

MINUTES

REGULAR LEITI MULTI-STAKEHOLDERS STEERING GROUP MEETING
HELD IN THE CONFERENCE ROOM OF THE LEITI, OLD BUDGET BUREAU BUILDING
● REDEMPTION ROAD, MONROVIA, LIBERIA ● THURSDAY, JUNE 30, 2016

PRESENT

GOL

Charles N. McClain
B. Al - Dennis
Elvin C. A. Frank
Alieu F. Nyei
Johnny S. Tarkpah
Edward S. Kamara

MOA
LRA
MIA
MFDP
NOCAL
FDA

CSO

Cecelia T. M. Danuweli
James M. Yarsiah
S. Barbington Coleman
Marpue M. Speare

PWYP/WANEP
Rights & Rice Foundation
National Labor Congress (GODIMWUL)
WONGOSOL

Private Sector

Laurentine H. Bass
Martin F. Kerkula, Sr.
Ansu Konneh
K. Emmanuel Yarkpazuo

ExxonMobil
Liberia Timber Association (LTA)
Western Cluster Liberia
Golden Veroleum Liberia (GVL) /AGRI

IN ATTENDANCE

Partners/Observers

Kofi Ireland
Christopher Buchberger
Frances R. Deigh Greaves

UNMIL
GIZ
National Civil Society Council of Liberia (NCSCCL)

OTHERS

Deddeh S. Lavalah
Wynston Benda-Henries
Sekou M. Sheriff

LRA
Rights & Rice Foundation
ExxonMobil

LEITI Secretariat

Konah D. Karmo
Joy Smith Attah

HOS/LEITI
LEITI

Preliminaries – The Regular meeting of the LEITI Multi-stakeholders Steering Group (MSG) for the month of June was held on Thursday, June 30, 2016 in the LEITI Conference Room, Old Bureau of the Budget Building, Capitol Hill, Monrovia, Liberia. Commencing at 12:18pm, the Head of Secretariat, Mr. Konah D. Karmo verified the existence of a quorum for the meeting and, as usual, welcomed participants to the offices of the LEITI Secretariat.

Mr. Karmo then informed MSG members and others present at the meeting about the inability of Hon. Stephen Dorbor, Proxy of the MSG Chairperson, to attend the meeting due to illness.

A debate ensued over who should chair the meeting with Mr. Kofi Ireland, UNMIL Representative to the MSG, insisting that Assistant Minister for Finance and Development Ministry, Mr. Alieu Nyei, who served as proxy of the Proxy Co-Chair Dr. James Kollie, chair the meeting, while others said that a representative of the Civil Society organizations on the MSG should chair the meeting consistent with the MSG Policy Manual.

The situation was resolved when the Head of Secretariat read Section 2.3.2 of the MSG Policy Manual under the caption “Meetings” which states: “The MSG shall have its regular meetings on a monthly basis or at any other interval as may be decided by the MSG. Such meetings 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 objective of the LEITI. Meeting shall be presided over by the Chairperson or in his absence his or her Proxy. In the event where both of them are absent, the Co-Chair shall preside. In the event where the Chairperson, the Co-Chairperson or their Proxies are absent, a representative of the Civil Society or Private Sector shall preside”.

Following the clarity, the meeting was chaired by Madam Cecelia Danuweli of Publish What You Pay (PWYP), a CSO representative to the LEITI MSG.

Mr. Karmo reminded MSG members of the importance of gathering given that it was at this meeting that the MSG would approve final draft copies of the 7th LEITI Reconciliation Report and the LEITI Annual Activity Report for 2015.

Mr. B. Al-Dennis, Supervisor of the Natural Resource Unit of LRA, introduced Ms. Deddeh Lavalah from the Natural Resource Section of the LRA and explained that it was important for Ms. Lavalah to observe the 7th LEITI Report approval process as she was one of the LRA staff who worked on the report.

The presiding Chair then officially welcomed everyone to the meeting and recognized Ms. Lavela and others who were attending the MSG meeting for the first time.

Adoption of Agenda: With one amendment made, to include the eleventh item which is the approval of the LEITI Annual Report for 2015, it was moved and seconded that the agenda be used as the tool to guide the meeting and later form part of the archives.

Draft Minutes: The draft minutes of April 26 Regular Meeting and May 4 Emergency Meeting were adopted by the body.

- **Corrections:** There was one correction made with request that WONGOSOL be placed under Civil Society Organization instead of Private Sector.
- **Matters Arising:**

Dr. Charles N. McClain – MOA - asked that the meaning of Materiality Threshold be explained to him.

HoS – Mr. Karmo - Explained materiality is set to define the limits – the parameters within which entities’ inclusion into the Annual EITI reporting process are defined – which is usually in terms of value of total royalties and taxes paid for a particular fiscal year.

There were no additional comments and so the both minutes were unanimously adopted to form part of the LEITI/MSG archives.

Mrs. Laurentine H. Bass - ExxonMobil -Mrs. Bass informed the body that the Secretariat did not integrate the Oil Sector’s consolidated comments into LEITI’s general comments that were sent to the Independent Administrator (IA).

HoS – Mr. Karmo - Mr. Karmo clarified that the Oil Sector’s comments were received days after LEITI inputs authorized at the 4th May 2016 Emergency meeting had been submitted to the Independent Administrator. Mr. Karmo however assured the gathering that the Oil Sector’s comments were sent as additional comments to the Independent Administrator(IA), proof of which was earlier shared with Ms. Bass.

The body later agreed that status of the OIL Sector’s consolidated comments be included in the next Secretariat Update.

B. Al-Dennis – LRA - The Reconcilers did not do due diligence and did not serve them LRA justice. Mr. Dennis alleged that the \$1.3m discrepancy mentioned in the 7th Report emanated from the Ministry of Finance and added that the IA did not consult Dr. James F. Kollie of the Ministry of Finance and Development Planning. But Mr. Dennis’ allegations were dismissed as majority of those attending the meeting indicated that the IA contacted reporting entities on issues of discrepancies several times during preparation of the 7th Report.

Mrs. Frances R. Deigh Greaves – Also commenting on the issue raised by LRA, Mrs. Greaves said that the report had a process, they were time bound, they came to the meeting and discussed it and if LRA had an issue they should have raised it at the Emergency Meeting at which time that report was approved and endorsed. She however suggested that where they may want to give clarity, they could write a formal communication to the MSG but it cannot be included in the LEITI 7th Report.

To conclude the Matters arising, it was agreed that we will take note of additional comments sent.

Secretariat Update: An update of the Secretariat covering the period of April 27, 2016 to June 29, 2016 was presented by the Head of Secretariat Mr. Konah D. Karmo. The HoS highlighted several activities undertaken by the Secretariat to include the finalization of the 7th & 8th Reports, the upcoming July 1, 2016 validation, the Post Award Process Audit, the serious budget cut that LEITI suffered from the Ministry of Finance as well as other operational and administrative matters. The new Communication and Outreach Officer Mr. Cedrick W. Kpadeh who replaces Mr. Samson Wonnah, the former Communication and Outreach Officer was introduced to the MSG.

Following the update, the Presiding Chair asked for comments from the floor.

Mr. S. B. Coleman - Mr. Coleman commended the HoS for the update but reminded him that in one of the meetings he promised to meet with the President concerning the budget cut LEITI suffered, he wanted to know how far the HoS had gone in the process?

HoS – Mr. Karmo -The HoS responded that there are two different budget cuts being discussed. The current and future budgets are being cut simultaneously. The current budget, FY2015/2016 has been cut twice and this was the third unofficial cut. However, the Secretariat along with some MSG members met with the President and discussed limited funding to LEITI as a serious constraint and highlighted the need to increase budgetary allocation in FY2016/2017. Despite the discussion with the President, the FY2016/2017 budget still suffered a \$42,000 cut.

Mr. James M. Yarsiah - Mr. Yarsiah commented that under funding it is written that about ninety percent of the Work Plan cost will be sourced from the government of Liberia in FY2016/2017. He wanted to know whether in view of the short falls that are being discussed and the cost if the statement was still relevant.

HoS – Mr. Karmo – The HoS in his response indicated despite all the cuts, the Secretariat still had more than Six Hundred thousand United States dollars to operate, down from Seven Hundred & Twenty-Five Thousand United States dollars which constituted ninety-percent of the total Seven Hundred Twenty Thousand Dollars projected for 2016/17.

Dr. Charles N. McClain – Buttressing the HoS, Dr. McClain informed the body that similar actions (budgetary cuts) were taken across all ministries and agencies. He fears the situation might worsen the next budget year. According to Dr. McClain, it is a good idea that the Secretariat is seeking funding from other donors and that it would be good to know the total value of the AfDB and USAID proposals.

HoS – Mr. Karmo - Responding the HoS said the LAVI/USAID proposal amounted to \$20,000 while the AfDB's is \$700,000. The Secretariat is in a meeting with the delegation from ADB Abidjan and there are indications the grant will likely come through.

Commenting further, the HoS explained that the budget cut of US\$80,000 mentioned in the Secretariat Update affected the FY2015/2016 and that about US\$52,000 of that amount was committed to pay the Reconcilers for preparation of 7th and 8th reports. However, LEITI has already requested a return of the US\$52,000, through a formal letter addressed to the Minister of Finance and Development Planning. The Contracts and draft copies of the Report were all sent to the Minister and a follow up will also be done.

Dr. McClain advised that instead of just sending documents, the HoS himself should meet the Minister and explain these things to him or even go through Minister Alieu Nyei who in fact is the right person to go through.

In relations to the Secretariat's concept note to the EU on fisheries, Dr. McClain pledged MOA's willingness to collaborate as fishery is a part of MOA's dealings with the EU. He told the HoS to work with them and they will see how they can be included in there somewhere.

Ansu Konneh - Asked to get clarity on the second Post Award Audit process, he wanted to know if it was discussed in the MSG meeting.

Mr. Karmo responded that the MSG did approve the terms of reference for it.

The Approval and Publication of the EITI 7th Reconciliation Report

The HoS gave a brief overview of the EITI 7TH Reconciliation Report for Liberia. In his overview, he stated that the report had gone through an extensive review. It started from the Inception Report where inputs were collected from people, collated, approved by the MSG and sent to the Independent Administrator (IA). Subsequently, the Reconcilers prepared a draft Report that also benefited from comments/inputs of the MSG. Thereafter, a quality control check was done which ensured comments were captured by the IA. The draft of the 7th & 8th Reports were submitted and circulated to all reporting entities (companies and government agencies) that participated in the reporting process.

The HoS stated that the 7th Report is not 100% complete. There are one or two minor issues in there which are not material enough to hold back the approval of the Report.

He stated that to deal with the discrepancy issue, when the Reports are done and published, there is usually a second layer that is called discrepancy resolution whereby an independent auditing firm is recruited to conduct investigation into the discrepancies.

After outlying several issues concerning the Report, the HoS called on the MSG to approve the Report subject to those corrections being made in the Final printed copy that will be submitted by the IA. And anything that has to do with discrepancy will be dealt with under the normal procedures.

Mrs. Laurentine H. Bass Thanked the HoS for the overview but however, expressed her disappointment over some issues she felt were not properly handled by the Independent Administrator.

But the body informed Ms. Bass that the discrepancy related to ExxonMobil's payment to the government has to do with the government entity as the report indicated that ExxonMobil fully complied by providing all documents requested by the IA.

The Hos on behalf of the Secretariat stated that the work of the Independent Administrator cannot be interfered with, if the Secretariat is seen doing that, they will be penalized during the Validation. At the end of the day the only thing to be done is to provide evidence.

Mr. K. Emmanuel Yarkpazuo – Inquired from the HoS who pays for that service if there's an error from Independent Administrator and you want to take issue?

The HoS said that the EITI pays for that because they are interested in clearing the discrepancy or knowing what causes the discrepancy

Following the discussions surrounding the 7th Report, it was moved by Mr. Edward S. Kamara and seconded by Mrs. Frances Deigh Greaves that the 7th EITI Reconciliation Report be approved with all the amendments. The 7th LEITI Report was then unanimously approved by the MSG.

Annual Activity Report

The HoS provided update on the Annual Activity Report; he stated that it highlighted all the LEITI activities from 1 July 2014 to 31st December 2015. He stated that this report should go to also form part of the documents that will be reviewed by the Validators. As the Validation goes on, the Annual activity Report will be used to measure the level of progress against the Work Plan. He concluded by saying that upon approval by the MSG the Report will be signed by the Chair before submission to the EITI Secretariat.

Dr. McClain – the Annual Activity report should also capture LEITI’s contribution to the country by including how significantly the financial contributions from the extractive industries have grown due to LEITI’s involvement.

Adaption of the Draft Annual Activity Report

It was moved by Mrs. Frances Deigh Greaves, and seconded by Min. Charles McClain that the document (Annual Activity Report) from the Secretariat that detailed all the activities for the year indicated be approved to be included in the process for the Validation. The motion was tried and there were no objections. The report was then unanimously approved by the MSG.

Reporting & Communications Committee Report

Commenting on the three reports under agenda item seven (a), Mr. Ireland stated that there was no need to discuss the Draft Pre-validation Assessment Report because this report was only to determine weaknesses associated with EITI implementation and provides some recommendations. He also presented a report called Previous Report Recommendations Implementation Matrix containing all the recommendations from previous EITI reports. He said the purpose was to monitor and track implementation of those recommendations. He further confirmed the accuracy of the Committee’s work, pleaded with fellow MSG members to approve the report and suggested quarterly update should be provided by the Reporting and Communication Committee in collaboration with the Secretariat on the implementation status of the matrix. He concluded by saying the Secretariat should be asked to include recommendations from the just approved 7th Report in the matrix for implementation.

This report was also approved by the MSG by consensus.

Finance and Administration Report – Draft 2016/17 LEITI Secretariat Workplan

The Committee’s report was deferred on grounds the Legislature has not yet approved the budget but the Secretariat can work with this committee for any adjustments that will be needed during the period. However, according to the Public Financial Management Law, a spending entity can use one twelfth of its budgetary allocation until the budget is passed – the Secretariat requested the MSG to approve this temporary spending authority. To this end, the MSG approved the Secretariat’s use of the one twelfth budgetary allocations. It was unanimously agreed that approval of the draft 2016/17 LEITI Secretariat be deferred till the 2016/17 National Budget is approved by the Legislature. It was also suggested that there’s a need to engage LEITI’s traditional partner - GIZ to give additional help.

Deputy Head of Secretariat (DHoS) Contract Renewal

The MSG agreed by consensus on the recommendation from the Committee that the DHoS Contract be renewed by two years with a performance review after one year. The MSG further instructed the HoS to do the Contract negotiations to be signed by the MSG Chair.

On the issue of raise in salary, it was agreed that based on the salary level of government right now, there cannot be a salary increment but when the moratorium is lifted, a review of salaries at the Secretariat should be done.

Update on EITI Validation

In this update, the HoS informed the body that Liberia had received a formal communication from the Chair of the EITI informing her of request for implementing countries to support the EITI implementation and that Liberia and few other countries will start their Validation beginning 1 July 2016. Also, there have been changes to the EITI standard that led to the release of the 2016 EITI Standard.

He further stated that the Validators upon their arrival here on the 22nd of August, would like to have a meeting with the MSG. He therefore proposed that the meeting be brought to the 23rd of August instead of the regular date to accommodate them. The Validators also wants the MSG to select a group of people or institutions in and out of the MSG that they may consult. They also want to meet with the Chairman of the MSG. In the words of the HoS, the new EITI Chairman Mr. Fredrik Rendfelt, will be visiting Liberia for the first time and would like to meet the President of Liberia while on his visit here. It was proposed that he arrives on the 25th and leaves on the 26th of August 2016. The itinerary is still being worked on. The Civil Society, the Company and Government representatives were asked to suggest names the Validators could consult whilst they are here. The MSG set Wednesday, 6 July 2016 as deadline for suggestion. The MSG will also have to decide on who the Validators meet. It was suggested that the MSG provides knowledgeable focal persons from the Government, Civil Society and Companies.

Summary of Key Points

- Correction to draft Minutes (April 26th and May 4th): that WONGOSO be correctly placed under Civil Society Organization instead of Private Sector;
- The EITI/LEITI Validation is scheduled to commenced on July 1, 2016;
- The Draft 7th LEITI Reconciliation Report was approved by the MSG considering all the amendments made;
- The Draft Annual Activity Report along with the Committee Report were also approved by the MSG;
- The MSG agreed by consensus that the DHoS Contract be renewed by two years with a performance review after one year.
- The EITI Chairman and Validators are due in Liberia from 22-26 August 2016;
- Each sector(Government, Private sector and civil society) on the MSG suggests names of people and institutions the Validators will meet and submit same to the Secretariat by June 6, 2016;
- MSG members will suggest individual focal persons who are knowledgeable of the individual programs and projects to work with the Secretariat during the visit of the Validators.

- That approval of the draft 2016/17 LEITI Secretariat Workplan be deferred till the 2016/17 National Budget is approved and that the Secretariat utilizes one-twelfth of the budget consistent with the PFM Law.

Date and time of next MSG meeting: The next MSG meeting was scheduled for Wednesday 27th July 2016 or any time feasible taking the July 26th Independence Day into account.

Meeting was adjourned at 2:40 pm.