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LIST OF ABBREVIATIONS	
Anadarko	This include the following two entities: 1. Anadarko Liberia Company 2. Anadarko Liberia Block 10 Company
BO	Beneficial Ownership
CAGR	Compound Annual Growth Rate
CBL	Central Bank of Liberia
CFMA	Community Forest Management Agreement
Chevron	This include the following three entities: 1. Chevron Liberia Limited (CLL) 2. Chevron Liberia B Limited (CLBL) 3. Chevron Liberia D Limited (CLDL)
Class A	Class A Mining License
DEL	Development Exploration Licence
EITI	Extractive Industries Transparency Initiative
EPA	Environmental Protection Agency
EU	European Union
EVD	Ebola virus disease
FAO	Food and Agriculture Organization
FDA	Forestry Development Authority
FMC	Forestry Management Contract
FUP	Forest Use Permit
FY	Fiscal Year
FY12/13	Fiscal Year for the period from 1 July 2012 to 30 June 2013
FY13/14	Fiscal Year for the period from 1 July 2013 to 30 June 2014
g/t	grams per metric ton
GAC	General Auditing Commission
Gal	Gallon
GDO	Government Diamond Office
GDP	Gross Domestic Product
GoL	Government of Liberia
Govt	Government
GST	Goods and Services Tax
HR	Human Resources
HTC	Hydrocarbon Technical Committee
IA	Independent Administrator
IFMIS	Integrated Financial Management Information System
IMCC	InterMinisterial Concession Committee
IMF	International Monetary Fund
ISRS	International Standard on Related Services
JORC	Joint Ore Reserves Committee
LCAA	Liberia Civil Aviation Authority
LEITI	Liberia Extractive Industries Transparency Initiative
LFI	Liberia Forest Initiative
LICPA	Liberia Institute of Certified Public Accountants

LIST OF ABBREVIATIONS	
LISGIS	Liberia Institute of Statistics and Geoinformation Services
LMA	Liberia Maritime Authority
LRA	Liberia Revenue Authority
LRC	Liberia Revenue Code
LTA	Liberia Telecommunications Authority
LWSC	Liberia Water and Sewer Corporation
MDA	Mineral Development Agreement
MEA	Mineral Exploration Agreement
MEL	Mineral Exploration Licence
MLME	Ministry of Lands, Mines and Energy
MoA	Ministry of Agriculture
MOCI	Ministry of Commerce & Industry
MoFDP	Ministry of Finance and Development Planning
MOU	Memorandum of Understanding
MSG	Multistakeholder Steering Group
MT	Materiality Threshold
Mt	Million metric ton
MTDS	Medium Term Debt Strategy
MTEF	Medium Term Expenditure Framework
NA	Not available
NBC	National Bureau of Concessions
NBSTB	National Benefit Sharing Trust Board
NC	Not communicated
NIC	National Investment Commission
NOCAL	National Oil Company of Liberia
NPA	National Port Authority
NTFP	Non-Timber Forest Product
PFM	Public Financial Management
PPCA	Amended and Restated Public Procurement and Concessions Act 2010
PUP	Private Use Permit
Ref	Reference
SAI	Supreme Audit Institution
SDF	Social Development Fund
SIGTAS	Standard Integrated Government Tax Administration System
SOE	State-Owned Enterprises
TIN	Taxpayer Identification Number
TOR	Terms of Reference
TSC	Timber Sale Contract
UL	University of Liberia
US\$	United States Dollar
US\$ m	One million (1,000,000) USD
VAT	Value Added Tax
WCL	Western Cluster Iron Ore Project
WHT	Withholding Tax
WRP	Western Range Project

## INTRODUCTION

The Extractive Industries Transparency Initiative (EITI) is a global coalition of governments, companies and civil society working together to improve transparency and accountability in the management of revenues from natural resources. EITI issued a new global standard for transparency in the oil, gas and mining industries in February 2016 (the “EITI Standard”). EITI principles are based on the belief that prudent use of natural resources contributes to economic growth, sustainable development and reduction of poverty in resource-rich countries.

Liberia was admitted as an Extractive Industries Transparency Initiative (EITI) candidate country in 2008 and subsequently became EITI compliant in 2009 after publishing its first EITI Reconciliation Report and undertaking its first EITI Validation. After a successful validation, Liberia became the first African country to become EITI compliant, and the second globally in 2009.

To further entrench the implementation of this global initiative, the Government of Liberia enacted the LEITI into law in 2009 as an autonomous multi-stakeholder agency to be governed by a multi-stakeholder steering group; whose members are drawn from the Government of Liberia, civil society organizations and the private sector.

The LEITI process covers four sectors in Liberia: mining, oil, forestry, and agriculture. Section 4(b) of the LEITI Act requires all extractive companies and covered agencies to disclose, at least once every year, information on all payments made and revenues received in respect of the extraction of mineral and other covered resources. This provision is in line with the requirement of the EITI Standard. To date eight (8) annual EITI Reconciliation Reports have been produced, covering the period 1 July 2007 to 30 June 2015. This document presents summaries of the 7<sup>th</sup> and 8<sup>th</sup> EITI Reports for Liberia, covering two fiscal periods: 2013/2014 and 2014/2015.

## EXECUTIVE SUMMARY AND MAIN FINDINGS

This summary report covers the 7<sup>th</sup> & 8<sup>th</sup> EITI Reconciliation Reports for Liberia, which focuses on two fiscal years: FY July 1, 2013 to June 30, 2014 and FY July 1, 2014 to June 30, 2015. It summarizes key findings, recommendations and observations of the extractive sector's contribution to the overall Liberian economy, amount paid, cash and in-kind mandatory social contributions by mining, oil, agriculture and forestry companies engaged in the exploration and exploitation of the Liberia's extractive and other natural resources. This summary report further provides information on in-kind contributions made by companies outside of their contractual obligations, to communities, organizations and institutions.

### MAIN FINDINGS OF THE TWO REPORTS:

1. The 7<sup>th</sup> Report shows that 42 out of the total of 44 extractive companies within the materiality threshold submitted payment data to the reporting process, while the 8<sup>th</sup> Report shows that all 42 extractive companies within the materiality threshold submitted data to the reporting process, representing 95.45% and 100% submission rates for the 7<sup>th</sup> and 8<sup>th</sup> Reports respectively.
2. The reconciliation of payment shows that the direct amount received as revenue by the six agencies of the Government of Liberia from the extractive sector for the reporting period covered by the 7<sup>th</sup> Report amounted to US\$135,303,844.00, while payment data supplied by 42 companies amounted to US\$132,002,603.00, resulting in a net difference of US\$3,301,241.00. On the other hand, total amount received as direct revenue by the six agencies of the Government from the extractive sector for the reporting period covered by the 8<sup>th</sup> Report, i.e, July 1, 2014 to June 30, 2015 amounted to US\$100,727,469.00, while payment data supplied by all of the 42 companies amounted to US\$97,741,207.00, resulting in a net difference of US\$2,986,262.00. For both reports, the Government reported higher revenue receipt than payments declared by companies mainly due to unilateral disclosures by government agencies for companies below the materiality threshold.
3. Direct Government Revenue from the extractive sector decreased from US\$ 185.96 million in FY12/13 to US\$ 135.30 million in FY13/14 and to US\$ 100.73 million in FY14/15, amounting to US\$ 50.66 million and US\$ 34.58 million drops in revenues, respectively.

4. For the 7<sup>th</sup> Report, i.e., FY 2013/2014, Social payments unilaterally declared by four (4) extractive companies amounted to US\$13,541,643.00, out of which cash payment represents US\$ 8,249,112.00 while in-kind contribution amounts to US\$5,093,057.00. Notably, Arcelor Mittal declared US\$8,249,112, representing 60.92% of the total amount of social payment reported.. On the other hand, social payments unilaterally declared by five(5) extractive companies for the 8<sup>th</sup>, covering FY2014/2015, amounted to US\$8,274,281, of which total cash payment was US\$4,075,149 or 49%, while US\$4,199,132 or 51% represents total value / percent of in-kind contribution. Meanwhile, Firestone Liberia Incorporated alone reported US\$4,291,632, representing 51.87% of the total amount of social payment reported..
5. Except for the mining sector which showed increment in its contribution to the extractive revenue envelope from US\$70 million in FY12/13 to US\$79 million in FY13/14, contributions from the oil and gas, forestry and agriculture sectors showed decrement at various rates during FY13/14. For FY14/15, only the agriculture sector showed increment in its contribution to the extractive revenue envelope from US\$ 6 million in FY13/14 to US\$ 12 million for FY14/15.
6. Analysis of the Government revenue of US\$ 135.3 million from the extractive sector for FY13/14 shows that the mining sector contributed 58% of the total revenue; while in FY14/15, the mining sector again contributed 53% of Government total revenue from the extractive sector. The biggest contributor of the extractive sector to Government revenue during the two fiscal periods was Arcelor Mittal, contributing 31% of the total revenue from the extractive sector for FY13/14 and 26% for FY14/15. This represents the highest from a single company in the mining, oil and gas, agriculture and forestry sectors.
7. The analysis of payments by contribution flow shows that Personal Income Withholding and Withholding on Payments account for sources of the highest proportion of the total revenue from the extractive sector for FY13/14 and FY14/15 respectively.

## **KEY RECOMMENDATIONS:**

- 1.1 It was noted that reporting templates were not adequately prepared by the Liberia Revenue Authority (LRA). The LRA did not report significant revenues received from extractive companies in its initial reporting templates due to some companies' payments being made through another Tax Identification Number (TIN) and/or on the same TIN but with different name. In future exercises, it is recommended that LRA carefully prepares the reporting templates as requested by following instructions for the completion of templates and supporting schedules.
- 2.1 It was noted that extractive companies and Government agencies did not meet the reporting deadlines. The lack of timely provision of feedback on differences in payments by these entities despite repeated follow-ups was also noted. It is recommended that emphasis should be laid on the importance of collaboration of reporting entities following the submission of reporting templates; that the Reconciler must work with reporting entities to resolve differences between companies and Government amounts. This was not fully achieved during the preparation of the 7<sup>th</sup> & 8<sup>th</sup> Reports.
- 3.1 It was also noted that reporting templates were not correctly prepared. Though significant level of gains was made this time, it is recommended that companies prepare carefully the reporting templates as requested following the instructions for completion of templates and supporting schedules.

## **PART – I: LIBERIA'S EXTRACTIVE SECTORS IN CONTEXT**

### **1.1 Overview of the Mining Sector**

Liberia has been plagued by civil war for several years, and, as a result, foreign investment ceased in its economy.

Liberia's main mineral products are gold and diamonds, although iron ore is a major commodity too. Liberia remains largely unexplored but it has been shown that the country possesses a wide variety of minerals besides its already well-known high potential for primary and alluvial gold and diamonds. Other minerals include beryl, tin, columbite-tantalite, phosphates, zinc, copper, lead, rare earth minerals, nickel, molybdenum, beach sand (zircon, rutile, ilmenite, and monazite), bauxite, kyanite, chromite, uranium and silica sands. All are characteristically associated with Precambrian/Proterozoic rocks which underlie most of the country.

The mining sector is primarily driven by contribution from iron ore, gold and diamond. The sector has attracted a huge amount of investment as compared to other sectors. However, as a result of the Ebola virus, there was no new signing of concession agreement in the sector in 2015. Currently, there are five (5) iron ore mining companies and fifteen (15) gold and diamond companies operating in the sector.

<b>Iron Ore</b>		
Arcelor Mittal Liberia	China Union Liberia	Putu Iron Ore
Western Cluster	BHP Billiton	
<b>Gold and Diamond</b>		
African Diam Company	Golden Bar Trading	Royal Company
Bea Mountain Mining	Golden Mass Trading	The Diamond Star Plus
Dibodo Import & Export	Golden View Trading	West African Diamond
Earth Source Mineral	Golden Vision Trading	West African Gold & Diamond
Global Diamond Company	Lee Yam Diamond	Zwedru Mineral Business

*Mining licenses provided by the Ministry of Lands, Mines and Energy (MLME) are listed in Annex 4 of this report.*

## **Main Exploration and Prospecting activities**

### **(i) Gold**

Construction work at the New Liberty gold mine was reportedly on schedule and about 33% completed at the end of 2013. Aureus Mining Inc. of Canada (AMI), which owned the mining rights to the project, completed a definitive feasibility study for the mine in May 2013. The new reserve estimate was expected to support an open pit operation with a capacity to produce an average of about 3,700 kilograms per year (reported as 119,000 troy ounces per year) for the first 6 years of operation. The New Liberty Mine, which is located about 90 km North of Monrovia, would be Liberia's first commercial gold mine.

In November 2013, AMC Consultants (UK) Ltd. completed a National Instrument 43–101 resource estimate for AMI's Ndablama and Weaju gold projects in Liberia. Inferred mineral resources were estimated to be 6.8 Mt at a grade of 2.1 g/t gold for Ndablama and 2.7 Mt at a grade of 2.1 g/t gold for Weaju. Exploration was to continue in 2014. The Ndablama and Weaju projects are located within AMI's Bea Mountain mining concession area in North Western Liberia.

### **(ii) Iron ore**

ArcelorMittal produced about 4.7 Mt of iron ore in 2013, which included direct-shipping ore from its Western Range Project (WRP) and stockpiled material. The company planned to further increase production capacity to 15 million metric tons per year by replacing the current production of direct-shipping ore (60% Fe content) with that of sinter fines (62% Fe content) by the end of 2015. The WRP consisted of three iron ore deposits located about 300 km northeast of the capital city of Monrovia along Nimba County's mountain range. Some deposits within WRP had been mined during the 1980s and the beginning of the 1990s, but production ceased in 1992 following the onset of the Liberian civil war. Arcelor Mittal held a 70% interest in the project.

The commissioning of the first phase of the development of the Bong Mines took place on 30 July 2013, at the Fuama District in the lower Bong County. Phase 1 consisted of the setting up of the mining camp and processing facilities and the refurbishing of the railroad between the Bong Mines and Monrovia. Upon completion, Wuhan Iron and Steel (Group) Corp. (WISCO) of Hong Kong, through its subsidiary China Union Mining Co. Ltd., plans to produce about 1 Mt/yr of iron ore and to ramp up production to 10 Mt per year by 2016.

Vedanta Resources Plc. of India continued to advance its Western Cluster Iron Ore project (WCL). At 30 June 2013, a total of 91,500 m of drilling had been completed for the project. The company expected to produce 2 Mt per year of iron ore. Vedanta held 100% interest in WCL through its subsidiary Sesa Goa Ltd. WCL included the Bea Mountain, the Bomi Hills, and the Mano River iron ore deposits, which are located between 70 and 140 km North West of Monrovia. A Joint Ore Reserves Committee (JORC) compliant study completed in 2012 confirmed reserves of 966 Mt of iron ore.

## Production

The production of key mineral outputs between 2014 and 2015 is presented as follows:

Commodity	Unit	Jan-Sept 2015	Jan-Sept 2014	Variance	(%)	Comment
Iron ore	Mt	4,085,120	4,159,501	(74,381)	-1.79%	The decline in production can be attributed to the price collapse of Iron ore on the global market as a result of weak demand from China as well as continued increases in new supply.
Gold	Ounce	9,205	14,740	(5,535)	-37.55%	The decline is attributed to the shutting down of mining activities due to the outbreak of the Ebola epidemic coupled with weak demand on the world market.
Diamond	Carat	53,158	57,885	(4,727)	-8.17%	The decline is attributed to the decrease in the global demand of diamonds.

## Legal Framework

The Ministry of Lands, Mines and Energy (MLME) is the Government Agency responsible for the administration of the mineral sector, including granting mining licenses, and it has statutory oversight of the energy, land, minerals, and water sectors. The minerals sector is regulated by the Mining and Minerals Law of 2000. The Minerals Policy of Liberia was created in March 2010 to complement the Mining and Minerals Law. The document outlines the Government's expectations with regard to the contributions of all stakeholders in the sustainable development of Liberia's mineral resources. These laws are under review. Exports and imports of rough diamonds are overseen by the Government Diamond Office (GDO) within MLME and by the Bureau of Customs.

In November 2013, ArcelorMittal, Putu Iron Ore Mining Co. Inc. (a subsidiary of OAO Severstal of Russia), and Western Cluster Ltd. (a subsidiary of Vedanta Resources plc. of the United Kingdom) signed an agreement to set up Liberia's first Chamber of Mines. The proposed Chamber of Mines was to serve as an umbrella organization representing the interests of companies operating mining concessions in Liberia. The Chamber was also to provide advisory services to its members regarding the country's mineral laws and its mining regulations and policies.

## Mining Rights allocation

### (i) Mining Rights Process

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

	Position
Minister of Lands, Mines and Energy	Chairman
Minister of Justice	Member
Minister of Finance	Member
Minister of Planning and Economic Affairs	Member
Minister of Labour	Member
Council of Economic Advisors to the President of Liberia	Member
Governor of the Central Bank of Liberia	Member

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

### (i) Types of Licenses

A number of mining rights can be granted under the Minerals and Mining Law in Liberia.

License	Description	Validity period
Prospecting License	It is granted when an area has not already been subject to a valid Mineral right granted to another person; the area granted shall not exceed one hundred (100) acres. The holder shall file and submit to the Minister of Land, Mines and Energy a proposed work plan for the prospection. The Prospecting license does not give the right to conduct commercial mining.	Six (6) months, renewable once for a further period of six (6) months provided that the holder meets his obligations under the law
Exploration License	It is granted when the area has not already been subject to a valid mineral right granted to another person; the exploration area shall be contiguous and shall not exceed one thousand (1,000) square kilometres. The holder is to submit a proposed exploration programme to the Minister of Land, Mines and Energy within ninety (90) days after the issuance of the exploration license and shall commence exploration within one hundred and eighty (180) days after the issuance of an exploration license unless the Minister agrees to a longer period.	Not more than three (3) years and it may be extended for a single two (2) year term upon written application of a holder
Class C mining license	The production area covered by this license shall be not more than twenty-five (25) acres. One person may hold up to four (4) class C mining licenses at the same time. Holders of a class C mining licenses shall conduct mining predominantly as a small-scale operations.	One (1) year, renewable for further terms of one year each, if the holder has met all of his legal obligations.
Class B mining license	Holders of a class B mining licenses can conduct mining as industrial operations. Production area is twenty-five (25) acres.	Five (5) years, renewable for not more than five (5) years.
Class A mining license	It is granted during or at the end of the exploration period of a discovery of exploitable deposits and is materially in compliance with, a Mineral Development Agreement, which has become effective, permitting mining in the proposed production area.	Not be more than twenty-five (25) years and may be extended for consecutive additional terms not exceeding twenty-five (25) years each.

### Fiscal Regime

The fiscal regime specific for mining companies is set out in the Liberia Revenue Code (LRC) from sections 701 to 739. The main taxes paid by a mining company are: tax on taxable income, royalties and surface rent.



No.	Taxes	Description
1	Tax on taxable income	The rate of tax on taxable income from a mining project shall be 30%. Surtax on Income from High-Yield Projects. Income from a high-yield mining project, as defined in Section 730, shall be subject to a higher marginal rate of income tax on taxable income under the conditions and using the calculation method set out in that section.
2	Royalty	Royalties are due and payable to the Government of Liberia at the time of each shipment and in the amount of the stated percent of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition: Iron ore. 4.5%   Gold and other base metals. 3%   Commercial diamonds. 5%.
3	Surface Rental	A producer who has a mineral exploration license or a class A mining license shall pay an annual surface rent. The surface rent is: (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. Annual payments are due on or before the effective date of the agreement and on the agreement anniversary date thereafter.

Regardless of the legal form of organization adopted by one or more persons having an interest in a mining project, a producer's taxable income shall be determined separately for each mining production project, and a person with an interest in more than one mining production project shall not be permitted to consolidate income or loss of one mining production project with that of any other.

### Mining Sector Contribution in the Economy

In FY13/14 the mining sector contributed US\$78.85 million representing 8.83 per cent of GDP, while in FY14/15 the sector contributed US\$53.38 million accounting for 5.95 per cent of GDP. During the two fiscal periods under review, revenue collection in the mining sector decreased by US\$25.47 million.

USD Million	FY14/15	FY13/14
Total mining revenues	53.38	78.85
Real GDP	897.65	893.35
% mining revenues	5.95%	8.83%

Total commodity exports declined significantly in 2015, from **US\$341.30 million** during January-September 2014 to **US\$155.50million** during January-September 2015. This was mainly caused by the decrease in iron ore export which accounted for almost **80%** of total mining exports. Exports by commodity are detailed in the table below:

Exports by Commodity	Jan-Sept 2015		Jan-Sept 2014		Variance	
	USD Million	%	USD Million	%	USD Million	%
Iron Ore	124.10	79.81%	299.06	87.62%	(174.96)	-58.50%
Gold	7.40	4.76%	14.49	4.25%	(7.09)	-48.93%
Diamond	24.00	15.43%	27.75	8.13%	(3.75)	-13.51%
Total mining exports	155.50	100.00%	341.30	100.00%	(185.80)	-54.44%
Total Liberian exports	288.74		483.37		(194.63)	
% mining exports	53.85%		70.61%		-16.75%	

## Oil and Gas Sector

### Oil and gas sector review

Hydrocarbon exploration has been active in the Liberian basin since the 1940s. Early exploration was focused on the shelf, and although the conditions seemed right, the shelf wells did not reach commercial volumes of oil.

There were two phases of exploration activity in the offshore sector of Liberia: During the first phase, 1970 – 1972, four wells were drilled by Union Carbide Petroleum Corporation, Frontier International Petroleum Inc., and Chevron Oil Company Liberia. In the second phase, 1983 to 1989, three wells were drilled by Amoco Liberia Exploration Company.

Exploration ceased in Liberian waters for a variety of reasons, including political instability. In 2001, a regional 2D survey indicated the potential of oil-bearing structures in deep water areas of up to 3,000 meters deep.

Between 2000 and 2010, the National Oil Company of Liberia (NOCAL), hired TGS Nopec Geophysical Co. to carry out two-dimensional and three-dimensional seismic data surveys for most of Liberia's offshore petroleum acreage. This led to the setting up of Liberia's existing 30 concessionary blocks.

The TGS surveys established the presence of essential petroleum factors: multiple mature oil prone source beds throughout most of the study area; abundant reservoir quality sandstones; adequate seals; varied, abundant and large traps and hydrocarbon generation; and expulsion post trap formations that expand from a few hundred meters on the continental shelf to more than 2000m in the basin containing mature Cenomanian to Turonian source beds. Traps are numerous and widespread.

With the installation of a transitional government in October of 2003, NOCAL proceeded with a planned licensing round and invited international petroleum exploration companies to apply for permits to explore one of the few remaining frontier areas offshore in West Africa. Modelled after the very successful Sierra Leone licensing round, NOCAL's licensing concluded in August 2003 with the award of four Liberian offshore blocks to three different companies.

## Legal Framework

The Ministry of Lands, Mines and Energy (MLME) regulates the oil and gas industry while NOCAL, which was set up in 2000, administers and controls the rights, title, and interest in oil and gas deposits and reserves in the Liberian territory. NOCAL also facilitates the development of the oil and gas industry in Liberia and is mandated to grant exploration licenses and negotiate all petroleum contracts. In fact, NOCAL is the independent state-owned enterprise created by the NOCAL Act 2000 and the 2002 Petroleum Law to coordinate the development of Liberia's oil sector. NOCAL chairs the Hydrocarbon Technical Committee (HTC) – the inter-ministerial body created by the 2002 Petroleum Law which is empowered to negotiate all contracts. According the National Petroleum Policy of Liberia of 2012, HTC comprises the following members:

	Position
President & CEO, National Oil Company of Liberia (NOCAL)	Chairman
Minister of Justice	Member
Minister of Finance	Member
Legal Advisor to the President, R.L.	Member
Minister of Lands, Mines, & Energy	Member
Minister of Labor	Member
Chairman, National Investment Commission	Member
Executive Director Environmental Protection Agency	Member

HTC has the power, under the chairmanship and guidance of the President/CEO of NOCAL to negotiate and conclude agreements with all applicants for hydrocarbon development and exploitation rights and such related permits. The agreement so negotiated and concluded, becomes effective and binding upon the parties and the Republic of Liberia, when signed by the applicants, NOCAL, the Minister of Finance, the Minister of Lands, Mines and Energy, the Chairman of the National Investment Commission, attested by the Minister of Justice and approved by the President of Liberia.

The Hydrocarbons Law is the New Oil & Gas Law of Liberia enacted in 2002. It requires 20% equity to be granted to NOCAL, 10% equity to be made available for purchase by Liberians, and purchase contracts valued at US\$3 million or less to be awarded to Liberian contractors. The Petroleum Law has only been partially

implemented and local content provisions have not been enforced in the first two bidding rounds, primarily because there are no guidelines to implement them. Whether the ongoing third bidding round will be subject to the provisions will depend on the legislature issuing timely guidelines.

In the case of disputes arising between The Republic of Liberia and a petroleum company, the Laws of Liberia are still applicable. However, arbitration provides the forum where disputes can be heard and settlement sought. Liberia's Environmental Protection Agency (EPA), established in 2006, is responsible for preparing Environmental and Social Impact Assessments. The Oil & Gas Law specifies that an environmental impact study should be part of every contract.

The National Petroleum Policy of 2012 places a strong emphasis on developing heightened environmental and safety standards. The policy requires that environmental safety plans be submitted as part of the oil contract bidding process. At the end of each term of the PSC, mandatory audits take place to check for compliance with these standards.

## Fiscal Regime

The fiscal regime specific for Oil & Gas companies is set out in the LRC from sections 740 to 799. The main taxes paid by an Oil & Gas company are: taxes on taxable income, royalties, surface rental and Signature Fees/Signing Bonus:

No.	Taxes	Description
1	Tax on taxable income	The rate of tax on taxable income from a petroleum project shall be 30%.
2	Royalty	A petroleum producer, including the National Oil Company of Liberia, engaged in the exploitation or extraction of petroleum deposits of Liberia is required to pay royalties at the rate of 10% on gross production before the deduction of any cost.
3	Surface Rental	The surface rental should be paid by the contractor to NOCAL per square kilometer of the area remaining at the beginning of each calendar year as part of the delimited area. The amount of the surface rental is stated in the Production Sharing Contract (PSC).
4	Signature Fees/Signing Bonus	These are bonuses or fees paid by extractive Industries to the Government of Liberia for the signing of Concession Agreements. These are non-sector specific taxes paid to the Government of Liberia.

Sections 806 and 905 of the LRC refer to withholding taxes on payments to residents and non-residents. They also stipulate a special rule for payments by Mining, Petroleum, and Renewable Resource projects.

Regardless of the legal form of organization adopted by one or more persons having an interest in a petroleum project, a petroleum producer's taxable income shall be determined separately for each petroleum production project, and a person with an interest in more than one project shall not be permitted to consolidate income or loss of one project with that of any other.

The Petroleum Law governs non-tax terms of extraction of petroleum in Liberia, including the sharing of production under a production sharing agreement, which determines the petroleum producer's share of income from petroleum extraction.

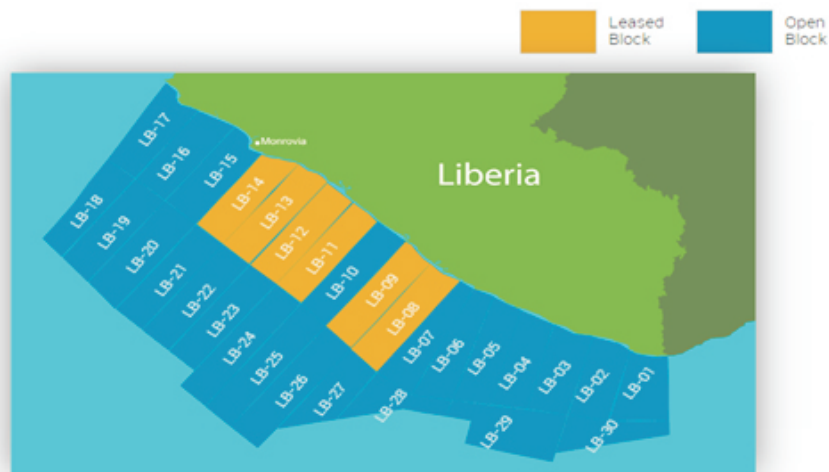
All payments, pursuant to the Petroleum Law, including royalties, transfer and withdrawal fees, surface rental, production fees, as specified in production sharing agreements, taxes on NOCAL's share of profit oil; and social/community development fund and all special funds, shall be paid into the consolidated account.

Additionally, NOCAL, after deducting operation cost, shall be subject to taxes on its share of profit oil in accordance with the Tax Law of General Application in keeping with the Revenue Code of Liberia.

## Field Developing Extraction Activities

The Liberia Basin consists of thirty concessionary blocks. 17 of these blocks are from the continental shelf to water depths of between 2,500 to 4,000 meters. 13 of the blocks are considered “ultra deep” with water depths of as much as 4,500 meters.

The current status of the Liberian basin is as follows:



During the FY14/15, there were four (4) operators in the country working through petroleum agreements with NOCAL. These companies are carrying out exploration activities and until now there has been no production of Oil & Gas in the Liberian Basin.

No.	International Oil Company (IOC)	Number of Blocks	Designated Block
1	Chevron	3	LB 11, LB 12 & LB 14
2	European Hydrocarbon Limited (EHL)	2	LB 08 & LB 09
3	Anadarko	2	LB 10 & LB 15
4	ExxonMobil	1	LB 13

Leased Petroleum Blocks are detailed in Annex 5 of this 8<sup>th</sup> Report.

## Oil & Gas Sector Contribution in the Economy

The Oil & Gas sector generated revenue amounting to **US\$31.34million** during FY13/14 indicating 3.51 per cent contribution to GDP. Revenue generation in the following year plummeted as revenue totaled **US\$21.02 million** in FY 14/15 representing 2.34 per cent contribution to GDP. **US\$US\$**

USD Million	FY14/15	FY13/14
Total Oil and Gas revenues	21.02	31.34
Real GDP	897.65	893.35
% Oil and Gas revenues	2.34%	3.51%

## Agriculture Sector

### Agriculture Sector Overview

Agriculture contributes significantly to export trade and earnings and serves as a major source of livelihood for a significant proportion of Liberia's population. Based on estimates from the 2008 National Population and Housing Census, about 53% of Liberia's population lives in rural areas of whom 70% is economically engaged in agricultural activities. However, this sector is characterized by the lack of modern technology which means that traditional subsistence farming is prevalent. The most dominant production method of farming in Liberia is slash and burn coupled with mixed crop farming. Other sources of agricultural output for Liberia are commercial and concessional farming.

The three main structures of production are:

- large plantations which produce major export crops such as rubber, palm oil, and to a lesser degree coffee and cocoa;
- domestically owned, medium-sized commercial farms that cultivate industrial crops for export and livestock for the local market; and
- small household farms which use traditional production techniques and limited improved inputs.

For reconciliation purposes, extractive industries in the Liberian context covers only two commodities from the agriculture sector which are oil palm and rubber. Agricultural licenses provided by the Ministry of Agriculture (MoA) are listed in Annex 5 of this report.

### Legal Framework

The Ministry of Agriculture (MoA) is responsible for the leadership and overall development of the agricultural sector. It does so by ensuring that an effective organizational structure is put in place and is manned by staff capable of planning, coordinating, implementing, monitoring and evaluating agricultural development programs periodically. It also ensures that its staff and the farmers are trained to cope with the challenges of the agricultural activities.

With agricultural concessions, MoA works closely with the National Investment Commission (NIC) in the identification of investors interested in investing in the sector. Once an investor has been identified, the President of Liberia, at the request of NIC, establishes an Inter-Ministerial Concession Committee (IMCC) to review, negotiate and present a Concession Agreement for approval and signing by the President and ratification by the Honorable Legislature.

Once a concession agreement has been signed and ratified, MoA works in consultation with the National Bureau of Concessions (NBC) to:

- monitor and evaluate compliance with concession agreements in collaboration with concession granting entities; and
- provide technical assistance to Concession Entities involved with the implementation of concessions in compliance with the Public Procurement & Concessions Act.

### Agricultural Sector Contribution in the Economy

The agricultural sector's contribution to the Liberian economy has decreased to 1.65 per cent of GDP in FY14/15, down from 2.14 per cent of GDP in FY13/14. This is because revenue decreased from **US\$ 19.08 million** for the FY13/14 to **US\$14.82 million** for the FY14/15.

USD Million	FY14/15	FY13/14
Total agricultural revenues	14.82	19.08
Real GDP	897.65	893.35
% agricultural revenues	1.65%	2.14%

## Fiscal Regime

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: tax on taxable income and surface rental.

No.	Taxes	Description
1	Tax on taxable income	The rate of tax on taxable income from extraction of renewable resources, with the exception of rice production project, shall be 25%. The rate of tax on taxable income for rice production projects shall be 15%.
2	Surface Rental	A contractor must pay an annual surface rent of USD 2 per acre for developed land and USD 1 per acre for undeveloped land, irrespective of the value of the assets contained thereon. The valuation of and the payment for the value of the assets in a proposed concession area may be made a biddable item in the concession procurement process. Annual payments are due on or before the effective date of the agreement and thereafter on the agreement anniversary date.

## Forestry Sector

Liberia is home to about 40% of the Upper Guinea Forest ecosystem, making the country one of 34 international biodiversity hotspots. Liberian forests cover about 4.4 million hectares, 45% of the country's land area. In 2014, annual harvested volume of logs was 147,495 m<sup>3</sup> and annual exported volume of logs 129,239 m. The European Union (EU) accounted for 7% of Liberia's timber exports by volume. In 2014, the top three EU importers of Liberian timber were Germany, France and Greece.

During Liberia's prolonged civil war, timber revenues were misappropriated and used to sustain the conflict. In 2003 the United Nations (UN) Security Council attempted to deal with this by imposing sanctions on all imports of timber from Liberia. Since then, Liberia has made significant efforts to reform the forestry sector including completing a comprehensive review of the regulatory framework, developing a national timber traceability system (LiberFor) to track timber production and revenue payments and reforming the FDA. The UN Security Council lifted sanctions in 2006 to recognize Liberia's progress and to open the way for Liberia to rebuild its forestry sector.

Recent government changes in Liberia have provided GoL and its partners a rare opportunity to reform forestry practices throughout the nation. Priority activities have focused on:

- assisting in returning the Liberian timber sector to a profitable and sustainable basis, so that there is transparent commercial forest management;
- managing forests for the benefit of all Liberians;
- generating employment and tax revenues for the Liberian economy;
- ensuring security and rule of law in the forested regions of Liberia;
- assessing the state and extent of Liberia's forests; and
- developing community-based forestry and protected area management activities.

The forestry licenses provided by the Forestry Development Authority (FDA) are listed in Annex 6 of the main report.

## Legal Framework

Apart from the PPCA 2010, specific regulations that apply to the Forestry Sector are:

- Act creating the Forestry Development Authority (FDA) of 1976;
- National Forestry Reform Law of 2006;
- Forestry Core Regulations - FDA Ten Core Regulations (effective September 2007);
- Act to Establish the Community Rights Law with respect to Forest Lands of 2009;
- FDA Regulations to the Community Rights Law with Respect to Forest Lands, July 2011;
- Guidelines for Forest Management Planning in Liberia; and

- National Forest Management Strategy, 2007.

A Forest Concession Review was conducted to assess the state of the country's forest concessions, the outcome of which revealed that all forest concessionaires were in gross violation with the government's logging regulations and that the total arrears in forest charges amounted to US\$64 million. This prompted the issuance of Executive Order #1 in 2006 declaring all existing forest contracts null and void thus setting the basis for the conduct of a forestry reform. In 2006, a new National Forest Reform Law was passed and in 2007 a Forest Strategy was developed.

Based on the new National Forest Reform Law and the Forest Strategy, forest resource licenses were characterized into the following:

License	Description	Validity period
Forest Management Contract (FMC)	It is granted to forest concessionaires and covers an operational area ranging between 50,000 and 400,000 hectares excluding private land.	Twenty-five (25) years
Timber Sale Contract (TSC)	It is granted to forest concessionaires and covers an operational area not exceeding 5,000 hectares and excluding private land.	Three (3) years
Private Use Permit (PUP)	It is granted to private land owners (individual, group and community) for the purpose of extracting wood. However, there are no specific regulations for handling PUPs and as a result, all PUPs operations are currently suspended.	-
Forest Use Permit (FUP)	It is issued for small scale forest exploitation, research, NTFP activities or other uses with no details on land area or type of land ownership.	-
Community Forest Management Agreement (CFMA)	It is issued to communities for the purpose of community based forest management and covers an operational area of less than 50 hectares.	-

### Forestry Sector Contribution in the Economy

The forestry sector's contribution to the Liberian economy has increased from **US\$6.03 million** for the FY13/14 to **US\$11.51 million** for the FY14/15, showing 0.68 per cent and 1.28 per cent of GDP respectively.

USD Million	FY14/15	FY13/14
Total forestry revenues	11.51	6.03
Real GDP	897.65	893.35
% forestry revenues	1.28%	0.68%

## Fiscal Regime

The main taxes paid by a forestry company are taxes on taxable income and surface rental.

No.	Taxes	Description
1	Tax on taxable income	The rate of tax on taxable income from extraction of renewable resources, with the exception of rice production project, shall be 25%.
2	Log Export Fees	These are fees associated with the export of log as a forest product.
3	Area Fee	These are fees associated with the use of Forest Land, including administrative fees and area-based fees tied to the resource licensees.
4	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.
5	Sawmill Permit Fees	Sawmill operators are classified into three (3) categories. These are class A, B, and C. Class A operators are those who process 1,500 cubic meters of wood per year and are required to pay USD 2,500 per annum. Class B operators are those who process 750 cubic meters of wood but less than 1,500 and are to pay USD 1,000 annually and class C Operators process less than 750 cubic meters of wood per year and are to pay USD750 for the permit.
6	Timber Export License Fees	This is a payment made to 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 track of forest land and harvest or use forest products.

## Collection and Distribution of the Extractive Revenues

### Budget Process

The Public Financial Management (PFM) Act of 2009, coupled with the introduction of the Medium Term Expenditure Framework (MTEF) in FY12/13, has significantly enhanced the national budget process.

The Government of Liberia (GoL) has continued to advance its public financial management reforms agenda based on lessons learned from the implementation of its first round of MTEF budgets. Prominent amongst the institutional reforms undertaken are:

- enactment of the Liberia Revenue Authority (LRA) and Ministry of Finance and Development Planning (MFDP) Acts;
- rollout of Integrated Financial Management Information System (IFMIS) to 19 government Ministries and Agencies;
- development and implementation of the Human Resources (HR) management module at the Civil Service Agency for personnel management and payroll processing;
- completion, approval and subsequent implementation of the Medium Term Debt Strategy (MTDS) for prudent debt management;
- establishment of effective internal audit functions in 37 Ministries and Agencies;
- completion of the review of the backlog of audit reports by the Public Account Committee; and
- deployment of Standard Integrated Government Tax Administration System (SIGTAS) in the small, medium and large tax units to strengthen tax compliance.

The requirements for the Budget Framework Paper are set out in Section 11 of the PFM Act of 2009 and in Part D.6 of the Associated Regulations, as follows:

1. The Proposed National Budget to be presented to the Legislature shall be accompanied by the budget framework paper, as outlined in Section 11 of the PFM Act of 2009, updated to reflect the draft budget submitted to the Legislature.



2. The budget framework paper shall contain the following:
  - i. an analysis of the economic and fiscal trends, and the assumptions underlying the medium term macroeconomic and fiscal framework of the budget;
  - ii. an explanation of the government's policy priorities and how these are reflected in the budget;
  - iii. a statement of key fiscal risks that may affect budget execution;
  - iv. the essential features of the medium term expenditure framework, where this has been prepared;
  - v. a summary statement of revenues and expenditure performance, using the main economic categories identified in Section 8(d) of the PFMA 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 PFMA 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 Special Funds showing incomes accruing to them including any donor funding, cash flow statement, outstanding debt if any that includes arrears to vendors and borrowing requirements for the following financial year;
  - x. a summary statement of budgetary implications of new legislations on the proposed budget as well as the financial implication over the two outer years, consistent with the provisions of Section 19 of the PFMA Act of 2009.
3. The detailed annual budget estimates shall show the previous budget year outturns, the current year's original budget as well as the year- to- date outturn based on available data, and projected outturns.
4. The detailed estimates, which will include both revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of PFMA Act of 2009.
5. The detailed estimates will include overall as well as agency level summaries by the various classifications utilised in the budget.

To strengthen the link between national priorities as set out in the national development plan and the budget, MTEF sets out two separate phases of the budget preparation process: a strategic phase and an operational phase. The strategic phase is used to review high- level priorities and strategies before detailed resource allocation is undertaken. The operational phase of the budget preparation involves the allocation of resources to sectors and various spending entities, and concludes with the passing of the national budget by the national legislature.

## Revenues Collection

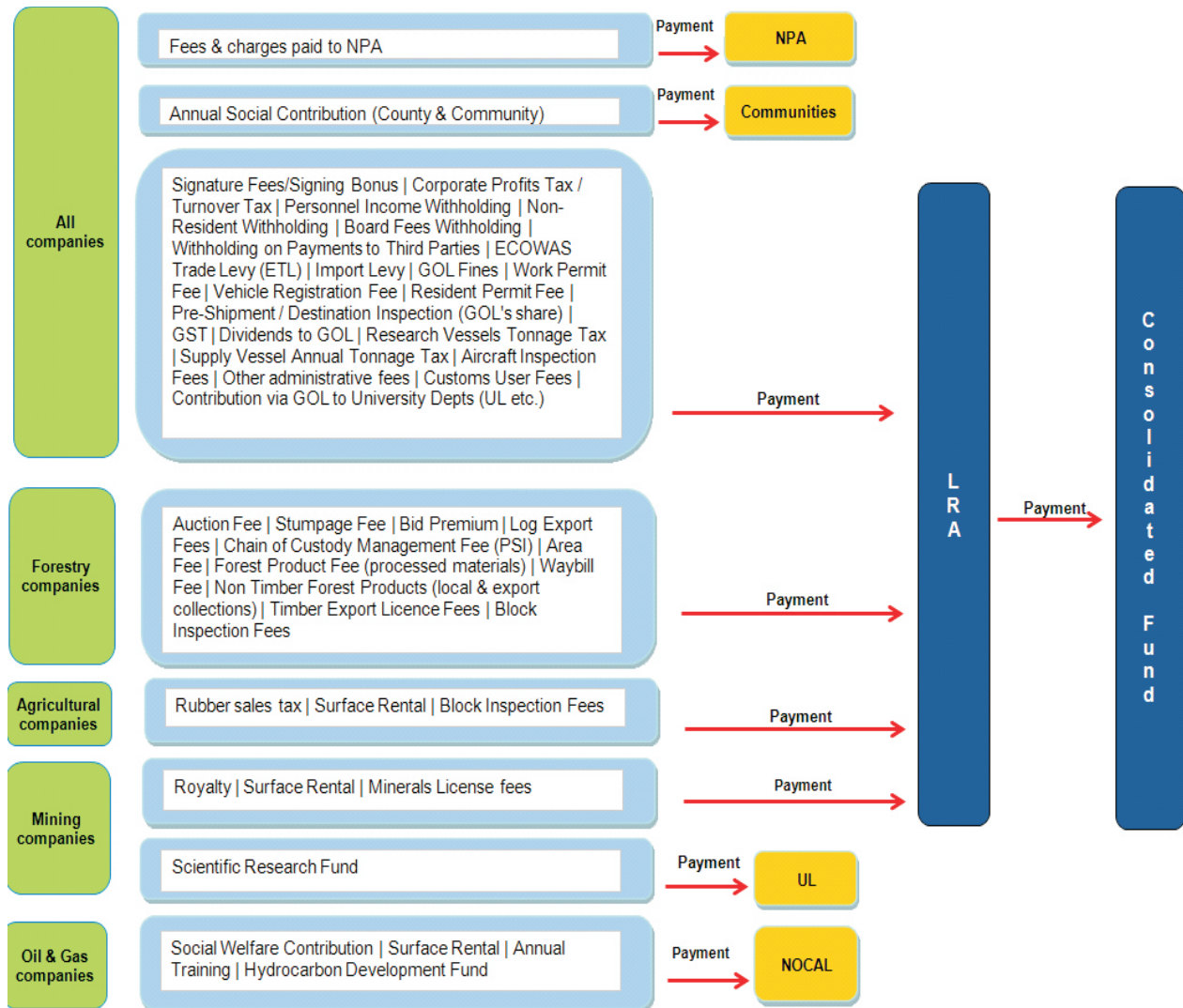
The National Budget is the Government's plan on how to collect and spend money to deliver services to the citizens of Liberia. The budget begins on 1 July and ends the next year on 30 June. This is referred to as the Fiscal Year.

Revenue comes from different sources, such as taxes and borrowing from other countries. Pursuant to the Constitution of Liberia, the legislature is authorized: “to levy taxes, duties, imposts, excise and

other revenues, to borrow money, issue currency, mint coins, and to make appropriations for the fiscal governance of the Republic.”

Section 26 of the LRA Act, stipulates that the revenue collected by LRA shall be paid into the Consolidated Fund.

The extractive revenue collections framework can be represented diagrammatically as follows:



## Beneficial ownership

MSG has appointed Hart Nurse UK & Baker Tilly Liberia Ltd. as consultants for the preparation of the Beneficial Ownership (BO) Report in the extractive sector in Liberia. This report, which was launched on 14 December 2015, included BO's data updated on 30 June 2015.

## State Participation in the Extractive Sector

### National Oil Company of Liberia (NOCAL)

NOCAL was established 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, with the aim of facilitating the development of the oil and gas industry in the Republic of Liberia.”

The mission of NOCAL is to develop Liberia's Hydrocarbon potentials for National self-sufficiency and sustainable development.”

The Petroleum Law mandates NOCAL to delineate, establish, and issue licenses for particular areas, fields, and blocks, as the case maybe, on such terms and conditions as shall be deemed appropriate, subject to the approval of the Board of Directors and final ratification by the President of Liberia. All Petroleum contracts shall be negotiated by NOCAL on behalf of the State.

NOCAL has embarked upon a vigorous seismic data promotion and marketing campaign to encourage new exploration and to ensure that companies now holding oil exploration blocks get on with their respective work programmes as quickly as possible. This programme includes data studies followed by detailed 3D seismic, which lead to the identification of drillable structures and the exploratory drilling programme.

As there is no production of oil & gas at present, NOCAL collects other payments from Oil & Gas companies operating in the country such as Surface Rental and signature fees.

For reconciliation purposes, NOCAL has submitted two (2) types of templates:

- the first type for payments made to Government Agencies.  
NOCAL reported payments and transfers made to Government Agencies (One template).
- the second type for payments received from Oil & Gas companies.  
As NOCAL has the status of state owned company, it has submitted a separate template for each Oil & Gas company.

The following taxes are collected from oil and gas companies and transferred later to GoL:

- Surface Rental;
- Signature Bonus; and
- Taxes on transactional income.

We must deduct these amounts in order to avoid double counting of NOCAL's revenues transferred to other Government Agencies as these revenues have been already reported by Oil & Gas companies.

## Audit and Assurance Practices in Liberia

### Extractive Companies

In Liberia there is no legal obligation for companies to appoint an external auditor for the audit of their financial statements.

### Government Agencies

Government Agencies are audited by GAC which is the independent Supreme Audit Institution (SAI) of Liberia. GAC is headed by an Auditor-General.

In June 2005, an Act was passed to create GAC as an autonomous Commission reporting directly to the Legislature.

GAC has a wide audit scope. Section 53.1 of the Executive Law defines the audit mandate of GAC, dividing the mandate into two distinct categories, as follows:

- Government Agency: means every ministry, bureau, board, commission, institution, authority, organization, enterprise, officer, employee, or other instrumentality of the Government including commonwealths, cities and townships, local authorities, and political units of the Republic; and
- Government Organization: means every enterprise, authority, monopoly, factory, or other industrial or commercial facility, corporation, utility, company, lending or financial institution, or other instrumentality which is wholly or partly owned by the Government.

The estimated number of institutions and programmes in the mandate is eighty-five (85) government departments, ministries, agencies and public corporations. Additionally, the mandate also requires GAC to audit

local governments, other municipalities, embassies and diplomatic missions.

Section 30 of the LRA Act, stipulates that LRA is required to keep books of account and proper records in conformity with the National Accounting Standards and International Public Sector Financial Reporting Standards and the PFM Act as applicable.

The Commissioner General shall submit the accounts of LRA to the Audit General for Audit in line with the PFM Act.

The Auditor-General shall audit the accounts of LRA and forward the audit report to Legislature, and provide a copy to the Board, Commissioner General, Minister as well as the President of Liberia.

## **PART – II: EVOLUTION AND PROCESSES OF THE 7<sup>TH</sup> & 8<sup>TH</sup> REPORTS**

### **2.1 MSG Commissioning of the Reports**

Consistent with the annual EITI reporting requirement, the Multi-stakeholders Group of the LEITI commissioned the preparation of the 7<sup>th</sup> and 8<sup>th</sup> Reports in February 2016. Following the commissioning of the reports, the Independent Administrator (the Reconciler) Parker & Associates Inc. in association with Moore Stephens LLP, recruited through a competitive bidding process, set out to begin work. The 7<sup>th</sup> & 8<sup>th</sup> EITI Reports for Liberia were released in June and August 2016 respectively. The 7<sup>th</sup> LEITI Report was released earlier due to Liberia's validation that commenced on July 1, 2016. Below are some of the steps that were taken, which led to the preparation of the 7<sup>th</sup> and 8<sup>th</sup> EITI Reports for Liberia.

### **2.2 The Approach to the Reconciliation Process and Scoping**

The reconciliation process relating to the EITI reporting consisted of the following steps:

- **conducting a scoping study to determine the scope of the reconciliation exercise, set materiality threshold and to update the reporting templates;**
- the collection of payment data from Government Agencies and extractive companies, which provides the basis for the reconciliation;
- a comparison of amounts reported by Government Agencies and extractive companies to determine if there are discrepancies between the two sources of information; and
- **contact with Government Agencies and extractive companies to resolve the discrepancies.**

The Reconcilers conducted a scoping study to determine the scope of the Reports. Based on the findings, the agreed materiality threshold for FY13/14 and FY14/15 was set at US\$200,000, for the Oil & Gas sector and US\$100,000 each for the US\$US\$Mining, Forestry and Agriculture Sectors. Companies paying taxes up to and above the threshold amounts represent over 98% of the total Government revenues collected during FY13/14 and FY14/15, and are the payment data that were reconciled. The total companies included in the reconciliation work for the 7<sup>th</sup> & 8<sup>th</sup> Reports were 44 and 42 respectively. The main components of the Reports include payment reconciliation, revenue tracking, in-kind contributions and contextual information about the extractive sector.

### **2.3 Data Collection**

Following the approval of the scope including the materiality threshold, instructional materials were developed together with the reporting templates and guidelines. A technical workshop was held in Monrovia on April 7, 2016 with reporting entities to walk them through the reporting process and address challenges faced during the preparation of previous reports. Collection of data for the 7<sup>th</sup> & 8<sup>th</sup> Reports ensued following this engagement.

### **2.4 Reconciliation and Investigation of Discrepancies**

The process of collecting payment and revenue data from companies and the Government culminated into the process of reconciling and investigating discrepancies in the data collected, which took place during the months April and May of 2016. The Reconcilers performed the following procedures during the exercise:

- Figures reported by the extractive companies of payment made to the Government were compared item-by-item to figures the Government reported as receipts. As a result, all discrepancies identified

were listed item by item in relation to each Government entity and extractive company.

- Where the data from Government entities and those from the companies agreed, figures from the Government were considered confirmed and no further action taken. In the case of mismatch, both the Government and the extractive companies were asked to provide supporting documents and /or confirmation for any adjustment to the information provided on the original data collection templates.

## 2.5 Completeness and Accuracy of the Data Reported

In order to ensure the data submitted are credible, the process ensured that:

- Extractive companies and Government agencies templates were signed by a senior level or Board level official;
- All figures reported in the reporting template were detailed payment-by-payment along with the dates in the supporting schedule, and all templates certified by their external auditors:
  - **Extractive companies** were required to obtain confirmation from a registered external auditor that their 2014 and 2015 financial statements have been audited under International Auditing Standards and that the figures reported in the templates **are in accordance with instructions issued by the LEITI, complete and in agreement with the accounts for the 2013-2014 & 2014-2015 periods respectively; and**
  - **Government Agencies** were required to obtain confirmation from the Auditor General that the transactions reported in the Reporting Templates are in accordance with instructions issued by the LEITI, complete and in agreement with the accounts of government for FY 2013/2014 and FY2014/2015.

## 2.6 GAC Comments

The LEITI reporting requirements call for all payments data from Government agencies to be attested by the Auditor General (i.e. the General Auditing Commission (GAC)). In order to achieve this certification process, Agreed-Upon Procedures were reached by the GAC, the LEITI, LRA and other ministries and agencies of the Government to guide the collection and examination of the revenue data obtained from these reporting ministries and agencies for **FY2013/2014 and FY2014/2015**. After scrutinizing reported payments from the Government agencies to ensure the payments were made within the fiscal years under review and that they are accurate and complete, the Auditor General has reported her findings, a summary of which are presented below:

- i. The LRA System (TAS/ITAS) report writer initially generated six - digit numbers other than the seven - digit receipt numbers normally generated. This made the reconciliation process challenging. Although LRA later provided the seven-digit receipt numbers, the initial appearance of the six-digit number indicates that prior Agreed-upon Procedures recommendation relating to the configuration of the system was not implemented. The LRA should address this issue to avoid same happening in the future. And that its Natural Resource Tax Unit (NRTU) with oversight role on collecting revenue from the sector does not appear to reconcile its records with the M&As.
- ii. For the periods FY2013/2014 and FY2014/2015, LRA submitted templates for Mandra LTTC amounting to US\$28,366.80 and US\$ **93,706.28 respectively**; but had to reissue the templates after reconciling its information with SGS. The reissued templates showed US\$1,124,122.49 for FY2013/2014 and **US\$829,847.49 for** FY2014/2015, as its initial templates information were understated. This could have been avoided by conducting regular reconciliation. The NRTU should reconcile its records with M&As at least on a quarterly basis.
- iii. It was observed during the reconciliation process that SGS maintains payment records under the name of one company while per LRA records, payments are made in the name of another company. The payment information from SGS for EJ&J, Liberia Tree & Trading Company and Tarpeh Timber Company are captured in LRA records as Mandra Forestry, Mandra-LTTC and Magna Diversified

respectively; although the six companies are also registered entities per LRA records. The NRTU indicated that EJ&J is the concession holder while Mandra Forestry controls the administration of the concession. LRA should ensure **general taxes** and **sector specific taxes** are paid in the names of the **administrator** and **concession holder** respectively.

- iv. Data generation by the SIGTAS/TAS system at LRA is not consistent with the records stored within the system because the NRTU uses the name of the companies to generate reports, which might not provide complete and accurate information because some of the companies' names are spelt out in full, hyphenated, abbreviated or misspelled. This input method might undermine the fullness of management's assertion regarding their data. LRA should either create a code or use business entities' TINs to input or generate data from their system.
- v. It was observed when comparing the data that payments with receipts numbers 2013Rxx & 2014Rxx with the xx representing any two digits are not the regular seven (7) digits flag receipts being issued by LRA. These series of receipt numbers are not unique and thus make tracing them to the CBL GOL Revenue System impractical. There were amounts reported in this category, and CBL and LRA should provide evidence that these amounts were deposited in GoL accounts.

## 2.7 Publication of the Report

Following the completion and submission of the reports to the MSG, the 7th and 8th Reports were launched separately on June 30, 2016 and August 23, 2016 respectively.

## PART – III: PRESENTATION AND ANALYSIS OF DATA

### 3.1 Presentation and Data

#### Production and Export Data reported in the 7th Report

##### **Production**

We present below the main mining, agricultural and forestry production by commodity between 2012 and 2014:

Commodity	Unit	2014	2013	2012	Variance 2013/2014	Variance (%) 2013/2014	CAGR 2012/2014
<b>Key Industrial Production</b>							
Iron ore	Mt	5,189,723	4,948,095	2,369,850	241,628	4.88%	47.98%
Gold	Ounce	19,938	18,869	20,609	1,069	5.67%	-1.64%
Diamond	Carat	74,882	47,819	34,271	27,063	56.59%	47.82%
<b>Key Agricultural &amp; Forestry Production</b>							
Rubber	Mt	59,892	56,431	63,047	3,461	6.13%	-2.53%
Round Logs	M3	174,436	84,556	213,774	89,880	106.30%	-9.67%

## Exports

We present below the main mining, agricultural and forestry exports by commodity between 2012 and 2014:

Commodity	2014 (US\$ million)	2013 (US\$ million)	2012 (US\$ million)	Variance (US\$ million) 2013/2014	Variance(%) 2013/2014	CAGR 2012/2014
<b>Key Industrial Exports</b>						
Iron ore	373.83	325.05	117.06	48.78	15.01%	78.70%
Gold	14.52	20.61	26.27	(6.09)	-29.55%	-25.65%
Diamond	35.19	17.13	12.38	18.06	105.45%	68.58%
<b>Key Agricultural &amp; Forestry Exports</b>						
Rubber	106.26	132.80	176.76	(26.53)	-19.98%	-22.46%
Round Logs	24.12	13.51	48.36	10.61	78.51%	-29.38%

Production and Export Data reported in the 8th Report

## Production

We present below the main mining, agricultural and forestry production by commodity between 2014 and 2015:

Key Industrial Production	Unit	Jan-Sept 2015	Jan-Sept 2014	Variance	(%)
<b>Key Industrial Production</b>					
Iron ore	Mt	4,085,120	4,159,501	(74,381)	-1.79%
Gold	Ounce	9,205	14,740	(5,535)	-37.55%
Diamond	Carat	53,158	57,885	(4,727)	-8.17%
<b>Key Agricultural &amp; Forestry Exports</b>					
Rubber	Mt	54,406	59,892	(5,486)	-9.16%
Round Logs	M3	179,739	174,436	5,303	3.04%

## Exports

We present below the main mining, agricultural and forestry exports by commodity between 2014 and 2015:

Commodity	Jan-Sept 2015 (USD million)	Jan-Sept 2014 (USD million)	Variance	(%)
<b>Key Industrial Exports</b>				
Iron ore	124.10	299.06	(174.96)	-58.50%
Gold	7.40	14.49	(7.09)	-48.93%
Diamond	24.00	27.75	(3.75)	-13.51%
<b>Key Agricultural &amp; Forestry Exports</b>				
Rubber	59.74	83.48	(23.74)	-28.44%
Round Logs	5.00	20.92	(15.92)	-76.10%

## Payment Reconciliation and Unreconciled Differences

The 7<sup>th</sup> and 8<sup>th</sup> EITI Reports for Liberia covering FY13/14 and FY14/15 show that the total amounts received by six agencies of the Government amounted to One Hundred Thirty Five Million, Three Hundred and Three Thousand, Eight Hundred Forty Four Dollars (US\$135,303,844.00) and One Hundred Million, Seven Hundred and Twenty Seven Thousand, Four hundred Sixty Nine Dollars (US\$100,727,469.00) respectively; while payment data supplied by forty two (42) companies in the four sectors amounted to One Hundred Thirty Two Million, Two Thousand Six Hundred Three Dollars (US\$132,002,603.00) in FY2013/2014 and Ninety Seven Million, Seven Hundred Forty One Thousand, Two Hundred Seven Dollars (US\$97,741,207.00) in FY2014/2015. The resulting net differences for the two periods are US\$3,301,241.00 and US\$2,986,262.00 respectively.

The tables below summarize the differences between the payments reported by extractive companies and receipts reported by Government Agencies and the resulting unreconciled differences.

For FY 2013/2014

*Amounts in USD*

No.	Company	Final Amounts		
		Paid by the Company	Received by the Govt	Unreconciled Difference
1	Arcelor Mittal Liberia Ltd	42,175,217	42,175,250	(33)
2	China Union Investment (Liberia) Bong Mines Co. Ltd	15,641,587	15,643,125	(1,538)
3	National Oil Company of Liberia (NOCAL)	15,518,183	15,537,495	(19,312)
4	Chevron	6,720,694	6,747,926	(27,232)
5	Firestone Liberia Incorporated	6,701,983	6,707,847	(5,864)
6	Anadarko	6,203,928	6,162,395	41,533
7	Putu Iron Ore Mining Inc. (PIOM)	5,447,961	5,449,123	(1,162)
8	Liberian Agricultural Company (L.A.C.)	3,843,120	3,958,068	(114,948)
9	Western Cluster Limited (WCL)	4,443,068	3,097,402	1,345,666
10	BHP Billiton	2,569,658	2,569,658	-
11	Bea Mountain Mining Corporation	2,331,039	2,329,891	1,148
12	ExxonMobil Exploration and Production Liberia Ltd	1,939,756	1,919,756	20,000
13	Golden Veroleum Liberia	2,026,457	1,827,712	198,745
14	Sime Darby Plantation	1,742,595	1,742,595	-
15	Salala Rubber Corporation	1,670,502	1,670,502	-
16	Boart Longyear Corporation Liberia	1,629,148	1,630,293	(1,145)
17	Mandra Forestry Liberia Ltd. (MFLL)	796,065	1,537,592	(741,527)
18	Atlantic Resources Ltd.	1,410,576	1,486,844	(76,268)
19	Cavalla Rubber Corporation	829,993	1,438,192	(608,199)
20	Amlib United Minerals Inc/ Kle Kle	-	1,278,810	(1,278,810)
21	European Hydrocarbon Limited (EHL)	918,490	918,490	-
22	Libinc Oil Palm Inc. (LIBINC)	814,933	826,418	(11,485)
23	Hummingbird Resources (Liberia) Inc (HBRL)	784,459	778,034	6,425
24	Forest Venture Inc. (FVI)	908,337	609,639	298,698
25	International Consultant Capital (ICC)	640,328	606,355	33,973
26	Akewa Group of Companies	570,378	570,378	-
27	Steinbock Minerals	506,589	506,739	(150)
28	Maryland Oil Palm Plantation (MOPP)	358,546	359,406	(860)
29	Jonah Capital (BVI) Liberia Ltd.	354,414	353,617	797
30	Alpha Logging & Wood Processing Inc.	327,243	330,279	(3,036)
31	Magna Diversified Corporation	-	290,397	(290,397)
32	West Africa Diamonds Inc	287,324	287,174	150
33	Equatorial Palm Oil (Liberia) Incorporated (EPO)	217,090	219,265	(2,175)
34	Earth Source Mineral International (ESM)	128,239	206,823	(78,584)
35	Golden Mass Trading	201,278	201,307	(29)
36	Afric Diam Company Inc	196,005	197,664	(1,659)
37	The Lee Group of Enterprise	181,168	181,168	-
38	Geblo Logging, Inc	173,316	173,262	54
39	Anglo American Kumba Exploration (AAKEL)	162,446	162,466	(20)
40	Liberian Hardwood Corporation (LHC)	146,831	146,831	-
41	West Africa Gold & Diamond Incorporated	140,754	140,660	94
42	Iron Resources Liberia Ltd. (IRLL)	151,355	128,446	22,909
43	Liberia Forest Products Inc (LFPI)	80,308	114,188	(33,880)
44	Bao Chico Resources Liberia Ltd	111,242	111,242	-
	<b>Total</b>	<b>132,002,603</b>	<b>133,330,724</b>	<b>(1,328,121)</b>



No.	Company	Final amounts		
		Paid by the Company	Received by the Govt	Unreconciled Difference
1	Arcelor Mittal Liberia Ltd	26,190,925	26,190,925	-
2	China Union Investment (Liberia) Bong Mines CO.,Ltd	8,387,980	8,383,815	4,165
3	Chevron	8,144,847	8,129,297	15,550
4	PUTU IRON ORE MINING INC. (PIOM)	5,602,379	5,602,379	-
5	Firestone Liberia Incorporated	5,451,936	5,462,898	(10,962)
6	Anadarko	5,396,970	5,430,138	(33,168)
7	National Oil Company of Liberia (NOCAL)	4,659,612	4,673,565	(13,953)
8	Western Cluster Limited	3,577,590	3,570,201	7,389
9	Bea Mountain Mining Corporation	3,422,224	3,421,601	623
10	International Consultant Capital ICC	3,310,900	3,282,440	28,460
11	Liberian Agricultural Company (L.A.C.)	1,633,269	2,003,416	(370,147)
12	Maryland Oil Palm Plantation (MOPP)	1,786,168	1,788,924	(2,756)
13	Cavalla Rubber Corporation	1,102,635	1,654,597	(551,962)
14	Alpha Logging & Wood Processing Inc.	1,615,772	1,621,797	(6,025)
15	Mandra Forestry Liberia Ltd. (MFLL)	1,425,940	1,573,137	(147,197)
16	Atlantic Resources Ltd.	1,451,946	1,462,083	(10,137)
17	Golden Veroleum Liberia	1,555,788	1,445,680	110,108
18	Sime Darby Plantation	1,334,884	1,342,884	(8,000)
19	MNG Gold Liberia Inc.	1,043,870	1,233,805	(189,935)
20	Mandra - LTTC Inc.	1,200,586	1,218,811	(18,225)
21	ExxonMobil Exploration and Production Liberia Ltd	1,218,738	1,218,738	-
22	BHP Billiton	1,080,114	1,080,114	-
23	CEPSA LIBERIA, S.L(Compania Espanola de Petroleos, S.A)	983,574	983,574	-
24	Euro Liberia Logging Company	954,809	981,935	(27,126)
25	Boart Longyear Corporation Liberia	808,509	808,509	-
26	Forest Venture Inc. (FVI)	925,160	759,367	165,793
27	European Hydrocarbon Limited (EHL)	540,900	540,900	-
28	Libinc Oil Palm Inc. (LIBINC)	228,316	417,482	(189,166)
29	Salala Rubber Corporation	337,367	337,367	-
30	Afric Diam Company Inc	330,665	332,100	(1,435)
31	West Africa Diamonds Inc	265,211	268,362	(3,151)
32	Golden Mass Trading	262,582	263,002	(420)
33	Akewa Group of Companies	252,109	252,109	-
34	Steinbock Minerals	175,656	231,388	(55,732)
35	Liberia Forest Products Inc (LFPI)	49,834	194,731	(144,897)
36	Anglo American Kumba Exploration (AAKEL)	192,794	192,794	-
37	Hummingbird Resources (Liberia) Inc (HBRL)	181,714	179,684	2,030
38	West Africa Gold & Diamond Incorporated	172,119	172,705	(586)
39	Earth Source Mineral International (ESM)	100,700	162,507	(61,807)
40	Equatorial Palm Oil (Liberia) Incorporated (EPO)	134,594	130,469	4,125
41	CGGC Mining Services (Liberia) Company Ltd	130,475	130,455	20
42	Jonah Capital (BVI) Liberia Ltd.	119,046	116,085	2,961
	<b>Total</b>	<b>97,741,207</b>	<b>99,246,770</b>	<b>(1,505,563)</b>

The tables below show the same payment data reported by revenue stream by Extractive Companies and Government Agencies

For FY 2013/2014

Amounts in USD

N°	Description of payment	Final Amounts		
		Paid by the Company	Received by the Govt	Unreconciled Difference
1	Personal Income Withholding	27,262,319	28,336,371	(1,074,052)
2	Royalty	18,913,856	18,913,856	-
3	Withholding on Payments to Third Parties	15,452,688	15,021,264	431,424
4	Non-Resident Withholding	9,677,415	9,635,133	42,282
5	Annual Social Contribution (County & Community)	9,000,000	9,018,000	(18,000)
6	Dividends to GOL	8,025,000	8,025,000	-
7	Other Administrative Fees	6,771,115	6,386,696	384,419
8	NOCAL Others	5,116,000	5,116,000	-
9	Surface Rental	4,605,420	4,624,352	(18,932)
10	Social Welfare Contribution	4,073,355	4,061,544	11,811
11	Corporate Profits Tax / Turnover Tax	3,882,394	3,893,137	(10,743)
12	Customs User Fees	3,417,150	3,430,417	(13,267)
13	Rubber sales tax	1,871,149	1,871,236	(87)
14	Administrative fees	1,738,491	1,861,378	(122,887)
15	Import Levy	1,230,193	1,296,012	(65,819)
16	ECOWAS Trade Levy (ETL)	1,190,878	1,194,923	(4,045)
17	Log Export Fees	809,453	1,176,389	(366,936)
18	Stumpage Fee	1,061,798	1,124,432	(62,634)
19	GOL Fines	1,040,546	1,066,183	(25,637)
20	Supply Vessel Annual Tonnage Tax	1,182,075	1,064,375	117,700
21	Chain of Custody Management Fee (PSI)	551,307	828,361	(277,054)
22	Annual Training	726,029	726,029	-
23	Bid Premium	111,537	712,643	(601,106)
24	GST	489,471	543,396	(53,925)
25	Signature Fees/Signing Bonus	500,000	500,000	-
26	Area Fee	765,221	430,829	334,392
27	Scientific Research Fund	400,000	400,000	-
28	Contribution via GOL to University Depts (UL etc.)	390,000	390,000	-
29	Minerals License fees	318,418	339,481	(21,063)
30	Logs	-	241,917	(241,917)
31	Aviation Development Fees	101,794	215,547	(113,753)
32	Rural Energy fund	201,029	201,029	-
33	Mobile Offshore Drilling Unit Certification Fees	-	200,000	(200,000)
34	Land Permit Fees	110,000	110,000	-
35	Export tax	70,805	71,405	(600)
36	Permit Fees for Vessel Crew	33,800	61,700	(27,900)
37	Stevedoring Tariff	-	52,937	(52,937)
38	Mineral Dev.t & Research Fund (pd to MLME only)	50,000	50,000	-
39	Waybill Fee	20,865	48,350	(27,485)
40	Excise Tax	29,659	35,102	(5,443)
41	Timber Export Licence Fees	227,450	11,278	216,172
42	Inspection Fees	132,253	9,000	123,253
43	Casualty Investigation Fees	5,000	9,000	(4,000)
44	Contract Administration Fee	3,000	6,000	(3,000)
45	Temporary Air Service Permit	3,200	5,000	(1,800)
46	Phyto Sanitary Fee	2,980	4,700	(1,720)

Amounts in USD

N°	Description of payment	Final Amounts		
		Paid by the Company	Received by the Govt	Unreconciled Difference
47	Land Resource Tax	-	3,623	(3,623)
48	Forest Product Fee (processed materials)	2,000	3,300	(1,300)
49	Aircraft Inspection Fees	-	2,900	(2,900)
50	Attendance fees	-	500	(500)
51	Pre-Shipment / Destination Inspection (GOL's share)	129,246	-	129,246
52	Board Fees Withholding	1,300	-	1,300
53	Rubber wood Products	1,800	-	1,800
54	Block Inspection Fees	3,350	-	3,350
55	Sawmill Permit Fees	147,084	-	147,084
56	Non Timber Forest Products	1,000	-	1,000
57	Research Vessels Tonnage Tax	118,200	-	118,200
58	EIA:Iron Ore: Industrial	-	-	-
59	EIA:Offshore Oil	20,000	-	20,000
60	EIA:Forestry Management Contract: Large	13,500	-	13,500
61	Contribution Directly to University	10	-	10
	<b>Total</b>	<b>132,002,603</b>	<b>133,330,724</b>	<b>(1,328,121)</b>

For FY2014/2015

Amounts in USD

No.	Description of payment	Final Amounts		
		Paid by the Company	Received by the Govt	Unreconciled Difference
1	Withholding on Payments to Third Parties	15,149,990	16,344,267	(1,194,277)
2	Personal Income Withholding	15,689,154	15,867,461	(178,307)
3	Annual Social Contribution (County & Community)	13,612,000	13,612,000	-
4	Non-Resident Withholding	11,508,478	10,741,781	766,697
5	Royalty	6,682,062	6,693,161	(11,099)
6	Customs User Fees	3,228,552	3,417,803	(189,251)
7	Dividends to GOL	3,300,000	3,300,000	-
8	Other Administrative Fees	3,283,491	2,677,805	605,686
9	Log Export Fees	2,235,300	2,236,510	(1,210)
10	ECOWAS Trade Levy (ETL)	1,980,635	2,053,573	(72,938)
11	Surface Rental	1,950,725	1,989,582	(38,857)
12	Bid Premium	1,633,388	1,903,388	(270,000)
13	Administrative fees	1,657,444	1,863,121	(205,677)
14	Corporate Profits Tax / Turnover Tax	1,818,452	1,834,101	(15,649)
15	Stumpage Fee	2,105,806	1,727,843	377,963
16	Signature Fees / Signing Bonus	1,550,000	1,550,000	-
17	GOL Fines	1,022,385	1,521,191	(498,806)
18	Chain of Custody Management Fee (PSI)	994,738	1,330,621	(335,883)
19	Area Fee	1,573,791	1,302,092	271,699
20	Logs	666,856	915,367	(248,511)
21	Rubber sales tax	892,575	905,983	(13,408)
22	Social Welfare Contribution	872,629	853,450	19,179
23	Annual Training	677,300	677,300	-
24	Import Levy	479,683	542,958	(63,275)
25	Minerals License fees	515,761	517,256	(1,495)
26	Scientific Research Fund	501,124	501,124	-
27	Rural Energy fund	202,103	402,103	(200,000)
28	Contribution via GOL to University Depts (UL etc.)	340,000	340,000	-
29	GST	237,059	306,111	(69,052)
30	NOCAL Others	240,000	304,000	(64,000)
31	Oil License Fees	300,000	300,000	-

Amounts in US\$

No.	Description of payment	Final Amounts		
		Paid by the Company	Received by the Govt	Unreconciled Difference
32	Hydrocarbon Development Fund	250,000	250,000	-
33	Stevedoring Tariff	99,140	192,999	(93,859)
34	Land Permit Fees	143,800	73,000	70,800
35	Mineral Dev.t & Research Fund (pd to MLME only)	50,000	50,000	-
36	Waybill Fee	38,365	40,405	(2,040)
37	Export tax	68,279	39,853	28,426
38	Excise Tax	53,031	26,731	26,300
39	Timber Export Licence Fees	17,783	15,100	2,683
40	Phyto Sanitary Fee	5,755	8,950	(3,195)
41	Land Resource Tax	3,825	7,650	(3,825)
42	Contract Administration Fee	7,100	7,100	-
43	Forest Product Fee (processed materials)	1,400	1,400	-
44	Non Timber Forest Products	1,400	1,400	-
45	Block Inspection Fees	200	200	-
46	Auction Fee	-	30	(30)
47	Pre-Shipment / Destination Inspection (GOL's share)	83,417	-	83,417
48	Board Fees Withholding	100	-	100
49	Brokers payments (consolidated)	-	-	-
50	Sawmill Permit Fees	641	-	641
51	Aviation Development Fees	12,480	-	12,480
52	Aircraft Inspection Fees	1,200	-	1,200
53	Temporary Air Service Permit	1,800	-	1,800
54	Mooring & Unmooring	-	-	-
55	Contribution Directly to University	10	-	10
	<b>Total Basic payments</b>	<b>97,741,207</b>	<b>99,246,770</b>	<b>(1,505,563)</b>

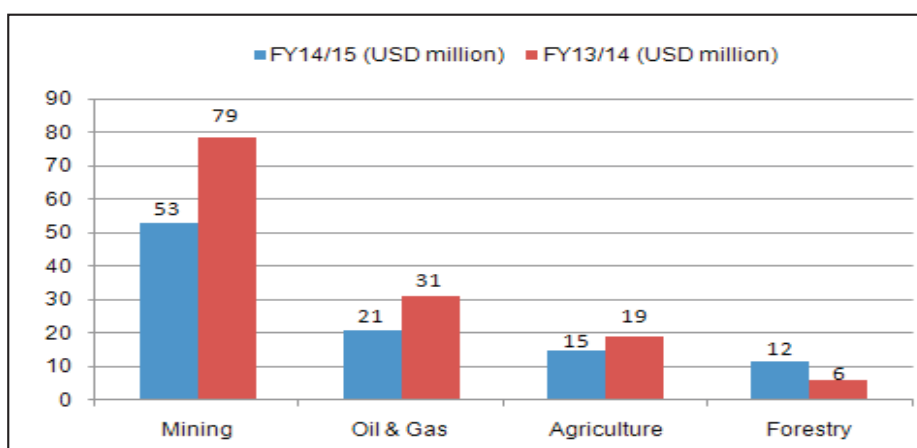
### Unilateral Disclosure of Revenue by Government Agencies

Government Agencies have unilaterally disclosed revenue streams collected from companies but not included within the reconciliation scope in accordance with EITI Requirement 4.1.d. These revenues amounted to **USD 1,973,120** (which represents **1.46%**) for FY2013/2014 and **USD 1,480,699** (which represents **1.47%**) of the total extractive sector revenues. Detail of the companies and their payments are set out in Annex 3 of the two reports.

### Evolution and Structure of Direct Revenues

Direct Government Revenues from the extractive sector decreased from **USD 185.96 million** for FY12/13 to **USD 135.30million** for FY13/14, and decreased further to **USD100.73million** for FY14/15. This 1<sup>st</sup> decrease amounted to **USD50.66million (-27.24%)** and the 2<sup>nd</sup> fall amounted to **USD34.58million (-25.55%)** as detailed by sector as follows:

Sector	Government receipts (USD million)			Variance	
	FY14/15	FY13/14	FY12/13	(1st Decrease) USD million	(2 <sup>nd</sup> Decrease) USD million
Mining	53.38	78.85	69.52	9.33	(25.47)
Oil & Gas	21.02	31.34	82.07	(50.73)	(10.32)
Agriculture	14.82	19.08	20.67	(1.59)	(4.25)
Forestry	11.51	6.03	13.70	(7.67)	5.48
Total	100.73	135.30	185.96	(50.66)	(34.58)
Real GDP	897.65	893.35	859.95	33.40	4.30
% Extractive revenues	11.22%	15.15%	21.62%		



### Social Payment/In-kind Contribution

These consist of all contributions made by extractive companies to promote local development and to finance social projects in the community.

The MSG resolved that social payments be included in the in the 7<sup>th</sup> and 8<sup>th</sup> EITI Reports for Liberia through a unilateral disclosure of extractive companies, in addition to distinguishing between the two types of social payments (mandatory and voluntary).

As detailed in the table below, the companies reported US\$13.55 million and US\$8.27million during FY2013/2014 and FY2014/2015 as the total value of corporate social responsibility initiatives undertaken, amounting to 9.10 per cent and 7.59 per cent of the total government revenue of US\$135.30 million and US\$100.73 million respectively for the two fiscal periods under review.

Description of Payment	FY2013/2014		FY2014/2015	
	Contribution	%	Contribution	%
Corporate Social Responsibility in kind contributions	5.10	37.61%	4.20	50.75%
Corporate Social Responsibility cash contributions	8.45	62.39%	4.07	49.25%
<b>Total Corporate Social Responsibility</b>	<b>13.55</b>	<b>100%</b>	<b>8.27</b>	<b>100%</b>

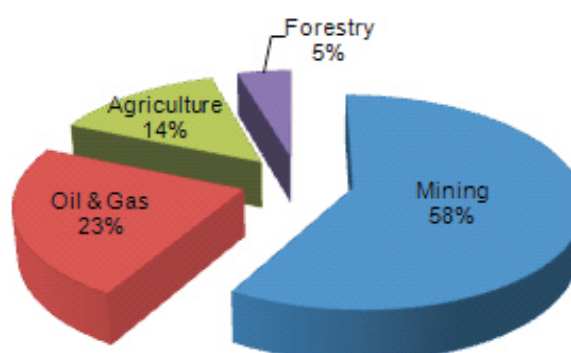
### 3.2 Analysis of Data Presented

#### Analysis of Payments by Sector's Contribution

The analysis of Government revenues by sector contribution for FY2013/2014 and FY2014/2015 indicates that the **mining sector** contributed for **58%** and **53%** of the total Government revenues respectively. The tables below presents the contribution of each sector for the two periods:

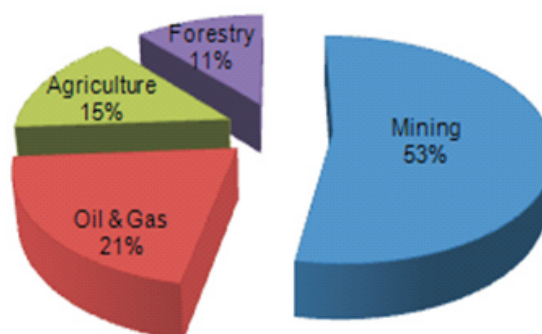
#### FY2013/2014

Sector	Government receipts (USD)	% of total payment
Mining	78,852,842	58.28%
Oil & Gas	31,343,001	23.16%
Agriculture	19,077,268	14.10%
Forestry	6,030,733	4.46%
<b>Total</b>	<b>135,303,844</b>	<b>100.00%</b>



## FY2014/2015

Sector	Government receipts (USD)	% of total payment
Mining	53,378,739	52.99%
Oil & Gas	21,018,208	20.87%
Agriculture	14,822,742	14.72%
Forestry	11,507,780	11.42%
Total	100,727,469	100.00%

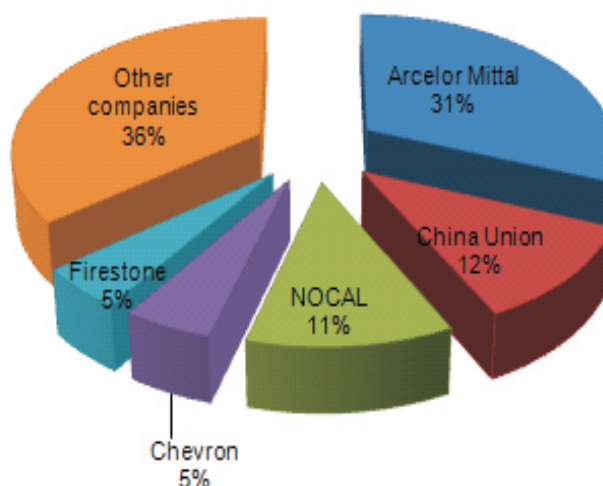


### Analysis of payments by companies' contribution

The analysis of Government revenues by companies indicates that 5 companies approximately contributed 64% and 53% respectively to the total Government revenues during the FY13/14 and FY14/15, and that Arcelor Mittal Liberia Ltd alone contribution accounts for 31% and 26% of the country's extractive revenues for the two fiscal periods respectively. The tables below present details of the contributions of the companies:

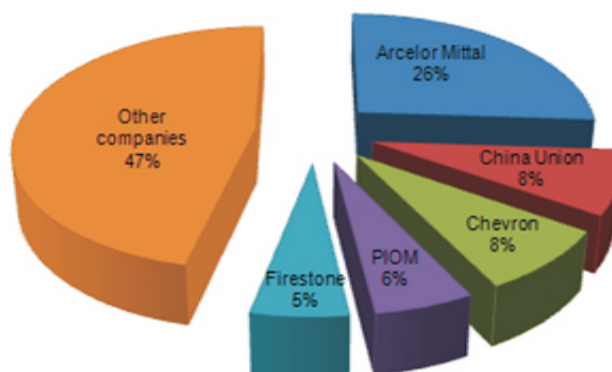
## FY2013/2014

Company	Government receipts (USD)	% of total payment
Arcelor Mittal Liberia Ltd	42,175,250	31.17%
China Union Investment (Liberia) Bong Mines Co. Ltd	15,643,125	11.56%
National Oil Company of Liberia (NOCAL)	15,537,495	11.48%
Chevron	6,747,926	4.99%
Firestone Liberia Incorporated	6,707,847	4.96%
Other companies (129 companies)	48,492,201	35.84%
Total	135,303,844	100.00%



## FY2014/2015

Company	Government receipts (USD)	% of total payment
Arcelor Mittal Liberia	26,190,925	26.00%
China Union Investment (Liberia) Bong Mines CO,.Ltd	8,383,815	8.32%
Chevron	8,129,297	8.07%
Putu Iron Ore Mining Inc. (PIOM)	5,602,379	5.56%
Firestone Liberia Incorporated	5,462,898	5.42%
Other companies (119 companies)	46,958,155	46.62%
Total	100,727,469	100.00%

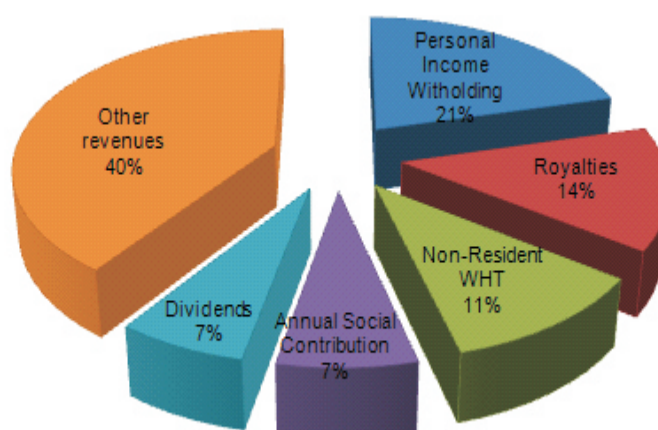


### Analysis of payments by contribution flows

The analysis of the payments by contribution flow shows that the top 5 taxes contributed for almost **60%** of the total Government extractive revenues for FY2013 and for 63% for FY2014/2015. **Personal Income Withholding** and **Withholding on Payments to Third Parties** (two distinct revenue streams) account for the highest proportion of total government revenues (21% for **FY2013/2014** and 17% for **FY2014/2015**).

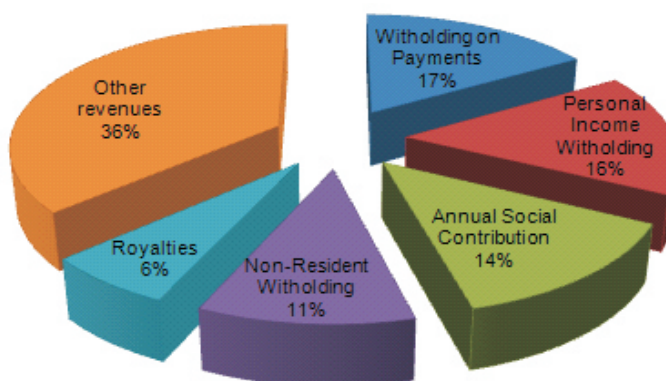
### For FY2013/2014

Revenue stream	Government receipts (USD)	% of total payment
Personal Income Withholding	28,336,371	20.94%
Royalties	18,913,856	13.98%
Non-Resident Withholding	15,021,264	11.10%
Annual Social Contribution	9,635,133	7.12%
Dividends to GOL	9,018,000	6.67%
Other revenues (45 revenues)	54,379,220	40.19%
Total	135,303,844	100.00%



For **FY2014/2015**

Revenue stream	Government receipts (USD)	% of total payment
Withholding on Payments to Third Parties	16,589,160	16.47%
Personal Income Withholding	16,073,779	15.96%
Annual Social Contribution (County & Community)	13,612,000	13.51%
Non-Resident Withholding	10,816,246	10.74%
Royalty	6,693,161	6.64%
Other revenues (43 revenues)	36,943,122	36.68%
Total	100,727,469	100.00%

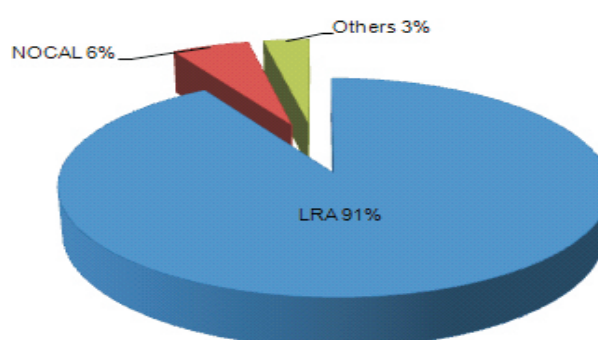


#### Analysis of payments by Government Agencies

The analysis of the payments by Government Agencies shows that **91%** and **94%** of the total Government extractive revenues for FY2013/2014 and FY2014/2015 respectively came through the LRA. Details are presented below:

For **FY2013/2014**

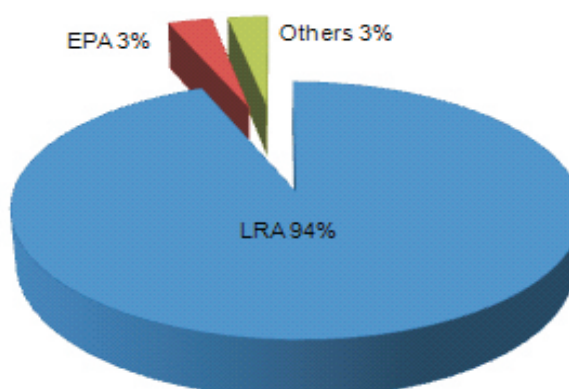
Revenue stream	Government receipts (USD)	% of total payment
LRA	123,601,181	91.35%
NOCAL	7,338,476	5.42%
Others	4,364,187	3.23%
Total	135,303,844	100.00%





For FY2014/2015

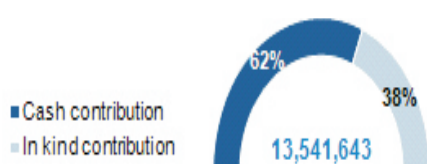
Revenue stream	Government receipts (USD)	% of total payment
LRA	94,658,519	93.97%
NPA	3,189,967	3.17%
Others	2,878,983	2.86%
<b>Total</b>	<b>100,727,469</b>	<b>100.00%</b>



### Analysis of Social Payment Data

**Disclaimer:** Mandatory social payments reported by some extractive companies were not reviewed either by the Reconciler, or LEITI. Extractive companies were requested to report social payments made during the FY13/14 and FY14/15 unilaterally. These contributions, split into **cash** and **in-kind**, amounted to **USD 13,541,643 for FY13/14** and **USD 8,274,281 for FY14/15** as graphically represented as follows:.

For FY13/14



For FY14/15



For FY13/14

No.	Company	Sector	Total Corporate Social Responsibility	Type of payments
1	Arcelor Mittal Liberia Ltd	Mining	8,249,112	Cash
2	Firestone Liberia Inc.	Agriculture	4,990,873	In kind
			183,765	Cash
3	Jonah Capital (BVI) Liberia Ltd.	Mining	102,184	In kind
4	Chevron Liberia Limited	Oil & Gas	15,709	Cash
		<b>Total</b>	<b>13,541,643</b>	

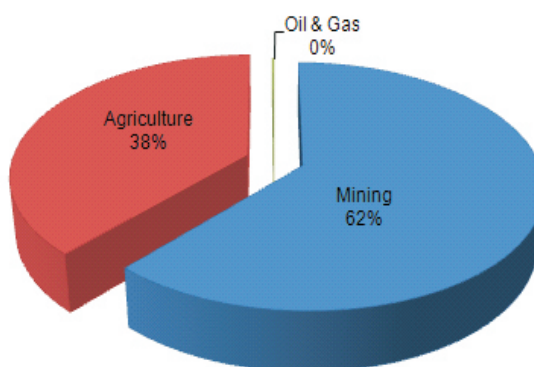
For FY 14/15

No.	Company	Sector	Total Corporate Social Responsibility	Type of payments
1	Firestone Liberia Incorporated	Agriculture	92,500	Cash
			4,199,132	In kind
2	Arcelor Mittal Liberia Ltd	Mining	2,590,284	Cash
3	Chevron	Oil & Gas	1,250,000	Cash
4	Bea Mountain Mining Corporation	Mining	100,000	Cash
5	International Consultant Capital (ICC)	Forestry	42,365	Cash
		<b>Total</b>	<b>8,274,281</b>	

### Sector with Highest Proportion Social Contribution

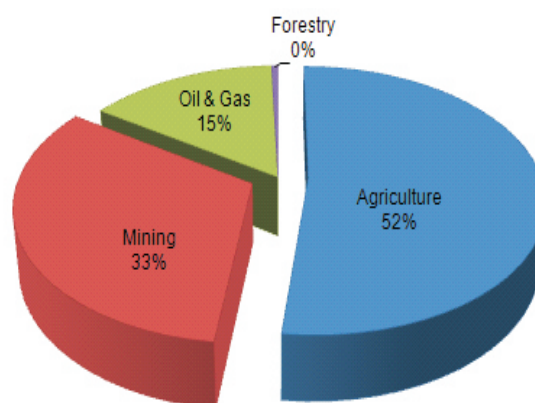
For FY13/14: The mining sector accounts for the highest proportion of total social contributions (62%).

Sector	Social contributions (USD)	% of total payments
Mining	8,351,296	61.67%
Agriculture	5,174,638	38.21%
Oil & Gas	15,709	0.12%
Total	13,541,643	100.00%



For FY14/15: The agricultural sector accounts for the highest proportion of total social contributions (52%).

Sector	Social contribution (USD)	% of total payment
Agriculture	4,291,632	51.87%
Mining	2,690,284	32.51%
Oil & Gas	1,250,000	15.11%
Forestry	42,365	0.51%



## Appendices

### Payments from other companies below the materiality threshold

No.	Companies for FY 2013/2014	Revenues (USD)
<i>Oil &amp; Gas</i>		<u>56,939</u>
1	African Petroleum Liberia, Limited	39,075
2	Oranto Petroleum Liberia Limited	7,235
3	Canadian Overseas Petroleum Limited	6,929
4	REPSOL Exploration Liberia LB-10 BV	2,300
5	CEPSA Liberia, S.L.	1,400
<i>Mining</i>		<u>1,392,977</u>
6	Geombly [ Liberia ] Ltd	90,765
7	Pedsam Mining Limited	84,241
8	Mining and Exploration	84,229
9	West Peak Iron Limited (Liberia)	83,615
10	Tietto Mineral (Liberia) Limited	81,740
11	45 mining companies / EPA	77,000
12	Planet Mineral	67,945
13	Salmec Resources Ltd	61,944
14	Tawana Liberia, Inc.	56,282
15	Gem Rock Mining Resources Inc.	52,730
16	Sinoe Mining & Exploration Inc.	47,250
17	Western Associates Ltd	44,217
18	Z & C Investment Company	44,188
19	African Gold Mining (Liberia)	43,660
20	Edasa Mining Company, Inc.	40,900
21	Manicka Resources Ltd.	38,361
22	Golden Saint [Liberia] Ltd	33,370
23	Sarama Mining Liberia Limited	32,745
24	Global Enterprise Liberia Inc	30,905
25	Task International, Ltd.	26,325
26	Afro Resources	26,084
27	H.C. Enterprise Inc.	19,529
28	Western Quarry Inc	18,242
29	Bukon Jedeh	18,209
30	Iron Bird Resources Inc	17,927
31	Belle Resources Limited	17,566
32	Liberian Iron Ore Investment Limited	15,288
33	MNG Gold Liberia, Inc	14,600
34	BG Minerals Liberia Ltd	12,497
35	Knights Group Incorporated	12,370
36	KPO Iron Ore Limited	11,941
37	Birimian Gold (Liberia)	11,349
38	Sino Liberia Investment Company Inc.	9,376
39	Golden City Mining Company	8,500
40	Winestock Development Liberia Corp.	8,458
41	Drum Resources Liberia Limited	7,943

No.	Companies for FY 2013/2014	Revenues (USD)
42	Lib-Afric Associates Inc	7,596
43	Australian Exploration Drilling - Liberia .	6,349
44	Wuhan Steel	5,638
45	Tiger Quarry [Liberia], Inc	3,890
46	Youssef Diamond Mining Company	3,876
<i>Mining (Continued)</i>		
47	Southern Cross Investments	1,883
48	KBL Mining Company	1,755
49	Silica, Inc	1,445
50	GBF Investmens Incorporated	1,360
51	Jeli Inc	1,260
52	Afro Mineral	900
53	CGGC Mining Services -Liberia Company	900
54	Deveton Mining Company	900
55	Qingdao Liberia Construction Corporation	900
56	Zhao Li Mining Company	900
57	Engineering and Geological Company	573
58	BCM International [ Liberia ] Limited	330
59	Southern Mining & Investment Group	100
60	Petra Resources Inc.	69
61	Quest Mining, Inc.	61
<i>Agriculture</i>		<u>31,906</u>
62	Liberia Export & Import Enter.Inc	19,891
63	Morris American Rubber Company	11,916
64	Buchanan Renewables Fuel Inc	100
<i>Forestry</i>		<u>279,157</u>
65	Mandra-LTTC	83,584
66	Ecowood Inc	49,965
67	Afcons Infrastructure	44,537
68	Euro Liberia Logging	23,473
69	E & J Investment	16,509
70	Bassa Logging & /K-Mark/	11,581
71	Sun Yeun Corporation Ltd	9,550
72	Tarpeh Timber Corporation	9,147
73	12-20 Group of Companies, Inc.	8,950
74	MG Forest Liberia, Inc	6,344
75	Ecogreen Incorporated	3,260
76	Narh Global Mining Services	2,831
77	B&V Timber Company	1,827
78	Ecotimber Liberia (Ltd)	1,419
79	Logging Industry Of Liberia [Lil] Inc.	1,250
80	Cavalla Forest Company	1,090
81	Blib [Build Liberia ], Inc.	1,072
82	Renew Forestry Group Llc	920

No.	Companies for FY 2013/2014	Revenues (USD)
83	Mars Timber (Liberia) Inc	830
84	Liberia Tree And Trading Company Inc	291
85	Universal Forest Company	250
86	Global Logging Company	230
87	Bargor And Bargor Enterprise Inc	100
88	Westnaf Limited	70
89	Sustainable Venture Inc.	59
90	Liberia Timber Trading Company -	20
	Total	1,760,979

No.	Companies for FY2014/2015	Revenues (USD)
<i>Oil &amp; Gas</i>		<u>41,996</u>
1	African Petroleum	30,659
2	Repsol Exploration Liberia	7,650
3	Oranto Petroleum Liberia Limited	3,687
<i>Mining</i>		<u>924,495</u>
4	Iron Resources [ Lib] Limited	92,149
5	49 Mining Companies / EPA	74,850
6	Euronimba Liberia Limited	70,074
7	Gem Rock Mining Resources	66,766
8	Tawana Liberia Inc.	63,112
9	Pedsam Mining Limited	58,626
10	Western Associates	43,766
11	Western Quarry Inc.	40,603
12	Tietto Mineral (Liberia) Limited)	32,380
13	Youssef Diamond Mining Company	31,729
14	Belle Resources Limited	28,558
15	Sinoe Mining & Exploration Inc	28,445
16	Bcm International	27,542
17	West Peak Iron Limited (Liberia)	25,128
18	Drum Resources Liberia Limited	20,781
19	Lib-Afric Associates Inc	20,658
20	Salmec Resources Ltd	20,174
21	African Gold Mining (Liberia) Limited	18,315
22	Tiger Quarry ( Liberia ) Inc	18,009
23	Western Minerals Contractors, Inc	16,451
24	Z & C Investment Company	16,076
25	Sarama Mining Liberia Limited	12,669
26	Cvi Mining And Agriculture Development Cooperative	12,548
27	Bao Chico Resources Liberia Ltd	12,383
28	Iron Bird Resources Inc	12,264
29	Qingdao Liberia Construction Corp.	10,900
30	Amlib United Minerals Inc	9,315
31	Silica, Inc	8,595
32	Winestock Development Liberia Corporation	6,230

No.	Companies for FY2014/2015	Revenues (USD)
33	Liberian Iron Ore Investment Limited	5,513
34	Knights Group	2,827
35	Australian Exploration Drilling Co. (Liberia) Inc.	2,462
36	Manicka Resources Ltd	1,269
37	Birimian Gold (Liberia)	1,260
38	Southern Mining And Investment Grou	1,113
39	Task International Ltd	1,110
40	Global Enterprises Inc	1,050
41	Gbf Investments Inc	1,000
42	Liberia Gold Capital Mining Group, Inc	920
<i>Mining (Continued)</i>		
43	Tong Lin Mining Co. Inc	920
44	Afro Mineral Inc	900
45	Geombly(Liberia) Ltd	900
46	Jeli Inc	900
47	Kpo Iron Ore Limited	900
48	Planet Minerals Limited	900
49	Kbl Mining Company	825
50	Quest Mining Inc	234
51	Bukon Jedeh Resource Inc	230
52	H.C. Enterprise Inc.	144
53	Ped Gold Mining Company, Inc	20
<i>Agriculture</i>		<u>44,294</u>
54	The Lee Group Of Enterprises ,Inc	20,478
55	Liberia Export & Import Enterprises Inc	20,334
56	Morris American Rubber Company [ Marco ]	2,573
57	Buchanan Renewable Fuels,Inc	900
58	Ada Commercial Incorporated	10
<i>Forestry</i>		<u>356,101</u>
59	Liberian Hardwood Corp	93,255
60	Tarpeh Timber Corporation	78,085
61	B & V Timber Company	56,222
62	12-20 Group Of Companies, Inc.	24,972
63	Sun Yeun Corporation Ltd	24,218
64	Afcons Infrastructure Limited	17,648
65	Geblo Logging, Inc	15,579
66	Blib ( Build Liberia) Inc	7,696
67	Auzy International Trading Ltd.	7,571
68	Renew Forestry Group,Llc	5,733
69	Mg Forest Liberia, Inc	5,457
70	Magna Diversified Corporation	5,072

No.	Companies for FY2014/2015	Revenues (USD)
71	Mars Timber (Liberia) Inc	3,637
72	Ecogreen Incorporated	3,056
73	Alpha Molo Wood Inc	2,200
74	Westnaf Limited	1,749
75	Liberia Tree And Trading Company Inc	1,435
76	Ecowood Inc	650
77	Logging Industry Of Liberia	592
78	Global Logging Company	480
79	Sustainable Venture	386
80	Alta International Group Inc	250
81	K-Mark Indo	90
82	Coveiyalah Investment Enterprises, Inc	68
	Total	1,366,886

### List of Companies within Threshold that did not submit payment data

For the 7<sup>th</sup> Report

1. Amlib United Minerals Inc/ Kle Kle
2. Magna Diversified Corporation

For the 8<sup>th</sup> Report

All of the companies provided payment data