

LEITI



ANNUAL PROGRESS

REPORT 2020-2021

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Acknowledgment

The LEITI MSG extends profound 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 powerful 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 our many International Organizations, Foreign Governments, and Liberia's many Development Partners. Without whose support, the attainment of many of the deliverables listed in this Report would have been impossible. Special recognition is given to the AfDB and the Liberian Government for their consistent support in implementing LEITI work plans (2020 and 2021).

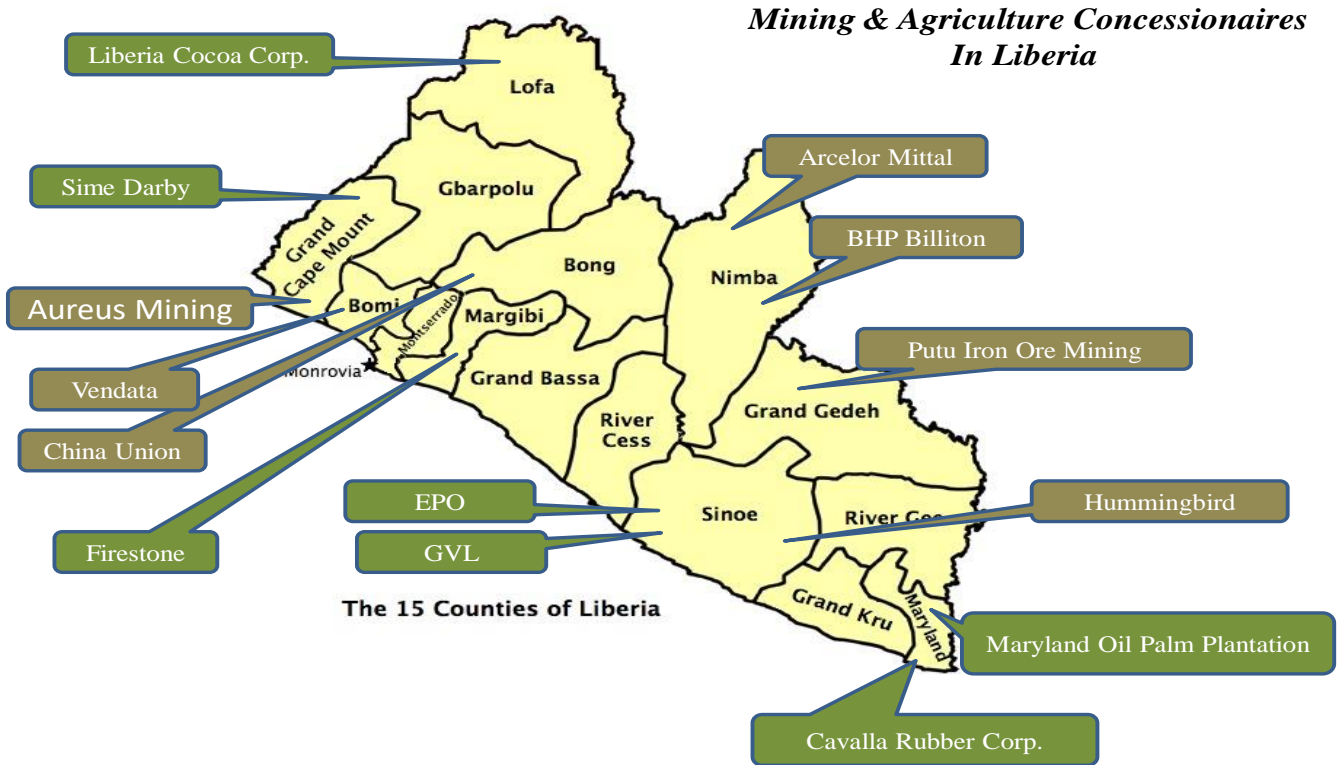
Ordinary Liberians continue to be crucial to the EITI implementation process in Liberia. Their contributions and feedback, particularly during our nationwide dissemination exercises, have led to many valuable reforms to improve Liberia's resource governance process.

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 support for Anglophone Africa. Their valuable support, which sometimes came in pieces of training and/or guidance on implementation issues, deserves our acknowledgment.

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 the day-to-day nuances of the process. The many gains of the LEITI can be attributed to your individual and collective commitments, dedication, and teamwork. Such qualities have amplified and sustained the level of progress made by the LEITI time after time and accounted for many gains LEITI continues to make in advancing resource governance, transparency, and accountability in the extractive and other covered sectors of Liberia

Finally, our unreserved thanks go to the President of Liberia, H.E. George M. Weah, whose personal commitment to and leadership on the EITI implementation process in Liberia is helping to shape the direction of Natural resource governance in Liberia. He has shown exemplary leadership over the EITI process in Liberia since his ascendancy to the Office of the Presidency.

Map of Major Concessions in Liberia



National Investment Commission

Legend

Curtsey: National Investment Commission (NIC)

Mining Concessions

Agriculture Concessions

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 Agency)	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 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
PCC	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 the cause of 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 in managing revenues from the extractive sectors. LEITI is a multi-stakeholders process that brings together the government of Liberia, civil society, and the private sector in the extractive sectors.

To date, Liberia has published twelve EITI reports, with the preparation of the 13th and 14th reports in progress. More so, Liberia has made several other impressive records in 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 first of its kind in EITI implementation. Liberia is amongst the few countries currently implementing the Opening Extractives program supervised by the EITI and Open Ownership. The program aims to advance beneficial ownership transparency through

tailored technical support to the implementing countries. These achievements confirm Liberia's position as a priority country for the global EITI.

This Annual Activity Report has been developed to highlight progress in implementing the EITI in Liberia in 2020 and 2021. The report's publication is also consistent with Requirement 7.4 of the EITI 2019 Standard, which mandates the MSG of respective implementing countries to review the outcomes and impact of EITI implementation on natural resource governance.

The Report has four main components. The first segment details an assessment of progress made against the LEITI 2020/21 Workplan, and the second segment highlights progress toward implementing all the EITI Requirements based on the 2019 EITI Standard. The third segment cohesively outlines strengths and weaknesses in implementing the EITI process during the period under review, while the fourth captures a summary of the implementation cost during the reporting period. The final part contains information on the MSG during the reporting period.

Executive Summary

In its 2020 and 2021 Work plans, the Liberia Extractive Industries Transparency Initiative (LEITI) proposed a series of programs and activities to promote transparent resource management in Liberia. Essential among the activities were the preparation and publication of the 12th EITI report using the Flexible Reporting Framework, updating of the LEITI's Communication Strategy in line with the 2019 Standard, development of a Beneficial Ownership Disclosure Registry to cover the mining, oil, agriculture, and forestry sectors, updating of LEITI's website, capacity building for staff at the Secretariat and development of an EITI Mainstreaming Regime. The work plans highlighted capacity-building training for civil society organizations, reporting company representatives and government agencies, and disseminating the 9th, 10th, and 11th EITI Reports, covering July 1, 2015, to June 30, 2019, throughout Liberia.

Dissemination of 9th, 10th, and 11th EITI Reports

With funding from the African Development Bank (AfDB), the LEITI Secretariat received approval from the MSG to begin disseminating the 9th, 10th, and 11th EITI reports in September 2021. The country was demarcated into four regions- north, central, western, and southeast regions, and the LEITI Secretariat carried out a successful dissemination exercise in each region.

Recruitment, Training, and Capacity Building of Staff

Under the AfDB grant, funds were available for capacity building for LEITI Secretariat staff, and McDonald Kerl, Sr. Technical Officer at the LEITI, benefitted during the period under review. He attended a short-term training program at the Institute of Capacity Development in Rwanda.

Liberia's validation:

Liberia's Validation by the EITI was expected to have begun on July 1, 2021. However, due to the Covid 19 pandemic, the MSG, through a consensus, requested a six-month extension that the EITI Board subsequently granted. Hence, Liberia's Validation began in January 2022.

MSG Orientation:

In December 2021, members of the new MSG gathered at a local Hotel in Monrovia for orientation. The orientation centered around discussing the MSG Policy Manual, the updated Communication, the roles and responsibilities of the MSG, and the LEITI's Act.

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 year 2020. Due to the Covid-19 pandemic that plagued the world from December 7, 2019, LEITI Secretariat did not achieve much during the period under review as there were bans and restrictions on gatherings and movements. However, following cessation and improvement in the fight against the virus, Liberia, through the Ministry of Health and Social Welfare, began to relax some restrictions paving the way for more progress in the accomplishments of the workplan in 2021. The collection of activities approved by the MSG and implemented by the Secretariat under both work plans are cataloged as follows:

Dissemination of the 9th, 10th, and 11th EITI Reports:

The Liberia Extractive Industries Transparency Initiative (LEITI), with funding from the African Development Bank (AfDB), started disseminating its 9th, 10th, and 11th reports across Liberia in September 2021.

The dissemination of the LEITI reports has been regularly done in compliance with the EITI Standard. Due to the Covid 19 pandemic, the Secretariat limited dissemination its reports through the Liberian Press, radio stations, and websites. Predominantly, the LEITI utilized the services of the national broadcaster, ELBC 99.9MHZ and OK FM 99.5 MHZ, SPOON TV, and Radio, as well as [FrontPage Africa Newspaper](#) and a web base media group known as the [Daylight](#)

With improvements in the fight against the virus, the Government of Liberia has relaxed some health protocols prohibiting large gatherings. LEITI has now started to take the report's findings to the people. "The Secretariat has commenced disseminating its 9th, 10th, and 11th Summary Report nationwide. Blended with the MSG members, the Secretariat has completed the dissemination exercise in all the counties in Liberia. The Secretariat selected three locations in each county based on population and need. For example, Robertsport, Sinje, and Weaju were selected for Grand Cape Mount, while Bopolu, Gbama, and Monakwelleh were targeted in Gbarpolu. For Bomi, the team visited and disseminated in Clay, Tubmanburg, and Gbahjehkeh. At the end of the process, **four thousand persons**, including women, youth, older people,

and persons living with disabilities, and local authorities received information on the reports. Citizens in the counties were more concerned about the corporate social responsibilities of the respective concessionaires and how they could track such payments. The team documented these concerns for presentation to the MSG at the end of the exercises. The LEITI reports' dissemination enhances accountability and transparency in extractive governance as relevant stakeholders use and interpret the data presented or disclosed through these reports differently. Based on the budget, targeted communities were selected based on their proximity to concessions and population. The Capital of each County is mandatory as it hosts the local governance structures. The number, too, is computed based on the fund available. Mobilizations are done respectively by the county-based focal persons. LEITI has 15 county base focal persons across the Country.

In July 2017, the MSG commissioned the audit and assurance firm Parker & Company LLC of Liberia with Moore Stephens LLP of the United Kingdom to prepare the 9th report. The Report captured all material taxes, including royalties, land/surface rentals, and other administrative fees paid to and acknowledged by the Government of Liberia by companies in the oil, mining, forestry, and agricultural sectors for the fiscal period July 1, 2015, to June 30, 2016. According to the report, the total revenue generated across the four sectors-mining, agriculture, forestry, and oil & gas is 66.37 million United States dollars.

Meanwhile, at the start of October 2019, the MSG commissioned BDO-UK, in collaboration with Parker & Associates Liberia, two reputable auditing firms, to prepare the 10th & 11th EITI Reports combined. The report reveals that the total revenue received by the government from the oil, mining, forestry, and agriculture sectors for the period July 1, 2016, to June 30, 2017, amounted to USD53.84 million, while the total amount received for the period July 1, 2017, to June 30, 2018, amounted to USD68.9 million.



Scenes from the dissemination exercises in central Liberia-LEITI's Technical officer McDonald Kerl Sr. Explaining findings (left)

MSG Retreat 2021

In February 2021, the LEITI MSG left the Liberian Capital, Monrovia, for Buchanan Grand Bassa County to hold a two-day retreat where LEITI's former Head of Secretariat, Cllr. Negbalee Warner challenged the Body to implement the EITI process in Liberia proactively. Cllr. Warner, who served as the first Head of the Secretariat of the LEITI, described the role of the MSG as critical but central to the entire EITI process noting that an essential EITI Requirement is an engaged and well-functioning MSG. **"It is one thing to establish an MSG and another to have it functioning. Cllr. Warner told the Body that to have a functioning MSG, members must be committed, engaged, attend meetings and be accountable -report to your constituents or principals,"** He reminded the gathering of the LEITI MSG.

The erudite lawyer also called on the Liberian Government to show and maintain a commitment to an operational EITI process by treating the MSG conveniently. **"An engaged government will ensure that a person heads the EITI with the requisite access and authority to ensure senior representation on and attendance of MSG and funding to support EITI implementation."** He made these statements when he served as a lead facilitator at a two-day retreat of the LEITI MSG in Buchanan City, Grand Bassa County, where the MSG had converged to review and reflect on its operations, as well as strategize the way forward on prevailing circumstances, including the pending Validation of the Country and funding strategies for the Secretariat.

He recommended, among others, that the MSG seeks at least 30 minutes of Cabinet time to present on LEITI, noting, **'if the MSG must rise to the occasion, the government must be engaged.'** Cllr. Warner also wants Legislators to serve on the LEITI MSG based on nomination and appointment by the President. At the end of the retreat, the MSG agreed to make several changes, especially to their operation manual, to reflect current realities and enhance adequate focus and participation of MSG members. One such decision was to reduce the monthly meetings to quarterly (once in three months) with the caution that senior-level representatives across all constituencies attend at least fifty percent of the sittings annually. Under the theme: Strengthening the Capacity of MSG Members for a Successful EITI Implementation in Liberia, the retreat sought to strengthen the capacity of MSG members to enable them to lead a successful EITI process in Liberia through effective MSG oversight and was held from 18 February to 19, 2021, with the MSG membership in total attendance.

LEITI Civil Society and Government Blocs Hold Constituency Engagements

The Civil Society bloc of the LEITI Multi-stakeholder Steering Group (MSG), beginning 25th June 2021, held a ten-day constituency engagement and outreach tour targeting five southeastern counties in Liberia-Maryland, RiverGee, Grand Kru, Grand Gedeh, and Sinoe Counties. As the direct representative of the people, the Civil Society bloc used the tour to disseminate information regarding the implementation of the EITI process in Liberia, focusing on critical recent documents and happenings to include the 12th EITI Report for Liberia, the Simplified Contract Matrix, 2019 EITI standard as well as the EITI validation process. Feedback from these engagements would inform and drive Civil Society to carve a people-driven agenda through the MSG. **"These engagements were not just intended to strengthen natural resource governance or ensure equitable distribution of the country's natural resources but mainly to solicit the views and suggestions from the ordinary citizens whose lives are**

most impacted by these large concessions and on the activities of the LEITI." Madam Cecelia Danuweli of Publish What You Pay (PWYP) noted. The engagement process also allowed citizens to know about the LEITI Act, discuss, understand, and ask questions about the total extractive revenue collected for FY2018/2019 by the Government of Liberia from companies operating in the extractive sector, including the total social contribution made by some extractive companies.



Participants were also enlightened on LEITI's endeavor to maintain a publicly available register of beneficial owners of corporate entities (companies) that hold relevant interest in extractive assets; such information, among other things, will include companies' identities and level of ownership of shares in the operations. Participants at all forums challenged the bloc to prevail

on the LEITI Secretariat to hold these exchanges twice a year to understand the EITI process better. They believe that doing so will arm them with enough information to engage their respective local authorities, especially on issues surrounding concessionaires on the one hand and the locally affected communities on the other. The engagement forum participants were drawn from local women groups, men, the youth/students community, the labor sector, and the Press Union of Liberia. The engagement was sponsored by African Development Bank (AfDB) through the Ministry of Finance and Development Planning (MFDP) with guidance from the Project Management Unit (PMU). A total of one thousand five hundred people, mainly women, participated in the ten-day engagement exercises across the five counties.

Madam Danuweli headed the civil society engagement team. It included Winston Wreh of Liberia Labor Congress (LLC), Daniel Nyakonah of the Press Union of Liberia (PUL), and J. Elijah Kai, a Sector Analyst at the LEITI Secretariat.

Similarly, the Government bloc of the MSG held its engagements with the broader constituency outside of the MSG in Buchanan City, Grand Bassa County, and lasted up to three working days. Meanwhile, the Private sector is expected to conduct similar engagements in early 2022.

Opening Extractive Program Launched

Liberia, through the Liberia Extractive Industry Transparency Initiative (LEITI), formally launched the 'Opening Extractives Programme'-a new cross-sector partnership between the Extractive Industries Transparency Initiative (EITI) and Open Ownership (OO), aimed at ending the use of anonymous companies linked to corruption and mismanagement in the extractive sector.

On September 21, 2021, the LEITI Secretariat, Liberia Revenue Authority, Liberia Business Registry, EITI International, and the Opening Ownership formally launched the program in Liberia to kick off the program officially. It raised awareness among wider stakeholders on the opportunities available through the program in Liberia. According to LEITI Head of Secretariat Jeffrey N. Yates, the launch aims to mobilize stakeholders, create public awareness of the Opening Extractives program in Liberia, and explore how stakeholders can work together through the program to support beneficial ownership transparency reforms. **"The initiative aims to make a dramatic and sustainable difference to the level of publicly available information on the individuals who own and control extractive companies."** Jeffrey N. Yates disclosed.

The program runs for five years, and its main objective is to ensure that Liberia establishes a Beneficial Ownership Registry for the Extractive Sector within the timeframe. Liberia is one of 13 resource-rich countries participating in the program across three continents. In addition to LEITI, the Liberia Business Registry, the Liberia Revenue Authority, the Liberia Petroleum Regulatory, and the Financial Intelligent Unit comprise a national steering committee driving the initiative. The program is also a result of the 2019 EITI Standard, specifically requirement 2.5, which deals with 'Beneficial Ownership Transparency.'

Deputy Finance Minister for Fiscal Affairs, Samora P. Z. Wolokollie, who deputized for Finance and Development Planning Minister Samuel D. Tweah, said the Government sees the program as an eye-opener in the governance of the extractive sector and as a medium of ensuring greater transparency. **"The Government relies strongly on flowing revenues from resources in the extractive sector to support the national budget every fiscal year. As such, this program aligns with the core of the Coalition for Democratic Change (CDC) government national development agenda, the Pro-Poor Agenda for Prosperity and Development that deals with governance and transparency"**. In additional comments, the Deputy Minister indicated that **"the Government has unequivocally demonstrated its commitment to the sector by swiftly responding to the International Secretariat of EITI to be a part of the program as demonstrated here today,"** He noted that the Government had instructed the steering committee to work hard and make representation at the highest level to ensure success. He called companies and CSOs to ensure they did the needful to make the initiative successful. **"The government is unconditionally requesting all companies operating in the extractive sector to work with the committee to ensure that the requirements of the 2019 EITI standard are achieved without delay. Government stands ready to deal with every challenge that would hamper the smooth implementation of the program. Through the Minister of Finance and Development Planning, the Government requests a regular briefing from the steering committee on the program's status,"** he said.

For her part, the Regional Associate at Open Ownership, Favour Ime, said the world is at a stage where the need for transparency and accountability in using and managing natural resources cannot be overemphasized. **"We at the Open Ownership and EITI, through the Opening Extractives program, have pledged support to ensure that this global need for effective governance in the extractive sector is met,"** she said. **"We are impressed with the progress Liberia has made in the past years,"** Ime said, making specific reference to steps taken to amend the Associations Law and Business Corporation Act in April 2020 to provide the legal basis for integrating BO disclosure as part of the existing business registration, filings, and amendments process. **We are honored and humbled by Liberia's confirmation to participate in this program, and we support you on this journey. We will be glad to develop the extractive sector register."** She assured. She pledged her entity's commitment to providing technical assistance in the next phase of the beneficial ownership implementation through guidance to reform policies and establish a regulatory and legislative framework to support beneficial ownership transparency. She promised that her institution would help improve the quality and accuracy of the data by designing robust verification systems and undertaking a risk-based approach to making more BO data public.

Accordingly, Opening Extractives builds on the collaboration of Open Ownership and the EITI in delivering workshops, training, and technical assistance in various countries over the last three years. The program draws on recent research undertaken by Open Ownership and the EITI. The project will be partly funded by the [BHP Foundation](#) and delivered by the EITI International Secretariat and Open Ownership. The launch at the Cape Hotel in Monrovia brought together Government line Ministries and Agencies, Civil Society Organizations, Companies, and International Partners.



Some participants posed for the press after the program

MSG ORIENTATION

In December 2021, members of the new MSG gathered at a local Hotel in Monrovia for orientation. The orientation centered around discussing the MSG Policy Manual, the updated Communication, the roles and responsibilities of the MSG, and the LEITI's Act. At the two-day event, T. Ojuku Nyenpan, Assistant Minister for Revenue and Tax Policy at Liberia's Ministry of Finance and Development Planning (MFDP) and proxy for MFDP's Minister Samuel D. Tweah Jr., stated that the Government of Liberia is committed to supporting the LEITI Secretariat to ensure smooth operation of its activities. He further praised the Secretariat for the level of work relatively quickly to get it where it is, given the difficulties. **"We stand ready as a government to give LEITI budgetary support to move this vital process forward."** He concluded amid applause from a fully seated MSG Body.

Earlier, the Chairman of the MSG, Forestry Development Authority's Managing Director C. Mike Doryen, recounted the commitment of the past MSG and challenged his colleagues, especially newcomers, to consider their appointments as a civil duty to Liberia in its drive to harness the extractive resources for the benefit of all transparently. In his remarks, LEITI's Head of Secretariat, Jeffrey N. Yates, recommitted the unwavering support of his staff to the workings of the MSG in the interest of the Country. He admonished the Body to continue to support the Secretariat as the Country prepared for validation in January 2022.

At the end of the orientation, the MSG approved the [updated communications strategy](#), a [resolution](#) adopting an open data policy for the EITI implementation in Liberia, and the signing off of the MSG Policy Manual. Members of the MSG collectively pledged to work collaboratively for transparency in the natural resource sector. The two-day event brought together all recently appointed members of the [Multi-stakeholder Steering Group](#). Funding for the execution of this program was made possible by the African Development Bank (AfDB) through the Ministry of Finance and Development Planning (MFDP).

WORKSHOP ON GENDER MAINSTREAMING

During the period under review, the LEITI Secretariat held a one-day stakeholder training on gender mainstreaming with twenty women from 16 critical civil society organizations, the private sector, and line government ministries in attendance. Participants called for practical actions for women's empowerment and participation in Liberia's natural resource sector at the training program. Participants also noted that while existing laws guarantee women's rights and involvement in managing natural resources, men take no practical steps to ensure their full participation. **"Women bear the brunt of concessions and should be key players in signing these agreements,"** says Madam Teresa Viskinda, President of the Liberia Labor Congress. **"It is time we push our male counterparts to adhere to the laws to see us as equal partners in decision-making concerning our resources; I expect that women's voices will be strengthened in the natural resource sector of this country after this training."** She furthered.

"Women's issues are serious, so society should be keen on them; we need more education on how concessions are signed. Women's roles should be conspicuously cleared because the more education women receive, the better the society." Mrs. Cerue Garlo, a Senior Gender Specialist at the Carter Center Liberia and lead facilitator, noted.

Madam Garlo also admonished her colleagues to work together if they are to achieve their goal: ***“This meeting is intended to give stronger voices to women in the national resource governance sector, and hence, we must take actions such as reviewing the laws and policies to reflect our collective desire for change.”*** She stressed

For his part, the Chairman of Liberia’s Multi-stakeholder Steering Group, C. Mike Doryen, promised to work with the women stakeholders to garner the necessary measure to ensure women get their just recognition and impact in the natural resource management of Liberia. ***“One of the ways for us to end marginalization against women is providing education; let’s look at the laws and policies and see how we can empower our women so that they can influence things in society.”*** He admonished. Earlier, the Head of the Secretariat, Jeffrey N. Yates, disclosed that at the LEITI, gender mainstreaming is a new phenomenon, especially in the natural resource management setting, but that the Secretariat stands ready to work with the women to elevate their issues and amplify their voices on issues surrounding the management of the natural resources: ***“We have not made significant progress towards this issue, but we need to work together to accelerate the little gains. We will stand with you.”*** The workshop encouraged participants and stakeholders to reflect on their attitudes and perceptions of gender, decision-making, and Natural Resource Management and explore new practice paradigms. It also aimed to create space for women and men to work together to achieve sustainable Natural Resource Management in Liberia. The workshop was held under the topic: Importance of gender equality, mainstreaming, and social inclusion in the natural resource governance of Liberia. The gathering identifies the Liberian society's patriarchal nature as challenging gender inclusiveness, especially in rural Liberia.

At the end of the workshop, the women outlined several recommendations to the LEITI that would enhance their adequate participation in the sector. Some of the recommendations include awareness creation around the procedures on how concessions are made, the revision of existing laws and regulations on gender involvement in the sector, awareness creation on how gender inequalities can be exacerbated when women are excluded from natural resource management, and ensure that the decision-making process in the governance and management of the extractive sector must be inclusive.

Requirement 7.1 sections two (II) and three (III) of the 2019 EITI Standard encourage implementing countries to mainstream gender in their local implementation activities especially reporting and dissemination. There were eight civil society organizations, two industry representations, and six governmental institutions. Again, funding was provided by the AfDB through the MFDP.



MSG Chair C. Mike Doryen and HoS Jeffrey Yates posed with participants

LAUNCH OF 12TH REPORT

The Multi-Stakeholder Steering Group (MSG) of the Liberia Extractive Industries Transparency Initiative (LEITI) on April 20, 2021, approved the 12th EITI Report for Liberia covering July 1, 2018, to June 30, 2020, under the Flexible Reporting Framework adopted by the EITI Board. The Flexible reporting ensures that EITI implementation safely contributes to global and national responses to the Covid-19 pandemic while upholding commitments to transparency, accountability, and multi-stakeholder dialogue.

It allows implementing countries to retain the momentum of the EITI process while adapting to local circumstances and urgent information needs. Unlike the Conventional Reporting Framework, which requires reconciliation between government receipts and companies' payments, the Flexible Reporting Framework requires unilateral financial data disclosure by government institutions. LEITI MSG, at the start of November 2020, commissioned its 12th EITI Report and hired the services of BDO in collaboration with Parker & Associates Liberia, two reputable auditing firms, to prepare the 12th EITI Report for Liberia using the Flexible Reporting Framework. [LEITI's 12th EITI report](#) shows that the Government of Liberia generated USD 79.63 million as total revenues from the extractive sector. This report shows that total revenues from the extractive sector increased from USD 68.98 million in 2017/18 to USD 79.63 million in 2018/19, resulting in a net increase of USD 10.65 million or 15.4%. Total

extractive sector revenues dropped by 12.2% in the first half of 2020 due to the impact of Covid-19 on the economy. The report reveals that the Liberian Government generated US\$37,104,314 in 2018 compared to US\$42,240,233 in 2019. That is an increase of US\$5,135,919 million or 12.16 percent. The report also discloses challenges in sectoral oversight, data collection, and licensing processes. The LEITI will address these concerns with relevant government ministries and agencies.

UPDATING OF THE MAINSTREAMING FEASIBILITY STUDY:

In February 2021, at a two-day retreat in Buchanan, the MSG **unanimously agreed** to update the Mainstreaming Feasibility Study that was first conducted in 2016. Mainstreaming is how EITI information is disclosed using existing government systems, and it reduces the cost and enhances the timeliness of publishing EITI disclosures. A consultant has been selected through a competitive bidding process supervised by the Project Management Unit (PMU) at the Ministry of Finance and Development Planning (MFDP) to update the Mainstreaming Feasibility Study. The consultant will start work in February, and a final report will be ready for MSG approval in May 2022

VALIDATION:

Liberia's Validation by the EITI was expected to have begun on July 1, 2021. However, due to the Covid 19 pandemic, the MSG, through **a consensus**, requested a six-month extension that the EITI Board subsequently granted. Hence, Liberia's Validation will begin in January 2022. **"We admonish all relevant stakeholders to continue their unabated engagement with the secretariat to ensure success at the end of the validation,"** LEITI's Head of Secretariat, Jeffrey Yates, told a press briefing. Liberia was last validated in 2016 and gained a 'Meaningful Progress' status, a step just below the maximum of 'Satisfactory Progress.' The MSG supervised the filling-in and submission of the templates in December 2021 for Liberia's validation to begin next January (2022).

ASSESSMENT TO IDENTIFY COUNTY-BASED CIVIL SOCIETY ORGANIZATIONS FOR CAPACITY BUILDING

Civil Society is a significant partner in the EITI process due to its advocacy role. LEITI believes networking with county-based CSOs to build their capacity in EITI reporting, monitoring social development funds, the EITI Standard, and understanding the terms and conditions of mineral development agreements (MDAs) remain cardinal in ensuring the EITI process in Liberia is successful, meaningful, and impactful.

Towards this end, the LEITI Secretariat assessed to identify and vet legally registered and active county-based CSOs in Liberia's 15 counties that will be trained and supported financially to do EITI reporting and monitoring in their respective county.

The methodology used by the assessment team to gather information was a face-to-face conversation and structured direct interview utilizing the team's assessment template. This was

necessary to get first-hand knowledge from potential beneficiaries and understand their situation. At the close of the assessment, 45 different County Based CSOs were assessed, vetted, and are expected to be trained on the LEITI Reporting process, data utilization and tracking of Social Development Funds, and the 2019 EITI Standard. LEITI Technical Officer McDonald S. Kerl Sr. and Finance Director George Dennis led the assessment exercise from 27 October to 3 November 2021.

STAFF CAPACITY BUILDING

To strengthen the capacity of LEITI Secretariat staff to perform effectively and efficiently, the LEITI Secretariat, with approval from the MSG and funding from the African Development Bank (AfDB), will send some of its staff for short-term external pieces of training to build their capacity. LEITI believes such exercise will positively contribute to productivity, enhanced performance, and effective implementation of the EITI process in Liberia. This aligns with LEITI's strategic plan of building a competent, high-performance, and result-driven workforce. Under the AfDB grant, thirty-six thousand is allocated to achieving this objective.

In lieu of the above, Mr. McDonald Kerl Sr., Technical Officer at the LEITI, traveled to Kigali, Rwanda, and underwent a weeklong social policy development and empowerment training. The training was held from 22-26 November 2022. Other staff members will experience similar training on a rolling basis in 2022.

RESTRUCTURING LEITI WEBSITE

The need for a fully functional and user-friendly website cannot be overemphasized in furtherance of efforts to maintain LEITI's visibility and open data policy. In the last workplan, the LEITI Secretariat crafted a concept note that the African Development Bank generally accepted to re-engineer the LEITI website to meet these goals. The AfDB provided a ten thousand United States grant (\$10,000) through the Ministry of Finance and Development Planning (MFDP). The MFDP, through the Project Management Unit (PMU), oversaw the procurement process for a consultancy to restructure the website in line with LEITI's communications team. The Secretariat's website is undergoing gradual reconstruction, and the Secretariat expects the MSG to formally launch the new website at the end of April 2022. With the launch, the website will once more serve as a repository for the disclosure of extractive contracts in Liberia to support contract transparency.

REVISING THE LEITI COMMUNICATIONS STRATEGY

During the period under review, the Secretariat, through the PMU, hired the services of SRG Consortium to revise/update the existing communications strategy developed in 2015 based on the 2013 EITI standard. The revision would be built on the 2019 EITI standard and considered post-Covid 19 methods relative to outreach activities. A draft revised strategy was developed and reviewed by the LEITI MSG in October 2021. After MSG reviews and inputs, the document was finalized and subsequently approved by the MSG at its orientation workshop at the

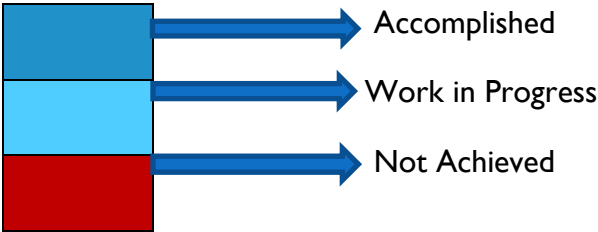
Boulevard Hotel in Monrovia on 16-17 December 2021 as the revised [LEITI Communications strategy](#) for the next three years.

Summary of workplan implementation 2020/2021

Workplan description	Year of implementation	Status
Facilitate Liberia's EITI Mainstreaming process for efficient and effective reporting,	2021	
Establishment of Beneficial Ownership (BO) Register for BO regime implementation	2021	
Help in domestic revenue mobilization by reporting accurate data from the country's natural resource sector,	2020-2021	
Procure an Independent Administrator to prepare the 12th EITI Report for Liberia, showing direct and indirect contributions of the extractive sector to the Liberian economy using the Flexible Reporting Framework as adopted by the International EITI Board,	2021	
Study on the Social, Environmental, and Economic impacts of small-scale mining, forestry, and agriculture activities on women, youths, and other disadvantage groups in selected counties	2021	
Workshops with media institutions across Liberia on the 2019 Standards, Analysis of LEITI Reports by media institutions for reporting purposes, and dissemination of LEITI information.	2021	
Sensitization workshop on Natural Resource Governance and the importance of LEITI to Natural Resource Transparency and Accountability with the National Legislature.	2021	
Conduct Post Award Process Audit	2021	
Consultative workshop with other Anti- Corruption institutions to enhance Stakeholders' awareness and engagements with LEITI	2021	
Capacity building for Civil Society Organizations on the 2019 Standards, SDF of Concessions, and to promote extensive outreach	2021	
Strengthen County-level partnership that tracks, monitors, and reports on outputs and outcomes of the use of SDF	2021	

Updating of LEITI Communication Strategy to respond to the 2019 Standards and post-COVID-19 activities	2021	Accomplished
Build the capacity of constituent members on the MSG on Mainstreaming and LEITI data credibility and quality	2021	Work in Progress
Establish Extractive Clubs in various High Schools	2021	Not Achieved
Dissemination of the 9th, 10th, and 11th EITI Reports, covering July 1, 2015, to June 30, 2019, throughout Liberia.	2021	Accomplished
Revise and update the LEITI Website.	2020-2021	Accomplished
Capacity building for staff of the Secretariat.	2021	Accomplished
Promoting LEITI activities through dramas, jingles, and advertisements about LEITI activities.	2020-2021	Work in Progress

LEGEND



About 16 percent of the workplan activities for the reporting period were not achieved due to financial constraints.

II. Assessment of Performance against EITI Requirement

During the reviewed period, Liberia produced and launched the 12th report and disseminated the 9th, 10th, and 11th reports as earmarked in the Workplan. However, since the 12th report was produced during the period under review, it is used against the 2019 standard to gauge performance. Below is an assessment of LEITI’s performance against the EITI Requirements for the period under review using the 12th Report:

Requirement	Progress
<u>I.1 Government engagement.</u>	In November 2021, when a new MSG was appointed, Liberia’s President George Weah

<p><u>Requirement I.1(a)</u> The government is required to issue an unequivocal public statement of its intention to implement the EITI. The head must make the statement of state or government or an appropriately delegated government representative.</p> <p><u>Requirement I.1(b)</u> 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 the freedom to coordinate action on the EITI across relevant ministries and agencies and mobilize resources for EITI implementation.</p> <p><u>Requirement I.1(c)</u> The government must be fully, actively, and effectively engaged in the EITI process.</p> <p><u>Requirement I.1(d)</u> The government must ensure senior government officials are represented in the multi-stakeholder group.</p>	<p>tasked the new members to implement the EITI in Liberia scrupulously</p> <p>President George WEAH appointed Hon. C. Mike Doryen, Managing Director of the Forestry Development Authority, as Chair of the MSG and Hon. Gesler E. Murray, Minister of Mines and Energy, Co-Chair.</p> <p>The MSG occasionally met during the period under review due to covid restrictions. There was a quorum at all these meetings with the government at the senior and middle levels. The Body agreed to use virtual means of approving critical decisions that were considered urgent to the workings and running of the Secretariat. Thus, the ‘no objection’ would be sought and granted virtually to avoid regular physical meetings.</p> <p>The government’s composition on the MSG is represented at the senior level. For example, the Managing Director of the Forestry Development Authority and the President of the National Oil Company represented their institutions at MSG meetings during the reviewed period. However, other government representations were made through an appropriate proxy apart from the FDA managing Director. These were Deputy and Assistant Ministers, or deputy Directors considered senior level in the Liberian governance structure. The MSG, during the period under review, agreed that there be no proxy for proxies to maintain the high-level representations</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 an enabling environment for company participation concerning relevant laws, regulations, administrative rules, and actual practice in implementing the EITI. The fundamental rights of company representatives substantively engaged in the EITI, including but not restricted to multi-stakeholder group members, must be respected.</p> <p><u>Requirement 1.2 (c)</u> The government must ensure no obstacles to company participation in the EITI process.</p>	<p>The reviewed period witnessed the full participation of companies 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 the 9th and 10th, 11th, and 12th EITI reports for Liberia.</p> <p>Under article 6.4C of the LEITI Act, the industry is guaranteed at least four seats in the MSG, including at least one seat each for companies in the mining, forestry, agriculture, and oil&gas sectors. The current MSG has Golden Veroleum, an oil palm developer; Arcelor Mittal, an iron ore mining company; the Liberia Timber Association; and the Liberia Business Association. Senior-level managers represent all of these. During the period under review, the private sector’s participation was well documented through the meeting minutes, and there was no incidence of coercion.</p> <p>Decision-making on the MSG is by consensus. In instances where consensus-building cannot hold, MSG members, including CSOs and companies, have the right to vote without molestation or harassment. However, the review period saw a level playing field for companies’ representation on the MSG. All decisions taken during the reporting period were reached through consensus building</p>
<p><u>I.3 Civil Society Engagement</u></p> <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</p>

<p><u>Requirement 1.3 (b)</u> The government must ensure an enabling environment for civil society participation concerning relevant laws, regulations, administrative rules, and actual practice in implementing the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to multi-stakeholder group members, must be respected.</p> <p><u>Requirement 1.3 (c)</u> The government must ensure no obstacles to civil society participation in the EITI process.</p> <p><u>Requirement 1.3 (d)</u> The government must refrain from actions that narrow or restrict public debate concerning implementing the EITI.</p> <p>Requirement 1.3 (e) Stakeholders, including but not limited to multi-stakeholder group members, 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. iv. Be able to freely express opinions about the EITI without restraint, coercion, or reprisal.</p>	<p>resource governance in Liberia.” There were CSO representations in all monthly MSG and committee meetings during the reviewed period. CSOs made significant contributions to the development of LEITI’s workplan, approval of scoping for the 10th, 11th, and 12th Reports, and the TORs for these reports. All of the LEITI dissemination exercises included Civil Society Organizations.</p> <p>Civil society organizations’ involvement in the LEITI process is legal through legislation.</p> <p>Civil society organizations’ involvement in the LEITI process is legal through legislation. CSOs</p> <p>Civil society is entirely, actively, and effectively engaged in designing, implementing, monitoring, and evaluating the EITI process. CSOs participated in outreach efforts to promote public debate, especially at the level of counties. There is an enabling environment for civil society participation in the EITI.</p>
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<p><u>Requirement (1.4)</u></p> <p>Multi-stakeholder group.</p> <p>a) The government must commit to working with civil society and companies and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder 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 multi-stakeholder group must comprise appropriate 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. Each stakeholder group must have the right to appoint its representatives, considering the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups involved in the EITI as multi-stakeholder group members must be operationally and, in policy terms, independent of government and/or companies.</p> <p>iii. Consider establishing the legal basis of the group.</p> <p>b) The multi-stakeholder group must agree to 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 multi-stakeholder group:</p> <p>i. Multi-stakeholder group members should be able to carry out their duties.</p>	<p>The MSG has been formed and includes self-appointed representatives from each stakeholder group. While the President appoints all MSG members, each constituency makes the selection. There was public outreach ahead of the selection of CSO members of the MSG, and the ToR for the MSG addresses the requirements of the EITI Standard. Attendance of MSG members is at varying levels, with a delegation of attendance to different representatives being common, particularly for government and industry. There is evidence that critical documents were shared with MSG representatives for comments, most of which were shared with the broader constituencies.</p> <p>In February 2021, the MSG held a retreat in Buchanan City, Grand Bassa County, reviewing their policy manual.</p> <p>During the recent appointment of the MSG, the Executive Mansion held constructive and coordinated consultations with the private sector and civil society constituencies on the selection/election of their respective representations with no coercion. The LEITI Secretariat has documentation leading to these exercises.</p>
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ii. The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including through media, websites, and letters, informing stakeholders of the government's commitment to implementing the EITI and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate public information from the EITI process, such as the EITI Report.

iii. Members of the multi-stakeholder group should liaise with their constituency groups. Approval of work plans, EITI Reports, and annual activity reports:

iv. The multi-stakeholder 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 the yearly activity report.

v. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation. Internal governance rules and procedures:

vi. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate, and the frequency of meetings. This should include ensuring that there is a process for changing group members that respect the principles set out in

Requirement (1.4.a.)

The MSG has per diems for attending EITI meetings or other payments to MSG

<p>members; this practice should be transparent and not create conflicts of interest.</p> <p>vii. There should be sufficient advance notice of meetings and timely circulation of documents before their debate and proposed adoption.</p> <p>viii. The multi-stakeholder group must keep written records of its discussions and decisions</p>	
<p><u>Requirement 1.5</u> Work plan. The multi-stakeholder group is required to maintain a current work plan, fully cost and aligned with the reporting and Validation deadlines established by the EITI Board. The work plan must:</p> <p>a) Set EITI implementation objectives linked to the EITI Principles and reflect national priorities for the extractive industries. Multi-stakeholder groups are encouraged to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and promote high standards of transparency and accountability in public life, government operations, and business.</p> <p>b) Reflect the results of consultations with key stakeholders and be endorsed by the multi-stakeholder 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 objectives identified during the consultation process. The work plan must:</p> <p>i. Assess and outline plans to address potential capacity constraints in government agencies, companies, and civil society that may hinder effective EITI implementation.</p> <p>ii. Address the scope of EITI reporting,</p>	<p>During the reviewed period and in keeping with Requirement 1.5, LEITI prepared two well-costed workplan driven by substantive and collective inputs from MSG members. The two workplan covered July 1, 2020, to June 30, 2021, and is in lieu of the country’s fiscal period. The workplan encompasses deliverables to achieve the EITI Standard Act of 2009 and conforms to the Pro-poor Agenda for Peace and Development, the nation’s overarching development plan.</p> <p>Key deliverables of the 2020/2021 work plan are the preparation of the 12th EITI Report on Liberia, the restructuring of the LEITI website and social media outlets, the Establishment of Beneficial Ownership (BO) Register for BO regime implementation, Facilitate Liberia’s EITI Mainstreaming process for efficient and effective reporting. Significant progress was made towards the achievements of the outlined. All approved decisions came from the MSG in their sittings and consensus-building, meaning every sector made inputs that impacted these decisions. As MSG meeting minutes, all decisions reached are recorded and uploaded to the LEITI website.</p>

<p>including plans for addressing technical reporting aspects, such as comprehensiveness 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 multi-stakeholder group’s plans for implementing Validation and EITI reporting recommendations.</p> <p>d) Identify domestic and external funding sources and technical assistance where appropriate 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 places easily accessible to the public.</p> <p>f) Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting, including addressing issues such as revenue management and expenditure (5.3), transportation payments (4.4), discretionary social expenses (6.1.b), ad-hoc sub-national transfers (5.2.b), beneficial ownership (2.5) and contracts (2.4).</p> <p>Under Requirement 1.4.b (viii), the multi-stakeholder group must document its discussion and decisions.</p> <p>g) Include a timetable for implementation aligned with the reporting and Validation deadlines established by the EITI Board (see provision 8), which considers administrative requirements such as procurement processes and funding.</p>	
<p>Requirement 2: Legal and institutional framework, including allocating</p>	

contracts and licenses.

Requirement 2.1

Legal framework and fiscal regime.

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 information on the roles and responsibilities of the appropriate government agencies.

b) Where the government is undertaking reforms, the multi-stakeholder group is encouraged to be documented.

Legal Framework (Mining Sector)

The Ministry of Mines and Energy (MME) is the Government Agency responsible for administering 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 concerning the contributions of all stakeholders in the sustainable development of Liberia's mineral resources. These laws are under review.

The Government Diamond Office (GDO) oversees exports and rough diamonds within MLME and the Bureau of Customs.

Fiscal Regime (Mining Sector)

The fiscal regime specific to mining companies is set out in the Liberia Revenue Code (LRC) from sections 701 to 739. The central taxes paid by a mining company are a 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).

Legal Framework (Oil and Gas Industry)

Current Legal framework (12th report page 44)

The central legislation governing oil & gas exploration and production activities in Liberia:

	<ul style="list-style-type: none"> - New Petroleum Law of Liberia, 2014 (adopted 05 October 2016)11; - National petroleum policy 201212; and - National Oil Company of Liberia Act 2014, <p>According to the National petroleum policy, 2012, the Government of Liberia shall adhere to the principles and procedures of the Liberia Extractive Industry Transparency Initiative (LEITI). It shall comply with reporting and other requirements of this initiative and further transparency and accountability initiatives undertaken by the Government. The principles of LEITI applicable to the petroleum sector include others, disaggregated reporting on all material payments, requiring all petroleum companies to join LEITI, conducting reconciliations of company payments and Government receipts, and publishing contracts, concessions licenses, and audit reports. According to article 43 of the Petroleum (Exploration and Production) Reform Law of Liberia 2014, contractors shall engage in and comply with the requirements of LEITI under the LEITI Act and the directives and guidelines approved by the LEITI Multi-stakeholder Steering Group (MSG). In particular, a contractor shall disclose to the LEITI reconcilers on an accurate and timely basis and in the required manner all payments made to the State, including any Government Agency and a state-owned company, and shall provide the said reconcilers with such information and documents as they may reasonably require for investigating any discrepancies and preparing the LEITI reports.</p> <p>Fiscal Regime (Oil and Gas)</p> <p>The fiscal regime specific to the oil & gas sector is set by Liberia's Petroleum (Exploration and Production) Reform Law</p>
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20141617. The primary revenue streams paid by oil & gas companies are royalties, surface rentals, bonuses, and exceptional contributions.

Legal Framework (Agriculture Sector)

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) to identify 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 concerning Forest Lands of 2009; • FDA Regulations to the Community Rights Law concerning 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 logs 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. Class A, B, and C. Class A operators process 1,500 cubic meters of wood annually and must pay USD 2,500 annually. Class B operators are those who process 750 cubic meters of wood. Still, less than 1,500 and are to pay 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 the government for a short-term 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 tract 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 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 Mines and Energy ensures that the law and

<p><u>Requirement (2.2)</u> License allocations.</p> <p>a) Implementing countries are required to disclose the following information related to the award or transfer of licenses about 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 technical and financial criteria used; iii. information about the recipient(s) of the license that has been transferred or 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 during the accounting year covered by the EITI Report, including license allocations about companies 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 in the EITI Report, including an account of government plans for overcoming such barriers and the anticipated timescale for achieving them.</p> <p>b) Where companies covered in the EITI Report hold licenses allocated before 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>regulations are appropriately administered.</p> <p>The Minister of Mines and Energy shall grant a prospecting license to all eligible applicants for an area specified in the application if the application complies with the requirements outlined in the law or regulations.</p> <p>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 a proposed work plan for the prospecting to the Minister of Mines and Energy. The Prospecting license does not give the right to conduct commercial mining. This is valid for six (6) months, renewable once for six (6) months, provided that the holder meets his obligations under the law.</p> <p>b) Exploration License 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 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 more extended period. This is valid for not more than three (3) years, and it may be extended for a single two (2) year term upon the written application of a holder.</p> <p>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</p>
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<p>c) Where licenses are awarded 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.</p> <p>d) Where the requisite information set out in 2.2(a-c) is already publicly available, including a reference or link in the EITI Report is sufficient.</p> <p>e) The multi-stakeholder 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.</p> <p>Requirement (2.3) Register of licenses.</p> <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 about companies covered in the EITI Report: i. License holder(s). ii. Where collated, coordinates of the license area. Where coordinates are not collated, the government must ensure that the license area's size and location are disclosed in the license register and that the coordinates are publicly available from the relevant government agency without unreasonable fees and restrictions. The EITI Report should include guidance on accessing the coordinates and the data's cost, if any. The EITI Report should also document plans and timelines for making this information freely and electronically available through the license</p>	<p>simultaneously. Holders of Class C mining licenses shall conduct mining predominantly as small-scale operations. This is valid for one (1) year, renewable for further terms of one year each if the holder has met all his legal obligations.</p> <p>d) Class B mining license - holders of class B mining licenses can conduct mining as industrial operations. The production area is twenty-five (25) acres, and this is valid for five (5) years and renewable for not more than five (5) years.</p> <p>e) Class A mining license is granted during or at the end of the exploration period of discovering exploitable deposits. It materially complies 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.</p> <p>The 12th EITI Report on Liberia, prepared during the referenced period, provides a list of active licenses in Liberia's mining, oil, agriculture, and forestry sectors.</p>
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register. iii. Date of application, date of award, and duration of the license. iv. In the case of production licenses, the commodity is produced. The licensing register or cadastre is expected to include information about licenses held by all entities, including companies and individuals or groups 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 in the EITI Report, including an account of government plans for 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, including a reference or link in the EITI Report is sufficient. 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 should include the information in 2.3.b above.

Requirement (2.4)

Contracts.

a) Implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to oil, gas, and minerals exploitation. b) It is required that the EITI Report documents the government's policy on disclosing contracts and licenses governing oil, gas, and minerals exploration and exploitation. This should include relevant legal provisions, actual disclosure practices, and any planned or underway reforms. Where applicable, the EITI Report should provide an overview of the contracts and licenses that are publicly available and include a reference or link to the location where these are published. c) The term contract in 2.4(a) means i. The full text of any contract, concession, production-sharing agreement, or other agreement is granted or entered into. The government

Liberia has developed an open data policy that conforms to Requirement 4.1. Though the LEITI MSG did not develop the policy, the MSG, through a [resolution](#) signed in December 2021, adopted an existing open data policy from the Government of Liberia, developed by the Liberia Institute for Statistics and Geo-information Service (LISGIS)

provides the terms for exploiting oil, gas, and mineral resources. ii. The full text of any annex, appendix, or rider establishes details relevant to the exploitation rights described in 2.4(c)(i) or execution. iii. The full text of any alteration or amendment to the documents described in 2.4(c)(i) and 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, appendix, or rider establishes details relevant to the exploitation rights described in 2.4(d)(i) or execution. ii. The full text of any alteration or amendment to the documents described in 2.4(d)(i) and 2.4(d)(ii).

Requirement (2.5)

Beneficial ownership. a) It is recommended that implementing 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. Companies should incorporate beneficial ownership information in existing filings to corporate regulators, stock exchanges, or agencies regulating extractive industry licensing where possible. Where this information is already publicly available, the EITI Report should include guidance on how to access this information

b) It is required that i. The EITI Report documents the government's policy and MSG's discussion on beneficial ownership disclosure. This should include details of the relevant legal provisions, actual disclosure practices, and any planned or underway reforms related to beneficial ownership disclosure. ii. By 1 January 2017, the multi-stakeholder group has published a roadmap for disclosing beneficial

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 courses of action to maintain an up-to-date beneficial ownership disclosure by 2022. This effort was further boosted on September 21, 2021, when Liberia launched the Open Extractives program to disclose beneficial owners of concessions in Liberia. LEITI is currently working with the Liberia Revenue Authority (LRA) and other relevant agencies to test templates and software, setting up a registry for Liberia in 2022.

ownership information under clauses (c)-(f) below. The MSG will determine all milestones and deadlines in the roadmap, and the MSG will evaluate the 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 a corporate entity (ies) that bid for, operate, or invest in extractive assets and should include the identity(ies) of their beneficial owner(s), the level of ownership, and details about how ownership or control is exerted. Any gaps or weaknesses in reporting beneficial ownership information must be disclosed in the EITI Report, including naming entities that failed to submit all or parts of the beneficial ownership information. A country facing constitutional or significant practical barriers to implementing this requirement by 1 January 2020 may seek adapted implementation under requirement 8.1. d) Information about the beneficial owner's identity should include the beneficial owner's name, nationality, country of residence, and 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) The multi-stakeholder group should agree on an approach for participating companies assuring the accuracy of the beneficial ownership information they provide. This could include requiring companies to attest to the beneficial ownership declaration form through sign-off by a member of the senior management team or senior legal counsel or submit supporting documentation. f) Definition of beneficial ownership: i. A beneficial owner in a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity. ii. The multi-stakeholder group should agree on an appropriate definition of the beneficial owner. The definition should be

The LEITI 12th report for Liberia captures information on beneficial ownership for the first time. However, progress made on BO register development can be accessed on page 116. BO information can also be found on page 117.

aligned with (f)(i) above and take international norms and relevant national laws into account and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons. iii. Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the stock exchange name 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 wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided. g) The EITI Report should also disclose such companies' legal owners and ownership share.

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 rules and practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment, and third-party financing. For EITI reporting, an SOE is a wholly or majority government-owned company engaged in extractive activities on behalf of the government. Based on this, the MSGs are encouraged to discuss and document their definition of SOEs, taking national laws and government structures into account. 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 subsidiaries and joint ventures and any changes in the level of ownership during the reporting period. This information should include details regarding the terms attached to their equity stake, including their responsibility to cover

NOCAL is the only state-owned enterprise (SOE) operating in Liberia's oil & gas sector. NOCAL was set up in April 2000 by Liberia's National Legislature for the purpose "of holding all of the rights, titles, and interests of the Republic of Liberia in the deposits and reserves of liquid and gaseous hydrocarbons within the territorial limits of the Republic of Liberia, whether potential, proven, or actual, to facilitate the development of the oil and gas industry in the Republic of Liberia." The new petroleum law (Exploration and production) of 2014 indicates that the primary activities of NOCAL shall be the ownership and management of petroleum rights acquired by NOCAL according to petroleum agreements or production-sharing agreements whether as the sole participant or in conjunction with others and the conduct of such other petroleum operations on behalf of the State Authority. As may from time to time be authorized by the Authority. The new petroleum law (Exploration and Production) of 2014 spelled out. Regulatory power has been transferred from NOCAL to the Liberia Petroleum Regulatory Authority (LPRA), which means licenses registry, production sharing contracts, bid Rounds, and contract awards are now handled by the LRPA. NOCAL now plays a commercial role instead." The New Petroleum Act 2014 added that NOCAL should have the following additional functions: (a) manage all participating interests in petroleum agreements acquired under citizen participation provisions of any petroleum agreement or

<p>expenses at various phases of the project cycle, e.g., full-paid equity, free equity, and carried interest. Where there have been government and SOE(s) ownership level changes during the EITI reporting period, the government and SOE(s) are expected to disclose the transaction terms, including details regarding valuation and revenues. Where the government and SOE(s) have provided loans or loan guarantees to mining, oil, and gas companies operating within the country, details on these transactions should be disclosed</p>	<p>production sharing agreement; (b) manage any contracts entered into by the State for the construction or operation of petroleum facilities used in petroleum operations that are to be owned by the State or required to be operated by the State; (c) own or manage other assets of any kind, necessary or useful in conducting commercial petroleum activities carried out by NOCAL according to this Act and the NOCAL Act; (d) lift and market the State's entitlements of petroleum on account of the State's share of production according to the production sharing provisions of a petroleum agreement or production sharing agreement in the event such share is taken in kind under Section 31(1) of this Act; (e) lift and market on behalf of any citizen's participation interest referred to in clause (a) of this subsection 10.1 the petroleum shares accruing to such citizen's participation interest; (f) conduct or contract for and supervise, in compliance with Part IV of this Act, such geological, geophysical, and other technical studies as it may deem useful; and (g) provide such technical assistance and advice as the Authority may request. NOCAL may also participate in reconnaissance, exploration, development, and production activities in other jurisdictions when it may have the resources and funds to do so. Paragraph 14.1 of the Amended Petroleum Law 2019 (an Act to amend certain provisions of the new The Petroleum (Exploration & Production) Reform Law of 2014) stipulates that LPRA shall grant petroleum Rights to NOCAL through Executive allocation in consultation with National Legislature. The President shall announce a 100% interest allocation in a block to NOCAL through executive allocation. After such, NOCAL shall exercise its commercial options to operate a block solely,</p>
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	<p>divest some of its interest in the block through farm-outs, etc. The President shall do the executive allocation, and the Authority shall carry out a pre-qualification list of companies presented by NOCAL. The SOE shall be able to develop these petroleum acreages by itself or in partnership with any oil company through farm-ins by tendering or direct negotiations. All Production Sharing or other agreements executed as a result of Executive Allocations shall be submitted to the Legislature for ratification. NOCAL also chairs the Hydrocarbon Technical Committee (HTC) – the inter-ministerial body created by the 2002 Petroleum Law, empowered to negotiate all contracts.</p> <p>NOCAL has embarked on a vigorous seismic data promotion and marketing campaign to encourage new exploration and ensure that companies hold oil exploration blocks to get on with their respective work program as quickly as possible during the last few years. This program includes data studies followed by detailed 3D seismic, which led to the identification of drillable structures and the exploratory drilling program.</p>
Requirement 3 Exploration and	

<p>Production <u>Requirement (3.1)</u> Exploration. Implementing countries should disclose an overview of the extractive industries, including significant exploration activities.</p> <p>3.2 Production. Implementing countries must disclose production data for the fiscal year covered by the EITI Report, including total production volumes, the value of production by commodity, and, when relevant, 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.</p> <p>3.3 Exports. Implementing countries must disclose export data for the fiscal year covered by the EITI Report, including total export volumes, the value of exports by commodity, and, when relevant, by state/region of origin. This could include export data sources and information on how the export volumes and values disclosed in the EITI Report have been calculated.</p>	<p>Beginning from page 42 of the 12th report, a clear contextualized overview of the extractive sector is delineated across all four sectors-Mining, Oil& gas, forestry, and agriculture.</p> <p>Also, production and export data information is provided on pages 190 and 193, respectively, in the 12th report</p>
<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 on which payments and revenues are material. It, 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 thresholds should be disclosed. In establishing materiality definitions and thresholds, the multi-stakeholder group should consider the size of the revenue streams relative to total revenues. The multi-stakeholder group should document the options and rationale for establishing the definitions and thresholds. b) The following revenue streams should be included: i. The</p>	<p>During the scoping of the 12th report, the MSG set the materiality threshold for reporting companies and the definition of Beneficial Ownership and others. See pages 33-41, 12th report</p>

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, 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 the government. Any revenue streams or benefits should only be excluded where they are not applicable, or the multi-stakeholder group agrees that their omission will not materially affect the comprehensiveness of the EITI Report. c) Implementing countries must comprehensively reconcile government revenues and company payments under the agreed scope, including payments to and from state-owned enterprises. All companies making material payments to the government must comprehensively disclose these payments under 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 must comprehensively disclose these revenues according to the agreed scope.

d) Unless there are significant practical barriers, the government is additionally required to provide aggregate information about the total revenues received from each benefit stream agreed in the scope of the EITI Report, including payments that fall below-agreed materiality thresholds. The Independent Administrator should draw on relevant data and estimates from other sources to comprehensively account for the total government revenues where this data is unavailable.

4.2 Sale of the state's share of production or other in-kind revenues. Where the sale of the state's share of production or other revenues collected in-kind is material, the government,

The National Oil Company of Liberia (NOCAL) operates as a state-owned enterprise. However, oil has not been discovered in commercial quantity; hence, no production occurs in the industry, and the state's share of production is not applicable.

As mentioned earlier in this paper, the reviewed period assessed Liberia's compliance with the EITI standard. According to the initial assessment report, there is an infrastructure arrangement between the Government of Liberia and Arcelor Mittal relative to refurbishing a

including state-owned enterprises, is required to disclose the volumes sold and revenues received. Individual buying companies must disaggregate the published data and commensurate with other payments and revenue streams (Requirement 4.7.). Reporting could also break down disclosures by product type, price, market, and sale volume. Where practically feasible, the multi-stakeholder group is encouraged to task the 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 multi-stakeholder 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 multi-stakeholder 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 the state has pledged, the value of the balancing benefit stream (e.g., infrastructure works), and the materiality of these agreements relative to conventional contracts. The multi-stakeholder group concludes that these agreements are material. The multi-stakeholder 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 revenue streams. Where reconciliation of key transactions is not feasible, the multi-stakeholder group should agree on an approach for unilateral disclosure by the parties to the agreement(s) to be

243km railway from Tokadeh to Buchanan and the Buchanan mineral port. The MDA was initially 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>included in the EITI Report.</p> <p>4.4 Transportation revenues. Where oil, gas, and mineral transportation revenues are material, the government and state-owned enterprises (SOEs) are expected to disclose the revenues received. The published data must be disaggregated to levels commensurate with other payments and revenue streams (Requirement 4.7.). Implementing countries could disclose i. A description of the transportation arrangements, including the product, transportation route(s), and the relevant companies and government entities involved in transportation, including SOE(s). ii. Definitions 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) concerning oil, gas, and minerals transportation. v. Where practicable, the multi-stakeholder group is encouraged to task the Independent Administrator to reconcile material payments and revenues associated with oil, gas, and mineral transportation.</p> <p>4.5 Transactions related to State-owned enterprises (SOEs). The multi-stakeholder 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>No subnational transfers were recorded during the reviewed period, and this requirement does not apply to Liberia.</p> <p>BDO, in collaboration with Parker and Associates, prepared Liberia’s EITI 12th report. The IA was hired through a competitive process guided by Liberia’s Public Procurement and Concession Law. To comply with EITI Requirement 4.9 and to ensure the credibility of the data submitted, the IA set the following:</p> <ul style="list-style-type: none"> - For each company, the “Payment/Receipt Report” should be signed off by an authorized senior official (at the 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: • -
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4.6 Sub-national payments. It is required that the multi-stakeholder group establish whether direct payments, within the scope of the agreed benefit streams, from companies to subnational government entities are material. Where material, the multi-stakeholder group is required to ensure that company payments to subnational government entities and the receipt are disclosed and reconciled in the EITI Report.

4.7 Level of disaggregation. The multi-stakeholder group is required to agree on the disaggregation level for the data publication. It is required that individual companies, government entities, and revenue streams present EITI data. Reporting at the project level is required, provided it is consistent with the United States Securities and Exchange Commission rules and the future European Union requirements.

4.8 Data timeliness. a) Implementing countries must produce their first EITI Report within 18 months of being admitted as an EITI Candidate. After that, implementing countries are expected to produce EITI Reports annually. b) Implementing countries must disclose data no older than the second to last complete accounting period, e.g., an EITI Report published in the calendar/the financial year 2016 must be based on data no later than the calendar/financial year 2014. Multi-stakeholder groups are encouraged to explore opportunities to disclose data as soon as 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. If EITI reporting is significantly delayed, the multi-stakeholder group should take steps to ensure that EITI

Extractive companies and NOCAL: are required to obtain confirmations from a registered external auditor that the figures reported in the Reporting Templates are under instructions issued by LEITI, are complete, and are in agreement with the accounts for the FY17/18; and

- Government Agencies: are required to obtain confirmation from the Auditor General that the transactions reported in the Reporting Templates are under instructions issued by LEITI, are complete, and are in agreement with the accounts of government for the FY17/18

- extractive companies were encouraged to submit their audited 2017 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

Reports are issued for the intervening reporting periods so that every year is subject to reporting. c) The multi-stakeholder group is required to agree to the accounting period covered by the EITI Report.

4.9 Data Quality and Assurance. a) The EITI requires assessing whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. b) It is required that payments and revenues be reconciled by a credible, independent administrator, applying international 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 multi-stakeholder group must perceive the Independent Administrator as credible, trustworthy, and technically competent. The multi-stakeholder group should endorse the appointment of the Independent Administrator. iii. The multi-stakeholder group and the Independent Administrator must agree to the 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 multi-stakeholder 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 financial data is subject to credible, independent audit, applying international standards, the multi-stakeholder group may seek Board approval to mainstream EITI implementation under the 'Agreed upon procedure for mainstreamed disclosures.'⁴ Without such prior approval, adherence to 4.9.b is required.

<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 industry revenues are recorded in the national budget, whether cash or in-kind. 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, sub-national governments, state-owned enterprises, and other extra-budgetary entities. b) Multi-stakeholder groups are encouraged to reference national revenue classification systems and international standards such as the IMF Government Finance Statistics Manual.</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.</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 mechanisms, the multi-stakeholder group is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue-sharing formula and any discrepancies between the transfer amount calculated under the relevant revenue-sharing formula and the actual amount transferred between the central government and each relevant subnational entity. The multi-stakeholder group is encouraged to reconcile these transfers. Where there are constitutional or significant practical barriers to the participation of sub-national government entities, the multi-stakeholder group may seek adapted implementation under Requirement 8.1. b) The multi-stakeholder group is encouraged to ensure that any material discretionary or ad-hoc transfers are disclosed and reconciled where possible.</p>	<p>A subnational transfer does not apply to Liberia, and there were no subnational transfers during the review period.</p>
	<p>Liberia operates an Open Budget Initiative (OBI), which requires a budget framework paper to support the national budget. The requirements for the Budget Framework Paper are set out in Section II of the PFM Act</p>

<p>5.3 Revenue management and expenditures. The multi-stakeholder group is encouraged to disclose further information on revenue management and expenditures, including a) A description of any extractive revenues earmarked for specific programs or geographic regions. This should include a description of the methods for ensuring accountability and efficiency. b) A description of the country's budget and audit processes and links to the publicly available information on budgeting, expenditures, and audit reports. c) Timely information from the government that will further public understanding and debate around revenue sustainability and resource dependence issues. This may include the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices, revenue forecasts arising from the extractive industries, and the proportion of future fiscal revenues expected from the extractive sector.</p>	<p>of 2009 and 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: <ol style="list-style-type: none"> i. an analysis of the economic and fiscal trends and the assumptions underlying the budget's medium-term macroeconomic and fiscal framework; ii. an explanation of the government's policy priorities and how these are reflected in the budget; iii. a statement of key financial 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 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 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
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	<p>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;</p> <p>x. a summary statement of budgetary implications of new legislation 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.</p> <p>3. The detailed annual budget estimates shall show the previous budget year outturns, the current year's original budget, and the year-to-date outturn based on available data and projected outturns.</p> <p>4. The detailed estimates, including revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of the PFM Act of 2009.</p> <p>5. The detailed estimates will include overall and agency-level summaries by the various classifications utilized in the budget. To strengthen the link between national priorities in the national development plan and the budget, MTEF sets out two phases: a strategic and an operational phase. The strategic phase reviews priorities and strategies before detailed resource allocation. The operational phase of the budget preparation involves allocating resources to sectors and various spending entities and concludes with passing the national budget by the national legislature.</p>
<p>6.1 Social expenditures by extractive 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</p>	<p>During the scoping of the 12th report, the MSG agreed to include disclosure of social expenditures in the report, and as the report outlines, there was not much for social spending. Page 125 of the 12th report captures scanty disclosure of social payments.</p>

that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these transactions. b) Where the multi-stakeholder group agrees that discretionary social expenditures and transfers are material, the multi-stakeholder group is encouraged to develop a reporting process to achieve transparency commensurate with disclosing other payments and revenue streams to government entities. Where reconciliation of key transactions is impossible, e.g., company payments are in-kind or to a non-governmental third party, the multi-stakeholder group may wish to agree on an approach for the voluntary unilateral company and/or government disclosures.

6.2 Quasi-fiscal expenditures. Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include SOE(s) disclosures on their quasi-fiscal expenditures. Quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenses such as payments for social services, public infrastructure, fuel subsidies, national debt servicing, etc., outside of the national budgetary process. The multi-stakeholder group must develop a reporting process to achieve transparency commensurate with other payments and revenue streams, including SOE subsidiaries and joint ventures.

6.3 The Contribution of the extractive sector to the Economy. Implementing countries must disclose, when available, information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report. It is required that this information includes the following:

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

No data on quasi-fiscal expenditures was captured in the report-12th covering 2018/2019. "The LEITI MSG has agreed that any public social expenditure such as payments for social services, public infrastructure, fuel subsidies, and national debt servicing, etc., made by NOCAL, i.e., outside of the national budgetary process is regarded as a quasi-fiscal expenditure. However, NOCAL did not make such expenditure during the FY 2018/19." 12th Report page 64.

<p>artisanal and small-scale mining.</p> <p>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.</p> <p>c) Exports from the extractive industries in absolute terms and as a percentage of total exports.</p> <p>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>	
<p>7.1 Public debate.</p> <p>The multi-stakeholder 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 multi-stakeholder group must: a) Produce paper copies of the EITI Report and ensure they are widely distributed. The report contains extensive data, e.g., voluminous files, so the multi-stakeholder group is encouraged to make this available online. b) Agree on a clear policy on accessing, releasing, and re-using EITI data. Implementing countries are encouraged to publish EITI under an open license and inform users that information can be reused without prior consent. c) Make the EITI Report available online in an open data format (xlsx or csv) and publicize its availability. d) Ensure the EITI Report is comprehensible, including writing in a clear, accessible style and inappropriate language. e) Ensure that outreach events are organized by the government, civil society, or companies to spread awareness of and facilitate dialogue about the EITI Report across the country.</p> <p>7.2 Data accessibility. The multi-stakeholder group is encouraged to make EITI Reports machine-readable and code or tag EITI Reports and data files to compare the information with other publicly available data by adopting Board-approved EITI data</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 understandable, actively promoted, and publicly accessible, contributing to public debate and publishing 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 on 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 periodic 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

standards. As per Requirement 5.1(b), the multi-stakeholder group is encouraged to reference national revenue classification systems and international standards such as the IMF Government Finance Statistics Manual. The multi-stakeholder group is encouraged to

a) Produce summary reports with clear and balanced information analysis, ensuring that the authorship of different elements of the EITI Report is clearly stated. b) Summarize and compare each revenue stream's share to the total revenue accrues to each respective level of government. c) Where legally and technically feasible, continuously consider automated online disclosure of extractive revenues and payments by governments and companies. This may include cases where extractive revenue data is already published regularly by the government or where national taxation systems are trending towards online tax assessments and payments. Such continuous government reporting could be considered interim reporting and an integral feature of the national EITI process, captured by the annual reconciled EITI Report. d) Undertake capacity-building 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 the use of the information by citizens, the media, and others.

7.3 Discrepancies and Recommendations from EITI Reports. To strengthen the impact of EITI implementation on natural resource governance, as per Requirement 7.4, the multi-stakeholder group is required to take steps to act upon lessons learned; to identify, investigate and address the causes of any discrepancies; and to consider the recommendations resulting from EITI reporting.

7.4 Review the outcomes and impact of EITI implementation. The multi-stakeholder group is required to review the outcomes and impact of EITI implementation on natural

year;

- 6) Over the medium term, LEITI's online data portal will be made interoperable;
- 7) LEITI will ensure citizens' continuous awareness and capacity building on open data availability, accessibility, and reusability. The focus will be on youth groups, women groups, local authorities, parliamentarians, media, marginalized and minority groups, etc.
- 8) LEITI will strive to establish a register of beneficial owners of the companies operating in the extractive sector of Liberia annually.

Please reference Liberia's validation template on MSG oversight for 7.3

resource governance. a) The multi-stakeholder 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.	
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III. Specific Strengths and Weaknesses Identified in the EITI Process

Major Strengths

Independence of the MSG- A significant strength of the process is the cohesive and independent nature of the LEITI MSG. During the review period, the tripartite arrangement remained visibly functional, with sheer independence exercised by all. Decisions were sought through consensus building rather than through voting.

Re-staffing: After an assessment report, the MSG mandated the Head of the Secretariat to conduct the necessary recruitment during the period under review. Five new staff members were recruited and presented to the MSG in its October 15, 2021, sitting. The staff were recruited: Procurement Officer, Communications and Outreach Officer, Finance Director, Technical Officer, and Administrative Officer. The re-staffing of the Secretariat has seen a massive lift to the process as the Secretariat is experiencing a tremendous upturn in work output.

Weaknesses

The most notable weaknesses observed over the review period include the following:

Funding– Since 2016, budgetary support to the LEITI has declined, affecting the implementation of the LEITI work plan. The LEITI was created as an autonomous agency of government through an act of the Liberian Legislature. The Act designated the Government of Liberia as the primary funding source through budgetary appropriations. Donors’ fatigue is gradually setting in too. Only the African Development Bank (AfDB) provided a grant that has immensely impacted the LEITI workplan for the two fiscal periods under the report during the period under review.

IV. Total Implementation Cost

Below is a breakdown of the cost of implementation during the reporting period (2020-2021).

Liberia Extractive Industries Transparency Initiative Statement of Income and Expenditure 2020/2021	
Account description	Amount (US\$)
TOTAL INCOME (GOL)	648,816.58

EXPENDITURE	
MSG Operation	54,618.10
Personnel Expenses	275,256.61
Secretariat Operation	170,585.60
Communications and Outreach	27,470.98
Independent Auditor/Reconciler	66,253.50
Consultancy Services /Other	20,795.00
Total Expense	614,979.79
Balance brought forward	33,836.79

V1. 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 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, including the Minister of Finance (now the Minister of Finance and Development Planning); the Minister of 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 its successor organization and a representative of a recognized association or union of workers in the extractive sectors as permanent members. In contrast, the Private Sector must have four representatives from the mining, forestry, agriculture, and oil sectors as permanent members. A few of Liberia's development partners are also on the MSG as observers.

The table below provides details of MSG membership during the period under review.

Tab 1: Current MSG

Constituency		
	<i>Institution</i>	<i>Representative</i>
Government	Ministry of Finance and Development Planning (MFDP)	Samuel D. Tweah Jr.
	Ministry of Mines & Energy (MME)	Gesler E. Murray
	Forestry Development Authority (FDA)	C. Mike Doryen
	National Oil Company of Liberia (NOCAL)	Saifuah Mai Gray

	Ministry of Justice (MoJ)	Frank M. Dean
	Liberia Petroleum Regulatory Authority (LPRA)	Archie N. Donmo
	Ministry of Agriculture (MoA)	Jeannie Milly Cooper
	Ministry of Internal Affairs (MIA)	Varney Sirleaf
	Liberia Revenue Authority	Thomas Doe Nah
Civil Society	Publish What You Pay (PWYP)	Cecelia T. M. Danuweli
	National Civil Society Council of Liberia (NCSCCL)	Loretta Pope Kai
	Mineral Civil Society Council of Liberia (MCSCCL)	Fallah B. Kamara
	Liberia Labor Congress (LLC)	Winston Wreh
Private Sector		
	Arcelor Mittal	Marcus Wleh
	Liberia Timber Association (LibTA)	Ekema Witherspoon
	Liberia Business Association (LBA)	James Strother
	Golden Veroleum Liberia (GVL)	Elvis G. Morris
Observers	GIZ	
	US Embassy	

Meetings—the MSG conducts its regular meeting once a quarter. However, where urgency is required, emergency meetings are held. Additionally, matters requiring scrutiny are referred to specific committees which decide on them and make recommendations to the body.

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

During the period in review, the MSG in-person’ meetings were limited to four due to the covid 19 pandemic that struck the world in December 2019. To prevent the spread of the virus

in Liberia, the Government, through the Ministry of Health, banned public gatherings of any kind until further notice. As a result, most of the decisions of the MSG were made with **no objections** and virtually. Out of the four in-persons' sittings, only one was done in 2020 (October 12, 2020), while the rest occurred in 2021.

Despite the pandemic, much was achieved. During the period under review, the MSG approved the procurement process and the Term of Reference for the production of the 12th report, approved and published the summary reports for the 9th, 10th, and 11th reports, and the subsequent dissemination.

During the review period, the MSG also approved the restructuring and re-staffing of the Secretariat following an assessment by its Finance and Administration committee. From the mandate, the MSG recruited a Head of Secretariat and Deputy in February 2021, and subsequently, the HoS oversaw the recruitment of the rest of the staff. The Secretariat, in the latter part of 2021, gradually became fully functional.

The MSG also held a retreat in Buchanan Grand Bassa County to review its operation manual and other activities. At the Buchanan retreat, the MSG held quarterly instead of monthly sittings.

Following the appointment of a new MSG in October 2021, the new Body also held an orientation in Monrovia in December 2021 to have new members orientated on the EITI protocols and the MSG operation manual. Each member signed the manual in compliance with standing procedures governing the Body.

A resolution adopting an open data policy was signed during the two-day orientation. Given that there was no official policy from the Body regarding open data and the time it would take to develop one, the MSG resolved to adopt an already existing policy that the Government of Liberia was already using.

The MSG also gathered data for the validation templates in December 2021. Along with the Consultant, Samson Tokpah of SRG Consortium, the MSG supervised filling the three templates that were subsequently submitted to the International Secretariat for Liberia's validation.

Tab2: Past MSG (2018-2021)

Constituency	Institution	Representative
Government	MFDP	Samuel D. Tweah, jr
	MLME	Gesler E. Murray
	FDA	C. Mike Doryen
	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
Industry	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

Chair Person / LEITI MSG

Date: _____