

Liberia Extractive Industries Transparency Initiative (LEITI)

14th Report Summary



July 1, 2020 – June 30, 2021

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List of Abbreviations

BO	Beneficial Owners
BOD	Beneficial Ownership Disclosure
CBL	Central Bank of Liberia
DP	Development Partners
EPA	Environmental Protection Agency
EU	European Union
EITI	Extractive Industries Transparency Initiative
FIU	Financial Intelligence Unit
FDA	Forestry Development Authority
GAC	General Auditing Commission
GW	Global Witness
LBR	Liberia Business Registry
LCAA	Liberia Civil Aviation Authority
LEITI	Liberia Extractive Industries Transparency Initiative
LISGIS	Liberia Institute of Statistics and Geo-Information System
LMA	Liberia Maritime Authority
LPRA	Liberia Petroleum Regulatory Authority
LRA	Liberia Revenue Authority
MOA	Ministry of Agriculture
MoC	Ministry of Commerce
MFDP	Ministry of Finance and Development Planning
MIA	Ministry of Internal Affairs
MoL	Ministry of Labor
MME	Ministry of Mines and Energy
NBC	National Bureau of Concession
NCSCL	National Civil Society Council of Liberia
NLC	National Labor Congress
NOCAL	National Oil Company of Liberia
NPA	National Port Authority
PWYP	Publish What You Pay
SGS	Société Générale de Surveillance
SOE	State-Owned Enterprise

Executive Summary

Liberia is a resource-rich country with the potential to emerge as an oil and gas producer. Since 2007, LEITI has worked effectively under the EITI arrangements of a tripartite framework (comprised of CSOs, Government, and Industry operators) to maximize the extractive resources for sustainable development. LEITI's successes have usually been realized through the increased publication of extractive sector information, the generation of effective public debates, and increased accountability.

The broad objective of LEITI is to assist in ensuring that all benefits due to the Government and people of Liberia on account of the exploitation and/or extraction of the country's minerals and other resources are:

- Verifiably paid or provided
- Duly accounted for; and
- Prudently utilized for the benefit of all Liberians and based on equity and sustainability.

As part of the EITI Standard Requirements, the MSG has produced fourteen annual reconciliation reports and has been touted as one of the most expanded reports due to the inclusion of the Agriculture and Forestry sectors. The report has remained one of the main comprehensive sources of information from the extractive sector, mostly referred to by researchers, academia, CSOs, government and international organizations.

This summary report condenses the 14th EITI Report for 2020/2021 and captures the most critical information. This summary is necessary and significant because it allows the LEITI Secretariat to produce as many copies as possible for dissemination across the 15 counties of Liberia. Summarizing and disseminating an EITI report is part of the requirements of the EITI Standard on public engagements and seeks to inform the public about activities in the extractive sector, generate public debates and build a culture of transparency and accountability in Liberia.

In response to the effects of the Pandemic on EITI reporting, the EITI Board introduced flexible measures for EITI Reports published in 2020, where data collection and dissemination are feasible without posing health risks and subject to MSG endorsement. In response to this decision, the LEITI MSG endorsed the Flexible Reporting Framework for this report.

LEITI Timeline: 2007-2022

Date	Event
2007	Liberia MSG Formed
2007	Liberia's Government announces commitment to EITI
2008	Liberia becomes Candidate country
January 2009	Liberia's 1st EITI Report published, covering July 2007-June 2008
July 2009	Liberia published the LEITI Act
2009	Liberia wins EITI Chair's Award at Doha Global Conference
2009	Liberia's First Validation Report Submitted
2009	LEITI Act requires disclosure of contracts and payment from stakeholders
October 2009	Liberia designated a Compliant country
January 2010	Liberia's 2nd EITI Report published, covering July 2008 to June 2009
November 2011	Liberia's 3rd EITI Report published, covering July 2009 to June 2010
May 2013	Liberia's 4 th EITI Report published, covering July 2010 to June 2011
2013	Liberia 1 st Post-Award Process Audit reveals procedural violations in awarding of contracts
June 2014	Liberia's 5 th EITI Report published, covering July 2011 to June 2012
December 2015	Liberia's 6 th EITI Report published, covering July 2012 to June 2013
June 2016	Liberia's 7 th EITI Report published, covering July 2013 to June 2014
1 July 2016	Commencement of Liberia's second Validation
July 2016	Liberia's 8 th EITI Report published, covering July 2014 to June 2015
January 2019	Liberia's 9 th EITI Report published, covering July 2015 to June 2016
December 2019	Liberia's 10 th & 11 th EITI Reports published, covering July 2016 to June 2018
6 March 2020	Liberia's temporary suspension lifted
April 2021	Liberia's 12 th EITI Report published, covering July 2018 to June 2019
Sept 2021	Liberia joined the Opening Extractives Program
July 2022	Liberia's 13 th EITI Report published, covering July 2019 to June 2020
2022	Scoping Assessment Report on BO in Liberia published
December 2022	Liberia's 14 th EITI Report published covering July 2020 to June 2021

Liberia's Published EITI Reports 2007-2021				
Report Title	Fiscal Year	In-Scope Companies	Fiscal Revenue	
14 th EITI Report	2020/2021	73	85 million	
13 th EITI Report	2019/2020	70	67 million	
12 th EITI Report	2018/2019	19	71million	
11 th EITI Report	2017/2018	19	53million	
10 th EITI Report	2016/2017	15	48million	
9 th EITI Report	2015/2016	34	54million	
8 th EITI Report	2014/2015	42	99million	
7 th EITI Report	2013/2014	44	133million	
6 th EITI Report	2012/2013	85	185million	
5 th EITI Report	2011/2012	80	110million	
4 th EITI Report	2010/2011	65	103million	
3 rd EITI Report	2009/2010	71	72million	
2 nd EITI Report	2008/2009	71	35million	
1 st EITI Report	2007/2008	30	30million	
Total			1,145 billion	

Key Findings of Liberia's 14th EITI Report-FY2020/2021

- The 14th EITI Report (FY2020-2021) covers 73 in-scope extractive companies across the four sectors of the LEITI. Of this number, **32** are mining companies, **13** are agriculture companies, and **28** are forestry companies, while there was **no** oil and gas company.
- The extractive sector recorded total revenue of **US\$84,690,471** in FY2020/2021. This amount reflects an 18.5% increase in extractive revenue compared to US\$79,632,411.00 in FY2019/2020.
- Analysis of extractive revenue by sector shows that the mining sector continues to dominate extractive revenue, contributing US\$64,363,203.00 or 76% to Government's revenue. Agriculture follows with US\$12,301,669.00 or 15%, forestry US\$7,888,301.00 or 9% and oil and gas with US\$137,298.00 or 0.2%.
- Analysis of revenue streams from the extractive sector for FY 2020/2021 indicates that withholdings and royalties were the two biggest contributors to Government revenue, accounting for 31% and 42% respectively.
- LRA, EPA, LCAA, NOCAL, and NPA submitted payment information for 102 companies in the oil and gas, mining, forestry, and agriculture sectors. Eighteen of the companies representing 18% contributed 91% of tax revenues from the extractive sector. Arcelor Mittal Liberia Ltd accounted for 35%, Bea Mountain Mining Company accounted for 20%, Arcelor Mittal Lib Holding Ltd accounted for 15%, Firestone Plantation accounted for 6% and Liberia Agricultural Company accounted for 2%.
- Social and environmental expenditure of extractive companies for FY2020/2021 amounted to US\$6,285,658.00. Of this amount, 2,379,307 or 38% represents cash contribution while 3,906,350 or 62% represents in-kind contribution.
- Analysis of the contribution of the extractive sector to the economy shows that the extractive sector contributed 22% of tax revenue, 12% of national budget, 96% of total exports, and 57% of GDP.
- Production data during the FY 2020/2021 reveals that the extractive sector produced 72,793 carats of diamonds, 5,352 ounces of gold, 4,093,510 tons of iron ore, 86,290 cubic meters of round logs, 89,802,666 metric tons of rubber, 59,256 metric tons of crude palm oil and 8,082 metric tons of crude palm kernel oil.
- Export data for FY 2020/2021 shows the extractive sector exported 66,719 carats of diamonds, 5,315 ounces of gold, 4,038,731 metric tons of iron ore and 137,432 cubic meters of round logs, all valued at US\$482,008,570.00. Additionally, rubber, crude palm oil and crude palm kernel oil total export value is US\$150,611,779.00.
- Beneficial ownership data collated in the extractive sector for FY 2020/2021 indicates that of the 103 mining licenses captured, 59 had partial BO data, 44 did not have any BO data while none had complete BO data. In agriculture, only 1 out of the 13 companies captured fully disclosed BO data, three partially disclosed, and nine did not submit BO

data. Additionally, in the forestry sector, only 3 of the 28 companies captured fully disclosed BO data, one partially disclosed BO data, and 24 did not submit BO data.

- Across the extractive sector in FY 2020/2021, there were 133 active mining licenses (Class A, B, Exploration, Prospecting & Reconnaissance), 27 active forestry contracts, 10 active agriculture concessions, and no active oil and gas license.
- The global effect of the COVID-19 Pandemic on the extractive sector has been severe and created high uncertainties, forcing the sector to adjust to a "new normal." However, the report indicates that for the FY 2020/2021, production of gold, rubber, round logs, iron ore, crude palm oil, and crude palm kernel oil experienced an uptick.

1.0 Approach and Methodology

The Extractive Industries Transparency Initiative (EITI) is the global standard to promote the open and accountable management of oil, gas, and mineral resources. It requires the disclosure of information along the extractive industry value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. The EITI's ultimate goals in all implementing countries, including Liberia, are to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for the two key components of transparency and accountability in the extractives sector.

Specifically, EITI implementation has three core components:

Transparency: oil, gas, and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by the Independent Administrator and published annually alongside other information about the extractive industries per the EITI Standard.

Accountability: a multi-stakeholder group (MSG) with representatives from government, companies, and civil society is established to oversee the process and communicate the findings of the EITI reporting and promote the integration of EITI into broader transparency efforts in that country.

Communicate: the findings of the EITI reporting and promote the integration of EITI into broader transparency efforts in that country.

The EITI Standard encourages MSGs to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations, and business. The requirements for implementing countries are set out in the EITI Standard¹. Additional information is available via www.eiti.org.

It is understood that the EITI requires an assessment of whether the payments and revenues are subject to credible, independent audits, applying international auditing standards. The expectation is that government and company disclosures as per Requirement 4 are subject to credible, independent audit, applying international auditing standards. The expectation is that disclosures as per Requirement 4 will include an explanation of the underlying audit and

assurance procedures that the data has been subject to, with public access to the supporting documentation.

Methodology

The following methodology was adopted for this report:

- Conduct a scoping report to determine the scope of the report to inform the development of template and selection of participating entities and agencies
- Collect relevant and material unilateral data from participating government agencies and extractive companies based on EITI Standard Requirements 2, 3, 4, 5, and 6
- Conduct review and investigation into COVID-19 impacts on extractive sector development and industry outlook, including but not limited to commodity price shocks and global demand for extractive commodities
- Engage with MSG to review report and request for additional information and explanation where necessary

Document Reviewed

During the process of preparing this 14th EITI Report, the following documents were reviewed:

- List of all active licenses, contracts and concessions during the period under review.
- All revenue payments made by all extractive companies and receipts confirmed by participating government agencies (including those in Agriculture, mining, oil and gas, and forestry) during the period under review and the basis for the estimation of each revenue stream.
- Model PSC Agreement
- Petroleum Policy of Liberia
- Mining Policy of Liberia
- LEITI 2018/2019 (Flex)Report
- LEITI Validation Report (2022)
- 2019 EITI Standard
- LEITI Workplan 2022
- Reports of seminars and workshops held on the EITI
- All policies, laws and regulations that govern the extractive sector
- Previous LEITI Reconciliation Report
- Liberia Revenue Code
- Previous reporting and data collection templates
- Audit regulations and reports on the extractive sector
- The Audited Financial Statement of NOCAL
- Relevant websites and articles

2.0 Scope of Liberia's 14th EITI Report

The scope of this report includes the following:

- Information about the impact of Covid-19 on the legal and fiscal terms governing the extractive industries.
- Information about actual and projected revenues from the extractive industries considering the shift in commodity prices.

- Identifying and mitigating possible corruption risks across the extractives value chain considering the Covid-19 pandemic.
- Monitoring revenue transfers, payments, and benefits to local communities
- Strengthening timely and regular government and company disclosures per the EITI Standard.
- Providing an assessment of the comprehensiveness and reliability of the disclosures and recommendations regarding audit practices and reforms needed to bring them in line with international standards.
- Support the MSG in agreeing to recommendations for strengthening government systems and natural resource governance.
- Progress in addressing recommendations from previous EITI reporting or corrective actions from Validation.

3.0 Overview of the Extractive Sector

Liberia is endowed with multiple natural resources, including mineral deposits such as gold, iron ore, diamonds, base metals, bauxite, manganese, fluorspar, kyanite and phosphate; oil and gas deposits which are yet to be discovered in commercial quantities; forestry products including timber; and agricultural cash crops such as rubber and oil palm. For decades, these resources have remained a significant contributor to Liberia socioeconomic development. It contributes directly in terms of domestic government revenue, employment, merchandise exports, foreign exchange earnings and Foreign Direct Investment. Under the EITI Reporting framework, the main extractive sector includes activities in the upstream oil and gas sector, minerals sector, forestry, and agricultural sectors, including oil palm and rubber concessions.

3.1 Mining Sector

The mining sector comprises of a variety of mineral resources, both higher value metals and industrial minerals. The principal higher-value metals include gold, diamonds, and iron ore, found in ancient greenstone belts in many parts of Liberia, as well as traces of platinum, uranium and niobium, and base metals such as nickel, cobalt, tin, lead and manganese. Key industrial rocks and minerals mainly include sulphur, phosphates, clays (kyanite), granite, silica sand, heavy mineral sands (rutile & ilmenite) and diabase/dolerite. These minerals exist in both smaller and large quantities across Liberia. During the 14 years of civil unrest between 1989 to 2003, the mineral sector contribution dipped and investment in the sector reduced significantly. Exports of diamonds, a significant mineral sector export, were banned. Large scale mines suspended operations and some even closed due to the civil unrest.

A consequential effect from these happenings was the significant reduction in revenues, jobs, infrastructure worn out and environmental impacts and overall poverty were worsened. However, since 2005, investments in the sector have led to increased exploration and development of mines, especially in gold and diamond mines. As per the Minerals Policy of the Government of Liberia, the overarching strategy for the mineral sector is to institute appropriate policies and fiscal framework to attract investments to enhance its contribution to government revenues, foreign exchange earnings, employment creation, ancillary economic activities, human resources & technology development, and the improvement of social and physical infrastructure.

3.2 Oil & Gas Sector

Oil and gas exploration in Liberia dates to the 1940s when the government awarded its first exploration contract, however no activity was performed by the contractor. In 1958, exploration license was awarded to Liberian American Exploration Corporation; however no significant discoveries were made. After about 10 years of inactivity in the sector, subsequent exploration activities were conducted between 1960s and 70s by Union Carbide Petroleum Corporation, Frontier International Petroleum, and Chevron Oil Company, which resulted in a magnetic and seismic data acquisition. The USGS and LGS conducted a joint aeromagnetic survey which, after interpretation, exposed the presence of sedimentary basins on the continental shelf (up to 600 meters depth of Liberia).

A major milestone was achieved in 1968 when the government of Liberia enacted Liberia's Petroleum Code to form the basis for the division of its continental shelf into four main blocks (A, B, C, and D). Blocks A, B, and C were awarded to a few companies, however, no major discoveries were made. This result diminished investors' interest in Liberia's petroleum sector for more than a decade. By 1971, about four wells had been drilled by Union Carbide, Frontier, and Chevron correspondingly. The government continued its activities by requiring further geophysical data between 1972 and 1981. During the same time a total of 18,900 line-km of seismic data was acquired by the Ministry of Lands and Ministry of Energy as well as USGS, with support from the World Bank. Additional blocks were created including 5 shelf area and 4 deep water blocks.

Subsequent exploration activities by AMOCO proved futile and it relinquished all acreage and ceased operations in Liberia in 1989. Subsequent seismic surveys by various companies confirmed the presence of six sedimentary basins ranging in thickness from 4000 feet to approximately 20,000 feet. Discoveries in other West African countries has, has drawn much interest in the region including significant interest in Liberia¹⁶. As a result of this interest, exploration activities in Liberia's offshore territory recommenced in 2000 after a decade of dormancy with the conduct of extensive 2D and 3D seismic surveys (from 2000-2010) and the drilling of five exploratory wells between 2010 and 2012. The announcement in February 2012 of an oil discovery in Liberia intensified further investment interest. Between 2010 and 2016, ten (10) additional exploratory wells were drilled but no commercial discoveries were made.

Currently, Liberia has a total of 52 concessionary offshore acreage blocks, with a maximum area of 2000 sq-km per block. Deep-water blocks exist close to the continental shelf ranging from water depths between 2500 - 3000 meters. The blocks considered "ultra-deep" has water depths of as much as 4500 meters. Since 2010, the government of Liberia has championed several governance reforms in the oil and gas sector including:

- A new Petroleum policy to "manage Liberia's petroleum resources in an environmentally responsible manner, to optimize returns for Liberia and ensure equitable benefits to the people of Liberia now and in the future.
- The enactment of a new Petroleum (Exploration and Production) Law to ensure the provision of legal basis for the conduct of petroleum activities both onshore and offshore in

Liberia. The new law reflects the dynamism in the oil and gas industry as well as hinged on the attraction of investors in Liberia’s oil and gas industry

- The establishment of the Liberia Petroleum Regulatory Authority to be given the mandate as the regulator of the sector. This enhances the role of the national oil company of Liberia (NOCAL) by focusing its mandate as a commercial player on behalf of the State.

Major Developments in the Oil and Gas Sector Over the Years.	
Year	Major Milestone Event
1958	Exploration License to Liberia American Exploration Corporation
1968	Chevron and Conoco acquire reconnaissance magnetic and seismic data
1969	Establishment of Liberia’s Petroleum Code
1969 - 1972	Liberia Government divided the continental shelf into 4 concession blocks (A, B, C, and D)
1969	Union Carbide, Chevron, Frontier Oil awarded blocks A, B, and C respectively
1971	Wells A1-1 and A2-1 drilled by Union Carbide; well, 11B-1 by Chevron and well Cestos-1 by Frontier
1972	Approximately 13,000 line-km of offshore geophysical data acquired by USGS
1976 - 1981	Approximately 5,900 line-km of seismic data acquired by the Ministry of Lands, Ministry of Energy, in conjunction with GSI (1975) and World Bank (1981)
1982	New Liberian Petroleum Code enacted and created 5 shelf area blocks and 4 Deep water blocks
1983	Amoco granted 4 offshore blocks: 2 on the continental shelf and 2 in deep water
1983 - 1984	7800 line -km of seismic acquired
1984	Amoco obtains 2 additional blocks
1985	Amoco drills 3 wells, S/1-1, S/3-1 and H3-1
1986	Amoco relinquished most of its acreage
1989	Amoco pulled out
1997 - 1998	Government of Liberia divides unlicensed offshore blocks into 8 (A-H)
2000	National Oil Company of Liberia Established by an Act of Legislature
2002	Enactment of the New Petroleum Law of Liberia
2000 - 2010	NOCAL contracts TGS-NOPEC Geophysical Company to conduct 2D seismic surveys
2008	Second bid rounds were conducted for five offshore blocks
2012	African Petroleum announces ‘significant’ discovery at its deep water well, Narina-1, in Block LB-09
2012	Development of New Petroleum Policy of Liberia and a Model Production Sharing Contract
2014	New Petroleum (Exploration and Production) Law enacted. Liberia Petroleum Regulatory Authority established under the law as the main regulator for the oil and gas sector
2019	Amendments to Petroleum Law
2020	Launch of Liberia’s third licensing rounds

3.3 Forestry Sector

Liberia possesses significant forest resources within the West African Sub-region. It is considered the most forested country in the region, with 68% of Liberia's land surface covered by forests and remains the only country that was historically covered entirely with rain forest. Liberia's forest is made up of approximately 6.69 million hectares (Mha) of lowland tropical forest that comprise 43% of the remaining Upper Guinea forests of West Africa.

Major Governance Reform Milestones That Have Taken Place in the Sector Since 1953.	
Year	Major Event in the Forestry Sector
1953	Legislative framework (Forest Act, 1953) enacted for the creation of the Bureau of Forest, Conservation and Wildlife. Establishment of National Parks and Reserves
1957	Supplementary Act passed to set Wildlife Refuges
1964 to 1968	First Forest Inventory conducted on approximately 10 percent or 1.6 million ha of Liberia's forest cover
1968	Liberia signs up to Africa Convention on the Conservation of Nature and Natural Resources by the African Union
1973	Liberia becomes a party to Convention on International Trade in endangered species of wild fauna and flora (CITES)
1976	Forestry Development Authority Act passed to establish Forestry Development Authority to replace the Bureau of Forest Conservation and Wildlife
1977	Enactment of Revenue Code which empowers FDA to assess, collect and use forest charges
1988	Amendments to FDA Act to empower FDA to establish Government Forest Reserves, Native Authority Forest Reserves, Communal Forests and National Parks
2003	UN Sanctions Log exports from Liberia
2003	Establishment of East Nimba Nature Reserve and Sapo National Park
2005	Enactment of Public Procurement and Concession Committee which provides institutional structure for public procurements and concessions including forestry
2005	Liberia Forest Initiative launched with the aim to commence a new reform in the forestry sector
2006	National Forestry Reform Law Enacted as part of the reform process that led to the lifting of sanctions on the log's exports
2006	National Biodiversity Strategy and Action Plan developed and the development of National Forestry Policy and Implementation Strategy
2009	Community Forest Rights Law enacted
2010	Liberia Extractive Industry Transparency Act was enacted to enhance transparency in Forestry sector, among others such as mining, oil and gas and Agriculture
2011	Liberia signs up to EU's Voluntary Partnership Agreement to allow for facilitation of trade on timber products between Liberia and EU
2018	National Forest Inventory conducted

3.4 Agriculture Sector

In Liberia, Agriculture is dominated by traditional subsistence farming systems, often characterized by labor-intensive and less mechanized systems of farming. The most common subsistence is the growth of food crops such as rice, cassava, vegetables, and other staples which aggregately account for about 87 percent of cultivated land. In addition, there are commercial agricultural activities that include plantation estates of rubber, oil palm, coffee and cocoa. These cash crops are usually exported as raw materials with no or little value addition. The structure of Liberia's agriculture sector has remained the same since the beginning of cash crop (rubber) exports in the 1920s.

The agriculture sector has historically been a significant contributor to Liberia's economy and socioeconomic development. It contributes directly in terms of domestic government revenue, employment, merchandise exports, foreign exchange earnings and Foreign Direct Investment. Agriculture sector contribution to Liberia's economic growth remains vital, even though in the last decade it has been declining compared to the service. Over 60% of Liberia's population depends on the sector for their livelihood. Agriculture, including forestry has remained the sector's largest contributor to GDP after the Services sector. Under LEITI, Agriculture is defined to mean Rubber and Oil palm subsectors. Historically, the sector has evolved through series of policies, from focusing on raw material and cash crop production to the adoption of technology and innovation to modernize agricultural practices and strengthen linkages between the agriculture sector and other sectors.

3.5 Legal & Institutional Frameworks for the Extractive Sector

The extractive sector in Liberia is governed by multiple pieces of legislation, policies, regulations, and other administrative guidance documents. There are multiple institutions involved in the governance of the extractive sector in Liberia, but the primary agencies are the Ministry of Mines and Energy, the Liberia Petroleum Regulatory Authority, the Forestry Development Authority, the Environmental Protection Agency and the Ministry of Agriculture.

The 1986 Constitution of the Republic of Liberia: The Constitution is the supreme law of Liberia. Article 7 of the Constitution, it requires the economy and natural resources of Liberia to be managed in a way that ensures the maximum feasible participation of Liberian citizens under conditions of equality to advance the general welfare of the Liberian people and the economic development of Liberia. This forms the basis of preferential reservations of Class C licenses for Liberian nationals as well as local content rules in the Mining industry.

Minerals and Mining Law (2000): The Minerals and Mining Law of 2000 is the primary law that governs the conduct of mineral activities, including exploration, development, and mining operations on ground surface, soil or subsoil, streams, rivers, watercourses, territorial waters, and continental shelf of Liberia. Specifically, the Law provides the basis for the definition of ownership of mineral resources in Liberia, allocation of rights (including reconnaissance,

prospecting, and exploration licenses), allocation of rights for mineral operation, and environmental protection.

Mineral Policy of Liberia (2010): The Mineral Policy of Liberia provides the policy directions to ensure equitable and optimal exploitation of Liberia’s mineral resources to achieve broad-based sustainable growth and socio-economic development. In essence, it sets out the expectations for the sector to contribute to Liberia’s economy and more broadly to social regeneration and the enhancement of a democratic culture

Revenue Code of Liberia (2000) and as Amended in 2011: The Law stipulates determinative legal provisions for mining taxation in Liberia. Specifically, Sections 700 to 739 cover overall taxation in the sector, including the definition of key mining taxation terms, corporate income tax, royalties, surface rents, withholding tax, dividends, capital allowance, and other tax-related structures.

Environmental Protection and Management Law (2002): The Law establishes a legal framework for the overall protection and management of the environment by the Environment Protection Agency of Liberia in partnership with regulated Ministries and organizations and in a close and responsive relationship with the people of Liberia. Specifically, it provides the legal basis for the conduct of Environmental Impact Assessments, Audit and Monitoring of mining projects; setting of Environmental Standards that ensures safe and secure mining activities in Liberia; protection of biodiversity and national heritage sites, maintenance of pollution controls; implementation of International Environment Protocols; among other administrative processes in the mining sector.

Land Rights Act (2014): The Law provides a framework for the legal definition of land ownership, use, and overall administration, including dispute resolution and transfer of land ownership. Specifically, it prescribes means by which each land category in Liberia can be acquired, used, transferred, or otherwise managed.

Liberia Extractive Industries Transparency Initiative (LEITI) Act of 2009: The Law provides the legal basis for the implementation of the EITI Standard in Liberia. It establishes LEITI to ensure enhanced transparency and accountability of extractive resources, including the publication of legal frameworks, allocation of rights, contracts, beneficial owners of extractive companies, state participation, reconciled information on production, exports, revenue receipts and payments, socioeconomic impact of extractives and environmental impacts of extractive activities. The primary objective of LEITI as per the Law is to assist in ensuring that all benefits due the Government and people of Liberia on account of the exploitation and/or extraction of the country’s minerals and other resources are (1) verifiably paid or provided; (2) duly accounted for; and (3) prudently utilized for the benefits of all Liberians and based on equity and sustainability.

Model Mineral Development Agreement (2008): The model agreement provides a model contract to guide contract development and negotiation between the Government of Liberia and potential investors in the mining sector.

(Exploration and Production) Act (PEPA) is the primary legislation for the oil and gas sector in Liberia. It establishes a fiscal and legal regulatory framework for the management and regulation of petroleum activities in accordance with Articles 7 and 22(b) of the Constitution of the Republic of Liberia. Specifically, it provides the basis for ownership of petroleum and petroleum rights; institutional arrangements, including the establishment of the National Oil Company of Liberia (NOCAL) and Liberia Petroleum Regulatory Authority (LPRA); licensing, tendering for and granting of petroleum agreements; definition of forms and types of petroleum agreement, state participation; citizen participation; environmental health and safety; and local content and participation. Under the original law, the allocation of petroleum rights was only to be conducted through international competitive tendering. However, in 2019 the law was amended to include the allocation of rights through direct negotiation with potential investors and executive allocation to NOCAL. In addition, new blocks were configured in the same year to align with international standards.

National Petroleum Policy of Liberia (2012): The Petroleum Policy of Liberia was developed in 2012 with the overall goal of directing the management of Liberia’s petroleum resources in an environmentally responsible manner, optimizing returns to achieve equitable distribution of accrued benefits

The National Oil Company of Liberia Act (2000) and as Amended in 2014: The Law establishes NOCAL as the national oil company with the mandate to engage in petroleum exploration, development and production on behalf of the State; lift and market State’s entitlement of crude petroleum taken in-kind; hold and manage all interests acquired by the State in all Petroleum agreements or production-sharing agreements; and encourage the development of national capabilities in all aspects of petroleum exploration, development and production, among other things.

Model Production Sharing Contract (2020): The model PSC is intended to guide contracting and negotiation processes between the government of Liberia, NOCAL and potential investors. It provides look-alike terms and conditions of a PSC, including contractors’ obligations of NOCAL and the government of Liberia obligations; taxation and royalties; accounting methods and audit; State participation and Citizen Participation; among other relevant areas.

The Forestry Development Authority Act (1976), (As Amended): The Act (as amended) establishes the Forestry Development Authority (FDA) as a body corporate with its objectives as establish a permanent forest estate made up of reserved areas upon which scientific forestry will be practiced; devote all publicly owned forest lands to their most productive use for the permanent good of the whole people considering both direct and indirect values; stop needless waste and destruction of the forest and associated natural resources and bring about the profitable harvesting of all forest products while assuring that supplies of these products are perpetuated; correlate forestry to all other land use and adjust the forest economy to the overall national. Further Amendments have been enacted to even improve the governance and ownership responsibility of the FDA in forest management in Liberia.

For instance, the National Forestry Reform Law further enjoins FDA with the responsibility to assure the sustainable management of the Republic’s Forest Land, conservation of the Republic’s

Forest Resources, protection of the Republic's Environment, and sustainable development of the Republic's economy, with the participation of and for the benefit of all Liberians, and to contribute to poverty alleviation in the Nation. The 2006 Law repealed Sections 16 to 23 of the Act creating the Forestry Development Authority.

■ **Conservation of the Forests of the Republic of Liberia (1953):** It provides the framework for the use of forest and wildlife resources and allows for the creation of government reserves, native authority reserves, commercial forests, national parks, and wildlife refuges.

■ **Supplementary Act for the Conservation of Forests (1957):** The Supplementary Law also provides the framework for the use of forest and wildlife resources and allows for the creation of government reserves, native authority reserves, commercial forests, national parks, and wildlife refuges.

■ **The Act that created the Forestry Development Authority (FDA) (1976):** The Act established the FDA as a semi-public autonomous corporation with the mandate to sustainably manage and conserve the forests and related resources of the country for the benefit of present and future generations. It also stipulated forest offences and penalties, made provisions for an Advisory Conservation Committee and specified powers of forest officers regarding trees in reserve areas.

■ **Wildlife and National Parks Act (1988):** This Law identifies several protected areas and specifies policies and objectives regarding wildlife and conservation in Liberia.

■ **National Forestry Reform Law (2006):** The Law provides for the management and conservation of the forest resources of Liberia. It covers the definition of ownership rights and other rights in forests, regulation of commercial and other use of forest resources, provision for the protection of the environment and wildlife in forest areas, regulation of the trade in forest products, and provision for various other matters relative to forestry and wildlife.

■ **Rubber Development Fund Incorporated Act (2016):** This Act provides the framework to ensure the development and modernisation of Liberia's Rubber Industry in all aspects, including capacity building and manufacturing of rubber products as well as improving the performance and competitiveness of Liberian Rubber supply chain and value chain activities. The enactment of this law led to the repeal and replacement of the Rubber Industry Rehabilitation and Development Fund of Liberia (2003) and the Liberia Rubber Development Authority Act (2004).

3.5.1 Award of Licenses

The award of license in the mining sector is conducted by the Minerals and Mining Law (2000), under Chapters 5, 6, and 7. Liberia practice an open door negotiated system for allocating mineral rights on a first-come-first-serve basis. The types of licenses include Reconnaissance, Prospecting, Exploration and Mining Licenses. There are different classes of mineral licenses including Class A, B, and C.

License Type	Validity Requirements	Area (not to exceed)	Duration
Reconnaissance	Shall not engage in drilling or sinking of pits	Size does not exceed 2000 square kilometres	Maximum of 6 months tenure - renewable
Prospecting	Must Submit proposed prospecting plan Eligible for Class B or C applicant	Not exceed 100 acres	6 months and renewable for 6 months
Exploration	Eligible for Minerals exploration applicants	1000 sq. km	3 years and up to additional 2 years renewal
Class A	Large scale Mining Requires completing exploration program and detailed map and descriptions based on actual survey Complete feasibility study	As mapped	25 years tenure Renewable by additional 25 years
Class B	Industrial operations	An area not currently under a mineral right	5 years license tenure and renewable for additional 5 years
Class C	Operationally for small-scale operations	Up to 25 acres	1 year and continuous yearly renewal
Quarry	Building and Industrial Minerals	Up to 50 acres	5 years and continuous 5 years renewal

3.5.2 License Application Process – Class ‘B’ and ‘C’ Licenses

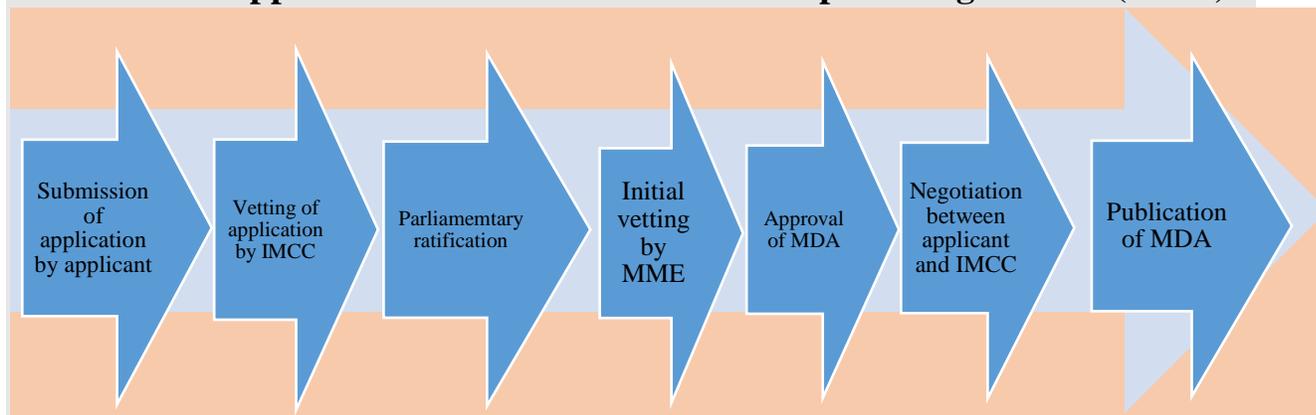
Stage/Activity	Responsible Agency/Person
Application submitted to Minister’s office	Applicant
Application recorded by Cadastre office and uploaded on MCAS	MME
Vetting of application by GIS technician and recommendation for validation	MME
Application forwarded to Bureau of Mines for further vetting	MME
Application reviewed, vetted, and validated by the Director of Mines	MME
Assistant Minister of Mines reviews and issues approval	MME
Application is forwarded by Bureau of Mines to Cadastre office to effect payment process	MME
Request for Payment delivered to applicant	MME
Payment made to LRA by applicant and receipt submitted to Bureau of Mines	Applicant
Cadastre receives payment confirmation, and prints license and sends it to Bureau of Mines for signing	MME
License is issued to the applicant	MME
License filed and included in Cadastre	MME

3.5.3 License Application Process – Class ‘A’ Licenses

Stage/Activity	Responsible Agency/Person
Apply to Minister’s office	Applicant
Application validated by Cadastre to ensure proposed land is not encumbered	MME
Submission of feasibility report	Applicant

Ministerial Vetting and approval of feasibility report	MME
License Granted	MME

3.5.4 License Application Process – Mineral Development Agreement (MDA)



3.5.5 Mineral License Transfer Process

The Minerals and Mining Law, 2000 provides a basis for the transfer of mineral rights acquired by an applicant to another, upon approval by the government, except for an assignment to an affiliate of the Holder of Mineral Rights. Similarly, mineral rights can be transferred from a holder to an affiliate without needing government approval on the condition that the mineral right holder and the affiliate remain jointly and severally liable for all obligations assumed under the mineral rights.

3.5.6 Active Mining Licenses as of June 2020

The Ministry of Mines reported 133 active licenses in Class A (5), Class B (22), Exploration (26), Prospecting (79), and Reconnaissance (1). The table below shows the categories:

N0.	Commodity	Class A	Class B	Exploration	Prospecting	Reconnaissance	Total
1.	Barite		1	1			2
2.	Corundum				1		1
3.	Coltan			2	3		5
4.	Diamond		1		3		4
5.	Gold	2	13	20	61	1	97
6.	Graphite						
7.	Iron ore	3	3	3			9
8.	Quarry						
9.	Rock		1		3		4
10.	Sand		3		6		9
11.	Zircon				2		2
Total		5	22	26	79	1	133

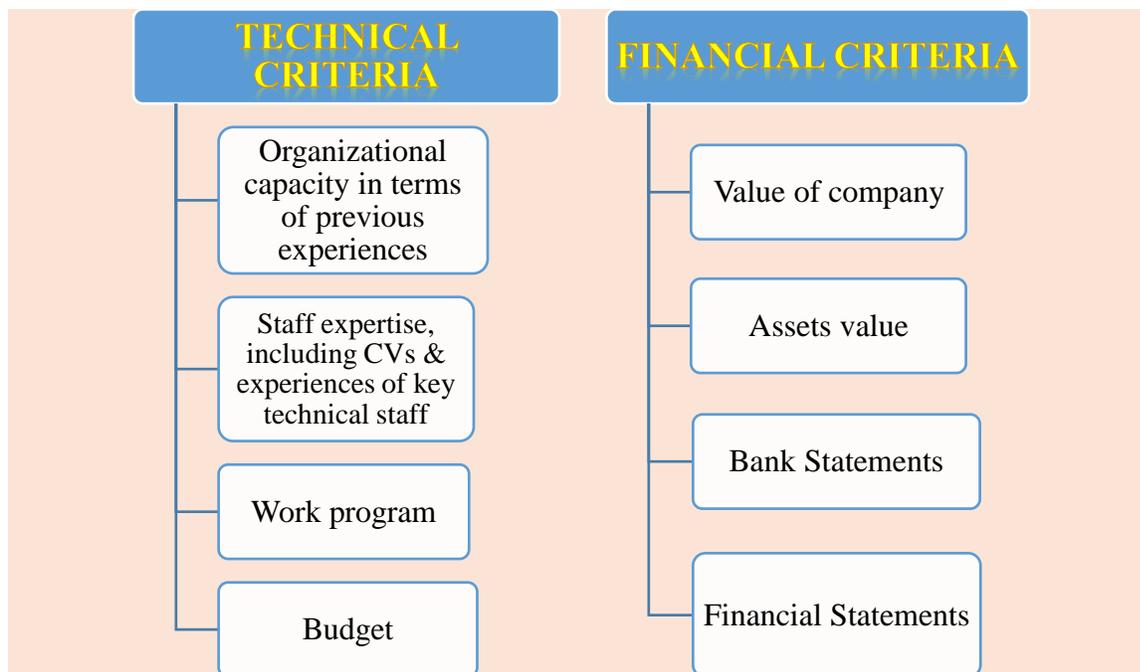
3.5.7 Technical and Financial Criteria Used in Mineral License Allocation

Section 4.2 requires both the financial and technical capacity of the licensee. This section stipulates that information furnished by the Licensee demonstrates to the reasonable satisfaction of the Minister that:

- by Schedule 4.2(c)(i) the Licensee possesses or has access to the technical capacity to carry out its proposed work program.
- in accordance with Schedule 4.2(c)(ii) the Licensee possesses or will possess the financial capacity to carry out its approved work program and comply with its obligations under this regulation and the Mining Law.

Hence, financial criteria require MME to carry out financial checks on the licensee and, where appropriate, on the corporate group to which the licensee belongs. There is no set guidance on the determination of financial capabilities yet apart from background checks on the licensee or its parent company other criteria such as technical including the licensee's managerial competence is required. Further, request for the qualification and experience of senior management is to be complied with.

3.5.8 Technical and Financial Criteria for Assessing License Application



3.5.9 Types of Oil and Gas Licenses or Agreements

License Type	Key Sections in Legislation
Reconnaissance License	The reconnaissance license shall confer upon the holder non-exclusive and non-transferable rights to conduct reconnaissance operations in an area specified in the license. Duration is two (2) years
Petroleum Agreement	<p>A petroleum agreement shall grant the contractor an exploration authorization for a maximum period of seven years, divided into an initial phase, followed by extension periods, which shall be granted to the contractor, at the contractor's request, provided that the exploration work commitment to be carried out in the preceding phase was fulfilled.</p> <p>Petroleum agreements grants the Contractor, an exclusive right to explore for petroleum in the contract area and to carry out such operations and execute such works as may be necessary for that.</p>

3.5.10 Processes for Application of Oil and Gas License or Petroleum Agreements

License Type	Key Sections in Legislation
International Competitive Tendering	<p>Sections 15 of New Petroleum (Exploration and Production) Act provides details on processes for competitive tendering.</p> <p>https://www.lpra.gov.lr/index.php/publication/laws-regulations</p>
Direct Negotiation	<p>Section 14 provides details on how to allocate petroleum rights through Direct Negotiation</p> <p>https://www.lpra.gov.lr/index.php/publication/laws-regulations</p>
Executive Allocation to NOCAL	<p>Section 14 (c) provides details on how to allocate petroleum rights to NOCAL</p> <p>https://www.lpra.gov.lr/index.php/publication/laws-regulations</p>

3.5.11 Process for Transfer of Ownership Interests in the Oil and Gas Sector

Process for the Transfer of Ownership Interests in the Oil & Gas Sector

Legal Basis

Section 65 of the National Petroleum Law provides the legal basis for the transfer of ownership interests or rights.

Authority's Consent

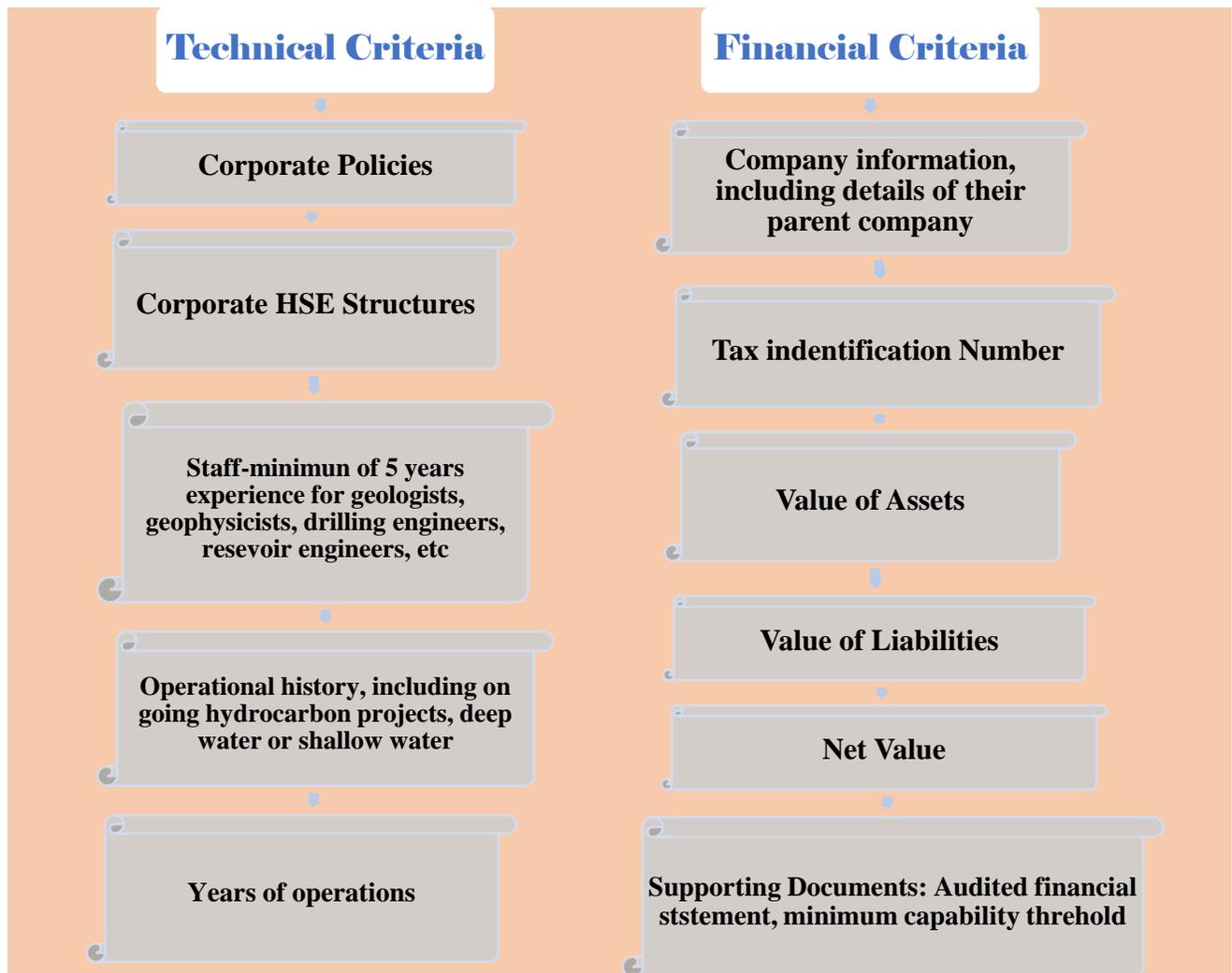
Section 65(2) requires ownership transfers to be done at the consent of the Director General of the LPRA.

NOCAL's Right to Refuse

Any contractor wishing to assign, sell, or transfer interest will give NOCAL the right of first refusal to acquire interest at the same price under the same terms and conditions as agreed with the potential purchaser.

3.5.12 Technical and Financial Criteria Used in the Award of Oil and Gas Contract or License

The Petroleum (Exploration and Production) law requires the LPRA to ensure prospective investors in the upstream sector possess the necessary technical and financial capacity to deliver on their obligations. The figure below shows the technical and financial criteria applied to bid evaluations in the latest licensing round:



3.6 Fiscal Regime in the Extractive Sector

The legal basis for the fiscal regime in the extractive sector is the Revenue Code of Liberia, 2000 and as Amended in 2011. The table below provides a description of the key fiscal terms in the extractive sector.

Fiscal Term	Rate
Royalty	A payment made about the amount of value of commodity produced. Hence the basis of royalties is either production volume, or value.
Corporate Income Tax	Taxes are assessed as a percentage of the net profits of a project after deducting allowable expenses. These vary most often based on what deductions are allowed and how they are calculated and monitored.
Government equity participation	The State's negotiated interest in an extractive project, either under free carried interest or paid participating interest arrangements. Further, this can be based on share of distributed profits of a company (dividends) or the right to distribute some portion of the petroleum or mineral output.
Surface Rents	Payment based on fixed acres or hectares per fee
Bonuses	A lump sum payment charged at a point in a project timeline
Cost Recovery for mining production assets	An amount of money spent on asset that can be deducted from tax owed to the government. This is often based on a maximum allowable deduction
Exploration license fees	Fees paid for authorization and permit to conduct exploration
Application processing fees	Processing application or extending a license term – US\$ 5000 Suspension of exploration – US\$ 2500 Application to amend approved work program and budget - US\$ 2500 Application for pilot mining and recovery program – US\$ 10,000 Application for transfer or change of control - US\$ 2500
Stability Provisions	Contractual provisions that mandate that changes in legislation or regulation enacted after a contract is signed or enters into force will not apply to the parties'

3.7 Concession Allocations in the Forestry Sector

The allocation of concessional rights and licenses in the Agriculture and Forestry Sectors is governed by the Public Procurement and Concessions Act (PPCA) of 2005 as amended and restated in 2010.

3.7.1 Types of Forestry Licenses and Concessions

The forestry sector has three (3) main types of forestry license, namely: Forestry Management Contracts (FMC); Timber Sales Contract (TSC); Community Forest Management Agreement (CFMC). The details of each license and validity have been presented in the table below:

License Type	Requirement	Area (not to exceed)	Duration
Forestry Management Contract	Long term contracts for large areas	Large FMCs - 400,000 ha Small FMCs - 50,000- 100,000 ha	25 years
Timber Sales Contract	For small areas and usually short-term contracts	Less than 5000 ha	3 years
Community Forest Management Agreement	Issued to communities for community-based management forest with specific community-based governance structures	50 ha	15 years

3.7.2 License and Concession Application Process in the Forestry Sector

As per the National Forestry Reform Law, 2006 and the Public Procurement and Concession Act, 2010, the allocation of concessions requires the following process and requirements. All license applications are expected to be conducted under competitive bidding process. Below are the key requirements for application for forestry licenses:

3.7.3 Forest Management Contracts Requirements

- The land area involved must be identified as a potential concession in the National Forest Management Strategy and must be validated to the suitability of the area for the proposed land use as per Section 4.5 of the Forestry Act.
- The land involved must not include private land.
- The contract must require the Holder to perform actions necessary for sound, long-term forest management, including inventories, preparation of management plans, and annual operations plans.
- The contract must require the Holder to prepare all environmental impact assessments required under the laws governing environmental protection.
- The contract must require the Holder to submit a business plan to the Authority and to demonstrate to the Authority's satisfaction that the Holder has the technical and financial capacity to manage the forest sustainably.
- The contract must require the Holder to establish a social agreement with local forest-dependent communities, approved by the Authority that defines these communities' benefits and access rights.
- The contract must require the Holder to pay the Government the fee that the Holder bid in the concession process, in addition to any other applicable taxes and fees, for the privilege of harvesting or using Forest Resources.
- The basic terms of the contract must approximate the length of a forest rotation on the land based on a sustainable yield of timber products, although the contract may be terminated sooner for cause.
- The land area subject to the contract must be at least 50,000

3.7.4 Timber Sale Contracts Requirements

The contract must be consistent with the National Forest Management Strategy in effect when the contract is awarded, and the area must be validated for suitability of the area for the proposed land use as per Section 4.5 of the Forestry Act.

- The land involved must not include private land.
- The basic terms of the contract must not be more than three years.
- The land area subject to the contract must be no more than 5,000 hectares.

3.7.5 Processes for License or Ownership Transfers

The basis for ownership transfer in the forestry sector is enshrined in Section 6.2 of the National Forestry Law, 2006. The transfer of ownership requires prior approval by the FDA and the new owner must also satisfy the basic qualification as detailed in the Act.

3.8 Beneficial Ownership Disclosure

3.8.1 Updates on BO Implementation

Liberia is considered a new player in terms of the implementation of BO disclosure. BO is implemented across different sectors; however, all stakeholders have agreed to one comprehensive central register to be hosted and managed by the Liberia Business Registry.

LEITI has taken a proactive step and demonstrated its unrelenting effort towards the establishment of a BO register. Consultations of stakeholders began in 2015 when the Liberia Business Registry was identified as the implementing agency.

The initial consultations centered on establishing a register. It also provided extensive education to various stakeholders, particularly in the mining, oil and gas, forestry, and agricultural sectors. The development of the register began with a much-anticipated success; however, the Pilot report demonstrated a lack of understanding from stakeholders and the absence of a legal framework to make BO data provision mandatory rather than voluntary.

The legislative frameworks that guide the implementation of beneficial ownership disclosure in Liberia partly follow international requirements/standards but are fragmented between multiple agencies of the government. The administration of BO disclosure takes place across numerous government agencies with different regulatory frameworks and intended objectives.

LEITI, LPRA, FIU, LBR, and LRA all have some form of legislative or administrative mandates that require the collection and maintenance of BO information. Each agency is at a different BO implementation level. The common goal is to enhance tax administration by minimizing tax avoidance and evasion and adhere to international standard requirements, including EITI, EU Anti-money laundering, and FATF standards. It enhances transparency in doing business and improves the investment climate.

Despite the different intended aims for BO disclosure implementation, it is understood from discussions with these agencies that the BO register's particulars and details they expect to maintain bear similar features.

3.8.2 Summary of key BO information

BO Standard	Details on Liberia's Regime
Liberia's Definition of Beneficial Owner	Business Corporation Act as Amended in 2020 provides definition LPRA Regulations on Ultimate BO provides a definition for BO: Beneficial Owner means the natural person(s) who ultimately owns directly or indirectly (shares or voting rights), exercises ultimate effective controls, or economically benefits from the income or assets of a company including a Politically Exposed Person (PEP).
BO Disclosure Thresholds	LPRA's Regulations provide details on the shareholding threshold but it is limited as per standard practice:
Sector Coverage of BO Disclosure Regime	BCA Amendments is an economy wide BO disclosure requirement whiles LPRA regulations only applies to upstream oil and gas
Politically Exposed Persons	LPRA's Regulations provide clear definition of PEP and PEP family and close associates
Public Accessibility	BO information collected by LPRA is expected to be public however no decision has been made as to how that will be in practice
Sanctions and Enforcement	LPRA's law provides clarity on sanctions and penalties

3.8.3 BO Implementation under Opening Extractive Program

In 2021, Liberia signed up for the Opening Extractive Program (OEP), a program implemented by the International EITI Secretariat and Open Ownership. OEP is intended to assist Liberia to implement a BO regime that discloses high quality and accurate information; enhances the access to and use of BO information. OEP has conducted an initial scoping report that examines the state of play of BO reforms in Liberia. It aims to identify specific gaps in beneficial ownership (BO) implementation and make context-specific recommendations on how Liberia can advance beneficial ownership reforms.

3.9 State Participation

3.9.1 Oil & Gas Sector

The Petroleum (Exploration and Production) Law provides the legal basis for the State's participation in the oil and gas sector. In the oil and gas sector, the State is entitled to 10 percent free interest under all Petroleum Agreements.

In addition to this, the State has the right to acquire an additional 5 per cent citizen participation managed by NOCAL. While the Petroleum law requires a total of 15 percent carried interest, the model PSC published by NOCAL intends a total of 10 percent carried interest for the State.

3.9.2 Mining Sector

Similarly, the Minerals and Mining Act, 2000 provides the legal basis for the State's participation in the mining sector. According to this law, the government is entitled to free equity interest of not less than 10 percent and not more than 15 per cent.

Based on the review of information submitted by stakeholders, the following table presents government's ownerships in the mining sector during the fiscal year 2020.

Name of Company	Government of Liberia's Ownership Interest
Arcelor Mittal	15%

3.9.3 Forestry Sector

The National Forestry Reform Law, 2006 does not mention any State participation in forestry companies' equity or interests when contracts are concluded. It is understood that the State does not have any equity interest in forestry concessions.

3.9.4 Agriculture Sector

It is understood that the State does not have any equity interest in Rubber or Oil Palm Concessions.

4.0 Production and Export Data

4.1 Production Data

4.1.1 Mineral Production Data for FY 2020/2021

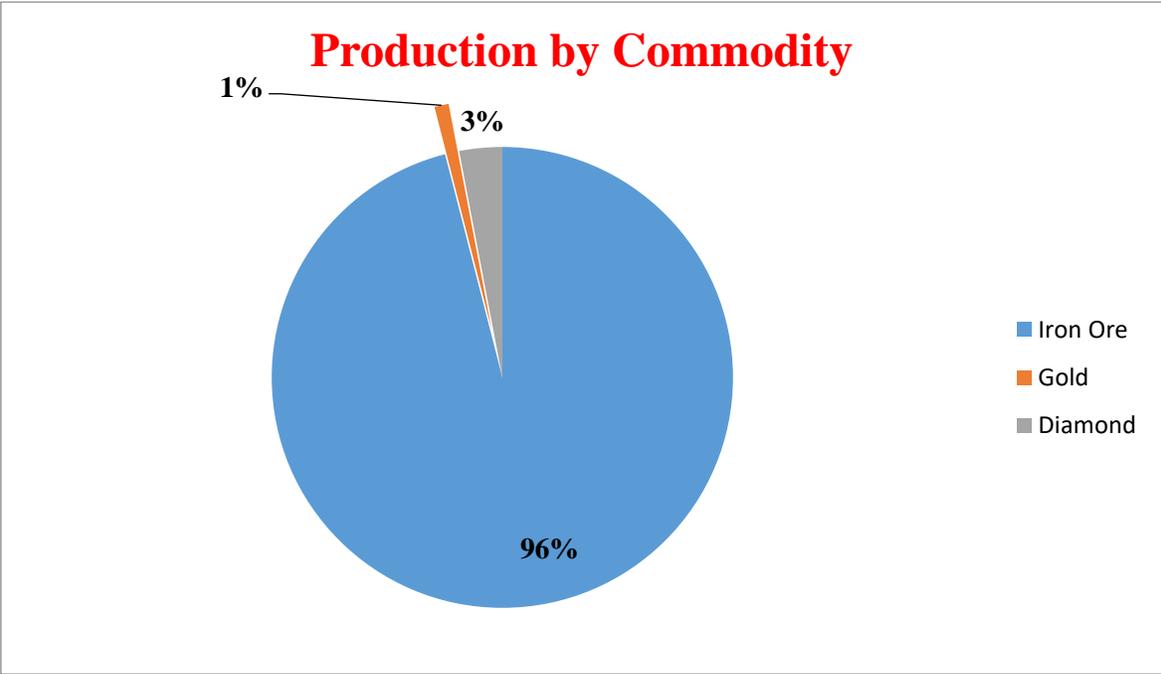
Artisanal & Small Scale Mining (ASM) is the sole producer of diamonds, with 72,793 karats. Gold production, Bea Mountain Mining Company was the largest producer of gold, with 81% of production. Arcelor Mittal was the sole producer of iron ore. The table below shows the production of three key commodities in the mining sector.

Commodity / Company	Production
Diamond	72,793
Artisanal & Small Scale Mining (ASM)	72,793
Gold	5,352
Artisanal & Small Scale Mining (ASM)	336
Bea Mountain Mining Company(BMMC)	4,341
MNG Gold -Liberia	675
Iron Ore	4,093,510
Arcelor Mittal (Liberia) Ltd	4,093,510

Diamonds showed a 68% increase in production between 2019/2020 and 2020/2021, while gold accounted for 83%. On the other hand, there was a 15% decline in the production of iron ore.

Commodity	2019/2020	2020/2021	Percentage
Diamond	43,380	72,793	68%
Gold	2,926	5,352	83%
Iron Ore	4,788,038	4,093,510	-15%

The pie chart below shows the share of production of the three key commodities in the mining sector.



4.1.2 Forestry Production by Company

As per FDA, the forest sector produced 86,290 m3 of round logs in FY 2020/2021. This number represents a slight decline (1.9%) over 2019/2020s 87,996.7. Of the 2020/2021 amount, Euro Logging accounted for 19,232 or 22.3% of all round logs produced in the sector. West Africa Forest Development Inc, LTTC, Inc and Mandra Forestry Liberia accounted for 20.3%, 17.3%, and 11.3% respectively.

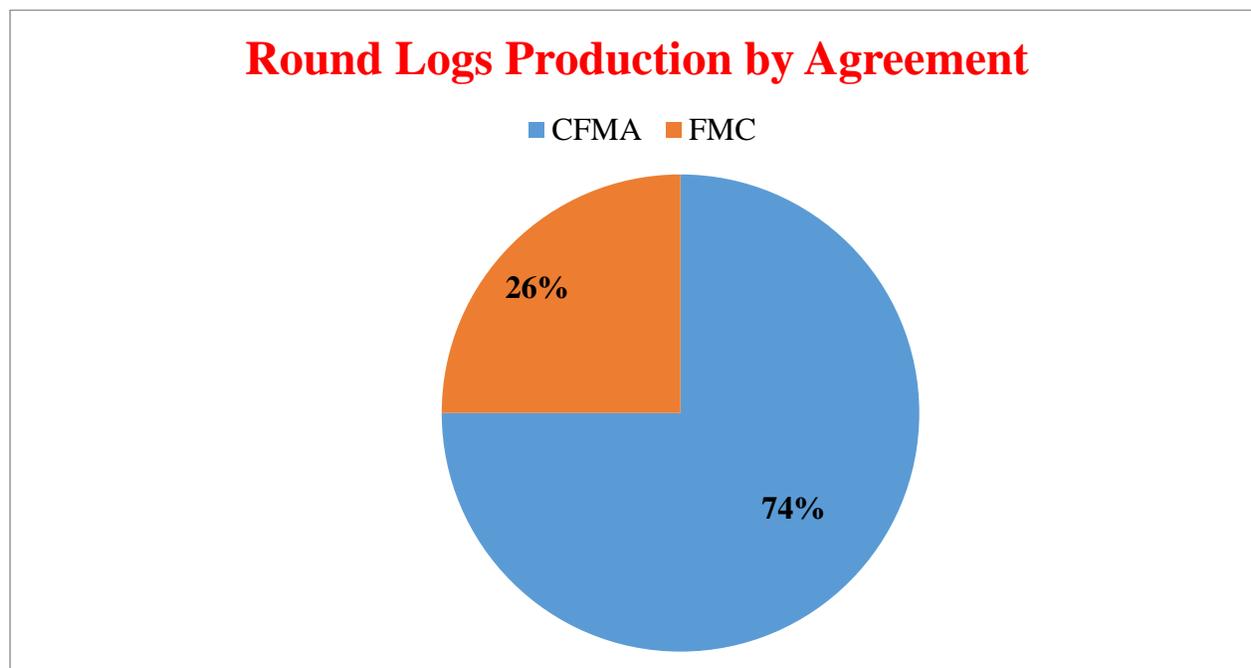
N0.	Company	Production(cubic meter)
1.	Euro Liberia Logging Company	19,232
2.	West Africa Forestry Dev. Inc.	17,498
3.	Liberia Tree & Trading Corporation	14,935
4.	Mandra Forestry Liberia Ltd.	9,733
5.	African Wood & Lumber	9,186
6.	Masayaha Logging	5,139
7.	Westnaf Limited	3,895
8.	Alpha Logging & Wood Processing, Inc.	2,275
9.	Coveiyalah Investment Enterprises	1,422
10.	L&S Resources Inc.	1,376
11.	Geblo Logging	1,359
12.	Delta Timber Corporation	124
13.	Build Liberia, Inc.	117

According to FDA forestry companies production data, Masayaha Logging showed a 314% increase in production between 2019/2020 and 2020/2021. The largest decline was for L&S Resources Inc with an 85%. Overall, there was a 1.9% decline in production between FY 2019/2020 and FY 2020/2021.

	Company	Production		% Change
		2019	2020	
1.	Euro Liberia Logging Company	7,335	19,232	162%
2.	West Africa Forestry Development Inc.	7,482	17,498	134%
3.	Liberia Tree & Trading Company, Inc.		14,935	
4.	Mandra Forestry Liberia Ltd.	18,935	9,773	-49%
5.	Masayaha Logging	1,242	5,139	314%
6.	African Wood & Lumber Corporation	3,007	9,186	206%

4.1.3 Forestry Production by Agreement

FMC and CFMA are the two types of agreement in the forest sector that produce round logs. CFMA produced 74% of the round logs, while FMC produced 26%.



4.1.4 Agriculture Production by Company

Company disclosure is the source of production data. Trend analysis only reflects data submitted by some reporting entities. Some entities did not provide production data or data was provided on only one year. From the data presented, all four commodities showed increased production between 2019/2020 and 2020/2021. Fresh Fruit Branches showed the largest increase (117.3%), while rubber showed 6.3%.

Commodity	2019	2020	% Change
Crude Palm Kernel	5,117	8,082	57.9%
Crude Palm Oil	38,126	59,256	55.4%
Fresh Fruit Branches	47,299	102,766	117.3%
Rubber	84,498,794	89,807,928	6.3%

4.2 Exports Data

In FY 2020/2021, the mining sector exported iron ore, diamonds, and gold. Iron ore's total export value was US\$465,340,604 or 97% of the total export value of the mining sector. Arcelor Mittal is the sole exporter of iron ore in FY 2020/2021. Europe is the only destination of Liberia's iron ore shipment, accounting for 100% of export value. Diamonds accounted for 2% of export value for the mining sector. West Africa Gold & Diamond Company accounted for 37.3% of diamonds exports, Montserrado Star Incorporated (34%) and Royal Company (28.5%). Belgium is the key destination for diamonds exported from Liberia, accounting for 41.2%. UAE accounts for the second largest destination for diamonds exported from Liberia with 30.3%. According to MME's data, UAE was the destination for Liberia's gold in 2020/2021. Note that MME did not provide export values for other key players in the production and exploration of gold, including MNG Gold and Bea Mountain.

4.2.1 Mineral Exports Data 2020/2021

Exports by Company and Commodity

Commodity / Company	Volume	Value	%
Diamonds	66,719	8,495,160	100%
Montserrado Star Incorporated	26,529	2,896,238	34%
Royal Company	18,413	2,427,236	29%
West Africa Gold & Diamond	21,778	3,171,686	37%
Gold	5,315	5,550,481	100%
Ali Trading	5,285	2,185,763	39%
Golden Bar Trading		2,506,410	45%
Maya Diam-Gold	30	858,307	15%
Iron Ore	4,038,731	465,340,604	100%
Arcelor Mittal(Liberia) Ltd	4,038,731	465,340,604	100%
Total	4,110,766	479,386,245	

4.2.2 Forestry Exports Data 2020/2021

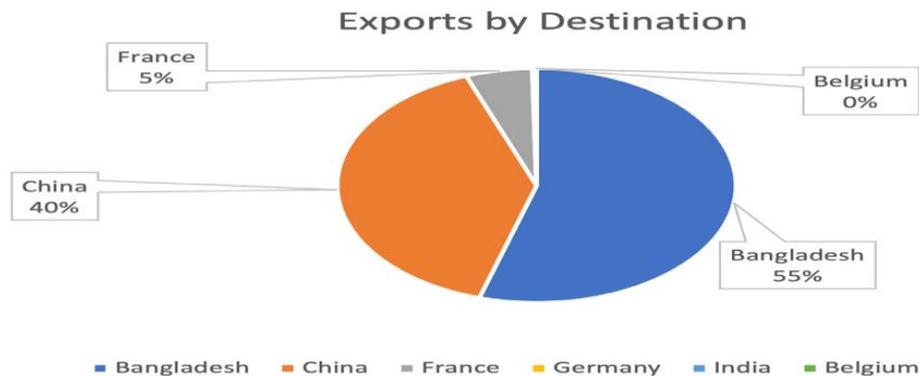
FDA provided export values of round logs in the forest sector. The total export value amounted to US\$2,622,325.03, representing exports from thirteen forest companies. According to FDA data, Mandra Forestry which was the largest exporter of round logs in 2019/2020 and accounted for 21.9% of round logs (21.9%), did not export round logs in 2020/2021. West Africa Forest Development Inc was the largest exporter, accounting for 20.3% of exports value for the sector. Other key Euro Logging, Alpha Logging and Wood Processing, Brilliant Maju Inc, and Stadium Inc accounting for 20.1%, 19.2%, 9.2%, and 8.1% of total exports revenue for the sector.

Export Volume and Value by Forest Company

Company	Volume	Value	%
West African Forestry Development Inc	27,247	\$531,459.89	20.3%
Euro Liberia Logging	24,476	\$525,865.14	20.1%
Alpha Logging And Wood Processing Inc	25,925	\$522,580.19	19.9%
Brilliant Maju Inc	12,965	\$240,893.45	9.2%
Stadium Inc.	12,301	\$212,000.55	8.1%
African Wood & Lumber Co	11,360	\$211,359.41	8.1%
Booming Green	11,410	\$191,721.73	7.3%
Sing Africa Plantations Liberia Inc	3,488	\$75,618.68	2.9%
Westnaf Limited	4,665	\$39,453.10	1.5%
Starwood Inc.	1,627	\$34,179.21	1.3%
Coveiyalah Investment Enterprises	1,430	\$29,722.21	1.1%
Delta Timber Corporation	237	\$5,221.19	0.2%
Build Liberia Inc.	300	\$2,250.29	0.1%
Total	137,432	\$2,622,325.03	100.0%

Forestry Export by Destination

Bangladesh was the primary destination for Liberia's round logs. In 2020/2021, Bangladesh represented half of all export values on round logs. This is a significant change from 2019/2020 when exports values of round logs to China accounted for was 62.7% of round logs from the sector. Exports to China dropped significantly, from US\$ 2,521,480 in 2019/2020 to US\$ 942,015 in 2020/2021.



4.2.4 Agricultural Exports Data

Based on data received from reporting companies in the agriculture sector, rubber has the largest export value in FY 2020/2021. It accounts for 64.4% of total export value for the sector. In the Rubber sub-sector, Firestone accounted for 53.7% of exports value. Golden Veroleum was the largest exporter (60.8%) of palm crude oil, while LIBINC Oil Palm was the sole exporter of crude kernel oil.

For rubber, the USA is the primary destination of Liberia's rubber. India receives most of Liberia's crude palm kernel oil, while most of the country's crude palm oil is shipped to an unknown destination.

Commodity / Destination	Volume	Export
Rubber	75,789,384	\$97,029,969
USA	68,134,467	\$46,985,640
(blank)	27,306	\$37,521,390
Spain	3,222,518	\$2,852,090
Germany	1,835	\$2,836,752
Mexico	4,355,628	\$2,644,484
India	1,109	\$1,544,663
Malaysia	968	\$1,112,653
Holland	665	\$924,477
China	202	\$243,886
Italy	181	\$241,092
Finland	60	\$91,465
Poland	44,445	\$31,378
Crude Palm Kernel Oil	1,319	\$1,379,012
India	900	\$1,070,526
Cameroon	419	\$308,486
Crude Palm Oil	90,550	\$52,202,798
(blank)	75,541	\$39,283,877
Cameroon	7,499	\$5,930,327
Ghana	4,999	\$5,098,792
Ivory Coast	2,511	\$1,889,802
Grand Total	75,881,252	\$150,611,779

Commodity / Company	Volume	Export	%
Rubber	75,789,384	\$97,029,969	100.0%
Firestone	75,756,816	\$52,134,456	53.7%
Liberian Agricultural Company	27,306	\$37,521,390	38.7%
Cavalla Rubber	5,262	\$7,374,123	7.6%
Crude Palm Kernel Oil	1,319	\$1,379,012	100.0%
LIBINC Oil Palm Inc	1,319	\$1,379,012	100.0%
Crude Palm Oil	90,550	\$52,202,798	100.0%
Golden Veroleum	37,534	\$31,723,640	60.8%
LIBINC Oil Palm Inc	15,009	\$12,918,921	24.7%
Maryland Oil Palm Plantation (MOPP)	38,007	\$7,560,237	14.5%
Total	75,881,252	\$150,611,779	

5.0 Revenue Collection

5.1 Disclosure of Taxes and Revenue: The table below shows the flow of payments in the extractive sector from the receiving entity to the final destination.

Sector	Type of Payment	Receiving Entity	Final Account or Receiving Entity
All Sectors	Signature bonus/fees; Corporate Income Tax; Withholding tax including personnel, non-resident, board fees, third parties; ECOWAS Trade levy; Import Levy; Fines; Work permit fees; vehicle registration fees; Resident permit fees; Pre shipment/destination inspection; General Services Tax; Dividend to GOL; Research vessels tonnage tax; supply vessels annual tonnage tax; Aircraft inspection fees; customer user fees; other administrative fees	LRA	Consolidated Fund
All Sectors	Fees paid to NPA	NPA	NPA
All Sectors	Annual Social Contribution (County and Community)	Comm.	Communities
Forestry	Auction fee; stumpage fee; bid premium; log export fees; chain of custody management fees; Area fees; forest product fees; waybill fee; non-timber forest products fees; Timber Export License fees; Block inspection fees	LRA	Consolidated Fund
Agricultural Companies	Rubber sales tax; surface rentals; block inspection fees;	LRA	Consolidated Fund
Mining Companies	Royalty; Surface rental; Mineral License fees	LRA	Consolidated Fund
Mining Companies	Contribution to the scientific Research Fund	LRA	MME
Oil and Gas Companies	Social Welfare Contribution; Surface Rentals; Annual training and technology fees; JOC fees; Hydrocarbon Development Fund	NOCAL	Consolidated Fund
Oil and Gas Companies	Contribution to Rural Energy Fund	NOCAL	REFUND
Oil and Gas Companies	License Application Fees	LPRA	LPRA
Oil and Gas Companies	Contribution to the University of Liberia (UL)	NOCAL	UL

5.2 Analysis of Revenue

5.2.1 Analysis of Government Revenue by Sector

The four sectors under the LEITI scope recorded a total of US\$84,690,471 in FY 2020/2021. This represents an 18.5% increase from 2019/2020. Mining continues to dominate extractive revenues, accounting for 76% of revenues, followed by agriculture (14.5%), forestry (9.3%), and oil and gas (.2%). The Mining sector showed the largest increase of 42.3%, from US\$45,243,496 to US\$64,363,203. The Oil and Gas sector showed the largest decline in revenue (84.8%), from US\$905,374 to US\$137,298.

Extractive Revenue by Sector for the FY 2020/2021

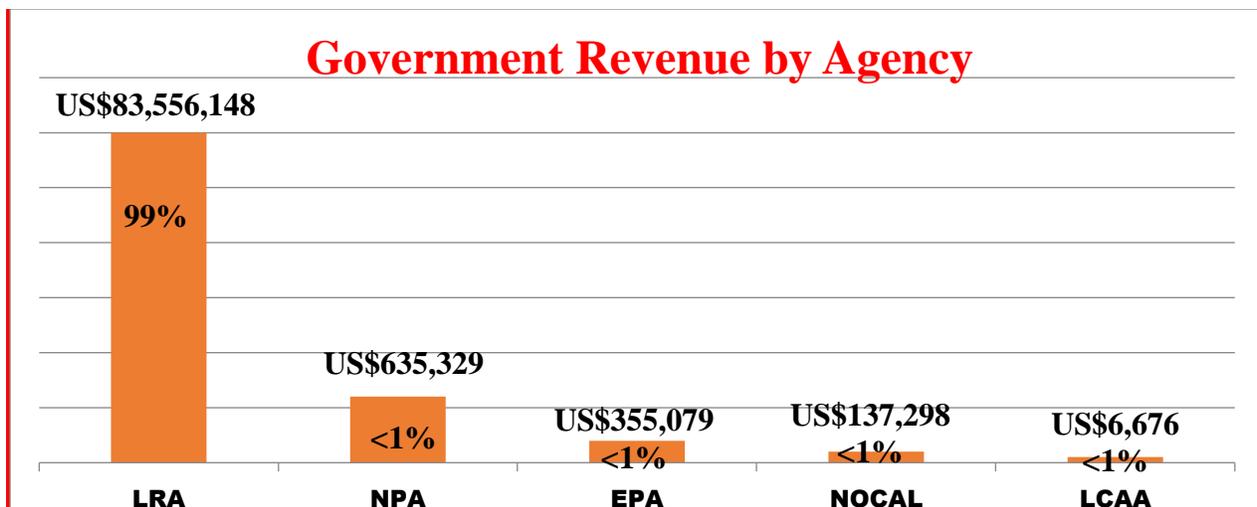
Sector	Total (US\$)	Percentage
Mining	64,363,203	76%
Agriculture	12,301,669	15%
Forestry	7,888,301	9%
Oil and Gas	137,298	0.2%
Grand Total	84,690,471	100%

Comparative Analysis of Government Revenue by Sector and by Fiscal Year

Sector	2019	2020	Total
Agriculture	18,031,159	12,301,669	30,332,829
Forestry	7,311,499	7,888,301	15,199,800
Mining	45,243,496	64,363,203	109,606,699
Oil and Gas	905,374	137,298	1,042,672
Total	71,491,529	84,690,471	156,181,999

5.2.2 Analysis of Government Revenue by Agency for FY 2020/2021

The Liberia Revenue Authority collected 99% of extractive revenues for the fiscal year 2020/2021 and deposited same into the Consolidated Account at the CBL in keeping with the Public Financial Management (PFM) Law. Tax revenues collected from extractive companies by EPA, LCAA, NOCAL, and NPA are deposited into each entity's account for purposes described by each agency's governing law.



5.2.3 Analysis of Extractive Revenue by Company FY 2020/2021

LRA, EPA, LCAA, NOCAL, and NPA submitted payment information for 102 companies in the oil and gas, mining, forestry, and agriculture sectors. Eighteen companies (17.6%) represent 90.6% of tax revenues from the extractive sector. Arcelor Mittal Liberia Ltd accounted for 35% of tax revenue, while Bea Mountain Mining (19.9%), Arcelor Mittal Lib Holding Ltd (14.5%), Firestone Plantation (6.2%), Liberia Agricultural Company (2.1%) are other key revenues contributors.

N0.	COMPANY	LRA	NPA	EPA	LCAA	NOCAL	TOTAL	%
1.	Arcelor Mittal	29,374,231	169,000	95,000			29,638,231	35%
2.	Bea Mountain	16,840,444	30,644	81,350			16,871,088	20%
3.	Arcelor Mittal Liberia Holding Ltd	12,290,362					12,290,362	15%
4.	Firestone Liberia	5,083,046	194,031				5,277,077	6%
5.	Liberia Agriculture Company	1,750,061					1,750,061	2%
6.	Mandra Forestry	1,244,877					1,244,877	2%
7.	Geblo Logging	1,188,779					1,188,779	1%
8.	Cavalla Rubber Corporation	1,056,826					1,056,826	1%
9.	Deko Mining Corporation	1,039,231					1,039,231	1%
10.	West Africa Forestry Dev. Inc.	998,264					998,264	1%
11.	Alpha Logging & Wood Processing	713,294	107,546				820,840	1%
12.	LIBINC Oil Palm	680,992	90,805				771,797	<1%
13.	Euro Liberia Logging	687,631					687,631	<1%
14.	CGGC Mining Services	650,115					650,115	<1%
15.	Inter-continental Fishing Company	643,840					643,840	<1%
16.	Hummingbird Resources	613,098		20,100			633,198	<1%
17.	Maryland Oil Palm Plantation	601,341					601,341	<1%
18.	Mano Palm Oil Plantation	594,600					594,600	<1%
19.	Others	7,133,246	43,303	239,914	6,676	137,298	7,932,313	9%
	Total	83,184,278	635,329	355,019	6,676	137,298	84,690,471	100%

5.2.3 Analysis of Extractive Revenue from the Mining Sector FY2020/2021

Thirty-nine mining companies reported a total of US\$64,363,203 in tax revenues across four agencies of government, namely EPA, LRA, LCAA, NOCAL, and NPA. Of the total amount collected in tax revenues from the mining sector, 7 companies (Arcelor Mittal, Liberia Ltd, Bea Mountain Mining, Arcelor Mittal Lib Holding Ltd, Deko Mining Corp, CGGC Mining Services, and Hummingbird Resources, Afro Anglo American Resources) accounted for US\$61,412,923 or 95.4% of total sector revenues. Arcelor Mittal is engaged in the extraction of iron ore, while Bea Mountain, MNG Gold, and Hummingbird are involved in the exploration or extraction of gold.

N0.	Taxpayer	Total	Percentage
1.	Arcelor Mittal Liberia Ltd	29,638,231	46.0%
2.	Bea Mountain Mining	16,871,088	26.2%
3.	Arcelor Mittal Lib Holding Ltd	12,290,362	19.1%
4.	Deko Mining Corp.	1,039,231	1.6%
5.	CGGC Mining Services	650,115	1.0%
6.	Hummingbird Resources	633,198	1.0%
7.	Afro Anglo-American Resources	290,698	0.5%
8.	Golden View Trading	252,023	0.4%
9.	China Union Investment	251,210	0.4%
10.	STT Heavy Mineral Resources	246,479	0.4%
11.	Cavalla Resources	213,320	0.3%
12.	MNG Gold Exploration	205,108	0.3%
13.	Madina Rock Crusher	189,125	0.3%
14.	Others	1,593,016	2.5%
	Total	64,363,203	100%

5.2.4 Analysis of Revenue Streams in the Mining Sector FY 2020/2021

The mining sector reported 58 distinct revenue streams for FY 2020/2021. Sixteen out of the 58 revenue streams (27.6%) accounted for 96.8% of all tax revenues in the mining sector. Royalties Iron Ore 4.5% (Mineral Mining) which accounted for US\$25,743,702 (40%) is the largest contributor, followed by Wh (Res.) On Salaries and Wages US\$13,396,281, (20.8%); Royalties Gold And Other Base Metals 3% (Mineral Mining) US\$7,732,439, (12%); and Wh (Res.) On Payments For Serv. Rendered US\$3,360,000, (7.1%).

Revenue Stream	Total	Percentage
Royalties Iron Ore 4.5% (Mineral Mining)	25,743,702	40.0%
Wh (Res.) On Salaries and Wages	13,396,281	20.8%
Royalties Gold and Other Base Metals 3% (Mineral Mining)	7,732,439	12.0%

Wh (Res.) On Payments for Serv. Rendered	4,586,017	7.1%
Social Contributions (Mineral Mining)	3,360,000	5.2%
Customs User Fees	2,187,064	3.4%
Surface Rental - Land in Mineral Exploration Area \$0.20/Acre (Mineral Mining)	1,491,116	2.3%
Wh (Non-Res.) On Payments for Services Rendered	836,278	1.3%
ECOWAS Trade Levy	804,196	1.2%
Other Import Duties	566,430	0.9%

ESIA Permit Fees	334,095	0.5%
Bin - Resident Permit (Non Ecowas)	317,450	0.5%
Royalties Commercial Diamonds - Other (Agreements) (Mineral Mining)	283,651	0.4%
MoL - Other Work Permit	247,000	0.4%
Other Fees (Mineral Mining)	227,260	0.4%
Surface Rental - Year 11-25 - Land in Mining Area \$10.00/Acre (Mineral Mining)	212,960	0.3%
Others	2,038,265	3.2%
Total	64,363,203	100.0%

5.2.5 Analysis of Oil & Gas Revenue FY 2020/2021

TGS NOPEC is the sole revenue contributor in the Oil and Gas sector for FY 2020/2021, contributing US\$137,298 in tax revenues.

Analysis of Oil and Gas Revenue by Company

Company	Total
Other Significant Payments/Seismic Revenue From TGS NOPEC	US\$830,374

5.2.6 Analysis of Forestry Revenue by Company for FY 2020/2021

Twenty-eight companies reported a total of US\$7,888,301 in the forest sector for FY 2020/2021. Fourteen companies accounted for US\$7,210,740 or 91% of total tax revenues from the forest sector. Mandra Forestry accounted for US\$1,244,877 (15.8%), Geblo Logging (US\$1,188,779, 15.1%), West African Forest Dev. Inc (US\$998,264, 12.7%), and Alpha Logging & Wood Processing (US\$820,840, 10.4%).

Taxpayer	Total	Percentage
Mandra Forestry	1,244,877	15.8%
Geblo Logging	1,188,779	15.1%
West African Forest Dev. Inc.	998,264	12.7%
Alpha Logging & Wood Processing	820,840	10.4%
Euro-Liberia Logging	687,631	8.7%

Sing Africa Plantation	371,871	4.7%
Booming Green	358,071	4.5%
African Wood & Lumber	315,167	4.0%
Stadium, Inc.	253,076	3.2%
L & S Resources	236,776	3.0%
Tetra Enterprise	207,513	2.6%
Magna Logging	203,449	2.6%
Westnaf Limited	174,259	2.2%
International Consultant Capital	150,167	1.9%
Others	677,561	8.6%
Total	7,888,301	100%

5.2.7 Analysis of Forestry Revenue by Revenue Stream for FY 2020/2021

Thirty-six revenue streams characterized the forest sector. Eight revenue streams accounted for 91.2% of tax revenues in the sector. Log And Wood Product Export Fee, Stumpage Fees Gol Share, Wh (Res.) On Salaries and Wages, and Handling of Logs accounted for 35.0%, 33.3%, 5.9%, and 9.5% respectively.

Revenue Stream	Total	Per cent
Log And Wood Product Export Fee	2,559,648	35.0%
Stumpage Fees Gol Share	2,437,623	33.3%
Wh (Res.) On Salaries and Wages	431,461	5.9%
Handling Of Logs	695,202	9.5%
Import Duties on Goods Other Than Rice and Petroleum	200,033	2.7%
Cit Regular (25%) (200B2C)	173,388	2.4%
Gst On Imported Goods (Excluding Petroleum)	168,799	2.3%
Others	645,344	8.8%
Total	7,311,499	100%

5.2.8 Analysis of Agriculture Revenue by Company for FY2020/2021

The agriculture sector recorded the second largest tax revenue (US\$12,300,877), next to mining. Firestone Liberia, whose primary commodity is natural rubber, accounts for the largest share (42.9%) of the sector's tax revenue, followed by Liberia Agriculture Company (14.2%), and Cavalla Rubber Corp (8.6%).

Taxpayer	Total	Percentage
Firestone Plantation	5,277,077	42.9%
Liberian Agricultural Company	1,750,061	14.2%
Cavalla Rubber Corp.	1,056,826	8.6%
Libinc Oil Palm	772,637	6.3%
Inter-Continental Fishing Co	643,840	5.2%
Maryland Oil Palm	601,341	4.9%
Mano Palm Oil Plant.	594,600	4.8%
Golden Veroleum	356,064	2.9%
Development Alternative Inc	290,837	2.4%
The Lee Group	284,138	2.3%
Golden Sifca Inc	232,715	1.9%
Mano Palm Oil Industries	174,268	1.4%
Equatorial Palm Oil	136,695	1.1%
Salala Rubber Corp.	129,777	1.1%
Grand Total	12,300,877	100.0%

5.2.9 Analysis of Agriculture Revenue by Revenue Stream for FY 2020/2021

Thirty-nine revenue streams accounted for the US\$12,300,877 tax revenues in the agriculture sector for FY 2020/2021. Wh (Res.) On Salaries and Wages accounted for half (50.2%) of all tax payments. Wh (Res.) On Payments for Serv. Rendered, Cit Regular (25%) (200B2C), Wh (Res.) Of Income on Rubber Sales 4% accounted for 10.6, 7.8%, and 7.3% respectively

Revenue Stream	Total	Percentage
Wh (Res.) On Salaries and Wages	6,150,439	50%
Wh(Res) on Payment for Services Rendered	1,353,096	11%
CIT Regular (25%)	984,070	8%
Wh(Res) of Income on Rubber Sale	861,061	7%
Others	2,952,210	24%
Grand Total	12,300,877	100%

5.3 Sale of State Share of Production & Other Revenue Collected in Kind

NOCAL is the sole state-owned enterprise in the mining, oil and gas, forestry, and agriculture sectors. There are no active explorations or drilling activities in Liberia during FY 2020/2021. Accordingly, NOCAL reported no share of production.

6.0 Revenue Allocation

6.1 Revenue Management and Expenditure

As per the Public Finance Management Act of 2009, all public funds, in the form of taxes, grants, loans and other finances are required to be deposited into the consolidated fund or government treasury. Further, all expenditures from the consolidated fund are required to be approved through the national budget after the legislature has passed an appropriation. Hence, any spending by government or to some extent SOEs outside of the national budgetary process is considered irregular or illegal.

6.2 Budget and Audit Processes

The Public Financial Management (PFM) Act of 2009, 58 coupled with the introduction of the Medium-term Expenditure Framework (MTEF) in FY 2012/13, has significantly enhanced the national budget process. The MTEF budgetary process and structure comprises the following phases:

Strategic Phase: Ministries and Agencies present plans and strategies linking resources to policy priorities based on the Agenda for Transformation

Operational Phase: Ministries and Agencies prepare their detailed budgets; and

Budgeting Phase: the budget is structured into eleven economic sectors consisting of groups of Ministries and Agencies which share common functions. It is also disaggregated into policy areas based on groups of administrative departments and projects within Ministries and Agencies which have common functions.

The Government of Liberia continues to advance its public financial management reforms agenda based on lessons learnt from the implementation of its first round of MTEF budgets.

Prominent amongst the institutional reforms undertaken are:

- enactment of the LRA and 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.
- setting up 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.

7.0 Social and Environmental Spending

7.1 Social & Environmental Spending by Extractive companies for FY 2020/2021

Reporting entities accounted for US\$6,285,658 in social and environmental expenditure for FY 2020/2021. Of this amount, cash contribution represented 38% of the total contribution and in-kind contribution, 62%. The agriculture sector is the largest contributor to social and environmental expenditure and accounts for 78% of the total. Mining accounts for the largest share of environmental cash contributions (91%), while agriculture has the largest share of in-kind environmental contributions.

Sector/Type	Cash	In-kind	Total(US\$)
Agriculture	1,122,541	3,791,136	4,913,677
Environmental	68,200	3,509,108	3,577,308
Mandatory	169,038		169,038
Voluntary	885,303	282,027	1,167,331
Forestry	67,387		67,387
Environmental	25,000		25,000
Voluntary	42,387		42,387
Mining	1,189,380	115,214	1,304,594
Environmental	973,380		973,380
Voluntary	206,000	115,214	321,214
Total	2,379,307	3,906,350	6,285,658

8.0 Contribution of the Extractive Sector to the Economy

During the 2021 fiscal year, the extractive sector contributed to 57% of GDP, with Agriculture and Fisheries contributing 31%, followed by Mining and Panning, 17% and Forestry, 9%.

Sector	Value	Share of GDP
Real GDP	3,217.9	
Agriculture & Fisheries	960	31%
Forestry	285.3	9%
Mining and Panning	462.3	17%
Total Contribution	1,707.6	57%

8.1 Contribution of the Extractive Sector to Government Revenue for FY 2020/2021

The extractive sector contributed 12% of total government revenue and 22% of total tax revenues in FY2020/2021.

Revenue	Amount	%	Revenue	Amount	%
Total Revenue(Tax & Non-Tax)	702.5		Tax Revenue	388.5	
Total Extractive Revenue	84.7	12%	Total Extractive Revenue	84.7	22%

8.2 Contribution to Employment for FY 2020/2021

Employment data is scanty. In the previous year 2019/2020, employment data shows the extractive sector contributed 18,265 employees to the labor force in FY 2019/2020 for mining, agriculture, and forestry. The Ministry of Labor however disclosed employment data for only mining and agriculture in 2020/2021. Moreover, it reported that total employment for the extractive sector was 8,550. This is a significant drop ((53.2%) between 2019/2020 and 2020/2021. Additionally, 2020/2021 data shows that the extractive sector is dominated by male workers, with 84.7% of employment in the extractive sector being males and 15.3% being females.

Employment Data in the Mining and Agriculture Sectors-2020/2021						
Mining	Agriculture	Total	Males	Females	% Male	%Female
975	7,575	8,550	7,227	1,323	85%	15%

8.3 Contribution to Merchandise Exports

Extractives accounted for 96% of Liberia's total exports in FY2020/2021, with iron ore contributing the largest at 48%, followed by gold and diamonds with a share of 34%.

Commodity	Export (US\$)	Share of Export
Total Export Value	878.5	
Minerals (Gold and Diamond)	355.5	41%
Rubber	110	13%
Palm oil	32.5	4%
Iron Ore	346.9	40%
Total	844.9	96%

8.4 Social Expenditure by Company for FY 2020/2021

Company	Project	Mandatory in Cash	Voluntary In Cash	Mandatory In-Kind	Voluntary In-Kind	Total
Arcelor Mittal-Liberia	Charity Donation. Community Stakeholders				942	942
	Community/Charity				14,832	14,832
	Crush Rocks				600	600
	John F Kennedy Hospital		40,000			40,000
	Liberia Immigration Service				20,665	20,665
	National County Sport Meet		135,000			135,000
	Office of the Vice President		5,000			5,000
CGGC Mining Services	Bemue & Gbaryomue Comm.		10,000			10,000
Madina Rock Crusher	Madina Development Ass.		16,000			16,000
Mining Total						243,039
Firestone Liberia	Community Dwellers / The Pu		760,543			760,543
	Institutions, Communities Etc.		39,280			39,280
	Kids Educational Engagement		2,000			2,000
	Kparnyah Community		520		3,640	4160
	Youth Coalition For Educati Liberia		2,440			2,440
Golden Sifca Inc	Epa Permit				24,025	24,025
Golden Veroleum	Community Schools				72,964	72,964
	Liberia Student	121,809				121,809
Libinc Oil Palm Inc	Community Elders				2,876	2,876
Maryland Oil Palm	Community Dev. Fund (Cdf)	4,770				4,770

	Fatima High School				213	213
	Jira Faith High School				115	115
	O.S. Collins High School				545	545
	Pleebo High School				36	36
	St. Francis High School				648	648
	St. Stephen High School				551	551
	Tubman University	42,459				42,459
Salala Rubber Corporation	Health Clinic Activities				136,654	136,654
	School Activities				99,395	99,395
Agriculture Total						1,315,483
Euro Liberia Logging	CFDC Cubi Metter Fee Payment		12,511			12,511
	CFDC Trip Facilitation To Settle Dispute		100			100
	Cubic Meter Fees Payment		21,226			21,226
	Facilitation Of CFDC		1,000			1,000
	Human Resource Development Fees		6,600			6,600
	Transportation Facilitation		850			850
	Transportation To Mobilize CFDC		100			100
Forestry Total						42,387

9.0 Impact of Covid-19 on the Extractive Sector

The effects of COVID 19 on economies have been multidimensional. To control the virus, many countries introduced lockdown and movement restrictions, some of which were sustained for months. These affected livelihoods, agricultural production, extractives, global manufacturing, supply chain and haulage systems, which in turn created shortage of goods and services and thereby inflation. The economic difficulties caused by the pandemic have eroded decades of economic gains in the fight against poverty.

The pandemic has affected every sector and every industry globally, but the extent of the impacts is at varying levels. The extractive industry, in the early days of the pandemic was hit with a double whammy. The oil and gas sector for instance faced crude oil prices plunged to 20-year lows in April 2020.

The nature of the extractive sector, being capital-intensive and reliant on the global supply chain for its processing and sales, made the sector more vulnerable to the impacts of the pandemic. It presented uncertainty further for the industry and companies to adjust to a new normal. Several of the world's biggest mining multinationals and oil and gas majors announced major cuts (of about 25%) to their exploration and development investments, while other projects in the African region postponed or cancelled projects that had not commenced production.

Summary of Global Trends in 2020

Global energy demand declined by over 6 per cent in 2020 compared to 2019, equivalent to the combined energy demand of France, Germany, Italy, and the UK in 2019. This was the largest relative decline since the Second World War. Specifically, global oil consumption declined on an average of over 8% across the year with the highest decline happening in April by as much as 25%. In essence, the global oil supply declined by an unprecedented 8.8 million barrels of oil per day.

- Natural gas demand is also fell on average by 4 per cent – the first decline since 2009 and the largest on record. This was equivalent to 6.6 million bpd
- Crude oil prices plummeted to record low, plunging 20-year low in April 2020 due to disruption in activities and a further reduction in demand, however gold, Rubber, palm oil and iron ore experienced significant increases because of disruption in more commodity-producing countries and for gold due to the volatility in other financial assets because of economic uncertainties affected by COVID 19.
- Crude oil prices declined by 32.7%
- Iron ore price increased by 16.1%
- Rubber price rose by 5.5%
- Palm oil prices increased by 20%
- Despite the increases in the process of base metals and gold, investments and exploration and development activities in the mining sector slowed. Similarly, major cuts were made

to crude oil projects, especially those that were in the exploration and development phases.

10.0 Outcomes & Impact of the EITI Process in Liberia

10.1 Public Debate

LEITI does not have a stand-alone data policy but has adopted the government's data sharing policies ([.http://www.undp.org/content/dam/liberia/docs/docs/Data_Sharing_Policy.pdf](http://www.undp.org/content/dam/liberia/docs/docs/Data_Sharing_Policy.pdf).) Further, Section 4. d.e of the LEITI Act 2009 grants the authority to promptly publish reports of all audits, investigations, and/or reconciliations conducted pursuant to the provisions of Section 4.1(c) and Section 4.1(d) hereof and to disseminate such published reports through widely accessible media. Liberia partners with the Open Government Partnership program and has been making efforts to make sure all its data are so operable. The policy covers anti-corruption, gender, digital governance, civic space, justice, education, extractive industries, and health.

10.2 Data Accessibility

LEITI disclosures are available online and in hard copies. LEITI undertakes annual dissemination activities where printed materials are distributed to communities across the country, especially in mining-affected communities. Mainstreaming efforts are underway to improve the quality and timeliness of EITI disclosures.

11.0 Findings and Recommendations

Findings	Recommendations
<p>Disclosure of Contracts</p> <p>As per the LEITI Act, all extractive contracts are required to be published, including annexes and terms and conditions. However, the IA noticed that some mining contracts were not publicly disclosed on any of the agency’s platforms.</p> <p>In addition, while all mining licenses have been disclosed on a license portal, the terms and conditions associated with the licenses are not disclosed.</p>	<p>To satisfy EITI requirements on Contract disclosures, LEITI should work with the relevant agencies to ensure contracts from the mining sector (including all class A, B, and Mineral Development Agreements) are disclosed on the responsible agencies’ website as well as LEITI’s website.</p>
<p>Mining Equity Investments</p> <p>As per the Minerals and Mining Law, 2000, the Government of Liberia is entitled to a free equity interest at a minimum of 10 per cent and a maximum of 15 per cent in all mining agreements. The consultant only received information on a government equity interest in two mining agreements, namely Arcelor Mittal and Bea Mountain. Information disclosure on the government’s equity interests in the mining sector is inadequate. The consultant is of the view that this may deprive the public of effectively monitoring companies and government delivery of their respective obligations on dividend payments and receipts under each mining agreement</p>	<p>LEITI MSG should work with MME to produce and publish a list of all government active equity interests in the mining industry to enhance transparency and further empower the citizens to monitor both government and company obligations under each agreement.</p>
<p>Incoherence in Oil and Gas Sector Fiscal Regime and Overlaps in Legislation</p> <p>The Revenue Code of Liberia stipulates a set of fiscal regimes for the Oil and Gas sector; however, the recently published Model Petroleum PSC of Liberia presents a separate set of fiscal regimes including differences in the royalty, corporate income tax rate, differences in states participation, and other fiscal terms. This creates incoherence and potential confusion with investors on which kind of fiscal regime applies to them</p>	<p>LPRa and LRA should work to harmonize the oil and gas fiscal regime to reduce incoherence and regulatory overlaps</p>
<p>Inter-Agency Coordination</p> <p>The IA noticed incoherence in the categorization of companies under sectors between LRA and LPRa. We identified companies being categorized as mining even though their original objects were in sectors other than mining. This demonstrates lack of coordination between the</p>	<p>LEITI MSG should work to enhance coordination between all regulatory bodies and LRA</p>

regulatory authority and the LRA	
<p>Timeliness and Data Submission</p> <p>The IA observed that the timeline from procurement to production is short. It undermines the quality of work and the amount of information received from reporting entities. Further, the delay in response by reporting entities should be addressed. reluctance of reporting</p>	<p>LEITI should allocate adequate time from procurement to production of reports. LEITI should periodically update the contact list/database for reporting entities to ensure the effective distribution of reporting templates. LEITI should enforce its LEITI Regulation 001 (Sanction Regime).</p>
<p>Production and Exports Data</p>	<p>Data is scanty. Varies widely from one source to another. LEITI MSG should prioritize and ensure data quality.</p>

Annexe: List of 2020/2021 In-scope Companies

Mining		Forestry		Agriculture	
1.	Arcelor Mittal Liberia	1.	Mandra Forestry	1	Firestone Liberia Incorporated
2.	Euro Nimba Liberia Ltd.	2.	Alpha Logging & Wood Processing Inc	2	Mano Palm Oil Plantation (Liberia)
3.	Bea Mountain	3.	International Consultant Capital	3	Golden Veroleum (Liberia) Inc
4.	MNG Gold	4.	Geblo Logging, Inc	4	Liberia Agricultural Company
5.	Hummingbird Resources	5.	Booming Green Liberia Inc	5	Libinc Oil Palm
6.	CGGC Mining	6.	Sing Africa Plantation Liberia	6	Cavalla Rubber Corporation
7.	Deko Mining Corporation	7.	Brilliant Maju Inc.	7	Maryland Oil Palm Plantation Inc
8.	China Union Investment	8.	African Wood & Lumber Co.	8	Golden Sifca
9.	Medina Rock Crusher	9.	Tetra Enterprise, Inc	9	The Lee Group Of Enterprises, Inc
10.	Afric Diam Company	10.	Westnaf Limited	10.	Salala Rubber Corporation
11.	Tieto Minerals (Liberia) Ltd	11,	West African Forest Development Inc	11	Mano Palm Oil Plantation
12.	ESP Metal Mining Corporation	12.	Shangyou Wood Ind. Dev. Lib	12	Welth Hunger Hilfe
13.	Afro-Anglo American Resources	13.	L & R Resources Inc.	13	Equatorial Palm Oil
14.	Cavalla Resources Liberia Ltd.	14.	Renaissance, Inc	14	Development Alternatives, Inc.
15.	Ever Bright	15.	Euro- Liberia Logging Company	Oil And Gas Sector	
16.	MNG Gold Exploration Inc.	16.	BBR Overseas, Inc.	1	None
18.	West Africa Gold & Diamond Inc.	18.	Liberia Ruby Light Forestry		
19.	Golden Bar Trading	19.	Coveiyalah Investment Enterprises, Inc		
20.	Lee Yam Diamond Manufacturer	20.	Akewa Group Of Companies Lib, Inc		
21.	Alex Gee Group Of Companies	21.	Innovations For Poverty		
22.	Stellar Diamonds Liberia	22.	Kris Int'l Liberia Ltd		
23.	Golden View Trading Inc	23.	Nagrifor Company Limited		
24.	KBI Mining Company	24.	Liberia Tree And Trading Company Inc		

25.	Blue Sky Gold Corporation	25.	Power Star Trading Liberia		
26.	Redlight Ali Trading Group, Inc.	26.	Magna Logging Corporation Inc		
27.	Solway Mining Inc.	27.	Green Wood Resource Company		
28.	STT Heavy Mineral Resources Ltd				
29.	Z&C Investment Company				
30.	Continental Diamond Company				
31.	Youssef Diamond Mining Company				
32.	GEM Rock Mining Inc.				
33.	Hua Xing Mining Company				
34.	Sama Resources Liberia Ltd.				
35.	Da Tang Mining Company				

April 11, 2023

A handwritten signature in blue ink, appearing to be 'MSK', with a horizontal line underneath.