



**UN HAILS  
LEITI'S  
PROGRESS**

--Recommends more  
Support to the Process

# Message from the Head of Secretariat



As we discharge our responsibility of increasing public awareness of activities within the extractive sectors, we often come across thought-provoking questions and proposals from Liberians, many of whom are saddened by the little opportunity for upward social mobility in a nation endowed with so many natural resources. They are yearning for better healthcare, paved roads, better housing, electricity, good schools and safer communities.

In some rural communities, after reading and analyzing the data in the LEITI Reconciliation reports, citizens approached us with such peculiar boldness, recommending amongst other things, that the reports should include “sub-totals” by sectors and regions that the government ensures that companies build manufacturing facilities here and not just export raw materials. They are eager to know how the revenues reported are being expended. Issues are raised about their non-participation in the award of contracts within their communities.

Recently, a school Principal, being told of the ongoing Post Award Process Audit of material concessions, and hearing reports of irregularities in the award of Private Use Permits (PUP) in the forest sector, engaged me with a rather thoughtful question: “Don’t you think it is better for the LEITI to be involved in the process of negotiating these concession agreements and not waiting to raise alarm when things have already gone wrong”? I managed to convince him that LEITI is a ‘third-party verifier’, and as a referee, we cannot be a player at the same time. He seemed convinced by my answer, yet, this educator and others are expressing that it is time we

implement programs and policies to secure our future. Our collective conscience as Liberians must compel us to make tough decisions that are needed to ensure meaningful accountability and transparency are achieved, particularly within the extractive sectors which is one of the major components of our economy. If we must “talk the talk”, then we must “walk the walk”.

The eagerness expressed by citizens and the issues they raised manifests how access to information can enhance accountability and ensure that public policies reflect the views and needs of the people. I make these points to focus attention on, and solicit support towards the production of the LEITI Fourth Reconciliation Report and the Post Award Process Audit currently underway.

The 4th Report which is expected to include additional agencies of government, reconcile what “ought to have been paid”, and track the use of extractive revenues started on hard grounds. Some stakeholders have shown minimum interest in the process; to the extent that the LEITI provides logistical and staffing support to some reporting entities to complete their reporting requirements speaks to the contribution some make to this worthy endeavor. Similar attitude is also labeled on the process review with reporting agencies ignoring deadlines and reporting requirements.

I must hasten, however, to applaud our many stakeholders who remain committed to ensuring that Liberia continues to make gains in the prudent use of its natural resources. Our commitment to move Liberia forward begins with each one of us, contributing the most to its development no matter where we find ourselves.

A handwritten signature in black ink, appearing to read 'Samson S. Tokpah', with a long horizontal flourish extending to the right.

Samson S. Tokpah  
Head of Secretariat  
Liberia Extractive Industries  
Transparency Initiative

# UN Hails LEITI's Progress

*--Recommends more Funding Support to the Process*



UN Secretary-General Ban Ki-moon

The United Nations (UN) Panel of Experts on Liberia has hailed the Liberia Extractive Industries Transparency Initiative (LEITI) for what it referred to as "steady progress made by the Agency in performing its mandate".

In the Panel of Experts final report submitted to the UN Security Council early December 2012, the Panel indicated that, for the first three quarters of 2011, the LEITI was faced with challenging administrative constraints. However, the panel noted that since the appointment of Mr. Samson S. Tokpah and Mr. Konah D. Karmo as Head and Deputy Head of the LEITI Secretariat respectively, as well as the recruitment of few other technical staff, including the Finance Director and Communications and Outreach Officer, the Secretariat has made significant gains in discharging its functions.

Some of LEITI's achievements, the

Panel said, include the development of a two-year strategic work plan to identify priorities and strengthen the stakeholder process; prioritizing the task of producing the EITI Fourth Report; and the resolve to conduct post-award audits of all public concessions, contracts, licenses, permits and other rights granted by the Government in the extractive sectors.

However, in its report signed by Masood Khan, Chair of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia, the Panel said, despite several ambitious plans, it is concerned about the LEITI's ability to source necessary funding to finance its activities.

The panel concluded by urging the Government of Liberia to support the activities of LEITI, and called upon the international community to strengthen the initiative with adequate donor support.

## "We Will Fully Cooperate with the EITI Process"

*--ArcelorMittal Spokes Person Pledges Company's Commitment*

Ms. Hesta Baker Pearson, the Head of Corporate Communications for ArcelorMittal Liberia has said their company will fully cooperate with the EITI process in Liberia.

Ms. Pearson told reporters recently that ArcelorMittal appreciates and values the

EITI process, and will do all in its powers to support the process, noting "our goal is to help the LEITI achieve its goals". She disclosed that ArcelorMittal is the 40th company globally, to register with the EITI, and the management believes that transparency and accountability are inevitable

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## EDITORIAL BOARD

Communications & Outreach  
Officer

Samson Wannah  
swannah@leiti.org.lr

Contributors  
Katherine Lay  
Sebastian Schrader

Photos  
Hnede Berrian  
Emmanuel Dormeyan  
George Dennis

Published by the  
LEITI Secretariat  
Old Bureau of the Budget Building  
Redemption Road,  
adjacent the Executive Mansion  
Capitol Hill, Monrovia-Liberia

Email: [info@leiti.org.lr](mailto:info@leiti.org.lr)  
Website: [www.leiti.org.lr](http://www.leiti.org.lr)  
Telephone: 0202002356/0886914601



LEITI Head of Secretariat speaks to students of the Caver Mission School about the non-renewability of the extractive resources

# e-Club Project gets Massive Support

To solicit support for the establishment of the Extractive Clubs, which is part of its communication strategies, the Secretariat of the Liberia Extractive Industries Transparency Initiative (LEITI) has been visiting schools selected for the initial phase of the project, receiving commitments and support from both students and schools' administrators.

In early November 2012, the LEITI Head of Secretariat, Mr. Samson Tokpah and the Communications and Outreach Officer, Samson Wonnah made outreach tours to the ten schools selected to participate in the pilot project, including the B.W. Harris Episcopal High School, the St. Mary Catholic High School, and the Caver Mission Schools amongst others. The visits were intended to introduce the schools to the details of the project, request their participation and solicit their inputs to the project planning and implementation processes. During the visits, the LEITI outreach support team encouraged the administrators of the respective schools to assume ownership of the project and assured them that the e-clubs will be managed by the schools while LEITI will only provide technical and financial support through grant funding from the German Development Cooperation (GIZ). LEITI Head of Secretariat, Samson S. Tokpah says the strategy is vital to promoting the project sustainability, noting "when the schools are allowed to run the project and make key decisions regarding it, they will

consider it their own initiative and ensure that it continues".

So far, the administrators of all the schools visited, have confirmed their institutions' participation and pledged support to the implementation of the project, acknowledging the immense benefits this initiative will bring to their students and the nation as a whole. Mr. Konah Parker, Vice Principal of the Isaac Davies High School in Paynesville, Monrovia says, he is hopeful that the e-club project will be an instrument for such transformation that Liberians are yearning for. "Imagine our students have nothing much for extra-curricular activities, so after school, you find them here and there, mostly in the video clubs watching football games. I am so delighted that they can be introduced to such worthy program", Mr. Parker said after listening to the LEITI Head of Secretariat disclosed the activities planned for the e-clubs. But Parker is not only happy about his students, as he himself desires to know more about the management of the nation's resources: "The extraction of resources in this country is something that I too, have been keen about, and I think this is an opportunity to broaden my knowledge".

The LEITI Outreach Team also used the visits to create awareness to the students on the non-renewable nature of the extract resources, invoking their support for the e-club project. At the Caver Mission School in ELWA, flanked by thousands of students who had gathered

for their usual morning devotion in the square at the campus, LEITI Head of Secretariat, Samson S. Tokpah informed the youth that the natural resources in the country, including diamond, gold, iron ore and timbers amongst others, can be depleted and are not replaceable. "The best think we can do is to manage well the revenues we generate from them now; and as future leaders, you need to get the right information to make sound decisions", Mr. Tokpah told the excited students. At the end of the dialogue, scores of students raised hands to volunteer membership for the e-club.

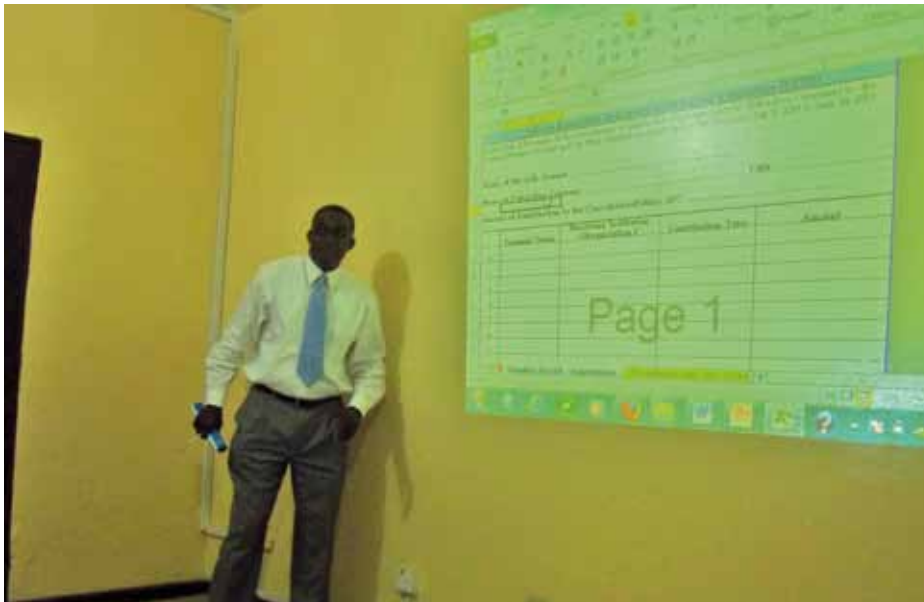
The agreement for the establishment of the Extractive Clubs was signed between the LEITI Secretariat and the German Development Cooperation (GIZ) on December 3, 2013. Under the agreement, the GIZ will provide a grant amount of US\$24,500 over a six-month period (November 2012-April 2013) to facilitate the initial phase of the project.

Meanwhile, in line with the decision to encourage the full involvement of the schools in the development and implementation of the project, the LEITI Secretariat is planning on arranging a one-day working session where principals of the participating schools and other relevant stakeholders will meet and develop guidelines that will ensure the effective management of the clubs.

The Extractive Club Project is to formally be launched in February 2013.

# 4th Report Preparation in Progress

**--HOS says Non-Complaint Companies Risk Sanctions**



During a special session on the reporting process, Head of Secretariat Samson S. Tokpah walks through the templates with reporting companies.

Preparations for the production of the 4th LEITI Report is currently ongoing, but the Head of Secretariat of the Liberia Extractive Industries Transparency Initiative (LEITI), Mr. Samson S. Tokpah, has warned that companies failing to cooperate with the process will face the relevant sanctions prescribed by law.

The report preparation began with the conduct of a technical workshop held on November 2, 2012 at the auditorium of the Providence Hotel in Monrovia. During the workshop, the Reconciler, Ernst & Young/MGI Monbo distributed the reporting templates to participating companies and provided relevant instructions on how the templates would be completed. Reporting companies were then given a two-week deadline to submit their data. The Auditor General of the Republic of Liberia, Robert L. Kilby, attended the workshop and

expressed the willingness of the General Auditing Commission (GAC) to be a part of the process. AG Kilby further announced that the GAC would establish a unit specifically responsible to review and attest individual reports to be submitted by the ministries and agencies of government to facilitate the preparation of the LEITI Report.

However, submission of reports by concerned extractive companies is taking a slow pace, with only a few companies submitting their templates up to December 12, 2012, including some key players such as ArcelorMittal, BHPBilliton, Pepper Coast Petroleum, China Union, Western Cluster Limited, Continental Investment, Planet Minerals Ltd. Youssef Diamond Mining Company, Massa Investment, Viking's Enterprises, Morris American Rubber Company, and Brimian Mining Company,

amongst others.

The Secretariat has frowned at the delays experienced, especially given that the submission deadline was earlier extended by two weeks at the request of stakeholders, and despite immense personnel and logistical support provided by the Secretariat to facilitate the process. These supports include the assigning of sector focal persons by the Secretariat to coordinate and provide support to the reporting companies and the provision of three interns—two at the Ministry of Lands, Mines and Energy, and one at the National Port Authority—to facilitate the reporting process.

Meanwhile, as required by the MSG Regulation of 2009, the Secretariat has notified all such reporting companies to complete and submit their templates within the planned reconciliation period. The notification was made through a public service announcement published in three widely read local newspapers (including the Daily Observer, Inquirer and News Newspaper) and aired for a considerable period, on four major radio stations in Monrovia as well as via several community radio stations throughout the country.

The Secretariat says, the effort is aimed at encouraging the cooperation of all stakeholders, but warned that any companies failing to comply with the process despite all the support the Secretariat is providing will face sanctions as prescribed by the MSG Regulation of 2009. Under the Regulation, penalties for non-compliance with the reporting process range from Notice of Intent to Affect Operations to imposition of fines and revocation of licenses.

The contract for the preparation of the LEITI 4th Report has been awarded to Ernst & Young/MGI Monbo. The report will cover the period July 1, 2010 to June 30, 2011 and will capture all material payments of taxes, royalties, land/surface rentals, and other administrative fees paid to the Government of Liberia. The report will also contain "what ought to have been paid".

## "We Will Fully Cooperate with the EITI Process"

to the operation of a sustainable business.

It is worth noting that since the establishment of the Liberia Extractive Industries Transparency Initiative (LEITI), ArcelorMittal has participated in its 1st, 2nd and 3rd EITI Reports and has committed itself to supporting subsequent LEITI Reports.

ArcelorMittal is the world's leading steel and mining company, operating in 60 countries and employs about 260,000 people worldwide. The group first entered the Liberian market in 2005, focusing on the exploration of the country's vast iron ore deposits. To date, ArcelorMittal has invested about \$800-

million in projects such as the reconstruction of a 240-km railway, as well as port, hospital and school facilities. The company has begun the shipment of iron ore from Liberia and aims at increasing its shipment to four-million tons a year from the Buchanan Port in Liberia beginning 2012.



# Pres. Sirleaf Receives Invitation to Address EITI Conference

**--Board Says Liberia's Implementation Records Exemplary**

The Board of Directors of the Extractive Industries Transparency Initiative (EITI) International has extended invitation to the President of Liberia, Her Excellency Ellen-Johnson Sirleaf, to address the 6th EITI Global Conference scheduled to take place in Sydney from May 23-24 2013.

In a formal communication addressed to the Liberian Head of State, the EITI Board Chair, Clare Short said Liberia's implementation has been exemplary, from the publication of contracts in the extractive sectors to the planned audits of payments of extractive companies. Madam Short noted that the work of the Liberia Extractive Industries Transparency Initiative (LEITI) is a reminder that strong commitment to transparency can translate to comprehensive efforts to increase accountability along the revenues' chain and, ultimately, contribute to good governance of the extractive sector. She then appealed to the President: "We would very much welcome and value the opportunity to hear your views on the impact of greater revenue transparency and accountability in Liberia".

The EITI Global Conference is an important international forum for the dis-

cussion of improved governance of oil, gas and mining activities. It offers an opportunity for countries to share lessons, establish networks and address future challenges.

This year's event will focus on the impact of the EITI and how it can help ensure that revenues generated from the natural resources can bring more benefits to all citizens. The Conference, the Board said, will see the launch of a 'significantly revised' EITI standard which will further strengthen EITI reporting and help to ensure that the EITI process become a national platform for improved natural resource governance. As part of the activities, the Sydney Conference will include National Expo Sessions during which individual implementing countries will have an opportunity to showcase activities they are undertaking to improve transparency in their countries.

In the same development, the EITI International Board has agreed to provide funding support for four Liberian-stakeholders to attend the Sydney Conference. In line with its tripartite arrangement, the LEITI MSG has nominated Mr. Esiaka Konneh (Private Sector), Mr. Mohammed Nasser (Civil Society), and Mr. Carlton

Miller (Government) to said, to form part of the Liberian Delegation.

The EITI is the global standard for transparency of revenues from the natural resources. It is now been implemented by 36 countries. Liberia launched the EITI process in 2007, and has since made impressive records, including becoming the first and only country in the world to include forestry and agriculture in its EITI program in addition to the mining and oil sectors; the first country to include contracts transparency in its EITI program; and the first EITI country to publish and complete EITI validation within the two-year period set by the EITI Board.



President Sirleaf receiving the "Best EITI Implementing Country" award from the EITI Former Board Chair in 2010

# "LEITI is Beyond Transparency"

--Says Head of Timber Association



Mr. John Deah, President of the Liberia Timber Association

The President of the Liberian Timber Association has said the impact of the EITI process in Liberia is more than just transparency. Mr. John Deah made the assertion recently during an exclusive

interview with television reporters from the Liberia Broadcasting System (LBS), seeking deeper understanding on the benefits of the EITI process in Liberia.

Mr. Deah, who heads one of the biggest trade unions in the extractive sector, said, prior to the launch of the LEITI process, the extractive industries in Liberia were always clouded with confusions between the concessionaires and the communities. Some of these quarrels and disagreements, he said, were very groundless and due largely to lack of information on the part of the communities. "In the past, even if companies paid their taxes as and when due and government was not coming back to the communities to ensure what was collected was impacting the lives of the people, the communities, out of ignorance, would then jump on the companies and claim mistreatment and neglect", Mr. Deah noted.

Forty percent of Liberia's forest has been granted to logging, and like many other extractive concessionaires, companies in the timber industry had received barrage of criticisms for doing little or nothing to fulfill

their corporate social responsibilities in improving the living standard of the locals. But Mr. Deah said some of those claims were merely as a result of the information gap, noting that since the implementation of the LEITI process, relations are now improving between the concessionaires and the communities. "Look, from reading the LEITI reports, the people are now getting to know the right information and who to hold accountable. LEITI is beyond transparency", Deah told reporters with an expression of relief. In fact, he said, unlike the past where companies would directly demand royalties from them, they now go to the government with their queries, which are based on the data provided by LEITI.

Public reporting of taxes and revenues is one of the core functions of the Liberia Extractive Industries Transparency Initiative, intended to ensure accountability in the management of revenues from the Liberia's natural resources. During the past years, LEITI has published and disseminated to the public, three reports, which captured payments made by companies in the oil, mining, forestry and agriculture sectors as well as revenues collected by relevant agencies of government. The pending report (LEITI4th Report) will reflect not only information of what was collected, but also "what ought to have been collected".

## Liberia Participates in 4th EITI Board Meeting

The International Board of the Extractive Industries Transparency Initiative (EITI) made partial progress to strengthen the initiative during its meeting in Lusaka, Zambia on October 25-26th, 2012. Honorable Roosevelt Jayjay, Liberia's Representative to the EITI Board attended the meeting along with Honorable Angela Cassell-Bush, Deputy Minister of Finance for Expenditures and Debt Management and Proxy for Finance Minister Amara M. Konneh who chairs the LEITI Multi-stakeholders Steering Group (MSG).

The two-day meeting focused on considering proposals to improve and expand EITI reporting as part of a review process to address weaknesses identified in a 2011 evaluation of EITI's impact. The Board meeting made some progress in agreeing to expand EITI reporting requirements related to the disclosure of information about natural resource licenses and license holders, bidding processes for the allocation of extractive contracts and the

beneficial owners of companies holding or bidding for licenses. Other requirements include transparency of payments made from the national government to the regional or local level, social payments that are part of contracts, transactions between state-owned companies and governments and disaggregated data by company and revenue stream.

Also during the meeting, Publish What You Pay, which is comprised of hundreds of civil society groups in 60 countries, called for strengthening the EITI by requiring transparency of licenses, contracts, project-level payments and other information.

In a related development, during the meeting, Global Witness condemned the American Petroleum Institute's (API) lawsuit and the attempt to block project level reporting through the EITI and EU. The global watch dog called on the EITI to resist every attempt by some companies which continue to block EITI's progress so they can use a weak EITI to fend off the

scrutiny of mandatory reporting in the U.S. and EU. "This position is incompatible with the aims of the EITI and undermines our efforts to move EITI forward," said Corinna Gilfillan, Head of Global Witness' U.S. office and EITI Board member.

Despite support from civil society and governments, oil and mining companies on the EITI Board continue to fight against requirements that are vital for an effective EITI. Companies opposed proposals to make project level reporting of payments a new requirement, citing difficulties in defining projects. They also blocked the idea of requiring contract transparency, some going as far as rejecting the idea that EITI rules should even encourage it. The Board will consider the proposals further and the EITI will finalize new rules at its international conference in May 2013 in Sydney, Australia.

The Lusaka meeting was attended by representatives from thirty-seven countries.

# Karmo: We will not Preempt Audits Findings



Mr. Konah D. Karmo, LEITI Deputy Head of Secretariat

In the wake of recent reports by some media institutions that the 'process audits' currently being conducted by the LEITI is aimed at unearthing scandals and/or discrepancies in the awards of specific concessions contracts, the Deputy of Head of the LEITI Secretariat has said, LEITI will not attempt to preempt the findings of the audits.

Mr. Konah D. Karmo said the conduct of such audits is a part of the core functions of the LEITI, ascribed to it by the Laws of the Republic of Liberia. The LEITI Deputy Head of Secretariat referred to Section 4, Sub-section D, Paragraph(ii) of the LEITI Act of 2009, which, in delineating the functions and mandate of the LEITI states thus: "The LEITI is to conduct, as frequently as may be necessary and through independent firms,

appropriate audits and/or investigations of the process by which each material concession, contract, license, and other right is awarded by the Government in respect of forestry, mining, oil, agriculture and other designated resource sectors of Liberia in order to determine that each concession, contract, license, and similar right was awarded in compliance with applicable Liberian laws".

Mr. Karmo, who re-affirmed LEITI's independence to the process, said, the current audits were commissioned by the LEITI Multi-stakeholders Steering Group (MSG) as one of several measures to promote transparency and support standards that will ensure efficient management of the country's resources. He disclosed that LEITI has no predisposed intentions and

cannot say what the outcome of the audits will be: "We will not attempt to preempt the audits' findings. The evidence gathered will determine the conclusions, and that is the work of the auditors, not LEITI".

Within the scope of the 'process audits' is also the investigation of the processes by which Private Use Permits (PUP) were awarded in the past. Mr. Karmo also said that the LEITI continue its own review of the PUPs notwithstanding other reports that have already been published.

In July 2011, the Multi-stakeholders Steering Group of the Liberia Extractive Industries Transparency Initiative commissioned the audit/investigations of the processes by which material concessions, contracts, licenses, permits and other rights concerning the exploitation of diamond, gold, oil, timber, and agricultural resources of Liberia were awarded. The initiative is intended to ascertain whether the processes of these awards were in compliance with the applicable Liberian Laws. The LEITI said the audits will cover companies operating in the oil, mining, forestry and agriculture sectors whose contracts, licenses and permits and rights were granted/amended by the Government of Liberia for the period July 13, 2009 up to and including December 31, 2011.

The audits/investigations are currently being conducted by Moore Stephens LLP, an internationally accredited accounting firm in collaboration with Parker and Associates, recruited through a competitive bidding process.

## HOS Attends Conference on Open Contracting

The first global meeting on Open Contracting was held in Johannesburg, South Africa from October 24 - 26, with the Head of Secretariat of the Liberia Extractive Industries Transparency Initiative (LEITI), Samson S. Tokpah, representing Liberia.

Open Contracting is a new global initiative focusing on "increased transparency and monitoring in public contracting, including contracts implemented by multilateral donors." Open Contracting spans from the disclosure of pre-award public procurement information to the award, implementation, monitoring, and accountability of contracts to ensure transparency.

More than 140 persons, including prac-

tioners and experts from government, civil society, private sector and academia participated in the meeting which was designed as a forum to drive change in the contracting landscape within and across sectors towards truly transparent, accountable and participatory practices that will actively contribute to increase effectiveness in development outcomes.

During the meeting, participants made several commitments including the resolve to leverage networks to increase the outreach of Open Contracting and achieve broad based and diverse support to the agenda and provide a dedicated team from across organizations to support the Open Contracting process. Other strategies

proposed include articulating the different plans in a coherent framework for action and sustaining efforts towards mobilizing resources of different kinds to move the agenda forward.

The participants also agreed to draft principles against the contracting chain to be used as a working document within six months.

The Open Contracting meeting was hosted and sponsored by the World Bank and the German Federal Ministry for Economic Cooperation and Development in collaboration with the Government of the Philippines, Construction Sector Transparency Initiative, Transparency International, Oxfam America, and Integrity Action.



## Firestone Liberia's Role in Educating Liberian Youths

Of all the quotes on education, my absolute favorite is from the Bible book of Hosea 4:6 "My people perish for lack of knowledge." The central truth in this ancient quote is as relevant and as daunting today in Liberia as it was hundreds of years ago in Biblical times. Although quite a bit has been done to promote and advance education in Liberia, much more need to be done.

Firestone, being a responsible corporate citizen and an avid supporter of education in Liberia, understands this need, and has taken the lead in partnering with government to develop and promote education in Liberia.

Perhaps the most visible evidence of Firestone's prominent role in the development of education in Liberia is the Harvey S. Firestone Quadrangle Science Building, better known by UL students as the FQ Building. Built by Firestone in 1955, the FQ building was horribly damaged during the Liberian civil conflict. President Ellen Johnson-Sirleaf, addressing the need for private sector partnership in the development of education in Liberia, called for help in restoring this historical landmark. Firestone heeded the call, and completely renovated the FQ Building.

In addition to this, the company supports the College of Agriculture and Forestry, with a commitment to give US\$50,000.00 every year to that college.

According Dr Emmet Dennis, President of the University, Firestone's generous donation has facilitated the rehabilitation of the college and will enable the University to send graduates abroad for training so that they can return and join the faculty at the college.

The company also awards numerous scholarships to Liberian students from grades 2 - college (undergraduate) every year. We have also awarded scholarships to students studying abroad. In 2012 we facilitated a three-month training program at the Voice of America (VOA), Washington DC, USA for one of our reporters (Mr. Prince Collins) of the Voice of Firestone (VOF). This year, already, we have provided all the necessary funds and documentation to facilitate the travel of another VOF reporter (Ms. Famatta Thomas) to the United States, as a part of a UNESCO delegation, to attend and cover the 2013 inauguration of U.S. President Barack Obama.

Firestone's quest to be remain a forerunner in the education of Liberians is yet evident in its Nursing Internship Program which allows nursing students from Cuttington University and the Phebe Nursing School to intern at the Firestone Medical Center (Duside). At Duside, the students are gaining invaluable practical knowledge and experience in the most modern medical methods, techniques, and technologies. The annual Children Surgery International

(CSI) Missions to Firestone Liberia provide training for local doctors and nurses in the areas of surgical techniques, medical screening, medical record keeping, pre and post surgery care, etc., while introducing and training them to use advanced modern medical tools and equipment.

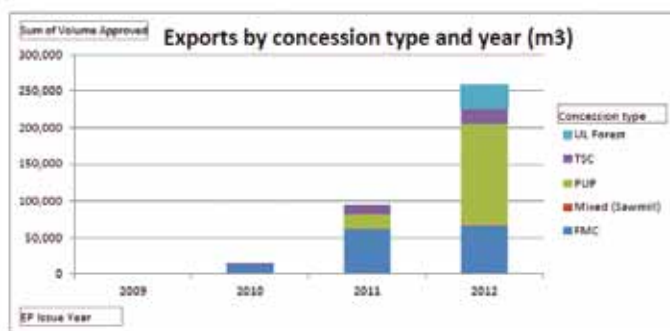
Within the confines of the concession itself, there are about 26 schools with fully equipped libraries, play grounds, computer labs, separate labs for biology, chemistry and physics, two basketball gymnasiums and numerous soccer fields. These schools which constitute the Firestone School System, provide first-class education for over 16,000 Liberian children. The quality of education at Firestone is incontestable, given Firestone's excellent performance in the WAEC Exams for the last three years. The Insight Newspaper named the Firestone Schools System the best School System in Liberia for the year 2012.

The company also actively runs an adult literacy and skill training program headed by the renowned Liberian educator, Mrs. Zoe Davies Traub. We also provide regular assistance to community schools, orphanages, and youth initiatives.

While more needs to be done for education in Liberia, the above facts indisputably show that Firestone-Liberia has and continues to demonstrate its deep interest in and unwavering support for the development of the "Liberian mind."

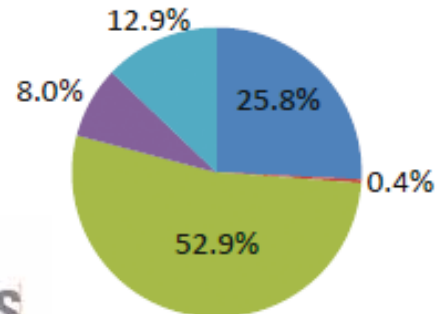
## Basic Facts on Timber Export in Liberia - 2012

Exports by concession type (2012)



Concession type

■ FMC ■ Mixed (Sawmill) ■ PUP ■ TSC ■ UL Forest



**Disclaimer:** The above information was provided by SGS and not verified by the LEITI. The SGS (Societe Generale de Surveillance SA), is one of the world's leading inspection, verification, testing and certification companies. SGS has been operating in Liberia since 2008.

## Nigeria: Making Transparency Work for Development

By Katherine Lay

The Secretariat of the Nigeria Extractive Industries Transparency Initiative (NEITI) recently announced that it has recovered US\$443 million of the \$2.6 billion owed to the government as revenue by oil and gas companies.

Audits produced for the period 1999 to 2008 uncovered huge discrepancies in reported payments and receipts. This information spearheaded efforts by the NEITI Secretariat to recover revenue owed by companies to the government – funds that are critical for the country's socio-economic development.

Nigeria's leaders have long supported the Extractive (EITI)'s transparency standards to promote open and efficient management of the extractive resources sector. Hailing the EITI as a vehicle for greater economic and political stability, former President Obasanjo signed up to the initiative in 2004. This provided a clear signal to investors and international finance institutions that the government is committed to more transparent governance.

The country's current Finance Minister Ngozi Okonjo-Iweala affirmed that compliance with the EITI lifted Nigeria's profile in

the eyes of investors, and that its improved credit rating led to sizeable increases in foreign direct investment. Recognizing that transparency is beneficial for business in the extractive industries, where investments are capital intensive and dependent on long-term stability to generate returns, Minister Okonjo-Iweala noted that the EITI has helped to mitigate political and reputational risks for companies operating in Nigeria and has generated information necessary for accurate revenue collection by government.

As the first African country to make reporting of payments and receipts legally binding through the NEITI Act, Nigeria has set the "gold standard" for audits under EITI regulations. Its reports investigate the conduct of government and extractive industry practices in greater depth than any other EITI member country has attempted. These audits have assisted efforts to overcome the country's institutionalized corruption. Before joining the EITI, Nigeria ranked at the bottom of Transparency International's Corruption Perception Index (CPI). Every year from 1999 to 2004 – when Nigeria joined EITI – the country ranked last or second-to-last globally. By 2010, the CPI ranked Nigeria 134th out of 178 countries.

However, if the NEITI objectives are



Oil revenues account for 40% of Nigeria's GDP

to translate into visible improvements in the lives of Nigerian citizens, government agencies must make concerted efforts to recover revenue, and to allocate it to areas that need it most. The NEITI Secretariat's announcement of recovered funds indicates positive commitment to the first part of this process. The amounts are significant: \$81 million for the audit period 1999 to 2004, \$91 million for 2005, and \$208 million for 2006 to 2008. They now need to be allocated efficiently.

## Kyrgyzstan: Mining revenues up by 67%



Participants at the Kyrgyzstan EITI conference in 2009

This report was published on the EITI International Website: [www.eiti.org](http://www.eiti.org)

Government revenues from mining have more than doubled over the past two years, according to Kyrgyzstan's 2010 and 2011 EITI Reports published 29 December 2012.

Total revenues collected in 2011 total US\$ 260 million, up from US\$ 150 million

in 2010 and US\$98 million in 2009. Gold mining is crucial to Kyrgyzstan's economy, representing 88% of total revenue reported by the government. The remaining revenue is mainly from oil, gas and coal production.

For the first time, Kyrgyzstan's EITI Reports disclosed the actual payments

from the individual companies per type of payment. These latest reports reveal a high dependency on Kumtor, the leading gold producer, which alone accounted for more than 70% of mining revenues and 12% of the country's GDP in 2011. Gross income tax is the most significant type of payment, accounting for half of all collected revenues. In comparison, royalties only generated 1% of revenues in 2011.

The reports identify significant weaknesses in private sector auditing practices, revealing that the majority of the companies had not been subject to financial audits in 2010 and 2011. The lack of a comprehensive database of all registered license holders also posed challenges for data collection. KPMG, the firm hired to produce the report, makes important recommendations for more reliable and efficient EITI reporting in the future.

# SCHOOL ADMINISTRATORS DEVELOP E-CLUB GUIDELINES



In a brief opening remark, a representative from the GIZ encourages the school administrators to commit to the project and pledges GIZ continuous support towards the initiative.



Participants watch with eagerness, a special presentation on the EITI process as well as the overview of the e-Club Project



We are strong together.....LEITI staff and school administrators pose for photos at the end of the work session



Giving them the chance to lead....Ms. Emily Bestman, Principal of the St. Teresa's Convent High School leads colleagues in developing the guidelines

## SOCIAL CORNER

### CELEBRATING WITH STAFF MEMBERS



LEITI Congratulates its Administrative Manager, Hnede Berrian Sillah, who got wedded to Atty. Abraham B. Sillah, Sr. on December 23, 2012



