment to real transparency. This work will further demonstrate that our collective conscience as Liberians is pointed in the right direction.

Additionally, in 2014 we have planned to conduct Beneficial Ownership of rights granted in the oil and mining, agricultural and forestry sectors in 2012; undertake dissemination of the 4<sup>th</sup> EITI Report; conduct resolutions of discrepancies in the 3<sup>rd</sup> and 4<sup>th</sup> EITI Reports; and expand the youth engagement program.

I again call on everyone to support the process, as each of us has the obligation to contribute to making our society better.

Sincerely yours,

Samson S. Tokpah  
Head of Secretariat

## Executive Summary

In its 2013 Work Plan, LEITI earmarked the implementation of series of programs and activities geared towards achieving the organization's goals. Key amongst these were the preparation and dissemination of the 4<sup>th</sup> EITI Report for Liberia and the Post Award Process Audit Report; improving the overall quality of LEITI's reports and strengthening monitoring of the extractive sectors by recruiting additional staff with the relevant technical expertise; expanding its communications and outreach campaign to ensure increased public involvement in the EITI process with a particular focus on youth participation; supporting the Multi-stakeholders Steering Group (MSG) of the LEITI through a systematic constituency feedback process, and the development and implementation of policy manual for the MSG.

A review of the year shows that significant progress. Both the 4<sup>th</sup> EITI Report and the Post Award Process Audit Report were launched in May 2013. The former shows a whopping US\$117 million contribution to the Liberian economy while the latter detailed lapses in the processes leading to the award of 68 material concession agreements in the oil, mining, agricultural and forestry sectors between 2009 and 2011.

The LEITI Communications Strategy, developed since 2009, was revised, with a focus on introducing new methods and approaches aimed at enhancing communicating the LEITI process in a more robust manner. The youth program has also gained momentum in 2013, with series of activities implemented with over hundred students from ten high schools in and around Monrovia. Additionally, LEITI was able to engage the public in different ways including the use of the radio where messages about the LEITI have been aired in the forms of dramas and jingles both in English and the various local languages; our quarterly newsletter as well as the internet and various social media.

The LEITI Secretariat recruited three new staff in 2013, whereas, staff needs were assessed and series of training programs conducted with funding support from donor partners including the World Bank and UNDP. In addition to these specific trainings, LEITI also participated in two major EITI exchange programs including the South-South Learning Exchange Program held in Monrovia amongst Tanzania, Ethiopia and Liberia in November 2013 and the Peer-to-Peer Learning exchange between LEITI and its Nigerian counterpart held in Abuja in November 2013.

These many achievements came amidst several challenges. These include severe capacity constraints; lack of ideal and spacious office space; and funding limitation amongst others.

Finally, LEITI has made even greater commitments for 2014. As part of Work Plan for the year, we will prepare and publish the 5<sup>th</sup> EITI Report; conduct post-award audits of material concession rights granted by the government during 2012; and for the first time, implement Beneficial Ownership Disclosure, which will provide information on the ownership structure and show any conflict of interest in the assignment of material rights in the oil, mining, forestry and agriculture sectors by the government. LEITI will also disseminate the 4<sup>th</sup> EITI Report; reconcile the discrepancies in the 3<sup>rd</sup> and 4<sup>th</sup> EITI Reports and expand the youth engagement program to increase youth participation.

### I. THE 4TH EITI REPORT FOR LIBERIA

In June 2012, the Multi-stakeholders Steering Group (MSG) of the Liberia Extractive Industries Transparency Initiative (LEITI) approved the Terms of References (TOR) for the preparation of the 4<sup>th</sup> EITI Report for Liberia. Subsequently, Ernst and Young (Ghana) along with MGI Monbo was contracted through a competitive bidding process to serve as Independent Reconciler in preparing the report.

The report preparation began with the conduct of a technical workshop held on November 2, 2012 at the auditorium of the Providence Hotel in Monrovia, during which the Reconciler distributed reporting templates to concerned companies and agencies of government and provided instructions on how the templates would be completed. Challengingly, submission of templates took a slow pace such that as of the December 12, 2013 deadline, less than 20 companies have submitted. Deadlines were pushed ahead twice and to further strengthen the process, the LEITI Secretariat provided personnel and logistical support including assigning sector focal persons to support reporting companies.

However, with continued efforts, the report was completed and was endorsed and launched by the MSG on May 16, 2013. The 4<sup>th</sup> EITI Reconciliation Report shows a whopping US\$117m contribution from the extractive sectors to the Liberian economy in Fiscal Year (FY) 2010/11. This amount represents a 65% increment in what was reported in the previous year (US\$71m). In retrospect, the extractive sectors continue to show a sustained growth of revenue contributions to the economy, from \$29m in 2007/2008; \$35m in 2008/2009; and \$71m in 2009/2010 to \$117m in 2010/2011.

Interestingly, as part of efforts to fairly capture the flow of revenue from the extractive sectors, the 4<sup>th</sup> Report was also expanded to cover four additional agencies of government which were not included in previous reports, including the National Port Authority (NPA), the Liberia Civil Aviation Authority (LCAA), the Liberia Maritime Authority (LMA) and

Workshop with LACC and Legislature on the LEITI process and make use of the Reports	<input type="checkbox"/>	Minimum use of LEITI reports by Legislature and LACC	<input type="checkbox"/>	LEITI Secretariat	<input type="checkbox"/>	LEITI Secretariat	\$6,000	<input type="checkbox"/>	WB	Nov 2013	<input type="checkbox"/>	Increased awareness and use of LEITI reports by Legislature and LACC
Workshop with Transparency & Accountability Institutions	<input type="checkbox"/>	Minimum collaboration amongst accountability institutions	<input type="checkbox"/>	LEITI Secretariat	<input type="checkbox"/>	LEITI Secretariat	\$10,000	<input type="checkbox"/>	UNDP	Dec 2013	<input type="checkbox"/>	Increased awareness and collaboration amongst anti-graft institutions
Strengthen Capacity to monitor sectors	<input type="checkbox"/>	Weak or minimum capacity to monitor sectors	<input type="checkbox"/>	LEITI Secretariat	<input type="checkbox"/>	LEITI Secretariat	\$30,000	<input type="checkbox"/>	GOL	Jan 2014	<input type="checkbox"/>	Increased revenue  <input type="checkbox"/>
Initial study and setup of EITI Center of Excellence	<input type="checkbox"/>	Little synergies across region  <input type="checkbox"/>	<input type="checkbox"/>	Consultant/ LEITI Secretariat	<input type="checkbox"/>	Head of Secretariat  Deputy Head of Secretariat  Technical Officer	\$10,000	<input type="checkbox"/>	GOL  University of Sydney	Feb 2014	<input type="checkbox"/>	Development of an EITI knowledge bank for regional use
Capacity Building - artisanal miners	<input type="checkbox"/>	Weak capacity to support LEITI payment reconciliation	<input type="checkbox"/>	LEITI Secretariat	<input type="checkbox"/>	LEITI Secretariat	\$45,000	<input type="checkbox"/>	ADB	March 2014	<input type="checkbox"/>	Strengthened capacity to enhance revenue collection

Below is a table highlighting key deliverables in the 2013/14 Work Plan:

Objectives	Constraints	Implementing Partners	Secretariat Support	Cost	Funding Source	Timeline	Expected Outcomes
Dissemination of LEITI 4 <sup>th</sup> & Reconciliation & Revenue Tracking Rpt. in Summary, Sector & Regional forms Production of Annual Activity Rpt. and Newsletters	<ul style="list-style-type: none"> <li><input type="checkbox"/> Lack of or little data on extractive companies contribution to society/GoL</li> <li><input type="checkbox"/> Lack of or little data on GoL receipts from extractive companies</li> <li><input type="checkbox"/> Minimum awareness of LEITI activities</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> LEITI Secretariat</li> <li><input type="checkbox"/> MSG</li> <li><input type="checkbox"/> Legislature</li> <li><input type="checkbox"/> County Officials</li> <li><input type="checkbox"/> County-based Civil Societies</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> All Secretariat Staff</li> </ul>	\$225,600	<ul style="list-style-type: none"> <li><input type="checkbox"/> UNMIL Civil Affairs</li> <li><input type="checkbox"/> ADB</li> <li><input type="checkbox"/> GOL</li> <li><input type="checkbox"/> WB</li> <li><input type="checkbox"/> UNDP</li> </ul>	Sept 2013 – Jun 2014	<ul style="list-style-type: none"> <li><input type="checkbox"/> Increased awareness of LEITI activities</li> <li><input type="checkbox"/> Increased awareness of extractive companies and their contribution to society/GoL</li> <li><input type="checkbox"/> Awareness of GoL receipts of payments</li> <li><input type="checkbox"/> Enhanced revenue transparency</li> </ul>
Production and dissemination of LEITI 5 <sup>th</sup> Reconciliation & Revenue Tracking Report	<ul style="list-style-type: none"> <li><input type="checkbox"/> Lack of or little data on extractive companies contribution to society/GoL</li> <li><input type="checkbox"/> Lack of or little data on GoL receipts from extractive companies</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> LEITI Secretariat</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> LEITI Secretariat</li> </ul>	\$140,000	<ul style="list-style-type: none"> <li><input type="checkbox"/> GOL</li> </ul>	Jan 2014 – May 2014	<ul style="list-style-type: none"> <li><input type="checkbox"/> Increased awareness of extractive companies and their contribution to society/GoL</li> <li><input type="checkbox"/> Awareness of GoL receipts of payments</li> <li><input type="checkbox"/> Enhanced revenue transparency</li> </ul>
Conduct Post Award Process Audit of rights granted in the oil, mining, agriculture, and forestry sectors in 2012 & 2013	<ul style="list-style-type: none"> <li><input type="checkbox"/> Availability of all contracts, concessions, licenses in the oil, mining, forestry, &amp; agriculture sectors</li> <li><input type="checkbox"/> Supervising agencies lack information on under their purview</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Consultant(s) / LEITI Secretariat</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> LEITI Secretariat</li> </ul>	\$135,000	<ul style="list-style-type: none"> <li><input type="checkbox"/> ADB</li> </ul>	Oct 2013 – Jun 2014	<ul style="list-style-type: none"> <li><input type="checkbox"/> Ascertain if applicable Liberian laws were followed</li> <li><input type="checkbox"/> Recommend ways to harmonize lapses/overlap in laws</li> <li><input type="checkbox"/> Ensure Liberians get fair benefits from their resources</li> </ul>

the National Bureau of Concessions (NBC). The report also for the first time, tracked and reconciled earmarked payments within the extractive sectors while In-kind contributions from the extractive companies were captured, and significant progress made towards reconciling 'what ought to have been paid'.

## II. Post Award Process Audit Report

Simultaneously with the 4<sup>th</sup> EITI Report, the LEITI launched the Post Contract Award Process Audit Report, the first of its kind in the EITI implementation. The Report covered 68 companies operating in the oil, mining, forestry and agricultural sectors whose contracts, licenses and permits and rights were granted/amended by the Government of Liberia for the period July 13, 2009 up to and including December 31, 2011. The objective was to ascertain whether these rights and permits were awarded in line with applicable Liberian Laws. The report shows that some of these contracts and permits were awarded either in full or partial compliance with the applicable Laws of the Republic of Liberia while others failed to meet the requirements. The audit/investigation was commissioned by the LEITI MSG in July 2011 and conducted by Moore Stephens LLP (London) in Collaboration with Parker and Associates (Liberia).

**Presentation of the Reports to the Government:** Both reports were presented to the Legislature on May 29, 2013 and to the President on July 4, 2013. During the presentation ceremony at her Foreign Ministry's Office in Monrovia, President Sirleaf expressed confidence in the LEITI and pledged continued support to the process. She said the reports were relevant and intended to help Liberia fix itself. The President also expressed delight in Liberia's continuous exemplary role in EITI implementation.

## III. Communication and Outreach

**Dissemination of the LEITI Report:** Following the launching of both the 4<sup>th</sup> EITI Report and the Post Award Process Audit Report in May, the LEITI embarked upon an initial outreach and dissemination campaign which allowed us to reach and discuss findings of the reports with people from different sectors of the society including students, marketers, people at social and intellectual organizations, community leaders as well as at various diplomatic missions in and around Monrovia. To name a few, the LEITI took copies of the reports to the popular Friends of Friends Ataye Association on Carey Street, the Discourse Center in Fiamah as well as to other intellectual centers in Monrovia. Findings of the reports have also been discussed with over hundred students from ten high schools in and around Monrovia while copies have been taken to the United States and Chinese Embassies, the World Bank, African Development

Every group reached has expressed massive interest in the LEITI's report, calling for greater actions to ensure findings from the reports are given considerations and mechanisms are put into place for greater accountability and transparency in the management of the nation's resources.

In response to these calls, and in line with its responsibilities, the LEITI has been conducting several stakeholders' meetings and discussions in order to work at providing policy framework to implement recommendations from the reports. In July 2013, two months following the launching of the reports, a major two-day stakeholders' retreat held at the Baptist Seminary in Monrovia brought together heads and technical staffs of line ministries and agencies involved with the oil, mining, agriculture, and forestry sectors to discuss opportunities and challenges surrounding the two reports, raised critical issues as well as made recommendations that would enhance policy decisions by the MSG. Another workshop held in December 2013 at Robertsport, Grand Cape Mount County, allowed stakeholders from key accountability and transparency institutions concerned with the LEITI reporting process, as well as representatives from the civil society to discuss a number of issues aimed at synergizing efforts on the findings from both reports. Meanwhile, the LEITI is preparing to conduct a rigorous county-by-county dissemination exercise of the reports early 2014, once modalities for a grant support from the African Development Bank are completed. These exercises will allow the LEITI engage citizens, particularly the locals, with findings of the reports, with three major locations targeted in each county.

**Revision of the Communication Strategy:** The LEITI Communications Strategy, first developed in 2008, has been revised and was approved by the MSG during its regular meeting in November 2013. The revised Strategy is intended to enhance promoting the LEITI process in a more robust manner and will serve as a roadmap in enhancing public understanding and appreciation of the LEITI program, and promoting their involvement in the process. In the two-year plan, new and creative communication tools and channels have been identified and relevant emphasis made on how those previously recommended can be used effectively, and in more sustained and appropriate ways to ensure they yield the desired impact. Best practices from other implementing countries were also considered in crafting this document. Particularly, some of the recommended tools include the use of mobile technology and electronic messages; info-graphics; and inflatables, air dancers, comedians and other forms of out-door advertising. The LEITI Communications Strategy also proposes the

expansion of Extractive Club Program to ensure greater youth involvement in the EITI process.

The EITI rules required Implementing Countries to regularly update their Communications Strategy. However, the revision of the 2008 LEITI Communication Strategy was also informed by lessons drawn from the LEITI Public Perception Survey Report launched in 2010. The research, conducted to determine how much people know about the EITI process in Liberia, showed an alarming degree of knowledge gap amongst stakeholders.

**The Extractive Club Program:** LEITI's engagement with the youth has also gained increased momentum in 2013. Series of activities were implemented with the LEITI e-Club Program at ten high schools in around Monrovia where the LEITI has been working with over hundred students to promote amongst them the value of integrity and increase their understanding of the extractive sector, thereby preparing them for greater leadership role in the near future. The schools include Caver Mission, Isaac A. David, Haywood Mission, Len Millar, William V. S. Tubman High, G. W. Gibson, St. Teresa Convent, B. W. Harris, St. Mary and Jimmy Jolocon.

Over the year, beginning with the launch of the program in February 2013, various activities implemented have increased participating students' knowledge on the extractive sectors. Three field trips undertaken to Arcelor Mittal's operation site in Buchana; the site of the former Liberia Mining Company in Bomi Hills; and the Salala Rubber Plantation in Weala in April, August and October 2013 respectively, allowed over hundred students from participating schools to get practical experiences of actual activities in the concession areas. The trips have also stirred a desire in some of the students to pursue careers in the extractive sectors (e.i. following the trip to Salala Rubber Corporation, two students expressed conviction to become agronomists, persuaded by excellent display from the tour guide who explained to them the processes of planting and re-planting rubber).

Students have also been engaged in discussing issues around transparent resource management amongst themselves, with 10 sessions of on-campus symposiums conducted, one for each school. A major All-School Speaker Series conducted in December 2013 stimulated discussions on the Draft Petroleum Act of Liberia, with a Member of the House of Representatives providing insights on some 'conflicting clauses' in the document. Participating students made a resolution to document their input to the draft law and petition the National Legislature to consider them.

Funding for the program was provided by the German Government through German Development Corporation (GIZ). With the grant expired in December 2013, the LEITI is

working at seeking additional funding support from the donor with the goal of expanding the program in 2014 to other young people in the country.

**Inter-High School Debate:** At the beginning of the year, the also sought another grant support from the German Development Corporation to facilitate a major inter-high school debate as part of the youth-focused outreach campaign. The competition was held from June 13-14, 2013 at the YMCA Conference Room in Monrovia, and enabled students to engage in structured debates, contributing views and suggestions to current discussions on major national concerns relating to improving the contract award process; proper management of the Social Development Fund; the new petroleum law as well as the debate about whether or not the LEITI should be involved in the concession award process, amongst others. The competition also stimulated increased desire in the students to conduct research on EIT issues as the weeks preceding the debate saw a huge traffic of students using the LEITI Resource Center.

The St. Teresa Convent High School won the competition which involved all ten schools participating in the LEITI Extractive Club Program, with Angel Yarlartei, a member of the School's Debate Team announced as the "Most Valuable Debater". Judges included reputable individuals from government, civil society, academia, students governing bodies and international organizations.

In addition to trophies and medals awarded the winners and second runner ups, the LEITI Secretariat provided vacation jobs to all ten students from the winning team and were and sponsored the MVP for a peer-to-peer exchange program in Trinidad and Tobago, where a similar youth program is been implemented.

The debate was attended by over three hundred students from the participating schools, and broadcast live on national and international airways, providing additional public awareness on the LEITI.

**Reconstruction of LEITI Billboards:** The LEITI billboards, constructed in 2008 since the inception of the LEITI, had worn out with time. As delineated in the 2013 Work Plan, the LEITI Secretariat—through a competitive bidding process—contracted the services of the Matrix Business Solution, a Liberian agency, to reconstruct the billboards throughout the country. These include three double view flex printed boards measuring 8cm x 5cm in Montserrado and eleven double view SAV pasted boards measuring 8ft x 16ft in other parts of the country.

The boards have been reconstructed, carrying LEITI's awareness messages. The cost of the reconstruction project is US\$58,000. As traditional billboards still remain an effective out-door communication method—with

#### 2013 List of Interns and their Learning Experiences

No	Name of Intern	Institution	Learning Experience/Contributions	Internship Period
1	Aggatta Sonkarlay	United Methodist University	Aggatta basically supported the Administration Department, enhancing her skills in general office management practices.	January 2013
2	Lesiden Taylor	University of Liberia		
3	Michael Podberezin	Georgetown University-Washington D.C	Michael provided support to both the Technical and Communications Departments. He assisted immensely in re-developing the LEITI website and his skills at designing creative communication tools such as infographics added value to communicating the EITI. He learned a lot from LEITI's outreach and public engagement campaigns and admitted that one of his greatest experiences with LEITI was the opportunity to meet President Sirleaf during ceremony marking presentation of the 4 <sup>th</sup> EITI Report to the President in June 2013.	April—June 2013
4	Elizabeth D. Karama	St. Teresa Convent High School-Monrovia	Elizabeth, one of ten students from the LEITI e-Club at the St. Teresa High School, served in a brief internship opportunity provided the team after their victory in a major Inter-high School Debate organized by the LEITI in June 2013. Elizabeth was assigned at the Administration Department where she learned office documentation and filling procedures.	July 2013
5	Angel Yarlartei	St. Teresa Convent High School-Monrovia	Miss Yarlartei, the "Most Valuable Debater" from the 2013 Inter-High School Debate, served a two-week internship at the Secretariat with the Communications Department before spending another two weeks attending a peer-to-peer exchange program sponsored by the LEITI Secretariat in Trinidad and Tobago. At the Secretariat, Angel gained experiences in stakeholders' engagement and public awareness campaigns through attending various outreach activities and helped strengthen the filling system at the Department.	July 2013
6	Michal Dennis	St. Teresa Convent High School-Monrovia	Michal (from the e-Club in STC), was assigned at the Ministry of Finance in the Office of the Deputy Minister for Expenditure and Debt Management for three weeks. Her experience included working	
7	Elveda G. Doe	St. Teresa Convent High School-Monrovia	Elveda is also one of ten students benefited from the LEIT internship program following their victory from the Inter-High School Debate. Aspiring to be a Geologist, Evada was assigned with BhP Billiton where she was exposed to rudimentary issues in Mining Engineering.	July 2013
8	Olivia Livingstone	St. Teresa Convent High School-Monrovia	Olivia spent three weeks at the LEITI Secretariat, assigned at the Administration Department. She assisted considerably with filing, particularly organizing the various contract documents	July 2013

development; and understanding the concepts of corporate governance and corruption in the context of development management. Others relevant subject areas include fraud detection and prevention in private and public organizations; financial management and budgeting analysis; and project development and management and tips for writing winning proposals and seeking funding from international sources. The training was funded by the World Bank.

## VII. Major International Learning and Exchange Programs

In addition to the staff specific training programs delineated above, the LEITI also shared experiences in major learning exchanges intended to enhance implementing the EITI in the Africa Region. Below are highlights from the two exchange programs held in 2013.

**South-South Learning Exchange Program:** The first major learning exchange of its kind in the global EITI history, the South-South Learning Exchange Program was designed to strengthen implementation of the EITI in the African Region, particularly promoting sharing of experiences amongst Ethiopia, Tanzania and Liberia.

The Study Tour was jointly sponsored by the World Bank and LEITI, and held in Monrovia from 17-22 November 2013.

The learning exchange focused on Legislative Framework for EITI Implementation, Secretariat Operations, Forestry Sector Monitoring, Mining, as well as general stakeholders' involvement in the EITI process. It was also intended to enhance the capacity of the steering committees to lead the effective implementation of EITI; strengthen good governance of natural resources for poverty reduction as well as advance the multi-stakeholder dialogues and the participation of citizens in Natural Resource Management.

As part of the experiences, delegates attending the program met with Vice President Joseph Boakai, Senate Pro-Tempore Gbezhongar Findley and other key policy makers in Liberia as well as toured the ArcelorMittal's operations site in Buchana.

Delegates included board members from each country's EITI governing body and Secretariat staff as well as high-level official of government including Ethiopian State Minister for Planning and Policy Implementation, H.E. Ato Addisu Arega.

**LEITI-NEITI Learning Exchange:** From November 23-28, 2013, the Liberia Extractive Industries Transparency Initiative (LEITI) and its counterpart in Nigeria, (NEITI) held a special weeklong peer-to-peer learning on EITI implementation in Abuja, Nigeria.

Liberia was represented at the program by LEITI Head of Secretariat Samson S. Tokpah, Industry/Sector Analyst Roosevelt Seedee and the President of the Federation of Liberian Youth (FLY) Mohammed Nasser who is also one of Civil Society's representatives on the LEITI MSG. NEITI was represented by the Chairman of the National Stakeholder Working Group (NSWG), the Executive Secretary, senior staff of NEITI, Civil Society Organizations and representatives from media institutions.

The five-day interactive work session, held in Abuja, Nigeria allowed

both countries to share experiences including progress, challenges and available opportunities relating to implementation of the EITI coupled with existing laws and regulations governing the extractives in both countries.

The Peer-to-peer learning program was designed particularly in response to LEITI's plan to execute production (physical) audits in the covered sectors and focused on building the capacity of the LEITI Technical Department to understand the dynamics involved in the conduct of production audit. Key learning points included methods in calculating production quantity (volume) in the payment of taxes; reporting framework; procedures used in the recruitment of Independent Administrator/auditor; data collection process and procedure used in resolving discrepancies.

## VIII. Challenges

The many gains outlined above were achieved amidst series of challenges, a few which are mentioned below.

**Human Resource**—while the recruitment of three additional staff in 2013 (a Technical Officer and two Sector Analysts) is worth noting, there still exists severe capacity gap at the institution. The LEITI Operational Manual called for the entity to be staffed with 25 persons. Currently, there are only 13 staff, with basically every department constrained. For instance, the Technical Department which is structured to have five staff currently has three persons while the Communications and Outreach Department which should have three staff, currently has only one.

Furthermore, with the demanding need to strengthen its presence throughout the country, the LEITI, as part of the 2013 Work Plan, had decided on recruiting qualified individuals to serve as focal persons in each of the fifteen counties, but this is yet to be achieved due to funding challenges.

With the LEITI planning to embark upon series of new initiatives in the coming year (the conduct of production audits, process audit and the implementation of beneficial ownership program) as well as expand its outreach program, the need to fill this capacity gap is demanding.

**Board Participation**—the Multi-stakeholders Steering Group (MSG) is responsible to formulate policy decisions necessary for achieving the mandates of the LEITI. The MSG meets regularly once monthly to discuss relevance issues and make decisions. Constant absences by some MSG members at regular monthly or emergency meetings have at times undermined the Board ability to make crucial decisions. However, attendance has gradually improved in the last two quarters of the year as confirmed by the score card designed to monitor participation in the MSG meetings.

**Office Space**—The LEITI Secretariat currently shared with the Liberia Copyright Office, a mini building on the Capitol Hill, once used as annex of the Budget Bureau. The three rooms available to the LEITI at the upper flat is a barely able to accommodate all thirteen staff. The need to increase the Secretariat staff to ensure effective operations as expressed above, makes the situation even more urgent.

**Funding**—Although the LEITI experienced increment in budgetary support from the Government in 2013 with additional support from donor partners including the World Bank, GIZ, UNDP and the African Development Bank, most activities were still not covered. Funding challenges greatly constrained the expansion of the LEITI outreach campaign as well as the recruitment of needed personnel to strengthen the capacity of the Secretariat.

information on them more readily available to an individual's subconscious than with TV, magazines and other forms of communications—the LEITI has planned on maintaining the billboards and regularly updating the messages.

**Contract Matrix:** The LEITI Act of 2009 mandates the Institution to make accessible to the public, contracts signed by the Government in the extractive sectors. The LEITI has strived to fulfill this mandate by uploading copies of these contracts to its website; yet, it is challenging for the average citizens to understand the terms and provisions of these agreements due to their complex legal nature. This general lack of understanding of these concession agreements continues to create a void wherein citizens make their own inferences, some of which may not be the true intent of the agreements.

To mitigate the information gap, the LEITI has to develop a matrix that will simplify all contracts awarded by the Government of Liberia within the oil, mining, forestry and agriculture sectors.

With funding from the GIZ, the LEITI in April 2013, hired the services of the Tulay and Associates Law Offices Inc., to design and develop a matrix that will reduce the legal documents into easy-to-read documents for all citizens, particularly those within close proximity of concession areas. Basically, it will summarize the terms and conditions of all material rights and financial contributions in the oil, mining, forestry, and agriculture sectors and capture key information on each agreement, including name of company, contract start and expiry date and social and fiscal commitments amongst others.

Following the signing of the contract, the consultants have started the project. Even though development has been slow, consultations have been held with various stakeholder groups and the consultants have developed a draft document which will be validated by stakeholders in early 2014.

**Other Communications Initiatives:** Working with a group of popular traditional folklore singers, the Music Madrid, the LEITI has produced songs that create awareness on the process. These songs, along with the first dramas and jingles produced in 2008, are aired on major radio stations in Monrovia and community radio stations throughout the country. LEITI use of the radio has also included appearances on major talk shows such as the Civil Affairs Program hosted on the UNMIL Radio and other programs presented on the FABRIC Radio and other stations, providing a platform for increased public awareness on current issues relative to transparent resource management.

Four editions of the quarterly LEITI newsletter were produced in 2013, highlighting major activities undertaken by the Secretariat as well as contributions from the extractive companies and progress from EITI programs in other parts of

the world. With an average production of about 800 copies per edition, these newsletters and other publications were distributed to a wide range of stakeholders including MSG members, Office of the President and other relevant government ministries, extractive companies, educational institutions and intellectual centers, diplomatic enclaves and international donor organizations and the media amongst others.

Furthermore, the LEITI website was redesigned adapting an easy-to-use web tools and has been integrated with relevant LEITI social media accounts including Facebook, Youtube and Twitter, enhancing our interactions with stakeholders, particularly enabling us to get instant feedbacks from them. The re-designing of the website was done with immense technical support from Michael Podberizin, an Intern from the George Town University in Washington D.C who spent seven weeks at the Secretariat between March and April 2013. Michael also supported the design of info graphics and other important communications methods that has enabled the Secretariat to effectively communicate with stakeholders. Also, inexpensive but very effective tools such as inflatables and air dancers were being used to reach to thousands of people.

## IV. Secretariat Operations

**Approval of Costed Work Plan**—one of the key decisions taken by the MSG during the year under review was the approval of a new Work Plan for the 2013/2014 Fiscal Year, during its regular meeting in September 2013. The Work Plan contains series of programs designed to enable the LEITI achieve its goals in the coming year. Key amongst these programs are the preparation of the 5<sup>th</sup> EITI Report for Liberia; conducting Post Award Process Audit of rights granted in the oil, mining, agricultural and forestry sectors in 2012-13 and the dissemination of the 4<sup>th</sup> and 5<sup>th</sup> EITI reports.

Other activities include expanding the youth engagement program; building the capacities of the MSG and the civil society and promoting the idea of benefactor ownership so as to increase public knowledge on the ownership of companies operating in the country.

The plan, costed at around US\$2.1m, will be funded through government budgetary allocation, the World Bank, UNDP, African Development Bank and the German Development Corporation (GIZ) amongst others.

**Others MSG Approvals and Decisions**—The MSG also made other approvals and decided on many other issues relevant to achieving the goals of the LEITI, both at regular meetings and during emergency sessions. Key amongst these are:

- Approving the implementation of all recommendations from the Post Contract Award Process Audit Report
- Approving the revised Communications Strategy

which re-enforced the previous strategy developed in 2008

Unanimously approving and supporting the candidacy of President-pro Tempore of the Senate, Hon. Gbehzongar M. Findley as Representative of the African Region to the EITI Board. With the board support and votes, Senator Findley was elected and confirmed to the EITI Board, representing Nigeria, Liberia, Tanzania and Ghana.

Approving the implementation of Beneficial Ownership Disclosure, an exercise intended to provide information on the ownership structure and show any conflict of interest in the assignment of material rights in the oil, mining, forestry and agriculture sectors by the government.

**MSG Retreat**—in wake of the launch of the 4<sup>th</sup> EITI Report of Liberia and the Post Award Process Audit Report, the MSG held a retreat from July 5-6, 2013, to work at providing policy framework to implement recommendations from the reports.

The retreat, held at the Baptist Seminary Compound on the Robertsfield Highway, enabled participants, including members of the MSG and heads and technical staffs of line ministries and agencies involved with the oil, mining, agriculture, and forestry sectors to discuss opportunities and challenges surrounding the two reports, raised critical issues as well as made recommendations that would enhance policy decisions by the MSG.

Agencies of government that participated in the retreat included the General Auditing Commission (GAC), National Bureau of Concessions (NBC), National Investment Commission (NIC), National Oil Company of Liberia (NOCAL), Ministry of Lands, Mines and Energy (MLME), Ministry of Finance (MOF), Public Procurement and Concessions Commission (PPCC), Forestry Development Authority (FDA), and the Ministry of Agriculture (MoA). The reconcilers—Moore Stephens, LLP (London) and Ernst & Young (Ghana)—were also in attendance while legal experts from Stubblefield, Ningba & Associates were also invited to provide overview of the recommendations contained in the 4<sup>th</sup> Reconciliation and Post Award Process Audit reports.

At the end of the two-day event, the MSG announced it was going to review the various recommendations made by the auditors/reconcilers as well as stakeholders attending the retreat and would consider craving policies from the process to ensure improvements in the way Liberia's resources are being managed.

**Revision of Operations Manual**—the LEITI Operations Manual was revised to ensure the provisions are adaptable to current situations. The manual was first developed in 2009 to serve as guidance and point-of-reference for all LEITI staff and stakeholders relevant to the day-to-day operations of the Secretariat. It contains policies and procedures covering a

broad range of operational issues including financial management, personnel management, monitoring and evaluation and reporting systems and processes as well as highlights the general visions and goals of the organization.

## V. Meetings and Representation at Regional and International Conferences

The LEITI was represented at several EITI related conferences and meetings, both in the Africa Region and elsewhere around the world. A few of these participations have been highlighted below.

**The 6<sup>th</sup> Global Conference**—Liberia participated in the 6<sup>th</sup> EITI Global Conference in Sydney, Australia, from May 23-24, 2013, with the country's role as a model for EITI implementation increasingly recognized.

Liberia was represented at the global event by Vice President Joseph Boakai, Senate Pro-Tempore Gbehzongar M. Findley, Head of Secretariat of LEITI, Samson S. Tokpah as well as several other stakeholders of the Liberian EITI process. In recognition of its leadership in the EITI implementation, Liberia was mentioned in almost every discussion, with its programs and activities often referenced for replication.

At the Conference, a new EITI standard was agreed and launched, promising a more robust EITI and focusing on how transparency and the EITI can impact changes in the implementing countries. A new Board responsible to provide strategic direction, guide and oversee the EITI at an international level for the next three years, was also confirmed and commissioned at the Conference. Liberia and other implementing countries, including Ghana, Nigeria, Sierra Leone, Mozambique, Sao Tome, Zambia and Tanzania, categorized as "Africa Region Block 1", are represented on the Board by the Senate Pro-Tempore of the Liberian Senate, Gbehzongar M. Findley, with Ghana serving as an Alternate to Liberia.

Serving as one of several keynote speakers at the event, Vice President Boakai addressed the Conference on a number of issues, especially on the progress of the EITI process in Liberia and other major gains the country has made in promoting revenue transparency and accountability.

At an extra session convened during the Conference by the LEITI Secretariat in collaboration with the University of Sydney enabled Vice President Boakai and other members of the Liberian Delegation to interact with a group of Liberian students in Australia, discussing a wide range of issues relating to investment in Liberia and the prudent management of the country's natural resources.

The EITI Global Conference is an important international forum for the discussion of improved governance of oil, gas and mining activities. It offers an opportunity for countries to share lessons, establish networks and address future challenges. The 2013 Conference was attended by 1,200 participants from 96 countries.

**22<sup>nd</sup> Board Meeting in Oslo**—Dr. Roosevelt Jayjay, Liberia's Representative to the EITI Board and LEITI Head of Secretariat Samson S. Tokpah represented Liberia at the 22<sup>nd</sup> EITI Board meeting held in Oslo, Norway from 26-27 February 2013. The meeting focused on considering proposal to improve and expand EITI requirements beyond mere reporting, with Liberia and other African countries calling for Contract Transparency to be considered as integral part of the EITI.

At that meeting, the Board also reached other decisions including granting complaint status to the Republic of Congo and Burkina Faso; suspending Sierra Leone, Mauritania and Yemen; and delisting Gabon from the EITI.

## VI. Recruitment, Training and Capacity Building

**Recruitment and Other Opportunities**—in the drive to boost its operations, the LEITI Secretariat recruited three new staff in 2013 including a Technical Officer and two Industry/Sector Analysts. All three, Liberians, were recruited through competitive process and have the requisite qualifications, some with vast experiences in the Gas and Oil Sector. Although there still exists a greater need to fill the capacity gap at the Secretariat, this initial move has undoubtedly enhanced operations, particularly in the Technical Department which is responsible to implement the Secretariat's technical policies and procedures governing the review and quality outcomes of the annual audit and plans for remediation as well as lead in developing strategies for data capturing, system strengthening and revenue management tracking amongst others.

Also, the LEITI internship program has been remarkably effective in 2013, providing tremendous opportunities for students and young graduates from Liberia and other parts of the world to learn and share their experiences at the LEITI Secretariat. Some of our interns have also been provided international trips to enrich their learning experiences. In addition to the knowledge and experiences gained, most of our interns have been provided with minimum monthly stipend to assist with their transportation during the course of their internship program.

In total, about 15 interns were brought on board in 2013 including 14 females and a male student from the George Town University in Washington DC. The table at the end of this document provides detailed information about our 2013 Interns, including their names, institutions, length of stay and experiences at the LEITI Secretariat.

**Training and Capacity Development**—Staff training needs were also assessed and with funding support from donor partners including the World Bank and United Nations Development Programme (UNDP), several local and international trainings were held at different times of the year with the goal of building staff capacities to function effectively in their respective roles. A few of these training

programs are elaborated on below.

Sector Analyst Roosevelt Seedee and Finance Assistant George Dennis have gained further knowledge and skills in auditing standards; effectiveness in public sector management; corporate governance and accountability; and project finance reporting respectively through a special three-week diploma course undertaken at the Regional Institute for Training and Development in the Kingdom of Swaziland. The training was funded by the UNDP as part of their support towards promoting public sector accountability in Liberia.

Deputy Head of Secretariat Konah D. Karmo attended a special seminar intended to enhance communications in EITI, held on April 23-25, 2013, in Germany. The EITI Communications Seminar, focused on providing relevant skills and tactics required to effectively communicate the EITI process to all stakeholders. It was organized by the German Development Corporation (GIZ), the International Secretariat and the EITI-Multi-Donor Trust Fund, and facilitated by three media consultants (Mr. Nikita Gorshkov, Mrs. Annette Kearney, and Mrs. Brigitte Jallof). The seminar was attended by ten participants from ten EITI Implementing Countries, including Liberia, Nigeria, Tanzania, Afghanistan, Yemen, Azerbaijan, Ghana, Iraq, Albania, and Mozambique.

From September 23-28, 2013, Communications and Outreach Officer Samson Wonnah participated in a special camp designed to empower youths in Anglophone West Africa fight corruption, held in Lagos, Nigeria.

The Integrity Youth Camp aimed at increasing awareness on anti-corruption issues for a more focused and proactive youth involvement in the fight against corruption. It was also intended to establish a network of youth leaders who are empowered and motivated to use their dynamism and innovative minds to promote integrity and public accountability. The camp was organized by the Independent Corrupt Practices and Other Related Offences Commission (ICPC) of Nigeria in partnership with the United Nations Development Programme (UNDP) and Transparency International and brought together youth leaders from Liberia, Nigeria, Ghana, the Gambia and Sierra Leone.

Then in December 2013, Deputy Head of Secretariat, Konah D. Karmo and Administrative Manager Hnede Berrian Sillah attended a special training course on Transparency, Anti-corruption Practices, and Corporate Governance held at the Hetta Institute for International Development (HIID) in New York, USA, in December 2013.

The two-week training program (December 2-13, 2013), attended by over fifty persons from several parts of the world, focused on basic knowledge and skills on anti-corruption practices and corporate governance issues including the definitions, concept, issues and challenges regarding development management; new approaches to sustainable