



# **MSG POLICY MANUAL**

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## **INTRODUCTION**

The Government of Liberia, recognizing its sovereign duty to manage the country's resource wealth for the benefit of all its citizens, established the Liberia Extractive Industries Transparency Initiative (LEITI) in 2007 and formally enacted it into law in 2009. As an anti-graft institution, LEITI was established to minimize, or if possible help to eradicate corruption and encourage transparency and accountability in the extractive sector thereby alleviating poverty in Liberia. Liberia was the first African country and the second country globally, to become EITI compliant.

The EITI began as a campaign of civil society organizations for the publication of payments made by extractive companies to host governments. This is driven on the principle that the wealth of a country's natural resources should benefit all of its citizens, and this requires high standards of transparency and accountability. To ensure these principles are adhered to, rules were drawn up in 2011 requiring all EITI member countries to commit to a minimum level of transparency in companies' reporting of revenues paid and government's reporting of the receipts of those revenues.

Over the last four years EITI have seen the need, from lessons learnt, to progress from a process that encourages member countries from meeting the requirements of reporting revenues paid and received to one that encourages better governance of the extractive sector. This led to the establishment of the EITI Standard, launched at the EITI bi-annual Conference in Sydney in May 2013, replacing the rules that were adopted in 2011.

The EITI Standard encourages, among other things, national ownership of reform efforts in order to better serve the interests of the citizens of member countries. It also requires that the reports must contain basic contextual information about the fiscal regime, contractual framework, production, licensing procedures, revenue allocations and expenditures.

The EITI is also founded on the premise that transparency in revenue management along with the principle and practice of accountability by government to all its citizens enhances democratic and an open government. The EITI principles set the basis for the establishment of a Multi-Stakeholder governance structure responsible for effective oversight of the EITI process in every EITI member country.

The Multi-Stakeholders Steering Group (MSG) is a governing body that manages the Liberia Extractive Industries Transparency Initiative (LEITI) Secretariat. The MSG is made of three components namely; The Government of Liberia (GOL), Civil Society Organizations (CSOs), and private companies engaged in the extraction/exploitation of the country's oil, mining, forest and agriculture resources.

## **PURPOSE**

The purpose of this Manual is to provide the policy framework of how the MSG will guide the implementation of the EITI principles in Liberia through the Secretariat. It covers rules, procedures, and regulations guiding the operations and decision making of the MSG; prescribes members' responsibilities and obligations relative to their participation in the activities of the MSG; defines regular meeting dates and quorum for meetings; the role of observers with respect to decision making and the overall conduct of the MSG; a code of conduct that will guide MSG members, and all those associated with LEITI process, in line with EITI Standard and local laws.

### **SECTION 1.0: STRATEGIC PLAN**

LEITI is the local version of the global EITI established primarily to ensure transparency and accountability in the management of payments made by companies in the extractive industry to government and revenues received by government and other statutory recipients. The LEITI was established in 2007 and it mirrors the EITI principles and objectives.

#### ***1.1 Vision***

To build an MSG that is transparent, accountable, effective, and a result-oriented body.

#### ***1.2 Mission***

To cultivate a culture of transparency, accountability, due process and zero-tolerance for corruption in Liberia's extractive industries, for the benefit of the citizenry.

#### ***1.3 Goal***

To guide the MSG on how it conducts itself thereby empowering the secretariat to hold government and extractive industry companies accountable and strengthen participatory democracy.

#### ***1.4 Objectives***

The primary objectives of the LEITI are:

- 1) To ensure due process and transparency in the payments made by all companies in the extractive sectors to the Government of Liberia.
- 2) To monitor and ensure accountability in the revenue receipts of the Government of Liberia from companies in the extractive sectors.
- 3) To eliminate all forms of corrupt practices in the determination, payment, receipts and posting of revenue accrued to the Government of Liberia from the Extractive Industry Companies.
- 4) To ensure transparency and accountability by government in the application of financial resources from payments received from companies in the extractive sector.
- 5) To ensure conformity with the principles of the Extractive Industries Transparency Initiative.

## **SECTION 2.0: BOARD ORGANIZATION/OPERATIONS**

### ***2.1 Term of Reference***

The MSG is the governing body of the LEITI empowered by the LEITI Act to ensure the achievement of the mandate of the LEITI.

Pursuant thereto, the MSG shall have the below specific terms of reference to enable it properly conduct its own internal governance.

The MSG was established in order to ensure that Liberia implements the LEITI objectives in a timely and effective manner. The MSG is responsible for ensuring that the views of key stakeholders are taken into account in the direction and conduct of implementing LEITI objectives. MSG members are representatives of their wider constituencies and must consult them regularly to ensure they continue to reflect the views of their constituencies.

Specifically, the MSG will:

- Approve and supervise the implementation a fully costed work plan containing measurable targets and a timetable for implementation which incorporates an assessment of capacity restraints;
- Approve and supervise the implementation of a communications plan;
- Establish and support any sub-groups to examine specific issues, which may include preparation of reporting templates and preparation of contextual information for the annual EITI reconciliation;
- Agree on appropriate definition of “extractive industry” and “materiality” for the purpose of the LEITI in line with the EITI Standard;
- Define and assess the scope of the LEITI;
- Agree upon contextual information to be included within the annual report;
- Approve the Terms of Reference for, and endorse an independent Administrator to undertake the annual reconciliation;
- Approve and agree on the format of the LEITI Report;
- Endorse and publish an Annual Activity Report.

### ***2.2 Code of Ethics and Code of Conduct***

#### ***2.2.1 Scope***

This code of conduct shall be adhered to by all MSG members, their alternates, proxies and observers. Additionally, it is expected that all shall also abide by local code of conduct and ethics and other statutes governing the behavior of government officials. Where there is a conflict between the local code of conduct and that of the EITI, the local code of conduct and ethics shall take precedent.

### ***2.2.2 Personal Behavior, Integrity, and Values***

MSG members shall exhibit the highest standards of integrity and ethical conduct and shall act with honesty and propriety. The personal and professional conduct of MSG members should, at all times, command respect and confidence in their status as MSG members and that such conduct should espouse transparency and accountability and contribute to the ethical governance of the LEITI.

MSG members shall dedicate themselves to be leading by example and shall represent the interests and mission of the LEITI in good faith and with honesty, integrity, due diligence and reasonable competence in a manner that preserves and enhances public confidence in their integrity and the integrity of the LEITI, and ensure that their association with the LEITI remains in good standing at all times.

### ***2.2.3 Compliance***

MSG members shall discharge their duties to the LEITI in compliance with the laws and regulations of the Republic of Liberia, the LEITI Act, and all rules governing the activities of persons involved with/or associated with the implementation of EITI standards.

### ***2.2.4 Respect for others***

MSG members shall respect the dignity, LEITI related needs and private lives of others, and exercise proper authority and good judgment in their dealings with other MSG members, staff of the Secretariat, members of the other EITI bodies, the general public and anyone whom they come in contact with in the discharge of their duties to the LEITI.

### ***2.2.5 Professionalism***

MSG members shall perform their assigned duties in a professional and timely manner and shall use his or her best efforts to regularly participate in professional development activities.

### ***2.2.6 Discrimination***

MSG members shall not engage in or facilitate any discriminatory or harassing behavior directed toward anyone whom they come in contact with during the discharge of their duties to the MSG.

### ***2.2.7 Confidentiality***

MSG members shall not use any information that is provided in his/her role as MSG member and which is not already in the public domain in any manner other than in furtherance of his or her duties. MSG members shall continue to be bound by this obligation for up to two years after expiration of their tenure as member of the MSG.

### ***2.2.8 Expenditure of LEITI Resources and use of LEITI Property***

MSG members shall respect the principle of value-for-money and be responsible in the use of funds dedicated to the LEITI. No MSG member shall misuse LEITI property or resources and all MSG shall at all times keep LEITI property secured and not allow any persons not appropriately authorized to have or use such property.

MSG members shall only bill at actual cost travel, operational or other costs related to the fulfillment of duty as an MSG member. MSG members shall provide goods or services to the LEITI as a paid vendor to the LEITI only after full disclosure to, and advance approval of the MSG obtained by consensus or a two-thirds majority of those present and eligible to vote.

### ***2.2.9 Conflict of Interest and Abuse of Position***

MSG members shall at all time act in the best interest of LEITI and not for personal and private benefits or financial enrichment.

MSG members shall avoid conflicts of private interest. For the purposes of this code, a conflict of interest is a situation or circumstance in which interests of MSG members influence or may influence the objective and impartial performance of their official LEITI duties. In this regard, private interests include any advantage for themselves, their families or personal acquaintances.

MSG members finding themselves in such a situation must recuse themselves and inform the MSG of such recusal.

Specifically, MSG members shall follow the below guidelines:

- Avoid placing and avoid the appearance of placing one's own self-interest or any third party interest above that of the LEITI; while the receipt of incidental personal or third party benefit may necessarily flow from certain LEITI-related activities, such benefit must be merely incidental to the primary benefit to the LEITI and its purposes. Any per diems set, paid or obtained should be based on reasonable actual costs and good international practice.
- Refrain from overstepping the conferred powers. MSG members shall not abuse LEITI office by improperly using LEITI's staff, services, equipment, resources, or property for personal or third-party gain or pleasure; MSG members shall not represent to third parties that their authority as a MSG member extends any further than that which it actually extends.
- Avoid engaging in any outside personal activities that could, directly or indirectly, materially and adversely affect the LEITI.

### ***2.2.10 Gifts, Trips and Entertainment***

MSG members shall not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity that are intended to be, or that can reasonably be perceived to be, a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to the LEITI.

Any offering or receiving of gifts, free trips or other compensations such be subject to the Liberia code of conduct of 2014. Section 1.3.3 of the Liberia Code of Conduct of 2014 states that "any unsolicited present or gift, of a modest scale given to a Public Official or Employee of Government which is not connected to their official duties, which does not exceed US\$200.00 in value. This provision shall not apply to gifts given during cultural and customary celebrations". Any offering or receiving of gifts considered excessive should be refused. In case of doubt whether a gift is excessive, the MSG Governance, Membership & Ethics Committee should be consulted.

### ***2.2.11 Implementation***

The MSG is responsible for ensuring that every MSG member, including the Secretariat, is familiar with this Code of Conduct and for providing advice and, if required, training on the interpretation and implementation thereof.

### ***2.2.12 Reporting***

MSG member with a concern related to the interpretation, implementation or potential violation of this Code of Conduct shall bring such issues to the attention of the MSG immediately. Where matters are brought to the attention of the MSG, the MSG will consider the circumstances and consider whether action is necessary in accordance with this manual. Anybody who is uncomfortable to raise any such concerns with the MSG may bring their concerns to the attention of the Chairperson.

## ***2.3 Board Meeting Attendance Policy***

### ***2.3.1 Board Composition***

The Multi-Stakeholders Steering Group (MSG) is a governing board that manages the Liberia Extractive Industries Transparency Initiative (LEITI). In accordance with section 6.1 of the LEITI Act, the MSG shall consist of at least fifteen (15) members drawn from three constituencies namely; the Government of Liberia (GOL), the National Legislature; Civil Society Organization (CSO), and private companies engaged in the extraction/exploitation of the country's oil, mining, forest and agriculture resources.

The Government of Liberia shall have seven (7) representatives to include the Minister of Finance; the Minister of Lands, Mines, & Energy; the Managing Director of the Forestry Development Authority; and the President/CEO of the National Oil Company of Liberia (NOCAL) or its successor as permanent members; Civil Society shall have four (4) representatives to include Publish What You Pay Liberia or a successor organization; and a representative of a recognized association or union of workers in the extractive sectors as permanent members; and the Private Sector shall have four (4) representatives to include at least one representative each from the mining, forestry and oil sectors as permanent members.

### ***2.3.1.2 Appointment of MSG Members***

Members of the MSG shall be appointed by the President who shall designate one of them as the Chairperson and another as the Co-Chairperson. In the appointment of members of the MSG to represent civil society and the private sector, the President, shall hold appropriate consultations with members of the respective groups. **The Members of the MSG shall serve a three-year tenure which shall be renewable.**

### ***2.3.1.3 Membership Right***

All MSG members or their proxies shall have the right to attend all regular, emergency and extraordinary meetings. The proxies shall have the power to participate in discussions, vote and generally perform all the functions of the principals they represent at all such meetings.

### ***2.3.1.4 Observers***

Representatives from relevant international and local organizations, such as the United Nations, World Bank, and other relevant stakeholders appointed by the President as observers, shall be required to attend all MSG meetings. Observers shall have no voting rights, but are free to actively participate in discussions and make suggestions on relevant issues that may lead to MSG decision by consensus. Observers shall be

### ***2.3.1.5 Member Orientation***

Every new member shall sign off to this manual agreeing to abide by all provisions therein. There shall be at least one training workshop for all MSG members annually to be conducted by the EITI International Secretariat.

### ***2.3.1.6 Removal/Resignation of MSG Member/Alternate***

A member/alternate shall be removed from the MSG for proven misconduct or may resign. In the event of a resignation, the member/alternate shall inform the MSG through written communication endorsed by his/her constituent, addressed to the Chairperson of the MSG. Where there is misconduct on the part of a member/alternate, he/she will first be referred to the Governance, Membership & Ethics Committee. MSG member/Alternate shall be removed from office by the President of Liberia upon the recommendation of the MSG.

### ***2.3.1.7 Replacement of MSG Member/Alternate***

In the case of a vacancy created by the resignation/removal of a MSG member, the vacancy shall be filled by an appointment of the President. In the event that an alternate is removed, his/her constituent shall nominate a new alternate.

## ***2.3.2 Meetings***

**The MSG will meet regularly on a quarterly basis and that the Chair will call emergency meetings in consultation with at least one member from each MSG bloc. All MSG members must attend at least 50% of regular quarterly meetings.** Such meeting shall review progress on the implementation of the Work Plan and other activities, as well as make relevant decisions that would guide the Secretariat to achieve the objectives of the LEITI. The meeting shall be presided over by the Chairperson, or in his absence **the Co-chair**. In the event where the Chairperson, the Co-Chairperson or their proxies are absent, a permanent representative of the civil society or private sector shall preside. **Chairmanship of the MSG shall be in order of the permanent members.**

The Chairperson of the MSG may call an emergency meeting through the Secretariat **and in consultation with at least one member from each sector**. For such meetings to take place, members of the MSG must be given at least a three-day prior notice.

#### ***2.3.2.1 Proxy Arrangements***

The Chair or Co-chair may appoint a proxy in the event s/he is unable to attend a meeting. The appointment of a proxy shall be done in writing to the Secretariat prior to the meeting. Where the Chair or Co-chair designates a permanent proxy, the principal is required to attend at least two MSG meetings annually. **The Co-Chair shall act as Chair in the absence of the Chair, not the Chair's proxy. Succession to Chairmanship of the MSG shall be in order of the permanent members.**

#### ***2.3.2.2 Meeting Place***

All MSG meetings, including those of sub-committees, **shall be determined by the Chairman in consultation with majority members**. Meetings may be held at different locations under extraordinary circumstances as shall be determined by the Head of Secretariat. In an event that the nature of a committee's meeting requires that such meeting be held outside the office of LEITI, the committee shall do so in consultation with the Secretariat.

#### ***2.3.2.3 MSG Meeting Agendas and Minutes***

Electronic and hard copies of the agenda and minutes shall be circulated to each MSG member by the Secretariat, at least one week before each regular meeting.

The MSG agenda shall be developed by the Secretariat in consultation with the Chairperson of the MSG. Upon completion of such agenda, it shall be circulated, in draft, with other documents to members of the MSG consistent with count 2.4.3.3 above. Members may suggest changes to the draft agenda when they receive such draft agenda and draft minutes prior to holding the monthly meeting.

#### ***2.3.3 Attendance***

All MSG members are expected to attend and fully participate in all meetings. The Secretariat shall, from time to time, include MSG members' scorecard as part of the minutes and agenda for **quarterly** meetings. This scorecard shall also be available on LEITI website and to the general public.

#### ***2.3.4 Quorum***

Quorum for all regular and emergency MSG meetings shall consist of at least ***two-thirds of the total membership of the MSG, with at least two members of each sector (Government, Private Sector and Civil Society) being a part of such two-third***. Quorum for committee's meetings shall consist of at least two thirds of the total membership of such committee with at least one member of each of the constituencies represented on the committee.

### **2.3.5 Alternates**

Each constituency may nominate an alternate to the MSG, including observers. An Alternate may deputize for a MSG member at regular, emergency and extraordinary meetings. When deputizing for a MSG member, the Alternate shall have the power to participate in discussions, vote, and generally perform all the functions of that MSG Member at such meetings for those with voting right. This does not apply to Alternates or Proxies of Observers.

### **2.3.6 Decision making procedures**

The Multi-Stakeholder Group (MSG) shall follow the procedure listed below in all of its decision making process. The decision making procedures include principles and rules that should inform all decisions emanating from MSG meetings, including standing committees' meetings.

#### **2.3.6.1 Principles**

The MSG is committed to operating in the spirit of collaboration and cooperation with the aim of making decisions through consensus. In cases where general agreement cannot be reached, a formal vote will be taken at the discretion of the Chair and voting rules will be applied. All constituent MSG members shall be represented in decision making. Simple majority voting is the least desirable preference and will only occur as a last resort.

#### **2.3.6.2 Rules**

Decision-making will occur by a three tiered hierarchical system as follows:

- Consensus—the Chairperson will seek to achieve consensus for all decisions. If this is not achieved, then modified consensus will be sought.
- Modified Consensus—Consists of a two thirds or greater majority of exercised votes (i.e. minus abstentions) and includes a minimum of 2 representatives from each constituency. If this is not achieved, a working group will be formed comprising equal representation from each constituency, to discuss and negotiate a recommendation to present to the MSG. This may occur at the meeting; post meeting with the intention to provide a recommendation by the next MSG meeting date; or be considered out-of session. Once the sub-group has provided its recommendation, the MSG will seek to make a decision on the basis of consensus or modified consensus.
- Simple Majority—if modified consensus is still not achieved, the motion will be passed by simple majority i.e. greater than 50 % in favor. Decisions made by simple majority will be identified in the minutes as such, with recognition that simple majority decision-making is the least-desirable and lowest grade of decision, reflecting substantial dissent by MSG members.

## **SECTION 3.0 BOARD COMMITTEES**

The MSG shall create committees to further specific issues. Any such committee shall include two or more MSG Members or their Alternates, **and partners as observers**, and shall, as far as is reasonable, reflect the multi-stakeholder nature of the LEITI. These committees shall make recommendations to the MSG for final decision on specific issues addressed by the committees.

### **3.1 General Guidelines**

- No Committee of the MSG shall have any authority to execute except instructed by the MSG;
- Decisions of a Committee shall take effect only after approval by the MSG;
- Each Committee will observe the same rules of conduct and procedures as the MSG, unless otherwise stated by the MSG in writing;
- Committees shall provide formal quarterly report back to the MSG or at every scheduled MSG meeting; and
- Each Committee shall consider any other matters referred to it by the MSG.

### **3.2 Governance, Membership & Ethics Committee**

- Advise the MSG on procedures & policies designed to improve and guide the decision making, selection, participation, responsibilities, conduct, and activities of MSG Members regarding (voting, participation, attendance, honorarium, etc);
- Advise on constituency feedback mechanisms for the MSG;
- Advise on (non) compliance with legal and regulatory requirements, including disclosure controls and procedures;
- Advise on implementation of the LEITI Act and all relevant EITI Requirements; and □ Advise on all conditions and strategies for a successful Validation.

### **3.3 Finance & Administration Committee**

- Advise the MSG on the integrity and internal financial and operational control systems;
- Advise on the LEITI financial reports, annual budget, and work plan;
- Advise in areas of risk assessment and management;
- Advise on any and all financial matters;
- Advise on sustainable funding arrangement;
- Advise on the appointment, recruitment, disciplines, remuneration and other related matters regarding the Head and Deputy Head of Secretariat;
- Advise on the approval of LEITI's staff plans and human resources strategies developed by the Head of Secretariat; and
- Advise on strategies to strengthen capacity of LEITI Secretariat.

### **4.4 Reporting & Communication Committee**

- Advise the MSG on the design for all LEITI reports including timelines/deadlines;
- Advise on the processes to streamline reporting (i.e. electronic data collection, database of reporting companies, etc.), and end-user capacity;
- Advise on the methodologies/strategies to automate and improve reports quality;
- Advise on the Recruitment and compensation of LEITI's independent reconciler □ Advise on all communication matters;
- Facilitate interface between the MSG and communication stakeholders; and □ Advise on strategies to enhance awareness of the LEITI brand.

## **BIBLIOGRAPHIES**

EITI Rules	View at <a href="http://www@eiti.org">www@eiti.org</a>
Drilling Down EITI	View at <a href="http://www@eiti.org">www@eiti.org</a>
EITI Standard	View at <a href="http://www@eiti.org">www@eiti.org</a>
EITI Term of Reference	View at <a href="http://www@eiti.org">www@eiti.org</a>
Implementing EITI for Impact	View at <a href="http://www@eiti.org">www@eiti.org</a>
LEITI ACT	View at <a href="mailto:leiti@org.lr">leiti@org.lr</a>
National Code of Conduct	View at <a href="mailto:emansion@gov.lr">emansion@gov.lr</a>
EITI Association Code of Conduct	View at <a href="http://www@eiti.org">www@eiti.org</a>
Guide to Developing an Organizational Policy & Procedures Manual	View at <a href="mailto:ahmrc@org.au">ahmrc@org.au</a>
Nigeria EITI Handbook	View at <a href="http://www@org.ng">www@org.ng</a>
U.K EITI Stakeholder Group	View at <a href="http://www@gov.uk">www@gov.uk</a>
The Role and Responsibilities of the EITI Board Members	View at <a href="http://www@eiti.org">www@eiti.org</a>