

Liberian Extractive Industries
Transparency Initiative (LEITI)

Strategic Plan
FY2017/18 - FY2019/20

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About this document

This is the Strategic Plan which provides the background, the mission, vision, values and legislative basis for the Liberian EITI process.

It also details the six main themes (five normally used and one specifically dedicated to LEITI's Validation process), in which LEITI will be concentrating its work from FY 2017/18- 2019/20. These themes lay out the general direction and content of LEITI's work. More granularity can be seen in LEITI's Action Plan, which takes these themes and directions and turns them into activities to achieve results.

The document is a reviewed and updated version of the previous five year strategic plan, which was intended to cover FY15/16 to 19/20, and was discussed by the MSG at a retreat in Paynesville, Liberia on 30 May – 1 June 2017. This process was supported by the German government through Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. The consultant facilitating the process was Richard R. Dion.

The Annual LEITI Workplan should be based on this Strategic and Action Plan and informed by stakeholder feedback to reflect any necessary changes/updates of the national priorities in regards to the Liberian natural resource sector. This process should be as inclusive as possible, not only with the input of those on the multistakeholder group (MSG), but the wider constituencies and in line with any changes to Liberia's national strategy and direction.

Executive Summary

Having reached compliant status in 2009, the Liberian Extractive Industries Transparency Initiative (LEITI) has made significant efforts in transforming the sector through awareness raising about the sector's challenges, commissioning related studies and advocating for a better-run extractive sector, through its unique composition of the government, civil society and the private sector.

LEITI's mission aims to strengthen governance by improving and promoting resource transparency and accountability through proper extractive revenue management; and to monitor compliance of fiscal and non-fiscal obligations of concessionaires that impact the Liberian economy. Its vision is that revenues collected from sectors covered by LEITI are tracked, used, and accounted for transparently to benefit all Liberians, reduce poverty, and enhance economic and social development.

A multi-stakeholder group (MSG), consisting of government, civil society and the private sector (see annex 1), oversees the general direction of the LEITI process, with the LEITI Secretariat carrying out the process's day-to-day management. Liberia's EITI process is unique around the world, as it includes not only oil, gas and mining, but equally covers the forestry and agricultural sectors. The inclusion of all four provides a unique insight into the governance of the mainstays of the Liberian economy.

LEITI's MSG has refreshed the 2015-2020 strategic plan and accompanying action plan in mid-2017 to reflect the process's current status and to take into consideration a number of required actions arising from the country's most recent EITI Validation concluded in May 2017. Validation ensures that EITI implementing countries follow the 2016 EITI Standard, the document detailing the requirements that each country must follow. Citing that Liberia has made "meaningful progress", LEITI's validation nevertheless highlighted a number of corrective measures to undertake until November 2018 or risk the country's suspension. The MSG and the LEITI Secretariat, at their 30 May-1 June 2017 retreat, discussed these corrective measures and have proposed a way forward to meet them by November 2018. Those measures and LEITI's proposed response are present in this Strategic Plan and the accompanying Action Plan (excel spreadsheet).

The LEITI process has broken down its work into the following five themes:

- reporting;
- communications;
- sustainability in financing;
- innovation/mainstreaming;
- governance.

Because of the urgency around the **Validation's corrective measures, a temporary sixth theme exists** along the other five, which details some of the corrective actions and procedures for following up on their implementation until 24 November 2018. The other corrective measures are included within each of the other themes. At the beginning of each theme, a table lists the results desired at the end of the proposed activities. While the Strategic Plan cites the overall direction and themes (with some activities mentioned), the Action Plan shows more granularity on how results could be achieved.

In addition, the LEITI Secretariat and the MSG agreed at the 30 May - 1 June 2017 Retreat that a culture of monitoring and evaluation should be operationalised for the activities undertaken to understand if "impact" has really been achieved. In this respect, the LEITI process is keen to become a learning organisation and hopefully serve as an incubator to understand how best to affect change in the natural resource sector.

1. LEITI Background

The EITI is an international initiative aimed at increasing transparency and good governance in the extractive sector, currently implemented by 52 countries. Started with a focus on increasing transparency over payments and revenues from extractive companies in 2003, it has since evolved into a mechanism for disclosing comprehensive information on a country's extractive sector and for stimulating public debate. The latest revision of the initiative took place in 2016 with the adoption of a new EITI Standard, which adds three new major themes to the existing requirements: beneficial ownership, open data and mainstreaming.

Liberia was admitted as an Extractive Industries Transparency Initiative (EITI) candidate country in 2008 and was the first African country to become EITI compliant in 2009. The LEITI process covers four sectors in Liberia: mining, petroleum, forestry, and agriculture. The Liberian Legislature approved the LEITI Act in July 2009, making the LEITI a significant policy of the Government of Liberia (GoL).

Through mid- 2017, LEITI has published eight EITI Reports, the 7th and 8th being published together which showed revenue of over \$135 million and \$100 million in its 7th and 8th Report, covering FY 2013/14 and 2014/15 respectively. Discrepancies between what companies paid and what government received were 1-2%. 44 companies reported in the 7th Report, while 55 reported in the 8th Report.

LEITI has undertaken a number of innovative practices, including the inclusion of forestry and agriculture as well as carrying out two Post-Award Audits, in which a forensic examination was undertaken to see how licenses were awarded. Especially the first of these Audits caused significant debate among Liberian society and led to a number of corrective measures. LEITI also gained international recognition for its "Extractives Clubs" program focusing on high schools, providing the younger generation a platform to participate in public debate.

Further themes of the new 2016 EITI Standard include the following: open data promoting greater public access, beneficial ownership allowing a better understanding of who exactly owns companies and mainstreaming, the integration of EITI Requirements into government processes.

LEITI's Validation process, by which a country's compliance is measured against the EITI Standard began on 1 July 2016. Liberia was one of the first countries undergoing validation based on the new 2016 EITI Standard and on 24 May 2017, the international EITI Board rated Liberia as having achieved meaningful progress towards its implementation. The EITI board also requested Liberia to implement a list of 15 corrective actions until 24 November 2018 in order to achieve the rating of satisfactory progress and to retain its status as an EITI implementing country.¹

These corrective actions will have to be implemented during a period of transition: presidential and general elections are scheduled for October 2017. With the current President having reached her limit of two terms in office, this will mean at least a certain shift in key Government officials in January 2018, even if the current ruling party stays in power. In addition to that, the term of the current LEITI MSG is about to expire end of 2017, meaning a reformation of this body as well.

Against this backdrop, a number of Liberian stakeholders felt that the 2015-2020 Strategic Plan had to be updated in order to continue the Liberian success story of implementing the EITI, which it has been so far.

¹ <https://eiti.org/validation/liberia/2016>

2. LEITI Guiding Documents

2.1. International Guiding documents

EITI Principles

The LEITI ascribes to the global EITI Principles, agreed at the Lancaster House Conference in June 2003, which provide the cornerstone of the Initiative. The EITI Standard contains these principles and all the requirements for implementing the EITI. These beliefs and aims are endorsed by all EITI stakeholders. The principles are:

1. We share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.
2. We affirm that management of natural resource wealth for the benefit of a country's citizens is in the domain of sovereign governments to be exercised in the interests of their national development.
3. We recognize that the benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.
4. We recognize that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development.
5. We underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability.
6. We recognize that achievement of greater transparency must be set in the context of respect for contracts and laws.
7. We recognize the enhanced environment for domestic and foreign direct investment that financial transparency may bring.
8. We believe in the principle and practice of accountability by government to all citizens for the stewardship of revenue streams and public expenditure.
9. We are committed to encouraging high standards of transparency and accountability in public life, government operations and in business.
10. We believe that a broadly consistent and workable approach to the disclosure of payments and revenues is required, which is simple to undertake and to use.
11. We believe that payments' disclosure in a given country should involve all extractive industry companies operating in that country.
12. In seeking solutions, we believe that all stakeholders have important and relevant contributions to make – including governments and their agencies, extractive industry companies, service companies, multilateral organizations, financial organizations, investors and non-governmental organizations.

EITI Standard of 2016

Since the adoption of the EITI Principles in 2003, the EITI has itself developed substantially on the global level. Started with a focus on increasing transparency over payments and revenues from extractive companies in 2003, it has since evolved into a mechanism for disclosing comprehensive information on a country's extractive sector and for stimulating public debate. The latest revision of the initiative took place in 2016 with the adoption of a new EITI Standard, which adds three new major themes to the existing requirements: beneficial ownership, open data and mainstreaming.

The EITI Standard is a mandatory document for each country signing up to the EITI. Compliance with this document is validated on a regular basis, which makes it one of the defining documents of

the LEITI as well. For the purpose of this document, it is dealt with in comparison with the central national guiding document, the LEITI Act of 2009 further down below.

For reference, the full 2016 EITI Standard can be found here: <https://eiti.org/standard/overview>

2.2. National Guiding documents

During the June, 2015 retreat, the Multistakeholder Group and the LEITI Secretariat examined the EITI process and what it could mean for the country's development. In that respect, the following mission and a vision were developed:

LEITI Mission Statement

LEITI aims to strengthen governance by improving and promoting resource transparency and accountability through proper extractive revenue management; and to monitor compliance of fiscal and non-fiscal obligations of concessionaires that impact the Liberian economy.

LEITI Vision Statement

Revenues collected from sectors covered by LEITI are tracked, used, and accounted for transparently to benefit all Liberians, reduce poverty, and enhance economic and social development.

LEITI Values Statement

In addition to the EITI Principles, the following Core Values were agreed upon by the MSG and the Secretariat during the 2015 retreat to guide LEITI's operations:

1. Transparency
2. Accountability
3. Integrity
4. Respect
5. Advocacy/lobbying
6. Equality
7. Collaboration
8. Professional due care
9. Communication

LEITI Strategic Objectives

The LEITI Act of 2009 provides a legal basis for implementation of the EITI in Liberia. It also defines the LEITI's strategic objectives.

a) General Objective

"The general objective of the LEITI shall be to assist in ensuring that all benefits due the Government and people of Liberia on account of the exploitation and/or extraction of the country's minerals and other resources are (1) verifiably paid or provided; (2) duly accounted for; and (3) prudently utilized for the benefits of all Liberians and on the basis of equity and sustainability" (§3.1 LEITI Act, 2009).

The general objective of the LEITI is closely aligned with the GoL's Agenda for Transformation (Aft)²—expanding peace, justice, security, and the rule of law; stimulating economic transformation; promoting human development; and strengthening governance and public institutions—which states that the GoL will “use LEITI and other means to improve the transparency of information on concession agreements to ensure public confidence in the process”. In addition, the LEITI “will monitor compliance under fiscal and non-fiscal obligations of concessionaires, and encourage development of linkages with the local economy. Revenues received and expenditures made will be audited and made public.”³

b) Specific Objectives

To help LEITI meet its general objective, nine specific objectives are identified in the LEITI Act §3.

§3.2 a: *To require and maintain transparency over all material payments due from and/or made by extractive companies to all agencies and levels of the Government of Liberia as well as all revenues collected from the companies by the Government.*

§3.2 b: *To require all companies engaged in the extraction of agriculture, forest and mineral resources in Liberia to join the LEITI.*

§3.2 c: *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.*

§3.2 d: *To provide and/or serve as a platform bringing together the Government of Liberia, civil society, and relevant private companies for effective implementation of the criteria and principles of the Extractive Industries Transparency Initiative and other measures aimed at good resource governance.*

§3.2 e: *To promote better public understanding of the non-renewable nature of most extractive resources; the causes of resource-based conflicts; and the benefits of transparent and prudent resource governance.*

§3.2 f: *To promote the public disclosure of contracts and concessions bearing relationship with the extraction of forest and mineral resources.*

§3.2 g: *To assist, by working with other relevant institutions of Government and through independent periodic post-award audits or investigations, in ensuring that the process of awarding public concessions, contracts, licenses, permits and any other rights concerning the exploitation of diamond, gold, oil, timber, agriculture any other forest and mineral resources of Liberia is in compliance with applicable laws.*

§3.2 h: *To encourage and facilitate discussion and adoption of appropriate policies for fair sharing of the benefits accruing from exploitation of the natural resources of Liberia.*

§3.2 i: *To ensure that pursuit of the objects set forth in Section 3-2 (a-h) is sufficiently established and made an integral part of the normal operations of Government. |*

c) 2016 EITI Standard

Many aspects of the LEITI Act cover the basis of the EITI. However, with the adoption of the 2016 EITI Standard, a number of aspects are not covered. With the LEITI Act as their basis, the MSG and the LEITI Secretariat will strive to meet the 2016 EITI Standard. Three main areas which differentiate the 2016 EITI Standard from the 2013 Standard are

- beneficial ownership disclosure,
- open data
- and mainstreaming disclosure through usage of regular government mechanisms.

Below is a table which provides a brief comparison of the 2009 LEITI Act and the 2016 EITI Standard.

² And any successive GoL development agenda.

³ Government of Liberia, Agenda for Transformation (2012), Monrovia.

Comparison of LEITI Act 3.2 and 2016 EITI Standard

| LEITI Act 3.2 | (Corresponding): EITI Requirements |
|--|--|
| - | EITI Requirement 2: Legal and institutional framework |
| - | EITI Requirement 3: Exploration and Production |
| a) Transparency over payments and revenues | EITI Requirement 4: Revenue collection |
| | EITI Requirement 5: Revenue allocation |
| b) All companies to join LEITI | - |
| c) Effective participation of Civil Society | (Aspect of: EITI Requirement 1: MSG governance) |
| d) Multi-stakeholder platform for implementation of EITI " <u>and other measures aimed at good resource governance</u> " | (Aspect of: EITI Requirement 1: MSG governance) |
| - | EITI Requirement 6: Social and economic spending (mandatory and discretionary – CSR!; contribution to the sector) |
| e) Public education on natural resource governance issues | EITI Requirement 7: Outcomes and Impact (Public debate, data accessibility, ...) |
| f) Promote disclosure of contracts/concession agreements | (Aspect of: EITI Requirement 2: Legal and institutional framework, <i>including allocation of licenses and contracts</i>) |
| g) Assist in ensuring due process in awarding license / contracts through post-award audits | (Aspect of: EITI Requirement 2: Legal and including institutional framework, <i>including allocation of licenses and contracts</i>) |
| h) Facilitate policy dialogue on fair benefit sharing | EITI Requirement 7: Outcomes and Impact (Public debate, data accessibility, ...) |
| i) Mainstreaming of above mentioned objectives in normal Gov't operations. | - |

3. LEITI Management

The LEITI is led by a governing board, the LEITI Multi-stakeholders Steering Group (MSG). According to the LEITI Act, the MSG shall comprise of at least fifteen (15) members to be drawn from the Government of Liberia (GoL), civil society, and the private sector as follows:

1. GoL, seven representatives to include the Minister of Finance and Development Planning; the Minister of Lands, Mines, and Energy; the Managing Director of the Forestry Development Authority (FDA), and the President of the National Oil Company of Liberia (NOCAL) or its successor as permanent members;
2. Civil society organizations (CSO), four representatives to include Publish What You Pay (PWYP) Liberia or a successor organization, and a representative of a recognized association or union of workers in the extractive sectors as permanent member.
3. Private sector, four representatives to include at least one representative each from the mining, forestry, and oil sectors as permanent members.

The President appoints the members of the MSG and designates one of them as the Chairperson and another as the Co-Chairperson. In the appointment of members of the MSG to represent the civil society and the private sector the President holds appropriate consultations with members of the groups. While members of the MSG will change within the coming three years, this Strategic Plan shall remain the guiding document, bridging and linking past experiences with future challenges. Please see Annex One for a list of MSG members as of mid-2017.

An MSG-appointed Secretariat is responsible for the day-to-day operation of the LEITI, i.e., turning policy decisions of the LEITI MSG into action, and coordinating all efforts and partners in implementing the EITI in Liberia.

The Head of Secretariat (HoS) leads the LEITI Secretariat, assisted by a Deputy HoS and other permanent staff members. The three main divisions of the Secretariat include: Central Administration (headed by the Administrative Director), Operations (Headed by the Deputy Head of Secretariat), and Finance (headed by the Finance Officer/Comptroller).

4. Lessons Learnt - 2015- 2017

The 31 May - 1 June 2017 retreat took place just after the EITI International Board's decision on Liberia in which the country made "meaningful progress", but it noted a number of corrective measures that must be addressed until November 2018.

Before looking at the corrective measures required until November 2018 and the three year plan, the MSG evaluated its results and its activities in the five themes. During the Retreat, the following lessons learnt were highlighted in breakout groups, each group containing at least one member of each constituency.

Reporting - the procurement of EITI reports needed to be better streamlined. The response time for companies for submitting reporting templates at times was unrealistic and the process could have been more consultative. In short, the process was an exercise in logistics and better planning could have reduced the time. In addition, more engagement with the Ministry of Finance to understand when government funding would be disbursed would have ensured fewer interruptions in the process.

Communications - funding was an inhibitor for some communications activities. CSOs could have been better tapped into to assist the role of the Secretariat. With limited funding, a more "hotspot" or "lighthouse" approach could be introduced, piloting in 2-3 counties, evaluating its effectiveness

and adjusting it when rolled out. Various domestic stakeholders have potential to assist LEITI as “multipliers”, the option of domestic LEITI pooled fund should be re-assessed.

Sustainability - the previous period could have used a more targeted approach to the Ministry of Finance to demonstrate the value (financial and reputational) of LEITI. In addition, the Secretariat could tap into the potential of the House and Senate (particularly the Budgetary Committee and the Committee on Natural Resources), both from a funding point of view as well as an accountability viewpoint because of their role in representing communities.

Innovation - funding was less of an issue but there were organisational constraints. The holding of quarterly roundtables on the fair sharing of revenues, as well as to promote the exchange of opinions and knowledge was not as promoted as it could have been. In addition to the exchange of information on governance topics, it likely would have led to better collaboration among the various government agencies and entities specifically as well as with the private sector and civil society.

Governance - The need for increased engagement with the legislature was particularly noted as a learnt lesson. While the government plans LEITI’s budget, it is the legislature which approves the budget. In addition, the link of Senate and House members to the communities was emphasized, as members should be a point of reference for the communities, particularly around the use of social development funds and seeing real impact from extractive revenue. Internally, the Secretariat seeks to improve MSG meeting minutes distribution and easy sign-off, potentially by “no objection” just a few days after the meeting itself, allowing the LEITI Secretariat to implement actions without undue delay.

5. LEITI’s Themes 2017-2020

The LEITI process, the Secretariat and the Multi Stakeholder Group, have established five main themes in which to direct its work: reporting, communications, sustainability, innovation and governance. For the period until 24 November 2018, these five Themes are complemented by a temporary 6th Theme, focusing on implementation of the corrective actions required under the validation process. Each theme’s general direction is outlined below, including the results that the process wishes to achieve.

The results and the activities have been prioritised, using the following colour-coded system:

| Priority | Colour |
|----------|--------|
| Critical | Red |
| High | Orange |
| Medium | Yellow |
| Low | Green |

5.1. Theme 1: Reporting

| Ref. Nr. | Results | Priority |
|----------|--|----------|
| 1.1 | Recommendations from 4th - 8th LEITI Reports will be acted upon and closed and simplify the next LEITI Report process | |
| 1.2 | The next LEITI Report will demonstrate a notable change in design and ease of reference, as seen from its user (i.e. LEITI perception survey), leading to more “traction” with government, media, and potentially investors. | |
| 1.3 | All extractive companies and GoL agencies fully comply with the LEITI (“no holdouts”). | |
| 1.4 | LEITI reports are published within six months of the fiscal year’s end, making them more relevant to government, CSOs and potential investors. | |
| 1.5 | Licenses are EITI Standard proof CORRECTIVE MEASURES (no. 3 and 4) | |
| 1.6 | Revenue Collection is clear and “off-budget” revenues are transparent and accounted for. CORRECTIVE MEASURES (no. 11) | |
| 1.7 | State Participation is clear and EITI Reports communicate that thoroughly. CORRECTIVE MEASURES (no. 5) | |
| 1.8 | LEITI has thoroughly addressed and timely replied to Corrective Measure 10 on its data quality assurance. CORRECTIVE MEASURES (no. 10) | |
| 1.9 | LEITI has thoroughly addressed the concerns of the Validation Report by end-2017, specifically those arising from the Terms of Reference of the Independent Administrator, and Liberia’s next EITI report integrates the 2016 EITI Standard. CORRECTIVE MEASURES (no. 3 – 14) | |

EITI Reports

This theme concentrates on the reporting aspects, notably the EITI Standard, that Liberia is obliged to follow as the overriding reason for its membership in EITI.

The 2016 Standard’s requirements include open data, beneficial ownership and also the mainstreaming of the EITI. “Mainstreaming” is the inclusion of EITI Requirements into the government’s related policies and procedures. A separate mainstreaming study is being carried out in August/September 2017, which will include a host of actions to incorporate EITI into current government policies and processes. Liberia actively participated in the EITI International Secretariat’s pilot study on beneficial ownership and the LEITI Secretariat and the MSG have created a beneficial ownership roadmap, dated December 2016, which details extensive actions to meet the requirement⁴. Please see section four on innovation/mainstreaming for further information.

⁴ <https://eiti.org/document/liberia-eiti-beneficial-ownership-roadmap>

Independent administrators normally make recommendations to improve the gathering of data, both process and figures, in each LEITI Report. In FY 2017/18 - 2019/20, the MSG and the LEITI Secretariat endeavour to implement all recommendations from previous EITI Reports to simplify future data gathering, reduce government bureaucracy and improve the sector's governance.

For the reporting process itself, LEITI will endeavour to make the Reports more meaningful and relevant to the government, parliament, CSOs and potential investors by publishing them as quickly as possible after the fiscal year and more user-friendly and better designed for ease of reference and ensuring more impact. (discussed in the theme Communications).

Post-Award Process Audit

The first Post-Award Process Audit led to a significant discussion throughout the country about how awards were handled and the extent to which the rules and regulations were followed. The Audit brought about three major work streams to close the gaps and to ensure that procedures are followed. To ensure that the second Post-Award Process Audit receives as much attention, the LEITI Secretariat and the MSG must work closely with the government and the legislature in proposing a realistic plan to address the concerns highlighted in the Audit.

Because of the scope of the work, major changes in Government and the MSG in early 2018, LEITI plans to host a three-day conference in 2018 with all necessary government stakeholders to complete outstanding priority one recommendations and action items for completion by 2020. This "big push" towards closing those Post-Award Process Audit gaps should likely only be chosen once all corrective actions regarding Validation have been successfully completed.

Validation

The EITI's International Secretariat undertook a Validation review of LEITI's work and noted a number of improvement areas that Liberia must undertake to retain its EITI compliance status. To achieve that, LEITI aims to address the deficiencies noted in the Validation Report by mid-2018.

Corrective actions specifically related to reporting are:

- State Participation in the industry;
- Revenue Collection and "off-budget" revenues are transparent and accounted for;
- License allocation and registries.

A temporary sixth theme on Validation has been introduced (please see below) to cover all other corrective actions not directly related to reporting and on how the MSG and the LEITI Secretariat are going to tackle the corrective actions.

5.2. Theme 2: Communications

| Ref. Nr. | Results | Priority |
|----------|--|----------|
| 2.1 | LEITI Secretariat is equipped for success in communications and it is visibly noticed among key stakeholders. | |
| 2.2 | LEITI Secretariat knows its audience and tailors messages for that audience. | |
| 2.3 | LEITI Secretariat systematically approaches communications, using management tools, and based on a Perceptions survey. | |

| | | |
|------|---|--|
| 2.4 | Through LEITI's stakeholder engagement plan of key institutions and coupled with key products, LEITI uses the "force-multiplier" approach to creating impact. | |
| 2.5 | Media (print, digital and bloggers) are more aware of LEITI and are reliable sources of communicating to a wide public (Top 50) | |
| 2.6 | Culture of measurement becomes the rule, not the exception. CORRECTIVE MEASURES (no. 15) | |
| 2.7 | LEITI Secretariat produces easy-to-read and understand targeted communication materials. CORRECTIVE MEASURES (no. 15) | |
| 2.8 | LEITI Website becomes a digital hub, with statistics to monitor its progress and impact and to guide its work. | |
| 2.9 | LEITI has succeeded in simplifying complex issues, making the extractive industries understandable to wider audiences. | |
| 2.10 | A growing and increasingly accountable number of Extractive Club programmes exist in all counties, with assistance from LEITI. | |
| 2.11 | CSOs feel increasingly knowledgeable and are better equipped to engage local communities. | |
| 2.12 | Number of roadshows in 2017/18 has increased compared to the previous year, with an increase in participants. | |
| 2.13 | LEITI and its network of "Ambassadors" are frequently heard on a local level for industry information. | |
| 2.14 | LEITI produces short video spots to reach a younger crowd, sets an example among EITI implementing countries. | |
| 2.15 | A growing number of MPs see the value of EITI and use reports and audits to close legislative gaps. | |

Communications is a core part of the EITI - to stakeholders within the government, the private sector and civil society organisations, as well as throughout Liberian society. This "public debate" is enshrined in the EITI Standard.

The LEITI Secretariat has made great progress in the last several years in communicating EITI's benefits, and the importance of an inclusive and well-governed natural resource sector.

The intended communication results from 2017-2020 can be grouped under following sub-themes:

- autonomy in creating the necessary materials (newsletters, website design and documents) to simplify the sector's complexities and make them approachable to the general public and targeted stakeholders in government
- a more systematic approach to engaging stakeholders which leads to more effective uptake
- a culture of measurement in monitoring and evaluation is installed.

Improved capacity

Building LEITI's capacity is crucial to ensure that the public debate continues throughout the country's 15 counties. Increased capacity will be one priority in the coming three years - training, strategy development, and improved ways of working - which will help the Secretariat become

more autonomous in the production of products (discussed below) as well as to ensure that the correct messages for the correct audience exist AND to demonstrate positive impact.

- Software and social media - learning the skills for better design
- Stakeholder management - carrying out a targeted plan and tailoring messages depending on the audience.
- A culture of measurement becomes the rule. From surveys to web statistics, LEITI increasingly documents and tries to build in key performance indicators for its activities.

The LEITI Secretariat will endeavour to carry out an annual survey of perceptions as an input to a communications strategy for the coming 12 months and beyond, drawing on lesson learned from the previous plan.

Through LEITI's stakeholder engagement plan of key institutions and coupled with key products, LEITI's work becomes less reactive and more pro-active, serving as a sought after source of information. Targeted engagement with MPs (Natural Resources Committee - briefings and briefing materials), Universities (lectures and potential course / clubs) and think tanks (Kofi Annan Centre on Conflict Transformation / University of Liberia - Open Dialogues and teacher's union), LEITI is using the "force-multiplier" approach to creating impact. Other potential relationships could include Bridge International (and others working in education) and school children.

As part of the Stakeholder Management Plan, LEITI will engage with media representatives (particularly in light of the President elections) in a targeted way on a monthly basis, for background information and for wider distribution of key aspects.

Improved products

LEITI intends to create a step change in the perception of LEITI throughout the country, simplifying complex issues, making the extractive industries, both sector and process, understandable to wider audiences. This is largely achieved through its products:

- easy-to-read and understand communication materials, targeted to the specific audience and remains regularly engaged in the public eye
- LEITI's website becomes a hub, with statistics to monitor its progress and impact and a constantly referenced site among decision makers.
- Annual Activity Report that more resembles an "Annual Report" (progress in terms of results, based on information produced by the M&E framework, financials, major points of the past and upcoming issues) allowing it to be referenced in influential circles and provide a quick overview of progress to government and parliamentary stakeholders. **(This is one of the Validation Report's corrective actions to show impact).**
- EITI Reports contain summary versions (Executive Summary built-in) available at time of release.
- Quarterly newsletters are produced to update the wider population and key publics on LEITI's work.
- One-page "What's it all about?" briefs on beneficial ownership, open data, licensing process, social development funds, budgetary overview that can be downloaded and used by MPs, teachers, CSOs, government officials.
- LEITI capitalises on video and short spots to reach a younger crowd, and thus sets an example among EITI implementing countries.

Taking improved products to the people

The LEITI Secretariat, in partnership with CSOs, the media and universities, use these communication materials to expand their current programmes, initiate others, creating a movement. Planned activities in this area include:

- Piloting the Extractive Club program to five additional counties in FY18/19 (depending on interest, projects, CSO capacity). After one year of testing, roll out to another five counties, in FY2019/20; the last five counties are intended to follow in FY 2020/2021.
- Conducting capacity building training for CSOs in five counties (preferably same as E-Club), including on reports interpretation and dissemination on a quarterly basis, with each training having 2-3 specific themes (SDFs, beneficial ownership, etc.)

As a result, a growing number of CSOs, students/Extractive Club members feel increasingly knowledgeable, equipped and empowered with the tools to engage local communities and companies alike. With this increased engagement, media interest in the LEITI has increased, resulting in more live radio talk shows dedicated to natural resource governance. A growing number of MPs see the value of EITI, mentioning it publicly and are using reports and audits to close legislative gaps.

5.3. Theme 3: Sustainability / Financing

| Ref. Nr. | Results | Priority |
|----------|--|----------|
| 3.1 | Secure funding through the LEITI Pooled Fund for FY2017/18 and beyond. LEITI, despite the increased demands of the EITI Standard, closes its financing gap in reporting, human resources and communication. LEITI proactively communicates financial needs to relevant government stakeholders in a structured way on a quarterly basis. | |
| 3.2 | Expenses for the next quarter are known, allocated for and if insufficient urgent action is undertaken. | |
| 3.3 | Over the next three years, ensure that the 2009 LEITI Act is fully implemented. | |
| 3.4 | As soon as possible, LEITI introduces a M&E mechanism, drawing on the framework developed in the 2013 LEITI Integrated Operations Manual. | |

Despite the increased demands of the EITI Standard, LEITI intends to close its financing gap in reporting, human resources and communication. To ensure a two-way dialogue, the LEITI Secretariat will proactively communicate financial needs to relevant government stakeholders in a structured way on a quarterly basis, particularly the MFDP Deputy Minister for Budget and Development Planning. Results in the sustainability of financing include:

- demonstrating LEITI's value (as a wise investment) to the government with concrete examples;
- timely annual allocation from the government for LEITI operations;
- less "hiccups" in the financing of LEITI and less management time spent on the issue.

In addition the LEITI Secretariat intends to resume previous work conducted on a "LEITI pooled fund"⁵. It will develop and implement a contribution framework with detailed strategy that addresses contribution to an LEITI pooled fund in line with the recommendations of EITI Guidance Note 6 on "Corporate Support to national EITI processes".

The LEITI Secretariat will additionally seek funding from the World Bank EITI Trust Fund, the African Development Bank, and the Liberian Government through budgetary appropriation as well

⁵ http://www.leiti.org.lr/uploads/2/1/5/6/21569928/establishment_and_management_of_leiti_pooled_fund.pdf

as target donor countries that are destinations of Liberia’s extractive exports and specific companies that are recipients of Liberia’s extractive exports for the forthcoming two FYs.

This Strategic Plan and its associated Action Plan will serve as the primary tool for managing these additional financial contributions.

Over the next year, the effective measurement of LEITI’s results and impacts will be used to help raise funds for the Initiative, showing the process’s value to the country.

5.4. Theme 4: Innovation / Mainstreaming

| Ref. Nr. | Results | Priority |
|----------|---|----------|
| 4.1 | LEITI is facilitating a process where EITI Standard requirements, policies, and processes are being integrated into government systems | High |
| 4.2 | Data Repository Software is rolled out and accessible to the public. | High |
| 4.3 | Fair Sharing of Benefits - Legislators are equipped with the mechanisms to ensure fair sharing of revenues and consider appropriate legislation. | High |
| 4.4 | Social Development Funds become an important part of the public debate, particularly in local communities. | Medium |
| 4.5 | SDF are integrated into the MFDP / LRA verification system. | Medium |
| 4.6 | Partner with University of Liberia on extractive law to improve contract understanding/structure among students, starting with an initial series of lectures in dry season 2017, providing them with the skills to serve in government or to make civil society more effective in community engagement. | High |
| 4.7 | Strengthen the LEITI process through peer learning from other implementing countries. | High |
| 4.8 | Establish an interactive online portal containing all contracts and licenses in the Liberia extractive sectors and make LEITI data available online in electronic format. | Medium |
| 4.9 | LEITI continues to be a leader in exploring innovative ways to improve transparency in the sector, through exploring follow-up of social development contributions. | Medium |

As mentioned above, the “mainstreaming” of a country’s EITI process is one of the main additions to the 2016 EITI Standard and occurs when the EITI’s requirements are being integrated into a country’s policies and processes. The results for this theme, largely related to mainstreaming, include:

- LEITI Reporting templates are integrated into appropriate government systems develop and adopt automatic LEITI online reporting templates for all GoL agencies that pull data from GoL systems, notably through IFMIS, ITAS, SIGTAS, and/or MCAS, and align to Liberia’s Chart of Accounts to facilitate reconciliation between LEITI figures and state accounts.
- Collaborate with the NBC, MLME, FDA, MoA, and NOCAL to establish and maintain an interactive online depository (including information from various bodies containing land cadastres) for all contracts and licenses.

- Beneficial Ownership disclosure to be implemented until 2020, working in close cooperation with the Partnering with Liberia Business Registry and Financial Intelligence Unit).

The LEITI Secretariat and the MSG are keen to explore other innovative activities to make the EITI process in the country more meaningful to the general population. These include:

- Fair Sharing of Benefits - encourage and facilitate discussion and adoption of appropriate policies for fair sharing of the benefits accruing from exploitation of Liberia’s natural resources
- Sharing learnings - Strengthen the LEITI process through peer learning from other implementing countries, e.g. Ghana.
- Interactive online portal containing all contracts and licenses in the Liberia extractive sectors and make LEITI data available online in electronic format.

On an annual basis, these areas will be updated and reexamined to potentially include others, as the MSG and the wider constituencies feel appropriate.

5.5. Theme 5: Governance

| Ref. Nr. | Results | Priority |
|----------|---|----------|
| 5.1 | By September 2017, LEITI’s Secretariat capacity / training needs are fully understood. | |
| 5.2 | A detailed, realistic plan demonstrates the cost / benefits of investing in LEITI’s Secretariat. | |
| 5.3 | In the short-term, LEITI Secretariat is equipped with the technology skills to ensure reliable, professional and effective communications. | |
| 5.4 | Increased readiness of government and donors to fund programmes (“environment is easier to receive funding”) | |
| 5.5 | LEITI is a place that attracts talent, not only for potential employees, but also of innovative organisations. | |
| 5.6 | Stakeholder Management as an institutionalised management tool: LEITI is not only known, but acted upon by key members of Liberian society. | |
| 5.7 | MSG members effectively feedback to their constituencies before and after each MSG meeting and share timely on issues that affect them. CORRECTIVE MEASURES (no. 1) | |
| 5.8 | There is seamless continuity between ingoing and outgoing MSG members, allowing for less disruption in LEITI’s work. | |
| 5.9 | The reduced use of proxies in LEITI MSG meetings ensures timely follow-up on MSG decisions and meaningful inputs from stakeholders and more importantly demonstrates government ownership and priority for the process and the sector’s governance. | |
| 5.10 | Systematic feedback on LEITI’s 2017/2018 activities and its effectiveness is capturing learnings and measuring Progress | |
| 5.11 | The LEITI Secretariat uses feedback from key stakeholders to further tailor the process to national priorities. | |

| | | |
|------|--|--|
| 5.12 | MSG meeting efficiency: meeting procedures and actions are released and agreed upon quickly. | |
| 5.13 | MSG members facilitate annual work plan development procedure with wider constituencies. CORRECTIVE MEASURE (no. 2) | |

Capacity

To accomplish its duties, members of the LEITI Secretariat should increase their capacity to reach their potential and be as effective as possible. In that respect, the result concentrates on increased capacity - training, strategy development, ways of working and methodical follow-up - and will lead to the foundation of more effective outreach for LEITI, making impact easier to grasp and winning over key stakeholders. In addition to capacity and ways of working, the MSG/LEITI Secretariat should be in a good working relationship, where communication channels are open and coordination is key.

Initially, a capacity needs assessment of the Secretariat until 2020 should be carried out, which leads to a detailed, realistic plan that demonstrates the cost benefits of investing in LEITI's Secretariat. As a result of implementation of this plan, the LEITI Secretariat is equipped with the technology and social media skills to ensure reliable, professional and effective communications. These skills should be updated as needed, at least annually.

The end result should not only be a more effective Secretariat, which is more responsible to its stakeholders, but should lead to an increased readiness of government and donors to fund programmes ("environment makes it easier to receive funding) as they see the step change in policies and procedures.

LEITI is a place that attracts talent, not only for potential employees, but also of innovative organisations, leading to the conducting in-service trainings on related topics for MSG members and the LEITI Secretariat and bringing in guest speakers on occasion.

Process of Stakeholder Management

LEITI is not only known, but acted upon, throughout Liberian society.

A cross-cutting theme with communications, stakeholder management is also a management process, and so should be included in governance. The introduction and thorough implementation of managing stakeholders could have a significant impact throughout LEITI's work, not only in communications.

The LEITI Secretariat will create a plan to approach the Top 50 stakeholders in the country (government, civil society, media, sports, private sector, etc.) and approach them to raise awareness in their own constituencies about the importance of natural resources. A small related budget is going to include the sponsoring of events, travel and event organisation.

Maximise MSG Governance effectiveness and efficiency

In mid-2017, an MSG Constituency Feedback mechanism will be introduced to allow effective MSG feedback to wider constituencies before and after each MSG meeting and share timely on issues that affect them. The wider constituency should also be consulted in the update of the annual action plan, so that it reflects all relevant companies and civil society organisations. **These two points are explicitly noted in the Validation Report's corrective actions.**

Throughout the next three years, the level of using proxies should be reduced by one-half in LEITI MSG meetings compared to the previous year, leading to a culture of improvement in attendance. The application of score cards (name and shame) will slowly be reduced.

The Secretariat should provide high-quality meeting preparations and minutes. Minutes should be disseminated for comments and approval within three working days after each meeting, allowing actions to be agreed upon (on a no-objection basis) and started immediately. The MSG should agree on a standard procedure for approving the minutes by relevant executives or proxies.

5.6. Theme 6: Validation

| Ref. Nr. | Results | Priority |
|----------|---|----------|
| 6.1 | The MSG's Reporting and Communications Committee facilitates the addressing of the Validation's corrective actions systematically. ALL CORRECTIVE MEASURES | |
| 6.2 | Follow-up on status of progress becomes a standard item on each MSG meeting's agenda. ALL CORRECTIVE MEASURES | |

Although not a standard theme in LEITI's work, Validation has been included as a theme, **because of its utmost urgency in the short-term to pass EITI Validation**, the cornerstone of Liberia's admission to the process.

To ensure that Liberia passes EITI Validation, the intended result until November 2018, a Validation working group with the LEITI Secretariat will manage the process and interface with required government ministries. The MSG has decided that the existing Reporting and Communications Committee will take over this role. Considering the urgency, the MSG will have a standard point in each meeting to discuss the corrective measures, what has been accomplished since the last meeting and what should be accomplished before the next one.

The EITI International Secretariat provided a number of corrective actions for Liberia to undertake in 2017-18 to remain an EITI implementing country. A number of these corrective actions can be addressed immediately with an EITI Standard-compliant Terms of Reference for the Independent Administrator.

The corrective actions **at least partially related to Terms of Reference** issues include:

- the relationship between the government and State-Owned Enterprises;
- disaggregation of data by each company and revenue stream;
- contribution to the economy;
- social payments.

The MSG also has a strong influence in the following corrective actions:

- constituency feedback mechanism (mentioned in "Governance" theme);
- updating of the workplan (and the involvement of the wider constituency, mentioned in "Governance" theme);
- the assuring of credible reporting/international audit standards;
- data quality;
- Annual Activity Report (detailing impact, mentioned in "Communications" theme).
- Justification of the chosen materiality threshold for the EITI Report.

Other corrective actions, such as the availability of license registers and revenue allocation, may require action on by other government entities and will need close collaboration between LEITI and such entities.

6. LEITI Monitoring and Evaluation Framework

Regular (e.g., quarterly) M&E of the results and impact of the LEITI program will become an important way of ensuring that the adopted strategic framework stays on track and ultimately begins to deliver the expected outcomes.

As per the LEITI Integrated Operations Manual (2013), LEITI has five basic M&E objectives:

- To assess the actual results and impacts of LEITI's activities against planned results and impacts;
- To provide a basis for decision-making on issues of policies, strategies, program management, procedures, and projects;
- To promote accountability and the proper use of resources intended for the work of the LEITI;
- To document, provide feedback on, disseminate, and be guided by results and lessons learned from the operation of the EITI process in Liberia; and
- To communicate with all international EITI stakeholders on the experiences, outcomes and challenges of the EITI process in Liberia, as prescribed by the EITI Standards and the Act creating the LEITI.

The basic outcomes will be reflected in the annual LEITI performance reports and will present an analysis and presentation of the aggregate results of all M&E activities carried out throughout the year. The design of the Annual LEITI Work Plan with detailed information on results, status of activities, responsible party etc. will facilitate this process.

Annex 1 - Multistakeholder Group members

| Constituency | Institution | Representative |
|----------------|---|--------------------------|
| Government | Ministry of Finance and Development Planning | Boima S. Kamara |
| | Ministry of Lands, Mines and Energy | Patrick N. Sendolo |
| | Forestry Development Authority | Darlington S. Tuagben |
| | National Oil Company of Liberia | Cllr. Althea E. Sherman |
| | Senate | |
| | House of Representatives | Adolph Lawrence |
| | MoA | Dr. Moses Zinnah |
| | Ministry of Internal Affairs | Dr. Henrique Flomo Tokpa |
| | Liberian Revenue Authority | Elfrieda S. Tamba |
| Civil Society | Publish What You Pay | Cecelia T. M. Danuweli |
| | Women NGO Secretariat of Liberia | Marpue M. Speare |
| | Rights and Rice Foundation | James M. Yarsiah |
| | Gold and Diamond Workers Union of Liberia | Ezekiel S. Johnson |
| Private Sector | Western Cluster | Atul Mittal |
| | Aureus Gold | Debar Allen |
| | ExxonMobil | Steve Buck |
| | Liberian Timer Association | John S. Deah |
| | Gold & Diamond Brokers & Dealers Association | Esiaka B. Konneh |
| | Golden Veroleum Liberia | Matt Aarne Karinen |
| Others | National Traditional Council of Liberia | Chief Zanzan Karwor |
| Observers | African Development Bank | Margret Kilo |
| | National Civil Society Council of Liberia | Frances R. Deigh Greaves |
| | German International Development Agency (GIZ) | Christina Von Heyden |
| | International Monetary Fund | Charles Amo-Yartey |
| | United Nations Development Programme | Cleophus Torori |
| | World Bank | Larisa Leshchenko |
| | United Nations Mission in Liberia | Kofi Ireland |
| | US Embassy | Lilieth R. Whyte |

Annex 2 – Action Plan FY17/18 – FY19/20 (separate file)