

LEITI



**ANNUAL ACTIVITY
REPORT 2017 AND
2018**

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Acknowledgement		

The LEITI MSG extends gratitude to all stakeholders of the EITI process who worked collaboratively and assiduously to ensure the achievements outlined in this Report.

The Civil Society is lauded for its robust and aggressive advocacy role which is indispensable to the process; the private sector, for its broad commitment to adhere to disclosure requirements and make investments in Liberia more sustainable; and the Government, for providing the enabling environment which has helped to move the process forward. The MSG is also grateful to a host of international organizations, foreign governments and Liberia's many development partners without whom support the attainment of many of the deliverables listed in this Report would have been impossible. Special recognition is given to the World Bank, AfDB, GIZ, USAID, UNDP and UNMIL for their consistent support to the implementation of LEITI work plans over the years.

Ordinary Liberians continue to be crucial to the EITI implementation process in Liberia. Their contributions and feedbacks particularly during our nationwide dissemination exercises, have led to many valuable reforms aimed at improving resource governance process in Liberia.

The LEITI could not have easily navigated its EITI implementation path to the current level of achievement without the support of the EITI Secretariat, through its Regional Office for Anglophone Africa. Their valuable support, which sometimes came in the form of training and/or guidance on implementation issues, deserves our acknowledgement.

And to the staff of the LEITI Secretariat, we wish to acknowledge your successful role in serving as a fulcrum for the EITI implementation in Liberia by ably managing day to day nuances of the process. The many gains of the LEITI can be attributed to your individual and collective commitment, dedication and teamwork. Such qualities have amplified and sustained the level of progress made by the LEITI time after time in advancing resource governance, transparency and accountability in the extractive and other covered sectors of Liberia.

Map of Major Concessions in Liberia

**Mining & Agriculture Concessionaires
In Liberia**



National Investment Commission

Legend

Courtesy: National Investment Commission (NIC)

Acronyms

AfDB	African Development Bank
AML	ArcelorMittal Liberia
BOD	Beneficial Ownership Disclosure
CBL	Central Bank of Liberia
CENTAL	Center for Transparency and Accountability in Liberia
COYPED	Coalition of Youth for Peace and Development
DC	Development Consortium
EITI	Extractive Industries Transparency Initiative
EMW	Extractive Media Watch
FDA	Forestry Development Authority
FLY	Federation of Liberian Youth
FY	Fiscal Year
GAC	General Auditing Commission
GC	Governance Commission
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Int'l Development Agency)
GoL	Government of Liberia
GVL	Golden Veroleum Liberia
GODIMWUL	Gold and Diamond Workers Union of Liberia
GYACN	Global Youth Anti-Corruption Network
HOR	House of Representatives
LACC	Liberia Anti-Corruption Commission

LBR	Liberia Business Registry
LEITI	Liberia Extractive Industries Transparency Initiative
LMC	Liberia Media Center
LRA	Liberia Revenue Authority
LTA	Liberia Timber Association
MDAs	Mineral Development Agreements
MFDP	Ministry of Finance and Development Planning
MOJ	Ministry of Justice
MSG	Multi-stakeholders Steering Group
MIA	Ministry of Internal Affairs
MLME	Ministry of Lands, Mines and Energy
MoA	Ministry of Agriculture
NBC	National Bureau of Concessions
NCB	National Competitive Bidding
NCSCCL	National Civil Society Council of Liberia
NOCAL	National Oil Company of Liberia
NTCL	National Traditional Council of Liberia
ODI	Oversea Development Initiative
PFM	Public Financial Management
PPCC	Public Procurement and Concession Commission
PWYP	Publish What You Pay Coalition
REOI	Request for Expression of Interest

RFQ	Request for Quotation
SDF	Social Development Fund
STOAP	Strengthen Transparency, Oversight and Accountability Project
TOR	Terms of Reference
UNMIL	United Nations Missions in Liberia
USAID	United States Agency for International Development
WONGOSOL	Women NGO Secretariat of Liberia

Background/Introduction

Liberia was admitted as an Extractive Industries Transparency Initiative (EITI) candidate country in 2008 and was the first African country and the second globally, to become EITI compliant in 2009.

Liberia's decision to implement the EITI was historically influenced. For decades, Liberia's natural resource wealth was at the center of the country's conflicts and bedrock of most of its corruption. The Liberia Extractive Industries Transparency Initiative (LEITI), established by an Act of the National Legislature in July 2009, is an autonomous agency responsible for promoting transparency and accountability over the management of revenues from the extractive sectors. LEITI is a multistakeholders process, bringing together, the government of Liberia, civil society and companies involved in the extractions of the country's oil and gas, mining, agriculture and forest sectors.

To date, Liberia has published nine EITI reports with the preparation of the 10th and 11th scheduled to be published in December 2019. Liberia has made significant impact with EITI implementation. Liberia is yet the only country that has expanded the scope of the EITI beyond oil and gas and mining, adding forestry and agriculture; Liberia's [post award process audit report](#) launched in 2013 is a global landmark in EITI implementation; and Liberia is amongst few countries that are currently piloting the EITI beneficial ownership disclosure exercise. These achievements have set Liberia at the panicle of global EITI acclamation and as role model in EITI implementation.

This Annual Activity Report has been developed to highlight progress made at implementing the EITI in Liberia in 2017 and 2018. The publication of the report is also consistent with Requirement

7.2 of the EITI Standard which mandates the MSG of implementing countries to review the outcomes and impact of EITI implementation on natural resource governance. The Report has four main components. The first segment detailed an assessment of progress made against the LEITI 2016/17 and 2017/18 Work plans; the second highlights progress made towards implementation of EITI requirements based on the 2016 standards, the third cohesively outlines strengths and weaknesses in the implementation of the EITI process during the period under review, and the fourth outlines communications and outreach activities during the period under review.

Finally, the Report contains information on the MSG during the reporting period as well as a summary of the implementation cost during the reporting period.

Executive Summary

2016/2017 Workplan

In the 2016/17 Workplan, the Liberia Extractive Industries Transparency Initiative (LEITI) proposed series of programs and activities designed to support the promotion of transparent resource management in Liberia. Key amongst the activities, the LEITI planned to prepare the 9th EITI reconciliation and revenue tracking report in summary sector and regional forms, ; Revision the LEITI Communication Strategy; Decentralizing LEITI activities throughout Liberia by retaining the recruited 15 Focal Persons in the various counties of Liberia; Expanding E- Clubs activities in 15 high schools of Liberia; Strengthening the LEITI Outreach and Communications activities by hiring one full- time Communication Officer and reengineering of LEITI Website. Other programs include development of a beneficial ownership disclosure registry to cover the mining, oil, agriculture and forestry sectors.

2017/2018 Workplan

Projected activities under its 2018 Workplan include the following: Dissemination of the 9th EITI Report for Liberia; Investigating and resolving discrepancies in the 7th & 8th EITI Reports for Liberia; Revising the LEITI Communication Strategy; thereby Enhancing the communication efficiency of LEITI and ensuring that mineral revenue / expenditure information are provided in a timely manner, and in an accessible and comprehensible format to increase the level of transparency in the extractive sector of Liberia; Procuring an Independent Administrator to prepare the 10th EITI Report for Liberia; showing direct and indirect contributions of the

extractive sector to the Liberian economy; Retaining Guard Services for the protection of LEITI's assets; Reengineering of LEITI Website; Development of a beneficial ownership disclosure registry to cover the mining, oil, agriculture and forestry sectors and Providing capacity building trainings for civil society organizations, representatives of reporting companies and government agencies; as well as MSG members and LEITI Secretariat Staff.

Toward these goals, and amid daunting challenges including financial constraints and other capacity constraints, very substantial progress was made, a few of which are outlined below.

2016/2017 Progress Revision of LEITI Communications Strategy

The current LEITI communications strategy was developed in 2013 through a Communication Consultant after careful survey of the EITI process and its audience-both local and international. The last MSG reviewed, approved and documented it as a key tool for the LEITI in 2015. The LEITI Secretariat after five years of implementing the strategy intended to review and refresh the strategy to meet with current realities. To this end, the document was part of the strategic review process at the May 31st to June 1st MSG Retreat held in Paynesville outside Monrovia.

During the two-day event, a five-man committee headed by a former media executive and MSG member, Mr. Ansu S. Konneh of Western Cluster, was constituted to review the document and make recommendations to the MSG. The Committee also included the Communications and Outreach Officer of LEITI. At the end of the review process, the committee recommended that the document be considered for usage for the next period since much had not been achieved as far implementation of the strategy is concerned. The MSG took note of the recommendation and promised to conclude on the matter in the final documentation of the review process.

Recruitment, Training and Capacity Building of Staff

Several of LEITI employees benefited from short to long terms learning opportunities during the period under review. Benedict Workpeh, LEITI Expediter attained a certificate in Project Monitoring and Evaluation after nine months of training from the Conduit of Potentials, a vocational institution in Liberia. Similarly, Administrative Office Assistant, Emmanuel Dormeyan received training in Computer science to enhance his work. Communications and Outreach Officer, Cedrick Kpadeh was among scores of media professionals and civil society actors who benefitted from a two-week training on the Liberian mining laws. The training was joint initiative of the GIZ in collaboration with the Columbia Center for Sustainable Investments.

Also, the Technical Department received two new employees. J. Elijah Kai joined in February 2017 as a Sector Analyst having served with the Guarantee Trust Bank in Liberia. In June, Mr. Melvin Sharel Harris was recruited as another Sector Analyst having previously served with the Bea Mountain in Grand Cape Mount County.

Liberia's validation

In August 2017 a team of two fact finders from the EITI Secretariat visited the country to begin Liberia's EITI validation. This was the second validation since 2009. Mr. Pablo Martinez Valverde and Alexandre Louis Gordy visited Liberia from August 21 to 26, 2016 holding meetings with various stakeholders in the extractive industry including civil society organizations, the media, government officials and past and present members of the Multi-stakeholder Steering Group (MSG). The team also met with donors such as the United Nations Mission in Liberia (UNMIL), United Nations Development Program (UNDP), African Development Bank, GIZ, ETC. The two man team presented its findings to the international Secretariat which in return forwarded the initial decision to the LEITI for response.

Liberia, through the MSG responded to the initial findings in January of 2017. And in June 2017, a full disclosure of the Country's status was communicated to the LEITI Secretariat and via the EITI website. Liberia had made 'meaningful progress' meaning it did not comply fully with all Requirements of the Standard to earn 'satisfactory progress', and was given 18 months to improve on areas that the country poorly performed. In this regard, the MSG made it a priority point at its two-day retreat in June 2017. Richard Dion, was hired through GIZ to help Liberia develop strategies and programs to improve the failures. Out of the June retreat came a three-year strategic plan for the LEITI and laid down procedures to fully attain the satisfactory progress in the next 18 months. The retreat intended to develop strategies for the LEITI Secretariat for the next three years after the last retreat in 2015.

2017/18 Progress

The process however, experienced an interruption as there was a change in national leadership at the end of 2017. The new Administration saw the appointment of Gabriel Nyenka as Head of Secretariat at the LEITI in contravention of the Act creating the LEITI. This led to several derailing effects and eventually led to the Country's suspension from the EITI in 2018. (See details under Communications and outreach activities)

I. Assessment of Performance against Target Activities in Work Plan

Customarily, the annual work plans of LEITI have been aligned with the Government's fiscal term, which execution starts from July 1 of the current year to June 30 of the following year. This Report, however, encompasses the fiscal terms as it is comprehensive of executed tasks under the 2017 and 2018 Work plans. It must be stated here that 2018 was vague of any tangible

execution as there was a standstill due to the political maneuvering at the Secretariat in early 2018. Coupled with financial constraints, much was not achieved as earmarked.

During the period under review, several programs and activities were approved for implementation particularly in support of meeting compliance with the EITI Standards and fulfilling other national requirements as captured by the LEITI Act of 2009. Diminutive progress was made towards these target deliverables. Achievements against each target deliverable are catalogued below.

Production, Publication and dissemination of 9th EITI Report: Development, launch and dissemination of 9th Report

Following the procurement of the independent Administrator for the 9th report in 2016, the development of the report kicked off in November 2017 with a hosting of a technical workshop for reporting companies and other stakeholders. The Report will capture all material taxes including royalties, land/surface rentals and other administrative fees paid to, and acknowledged by the Government of Liberia from companies in the oil, mining, forestry and agricultural sectors for the fiscal period July 1, 2015 to June 30, 2016. LEITI hired the audit and assurance firm Moore Stephens LLP (UK) in association with Parker & Associates (Liberia) as Independent Administrator to prepare the report.

The workshop, held on 24 November 2017 at the Golden Key Hotel was aimed at conducting a dry-run of the LEITI reporting template coupled with walking entities through the EITI reporting process; providing institutions the platform to address challenges faced during the preparation of the last report, and devising ways to remedy these challenges and enhance communication

The workshop brought together several extractive companies and related MACs to discuss the reporting process and working tools (Reporting Template) to be used for this 9th LEITI Reconciliation Report covering the FY 2015/2016. Some speakers at the workshop included Mr. Hedi Zaghouni of Moore Stephens LLC who spoke on the “Overview of the Reporting Template, the Reporting Process and Review of 7th & 8th Reports’ Recommendations”; Mr. BAI Dennis of the LRA who spoke on the “LRA’s Role & Responsibility in the preparation of the 9th Reconciliation Report: issues, concerns, etc. for collaboration”; and Mr. Ahmed Paasewe of the GAC that presented on the “Procedure for GoL Entities’ Templates Attestation & experience sharing of the last attestation process”. At the end of every presentation there were “Questions and Answers” section that further detailed some issues that is of importance to the 9th LEITI reporting process.

For his part, the Head of Secretariat Mr. Konah D. Karmo urged stakeholders to work closely and effectively with the Independent Administrator and the Secretariat for a successful conclusion

of the processes leading to development of the 9TH EITI Report on Liberia. He furthered that the presence of the LEITI have triggered transparency in companies' payment of taxes in the extractive sectors.

Also speaking on behalf of the MSG, Assistant Minister of Fiscal Affairs, Ministry of Finance and Development Planning, Alieu Nyei, assured stakeholders of Government's continuous support to the implementation of the EITI process in Liberia and as well admonished them to cooperate with the Secretariat for timely development of the Report.

21 companies across the oil, mining, Agriculture and Forestry sectors were in attendance along with 9 Government agencies. Below is the list of extractive companies at the workshop

NO	MINING	
1	MNG Gold L	1
2	Cavalla Reso	2
3	Arcelor Mitta	3
4	Royal Compa	4
5	Messrs Weste Cluster Ltd	5
6	Iron Resource	6
7	Zwedru Mini	

FORESTRY
Mandra Forestry
ACPAA Logging
Atlantic Resources
Liberia Tree & Trading Company
Euro Liberia Logging
Forest Venture

	AGRICULTURE		OIL & GAS
1	firestone Liberia	1	CHEVRON Liberia Limited
2	Cavalla Rubber C	2	Exxon Mobil Exploration & Production Liberia Ltd
3	Maryland Oil Palm		
4	Equitorial Palm O		

5	Libinc Oil Palm
6	Liberia Forest Pro
7	Salala Rubber Co
8	Golden Veroleum

Following the workshop, the Independent Administrator distributed reporting templates to all reporting companies. A draft of the report was released a month after requiring the MSG's input and review. A first review was done as well as a second paving the way for the final draft of the report. This final draft was in progress when changes at the LEITI Secretariat occurred. That led

to a standstill of the reporting process and most activities at the Secretariat as partners pulled out of the process. This was further compounded by the dismissals of key staff members of the Secretariat. Thus, during the period under review, the 9th report was not produced to be launched or disseminated.

MSG Retreat

In late May 2017, the MSG held a two-day retreat to review the LEITI strategic plan of 2015 with aims to realign the strategy with new EITI standards of 2016. The retreat coincided with Liberia's validation result which stood at 'meaningful progress,' just a step outside of the required 'satisfactory progress.' The MSG comprehensively embedded the situation of the status of the Country into its two-day proceeding that saw the development of strategic documentations to tackle the missed points that would lead to the Country achieving satisfactory progress.

The GIZ was instrumental in procuring the services of an international Consultant, Richard Dion to help the LEITI through the MSG to develop a guidelines or action plans to enhance improvements on aspects of the Standard.

Mr. Dion praised the strong will of the MSG to implement the EITI Requirements and admonished them to work together even harder in the coming months to move Liberia to satisfactory progress or full compliance.

Liberia, along with other countries that went through the 2016 validation received Meaningful Progress rating with an eighteen-month period to make strides at attaining full compliance.

At the end of the retreat, members of the MSG constituted a special committee on validation to make report on the Country's progress at every sitting of the MSG. The MSG sits monthly at its regular meetings.

In a statement at the closed of the retreat, LEITI's Head of Secretariat, Konah Karmo called on the MSG to reinvigorate itself as the country is making a date with history to be declared fully compliant in 12 months rather than 18. He reminded the MSG that Liberia made history by been the first EITI Compliant Country in 2009 and will again repeat this in the coming 12 months. The two-day event which brought together the MSG in full attendance was sponsored by the German Government through GIZ. The documents from the event can be found on the LEITI website.



Former Finance Minister Boima Kamara speaking at the opening of the MSG Retreat in Yarkpazuo making a presentation at the Monrovia retreat

II. Assessment of Performance against EITI Requirement

During the review period, Liberia did not publish, launch or disseminate the 9th report as earmarked in the Workplan. However, the country still made some significant progress against the EITI standards. Below is an assessment of LEITI’s performance against the EITI Requirements for the year 2017 and up to March 2018:

Requirement	Progress
<p><u>I.1</u> <u>Government engagement.</u></p> <p><u>Requirement</u> <u>I.1(a)</u> The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government,</p>	<p>The government issued a policy letter expressing Liberia’s interest to implement the EITI since 2007. The statement was signed by President Ellen Johnson-Sirleaf.</p> <p>President Sirleaf also appointed Hon. Patrick Sendolo, Minister of Lands, Mines and Energy as Chair of the MSG and Mr. Boima Kamara, Minister of Finance and Development Planning as Co-Chair. The appointment of the two Heads of agencies was done almost three years ago.</p> <p>The MSG met once every month in 2017 and also held series of committee and special called meetings during the reviewed period. There were eight sittings of the MSG. Two of the meetings was nullified due to the lack of quorum. </p>

or an appropriately delegated government representative.

Requirement I.1(b) The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and be able to mobilize resources for EITI implementation.

Requirement

Government's composition on the MSG is represented at the senior level. For example, the Managing Director of the Forestry Development Authority and Vice President of the National Oil Company usually represented their individual institutions at MSG meetings during the reviewed period. Below is the Government's representation at the MSG for 2017:

Constituency		
	<i>Institution</i>	<i>Representative</i>
Government	MFDP	Boima Kamara
	MLME	Patrick N. Sendolo
	FDA	Harrison S. Karnwea, Sr.
	NOCAL	Randolph McClain
	Senate	N/A
	HOR	Adolph Lawrence
	MoA	Florence Chenoweth
	MIA	Morris M. Dukuly
	LRA	Elfrieda S. Tamba

And for the 2018, these are the members of the Reconstituted MSG members for the GoL for the next three years:

Constituency		
	<i>Institution</i>	<i>Representative</i>
Government	MFDP	Samuel Tweah
	MLME	Gesler E. Murray
	FDA	C. Mike Donyen
	NOCAL	Saifuah Mai Gray
	MOJ	Cllr. Frank M. Dean
	MOE	D. Ansu Sonii
	MoA	Dr. Morgana Flomo
	MIA	Varney Sirleaf
	LRA	Thomas Doe Nah

<p><u>I.1(c)</u> The government must be fully, actively and effectively engaged in the EITI process.</p>	
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<p><u>Requirement</u> <u>I.1 (d)</u> The government must ensure that senior government officials are represented on the multistakeholder group.</p>	
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<p><u>I.2 Company engagement.</u></p> <p><u>Requirement 1.2 (a)</u> Companies must be fully, actively and effectively engaged in the EITI process.</p> <p><u>Requirement 1.2 (b)</u> The government must ensure that there is an enabling environment for company participation with regard to relevant laws,</p>	<p>Reviewed period witnessed full participation of companies (Western Cluster, ExxonMobil, Aurous Gold, Golden Veroleum and Liberia Timber Authority) in the EITI process as respective companies’ representatives attended MSG meetings and contributed to consensual decision making, especially in approving the Workplan and TOR for 9th and 10th EITI reports on Liberia. The representing Companies on the MSG were all very actively involved in the dissemination of the 7th and 8th EITI report on Liberia as well as provided support to the LEITI during the matrix and County Social Development Fund distribution and disclosures.</p> <p>“Under article 6.4C of the LEITI Act, industry is guaranteed at least four seats in the MSG including a minimum of one seat each for companies in the mining, forestry and oil sectors. The current MSG has six representatives from the sector: Golden Veroleum, an oil palm developer, Exxon Mobile, an oil and gas company, the Gold and Diamond Dealers and Brokers Association, the Liberia Timber Association, Western Cluster, an iron ore mining company, and Aureus Gold, a gold mining company.”</p> <p>Decision making on the MSG is by consensus and in instances where consensus building cannot hold, MSG members including CSOs and</p>
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<p>regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of company representatives substantively engaged in the EITI, including but not restricted to members of the multistakeholder group, must be respected.</p> <p><u>Requirement 1.2 (c)</u> The government must ensure that there are no obstacles to company participation in the EITI process.</p>	<p>companies have the right to vote without molestation or harassment. The review period however saw a level playing field for companies representation on the MSG.</p>
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<u>I.3 Civil Society Engagement</u>	

<p><u>Requirement 1.3 (a)</u> Civil society must be fully, actively and effectively engaged in the EITI process.</p>	<p>CSOs are an integral part of the LEITI, backed by an Act of 2009. One of the specific objectives of LEITI, according to Article 3.2(a) of the LEITI Act, is “to promote the effective participation of civil society in the design, implementation, evaluation and modification of actions, activities, processes and institutional arrangements associated with resource governance in Liberia”. During the reviewed period, there were CSO representations in all monthly MSG and committees meetings. CSOs made significant contributions to the development of LEITI’s Workplan, approval of scoping for the 9th Report, as well as the TOR for the 9th report. All of the LEITI dissemination exercises included Civil Society Organization. The Matrix dissemination and awareness on the County Social Development Fund in eight of the 15 political subdivisions of Liberia saw the full participation of the Labor Congress</p> <p>Civil society organizations’ involvement in the LEITI process is legal through an act of legislation.</p>
<p><u>Requirement 1.3 (b)</u> The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as</p>	<p>Civil society organizations’ involvement in the LEITI process is legal through an act of legislation. CSOs</p> <p>Civil society are able to fully, actively and effectively engage in the design, implementation, monitoring and evaluation of the EITI process, but there are important capacity constraints linked to staffing and funding. Stakeholders are taking part in outreach and efforts to promote public debate especially at the level of counties. There is an enabling environment for civil society participation in the EITI.</p>

actual practice in	
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implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multistakeholder group, must be respected.

Requirement

1.3 (c)

The government must ensure that there are no obstacles to civil society participation in the EITI process.

Requirement

1.3 (d)

The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.

Requirement

1.3 (e)

<p>Stakeholders, including but not limited to members of the multistakeholder group must: i. Be able to speak freely on transparency and natural resource governance issues. ii. Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate. iii. Have the right to communicate and cooperate with each other. iv. Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.</p>	
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<p><u>Requirement</u> <u>(1.4)</u></p>	<p>The MSG has been formed and includes self-appointed representatives from each stakeholder group. While the President is responsible for appointing all MSG members, the selection was made by each constituency. There was public outreach ahead of selection of CSO members of the MSG. The ToR</p>
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<p>Multistakeholder group. a) The government is required to commit to work with civil society and companies, and establish a multistakeholder group to oversee the implementation of the EITI. In establishing the multistakeholder group, the government must:</p> <p>I. Ensure that the invitation to participate in the group is open and transparent.</p> <p>ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multistakeholder group must comprise appropriate</p>	<p>for the MSG addresses the requirements of the EITI Standard. Attendance of MSG members is at varying levels, with delegation of attendance to different representatives being common particularly for government and industry. There is evidence that key documents are shared with MSG representatives for comments. Efforts are now underway to enhance MSG members to in turn share with the broader constituency.</p>
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<p>stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians.</p> <p>Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion.</p> <p>Civil society</p>	
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groups
involved in the
EITI as
members of
the multi-

stakeholder group must be operationally, and in policy terms, independent of government and/or companies.

iii. Consider establishing the legal basis of the group.

b) The multistakeholder group is required to agree clear public Terms of Reference (ToRs) for its work. The ToRs should, at a minimum, include provisions on:
The role, responsibilities and rights of the multistakeholder group:

i. Members of the multistakeholder group should have the capacity to carry out their duties.

ii. The multistakeholder

<p>group should undertake effective outreach activities with civil society groups and companies, including through communication such as media, website and letters, informing stakeholders of the government's commitment to implement the EITI, and the central role of companies and civil society. The multistakeholder group should also widely disseminate the public information that results from the EITI process such as the EITI Report.</p> <p>iii. Members of the multistakeholder group should liaise with their constituency groups. Approval of</p>	
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<p>work plans, EITI Reports and annual activity reports:</p> <p>iv. The multistakeholder group is required to approve annual work plans, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator, EITI Reports and annual activity reports.</p> <p>v. The multistakeholder group should oversee the EITI reporting process and engage in Validation. Internal governance rules and procedures:</p> <p>vi. The EITI requires an inclusive decisionmaking process throughout implementatio</p>	
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<p>n, with each constituency being treated as a partner. Any member of the multistakeholder group has the right to table an issue for discussion. The multistakeholder group should agree and publish its procedures for nominating and changing multistakeholder group representatives, decisionmaking, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in</p> <p><u>Requirement (1.4.a.)</u> Where the MSG has a practice of per diems for attending EITI</p>	
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meetings or other payments to MSG members, this practice should be transparent and should not create conflicts of interest.

vii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption.

viii. The multistakeholder group must keep written records of its discussions and decisions

<p>Requirement 1.5 Work plan. The multistakeholder group is required to maintain a current work plan, fully costed and aligned with the reporting and Validation deadlines</p>	<p>During the reviewed period and in keeping with Requirement 1.5, LEITI prepared two well costed work plans driven by substantive and collective inputs from MSG members. The work plans covers July 1 2016 to June 30, 2017 and July 1, 2017 to June 30, 2018. The plans are in lieu with the country’s fiscal period. The work plans encompass deliverables aimed at achieving the EITI Standard, Act of 2009 and conforms to the Pro poor Agenda for Peace and Development which is the nation’s overarching development plan.</p> <p>Key deliverables of the 2017/2018 work plan are the preparation of the 9th EITI Report on Liberia and the review of the 2015 strategic plan for the LEITI. The former was however not produced and published during the period.</p>
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established by the EITI Board. The work plan must:

a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. Multistakeholder groups are encouraged to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business.

b) Reflect the results of consultations with key

<p>stakeholders, and be endorsed by the multistakeholder group.</p> <p>c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:</p> <p>i. Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation.</p>	
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<p>ii. Address the scope of EITI reporting, including plans for addressing technical aspects of reporting, such as comprehensive ness and data reliability (Requirements 4.1 and 4.9).</p> <p>iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.</p> <p>iv. Outline the multistakeholder group’s plans for implementing the recommendations from Validation and EITI reporting.</p>	
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<p>d) Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed work plan.</p> <p>e) Be made widely available to the public, for example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.</p> <p>f) Be reviewed and updated annually. In reviewing the work plan, the multistakeholder group should consider extending the detail and scope of EITI reporting including</p>	
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<p>addressing issues such as revenue management and expenditure (5.3), transportation payments (4.4), discretionary social expenditures (6.1.b), ad-hoc sub-national transfers (5.2.b), beneficial ownership (2.5) and contracts (2.4).</p> <p>In accordance with Requirement 1.4.b (viii), the multistakeholder group is required to document its discussion and decisions.</p> <p>g) Include a timetable for implementation that is aligned with the reporting and Validation deadlines established by the EITI Board (see provision 8) and that takes into</p>	
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account administrative requirements such as procurement processes and funding.	
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<p>Requirement 2 Legal and institutional framework, including allocation of contracts and licenses.</p> <p><u>Requirement 2.1</u> Legal framework and fiscal regime.</p> <p>a) Implementing countries must disclose a description of the legal framework and fiscal regime governing the extractive industries. This information must include a summary description of the fiscal regime, including the level of fiscal devolution, an overview of the relevant laws and regulations, and</p>	<p>Legal Framework (Mining Sector)</p> <p>The Ministry of Lands, Mines and Energy (MLME) is the Government Agency responsible for the administration of the mineral sector, including granting mining licenses, and it has statutory oversight of the energy, land, minerals, and water sectors. The minerals sector is regulated by the Mining and Minerals Law of 2000. The Minerals Policy of Liberia was created in March 2010 to complement the Mining and Minerals Law. The document outlines the Government’s expectations with regard to the contributions of all stakeholders in the sustainable development of Liberia’s mineral resources. These laws are under review.</p> <p>Exports and imports of rough diamonds are overseen by the Government Diamond Office (GDO) within MLME and by the Bureau of Customs.</p> <p>Fiscal Regime (Mining Sector)</p> <p>The fiscal regime specific for mining companies is set out in the Liberia Revenue Code (LRC) from sections 701 to 739. The main taxes paid by a mining company are: tax on taxable income (30%), royalties (Iron ore. 4.5% Gold and other base metals. 3% Commercial diamonds. 5%.) and surface rent ((A) Land within a mineral exploration license area: USD 0.20 per acre. (B) Land within mining license are: (i) Year 1-10 USD 5.00 per acre (ii) Year 11-25 USD 10.00 per acre).</p> <p>Legal Framework (Oil and Gas Industry)</p> <p>The Ministry of Lands, Mines and Energy (MLME) regulates the oil and gas industry while NOCAL, which was set up in 2000, administers and controls the rights, title, and interest in oil and gas deposits and reserves in the Liberian territory. NOCAL also facilitates the development of the oil and gas industry in Liberia and is mandated to grant exploration licenses and negotiate all petroleum contracts. In fact, NOCAL is the independent stateowned enterprise created by the NOCAL Act 2000 and the 2002 Petroleum Law to coordinate the development of Liberia’s oil sector. NOCAL chairs the Hydrocarbon Technical Committee (HTC) – the inter-</p>
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<p>information on the roles and responsibilities of the relevant government agencies.</p> <p>b) Where the government is undertaking reforms, the multistakeholder group is encouraged to ensure that these are documented.</p>	<p>ministerial body created by the 2002 Petroleum Law which is empowered to negotiate all contracts.</p> <p>HTC has the power, under the chairmanship and guidance of the President/CEO of NOCAL to negotiate and conclude agreements with all applicants for hydrocarbon development and exploitation rights and such related permits. The agreement so negotiated and concluded, becomes effective and binding upon the parties and the Republic of Liberia, when signed by the applicants, NOCAL, the Minister of Finance, the Minister of Lands, Mines and Energy, the Chairman of the National Investment Commission, attested by the Minister of Justice and approved by the President of Liberia. The Hydrocarbons Law is the New Oil & Gas Law of Liberia enacted in 2002. It requires 20% equity to be granted to NOCAL, 10% equity to be made available for purchase by Liberians, and purchase contracts valued at USD 3 million or less to be awarded to Liberian contractors. The Petroleum Law has only been partially implemented and local content provisions have not been enforced in the first two bidding rounds, primarily because there are no guidelines to implement them. Whether the ongoing third bidding round will be subject to the provisions will depend on the legislature issuing timely guidelines. In the case of disputes arising between The Republic of Liberia and a petroleum company, the Laws of Liberia are still applicable. However, arbitration provide the forum where disputes can be heard and settlement sought. The National Petroleum Policy of 2012 places a strong emphasis on developing heightened environmental and safety standards. The policy requires that environmental safety plans be submitted as part of the oil contract bidding process. At the end of each term of the PSC, mandatory audits take place to check for compliance with these standards.</p> <p>Liberia’s Environmental Protection Agency (EPA), established in 2006, is responsible for preparing Environmental and Social Impact Assessments. The Oil & Gas Law specifies that an environmental impact study should be part of every contract.</p> <p>Fiscal Regime (Oil and Gas)</p> <p>The fiscal regime specific for Oil & Gas companies is set out in the Liberia Revenue Code (LRC) from sections 740 to 799. The main taxes paid by an Oil & Gas company are: taxes on taxable income (30%), royalties (10%), surface rental (usually stated in Production Sharing Contract) and Signature Fees/Signing Bonus (These are bonuses or fees paid by extractive Industries to the Government of Liberia for the signing of Concession Agreements. These are non-sector specific taxes paid to the Government of Liberia).</p> <p><u>Legal Framework (Agriculture Sector)</u></p>
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The Ministry of Agriculture (MoA) is responsible for the leadership and overall development of the agricultural sector. With agricultural concessions, MoA works closely with the National Investment Commission (NIC) in the identification of investors interested in investing in the sector. Once an investor has been identified, the President of Liberia, at the request of NIC, establishes an Inter-Ministerial Concession Committee (IMCC) to review, negotiate and present a Concession Agreement for approval and signing by the President and ratification by the Honorable Legislature.

Fiscal Regime (Agriculture Sector)

The fiscal regime specific for agricultural companies is set out in the LRC from sections 600 to 699. The main taxes paid by an agricultural company are Taxes on Taxable Income (Renewable Resources: 25% and Rice: 15%) and Surface Rental (USD 2 per acre for developed land and USD 1 per acre for undeveloped land, irrespective of the value of the assets contained thereon).

Legal Framework (Forestry Sector)

Apart from the Public Procurement and Concession Agreement (PPCA) 2010, specific regulations that apply to the Forestry Sector are: • Act creating the Forestry Development Authority (FDA) of 1976; • National Forestry Reform Law of 2006; • Forestry Core Regulations - FDA Ten Core Regulations (effective September 2007); • Act to Establish the Community Rights Law with respect to Forest Lands of 2009; • FDA Regulations to the Community Rights Law with Respect to Forest Lands, July 2011; • Guidelines for Forest Management Planning in Liberia; and • National Forest Management Strategy, 2007.

Fiscal Regime (Forestry Sector)

The main taxes paid by a forestry company are taxes on taxable income (25%) and Log Export Fees (These are fees associated with the export of log as a forest product), Area Fee (These are fees associated with the use of Forest Land, including administrative fees and area-based fees tied to the resource licensees.), Forest Product Fee (processed materials) Stumpage Fee (These fixed fees were prescribed by regulations issued by FDA in consultation with the Minister, and assessed by FDA and paid regularly to the Minister for deposit into the account of Government. It is associated with the production, registration, transport, transfer of ownership, use, or export of forest products), Sawmill Permit Fees (Sawmill operators are classified into three (3) categories. These are class A, B, and C. Class A operators are those who process 1,500 cubic meters of wood per year and are required to pay USD 2,500 per annum. Class B operators are those who process 750 cubic meters of wood but less than 1,500 and are to pay

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USD 1,000 annually and class C Operators process less than 750 cubic meters of wood per year and are to pay USD 750 for the permit), Timber

Export License Fees (This is a payment made to government for a shortterm forest Resource license issued by the government under section 5.3 of the National Forestry Reform law that allows the license holder to manage a track of forest land and harvest or use forest products.

Mining Rights Allocation

There is a strict requirement that a person shall not prospect for minerals or carry on mining operations or mineral processing operations without the authority of a mining right or mineral processing license granted under the Minerals and Mining Law (2000). The Minister of Lands, Mines and Energy is responsible to ensure that the law and regulations are administered properly.

The Minister of Lands, Mines and Energy shall grant a prospecting license to all eligible applicants for an area to be specified in the application, if the application is compliant with the requirements set forth in the law or regulations.

The following are types of mineral rights/licenses that can be granted under the Minerals and Mining Law in Liberia: a) Prospecting License - it is granted when an area has not already been subject to a valid Mineral right granted to another person; the area granted shall not exceed one hundred (100) acres. The holder shall file and submit to the Minister of Land, Mines and Energy a proposed work plan for the prospection. The Prospecting license does not give the right to conduct commercial mining. This is valid for six (6) months, renewable once for a further period of six (6) months provided that the holder meets his obligations under the law.

b) Exploration License - it is granted when the area has not already been subject to a valid mineral right granted to another person; the exploration area shall be contiguous and shall not exceed one thousand (1,000) square kilometers. The holder is to submit a proposed exploration Programme to the Minister of Land, Mines and Energy within ninety (90) days after the issuance of the exploration license and shall commence exploration within one hundred and eighty (180) days after the issuance of an exploration license unless the Minister agrees to a longer period. This is valid for not more than three (3) years and it may be extended for a single two (2) year term upon written application of a holder.

c) Class C mining license - the production area covered by this license shall be not more than twenty five (25) acres. One person may hold up to four (4) class C mining licenses at the same time. Holders of a class C

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mining licenses shall conduct mining predominantly as a small-scale operations.

This is valid for one (1) year, renewable for further terms of one year each, if the holder has met all of his legal obligations.

d) Class B mining license - holders of a class B mining licenses can conduct mining as industrial operations. Production area is twenty-five (25) acres.

This is valid for five (5) years, renewable for not more than five (5) years.

e) Class A mining license - it is granted during or at the end of the exploration period of a discovery of exploitable deposits and is materially in compliance with, a Mineral Development Agreement, which has become effective, permitting mining in the proposed production area. Not be more than twenty-five (25) years and may be extended for consecutive additional terms not exceeding twenty-five (25) years each.

The 8th EITI Report on Liberia, prepared during the referenced period, provides a list of active licenses in the mining, oil, agriculture and forestry sectors of Liberia. The report can be found on the LEITI website (<http://www.leiti.org.lr>)

Liberia has developed an open data policy that conforms to Requirement 4.1.

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<p><u>Requirement (2.2)</u> License allocations. a) Implementing countries are required to disclose the following information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report during the accounting period covered by the EITI Report: i. a description of the process for transferring or awarding the license; ii. the</p>	<p>Following a successful pilot of the beneficial ownership disclosure in 2016, the country developed a beneficial ownership roadmap during the reviewed period. With the guidance and rich inputs of the MSG, Liberia's BO Roadmap charts future course of action to maintaining an up-to-date beneficial ownership disclosure by 2020. The BO Roadmap can be found on LEITI's website</p>
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<p>technical and financial criteria used; iii. information about the recipient(s) of the license that has been transferred or</p>	
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<p>awarded, including consortium members where applicable; and iv. any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards. It is required that the information set out above is disclosed for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold. Any</p>	
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<p>significant legal or practical barriers preventing</p>	
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<p>such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them.</p> <p>b) Where companies covered in the EITI Report hold licenses that were allocated prior to the accounting period of the EITI Report, implementing countries are encouraged, if feasible, to disclose the information set out in 2.2(a) for these licenses.</p> <p>c) Where licenses are awarded</p>	<p>The National Oil Company of Liberia is an SOE, as per EITI Standard. Section 3.6, p30 of the 8th EITI report on Liberia states that: “The Petroleum Law mandates NOCAL to delineate, establish, and issue licenses for particular areas, fields, and blocks, as the case maybe, on such terms and conditions as shall be deemed appropriate, subject to the approval of the Board of Directors and final ratification by the President of Liberia. All Petroleum contracts shall be negotiated by NOCAL on behalf of the State. As there is no production of oil & gas at present, NOCAL collects other payments from Oil & Gas companies operating in the country such us Surface Rental and signature fees.” Pages 71-72 also detail a list of leased petroleum blocks, name of operators and NOCAL’s corresponding ownership in percentage terms.</p>
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through a bidding
process during
the

accounting

period covered by the EITI Report, the government is required to disclose the list of applicants and the bid criteria.

d) Where the requisite information set out in 2.2(a-c) is already publicly available, it is sufficient to include a reference or link in the EITI Report.

e) The multistakeholder group may wish to include additional information on the allocation of licenses in the EITI Report, including commentary on the efficiency and effectiveness of licensing procedures.

Requirement

(2.3)
Register
licenses.

of

<p>a) The term license in this context refers to any license, lease, title, permit, contract or concession by which the government confers on a company(ies) or individual(s) rights to explore or exploit oil, gas and/or mineral resources.</p> <p>b) Implementing countries are required to maintain a publicly available register or cadastre system(s) with the following timely and comprehensive information regarding each of the licenses pertaining</p>	
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to
companies
covered in the
EITI Report: i.
License
holder(s).

ii.
Where
collated,
coordinates of
the license
area. Where

<p>coordinates are not collated, the government is required to ensure that the size and location of the license area are disclosed in the license register and that the coordinates are publicly available from the relevant government agency without unreasonable fees and restrictions.</p> <p>The EITI Report should include guidance on how to access the coordinates and the cost, if any, of accessing the data.</p> <p>The EITI Report should also document plans and timelines for making this information freely and electronically available</p>	
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<p>through the license register. iii. Date of application, date of award</p>	
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<p>and duration of the license. iv. In the case of production licenses, the commodity being produced. It is expected that the license register or cadastre includes information about licenses held by all entities, including companies and individuals</p> <p>or groups that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained</p>	
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in the EITI
Report,
including an
account of
government

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plans for	
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seeking to overcome such barriers and the anticipated timescale for achieving them.

c) Where the information set out in 2.3.b is already publicly available, it is sufficient to include a reference or link in the EITI Report. Where such registers or cadastres do not exist or are incomplete, the EITI Report should disclose any gaps in the publicly available information and document efforts to strengthen these systems. In the interim, the EITI Report itself should include the information set out in 2.3.b above.

Requirement (2.4)
Contracts. a) Implementing countries are encouraged to

<p>publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals. b) It is a requirement that the EITI Report documents the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas and minerals. This should include relevant legal provisions, actual disclosure practices and any reforms that are planned or underway. Where applicable, the EITI Report should provide an overview of the contracts and licenses</p>	
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that are

publicly and
available,
include a

<p>reference or link to the location where these are published. c)</p> <p>The term contract in 2.4(a) means: i. The full text of any contract, concession, production sharing agreement or other agreement granted by, or entered into by, the government which provides the terms attached to the exploitation of oil gas and mineral resources. ii. The full text of any annex, addendum or rider which establishes details relevant to the exploitation rights described in 2.4(c)(i) or the execution thereof. iii. The full text of any alteration or amendment to the documents described in 2.4(c)(i) and</p>	
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<p>2.4(c)(ii). d) The term license in 2.4(a) means: i. The full text of any license, lease, title or permit by which a government confers on a company (ies) or individual(s) rights to exploit oil, gas and/or mineral resources. ii. The full text of any annex, addendum or rider that establishes details relevant to the exploitation rights described in in 2.4(d)(i) or the execution thereof. ii. The full text of any alteration or amendment to the documents described in 2.4(d)(i) and 2.4(d)(ii).</p> <p><u>Requirement</u> (2.5) Beneficial ownership. a) It</p>	
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is

recommended that implementing	
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<p>countries maintain a publicly available register of the beneficial owners of the corporate entity (ies) that bid for, operate or invest in extractive assets, including the identity (ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating extractive industry licensing.</p>	
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Where this
information is

already publicly
available, the
EITI Report

<p>should include guidance on how to access this information</p> <p>b) It is required that: i. The EITI Report documents the government's policy and MSG's discussion on disclosure of beneficial ownership. This should include details of the relevant legal provisions, actual disclosure practices and any reforms that are planned or underway related to beneficial ownership disclosure. ii. By 1 January 2017, the multistakeholder group publishes a roadmap for disclosing beneficial ownership</p>	
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information in
accordance with

clauses
(c)-(f) below.

The MSG will determine all milestones and deadlines in the roadmap, and the MSG will evaluate implementation of the roadmap as part of the MSG's annual activity report.

c) As of 1 January 2020, it is required that implementing countries request, and companies disclose, beneficial ownership information for inclusion in the EITI report.

This applies to corporate entity (ies) that bid for, operate or invest in extractive assets and should include the identity(ies) of their beneficial

<p>owner(s), the level of ownership and details about how ownership</p>	
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or control is
exerted.
Any
gaps or
weaknesses in

<p>reporting on beneficial ownership information must be disclosed in the EITI Report, including naming any entities that failed to submit all or parts of the beneficial ownership information. Where a country is facing constitutional or significant practical barriers to the implementation of this requirement by 1 January 2020, the country may seek adapted implementation in accordance with requirement 8.1. d) Information about the identity of the</p>	
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beneficial
owner should
include the
name of the

<p>beneficial owner, the nationality, and the country of residence, as</p>	
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<p>well as identifying any politically exposed persons. It is also recommended that the national identity number, date of birth, residential or service address, and means of contact are disclosed. e)</p> <p>The multi-stakeholder group should agree an approach for participating companies assuring</p> <p>the accuracy of the beneficial ownership information they provide. This could include requiring companies to attest the beneficial ownership declaration form through sign off by a member of the</p>	
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senior
management

team or senior
legal counsel,

<p>or submit supporting documentation</p> <p>. f) Definition of beneficial ownership: i. A beneficial owner in respect of a company means</p> <p>the natural person(s) who directly or indirectly ultimately owns or controls</p> <p>the corporate entity. ii. The multistakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with (f)(i) above and take international norms and relevant national laws into account, and should include</p>	
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ownership threshold(s).	
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<p>The definition should also specify</p>	
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reporting obligations for politically exposed persons. iii. Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed. iv. In the case of

joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a whollyowned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided. g)

<p>The EITI Report should also disclose the legal owners and share of ownership of</p>	
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such companies.

Requirement (2.6) State participation.
Where

state participation in the extractive industries gives rise to material revenue payments, implementing countries must disclose: a) An explanation of the

prevailing rules and practices regarding

the financial relationship between

the government and

state-owned enterprises (SOEs),

e.g., the

<p>rules and practices governing transfers</p> <p>of funds between the SOE(s) and the state,</p>	
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retained earnings, reinvestment and third-party financing. For the purpose of EITI reporting, a SOE is a wholly or

<p>majority government owned company that is engaged in extractive activities on behalf of the government. Based on this, the MSGs is encouraged to discuss and document its definition of SOEs taking into account national laws and government structures. b) Disclosures from the government and SOE(s) of their level of ownership in mining, oil and gas companies operating within the country's oil, gas and mining sector, including those held by SOE</p>	
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subsidiaries and
joint ventures,

<p>and any changes in the level of ownership during the reporting period. This information</p>	
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should include details regarding the terms attached to their equity stake, including their level of responsibility to cover expenses at various phases of the project cycle, e.g., full-paid equity, free equity, carried interest.

Where there have been changes in the level of government and SOE(s) ownership during the EITI reporting period, the government and SOE(s) are expected to disclose the terms of the transaction, including details regarding valuation and revenues.

Where the government and SOE(s) have provided loans or loan guarantees to

mining, oil and
gas companies

<p>operating within the country, details on these transactions should be disclosed</p>	
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<p>Requirement 3 Exploration and Production <u>Requirement (3.1)</u> Exploration. Implementing countries should disclose an overview of the extractive industries, including any significant exploration activities. 3.2 Production. Implementing countries must disclose production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity,</p>	<p>Not applicable since the 9th report was not produced, launched or published during the period in review</p>
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<p>and, when relevant, by state/region. This could include sources of the production data and information on how the production volumes and values disclosed in the EITI Report have been calculated. 3.3 Exports. Implementing countries must disclose export data for the fiscal year covered by the EITI Report, including total export volumes and the value of exports by commodity, and, when relevant, by state/region of origin. This could include sources of the export data and information on how the export volumes and values disclosed in the EITI Report</p>	
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have been calculated.	
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<p>Requirement 4 Revenue Collection</p> <p>4.1 Comprehensive disclosure of taxes and revenues. a) In advance of the reporting process, the multi-stakeholder group is required to agree which payments and revenues are material and therefore must be disclosed, including appropriate materiality definitions and thresholds. Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report. A description of each revenue stream, related materiality definitions and</p>	<p>The National Oil Company of Liberia (NOCAL) operates as a state owned enterprise. However, oil has not been discover in commercial quantity,</p>
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hence there is no production taking place in the industry. State's share of production is not however applicable.

<p>thresholds should be disclosed. In establishing materiality definitions and thresholds, the multistakeholder group should consider the size of the revenue streams relative to total revenues. The multistakeholder group should document the options considered and the rationale for establishing the definitions and thresholds. b) The following revenue streams should be included: i. The host government's production entitlement (such as profit oil) ii. National state-owned company production entitlement iii. Profits taxes iv. Royalties v. Dividends vi. Bonuses, such as signature,</p>	<p>As mentioned earlier in this paper, the reviewed period saw an assessment of Liberia's compliance with the EITI standard. According to the initial assessment report, there is infrastructure arrangement between the Government of Liberia and Arcelor Mittal relative to refurbishment of a 243km railway from Tokadeh to Buchanan and the Buchanan mineral port. The MDA was originally signed in 2005 and amended in December 2006 and September 2013, with the infrastructure developed as a build-operate-maintain concession where ownership remained with the government.</p>
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<p>discovery and production bonuses vii. License fees, rental fees, entry fees and other considerations for licenses and/or concessions viii. Any other significant payments and material benefit to government Any revenue streams or benefits should only be excluded where they are not applicable or where the multistakeholder group agrees that their omission will not materially affect the comprehensive ness of the EITI Report. c) Implementing countries must provide a comprehensive reconciliation of government revenues and company payments, including payments to</p>	<p>There were no subnational transfers recorded during the reviewed period. This requirement is not applicable to Liberia.</p> <p>2013/14 and 2014/15 fiscal periods respectively. Publication of the latter made Liberia current in EITI reporting as per Requirement 4.8.</p> <p>Liberia's EITI report covering 2015/16 was to be prepared by Moore Stephens in collaboration with Parker and Associates. The IA was hired</p>
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through a competitive process guided by Liberia's Public Procurement and Concession Law. In order to comply with EITI Requirement 4.9 and to ensure the credibility of data submitted, the IA set the following:

<p>and from state owned enterprises, in accordance with the agreed scope. All companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. An entity should only be exempted from reporting if it can be demonstrated that its payments and revenues are not material. All government entities receiving material revenues are required to comprehensively disclose these revenues in accordance with the agreed scope.</p> <p>d) Unless there are significant practical barriers, the</p>	<ul style="list-style-type: none"> - for each company the “Payment/Receipt Report” should be signed off by an authorized senior official (at board level); - for each Government Agency the “Payment/Receipt Report” must be signed off by an authorized senior officer; and - each Reporting Template must be certified by an external auditor: <ul style="list-style-type: none"> • - Extractive companies and NOCAL: are required to obtain confirmations from a registered external auditor that the figures reported in the Reporting Templates are in accordance with instructions issued by LEITI, are complete and are in agreement with the accounts for the FY15/16; and <ul style="list-style-type: none"> • Government Agencies: are required to obtain confirmation from the Auditor General that the transactions reported in the Reporting Templates are in accordance with instructions issued by LEITI, are complete and are in agreement with the accounts of government for the FY15/16 <ul style="list-style-type: none"> - extractive companies were encouraged to submit their audited 2016 financial statements; and - the Auditor General was required to carry out agreed upon procedures under international standards in his certification of reporting templates provided by Government Agencies. For any changes to the information provided on the original data collection templates, supporting documents and/or confirmation from reporting entities will have to be made available to the IA
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government is additionally required to provide aggregate information about the amount of total revenues received from each of the benefit streams agreed in the scope of the EITI Report, including revenues that fall below agreed materiality thresholds. Where this data is not available, the Independent Administrator should draw on any relevant data and estimates from other sources in order to provide a comprehensive account of the total government revenues.

4.2 Sale of the state's share of production or other revenues collected in kind. Where the sale of the

<p>state's share of production or other revenues collected in kind is material, the government, including state-owned enterprises, are required to disclose the volumes sold and revenues received. The published data must be disaggregated by individual buying company and to levels commensurate with the reporting of other payments and revenue streams (Requirement 4.7.). Reporting could also break down disclosures by the type of product, price, market, and sale volume. Where practically feasible, the multi-stakeholder group is encouraged to task the</p>	
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Independent Administrator with reconciling the volumes sold and revenues received by including the buying companies in the reporting process.

4.3
Infrastructure provisions and barter arrangements. The multistakeholder group and the Independent Administrator are required to consider whether there are any agreements, or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or

physical delivery of such commodities. To be able to do so, the multistakeholder group and the Independent Administrator need to gain a full understanding of: the terms of the relevant agreements and contracts, the parties involved, the resources which have been pledged by the state, the value of the balancing benefit stream (e.g. infrastructure works), and the materiality of these agreements relative to conventional contracts. Where the multistakeholder group concludes that these agreements are material, the multistakeholder

group and the Independent Administrator are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams. Where reconciliation of key transactions is not feasible, the multistakeholder group should agree an approach for unilateral disclosure by the parties to the agreement(s) to be included in the EITI Report.

4.4
Transportation revenues.
Where revenues from the

<p>transportation of oil, gas and minerals are material, the government and stateowned enterprises (SOEs) are expected to disclose the revenues received. The published data must be disaggregated to levels commensurate with the reporting of other payments and revenue streams (Requirement 4.7.).</p> <p>Implementing countries could disclose:</p> <ul style="list-style-type: none"> i. A description of the transportation arrangements including: the product; transportation route(s); and the relevant companies and government entities, including SOE(s), involved in transportation. ii. Definitions 	
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of the relevant transportation taxes, tariffs or other relevant payments, and the methodologies used to calculate them. iii. Disclosure of tariff rates and volume of the transported commodities. iv. Disclosure of revenues received by government entities and SOE(s), in relation to transportation of oil, gas and minerals. v. Where practicable, the multistakeholder group is encouraged to task the Independent Administrator with reconciling material payments and revenues associated with the transportation of oil, gas and minerals.

<p>4.5 Transactions related to State-owned enterprises (SOEs). The multistakeholder group must ensure that the reporting process comprehensively addresses the role of SOEs, including material payments to SOEs from oil, gas and mining companies, and transfers between SOEs and other government agencies.</p> <p>4.6 Subnational payments. It is required that the multistakeholder</p>	
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<p>group establish whether direct payments, within the scope of the agreed benefit streams, from companies to subnational government entities are material. Where material, the multistakeholder group is required to ensure that company payments to subnational government entities and the receipt of these payments are disclosed and reconciled in the EITI Report.</p> <p>4.7 Level of disaggregation. The multistakeholder group is required to agree the level of disaggregation for the publication of data. It is required that EITI data is presented by</p>	
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<p>individual company, government entity and revenue stream. Reporting at project level is required, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements.</p> <p>4.8 Data timeliness. a) Implementing countries are required to produce their first EITI Report within 18 months of being admitted as an EITI Candidate. Thereafter, implementing countries are expected to produce EITI Reports on an annual basis. b) Implementing countries must disclose data</p>	
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no older than
the second to

<p>last complete accounting period, e.g. an EITI Report published in calendar/financial year 2016 must be based on data no later than calendar/financial year 2014. Multistakeholder groups are encouraged to explore opportunities to disclose data as soon as practically possible, for example through continuous online disclosures or, where available, by publishing additional, more recent contextual EITI data than the accounting period covered by the EITI revenue data. In the event that EITI reporting is significantly delayed, the multistakeholder group should</p>	
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take steps to ensure that EITI Reports are issued for the intervening reporting periods so that every year is subject to reporting. c) The multistakeholder group is required to agree the accounting period covered by the EITI Report.

4.9 Data quality and assurance. a) The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. b) It is a requirement that payments and revenues are reconciled by a credible, independent administrator, applying international

<p>auditing standards and the administrator's opinion regarding that reconciliation including discrepancies, should any be identified. i. The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards. ii. The Independent Administrator must be perceived by the multistakeholder group to be credible, trustworthy and technically competent. The multistakeholder group should endorse the appointment of the Independent Administrator. iii. The multi-</p>	
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<p>stakeholder group and the Independent Administrator are required to agree a Terms of Reference for the EITI Report based on the standard Terms of Reference and the 'agreed upon procedure for EITI Reports'³ endorsed by the EITI Board. Should the multistakeholder group wish to adapt or deviate from these agreed upon procedures, approval from the EITI Board must be sought in advance (Requirement 8.1). c) Where the assessment in 4.9(a) concludes that there is (i) routine disclosure of the data required by the EITI Standard in requisite detail, and (ii) that the</p>	
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<p>financial data is subject to credible, independent audit, applying international standards, the multistakeholder group may seek Board approval to mainstream EITI implementation in accordance with the 'Agreed upon procedure for mainstreamed disclosures'.⁴ Without such prior approval, adherence to 4.9.b is required.</p>	
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<p>5.1 Distribution of extractive industry revenues. Implementing countries must disclose a description of the distribution of revenues from the extractive industries. a) Implementing countries should indicate which extractive</p>	<p>Revenue distribution is done through Liberia’s budgetary process. Accordingly, all revenues collected by Liberia Revenue Authority (LRA) are deposited in a consolidated account at the Central Bank of Liberia (CBL), from whence it is captured in the national budget in the National Budget.</p> <p>Subnational transfer is not applicable to Liberia.</p>
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<p>industry revenues, whether cash or in-kind, are recorded in the national budget. Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable, e.g., sovereign wealth and development funds, subnational governments, state-owned enterprises, and other extrabudgetary entities. b) Multistakeholder groups are encouraged to reference national revenue classification systems, and international standards such as the IMF Government Finance</p>	<p>Liberia operates and Open Budget Initiative (OBI), which requires the national budget to be supported by a budget framework paper. The requirements for the Budget Framework Paper are set out in Section 11 of the PFM Act of 2009 and in Part D.6 of the Associated Regulations, as follows:</p> <ol style="list-style-type: none"> 1. The Proposed National Budget to be presented to the Legislature shall be accompanied by the budget framework paper, as outlined in Section 11 of the PFM Act of 2009, updated to reflect the draft budget submitted to the Legislature. 2. The budget framework paper shall contain the following: i. an analysis of the economic and fiscal trends, and the assumptions underlying the medium term macroeconomic and fiscal framework of the budget; ii. an explanation of the government’s policy priorities and how these are reflected in the budget; iii. a statement of key fiscal risks that may affect budget execution; iv. the essential features of the medium term expenditure framework, where this has been prepared; v. a summary statement of revenues and expenditure performance, using the main economic categories identified in Section 8(d) of the PFM Act of 2009, for the last two years showing the surplus or deficit in each of the years, and indicating the use to which it was put (in the case of surplus) or the means of financing (in the case of deficit); vi. a summary statement of revenues and expenditures, using the main economic categories identified in Section 8(d) of the PFM Act of 2009, for the three years showing the projected surplus or deficit in each of the years, and indicating the use to which it will be put (in the case of surplus) or the means of financing (in the case of
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deficit); vii. a summary statement of off-budget donor funding showing name of project and program, funding agency, recipient Government Agency, disbursements effected in the previous financial year, projected disbursement in the following financial

<p>Statistics Manual.</p> <p>5.2 Subnational transfers. a) Where transfers between national and sub-national government entities are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the multistakeholder group is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the</p>	<p>year; viii. a summary statement of the performance of State-Owned Enterprises (SOE) and their annual financial plans for the following year showing revenues, expenditures and changes in net worth; ix. a summary statement of the performance of public corporations and Special Funds showing incomes accruing to them including any donor funding, cash flow statement, outstanding debt if any that includes arrears to vendors and borrowing requirements for the following financial year; x. a summary statement of budgetary implications of new legislations on the proposed budget as well as the financial implication over the two outer years, consistent with the provisions of Section 19 of the PFM Act of 2009. 3.</p> <p>The detailed annual budget estimates shall show the previous budget year outturns, the current year’s original budget as well as the year-to-date outturn based on available data, and projected outturns. 4.</p> <p>The detailed estimates, which will include both revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of PFM Act of 2009. 5. The detailed estimates will include overall as well as agency level summaries by the various classifications utilized in the budget. To strengthen the link between national priorities as set out in the national development plan and the budget, MTEF sets out two separate phases of the budget preparation process: a strategic phase and an operational phase. The strategic phase is used to review high-level priorities and strategies before detailed resource allocation is undertaken. The operational phase of the budget preparation involves the allocation of resources to sectors and various spending entities, and concludes with the passing of the national budget by the national legislature.</p>
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<p>relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. The multistakeholder group is encouraged to reconcile these transfers. Where there are constitutional or significant practical barriers to the participation of sub-national government entities, the multistakeholder group may seek adapted implementation in accordance with Requirement 8.1. b) The multistakeholder group is encouraged to ensure that any material</p>	
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discretionary or ad-hoc transfers are also disclosed and where possible reconciled.

5.3 Revenue management and expenditures.

The multistakeholder group is encouraged to disclose further information on revenue management and expenditures, including: a) A description of any extractive revenues earmarked for specific programmes or geographic regions. This should include a description of the methods for ensuring accountability and efficiency in their use. b) A description of the country's budget and audit processes and links to the publicly

<p>available information on budgeting, expenditures and audit reports. c) Timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence. This may include the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the</p>	
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extractive
sector.

6.1 Social expenditures by extractive	Data not available because the 9 th report was not published, launched or disseminated during the period in review.
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<p>companies. a) Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these transactions. Where such benefits are provided in kind, it is required that implementing countries disclose the nature and the deemed value of the in-kind transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed.</p>	
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<p>Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these transactions. b) Where the multistakeholder group agrees that discretionary social expenditures and transfers are material, the multistakeholder group is encouraged to develop a reporting process with a view to achieving transparency commensurate with the disclosure of other payments and revenue streams to government entities. Where reconciliation of key transactions is not possible,</p>	
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<p>e.g., where company payments are in-kind or to a nongovernmental third party, the multistakeholder group may wish to agree an approach for voluntary unilateral company and/or government disclosures.</p> <p>6.2 Quasi-fiscal expenditures. Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOE(s) on their quasifiscal expenditures. Quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenditure such as payments for</p>	
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<p>social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process. The multistakeholder group is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE subsidiaries and joint ventures.</p> <p>6.3 The contribution of the extractive sector to the economy. Implementing countries must disclose, when available, information about the contribution of the extractive</p>	
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industries to the economy

for the fiscal year covered by the EITI Report. It is required that this information includes:

a) The size of the extractive industries in absolute terms and as a percentage of GDP as well as an estimate of informal sector activity, including but not necessarily limited to artisanal and small scale mining.

b) Total government revenues generated by the extractive industries (including taxes, royalties, bonuses, fees, and other payments) in absolute terms and as a percentage of total government revenues.

c) Exports from the

extractive
industries in

<p>absolute terms and as a percentage of total exports. d) Employment in the extractive industries in absolute terms and as a percentage of the total employment. e) Key regions/areas where production is concentrated.</p>	
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<p>7.1 Public debate. The multistakeholder group must ensure that the EITI Report is comprehensible, actively promoted, publicly accessible and contributes to public debate. Key audiences should include government, parliamentarians, civil society, companies and the media. The multistakeholder group is required to: a) Produce paper copies of the EITI Report,</p>	<p>.</p> <p>The reviewed period also witnessed the release of LEITI’s open data policy with the following thrusts:</p> <ol style="list-style-type: none"> 1) EITI Reports on Liberia will be made comprehensible, actively promoted, and publicly accessible, contribute to public debate and will be published in paper copies. Summary copies will be developed along with visual aids and distributed nationwide. Soft copies of both full and summary reports will be published online; 2) All extractives and related data will be published under open license online (www.leiti.org.lr) and websites of other relevant government ministries and agencies; 3) Extractives and related data will be released in granular, machine-readable format online and in a format as specified by EITI Requirement 7.1c (xlsx or csv). 4) LEITI will undertake nationwide and periodical dissemination of EITI reports on Liberia; 5) EITI reports on Liberia will be produced in not more than 18 months following the expiration of any fiscal year; 6) Over the medium term, LEITI’s online data portal will be made interoperable; 7) LEITI will ensure continuous awareness creation and capacity building of citizens on open data availability, accessibility and reusability. Focus will be on youth groups, women groups, local authority, parliamentarians, media, marginalized and minority groups, etc.
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<p>and ensure that they are widely distributed. Where the report contains extensive data, e.g. voluminous files, the multistakeholder group is encouraged to make this available online.</p> <p>b) Agree a clear policy on the access, release and re-use of EITI data. Implementing countries are encouraged publish EITI under an open license, and to make users aware that information can be reused without prior consent. c) Make the EITI Report available in an open data format (xlsx or csv) online and publicize its availability. d) Ensure that the EITI Report is comprehensible, including by ensuring that it is written in a</p>	<p>8) LEITI will strive to establish a register of beneficial owners of the companies operating in the extractive sector of Liberia on an annual basis beginning January 1, 2020.</p>
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<p>clear, accessible style and in appropriate languages.</p> <p>e) Ensure that outreach events, whether organized by government, civil society or companies, are undertaken to spread awareness of and facilitate dialogue about the EITI Report across the country.</p> <p>7.2 Data accessibility. The multistakeholder group is encouraged to make EITI Reports machine readable, and to code or tag EITI Reports and data files so that the information can be compared with other publicly available data by adopting Boardapproved EITI data standards. As per Requirement</p>	
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<p>5.1(b), the multistakeholder group is encouraged to reference national revenue classification systems, and international standards such as the IMF Government Finance Statistics Manual. The multistakeholder group is encouraged to:</p> <ul style="list-style-type: none">a) Produce brief summary reports, with clear and balanced analysis of the information, ensuring that the authorship of different elements of the EITI Report is clearly stated.b) Summarize and compare the share of each revenue stream to the total amount of revenue that accrues to each respective level of government.c)	
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<p>Where legally and technically feasible, consider automated online disclosure of extractive revenues and payments by governments and companies on a continuous basis. This may include cases where extractive revenue data is already published regularly by government or where national taxation systems are trending towards online tax assessments and payments. Such continuous government reporting could be viewed as interim reporting, and as an integral feature of the national EITI process which is captured by</p>	
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the reconciled
EITI Report

<p>issued annually.</p> <p>d) Undertake capacitybuilding efforts, especially with civil society and through civil society organizations, to increase awareness of the process, improve understanding of the information and data from the reports, and encourage use of the information by citizens, the media, and others.</p> <p>7.3</p> <p>Discrepancies and recommendations from EITI Reports. With a view to strengthen the impact of EITI implementation on natural resource governance, as per Requirement 7.4, the multistakeholder group is required to take steps to act upon lessons learnt;</p>	
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<p>to identify, investigate and address the causes of any discrepancies; and to consider the recommendations resulting from EITI reporting.</p> <p>7.4 Review the outcomes and impact of EITI implementation. The multistakeholder group is required to review the outcomes and impact of EITI implementation on natural resource governance. a) The multistakeholder group is required to publish annual progress reports.5 The annual progress reports must include: i. A summary of EITI activities undertaken in the previous year.</p>	
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III. Specific Strengths and Weaknesses identified in the EITI Process

Major Strengths

Staff capacity Building: The LEITI continues to reap immense benefits from the upgrading of staff members. Mr. Sarnyenneh Dickson, employed as an Industry Analyst, who completed a week-long training in Corporate Social Responsibility Global Standards in Accra, Ghana from October 1-6, 2015, has now risen to the position of Technical Officer replacing Miss Beneta Ackah, who has resigned. Mr. Dickson also recently acquired a degree in Law which is an immense advantage to the Secretariat. Also, several staff members enjoyed career upgrades courtesy of the LEITI. Communications and Outreach Officer Cedrick Kpadeh had a two-week coaching on web management from the Stars College and also benefitted from a two-week training on Liberian mining laws; while Emmanuel Dormeyan and Benedict Workpeh separately had graduated on Computer skills and Monitoring and Evaluation respectively from two separate institutions. These trainings are positively impacting their individual outputs as well as holistically impacting LEITI's.

Weaknesses

Most notable weaknesses observed over the review period include:

Decline in Government funding – As experienced in 2016, budgetary support to the LEITI is still declining thereby affecting implementation of the LEITI work plan. The LEITI was created as an autonomous agency of government through an act of the Liberian Legislature. The Government of Liberia was designated by the Act as the primary funding source, through budgetary appropriations. 2016/17 work plan took received the least governmental support ever. From Seven hundred seventeen thousand five hundred twenty seven United States dollars (717,527 USD) in the previous year (2015/16), to four hundred four thousand eight hundred seventy five United States dollars (404,875.00 usd). The fall meant that the LEITI could not continue its decentralization process especially with the retention of the focal persons in the counties and the expansion of the Extractive club programs to other counties outside of Montserrado.

Difficulty in the implementation of recommendations of Mining Sector Scoping Study-Tracing revenues from solid mineral Sector. Despite Liberia's outstanding records in the implementation of the EITI Requirements, LEITI still faces challenges in its annual reporting processes, particularly in reconciling payments from the mining sector. Over the years, payments from the artisanal and small-scale miners in the solid mineral sector are only reported by the government, and have not been independently verified or reconciled by the LEITI Independent Administrator owing to lack of data from the artisanal and small-scale miners.

In addressing this challenge, the MSG approved the conduct of a Scoping Study in the Mining Sector of Liberia. The study is intended to assess the solid mineral sector – believed to be dominated by large scale and artisanal and small-scale mining and quarry operations, to consider the possibilities of including all payments and revenue from the sector into the EITI reporting process.

This report was launched by the MSG in December 2015 and contains findings of a study conducted in considering the possibilities of including all payments and revenues from the solid mineral sector. Specifically, the study, inter alia, examined the scale of operations surrounding artisanal and small scale-mining including the licensing procedures, registration and revenue payments as well as identified key players or available networks, locations of their operations and strategic opportunities available for the full inclusion of the sector in the implementation of the EITI.

Among other things, the Scoping Report points to several challenges in the mining sector including government bureaucracy in the granting of licenses and permits; difficulties in integrating artisanal miners in the LEITI reporting structure due to their limited education and disperse locations, as well as the highly centralized nature of the mining regime which has contributed significantly to revenue loss, particularly along the borders where the presence of dealers are limited.

IV. Total Implementation Cost

Below is a breakdown of the cost of implementation during the reporting period (16/17 and 17/18) fiscal years.

IV. Total Implementation Cost

Below is a breakdown of the cost of implementation during the reporting period.

LIBERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (LEITI)	
STATEMENT OF INCOME AND EXPENDITURES FY2015/2016	
ACCOUNT DESCRIPTION	AMOUNT (US\$)
Government of Liberia	748,323.78
World Bank	
AfDP	
USAID	
UNDP	
GIZ	
TOTAL Income	748,323.78
EXPENDITURE	
Personnel Expense	429,977.99
LEITI Secretariat Operation Cost	246,266.64
Multi-Stakeholder Steering Committee	
Consultancy Fee	72,079.15
Training and Capacity Building	
	748,323.78
EXCESS Income over Expenditure	

V. Communications and Outreach activities

The Extractive Club Program—getting the youth involve in the resource debate

LEITI's engagement with the youth continues to gain increased momentum. Series of activities were implemented with the LEITI Extractive Club Program at fifteen high schools in around Monrovia where the LEITI has been working with over hundred students to promote integrity and increase their understanding of the extractive sector, thereby preparing them for future leadership role. Whether through field trips to extractive companies, mentorship program, peerto-peer discussions and inter-high school debates, the e-Club Program has stirred excitements amongst students and allowed them to contribute to the debates and discussions regarding transparent resource management. Our goal is to expand the program in the next year to reach several more youths in other parts of the country especially concession communities. The following programs were executed during the period under review with support from GIZ:

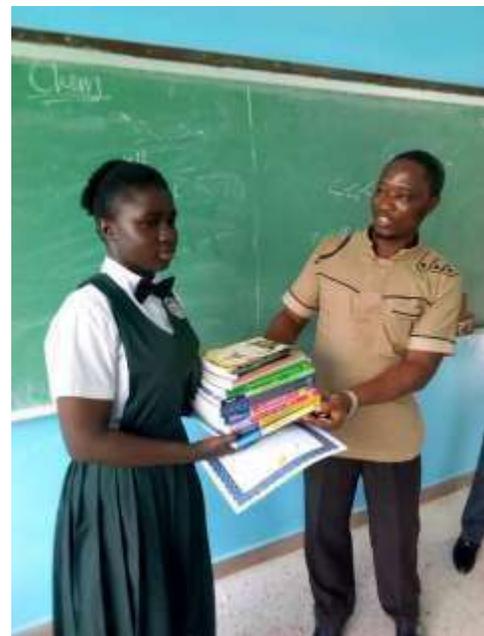
Essay Competition

The Essay competition was initially planned to be jointly executed along with the All Schools Speaker Series and the Debate in March 2017 but due to pleads from most of the schools, it was differed to be after the debate. The schools stated that holding the debate and Essay together would be too much load on the students as active participants were all members of the E-Clubs' debate teams across the schools. So, in May, 2017, the Competition kicked off with the distribution of the evaluation criteria and guideline as well topic.

The students were given one month to develop an essay on the topic: How to Make Our Natural Resource Work for All. At the end of the period, there were only five entries three of which came from the St. Teresa Convent, one from the G.W Gibson and the last from Jimmy Jolocon High School.

A committee headed by Wynston Benda-Henries of the Rice and Rights Foundation evaluated the essays and came up with Beneta Johnson of the St. Teresa Convent as the winner of the Essay Competition. Beneta is a 12th grade student at the St. Teresa Convent but was in the 11th grade when she participated. The other four entries, two were disqualified for plagiarism and the other two did not follow the guideline.

As planned, the essay should have been published in at least one of the local dailies and a book prize given. But the LEITI hierarchy decided to publish the Essay in its Newsletter and then buy her a set of 12th grade text books. These were presented to her along with a certificate on the St. Teresa Convent Campus in the presence of the School's administration on September 11, 2017. Every expense here was assumed by the LEITI Secretariat.



Student Beneta Johnson receiving her prize from LEITI Communications Officer

Popularizing the Contract Matrix

LEITI, during the fiscal year, simplified 26 concession agreements into a matrix known as the Contract Matrix which was piloted during the dissemination of the 6th EITI report on Liberia in 2015. The matrix basically summarized the fiscal terms, contract start/end dates, community benefits, and other key provisions on the agreements and has not been massively disseminated or popularized with Liberians.

Fortunately in December 2016, USAID through its Liberia Accountability Voice Initiative (LAVI) approved an in-kind grant in the total amount of US\$27,393 to LEITI for Popularizing Concession Agreements in the Extractive Sector through Government – Citizen Engagement in Nimba, Bong, Sinoe and Maryland counties. This grant is an initial step to getting the matrix popularized to the entire country.

During the period in review, the LEITI engaged the USAID funded Liberia Accountability and Voice Initiative (LAVI) for an extension of the in-kind grant agreement that included the previous four counties- to another four additional counties considered as ‘hot spot’ for confusion. The LEITI request stemmed from the turnout and excitement of participants in the last four counties. LAVI agreed an additional US\$29,240.00 for matrix popularization in Grand Bassa, Margibi, Bomi, and Grand Cape Mount Counties.

With number of participants increased from the initial twenty persons per session to eighty persons per session, the presentations also included the county social development fund (CSDF). The design of the partnership would see the hosting of a stakeholder roundtable dialogue on the CSDF in Monrovia. The LEITI and the Governance Commission would spearhead the event that will include affected communities, the legislature, government and partners. The aim was to find an amicable solution to the constant controversies over the fund. County specific allocation of the CSDF since 2015 were printed on pulled up banners and left with counties’ administrators for easy access and reference. At the end of the exercise, 8 counties, 16 hotspot zones, 960 participants including women, youths, the elderly, men and the disabled benefitted with 1,020 copies of the matrix distributed.

The exercise came to a close in September 2017 paving the way for the dialogue. But while preparations were underway in March 2018, a new leadership at the Secretariat derailed the entire effort and the dialogue was not held.



The matrix dissemination along with payment data on social development funds received by Government from companies. Kinjor, Grand Cape Mount County, the main concerns here were all centered on relocation.

Summary Highlights of activities in 2018

2018 will go down in history as a turbulent year at LEITI: Liberia got its first ever suspension from the EITI after subsequently failing for the first time ever to publish its report on time.

As stated supra in the executive summary the LEITI planned several activities for execution under its 2018 Workplan to include: The dissemination of the 9th EITI Report for Liberia; Investigating and resolving discrepancies in the 7th & 8th EITI Reports for Liberia; Revising the LEITI Communication Strategy; Procurement of an Independent Administrator to prepare the 10th EITI Report for Liberia; showing direct and indirect contributions of the extractive sector to the Liberian economy; Reengineering of LEITI Website; Development of a beneficial ownership disclosure registry to cover the mining, oil, agriculture and forestry sectors and Providing capacity building trainings for civil society organizations, representatives of reporting companies and

government agencies; as well as MSG members and LEITI Secretariat Staff. Below is a summary of activities that characterized the year 2018 at the Liberia Extractive Industries Transparency Initiative.

Throughout the dissemination process LEITI documented major concerns from the concession communities and concessionaires that would form the agenda for the pending dialogue that was slated for April 2018. A committee was set up comprising LEITI, the Governance Commission of Liberia and others civil society organizations. Series of meetings were held with a tentative agenda drawn and stakeholders as well as facilitators earmarked. These meetings took place in January and late February 2018 with a finalization meeting scheduled for March 2018 at the LEITI Secretariat. This meeting did not however happen.

Meanwhile, as the final draft of the 9th EITI report was in sight, the Secretariat was making preparations for the launched and subsequent dissemination of the report.

Earlier March 2018, the new administration announced the appointment of a new Head of Secretariat to the LEITI in contravention of the Act creating the institution. Efforts from the Civil Society bloc of the MSG, the public, development partners and other international stakeholders to have the new administration rescind its decision, the new administration insisted it acted in full compliance with the law.

On the morning of March 12, 2018 the Head of Secretariat designate, Mr. Gabriel Nyenka accompanied by armed police officers, stormed the premises of the LEITI Secretariat to take over. The then Head of Secretariat, Mr. Konah Karmo was forced out of office and made to turn over his official vehicle.

The MSG in the wake of these happenings called and hosted an emergency meeting on 13th March resolving to positively engage the Government especially the Presidency to amicably resolve the matter. The MSG also advised staffers at this at LEITI to remain calm and dutiful.

A week following his take over, the new HoS began to wield his axe. The Communications and Outreach Officer was barred from accessing the premises on grounds that he resisted the appointment of the new HoS and thus, unfit to serve. The Deputy HoS was subsequently dismissed as well as the Administrative Officer. Soon to follow was the Head of the Technical Department. All these dismissals were unilateral as well as their ensuing replacements.

The aftermath of these dismissals buoyed by the delayed in the appointment of a new MSG, every activity of the Secretariat came to a standstill and nothing was achieved thereafter.

VI. Details of Membership of the MSG during the Period

Membership—consistent with Section 6.1 of the LEITI Act of 2009, the MSG shall comprise of at least fifteen (15) members drawn from three constituencies—the Government of Liberia; the Civil Society and the Private Sector. The Act further requires seven representations from the GoL, to include the Minister of Finance (now the Minister of Finance and Development Planning); the Minister of Lands, Mines and Energy; the Managing Director of the Forestry Development Authority; the President/CEO of the National Oil Company of Liberia or its successor and two

members each representing the Senate and House of Representatives. The Civil Society representatives include Publish What You Pay Liberia or a its successor organization and a representative of a recognized association or union of workers in the extractive sectors as permanent members while the Private Sector is required to have four representatives drawn each from the mining, forestry, agriculture and oil sector as permanent members. Few of Liberia’s’ development partners are also on the MSG as observers.

Membership to the MSG is for the period of three years. In October 2014, the MSG was reconstituted by President Ellen Johnson-Sirleaf as the tenure of members appointed in 2011 expired. The reconstitution saw the appointment of the Commissioner General of the Liberia Revenue Authority as one of the representatives from the GoL, a reflection of current reforms in the Government—the LRA now has taken over the revenue collection role once played by the MFDP, hence, its importance in the reconciliation process. The reconstitution also reflects the reverse order of the traditional leadership structure of the MSG, with the Minister of Lands, Mines and Energy appointed as the Chair and the Minister of Finance and Development Planning as Co-Chair. Until then, the Minister of Finance has since chaired the MSG while the Minister of Lands, Mines and Energy had served as the Co-Chair.

The table below provides details of MSG membership during 2017 and up to March 2018 Past
MSG Tab I

Constituency		
	<i>Institution</i>	<i>Representative</i>
	MFDP	Boima Kamara
Government	MLME	Patrick N. Sendolo
	FDA	Harrison S. Karnwea, Sr.
	NOCAL	Randolph McClain
	Senate	
	HOR	Adolph Lawrence
	MoA	Florence Chenoweth
	MIA	Morris M. Dukuly
	LRA	Elfrieda S. Tamba
Civil Society	PWYP	Cecelia T. M. Danuweli
	WONGOSOL	Marpue M. Speare
	Rights and Rice Foundation	James M. Yarsiah
	GODIMWUL	Ezekiel S. Johnson

Private Sector	Western Cluster	Atul Mittal
	Aureus Gold	Debar Allen
	ExxonMobil	Keith Conrad
	LTA	John Deah
	Gold & Diamond Brokers & Dealers Association	Esiaka B. Konneh
	GVL	Henri Harmon
Others	NTCL	Chief Zanzan Karwor
Observers	AfDB	Margret Kilo
	N C S C L	Frances R. Deigh Greaves
	GIZ	Mark Mattner
	IMF	Charles Amo-Yartey
	EITI Board Rep.	Gbehzohngar Findley
	UNDP	Kamil Kamaluddeen
	World Bank	Inguna Dobraja
	UNMIL	Karim Landgren
	US Embassy	Debora Malac

Meetings—the MSG conducts its regular meeting once a month, usually on the last Wednesday in the month. However, where urgency is required, emergency meetings are held. Additionally, matters requiring close scrutiny are referred to specific committees which decide on them and make recommendations to the body. The reporting period covered in this report covers 2017 until March 2018

During these meetings, issues of concerns are discussed and policy decisions are made while the MSG is also briefed by the Head of Secretariat on the status of planned activities and other progress at the Secretariat. Most decisions are reached by consensus, but where consensus cannot be obtained, the body would resort to voting. Observers can contribute to the discussions but are not eligible to vote.

During the period in review (2017 and up to March 2018), the MSG had eight regular sittings out of twelve maximum. There was one emergency meeting in 2017 with two sittings nullified due to the lack of quorum as per their rule. This led to an amendment of the rule on quorum. The mandate of the MSG expired by October 2017 while the nomination and subsequent appointment process was underway. Due to the Presidential Elections, names could not be

forwarded to the Office of the President for appointments as the Elections ran into November, a period when the newly elected president was preparing to take office whilst the predecessor was preparing to turn over. Thus, it was agreed that the next president do the appointments after taking office in January 2018.

The two members from the legislature did not attend any of the sittings neither did they send any representative. However, the observer bloc made of up mainly donors attended all of the sessions in 2017. In 2018 however, the MSG had no notable sittings. This was largely due to the interruption of the process by the direct presidential appointment of a Head of Secretariat in March 2018. Also, the reconstitution of the current MSG was gradual thereby making it impossible to obtain quorum at any sitting. It was not until September 2018 that the current MSG was fully constituted.

LEITI’s MSG during the period under review, refreshed the 2015-2020 strategic plan and accompanying action plan in mid-2017 to reflect the process’ status and to take into consideration a number of required actions arising from the country’s most recent EITI Validation concluded in May 2017. Validation ensures that EITI implementing countries follow the 2016 EITI Standard, the document detailing the requirements that each country must follow. Citing that Liberia has made “meaningful progress”, LEITI’s validation nevertheless highlighted a number of corrective measures to undertake until November 2018 or risk the country’s suspension. The MSG and the LEITI Secretariat, at their 30 May-1 June 2017 retreat, discussed these corrective measures and proposed a way forward to achieve them by November 2018. Those measures and LEITI’s proposed responses are present in a developed Strategic Plan and an accompanying Action Plan to drive the Country’s compliance status to ‘Satisfactory within 18 months. Unfortunately, due to the political interference in March 2018, the Secretariat and the MSG failed to meet the guidelines and corrective measures and thus the Country got suspended.

In October the President reconstituted the MSG with the following members:

Tab2 Reconstituted or current MSG

Constituency	Institution	Representative
Government	MFDP	Samuel Tweah
	MLME	Gesler E. Murray
	FDA	C. Mike Donyen
	NOCAL	Saifuah Mai Gray
	MOJ	Cllr. Frank M. Dean
	MOE	D. Ansu Sonii
	MoA	Dr. Morgana Flomo
	MIA	Varney Sirleaf

	LRA	Thomas Doe Nah
Civil Society	PWYP	Cecelia T. M. Danuweli
	PUL	Daniel Nyankonah
	National Civil Society Network of Liberia	Frances Deigh Greaves
	Liberia Labor Congress	Winston Wreh
	Gold & Diamond Brokers & Dealers Association	Esiaka B. Konneh
Private Sector	Western Cluster	Ansu Sekou Konneh
	Arcelor Mittal	Eric N. Swen
	Firestone	Raymond Gwenigale
	LTA	E. Ekema A. Witherspoon I
	GVL	Elvis G. Morris
Observers	AfDB	
	GIZ	
	EU	Juan Antonio Goldaratz
	UNDP	Madam Joan Vwamv
	World Bank	
	US Embassy	Amb Christine Elder

Approval by the MSG _____
 _____ Proxy - Chair Person / LEITI MSG

Date: