



**REPORT OF SOUTH-SOUTH LEARNING EXCHANGE ON EITI
IMPLEMENTATION BETWEEN ETHIOPIA, TANZANIA AND LIBERIA**

**HELD IN LIBERIA
17-23 NOVEMBER 2013**

UNDER THE SPONSORSHIP OF THE WORLDBANK and LEITI

12 DECEMBER '13

EXECUTIVE SUMMARY

0.1 In the context of strengthening the Extractive Industry Transparency Initiative implementation process within and amongst natural resource endowed developing economies, the World Bank crafted a South – South Learning Exchange Program in 2013 to create the framework to enable knowledge sharing between and amongst key and senior officials of civil societies, extractive industries and governments. Specifically, this program seeks to bring these functionaries together to exchange notes and thoughts on successes, innovations, challenges, strengths and opportunities in moving the EITI implementation process in their respective countries and environments. The global experience in successfully implementing the EITI process has centered on capacity building and knowledge sharing, so as to propel the paradigm shifts essential within national borders for effective natural resource utilization and beneficiation.

0.2 It was in this purview that the first of its kind was organized with host Liberia, Ethiopia and Tanzania in attendance from 17th-23rd, November 2013. It brought together a total of 18 participants, a dozen speakers and a coordinating moderator, as well as members of the Liberian press. The participants had the opportunity to visit and interact with the Vice President of Liberia, His Excellency Joseph N. Boikai, the President Pro Tempore of the Liberian Senate, Hon. Gbezohngar M. Findley; the Minister of Lands, Mines and Energy and his ministry's staff, other civil society, industry and relevant government functionaries. These encounters enhanced knowledge sharing, frank exchanges, and dialogues, which border on the necessity of ensuring transparency and accountability in national processes in these emerging economies.

0.3 This exchange took place in a free, fair and transparent environment, indicative of the EITI process. All participants, females and males; civil society, industry and government functionaries, spoke in turns, according to their own volitions and trends of thoughts, without fear or favor. The discussions included many topics related to the functioning of the EITI, such as The Role of Legislative Decision Making, Political Will in the EITI Process, A Mining Cadastral System, Local EITI Secretariat Operations, The Legal Framework, Forestry in the EITI Process, Artisanal Mining, The Role of the General Auditing Commission in EITI Reporting Process and The New EITI Standards.

0.4 The participants also had the opportunity to in a “Fishbowl” fashion observe the Multi-Stakeholder Group (MSG) of Liberia in session during its regular monthly meeting. The participants from Tanzania and Ethiopia were quite elated and impressed with the management of the meeting by the Chair, the free flow of thoughts of the

members during the discussions, and participatory level of all stakeholders. They expressed the satisfaction that LEITI has over the years cultivated an effective framework for participatory democracy that other South-South EITI members could learn and emulate.

0.5 All participants agreed that this learning exchange was quite worth it and recommended that it should be replicated immediately between other South-South countries. Other key recommendations include:

0.5.1 In the context of the South – South Exchange Program, Tanzania and Liberia should be given the opportunity to visit Ethiopia, in professional sub-groups, to understudy its program in support of upward mobility of artisanal miners. This seems as an effective element in strengthening national poverty alleviation programs.

0.5.2 Country delegations should document and circulate all ideas learnt at South – South exchanges which have been adapted at their program(s) to strengthen knowledge sharing information storage.

1.0 BACKGROUND

The Extractive Industry Transparency Initiative started in recognition of the development and governance challenges facing many resource rich nations. The emergence of the EITI process challenged countries to make oil, gas and mining revenues more transparent. In view of the visible outcomes in resource management being experienced by a cluster of nations who have joined the EITI process, many have joined with the hope that by the observance of the practices pursued by the EITI, natural resource exploitation would become a “blessing, rather than a curse”. As of 2012, the Revenue Watch reported that 36 implementing countries have documented more than half a trillion dollars in revenues in 130 EITI reports.

1.1 During this period, the transparency field has advanced beyond the original EITI standard. The Revenue Watch inferred that without significant new advances, EITI will no longer represent a standard of good practice in oil and mining transparency, and its relevance and impact will decline. In view of the foregoing, the need to strengthen knowledge base thru both formal and informal strategies and experiences has become quite essential in meeting national EITI goals and objectives.

1.2 In this light, the World Bank has envisioned and established the South-South Experience Trust Fund to facilitate South-South Learning Experiences amongst member countries of the EITI Process. It was in this vein that members of the EITI Programs of

Ethiopia (EEITI), Liberia (LEITI) and Tanzania (TEITI) convened in Monrovia from 18-23 November 2013.

2.0 SPECIFIC OBJECTIVES OF THE LEARNING EXPERIENCE

The three participating countries in this learning experience put forth a number of key interests in terms of what they anticipated achieving by virtue of these encounters. Kindly see below:

- Issues related to consolidating political will in pursuit of the EITI process;
- Building and sustaining stakeholders interest amongst private sector, public sector and civil society members;
- developing and maintaining relevant databases to enhance information dissemination both locally and internationally;
- Driving the EITI process through local initiatives rather than external pressure;
- Making the outcomes of the transparency initiatives visible in terms of the provision of public infrastructures and community services;
- Making the MSG effective and actively engaged in the sustainability of the EITI process;
- Creating and strengthening networks for general citizens participation and information dissemination;
- Developing internal staff capability to pursue the relevant activities to make the EITI goals and objectives meaningful;
- Developing and engendering leadership skills amongst MSG's members for effective cohesion and policy formulation; and
- Attracting and maintaining donors' interest in national program implementation.

3.0 PLANNED SESSIONS OF THE LEARNING EXPERIENCE

The encounter proceeded with about a dozen sessions. Please see appendix I.

3.1 The Group met with the Vice President of Liberia, His Excellency Joseph N. Boikai and Sen. Gbezohngar M. Findley, the President Pro Tempore of the Liberian Senate. Both men are the Political and Administrative heads of the Liberian Senate, the upper branch of the Liberian Legislature, which is responsible for law making. Sen. Findley who represents the Liberian Senate on the MSG is also a member of the international EITI Board.

3.1.1 The objectives of this session were twofold: a. to provide insight on the role of the Liberian Legislature in the EITI Process in Liberia; and b. to accentuate the element of political will on the success or failure of the EITI Program.

3.1.2 Following general introductions by the Head of Secretariat of Liberia and the Moderator bordering on the objectives and significance of the study tour to Liberia; the Ethiopian and Tanzanian delegations took turn in bringing warm greetings to the officials as well as providing a brief backdrop on the EITI implementation processes in their countries, and what it meant to visit the Liberian Program, considering its successful track record over the last six years.

3.1.3 In his remarks, Sen. Findley (currently Liberian Representative to the EITI International Board), explained the anxiety of the Liberian Legislature in being an active participant in this agenda for the pursuit of accountability and transparency in Liberia, considering the very dismal national record in the extractive sector in the prewar years of national existence. He stressed the need for very clear understanding of the EITI Principles; having hope, trust, faith and belief in the EITI Brand; endearing tripartite ownerships; relishing the opportunity to see that transparency exists and can work; and not being left behind by the evolving trends of globalization in all aspects of human life. He ended by noting that this must be the focus of all law making bodies in the South-South configuration and that there must be vertical and horizontal flow of information amongst all such bodies.

3.1.4 The Honorable Vice President welcomed the delegates on such an onerous journey of knowledge exchange. He said that Africans, the world over, are yearning to turn the corner and become more responsive to the needs of their people. He indicated that this can only be possible in the context of massive self-examinations and unperturbed exhibitions of political will. He averred that it is not only political will emanating from a president or vice president, but all stratum of the political divides of a country. The political parties, social associations, community groups and the titular heads and effective representatives of the people, must all be engulfed by the process of exercising political will. He said that this must happen with the belief that success for one is success for all of the people of the land.

3.1.5 Furthering, he struck the cord that even though it was largely the political will and commitment of President Johnson-Sirleaf that propelled the establishment of the EITI Program in Liberia, the idea of the extractive industry succeeding, must be embraced by all; because while it is true that Liberia has an appreciable record in the EITI process, this is not yet totally satisfactory.

3.1.6 The discussions which followed centered on how to engender political will amongst the various arrays of national leaders, to ensure a broad based involvement, as the framework of sustaining the continuity of national EITI Programs. The Vice President stressed how he exhibited his own little political will by attending the EITI Global Conference as far away from Liberia as Sydney, Australia, last May.

3.1.7 The head of the Ethiopian Delegation and a minister in the Prime Minister's office responsible for Agriculture and Forestry, His Excellency Ato Addisu Arega expressed his delight and explained that his country is fully committed to EITI implementation notwithstanding the challenges around its candidacy. He indicated that, with or without EITI Validation, Ethiopia is working assiduously to ensure the benefits of its resources reach all of its citizens through transparency and accountability. The Head of the Tanzanian Delegation ...expressed gratitude for the political space provided in Liberia for EITI implementation, noting that meeting the Vice President and Hon. Findley was a clear manifestation of the level of political support LEITI gets from government.

3.2 VISITS AT THE LIBERIAN MINISTRY OF LANDS, MINES AND ENERGY, AND MINING CADASTRAL OFFICE

3.2.1 The delegation was received by the Minister of Lands, Mines and Energy of the Government of Liberia, where he expressed gratitude to the Bank for facilitating such a very pivotal interaction. He indicated that there would be two presentations at the Ministry; firstly, on the efforts of the Ministry in pursuing an appropriate policy framework for the management of the extractive sector, and secondly, the administration of the mineral cadastral system.

3.2.2 In the first presentation, the strategic profile, vision, structure, licensing permit and tenures of acquisition of mineral titles, revenue management and a **SWOT Analysis** of the Ministry were overviewed.

3.2.3 The below points were summarized by the Ministry as lessons learned over the years from its resource management process:

- The need to avoid overlapping of licenses;
- The danger of individual discretion in granting licenses;
- The need to strengthen compliance monitoring of licensees in accordance with the Exploration Regulations and the New Minerals and Mining Law of Liberia;
- The need for timely submission of quality mineral & mining reports;
- The need to formulate means to increase revenue generation;

- The need to strengthen coordination amongst stakeholders/mining actors; and
- Need to upgrade Mining Law and develop a Mining regulation.

3.2.4 The second presentation on the Cadastral Management System of Liberia focused on seven key areas:

- The Revenue Development Foundation (RDF);
- RDF's approach to Mineral Rights Administration;
- Mining Cadastre Administration System (MCAS);
- Data Integration and inter-governmental collaboration;
- Government portals for publishing Mineral Rights data;
- GoSL (Government of Sierra Leone} Online Repository ;and
- GoSL Online Repository Users.

This was followed by a tour of the Cadastral Installations and general discussions regarding successes and failures.

3.3 VISIT AND TIME AT THE LEITI SECRETARIAT

3.3.1 The group spent the afternoon of the first day at the head quarter of the LEITI. This period was essentially devoted to over-viewing the operations, organizational structures/frameworks, successes, stakeholders' interactions, challenges and acceptable/possible ways forward in responding to future evolving situations. Each delegation had an opportunity to present their EITI program efforts in these areas. These presentations were followed by lengthy questions and answers by participants.

3.4 WORKSHOP WITH FORESTRY DEVELOPMENT AUTHORITY, ARTISANAL MINERS, LOGGING SECTOR AND SGS (a government contracted independent forest sector monitoring group)

3.4.1 During this session, the presenter from the Liberia Forestry Development Authority reviewed the various reasons for the inclusion of forestry under the LEITI scope, lessons learned, challenges and prospects. He highlighted that the inclusion of Forestry in the LEITI Process was largely resultant of the illegalities, abuses and laxness in the national natural resources management process. While the LEITI Act provided a golden opportunity for Forestry inclusion, the need for reform in the sector as well as the general

Government of Liberia reform paradigm for transparency and accountability in all sectors have helped to propel this experience.

3.5 LEGAL FRAMEWORK

3.5.1 This session focused on the importance of the Legal Framework and guidelines to acquiring and maintaining one. Cllr. Negbalee Warner, former Head of LEITI Secretariat provided compelling reasons for the need to legitimize through legislation EITI implementation in implementing countries. He argued that legislation makes it mandatory and not voluntary.

The Legal Officer from Tanzania EITI indicated that EITI implementation in Tanzania is based on a Memorandum of Understanding but progress is being made to achieve full legislation.

3.5.2 Both presenters from Tanzania and Liberia gave closely related reasons for the carving of a legal framework for establishing an autonomous body For EITI implementation and operations so as to ensure that all benefits of extracting natural resources are:

- verifiably paid;
- duly accounted for; and
- prudently utilized for the benefits of all.

Ethiopia currently has no legal framework for EITI implementation.

3.5.3 The presenters also reviewed preparatory actions and behind- the- scenes activities which were planned, implemented and consummated in order to ensure support, collaboration, participation and understanding of the entire process. This was quite informative for the Ethiopian Group as a Candidate Country. The loops in the Liberian and Tanzanian legal frameworks served as learning points for them.

3.6 ARTISANAL MINING

3.6.1 This session provided an opportunity to explore the effects of artisanal mining in the extractive sector and how data is captured under the EITI Reports. The presenters also reviewed categories and the operational structure of artisanal mining; artisanal mining products and potential value addition transformation; challenges in the artisanal mining process and government initiatives and strategies.

3.6.2 Noteworthy for Liberia and Tanzania is the Ethiopian Policy of ensuring that all artisanal miners graduate to higher income generating activities after a two year period. This is by far different from what happens in Liberia, possibly Tanzania, whereby an

artisanal miner may linger at the bottom at a subsistence level for a lifetime without experiencing upward economic mobility. There is obviously no government policy or program geared towards proffering actions that could enhance support activities to strengthen capacities of such persons, in Liberia; whereas Tanzania is doing so at a smaller scale.

3.7 GAC's ROLE IN THE EITI REPORTING PROCESS

3.7.1 This session focused on exchange and sharing of experience as regards the operations of General Auditing Commissions (GAC) of the three in relations to the EITI Reporting Process, Lessons Learned and Challenges. Both Tanzania and Liberia, as implementing countries made presentations in this segment. As per the LEITI reporting templates, the GAC must attest to the completeness and accuracy of the extraction of the receipt data included on the reporting templates from the accounting records of the various reporting entities of government. The GAC must also attest that the information reported in the templates by the reporting entities is consistent with the entities' audited financial statements. TEITI stressed in its presentation that ensuring reliability of detail EITI reports lies at the hands of the Auditor General and hence is critical to making the EITI a success.

3.8 REGULAR MONTHLY Multi-Stakeholder Steering Group (MSG) MEETING

3.8.1 The LEITI convened a Regularly Monthly Meeting of its MSG, in order to have them interact with the Tanzanian and Ethiopian delegations, as well as understand how these meetings are coordinated and decisions are made.

3.8.2 The LEITI, under the watchful eyes of the Ethiopian and Tanzanian delegations, conducted a typical MSG meeting; with all elements of the MSG-Government, Civil Society, Private Sector and Observers from the International Community and Donor Institutions- present. This was a clear fishbowl exhibition of the practicality of the inner workings of the LEITI MSG, in terms of the sustained platform for equal participation, respect, camaraderie and qualitative finesse attached to its work by the array of stakeholders. All categories of stakeholders had opportunities to present their thoughts unhindered, without fear or favor; of course with the assurance that the Secretariat provides the necessary fulcrum for all members.

3.8.3 Tanzania and Ethiopia expressed their admirations for such atmosphere of interactions and lauded how that could lead to an effective EITI process. Be that as it may, Ethiopia expressed the view that as much as Civil Society Organizations should be effective in the EITI process, it was not as sure as to whether it would be a good idea to

have external forces propelling their participations. Such participations, they observed, must be engendered by internal forces acting in tandem to buttress national cohesion. This should lead to greater national ownership and sustainability of national EITI programs.

3.8.4 The Liberian case had its bearings couched in the context of the situational forces which prevailed in its point in time, Vis, coming out of the civil war and having huge expectations from the rest of the world regarding its continuity and survivability as a nation.

3.9 COMMUNICATING THE EITI

3.9.1 Effectuating the EITI process in any country requires a number of key considerations-those who move it, those who are affected by it; those who oppose it and the cost benefit analysis- of it all. This accentuates the need for fair and clear information, pinged on communications mechanisms that are capable of reaching all levels of a national population. As such this portion of the exchange was envisioned to enable the participants to share experiences and best practices in communicating the EITI Process.

3.9.2 The three countries made incisive presentations and discussed various ways to dissect, package and deliver information to the many EITI stake holding groups directed at achieving various program goals and objectives. Many of these are traditional types of information packages such as newsletters, magazines, web-based information, leaflets, radio jingles, workshops, meetings and lecture series.

3.9.3 The variation in the case of Liberia has been the adaption of other innovative means such as the use of the LEITI Man; the establishment of LEITI Clubs in High Schools with plans to expand to tertiary institutions; production of messages in the native vernaculars; exceptional use of billboards; folklore singers; and other actions directed at institutionalizing a LEITI Program of Excellence to strengthen knowledge about the EITI Process.

3.9.4 While Ethiopia and Tanzania marveled at and lauded LEITI for the level of innovation in its related communications techniques, they were very quick to point out possible inhibitions in terms of their population sizes; i.e., Ethiopia with more than 80million, and Tanzania with more than 40million peoples; as well as their challenging geographic landscapes, compared to Liberia's population of less than 4million. They were also concerned about the necessary financial resources to plan and implement such activities on a sustained basis.

3.10 OVERVIEW OF THE NEW EITI STANDARDS/EITI VALIDATION PROCESS

3.10.1 The delegations of Liberia and Tanzania, as implementing countries spent some time discussing the pros and cons of the New EITI Standards/Validation Process, and shared experiences and best practices in getting validated. Discussions centered on the implications, timeliness and burden the new standards will put on local EITI secretariats. The group agreed on the need for the international EITI Secretariat to conduct regional training and follow-ups to ensure implementing countries are prepared to meet reporting deadlines inclusive of the new requirements.

3.11 THE EXTRACTIVE SECTOR AND ARCELOR MITTAL'S SUPPORT TO THE EITI PROCESS

3.11.1 This field visit was organized to give the participants an understanding of company's operations and support for transparent resource management. While it is true that this company is a key supporter of the EITI process in Liberia, this visit was skewed to only looking at the shipping operations of Mittal in the port city of Buchannan about 93 miles from Monrovia. It did not give a real vivid feel of the incisive and extreme circumstances which necessitate the actions that would show clear need for the EITI mechanisms. It would have been more productive to visit the Arcelor Mittal ore mines for a more cogent appreciation of the EITI process in Liberia. However, the distance away, two hundred miles and the compact nature of the trip prevented such an arrangement.

4.0 SUMMARY OF COMMENTS ON LEARNING

4.1 The below bullet points constitute the various learning points as put forth by the participants.

- Commitment of the Liberian Government in supporting the LEITI – meetings with the Vice President, the President Pro Tempore and Minister of Lands, Mines and Energy are strong evidence of the political support LEITI receives from the government.
- The Cadastral System is excellent for natural resource management.
- Strength, commitment and leadership of the LEITI Secretariat.
- Statement from the Head of EEITI that with or without the EEITI, Ethiopia was committed to transparency in extractive resource management.
- MSG Participation Scorecard in use at LEITI is a good measure to ensure MSG members attend meetings. TEITI will introduce this in Tanzania.
- Need for TEITI to adopt “what should have been paid” and what the government has spent in their reporting systems.

- The legislation (legal framework) for EITI implementation is crucial. It adds seriousness and commitment to parties involved in the process.
- The idea to shift from flexicadastre to MCAS is good and timely. This system is user friendly to EITI requirements.
- Presentation on Artisanal Mining was instructive for the three (3) nations.
- Presentation on the Legal framework was important to get a lesson from the Liberian experience.
- The need to survey amongst the EITI Board, legislature, and the executive bodies is very important for creating a legal framework for EITI.
- Important to provide technical and material support to increase productivity of artisanal miners because it is contributing a lot to the economy.
- Regional EITI idea is good to pursue – Tanzania experience maybe used by Kenya and Uganda to join the EITI.
- EITI implementing countries need to work on strategies to upgrade Artisanal Miners status as this is the only way to create indigenous large scale miners.
- The value chain in forestry sector was well presented and there was a lot to be learned. We are now conducting scoping study to examine possibilities of including forestry sector in EITI reporting in Tanzania.
- Reasons for establishing EITI legal Framework was well elaborated and therefore will be used to build a case in Tanzania.
- How it is difficult to manage Artisanal Miners
- In principle, one of the fundamental purposes of EITI is to make sure African Natural Resources should be blessing and not curse for its people. There is a need to promote legislations to overcome the competing resources and land use (mining, agriculture, forestry settlement) problems in Africa that lead to forced evictions or internally Displaced Persons (IDPS).
- Presentation by Mr. Petro Ahhm on Corporate Social Responsibility (CRS) was very good. His argument that CSR, having the word “Responsibility” in it makes it to be a mandatory thing (and not voluntary) is something that I had not thought of before. It’s therefore something new that I was able to learn yesterday.
- Independence of Secretariat of EITI is equally important as that of MSG-EITI Members (Board). Head of Secretariat and its staff should be clear who is their boss, whom do they account to? MSG-EITI Board or the government.
- Compose EITI Message and engagement process with the government.
- Auditors’ office should have an appeal mechanism where complaints and defense parties should not be missed or overlapped.
- Follow up procedure of the recommendation by MSG.

- The involvement of AG to verify or investigate the discrepancies of the reconciliation is necessary.
- The representation of different stakeholders in the MSG is very important and useful to bring on the table the opinions of all stakeholders as much as possible.
- The issue of post Award Process Audit by itself is a great lesson to Ethiopia & Tanzania as it is very important in creating and enforcing not only transparency but also accountability for whoever is involved in the awarding process.
- The level of participation, and the composition of the contributions of most of the representations.
- GAC required to be given attention to the role of the Auditor in EITI and taking it seriously.
- The requirement of conduction between the GAC and LEITI to solve the issues of attestation is very usual.
- I was quite impressed by the way LEITI MSG Special Meeting was conducted yesterday. The freedom of expression by members, the level of argument and the manner and wisdom by which the chairperson used to reach a consensus was very good. Definitely the Tanzania and Ethiopian teams can learn from that.
- Independence of chairman of MSG may be compromised /conflicted especially where an agenda item touches on his interests.
- Revenue sharing aspect- very impressive.
- MSG Meeting was interesting. The Chair presided well with good interaction and cooperation of members from various entities.
- MSG Independence - dialogue Intervention fo observer and members Administration Based Regime.
- From MSG Implementation Recommendation GAC potation
- The Process and procedures of MSG Meeting is participatory and Democratic
- The national Audit Offices of Tanzania, Liberia and Ethiopia have very big roles to play in the implementation of the EITI Process.
- To achieve this, these organs have to continue to be autonomous so as to work professionally and without fear or favor.
- I was impressed by the Liberia's GAC. Through their website, I learnt that the commission is independent and reports directly to the parliament.
- Again, I was also impressed by the office of the Federal Auditor General of Ethiopia, under article 101 of the constitution of the Federal Democratic Republic of Ethiopia, the Auditor General is appointed by the House of People's Representatives upon the recommendations by the Prime Minister. The Auditor General reports directly to the House.
- In Tanzania, the CAG is a presidential appointee and reports directly to the president. This is not good because, there is a very big room for interference of CAG's by the government.

- However, under a new proposed constitution of Tanzania, that abnormality cured and it is proposed that the CAG should report directly to the parliament and not the president. Likewise, it is proposed that the appointment of the CAG should be done by the president and approved by the National Assembly.
- Pictorials can be found at www.leiti.org or LEITI Face book page.

5.0 RECOMMENDATIONS

5.1 There is a need to expand the South-South Learning Exchange to include other countries in support of EITI implementation.

5.2 Future South - South Learning Exchanges should take into consideration convenient timings so that participants may be able to visit actual mine sites and peripheral communities to enhance understanding of pertinent community issues.

5.3 All papers to be presented at future events should be prepared and sent in advance to moderators to improve tracking of key events by participants and discussants.

5.4 Country delegations should document and circulate all ideas learnt at South - South exchanges which have been adapted at their program(s) to strengthen knowledge sharing information storage.

5.5 In the context of the South - South Exchange Program, Tanzania and Liberia should be given the opportunity to visit Ethiopia, in professional sub-groups, to understudy its program in support of upward mobility of artisanal miners. This could be an effective element in strengthening national poverty alleviation programs.