

LEITI Multi-stakeholders Steering Group

Minutes of the 32nd Meeting

4th floor, Ministry of Finance building, Monrovia

Thursday January 21, 2010 at 12:00 Noon

Attendance

Hon. Augustine Kpehe Ngafuan
Matenneh-Rose L. Dunbar
Borkai Sirleaf
Yah Kialain
Gabriel W. Coleman
Alexander Deline
Esiaka B. Konneh
Gillian Dare
Roosevelt K. Forh
Marcus Wleh
Edward S. Kamara
John S. Deah
Fulton D. Reeves
Carlton S. Miller
Monique Cooper
Mark Richard
Jan Rabanter
Thorvald Boye
Marie E. Parker
Christopher Neyor
Helena Jackson-Thornes
Alfred L. Brownell Green
T. Negbalee Warner
Edward R.A Smith
Hnede L. Berrian

Institution

MOF
Oranto
MOA
MIA
MOA
IMF
Miners & Brokers
UK Res .Rep.
AmLib
ArcelorMittal
FDA
LTA
NOCAL
MLME
UNDP
BHP
UNMIL
Norwegian Embassy
NOCAL
Office of the President
GODIMWUL
Advocates
LEITI
LEITI
LEITI

Observers:

Jonathan Gant
Juanita Bropleh

Global Witness
MOF

1) Adoption of Agenda

The Chairperson of the LEITI MSG Hon, Augustine K. Ngafuan, called the 32nd meeting of the LEITI MSG to order with calls for suggestions and review of the proposed draft agenda. With no comment made, the draft agenda was accepted as a tool to guide the meeting.

2) Draft Minutes of the 31st Meeting: correction, adoption and matters arising

The draft minutes of the 31st meeting was read and corrected. Except for the omission and misspell of some names and suggestion that the name of Mr. Alfred Brownell be included as Co-chairman of the LEITI sub-committee on the implementation of the LEITI Act under section 3.0 of the draft minutes, it was moved and seconded that the minutes be corrected and form part of the Secretariat's archives.

Matters arising from the Minutes:

- i. **Reconstitution of the LEITI MSG:** The representative of NOCAL, Mrs. Marie E. Parker asked as to what has been done concerning the formation of the 15

person LEITI MSG since the passage of the Act. She maintained that members of the Civil Society Organization (CSO) have not submitted their representative to the MSG, and recommended that a deadline be provided for the submission of the names by CSO. The matter was substantively discussed with the following suggestions made: (1) that the LEITI engage the press (through press release/press statements) on the matter; (2) that a letter be written to the President submitting names of other nominees with the space for CSO left vacant; and (3) organized a radio talk show to discuss LEITI issues stressing the involvement of the CSO in the LEITI process. Except the Oil Sector which has nominated ORANTO Petroleum and Anadarko, the other sectors (mining, forestry, agriculture ministry and the Ministry of Lands, Mines & Energy) were asked to submit names of their nominees to the Secretariat by close of business on Friday, January 22, 2010.

3) **26th Secretariat Report**

The Deputy Head of Secretariat, Mr. Edward R. A. Smith, submitted the 26th Report of the LEITI Secretariat. His report highlighted major activities of the Secretariat for the period including financial matters for the period December 4, 2009 up to January 14, 2010.

Following the submission of the Secretariat, various issues was discussed:

- i. **Recruitment of Consultant to resolve all unresolved discrepancies contained in the First LEITI Report:** It was suggested that copies of the report to recruit the firm to resolve all unresolved discrepancies in the LEITI 1st Report be circulated to members of the MSG so that a decision can be made for the selected firm to commence work. Mr. Smith informed the body that the report will be completed by the end of the day and circulated to the MSG by mail for their approval.
- ii. **Actions/Sanctions to non-complying companies:** Cllr. Warner explained that specific letters were written to the Ministry of Agriculture and the Ministry of Lands, Mines, and Energy by the LEITI Chairperson on rendering appropriate actions and/or sanctions against these companies. The Ministers were requested to serve warning letters on each of the delinquent companies concerned, with copies provided the Secretariat and published in two or more local dailies stating that if the requested data are not received by Thursday, January 7, 2010, a fine of US\$1,000.00 will be imposed, and that thereafter action will be taken against their operations. Regrettably, up to the time of the meeting, no response was received from the ministries. Cllr. Warner concluded that enforcement of regulations were ongoing, but much needed to be done by the line agency and ministries of Government to enforce it.

4) **Discussion of Draft 2nd LEITI Report; date of publication**

The draft 2nd LEITI Report was presented to the body for discussion. Due to the volume of the document, the Secretariat prepared an immediate response to some of the key issues published in the executive summary and some parts of the document. Some of the issues raised by the Secretariat were: (1) that the amount due Colum of the report was not included; (2) payments made by some small scale miners and brokers were not specified in the report; (3) the amount of US\$1,131,773.83 indicated in the report as discrepancy from Cavalla Rubber Corporation was never brought to the attention of the Secretariat

nor the Ministry of Finance for rectification, etc. Mrs. Bropleh who is the key Ministry of Finance staff working with the Reconcilers informed the body that this was not brought to her attention, but she will review the document and adequately respond.

Updating the LEITI Company's Registry: It was reported by the Reconcilers that the number of companies (48) submitted to them for reconciliation was far less than the total of 71 companies reported by the Ministry of Finance. Cllr. Warner explained that there were two reasons for this. One reason he said was that the names of companies on the LEITI registry were provided by every line agency and ministry of Government; and the second reason was that the names of some companies who have made payments were never reported to the LEITI.

The UK Representative in Liberia asked as to what mechanism would the LEITI put in place to track companies coming to do extractive business. Is it at the point of registration? It was explained that by just registering as a mining or logging company was not sufficient enough reason for the LEITI to include that company name on its database. This could create more confusion as to the actual number of companies operating in the sectors. Therefore, it was better for the LEITI to wait and receive the names of companies operating in each sector from the line agency and ministry of Government.

Issue of GOL reporting more amount than taxpayer: As indicated in the report, the GOL reported receiving more payment from the taxpayer than the taxpayer reported. Cllr. Warner proposed that MSG members should advise the Reconcilers that in such a case, they should take the amount reported by the taxpayer and not the amount reported by the Government. He further explained that there are two reasons why the amount reported by the GOL is higher than the amount reported by the taxpayer. The first reason is that the GOL receives registration/article of incorporation fees from companies who are just setting up and have not began operations, whereas some companies make payments for previous tax arrears. The Chairperson and other MSG members agreed on the issue to advise the Reconcilers on accepting the amount reported by the GOL and stressed the need to investigate reasons why GOL will report receiving more taxes from companies.

Following much discussion, it was agreed that (1) Steering Group members review the document and submit their comments by email to the Secretariat so that these comments can be forwarded to the Reconcilers for input into the revise draft 2nd Report; and (2) a meeting to review the revise draft report and date of publication be done on Thursday, February 4, 2010.

5) **Report by Committee on recruitment of New Head of Secretariat**

Mr. Fulton Reeves, Co-chairman on the committee to recruit the new LEITI Head of Secretariat informed the MSG that the report of the committee was not yet ready. He said that the interview was successfully conducted and that during the next meeting of the MSG, which is slated for Thursday, February 4, 2010, the name of the new Head of Secretariat will be announced. This was unanimously accepted.

6) **Engagement of Cllr. Warner as short-term Consultant**

Cllr. Warner thanked members of the LEITI MSG for the level of corporation and support received during his tenure as Head of the LEITI Secretariat. He urged all to remain committed to the process and avail himself to the LEITI to provide technical

advice and support especially during the transition period. Honorable Ngafuan thanked Cllr. Warner and asked him to recuse himself for this discussion.

The Deputy Head of Secretariat, Mr. Edward R. A. Smith explained that based on discussions during the last (31st) Steering Group meeting on the possibility of extending a part-time consultancy contract for continued engagement with the EITI process in Liberia, given his in-depth knowledge of the EITI process, the Secretariat is proposing that a short-term contract (3 months) be provided to Cllr. Warner. It was established and agreed that (1) the services of Cllr. Warner is needed during the LEITI transition period for not more than three (3) months; (2) it was not going to be on a pro bono basis, but some fees would be paid for his service; and (3) the service of Cllr. Warner either be contracted as a retainer or a consultant.

Based on the above, a committee was setup to draft a Term of Reference for contracting the services of Cllr. Warner. The TOR should include suggestions for retainer and consultant fees and advice on the duration of the contract. The committee is expected to present the draft TOR at the next meeting of the MSG on February 4, 2010. Members of the group are Attorney Alfred Brownell, Honorable Yah Kailian and Mr. Edward R. A. Smith.

Appreciation for Cllr. Warner

In an effort to show appreciation to Cllr. Warner for his dedication to the success of the EITI process in Liberia, it was suggested and agreed that a farewell reception be held in honor of Cllr. Warner and a plaque appreciation be presented to him during the program. The press (print and electronic) and other international and local partners would be invited to the event. It was also suggested that the farewell reception be used to introduce the new Head of Secretariat to provide him/her an opportunity to meet and chat with members of the MSG in a less formal setting.

ADJOURNMENT

There being no other business for discussion, the meeting was adjourned.

Submitted by: _____

Hnede L. Berrian
Administrative Manager/LEITI