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Acknowledgment

The LEITI MSG extends profound gratitude to all stakeholders of the EITI process who worked collaboratively and assiduously to ensure the achievements outlined in this Report.

The Civil Society is lauded for its robust and aggressive advocacy role which is indispensable to the process; the private sector, for its broad commitment to adhere to disclosure requirements and make investments in Liberia more sustainable; and the Government, for providing the enabling environment which has helped to move the process forward.

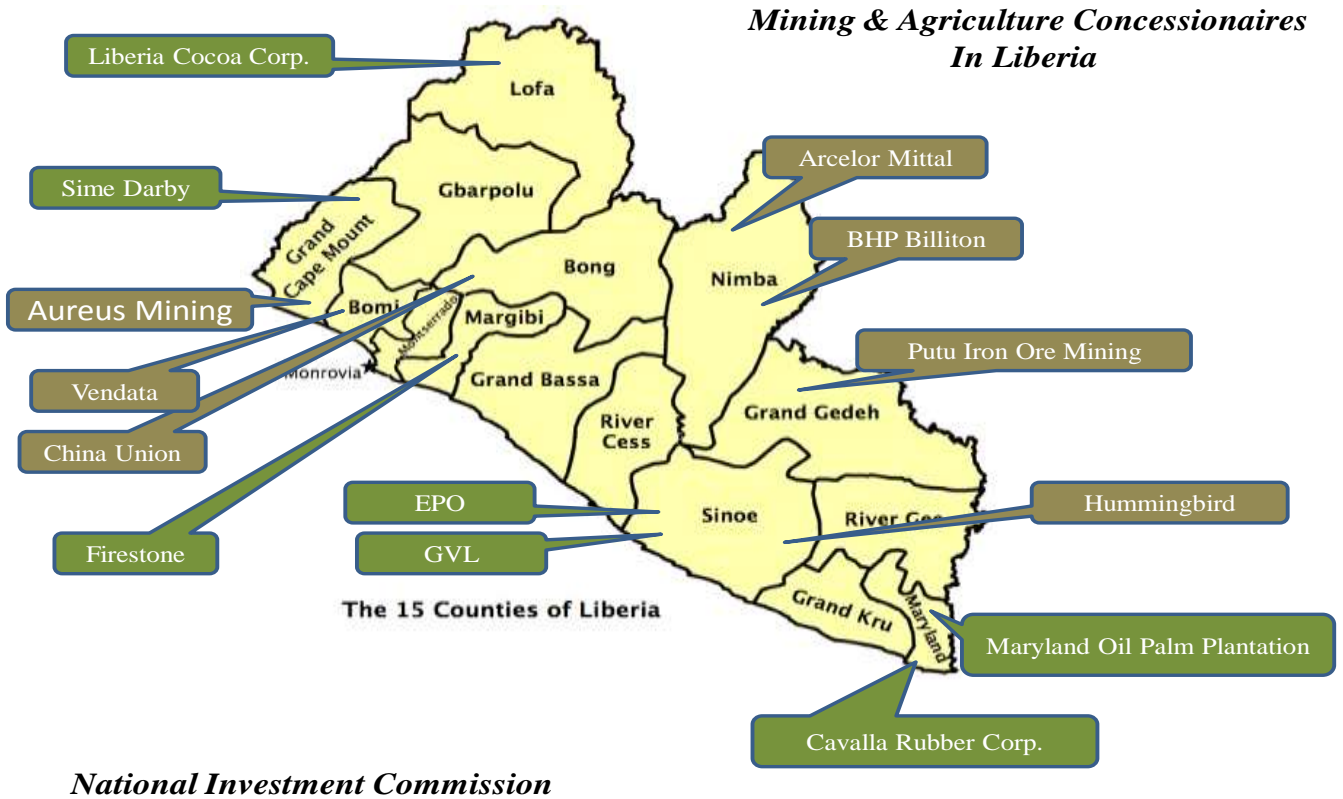
Ordinary Liberians continue to be crucial to the EITI implementation process in Liberia. Their contributions and feedbacks particularly during the stalemate that relegated the Country to the suspension have led to many valuable reforms aimed at improving the resource governance process in Liberia.

The LEITI could not have easily navigated its EITI implementation path to the current level of achievement without the support of the EITI Secretariat. Their support and guidance in resolving the stalemate was immense and renowned

And to the staff of the LEITI Secretariat, we wish to acknowledge your successful role in serving as a fulcrum for the EITI implementation in Liberia by ably managing day to day nuances of the process. The many gains of the LEITI can be attributed to your individual and collective commitments, dedication, and teamwork. Such qualities have amplified and sustained the level of progress made by the LEITI time after time and accounted for the many gains LEITI continues to make in advancing resource governance, transparency, and accountability in the extractive sectors of Liberia

Finally, our unreserved thanks go to the President of Liberia, H.E. George M. Weah, whose personal commitment to and leadership on the EITI implementation process in Liberia is poised to positively shape the direction of Natural resource governance in Liberia.

Map of Major Concessions in Liberia



Legend

Mining Concessions

Agriculture Concessions

Curtsey: National Investment Commission (NIC)

Acronyms

AfDB	African Development Bank
AML	ArcelorMittal Liberia
BOD	Beneficial Ownership Disclosure
CBL	Central Bank of Liberia
CENTAL	Center for Transparency and Accountability in Liberia
COYPED	Coalition of Youth for Peace and Development
DC	Development Consortium
EITI	Extractive Industries Transparency Initiative
EMW	Extractive Media Watch
FDA	Forestry Development Authority
FLY	Federation of Liberian Youth
FY	Fiscal Year
GAC	General Auditing Commission
GC	Governance Commission
GDP	Gross Domestic Product
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Int'l Development Agency)
GoL	Government of Liberia
GVL	Golden Veroleum Liberia
GODIMWUL	Gold and Diamond Workers Union of Liberia
GYACN	Global Youth Anti-Corruption Network
HOR	House of Representatives
LACC	Liberia Anti-Corruption Commission
LBR	Liberia Business Registry
LEITI	Liberia Extractive Industries Transparency Initiative
LMC	Liberia Media Center
LRA	Liberia Revenue Authority

LTA	Liberia Timber Association
MDAs	Mineral Development Agreements
MFDP	Ministry of Finance and Development Planning
MOJ	Ministry of Justice
MSG	Multi-stakeholders Steering Group
MIA	Ministry of Internal Affairs
MLME	Ministry of Lands, Mines, and Energy
MoA	Ministry of Agriculture
NBC	National Bureau of Concessions
NCB	National Competitive Bidding
NCSCCL	National Civil Society Council of Liberia
NOCAL	National Oil Company of Liberia
NTCL	National Traditional Council of Liberia
ODI	Oversea Development Initiative
PFM	Public Financial Management
PPCC	Public Procurement and Concession Commission
PWYP	Publish What You Pay Coalition
REOI	Request for Expression of Interest
RFQ	Request for Quotation
SDF	Social Development Fund
STOAP	Strengthen Transparency, Oversight and Accountability Project
TOR	Terms of Reference
UNMIL	United Nations Missions in Liberia
USAID	United States Agency for International Development
WONGOSOL	Women NGO Secretariat of Liberia

Background/Introduction

Liberia was admitted as an Extractive Industries Transparency Initiative (EITI) candidate country in 2008 and was the first African country and the second globally, to become EITI compliant in 2009.

Liberia's decision to implement the EITI was historically influenced. For decades, Liberia's natural resource wealth was at the center of the country's conflicts and the cause of most of its corruption. The Liberia Extractive Industries Transparency Initiative (LEITI), established by an Act of the National Legislature in July 2009, is an autonomous agency responsible for promoting transparency and accountability over the management of revenues from the extractive sectors. LEITI is a multi-stakeholders process, bringing together, the government of Liberia, civil society, and companies in the extractive sectors.

Up to date, Liberia has published 12 EITI reports with the preparation of the TOR for the 13th report underway. More so, Liberia has made several other impressive records in EITI implementation. Liberia is yet the only country that has expanded the scope of the EITI beyond oil and gas and mining, adding forestry and agriculture. Liberia's post-award process audit report launched in 2013 is a first of its kind in EITI implementation, and Liberia was amongst few countries that piloted the EITI beneficial ownership disclosure exercise. These achievements have set Liberia at the panicle of global EITI acclamation and as a role model in EITI implementation.

This Annual Activity Report has been developed to highlight progress made at implementing the EITI in Liberia in 2019. The publication of the report is also consistent with Requirement 7.2 of the EITI Standard which mandates the MSG of respective implementing countries to review the outcomes and impact of EITI implementation on natural resource governance. The Report has four main components. The first segment detailed an assessment of progress made against the LEITI 2019 Work Plan; the second highlights progress made towards implementation of EITI requirements, the third outlines financial report for the period, and the fourth delineates activities of the MSG.

Executive Summary

In its 2018/2019 Work Plans, the Liberia Extractive Industries Transparency Initiative (LEITI) proposed series of programs and activities designed to support the promotion of transparent resource management in Liberia. Some of the issues were due in 2018 but brought forward due to the lack of funding and adequate budgetary support. Key amongst the activities, the LEITI planned to prepare and publish the 10th and 11th EITI reconciliation and revenue tracking Report in the summary sector and regional forms, Recruitment of independent administrator for the 12th report for Liberia; and Recruitment of additional staff to help support the work of the Secretariat

Toward these goals, and amid daunting challenges including human resources and other financial constraints, considerable progress was made, a few of which are outlined below.

WITHDRAWAL OF PRESIDENTIAL APPOINTEE FROM LEITI

Two years following the appointment of Mr. Gabriel Nyenkan, as Head of the LEITI Secretariat, President George Weah withdrew the appointment in September 2019. Mr. Nyenkan's withdrawal followed intense pleads and public outcry from partners and other relevant stakeholders including local civil society organizations and the media.

In February 2017, President George Weah officially appointed Mr. Gabriel Nyenkan as HoS to the LEITI Secretariat through the Executive Mansion website. An appointment that was met with immense public outcry from local and international organizations. Many saw it as a contravention of the LEITI's Act and admonished the President to reconsider the appointment. Publish What You Pay (PWYP) and the transparency watch dog, Global Witness immediately issued separate statements calling for the removal of Mr. Nyenkan as his appointment could impede the workings of the LEITI Secretariat and undermine the progress of the Country relative to EITI implementation. By then Liberia had just gone through validation scoring meaningful progress and given eighteen months to improve and correct places it made low or no progress.

Amidst these, Mr. Nyenkan remained to meet Liberia's suspension from the EITI after failing to produce and publish the 9th EITI report and other requirements. But finally in September, following several consultations with key and influential members of the Government including Finance and Development Planning Minister Samuel Tweah and Presidential Affairs Minister Nathaniel McGill and through the intervention of the EITI International Secretariat, the President withdrew Mr. Nyenkan and ordered the MSG to revert to status quo.

MSG Appoints Jeffery Yates

Following the withdrawal of Mr. Gabriel Nyenkan as Head of Secretariat of the LEITI, the MSG asked Mr. Jeffery N. Yates to act as Officer In Charge while modalities are been worked out for recruitment. Jeffery Yates served as Finance Director at the LEITI before his appointment by the MSG.

Launch of the 10th & 11th EITI Report for Liberia

On January 7, 2019, the MSG launched the 9th EITI report for Liberia through a press conference in Monrovia. The soft copy was subsequently loaded to the LEITI website. The report, commissioned by the MSG on November 24, 2017, and prepared by Parker & Company LLC of Liberia in association with Moore Stephens LLP of the UK, contains reconciled accounts of payments made to, and revenues received by the Government of Liberia from the oil, mining, forestry, and agricultural companies during the Fiscal Year July 1, 2015, up to and including June 30, 2016.

In this report, data from government agencies show that total revenue generated in the extractive industries after reconciliation work totaled USD 66.37 Million during the FY 2015/16. Direct government revenue from the extractive sector decreased from USD 100.73 Million in FY 2016/2017 to USD 56.4 Million in FY 2017/18. This decrease is due to many factors to include the fall in prices on the global market of Liberia's major export commodities. Moreover, in this report, companies' records show that a total of USD 62, 481,551 was paid to the government, whereas, the government acknowledged receipt of USD 54,490,667; thereby creating a discrepancy of USD 7,990,874.

The net discrepancy can be attributed to two factors. Firstly, the Government reported receipts for some companies, but those companies did not submit payment data to the Reconcilers. Secondly, some companies submitted payment data, but the differences could not be reconciled due to the lack of adequate information provided to the Reconcilers.

The 9th Report also includes payment data of In-kind Contributions made by extractive companies to the local communities and public institutions; Revenue Tracking, and Amount Due for all fixed amounts.

In a statement, Mr. C Mike Doryen noted that the MSG is committed to further reviewing the findings and recommendations of the Report to identify areas for policy implementation. “These initiatives are very crucial and cannot be achieved without the participation of all stakeholders of the LEITI process including you members of the press. In your traditional role as Agenda Setters, the LEITI depends on you to raise the platform of the EITI process in Liberia; to create awareness and educate the public on the findings of this Report and other studies done and initiatives undertaken to promote transparent resource management in Liberia. The Report launched today is voluminous, totaling one hundred and forty-five pages. Not every member of the public—even the reading public, may have access to a copy or appreciate to read such a volume. Your role is to synthesize the information and educate the public. The LEITI intends to create summarized copies of the report for easy reading.” Mr, Doryen concluded.

Following the launch, the Secretariat did not however secure funding for the dissemination of the report. As part of the Requirements for an implementing country, the publication of the EITI Report is one of the core functions of LEITI, and it requires public disclosure of revenue and tax payment data from the extractive sector. This is intended to promote transparent resource management, good governance and ensure that Liberians benefit from the proceeds of their resources.

I. Assessment of Performance against Target Activities in Work Plan

Customarily, the annual work plans of LEITI have been aligned with the Government’s fiscal year, which execution starts from July 1 of the current year to June 30 of the following year. This Report, being the substance of the 2019 calendar year, integrates components of both the 2018/2019 and 2019/2020 Annual Workplans.

During the period under review, several programs and activities were approved for implementation particularly in support of meeting compliance with the EITI Standards and fulfilling other national requirements as captured by the LEITI Act of 2009. Due to financial constraints faced by the Government of Liberia amidst competing priorities, meaningful progress was made towards these target deliverables. Achievements against each target deliverable are cataloged below.

Recruitment of Independent Administrator for the 10th & 11th Report:

The reviewed period witnessed, with support from MFGAP, the procurement of an Independent Administrator for the preparation of the 10th and 11th EITI report for Liberia. The procurement process was sole-source, following the selection of BDO (London) in partnership with Parker and Associates (Liberia) for the preparation of the LEITI 10th and 11th report following the LEITI MSG’s approval to retain a single Independent Administrator for two reports. The request, however, was made through written documentation to the Public Procurement and Concession Commission (PPCC) which approved the request. The MSG noted through the communication to the PPCC time limitation as the Country was gradually slipping into the deadline for compliance or face delisting.

Technical Workshop for the development of the 10th and 11th report

After obtaining **no objection** from the Liberia Public Procurement and Concession Commission (PPCC) for BDO in association with Parker and Associates for the production of the 10th and 11th EITI report for

Liberia, the Secretariat of the Liberia Extractive Industries Transparency Initiative (LEITI) hosted a one-day technical workshop with reporting institutions (Government and Companies) on October 23, 2019, in Monrovia.

The workshop was aimed at conducting a dry run of the LEITI Reporting Templates coupled with walking these entities through the EITI Reporting process as well as providing these institutions the platform to address challenges faced during the preparation of the last report-the 9th report, and devising ways to remedy the challenges to enhance communication.

Addressing participants in his welcome statement, the Chair of the Multi-stakeholder Steering Group (MSG), C. Mike Doryen of the Forestry Development Authority challenged participants to work assiduously for the production of the report as its productions were the lifeline to Liberia's restoration in the EITI community.

For his part, LEITI Officer-In-Charge, Jeffery Yates admonished all stakeholders to remain engaged and committed to the process as the surest way of emerging from the suspension. He pointed out that a concerted effort and commitment from stakeholders will only speed up progress in Liberia thereby cutting short the Country's suspension.

The hiring of an International consultant

The full composition of the MSG in September meant all was now set for the LEITI to fully function once more. There has been a backlog of deliverables to meet and act upon as such, the MSG needed people who already understood the process. There were reports to be developed as well as other requirements to be met. Liberia was already under suspension after failing to publish the 9th report. Amidst these, deadline day for delisting of the Country loomed.

In search of a suitable consultant who understood not only the EITI implementation process but also the terrain, the MSG contacted Mr. Samson Tokpah to serve as a consultant. Mr. Tokpah's role was to work with the MSG and Secretariat for the development of the combined 10th and 11th report, the annual activity reports for FY 2017 and 18, and a well costed Workplan.

Samson Tokpah once served the LEITI as Head of Secretariat for two years-2012 to 2013 and later move to the International Secretariat as a **Regional Director**. In his first three months as a consultant, Mr. Tokpah helped produced the combined 10th and 11th report, the Annual activity report for 2017 and 2018 as well as the Workplan for 2020. He also worked along with a local hired communication consultant to produce the combined 2017 and 2018 Annual Progress Report for the LEITI. These documents were together endorsed and published on December 31, 2019.

II. Assessment of Performance against EITI Requirements

During the review period, Liberia was able to launch and publish via its website but did not disseminate the 9th report as earmarked in the Workplan. However, the country still made some significant progress against the EITI standards including the development and endorsement of the combined 10th and 11th Reports. Below is an assessment of LEITI’s performance against the EITI Requirements for the year 2019:

Requirement	Progress
<p><u>1.1 Government engagement.</u></p> <p><u>Requirement 1.1(a)</u> The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government or an appropriately delegated government representative.</p> <p><u>Requirement 1.1(b)</u> The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority, and the freedom to coordinate action on the EITI across relevant ministries and agencies and be able to mobilize resources for EITI implementation.</p> <p><u>Requirement 1.1(c)</u> The government must be fully, actively, and effectively engaged in the EITI process.</p> <p><u>Requirement 1.1 (d)</u> The government must ensure that senior government officials are represented in the multi-stakeholder group.</p>	<p>The government issued a policy letter expressing Liberia’s interest to implement the EITI since 2007. The statement was signed by President Ellen Johnson-Sirleaf.</p> <p>President Sirleaf also appointed Hon. Patrick Sendolo, Minister of Lands, Mines, and Energy as Chair of the MSG, and Mr. Boima Kamara, Minister of Finance and Development Planning as Co-Chair. The appointment of the two Heads of agencies was done almost three years ago. After which a new MSG was constituted in September 2019</p> <p>There were five sittings of the MSG in 2019 including one emergency and one extra ordinary sitting. Two of the meetings were nullified due to the lack of quorum.</p> <p>The government’s composition on the MSG is represented at the senior level. For example, the Managing Director of the Forestry Development Authority (Mr. C. Mike Doryen) and Vice President for Finance at the National Oil Company of Liberia (Mr. Eric Daniels) usually represented their institutions at MSG meetings during the reviewed period.</p>
<p><u>1.2 Company engagement.</u></p> <p><u>Requirement 1.2 (a)</u></p>	<p>The reviewed period witnessed full participation of companies (Western Cluster, ExxonMobil, Aurous</p>

<p>Companies must be fully, actively, and effectively engaged in the EITI process.</p> <p><u>Requirement 1.2 (b)</u> The government must ensure that there is an enabling environment for company participation in relevant laws, regulations, and administrative rules as well as actual practice in the implementation of the EITI. The fundamental rights of company representatives substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.</p> <p><u>Requirement 1.2 (c)</u> The government must ensure that there are no obstacles to company participation in the EITI process.</p>	<p>Gold, Golden Veroleum and Liberia Timber Association, Firestone Liberia, and Arcelor Mittal) in the EITI process as respective companies’ representatives attended MSG meetings and contributed to consensual decision making, especially in approving the workplan and TOR for 9th, 10th and 11th EITI reports on Liberia.</p> <p>“Under article 6.4C of the LEITI Act, the industry is guaranteed at least four seats in the MSG including a minimum of one seat each for companies in the mining, forestry, and oil sectors. The current MSG has six representatives from the sector: Golden Veroleum, an oil palm developer, Exxon Mobile, an oil and gas company, the Gold and Diamond Dealers and Brokers Association, the Liberia Timber Association, Western Cluster, an iron ore mining company, and Aureus Gold, a gold mining company.”</p> <p>Decision-making on the MSG is by consensus and in instances where consensus-building cannot hold, MSG members including CSOs and companies have the right to vote without molestation or harassment. The review period however saw a level playing field for companies’ representation on the MSG.</p>
<p><u>1.3 Civil Society Engagement</u></p> <p><u>Requirement 1.3 (a)</u> Civil society must be fully, actively, and effectively engaged in the EITI process.</p> <p><u>Requirement 1.3 (b)</u> The government must ensure that there is an enabling environment for civil society participation in relevant laws, regulations, and administrative rules as well as actual practice in the implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.</p> <p><u>Requirement 1.3 (c)</u></p>	<p>CSOs are an integral part of the LEITI, backed by the Act of 2009. One of the specific objectives of LEITI, according to Article 3.2(a) of the LEITI Act, is “to promote the effective participation of civil society in the design, implementation, evaluation, and modification of actions, activities, processes and institutional arrangements associated with resource governance in Liberia”. During the reviewed period, there were CSO representations in all monthly MSG and committee meetings. CSOs made significant contributions to the development of LEITI’s workplan, approval of 7th and 8th Reports TOR as well as participation in the dissemination of the referenced reports. Publish What You Pay, a permanent CSO representative on the MSG, and Women NGO Secretariat of Liberia (WONGOSOL), participated in the dissemination of the 7th and 8th LEITI reports in the</p>

<p>The government must ensure that there are no obstacles to civil society participation in the EITI process.</p> <p><u>Requirement 1.3 (d)</u> The government must refrain from actions that result in narrowing or restricting public debate about the implementation of the EITI.</p> <p>Requirement 1.3 (e) Stakeholders, including but not limited to members of the multi-stakeholder group must: i. Be able to speak freely on transparency and natural resource governance issues. ii. Be substantially engaged in the design, implementation, monitoring, and evaluation of the EITI process, and ensure that it contributes to public debate. iii. Have the right to communicate and cooperate. iv. Be able to operate freely and express opinions about the EITI without restraint, coercion, or reprisal.</p>	<p>Western and Southeastern regions of Liberia respectively.</p> <p>Civil society can fully, actively, and effectively engage in the design, implementation, monitoring, and evaluation of the EITI process. There is an enabling environment for civil society participation in the EITI process for the period under review. Civil Society Organizations also participated in the dissemination of the Simplified Contract Matrix and awareness on the County Social Development Fund in eight (8) of the 15 political subdivisions of Liberia.</p>
<p><u>Requirement (1.4)</u> Multi-Stakeholder Group.</p> <p>a) The government is required to commit to working with civil society and companies and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder group, the government must:</p> <p>i. Ensure that the invitation to participate in the group is open and transparent.</p> <p>ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include</p>	<p>The MSG has been formed and includes appointed representatives from each stakeholder group. While the President is responsible for appointing all MSG members, the selection was made by each constituency independently.</p>

parliamentarians. Each stakeholder group must have the right to appoint its representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups involved in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies.

iii. Consider establishing the legal basis of the group.

b) The multi-stakeholder group is required to agree to clear public Terms of Reference (ToRs) for its work. The ToRs should, at a minimum, include provisions on:

The role, responsibilities, and rights of the multi-stakeholder group:

i. Members of the multi-stakeholder group should have the capacity to carry out their duties.

ii. The multi-stakeholder group should undertake effective outreach activities with civil society groups and companies, including through communication such as media, website, and letters, informing stakeholders of the government's commitment to implement the EITI and the central role of companies and civil society. The multi-stakeholder group should also widely disseminate the public information that results from the EITI process such as the EITI Report.

iii. Members of the multi-stakeholder group should liaise with their constituency groups. Approval of work plans, EITI Reports, and annual activity reports:

<p>iv. The multi-stakeholder group is required to approve annual work plans, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator, EITI Reports and annual activity reports.</p> <p>v. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation. Internal governance rules and procedures:</p> <p>vi. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate, and the frequency of meetings. This should include ensuring that there is a process for changing group members that respect the principles set out in</p> <p><u>Requirement (1.4.a.)</u> Where the MSG has a practice of per diems for attending EITI meetings or other payments to MSG members, this practice should be transparent and should not create conflicts of interest.</p> <p>vii. There should be sufficient advance notice of meetings and timely circulation of documents before their debate and proposed adoption.</p> <p>viii. The multi-stakeholder group must keep written records of its discussions and decisions</p>	
<p><u>Requirement 1.5</u> Workplan.</p> <p>The multi-stakeholder group is required to maintain a current workplan, fully cost and</p>	<p>During the reviewed period and in keeping with Requirement 1.5, LEITI prepared two well-costed workplans driven by substantive and collective inputs from MSG members. The workplans covered July 1</p>

<p>aligned with the reporting and Validation deadlines established by the EITI Board. The work plan must:</p> <p>a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. Multi-stakeholder groups are encouraged 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.</p> <p>b) Reflect the results of consultations with key stakeholders, and be endorsed by the multi-stakeholder group.</p> <p>c) Include measurable and time-bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:</p> <p>i. Assess and outline plans to address any potential capacity constraints in government agencies, companies, and civil society that may be an obstacle to effective EITI implementation.</p> <p>ii. Address the scope of EITI reporting, including plans for addressing technical aspects of reporting, such as comprehensiveness and data reliability (Requirements 4.1 and 4.9).</p> <p>iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.</p>	<p>2016 to June 30, 2019. The plans are in line with the country's pro-poor agenda. The workplans also encompassed deliverables aimed at achieving the EITI Standard, LEITI Act of 2009</p> <p>Key deliverables of the 2017/2018 work plan are the preparation of the 9th EITI Report on Liberia and the review of the 2015 strategic plan for the LEITI. The former was however not produced and published during the period.</p> <p>The MSG documented all its decisions through its minutes and placed them on the LEITI website: www.leiti.org.lr</p>
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<p>iv. Outline the multi-stakeholder group’s plans for implementing the recommendations from Validation and EITI reporting.</p> <p>d) Identify domestic and external sources of funding and technical assistance where appropriate to ensure timely implementation of the agreed work plan.</p> <p>e) Be made widely available to the public, for example, published on the national EITI website and/or other relevant ministry and agency websites, in print media, or in places that are easily accessible to the public.</p> <p>f) Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting including addressing issues such as revenue management and expenditure (5.3), transportation payments (4.4), discretionary social expenditures (6.1.b), ad-hoc sub-national transfers (5.2.b), beneficial ownership (2.5) and contracts (2.4).</p> <p>Following Requirement 1.4.b (viii), the multi-stakeholder group is required to document its discussion and decisions.</p> <p>g) Include a timetable for implementation that is aligned with the reporting and Validation deadlines established by the EITI Board (see provision 8) and that takes into account administrative requirements such as procurement processes and funding.</p>	
<p>Requirement 2 Legal and institutional framework, including allocation of contracts and licenses.</p> <p><u>Requirement 2.1</u> Legal framework and fiscal regime.</p> <p>a) Implementing countries must disclose a description of the legal framework and fiscal regime governing the extractive industries. This information must include a summary</p>	<p>Legal Framework (Mining Sector)</p> <p>The Ministry of Lands, Mines, and Energy (MLME) is the Government Agency responsible for the administration of the mineral sector, including granting mining licenses, and it has statutory oversight of the energy, land, minerals, and water sectors. The minerals sector is regulated by the Mining and Minerals Law of</p>

<p>description of the fiscal regime, including the level of fiscal devolution, an overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies.</p> <p>b) Where the government is undertaking reforms, the multi-stakeholder group is encouraged to ensure that these are documented.</p>	<p>2000. The Minerals Policy of Liberia was created in March 2010 to complement the Mining and Minerals Law. The document outlines the Government’s expectations about the contributions of all stakeholders in the sustainable development of Liberia’s mineral resources. These laws are under review.</p> <p>Exports and imports of rough diamonds are overseen by the Government Diamond Office (GDO) within MLME and by the Bureau of Customs.</p> <p>Fiscal Regime (Mining Sector)</p> <p>The fiscal regime specific for mining companies is set out in the Liberia Revenue Code (LRC) from sections 701 to 739. The main taxes paid by a mining company are a tax on taxable income (30%), royalties (Iron ore. 4.5% Gold and other base metals. 3% Commercial diamonds. 5 %.) and surface rent ((A) Land within a mineral exploration license area: USD 0.20 per acre. (B) Land within mining license are (i) Year 1-10 USD 5.00 per acre (ii) Year 11-25 USD 10.00 per acre).</p> <p>Legal Framework (Oil and Gas Industry)</p> <p>The Ministry of Lands, Mines, and Energy (MLME) regulates the oil and gas industry while NOCAL, which was set up in 2000, administers and controls the rights, title, and interest in oil and gas deposits and reserves in the Liberian territory. NOCAL also facilitates the development of the oil and gas industry in Liberia and is mandated to grant exploration licenses and negotiate all petroleum contracts. NOCAL is the independent state-owned enterprise created by the NOCAL Act 2000 and the 2002 Petroleum Law to coordinate the development of Liberia’s oil sector. NOCAL chairs the Hydrocarbon Technical Committee (HTC) – the inter-ministerial body created by the 2002 Petroleum Law which is empowered to negotiate all contracts.</p> <p>HTC has the power, under the chairmanship and guidance of the President/CEO of NOCAL to negotiate and conclude agreements with all applicants for hydrocarbon development and exploitation rights and such related permits. The agreement so negotiated and concluded, becomes effective and binding upon the parties and the Republic of Liberia, when signed by the</p>
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applicants, NOCAL, the Minister of Finance, the Minister of Lands, Mines, and Energy, the Chairman of the National Investment Commission, attested by the Minister of Justice and approved by the President of Liberia. The Hydrocarbons Law is the New Oil & Gas Law of Liberia enacted in 2002. It requires 20% equity to be granted to NOCAL, 10% equity to be made available for purchase by Liberians, and purchase contracts valued at USD 3 million or less to be awarded to Liberian contractors. The Petroleum Law has only been partially implemented and local content provisions have not been enforced in the first two bidding rounds, primarily because there are no guidelines to implement them. Whether the ongoing third bidding round will be subject to the provisions will depend on the legislature issuing timely guidelines. In the case of disputes arising between The Republic of Liberia and a petroleum company, the Laws of Liberia are still applicable. However, arbitration provides the forum where disputes can be heard and settlements sought.

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

Liberia's Environmental Protection Agency (EPA), established in 2006, is responsible for preparing Environmental and Social Impact Assessments. The Oil & Gas Law specifies that an environmental impact study should be part of every contract.

Fiscal Regime (Oil and Gas)

The fiscal regime specific for Oil & Gas companies is set out in the Liberia Revenue Code (LRC) from sections 740 to 799. The main taxes paid by an Oil & Gas company are taxes on taxable income (30%), royalties (10%), surface rental (usually stated in Production Sharing Contract), and Signature Fees/Signing Bonus (These are bonuses or fees paid by extractive Industries to the Government of Liberia for

the signing of Concession Agreements. These are non-sector specific taxes paid to the Government of Liberia).

Legal Framework (Agriculture Sector)

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

Fiscal Regime (Agriculture Sector)

The fiscal regime specific for agricultural companies is set out in the LRC from sections 600 to 699. The main taxes paid by an agricultural company are Taxes on Taxable Income (Renewable Resources: 25% and Rice: 15%) and Surface Rental (USD 2 per acre for developed land and USD 1 per acre for undeveloped land, irrespective of the value of the assets contained thereon).

Legal Framework (Forestry Sector)

Apart from the Public Procurement and Concession Agreement (PPCA) 2010, specific regulations that apply to the Forestry Sector are • Act creating the Forestry Development Authority (FDA) of 1976; • National Forestry Reform Law of 2006; • Forestry Core Regulations - FDA Ten Core Regulations (effective September 2007); • Act to Establish the Community Rights Law concerning Forest Lands of 2009; • FDA Regulations to the Community Rights Law concerning Forest Lands, July 2011; • Guidelines for Forest Management Planning in Liberia; and • National Forest Management Strategy, 2007.

Fiscal Regime (Forestry Sector)

<p><u>Requirement (2.2)</u> License allocations.</p> <p>a) Implementing countries are required to disclose the following information related to the award or transfer of licenses about the companies covered in the EITI Report during the accounting period covered by the EITI Report: i. a description of the process for transferring or awarding the license; ii. The technical and financial criteria used; iii. Information about the recipient(s) of the</p>	<p>The main taxes paid by a forestry company are taxes on taxable income (25%) and Log Export Fees (These are fees associated with the export of log as a forest product), Area Fee (These are fees associated with the use of Forest Land, including administrative fees and area-based fees tied to the resource licensees.), Forest Product Fee (processed materials) Stumpage Fee (These fixed fees were prescribed by regulations issued by FDA in consultation with the Minister, and assessed by FDA and paid regularly to the Minister for deposit into the account of Government. It is associated with the production, registration, transport, transfer of ownership, use, or export of forest products), Sawmill Permit Fees (Sawmill operators are classified into three (3) categories. These are class A, B, and C. Class A operators are those who process 1,500 cubic meters of wood per year and are required to pay USD 2,500 per annum. Class B operators are those who process 750 cubic meters of wood but less than 1,500 and are to pay USD 1,000 annually and class C Operators process less than 750 cubic meters of wood per year and are to pay USD 750 for the permit), Timber Export License Fees (This is a payment made to the government for a short-term forest Resource license issued by the government under section 5.3 of the National Forestry Reform law that allows the license holder to manage a tract of forest land and harvest or use forest products.</p> <p>Mining Rights Allocation</p> <p>There is a strict requirement that a person shall not prospect for minerals or carry on mining operations or mineral processing operations without the authority of a mining right or mineral processing license granted under the Minerals and Mining Law (2000). The Minister of Lands, Mines, and Energy is responsible to ensure that the law and regulations are administered properly.</p> <p>The Minister of Lands, Mines and Energy shall grant a prospecting license to all eligible applicants for an area to be specified in the application if the application is</p>
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<p>license that has been transferred or awarded, including consortium members where applicable; and iv. Any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards. It is required that the information set out above is disclosed for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations about companies that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them.</p> <p>b) Where companies covered in the EITI Report hold licenses that were allocated before the accounting period of the EITI Report, implementing countries are encouraged, if feasible, to disclose the information set out in 2.2(a) for these licenses.</p> <p>c) Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, the government is required to disclose the list of applicants and the bid criteria.</p> <p>d) Where the requisite information set out in 2.2(a-c) is already publicly available, it is sufficient to include a reference or link in the EITI Report.</p> <p>e) The multi-stakeholder group may wish to include additional information on the allocation of licenses in the EITI Report, including commentary on the efficiency and effectiveness of licensing procedures.</p>	<p>compliant with the requirements outlined in the law or regulations.</p> <p>The following are types of mineral rights/licenses that can be granted under the Minerals and Mining Law in Liberia: a) Prospecting License - it is granted when an area has not already been subject to a valid Mineral right granted to another person; the area granted shall not exceed one hundred (100) acres. The holder shall file and submit to the Minister of Land, Mines, and Energy a proposed work plan for the prospection. The Prospecting license does not give the right to conduct commercial mining. This is valid for six (6) months, renewable once for a further period of six (6) months provided that the holder meets his obligations under the law.</p> <p>b) Exploration License - it is granted when the area has not already been subject to a valid mineral right granted to another person; the exploration area shall be contiguous and shall not exceed one thousand (1,000) square kilometers. The holder is to submit a proposed exploration program to the Minister of Land, Mines, and Energy within ninety (90) days after the issuance of the exploration license and shall commence exploration within one hundred and eighty (180) days after the issuance of an exploration license unless the Minister agrees to a longer period. This is valid for not more than three (3) years and it may be extended for a single two (2) year term upon written application of a holder.</p> <p>c) Class C mining license - the production area covered by this license shall be not more than twenty-five (25) acres. One person may hold up to four (4) class C mining licenses at the same time. Holders of a class C mining license shall conduct mining predominantly as a small-scale operation. This is valid for one (1) year, renewable for further terms of one year each if the holder has met all of his legal obligations.</p> <p>d) Class B mining license - holders of class B mining licenses can conduct mining as industrial operations. The production area is twenty-five (25) acres. This is</p>
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<p><u>Requirement (2.3)</u> Register of licenses.</p> <p>a) The term license in this context refers to any license, lease, title, permit, contract, or concession by which the government confers on a company (ies) or individual(s) rights to explore or exploit oil, gas, and/or mineral resources.</p> <p>b) Implementing countries are required to maintain a publicly available register or cadaster system(s) with the following timely and comprehensive information regarding each of the licenses about companies covered in the EITI Report: i. License holder(s). ii. Where collated, coordinates of the license area. Where coordinates are not collated, the government is required to ensure that the size and location of the license area are disclosed in the license register and that the coordinates are publicly available from the relevant government agency without unreasonable fees and restrictions. The EITI Report should include guidance on how to access the coordinates and the cost, if any, of accessing the data. The EITI Report should also document plans and timelines for making this information freely and electronically available through the license register. iii. Date of application, date of award, and duration of the license. iv. In the case of production licenses, the commodity being produced. It is expected that the license register or cadastre includes information about licenses held by all entities, including companies and individuals or groups that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them.</p>	<p>valid for five (5) years, renewable for not more than five (5) years.</p> <p>e) Class A mining license - it is granted during or at the end of the exploration period of discovery of exploitable deposits and is materially in compliance with, a Mineral Development Agreement, which has become effective, permitting mining in the proposed production area. Not be more than twenty-five (25) years and may be extended for consecutive additional terms not exceeding twenty-five (25) years each.</p> <p>In late 2016 Liberia developed an open data policy that conforms to Requirement 4.1.</p>
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c) Where the information set out in 2.3.b is already publicly available, it is sufficient to include a reference or link in the EITI Report. Where such registers or cadastres do not exist or are incomplete, the EITI Report should disclose any gaps in the publicly available information and document efforts to strengthen these systems. In the interim, the EITI Report itself should include the information set out in 2.3.b above.

Requirement (2.4)

Contracts.

a) Implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas, and minerals. b) It is a requirement that the EITI Report documents the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas, and minerals. This should include relevant legal provisions, actual disclosure practices, and any reforms that are planned or underway. Where applicable, the EITI Report should provide an overview of the contracts and licenses that are publicly available, and include a reference or link to the location where these are published. c) The term contract in 2.4(a) means i. The full text of any contract, concession, production-sharing agreement, or other agreement granted by, or entered into by, the government provides the terms attached to the exploitation of oil gas and mineral resources. ii. The full text of any annex, addendum, or rider establishes details relevant to the exploitation rights described in 2.4(c)(i) or the execution thereof. iii. The full text of any alteration or amendment to the documents described in 2.4(c)(i) and 2.4(c)(ii). d) The term license in 2.4(a) means i. The full text of any license, lease, title, or permit by which a government confers on a company (ies) or individual(s) rights to exploit oil, gas, and/or mineral resources. ii. The full text of

any annex, addendum, or rider establishes details relevant to the exploitation rights described in 2.4(d)(i) or the execution thereof. ii. The full text of any alteration or amendment to the documents described in 2.4(d)(i) and 2.4(d)(ii).

Requirement (2.5)

Beneficial ownership. a) It is recommended that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity (ies) that bid for, operate, or invest in extractive assets, including the identity (ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges, or agencies regulating extractive industry licensing. Where this information is already publicly available, the EITI Report should include guidance on how to access this information

b) It is required that: i. The EITI Report documents the government’s policy and MSG’s discussion on disclosure of beneficial ownership. This should include details of the relevant legal provisions, actual disclosure practices and any reforms that are planned or underway related to beneficial ownership disclosure. ii. By 1 January 2017, the multi-stakeholder group publishes a roadmap for disclosing beneficial ownership information following clauses (c)-(f) below. The MSG will determine all milestones and deadlines in the roadmap, and the MSG will evaluate the implementation of the roadmap as part of the MSG’s annual activity report. c) As of 1 January 2020, it is required that implementing countries request and companies disclose, beneficial ownership information for inclusion

Following a successful pilot of the beneficial ownership disclosure in 2016, the country developed a beneficial ownership roadmap during the reviewed period. With the guidance and rich inputs of the MSG, Liberia’s BO Roadmap charts future course of action to maintain an up-to-date beneficial ownership disclosure by 2020. The BO Roadmap can be found on LEITI’s website

Liberia during the periods under-report initiated the development of a register that would be concluded in 2020. The process was however not concluded during the review period

in the EITI report. This applies to corporate entities (ies) that bid for, operate, or invest in extractive assets and should include the identity(ies) of their beneficial owner(s), the level of ownership, and details about how ownership or control is exerted. Any gaps or weaknesses in reporting on beneficial ownership information must be disclosed in the EITI Report, including naming any entities that failed to submit all or parts of the beneficial ownership information. Where a country is facing constitutional or significant practical barriers to the implementation of this requirement by 1 January 2020, the country may seek adapted implementation following requirement 8.1. d) Information about the identity of the beneficial owner should include the name of the beneficial owner, nationality, and country of residence, as well as identifying any politically exposed persons. It is also recommended that the national identity number, date of birth, residential or service address, and means of contact are disclosed. e) The multi-stakeholder group should agree on an approach for participating companies assuring the accuracy of the beneficial ownership information they provide. This could include requiring companies to attest the beneficial ownership declaration form through sign-off by a member of the senior management team or senior legal counsel, or submit supporting documentation. f) Definition of beneficial ownership: i. A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity. ii. The multi-stakeholder group should agree on an appropriate definition of the term beneficial owner. The definition should be aligned with (f)(i) above and take international norms and relevant national laws into account and should include ownership threshold(s). The definition should also specify reporting obligations for

politically exposed persons. iii. Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed. iv. In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided. g) The EITI Report should also disclose the legal owners and share of ownership of such companies.

Requirement (2.6)

State participation. Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must disclose: a) An explanation of the prevailing rules and practices regarding the financial relationship between the government and state-owned enterprises (SOEs), e.g., the rules and practices governing transfers of funds between the SOE(s) and the state, retained earnings, reinvestment, and third-party financing. For EITI reporting, an SOE is a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government. Based on this, the MSGs are encouraged to discuss and document their definition of SOEs taking into account national laws and government structures. b) Disclosures from the government and SOE(s) of their level of ownership in mining, oil and gas companies operating within the country's oil, gas, and mining sector, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period. This information should include details regarding the terms attached to their equity stake, including their level of responsibility to cover expenses at various phases of the project cycle, e.g., full-

The National Oil Company of Liberia is an SOE, as per EITI Standard. However, because the 9th EITI Report was not produced during the review periods, not much can be said.

<p>paid equity, free equity, carried interest. Where there have been changes in the level of government and SOE(s) ownership during the EITI reporting period, the government and SOE(s) are expected to disclose the terms of the transaction, including details regarding valuation and revenues. Where the government and SOE(s) have provided loans or loan guarantees to mining, oil, and gas companies operating within the country, details on these transactions should be disclosed</p>	
<p>Requirement 3 Exploration and Production Requirement (3.1)</p> <p>Exploration. Implementing countries should disclose an overview of the extractive industries, including any significant exploration activities.</p> <p>3.2 Production. Implementing countries must disclose production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity, and, when relevant, by state/region. This could include sources of the production data and information on how the production volumes and values disclosed in the EITI Report have been calculated.</p> <p>3.3 Exports. Implementing countries must disclose export data for the fiscal year covered by the EITI Report, including total export volumes and the value of exports by commodity, and, when relevant, by state/region of origin. This could include sources of the export data and information on how the export volumes and values disclosed in the EITI Report have been calculated.</p>	<p>According to p17, Section 3.1 of the 8th EITI Report on Liberia produced during the review period, “Construction work at the New Liberty gold mine was reportedly on schedule and about 33% completed at the end of 2013. Aureus Mining Inc. of Canada (AMI), which owned the mining rights to the project, completed a definitive feasibility study for the mine in May 2013. The new reserve estimate was expected to support an open pit operation with a capacity to produce an average of about 3,700 kilograms per year (reported as 119,000 troy ounces per year) for the first 6 years of operation. The New Liberty Mine, which is located about 90 km North of Monrovia, would be Liberia’s first commercial gold mine. In November 2013, AMC Consultants (UK) Ltd. completed a National Instrument 43–101 resource estimate for AMI’s Ndablama and Weaju gold projects in Liberia. Inferred mineral resources were estimated to be 6.8 Mt at a grade of 2.1 g/t gold for Ndablama and 2.7 Mt at a grade of 2.1 g/t gold for Weaju. Exploration was to continue in 2014. The Ndablama and Weaju projects are located within AMI’s Bea Mountain mining concession area in North-Western Liberia” The report also points out that ArcelorMittal produced about 4.7 Mt of iron ore in 2013, which included direct-shipping</p>

	<p>ore from its Western Range Project (WRP) and stockpiled material. The company planned to further increase production capacity to 15 million metric tons per year by replacing the current production of direct shipping ore (60% Fe content) with that of sinter fines (62% Fe content) by the end of 2015. The WRP consisted of three iron ore deposits located about 300 km northeast of the capital city of Monrovia along with Nimba County’s mountain range. Some deposits within WRP had been mined during the 1980s and the beginning of the 1990s, but production ceased in 1992 following the onset of the Liberian civil war. Arcelor Mittal held a 70% interest in the project. The report also noted that 9,205 ounces of gold and 53,158 carats of diamond were produced respectively.</p>
<p>Requirement 4 Revenue Collection</p> <p>4.1 Comprehensive disclosure of taxes and revenues. a) In advance of the reporting process, the multi- stakeholder group is required to agree which payments and revenues are material and therefore must be disclosed, including appropriate materiality definitions and thresholds. Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report. A description of each revenue stream, related materiality definitions, and thresholds should be disclosed. In establishing materiality definitions and thresholds, the multi-stakeholder group should consider the size of the revenue streams relative to total revenues. The multi-stakeholder group should document the options considered and the rationale for establishing the definitions and thresholds. b) The following revenue streams should be included: i. The host government’s production entitlement (such as profit oil) ii. National state-owned company production entitlement iii. Profits taxes iv. Royalties v. Dividends vi. Bonuses, such as signature, discovery, and production bonuses vii. License fees, rental fees, entry fees, and other considerations for</p>	<p>During the period under review, the MSG approved the TOR for the 10th and 11th reports combined with the materiality threshold and scoping set.</p> <p>The National Oil Company of Liberia (NOCAL) operates as a state-owned enterprise. However, oil has not been discovering in commercial quantity, hence there is no production taking place in the industry.</p>

licenses and/or concessions viii. Any other significant payments and material benefit to government Any revenue streams or benefits should only be excluded where they are not applicable or where the multi-stakeholder group agrees that their omission will not materially affect the comprehensiveness of the EITI Report. c) Implementing countries must provide a comprehensive reconciliation of government revenues and company payments, including payments to and from state-owned enterprises, following the agreed scope. All companies making material payments to the government are required to comprehensively disclose these payments following the agreed scope. An entity should only be exempted from reporting if it can be demonstrated that its payments and revenues are not material. All government entities receiving material revenues are required to comprehensively disclose these revenues following the agreed scope.

d) Unless there are significant practical barriers, the government is additionally required to provide aggregate information about the number of total revenues received from each of the benefit streams agreed in the scope of the EITI Report, including revenues that fall below agreed materiality thresholds. Where this data is not available, the Independent Administrator should draw on any relevant data and estimates from other sources to provide a comprehensive account of the total government revenues.

4.2 Sale of the state's share of production or other revenues collected in-kind. Where the sale of the state's share of production or other revenues collected in-kind is material, the government, including state-owned enterprises, is required to disclose the volumes sold and revenues received. The published data must be disaggregated by individual buying

companies and to levels commensurate with the reporting of other payments and revenue streams (Requirement 4.7.). Reporting could also break down disclosures by the type of product, price, market, and sale volume. Where practically feasible, the multi-stakeholder group is encouraged to task the Independent Administrator with reconciling the volumes sold and revenues received by including the buying companies in the reporting process.

4.3 Infrastructure provisions and barter arrangements. The multi-stakeholder group and the Independent Administrator are required to consider whether there are any agreements, or sets of agreements involving the provision of goods and services (including loans, grants, and infrastructure works), in full or partial exchange for oil, gas, or mining exploration or production concessions or physical delivery of such commodities. To be able to do so, the multi-stakeholder group and the Independent Administrator need to gain a full understanding of the terms of the relevant agreements and contracts, the parties involved, the resources which have been pledged by the state, the value of the balancing benefit stream (e.g. infrastructure works), and the materiality of these agreements relative to conventional contracts. Where the multi-stakeholder group concludes that these agreements are material, the multi-stakeholder group and the Independent Administrator are required to ensure that the EITI Report addresses these agreements, providing a level of detail and transparency commensurate with the disclosure and reconciliation of other payments and revenues streams. Where reconciliation of key transactions is not feasible, the multi-stakeholder group should agree on an approach for unilateral disclosure by the parties to the agreement(s) to be included in the EITI Report.

As mentioned earlier in this paper, the reviewed period saw an assessment of Liberia's compliance with the EITI standard. According to the initial assessment report, there is an infrastructure arrangement between the Government of Liberia and Arcelor Mittal relative to the refurbishment of a 243km railway from Tokadeh to Buchanan and the Buchanan mineral port. The MDA was originally signed in 2005 and amended in December 2006 and September 2013, with the infrastructure developed as a build-operate-maintain concession where ownership remained with the government.

<p>4.4 Transportation revenues. Where revenues from the transportation of oil, gas, and minerals are material, the government and state-owned enterprises (SOEs) are expected to disclose the revenues received. The published data must be disaggregated to levels commensurate with the reporting of other payments and revenue streams (Requirement 4.7.). Implementing countries could disclose i. A description of the transportation arrangements including the product; transportation route(s); and the relevant companies and government entities, including SOE(s), involved in transportation. ii. Definitions of the relevant transportation taxes, tariffs, or other relevant payments, and the methodologies used to calculate them. iii. Disclosure of tariff rates and volume of the transported commodities. iv. Disclosure of revenues received by government entities and SOE(s), about transportation of oil, gas, and minerals. v. Where practicable, the multi-stakeholder group is encouraged to task the Independent Administrator with reconciling material payments and revenues associated with the transportation of oil, gas, and minerals.</p> <p>4.5 Transactions related to State-owned enterprises (SOEs). The multi-stakeholder group must ensure that the reporting process comprehensively addresses the role of SOEs, including material payments to SOEs from oil, gas, and mining companies, and transfers between SOEs and other government agencies.</p> <p>4.6 Sub-national payments. It is required that the multi-stakeholder group establish whether direct payments, within the scope of the agreed benefit streams, from companies to subnational government entities are material. Where material, the multi-stakeholder group is required to ensure that company payments to subnational government entities and the receipt</p>	<p>The reviewed periods saw no transportation revenue. The LEITI made a case that this requirement does not apply to the Liberian setting and it was accepted by the Validators in August 2016. This was also reiterated during the scoping with the independent administrator, for the combined 10th and 11th reports</p> <p>There were no subnational transfers recorded during the reviewed period. This requirement does not apply to Liberia.</p>
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of these payments are disclosed and reconciled in the EITI Report.

4.7 Level of disaggregation. The multi-stakeholder group is required to agree on the level of disaggregation for the publication of data. It is required that EITI data is presented by individual companies, government entities, and revenue streams. Reporting at the project level is required, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements.

4.8 Data timeliness. a) Implementing countries are required to produce their first EITI Report within 18 months of being admitted as an EITI Candidate. Thereafter, implementing countries are expected to produce EITI Reports on an annual basis. b) Implementing countries must disclose data no older than the second to last complete accounting period, e.g. an EITI Report published in calendar/the financial year 2016 must be based on data no later than calendar/the financial year 2014. Multi-stakeholder groups are encouraged to explore opportunities to disclose data as soon as practically possible, for example through continuous online disclosures or, where available, by publishing additional, more recent contextual EITI data than the accounting period covered by the EITI revenue data. If EITI reporting is significantly delayed, the multi-stakeholder group should take steps to ensure that EITI Reports are issued for the intervening reporting periods so that every year is subject to reporting. c) The multi-stakeholder group is required to agree to the accounting period covered by the EITI Report.

4.9 Data quality and assurance. a) The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international

Liberia has made significant strides in making its report current and update; just before its suspension, the Country was on the verge of producing its 9th report covering the year 2015/2016. Currently, the 10th and 11th reports combined respectively represent the years 2016 and 17 and 2017 and 2018.

Liberia's EITI report covering 2014/15 was prepared by Moore Stephens in collaboration with Parker and Associates. The IA was hired through a competitive

<p>auditing standards. b) It is a requirement that payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and the administrator’s opinion regarding that reconciliation including discrepancies, should any be identified. i. The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards. ii. The Independent Administrator must be perceived by the multi-stakeholder group to be credible, trustworthy, and technically competent. The multi-stakeholder group should endorse the appointment of the Independent Administrator. iii. The multi-stakeholder group and the Independent Administrator are required to agree on a Terms of Reference for the EITI Report based on the standard Terms of Reference and the ‘agreed-upon procedure for EITI Reports’³ endorsed by the EITI Board. Should the multi-stakeholder group wish to adapt or deviate from these agreed-upon procedures, approval from the EITI Board must be sought in advance (Requirement 8.1). c) Where the assessment in 4.9(a) concludes that there is (i) routine disclosure of the data required by the EITI Standard in requisite detail, and (ii) that the financial data is subject to credible, independent audit, applying international standards, the multi-stakeholder group may seek Board approval to mainstream EITI implementation following the ‘Agreed upon procedure for mainstreamed disclosures’.⁴ Without such prior approval, adherence to 4.9.b is required.</p>	<p>process guided by Liberia’s Public Procurement and Concession Law. To comply with EITI Requirement 4.9 and to ensure the credibility of data submitted, the IA set the following:</p> <ul style="list-style-type: none"> - for each company the “Payment/Receipt Report” should be signed off by an authorized senior official (at board level); - for each Government Agency the “Payment/Receipt Report” must be signed off by an authorized senior officer; and - each Reporting Template must be certified by an external auditor: • - <p>Extractive companies and NOCAL: are required to obtain confirmations from a registered external auditor that the figures reported in the Reporting Templates are following instructions issued by LEITI, are complete, and are in agreement with the accounts for the FY14/15; and</p> <ul style="list-style-type: none"> • Government Agencies: are required to obtain confirmation from the Auditor General that the transactions reported in the Reporting Templates are following instructions issued by LEITI, are complete, and are in agreement with the accounts of government for the FY14/15. - extractive companies were encouraged to submit their audited 2015 financial statements; and - the Auditor General was required to carry out agreed-upon procedures under international standards in his certification of reporting templates provided by Government Agencies. For any changes to the information provided on the original data collection templates, supporting documents and/or confirmation from reporting entities will have to be made available to the IA
<p>5.1 Distribution of extractive industry revenues. Implementing countries must disclose a description of the distribution of revenues from the extractive industries. a) Implementing countries should indicate which extractive industry revenues, whether cash or in-kind, are recorded in the national budget.</p>	<p>Revenue distribution is done through Liberia’s budgetary process. Accordingly, all revenues collected by Liberia Revenue Authority (LRA) are deposited in a consolidated account at the Central Bank of Liberia (CBL), from whence it is captured in the national budget. However, there are other fees collected by</p>

<p>Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable, e.g., sovereign wealth and development funds, sub-national governments, state-owned enterprises, and other extra-budgetary entities. b) Multi-stakeholder groups are encouraged to reference national revenue classification systems and international standards such as the IMF Government Finance Statistics Manual.</p>	<p>NOCAL, National Port Authority (NPA), the University of Liberia for Legitimate reasons but are not captured in the National Budget.</p>
<p>5.2 Subnational transfers. a) Where transfers between national and sub-national government entities are related to revenues generated by the extractive industries and are mandated by a national constitution, statute, or other revenue sharing mechanism, the multi-stakeholder group is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amounts calculated following the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. The multi-stakeholder group is encouraged to reconcile these transfers. Where there are constitutional or significant practical barriers to the participation of sub-national government entities, the multi-stakeholder group may seek adapted implementation following Requirement 8.1. b) The multi-stakeholder group is encouraged to ensure that any material discretionary or ad-hoc transfers are also disclosed and where possible reconciled.</p>	<p>Subnational transfer does not apply to Liberia.</p>
<p>5.3 Revenue management and expenditures. The multi-stakeholder group is encouraged to disclose further information on revenue management and expenditures, including a) A description of any extractive revenues</p>	<p>Liberia operates an Open Budget Initiative (OBI), which requires the national budget to be supported by a budget framework paper. The requirements for the Budget Framework Paper are set out in Section 11 of</p>

<p>earmarked for specific programs or geographic regions. This should include a description of the methods for ensuring accountability and efficiency in their use. b) A description of the country's budget and audit processes and links to the publicly available information on budgeting, expenditures, and audit reports. c) Timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence. This may include the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices, and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector.</p>	<p>the PFM Act of 2009 and Part D.6 of the Associated Regulations, as follows:</p> <ol style="list-style-type: none"> 1. The Proposed National Budget to be presented to the Legislature shall be accompanied by the budget framework paper, as outlined in Section 11 of the PFM Act of 2009, updated to reflect the draft budget submitted to the Legislature. 2. The budget framework paper shall contain the following: <ol style="list-style-type: none"> i. an analysis of the economic and fiscal trends, and the assumptions underlying the medium-term macroeconomic and fiscal framework of the budget; ii. an explanation of the government's policy priorities and how these are reflected in the budget; iii. a statement of key financial risks that may affect budget execution; iv. the essential features of the medium term expenditure framework, where this has been prepared; v. a summary statement of revenues and expenditure performance, using the main economic categories identified in Section 8(d) of the PFM Act of 2009, for the last two years showing the surplus or deficit in each of the years, and indicating the use to which it was put (in the case of surplus) or the means of financing (in the case of deficit); vi. a summary statement of revenues and expenditures, using the main economic categories identified in Section 8(d) of the PFM Act of 2009, for the three years showing the projected surplus or deficit in each of the years, and indicating the use to which it will be put (in the case of surplus) or the means of financing (in the case of deficit); vii. a summary statement of off-budget donor funding showing name of project and program, funding agency, recipient Government Agency, disbursements effected in the previous financial year, projected disbursement in the following financial year; viii. a summary statement of the performance of State-Owned Enterprises (SOE) and their annual financial plans for the following year showing revenues, expenditures, and changes in net worth; ix. a summary statement of the performance of public corporations and Special Funds showing incomes accruing to them including any donor funding, cash flow statement, outstanding debt if any that includes arrears to vendors and borrowing requirements for the following financial year; x. a summary statement of budgetary implications of new
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	<p>legislation on the proposed budget as well as the financial implication over the two outer years, consistent with the provisions of Section 19 of the PFM Act of 2009.</p> <p>3. The detailed annual budget estimates shall show the previous budget year outturns, the current year's original budget as well as the year-to-date outturn based on available data, and projected outturns.</p> <p>4. The detailed estimates, which will include both revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of the PFM Act of 2009.</p> <p>5. The detailed estimates will include overall as well as agency-level summaries by the various classifications utilized in the budget. To strengthen the link between national priorities as set out in the national development plan and the budget, MTEF sets out two separate phases of the budget preparation process: a strategic phase and an operational phase. The strategic phase is used to review high-level priorities and strategies before detailed resource allocation is undertaken. The operational phase of the budget preparation involves the allocation of resources to sectors and various spending entities and concludes with the passing of the national budget by the national legislature.</p>
<p>6.1 Social expenditures by extractive companies. a) Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these transactions. Where such benefits are provided in-kind, it is required that implementing countries disclose the nature and the deemed value of the in-kind transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these</p>	<p>Social payment during the period under review amounted to USD 9,430,312(Nine million, four hundred thirty thousand, three hundred twelve United States dollars). This amount is split into cash and in-kind contributions and mandatory or voluntary contributions. A full analysis is found on page 78 of the 9th report.</p> <p>Also, in the combined 10th report social payments amounted to USD 6,105,844(Six million, one hundred five thousand, eight hundred forty-four United States dollars). A full analysis of social payments is found on pages 103-105 of the combined 10th and 11th reports.</p>

transactions. b) Where the multi-stakeholder group agrees that discretionary social expenditures and transfers are material, the multi-stakeholder group is encouraged to develop a reporting process to achieve transparency commensurate with the disclosure of other payments and revenue streams to government entities. Where reconciliation of key transactions is not possible, e.g., where company payments are in-kind or to a non-governmental third party, the multi-stakeholder group may wish to agree on an approach for the voluntary unilateral company and/or government disclosures.

6.2 Quasi-fiscal expenditures. Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOE(s) on their quasi-fiscal expenditures. quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenditures such as payments for social services, public infrastructure, fuel subsidies, and national debt servicing, etc. outside of the national budgetary process. The multi-stakeholder group is required to develop a reporting process to achieve a level of transparency commensurate with other payments and revenue streams and should include SOE subsidiaries and joint ventures.

6.3 The contribution of the extractive sector to the economy. Implementing countries must disclose, when available, information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report. It is required that this information includes:

a) The size of the extractive industries in absolute terms and as a percentage of GDP as well as an estimate of informal sector activity, including but not necessarily limited to artisanal and small-scale mining.

According to NOCAL, there were no quasi-fiscal expenditures for the period under review.

The extractive revenues represent more than 45 percent of Real Gross Domestic Product (RGDP) during the year under review. However, with regards to employment data in the extractive sectors and the total

<p>b) Total government revenues generated by the extractive industries (including taxes, royalties, bonuses, fees, and other payments) in absolute terms and as a percentage of total government revenues.</p> <p>c) Exports from the extractive industries in absolute terms and as a percentage of total exports.</p> <p>d) Employment in the extractive industries in absolute terms and as a percentage of the total employment. e) Key regions/areas where production is concentrated.</p>	<p>employment in Liberia was not obtained in the combined 10th and 11th reports. Pages 69-70 of the combined reports illustrate the data.</p>
<p>7.1 Public debate.</p> <p>The multi-stakeholder group must ensure that the EITI Report is comprehensible, actively promoted, and publicly accessible and contributes to public debate. Key audiences should include government, parliamentarians, civil society, companies, and the media. The multi-stakeholder group is required to: a) Produce paper copies of the EITI Report, and ensure that they are widely distributed. Where the report contains extensive data, e.g. voluminous files, the multi-stakeholder group is encouraged to make this available online. b) Agree to a clear policy on the access, release, and re-use of EITI data. Implementing countries are encouraged to publish EITI under an open license, and to make users aware that information can be reused without prior consent. c) Make the EITI Report available in an open data format (xlsx or csv) online and publicize its availability. d) Ensure that the EITI Report is comprehensible, including by ensuring that it is written in a clear, accessible style and appropriate languages. e) Ensure that outreach events, whether organized by the government, civil society, or companies, are undertaken to spread awareness of and facilitate dialogue about the EITI Report across the country.</p> <p>7.2 Data accessibility. The multi-stakeholder group is encouraged to make EITI Reports machine-readable and to code or tag EITI</p>	<p>The 10th and 11th reports were combinable and were published and launched but there were no public discussions held due to the lack of funding.</p> <p>The MSG however sanctions the production of an annual activity report every year with said reports hosted on the LEITI website</p>

Reports and data files so that the information can be compared with other publicly available data by adopting Board-approved EITI data standards. As per Requirement 5.1(b), the multi-stakeholder group is encouraged to reference national revenue classification systems and international standards such as the IMF Government Finance Statistics Manual. The multi-stakeholder group is encouraged to

- a) Produce summary reports, with clear and balanced analysis of the information, ensuring that the authorship of different elements of the EITI Report is clearly stated.
- b) Summarize and compare the share of each revenue stream to the total amount of revenue that accrues to each respective level of government.
- c) Where legally and technically feasible, consider automated online disclosure of extractive revenues and payments by governments and companies continuously. This may include cases where extractive revenue data is already published regularly by the government or where national taxation systems are trending towards online tax assessments and payments. Such continuous government reporting could be viewed as interim reporting and as an integral feature of the national EITI process which is captured by the reconciled EITI Report issued annually.
- d) Undertake capacity-building efforts, especially with civil society and through civil society organizations, to increase awareness of the process, improve understanding of the information and data from the reports, and encourage the use of the information by citizens, the media, and others.

7.3 Discrepancies and recommendations from EITI Reports. To strengthen the impact of EITI implementation on natural resource governance, as per Requirement 7.4, the multi-stakeholder group is required to take steps to act upon lessons learned; to identify, investigate and address the causes of any discrepancies; and to consider the

<p>recommendations resulting from EITI reporting.</p> <p>7.4 Review the outcomes and impact of EITI implementation. The multi-stakeholder group is required to review the outcomes and impact of EITI implementation on natural resource governance.</p> <p>a) The multi-stakeholder group is required to publish annual progress reports.⁵ The annual progress reports must include i. A summary of EITI activities undertaken in the previous year.</p>	
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IV. Specific Strengths and Weaknesses identified in the EITI Process

Major Strengths: Most notable strengths observed during the period include: Government's willingness to continue with the implementation of the EITI regime and strong MSG commitment to the process.

Weaknesses: Most notable weaknesses observed over the review period include:

A decline in Government funding – during the period under review, budgetary support to the LEITI declined thereby affecting the implementation of the LEITI work plan. In 2009 the LEITI was created as an autonomous agency of government through an act of the Liberian Legislature. The Government of Liberia was designated by the Act as the primary funding source, through budgetary appropriations.

V. Total Implementation Cost

Below is a breakdown of the cost of implementation during the reporting period.

LIBERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (LEITI)	
STATEMENT OF INCOME AND EXPENDITURES FY2019	
ACCOUNT DESCRIPTION	AMOUNT (US\$)
Government of Liberia	284283.85
World Bank	
AfDB	
USAID	
UNDP	
GIZ	
TOTAL Income	284283.85

EXPENDITURE	
Personnel Expense	116,283.85
LEITI Secretariat Operation Cost	79,982.01
Multi-Stakeholder Steering Committee	
Consultancy Fee	56,821.51
Training and Capacity Building	
EXCESS Income over Expenditure	31,197.33

VI. Details of Membership of the MSG during the Period

Membership—consistent with Section 6.1 of the LEITI Act of 2009, the MSG shall comprise of at least fifteen (15) members drawn from three constituencies—the Government of Liberia; the Civil Society, and the Private Sector. The Act further requires seven representations from the GoL, to include the Minister of Finance (now the Minister of Finance and Development Planning); the Minister of Lands, Mines, and Energy; the Managing Director of the Forestry Development Authority; the President/CEO of the National Oil Company of Liberia or its successor and two members each representing the Senate and House of Representatives. The Civil Society representatives include Publish What You Pay Liberia or its successor organization and a representative of a recognized association or union of workers in the extractive sectors as permanent members while the Private Sector is required to have four representatives drawn each from the mining, forestry, agriculture and oil sector as permanent members. Few of Liberia's development partners are also on the MSG as observers.

Membership to the MSG is for three years. In September 2018 the MSG was re-constituted by President George M. Weah as the tenure of members appointed in 2014 expired. The reconstitution saw the inclusion of the ministries of Justice and Education as two of the representatives from the Government of Liberia. The reconstitution also resorted to the original order of the traditional leadership structure of the MSG, with the Minister of Finance and Development Planning as the Chair while the Minister of Lands, Mines, and Energy will serve as Co-Chair. The traditional structure was reversed during the 2014 reconstitution with the Ministry of Lands, Mines, and Energy serving as Chair and the Ministry of Finance and Development Planning serving as co-chair.

The table below provides details of MSG membership during the period under review.

Constituency		
	<i>Institution</i>	<i>Representative</i>
	MFDP	Samuel Tweah

Government	MLME	Gesler E. Murray
	FDA	C. Mike Donyen
	NOCAL	Saifuah Mai Gray
	MOJ	Cllr. Frank M. Dean
	MOE	D. Ansu Sonii
	MoA	Dr. Morgana Flomo
	MIA	Varney Sirleaf
	LRA	Thomas Doe Nah
Civil Society	PWYP	Cecelia T. M. Danuweli
	PUL	Daniel Nyankonah
	National Civil Society Network of Liberia	Frances Deigh Greaves
	Liberia Labor Congress	Winston Wreh
	Gold & Diamond Brokers & Dealers Association	Esiaka B. Konneh
Private Sector	Western Cluster	Ansu Sekou Konneh
	Arcelor Mittal	Eric N. Swen
	Firestone	Raymond Gwenigale
	LTA	E. Ekema A. Witherspoon I
	GVL	Elvis G. Morris
Observers		
	GIZ	Samuel Summerville
	EU	Juan Antonio Goldaratz
	UNDP	Madam Joan Vwamv
	US Embassy	Amb Christine Elder

Meetings—the MSG conducts its regular meeting once a month, usually on the last Wednesday of the month. However, where urgency is required, emergency meetings are held. Additionally, matters requiring scrutiny are referred to specific committees which decide on them and make recommendations to the body.

During these meetings, issues or concerns are discussed and policy decisions are made while the MSG is also briefed by the Head of Secretariat on the status of planned activities and other progress at the

Secretariat. Most decisions are reached by consensus, but where consensus cannot be obtained, the body would resort to voting. Observers can contribute to the discussions but are not eligible to vote.

The MSG held five sittings in 2019, two of which had no quorum as the constitution of full membership was inconclusive at the time of the sittings – June 13 and August 8 meetings. Actual sittings commenced in October when the full constitution of membership was concluded in September. There was one regular meeting in October with an emergency sitting in December. An extraordinary meeting was, however, called on December 31, 2019, to endorse and publish key documents required before the deadline day of midnight December 31, 2019. The combined 10th and 11th Reports on Liberia, the combined 2017 and 2018 Annual Progress Reports, and a well costed Workplan were endorsed and published at a fully attended MSG meeting.

Approval by the MSG

Date: _December 31, 2019