

MINUTES

REGULAR LEITI MULTI-STAKEHOLDERS STEERING GROUP MEETING HELD IN THE CONFERENCE ROOM OF THE LEITI SECRETARIAT • WEDNESDAY, OCTOBER 28, 2015

PRESENT

GOL

Alieu F. Nyei	Proxy of the Minister/MFDP
Robert P. Gbeanquoi, Sr.	Proxy of the Chair/MLME
Chea B. Garley	Minister of Agriculture
Maxwell B. Dogba	Proxy for the Commissioner General LRA
Elvin C. A. Frank	Proxy for the Minister of Internal Affairs
Edward S. Kamara	Proxy, Managing Director/FDA
Anderson S. Chea	Proxy, President of NOCAL

CSO

Wynston Benda-Henries	Rights & Rice Foundation
Cecelia T.M. Danuweli	PWYP
Nellie A. Attidigah	WONGOSOL
S. Barbington Coleman	Labor Congress

Private Sector

Laurentine H. Bass	ExxonMobil
Esiaka B. Konneh	Gold and Diamond Workers Union of Liberia
Henri Harmon	GVL
Zinnah B. Sackie	Aureus
Ansu Konneh	Western Cluster
John S. Deah	LTA

IN ATTENDANCE

Partners/Observers

Kofi Ireland	UNMIL
Christoph Buchberger	GIZ

OTHERS

Johnny Tarkpah	NOCAL
J. Kofa Torbor	PWYP

LEITI Secretariat

Konah D. Karmo	LEITI
Myer W. Saye	LEITI
Samson Wonnah	LEITI

I. **Preliminaries** – The 10th Regular meeting of the LEITI Multi-stakeholders Steering Group (MSG) for the year was held on Wednesday, October 28, 2015 in the Conference Room of the LEITI Secretariat. The meeting commenced at 1:00pm. In an opening statement, the Head of Secretariat (HOS), Konah D. Karmo, announced that GIZ now has a new representative on the MSG. Mr. Christoph Buchberger, he said, was taking over the role of Juliane Ms. Weymann who has now ascended to the post of Project Country Manager for the GIZ Regional Resource Governance Project in West Africa. Mr. Karmo also informed the body that the MSG Chair was away for a meeting in Geneva and that the Co-Chair had designated Hon. Alieu Nyei, Assistant Finance and Development Planning Minister to proxy for him, and therefore presides over the meeting.

II. Adoption of the Agenda: The agenda was read. It contained several discussion points, with the key items listed below:

- Presentation of report on the Communications and Reporting Committee’s Review of the Draft Beneficial Ownership Report
- Update from the Grievance Committee on the Putu Contact Group’s Complaint
- Status of Sectors’ Nomination of Delegates for 7th EITI Global Conference
- Approval of the Draft LEITI 2015/2016 Work Plan
- Submission of Draft Beneficial Ownership Disclosure Report

The agenda was adopted as presented.

III. Draft Minutes:

- ***Corrections:*** The HOS reiterated the need for input to the minutes to be made prior to the meetings as previously decided by the MSG. He said only Laurentine H. Bass from ExxonMobil suggested corrections to the draft minutes circulated to MSG members. Apart from identifying spelling errors and incorrect dates, key corrections suggested by Laurentine and incorporated to the minutes are outlined below:

- On page 4 of the draft minutes, she suggested that bullet point 5 under the heading “6th LEITI Report” should read “ It was the view of the Committee that in order for the discrepancies to be reduced, particularly those reported between NOCAL and ExxonMobil: - that the Government (NOCAL) acknowledges receipt of the full amount paid by ExxonMobil”. This bullet point previously read: “It was the view of the Committee that the discrepancies, particularly those reported between NOCAL and ExxonMobil is maintained in the report; they could be clarified during subsequent investigations”.
- Also on page 4, under the sub-heading “6th Report”, she suggested that the last paragraph be amended to read: “The discrepancy amount flagged was \$91m. NOCAL’s template was revised to show that \$70m was the payment made to PEPPERCOAST by NOCAL not ExxonMobil. Madam Laurentine Bass from ExxonMobil asked when will the 6th Report be updated to reflect these changes?”
- On page 5 of the draft minutes, under the sub-heading “NOCAL’s Participation on the MSG”, she pointed that reference made to Mr. Rufus Tarnue as NOCAL’s representation to the meeting was incorrect, suggesting Mr. John S. Tarkpah as the correct name.

- In addition to these corrections, a page-by-page review of the minutes was requested and one more correction was made: that Dr. McClain, recorded as Minister of the Agriculture was actually a Proxy of the Minister.

- ***Adoption:*** With these corrections made, the minutes was adopted through a motion.

- **Matters Arising:** There were no matters raised from the minutes.

IV. Secretariat Update: An update of the Secretariat covering the period September 29—October 27, 2015 was presented by the Head of Secretariat Mr. Konah D. Karmo. The key highlights are summarized below:

LEITI 6TH Report: The Secretariat has received the 2nd draft of the Report from the Consultant; but that draft still contains significant discrepancies between the Government and companies, particularly those reported between NOCAL and ExxonMobil. Hence, the Secretariat has communicated with the Consultants, seeking clarification on the huge discrepancies despite an earlier MSG mandate communicated to them that changes be made to reflect NOCAL's acknowledgment of receipt of the full amount paid by ExxonMobil which would have reduced the differences.

Beneficial Ownership Disclosure: The Secretariat has communicated comments from the Reporting and Communications Committee's review of the first draft report to the Consultant, and has given the Consultant two weeks (with November 9 as the deadline) to gather the required missing information/data and submit the final report.

Mining Sector Scoping Study: In response to the MSG's mandate that the Consultant improves on the data presented in the draft report by resorting to official sources such as the LRA, the Consultant-MAC Africa, has requested the Secretariat to facilitate a meeting with LRA. Accordingly, the Secretariat has communicated with the LRA. The updated final report is expected by November 10, 2015.

MSG Feedback Mechanism: With funding support from the African Development Bank, the Secretariat has completed agreements for technical and financial support to PWYP, GODIWUL, Rights & Rice and WONGOSOL to enhance their representation and feedback to their respective sectors and institutions to allow them contribute to MSG decision making process. Release of similar funding support is underway for Gold Diamond Brokers Association, the Liberia Timber Association and the Agriculture Sector. The total package is US\$42,000.

CSO Capacity Building: Similarly, as part of the AfDB support, the LEITI Secretariat has concluded agreements with six CSOs for capacity building activities. This will enhance their continuous dialogue and engagement with the extractive sector. The beneficiaries include PWYP, Rights & Rice Foundation, FLY, Extractive Media Watch, National Civil Society Council of Liberia and the Liberia Peace Building Network. The total support package is US\$50,000.

Nomination of Delegates for the Global Conference: To date, sectors have not fully complied with the MSG mandate to submit to the Secretariat, list of delegates for the EITI Global Conference scheduled to take place in Lima, Peru in February 2016 despite series of reminders from the Secretariat.

Composition of the MSG Grievance Committee: At the September 30th Regular Meeting, the MSG established a Grievance Committee with call on sectors to nominate their representatives to the Committee. To date, only one sector—the Observer—has nominated its representative to the Committee.

Staff Capacity Building: With funding support from the AfDB, three staff of the Technical Department staff members are expected to complete various capacity-building trainings by end of November 2015.

LEITI Billboards: Major maintenance works were done on all 14 billboards carrying LEITI awareness messages across the country. Unfortunately, few of these boards were damaged during various heavy storms experienced in the month of October. However, the Secretariat has contacted the Contractor and efforts are being made to refurbish the damaged boards.

Meetings and Conferences: The Head of Secretariat attended the Annual EITI National Coordinators Meeting and the 30th EITI Board Meeting along with EITI Africa Region I Board Representative, Hon. Gbehzongar M. Findley in Bern, Switzerland, from October 19-22, 2015. The

meetings discussed the current EITI transformation including review of the EITI Validation process and refinement to the EITI 2013 Standards. The Board Meeting concluded among other things, that the proposed validation assessment methodology will be piloted in countries that are scheduled for EITI Validation between October and December, 2015. The outcome of the pilot will guide the Board's decision for other validations scheduled beyond 2015.

- **Discussion of the Secretariat update:** The update was opened for discussions. Various comments, concerns and issues raised in relation to the Secretariat Update are highlighted below:
 - **6th EITI Report**– Laurentine H. Bass from ExxonMobil sought clarifications on the Reconcilers' response regarding payment from ExxonMobil to Pepper Coast as captured in the draft report. The HOS said the Reconcilers' response was that if the money was transferred to Pepper Coast and NOCAL was only the conduit, then the payment would not be treated as a government's revenue. However, NOCAL was required to present evidence of the transfer. This subject sparked huge debates. Some, including Kofi Ireland of UNMIL argued that once NOCAL acknowledges receipt of the payment, it should be considered in the Report since indeed NOCAL was acting in the capacity of a state enterprise managing the oil sector. That NOCAL was in fact involved because the oil blocks sold belonged to Liberia. The HOS said while the report is for Liberia, in line with best practices, the Reconcilers can also advise the implementing country and they cannot be compelled to do just what we want. NOCAL representative to the meeting, Anderson S. Chea, said that the Agency has requested its bank, Eco-Bank Liberia Limited to provide the transfer documents. Laurentine H. Bass of ExxonMobil voiced that her company was not comfortable with the issue unresolved. After lengthy arguments, the MSG instructed the Secretariat to write, requesting that NOCAL provides the transfer evidence within five days or mandate its bank to allow the Reconcilers access the information; otherwise, the amount is reported as government's revenue as it is.
 - **Billboards**—with reports that two of the LEITI billboards were damaged by storms just after been refurbished, Henri Harmon of Golden Veroleum suggested a mitigating strategy: that the boards are perforated to allow air pass through them.
 - **Capacity Building Grants for Civil Society Organizations:** Kofi Ireland of UNMIL said it was important for the MSG to be better informed about the nature of the capacity building collaboration the Secretariat currently has with CSO groups through support from the AfDB. He said the Secretariat could probably share the project concept as well as reports from the activities implemented. Responding, the HOS said the grant arrangements were sanctioned by the MSG and that the implementation component was administrative and purely in the purview of the Secretariat. Mr. Ireland said that his concern was not for the Secretariat to seek MSG approval to implement the grants. Information sharing, he said, was what he was interested in. Also commenting on this issue, Mr. John Deah of LTA cautioned Observers on the MSG to be aware of their limitations, noting that decisions in MSG meetings should be taken by statutory members.

V. **Presentation of Report on the Communications and Reporting Committee's Review of the Draft Beneficial Ownership Report:** There was a brief standoff when the Committee was called to present its report. Responding to comments made by Mr. Deah during the previous discussion, Mr. Ireland who chaired the Committee's meeting declined to make the presentation, commenting that he was an Observer. After a little while, the issue was resolved and Mr. Ireland assumed responsibility for the presentation. He began with calling on statutory members of the MSG to increase their visibility in the work of the MSG. Below are major issues the Committee highlighted:

- It was observed that the Consultants did not resort to other existing relevant sources to do their work, and only relied their data collection on information provided by the companies;

- Series of companies were listed as non-compliant. The Committee recommended that those companies be differentiated between those that were present and failed to send their data and those that are no longer in the country;
- There were several instances of duplication of companies. The Committee recommended that these are resolved; and
- Finally, the Committee noticed that in some instances, the Consultants deviated from their terms of reference.

The Committee's report was endorsed and the Secretariat was mandated to communicate it to the Consultants. However, those with additional comments were encouraged to forward them to the Consultants on or before the 5th of November 2015.

VI. Update from the Grievance Committee on the Putu Contact Group's Complaint—The Head of Secretariat informed the body that since the last meeting during which sectors were asked to nominate their representatives to the Committee, the Secretariat has yet to receive any nominations. The deadline for the submission of nominations was set as November 5, 2015.

VII. Status of Nomination of Delegates for 7th EITI Global Conference—The HOS reiterated the crucial need for sectors to submit the names of their nominees to the Secretariat, noting that Liberia risks attending the conference if the submission is not done by the deadline requested by the International Secretariat. He stressed that nominations should be made by sectors, not by individual institutions. He made particular reference to mail received from LTA making nomination on behalf of the Private Sector. Responding to this, Mr. John Deah of the LTA countered that it was necessary for each sector (for instance, mining, oil, forestry) to send a representative to the conference. The Chair of the meeting, Assistant Finance and Development Planning Minister Alieu Nyen stressed a point earlier made by the HOS that individual institutions could send as many representatives as they want to send once they have funding to cover the costs.

VIII. Approval of the Draft Work Plan—The HOS presented the draft FY 2015/2016 LEITI Work Plan prepared by the Secretariat with the caveat that further work is required on it. He therefore requested that the MSG sends the report to the Administration and Finance Committee that will work at improving on it along with the Secretariat. This was endorsed and the draft report was sent to the Committee.

IX. Any Other Businesses—After the key agenda items were exhausted, other issues were brought on the floor and discussed as follow:

- **Additional Reporting Requirement:** Mr. Deah of LTA recommended that the LEITI should go a step beyond the regular reporting scope and seek to provide information on government's expending of social contributions from the extractive companies. He said the recommendation stemmed from the fact that in most cases, government has failed to account for contributions made by the companies, but communities have often blamed the concessionaires due to their (communities) lack of understanding of the obligations. Responding, Assistant Minister Nyei said it is challenging to track the use of revenue from a specific stream because all government's revenues go to a consolidated account. Mr. Harmon of Golden Veroleum buttressed the recommendation from Mr. Deah, presenting a similar situation. He said that the act of brainwashing the communities and wrongly brandishing the government as engaged in by some NGOs and civil society organizations is wrong and counter-productive. He made a call for this kind of issue to be resolved.

Plan for Rolling Out 6th Report: Kofi Ireland of UNMIL asked if there were any plans to effective roll out the 6th Report. Responding, the HOS requested an emergency meeting on the 18th of November to discuss and approve the various reports (6th Report, Beneficial Ownership Report and Scoping Study Report).

Observers Status on the MSG: Referencing a previous discussion during which Mr. Deah cautioned that Observers know their limitations in MSG meetings, the HOS clarified that while Observers don't have voting right, consistent with the provision of the Operation Manual, they are encouraged to actively participate in the discussions and decision making processes.

Responsiveness of MSG Members: Cecelia T. Danuweli of PWYP called for responsiveness from MSG members in the performance of their duties. She said it was important for principals to get briefings from the proxies who attend the meetings.

X. Summary of Decisions Reached

- 6h EITI Report: the MSG instructed the Secretariat to write, requesting that NOCAL provides evidence of the transfer of funds from ExxonMobil to Pepper Coast within five days or mandate its bank to allow the Reconcilers access the information. Otherwise, the amount is reported as government's revenue as it is.

Committee's Report on Draft Beneficial Ownership Report: The Committee's report was endorsed and the Secretariat was mandated to communicate it to the Consultant. However, those with additional comments were encouraged to forward them to the Consultant on or before the 5th of November 2015.

Approval of Draft Work Plan: The draft FY 2015/2016 LEITI Work Plan presented by the HOS was sent to the Administration and Finance Committee to be worked on along with the Secretariat.

- Grievance Committee on Putu Contact Group: Deadline for nomination of sectors' representatives to the ad hoc committee established to look into the complaint from the Putu Contact Group was set as November 5, 2015.

XI. Date and time of next MSG meeting: The next MSG meeting was scheduled for Wednesday, November 18, 2015.

The meeting was adjourned at 4:00pm.