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Acknowledgement

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

The Civil Society is lauded for its robust and aggressive advocacy role which is indispensable to the process; the private sector, for its broad commitment to adhere to disclosure requirements and make investments in Liberia more sustainable; and the Government, for providing the enabling environment which has helped to move the process forward. The MSG is also grateful to a host of international organizations, foreign governments and Liberia's many development partners without whom support the attainment of many of the deliverables listed in this Report would have been impossible. Special recognition is given to the World Bank, AfDB, GIZ, USAID, UNDP and UNMIL for their consistent support to the implementation of LEITI work plans over the years.

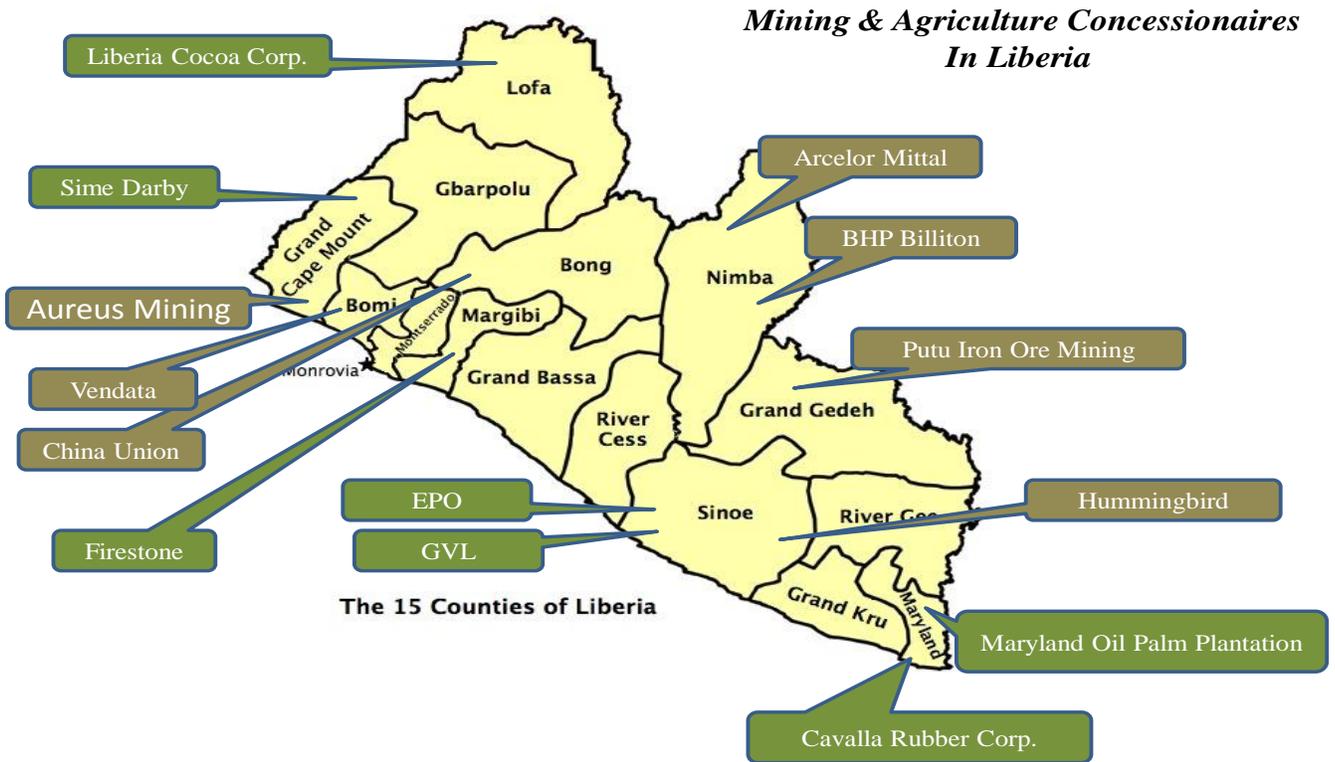
Ordinary Liberians continue to be crucial to the EITI implementation process. Their contributions and feedbacks particularly during our nationwide dissemination exercises, have led to many valuable reforms aimed at improving resource governance process in Liberia.

The LEITI could not have easily navigated its EITI implementation path to the current level of achievement without the support of the EITI Secretariat, through its Regional Office for Anglophone Africa. Their valuable support, which sometimes came in the form of training and/or guidance on implementation issues, deserves our acknowledgement.

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

Finally, our unreserved thanks go to the President of Liberia, H.E. Ellen Johnson-Sirleaf whose personal commitment to and leadership on the EITI implementation process in Liberia has positively shaped the direction of Natural resource governance in Liberia.

Map of Major Concessions in Liberia



National Investment Commission

Legend

Curtsey: National Investment Commission (NIC)



Acronyms

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

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

Background/Introduction

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

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

Up to date, Liberia has published eight EITI reports with the preparation of the 9th report in progress. More so, Liberia has made several other impressive records in EITI implementation. Liberia is yet the only country that has expanded the scope of the EITI beyond oil and gas and mining, adding forestry and agriculture; Liberia's post award process audit report launched in 2013 is a first of its kind in EITI implementation even though the nation published the second in 2016. Liberia is amongst few countries that are currently piloting the EITI beneficial ownership disclosure exercise. These achievements have set Liberia at the panicle of global EITI acclamation and as role model in EITI implementation.

This Annual Activity Report has been developed to highlight progress made against implementing the EITI in Liberia in 2016. The publication of the report is also consistent with Requirement 7.2 of the EITI Standard which mandates the MSG of respective implementing countries to review the outcomes and impact of EITI implementation on natural resource governance. The Report has three main components. The first segment details an assessment of progress made against the LEITI 2016 Work Plan including communications and outreach activities; the second highlights progress made towards implementation of EITI requirements based on the 2016 standards and the third cohesively outlines strengths and weaknesses in the implementation of the EITI process during the period under review,

Finally, the Report contains information on the MSG during the reporting period as well as a summary of the implementation cost during the reporting period.

In its 2015/2016 Work Plan, the Liberia Extractive Industries Transparency Initiative (LEITI) proposed series of programs and activities designed to maintain compliance with the EITI Standard and the Agenda for Transformation (AfT), all underpinned by the view to promote transparent natural resource management in Liberia. Key amongst the activities, the LEITI planned to prepare and publish the 7th and 8th EITI reconciliation and revenue tracking reports in summary versions and regional forms, recruit independent administrator to prepare the 9th EITI report for Liberia, prepare for the EITI validation; produce the second Post Award Process Audit Report; improve the overall qualities of its reports as well as prioritize capacity building programs for staff; expand and sustain its decentralization and outreach campaign to ensure increased public involvement in the EITI process by retaining focal persons across the country.

Toward these goals, and amid daunting challenges including human resource and other capacity constraints, very substantial progress was made, a few of which are outlined below.

7th and 8th EITI Reports for Liberia

The Multi-Stakeholders Steering Group (MSG) of the Liberia Extractive Industries Transparency Initiative (LEITI) at the start of 2016 retained and commissioned Moore Stephens of the United Kingdom in collaboration with Parker & Associates of Liberia, two competent and credible auditing firms, to prepare the 7th and 8th EITI Reports for Liberia, covering FY2013/14 and FY2014/15.

Following a successful job by the Independent Administrator, the MSG on June 30, and August 23, 2016 respectively, approved and launched the LEITI 7th and 8th Reconciliation Reports for Liberia.

The 7th Report reveals the total amount of revenue received by the government through six of its agencies from the oil, mining, forestry and agriculture sectors for the period under review (July 1, 2013 to June 30, 2014) sums up to One Hundred Thirty Three Million, Three Hundred Thirty Thousand, Seven Hundred Twenty Four United States Dollars (US\$ 133,330,724) while payment data supplied by forty four companies amounts to One Hundred Thirty Two Million, Two Thousand Six Hundred Three United States Dollars (US\$132,002,603).

This shows that the Government of Liberia received One Million, Three Hundred Twenty Eight Thousand, One Hundred Twenty One United States Dollars (US\$1,328,121) more in revenue than payments declared by the forty four reporting companies during the period.

The 8th EITI Report for Liberia, commissioned by the MSG in March 2015 and prepared by Moore Stephens LLC (UK) in collaboration with Parker and Associates Inc., contains reconciled accounts of payments made to, and revenues received by the Government of Liberia from the oil, mining, forestry and agricultural companies during the Fiscal Year July 1, 2014 up to and including June 30, 2015.

The Report shows that the total amount received by the Government of Liberia from the oil, mining, forestry and agriculture sectors for the period under review amounted to One Hundred Million, Seven Hundred Twenty Seven Thousand, Four Hundred Sixty Nine United

States Dollars (US\$100,727,469.00), while payment data supplied by fifty five (55) companies amounted to Ninety Seven Million, Seven Hundred Forty One Thousand, Two Hundred and Seven United States Dollars (US\$97,741,207.00), resulting to a net difference of Two Million, Nine Hundred Eighty Six Thousand, Two Hundred Sixty Two United States Dollars (US\$2,986,262.00),), resulting to a net difference of Two Million, Nine Hundred Eighty Six Thousand, Two Hundred Sixty Two United States Dollars (US\$2,986,262.00).

This means that the Government of Liberia acknowledged receiving Two Million, Nine Hundred Eighty Six Thousand, Two Hundred Sixty Two United States Dollars (US\$2,986,262.00) more in revenue than what the companies reported as taxes paid. Also, the data shows that direct government revenue from the extractive sectors decreased from US\$135.3m for the Fiscal Year 2013/2014 to US\$100.7m in Fiscal Year 2014/2015.

Popularizing the Contract Matrix

The LEITI, during the last fiscal year, simplified 26 concession agreements known as the contract matrix which was piloted during the dissemination of the 6th EITI report on Liberia in 2015. The matrix basically summarized the companies' profile, economic features, social development funds and corporate social responsibilities, and environmental controls of the agreements. Although the LEITI conducted a pilot dissemination of the contract matrix in January 2016, a process which dovetails with dissemination of the 6th EITI Report on Liberia, the matrix has not been massively disseminated or popularized with Liberians.

Towards this end, LEITI initiated innovative resource mobilization efforts with development partners aimed at securing funding for popularization of the contract matrix. This innovative initiative, during the reviewed period, witnessed the approval of an In-Kind Grant in the total amount of \$27,393 to LEITI. The grant is geared towards popularizing concession agreements in the extractive sector through government – citizen engagement in Nimba, Bong, Sinoe and Maryland Counties.

The Extractive Club Program—getting the youth involve in the resource debate

LEITI's engagement with the youth continues to gain increased momentum. Series of activities were implemented with the LEITI Extractive Club Program at fifteen high schools in around Monrovia where the LEITI has been working with over hundred students to promote amongst them the value of integrity and increase their understanding of the extractive sector, thereby preparing them for greater leadership role in the near future. From field trips to extractive companies, mentorship program, peer-to-peer discussions and inter-high school debates, the e-Club Program stirred excitements amongst students and allowed them to contribute to the debates and discussions regarding transparent resource management. The goal is to expand the program in the next year to reach several more youths in other parts of the country especially concession communities.

Decentralization-taking the LEITI to the people

Creating information access points across the country has been a major challenge of the LEITI over the years. Ascertaining information in concession communities has been mainly through fact finding and verification from Monrovia. In 2015, the LEITI with funding from the United States Agency for International Development (USAID) conducted a rigorous recruitment

exercise to acquire the services of 15 local youths to serve as focal persons in each of the 15 political subdivisions of the Country-one in each County. In addition to responding to initial queries in the field and providing monthly reports, the focal persons mobilized participants of Town Hall meetings in all 15 counties aimed at supporting dissemination of the 6th EITI Report on Liberia, during the period under review.

Recruitment, Training and Capacity Building of Staff

The period under review saw considerable staff attrition, evidenced by the resignation of the Communications and Outreach Officer and a Sector Analyst for reasons of pursuing higher education abroad. These resignations deepened the staff deficit of the Secretariat as it was already grappling with the absence of an Administrative Manager who resigned a year before. During the period under review, the Secretariat obtained approval from the MSG and recruited through a competitive process, Communications and Outreach Officer and Administrative Manager respectively. Cedrick Kpadeh and Joy Smith Attah replaced the Communication and Outreach Officer and Administrative Manager respectively.

In consonance with the above, LEITI provided capacity building training for three staff members: With support from LEITI, staff members including the new Communications and Outreach Officer, Expediter and Administrative Assistant pursued trainings in Web Content Management, Project Monitoring and Evaluation, and Introduction to Computer Concepts respectively. With capacity development at the core of its sustainability strategy the idea is to enhance the operations of LEITI Secretariat through skilled and experienced staff members.

Foreign Travels

The reviewed period recorded a number of foreign travels made by Secretariat staff members as well as MSG members. During the period under review, the Head of Secretariat, Deputy Head of Secretariat, Sector Analyst and a host of MSG members attended the EITI Global Conference held in Lima, Peru. Other trips were made to Ethiopia and Nigeria respectively. This Global Conference brought together key stakeholders across around 100 countries to discuss what has been learnt so far from the EITI, how to better use the data to inform public debate, and how to strengthen country systems to ensure better management of the sector. Governments, extractive companies, investors, civil society and international organizations gathered to share their experiences.

The Peru Conference focused on highlighting the results from implementing the EITI Standard, integrating the EITI into government and company systems, and informing public debate. As previously, the 48 implementing countries including Liberia, presented their processes in a National Exhibition alongside the Conference.

The Global Conference sought to address key issues in an open forum, such as:

- What have been learned about making transparency and accountability more systematically lead to reform and improved lives,
- How can trust improve companies' license to operate, government's policy-making, and citizens' rights, and
- Whether more efforts should be sought to widen implementation.

It was held from February 24-25, 2016.

In October 2016, the Head of Secretariat, Konah D. Karmo and Sector Analyst, Sarnyenneh Dickson attended a weeklong regional conference on BO Roadmap development in Abuja, Nigeria. A workshop following the Nigerian conference was held in Monrovia from 9 to 10 November 2016, which saw the development of a Beneficial Ownership Roadmap for Liberia.

The Deputy Head of the Liberia Extractive Industries Transparency Initiative (LEITI), Myer W. Saye Sr. flew to Ethiopia for a one day Philanthropy and Africa's Development Conference held in Addis **Ababa**. The Conference was part of TrustAfrica's 10TH anniversary celebrations and was held under the theme: **Looking back, looking ahead: African Philanthropy for Political Economic and Social Justice in the 21st Century**.

The LEITI Deputy Head was among 100 participants made up of friends of TrustAfrica who shared the triumphs and struggles of the organization over the past 10 years, leadership of Pan-African agencies; civil society and international development agencies and foundations that attended the occasion.

Liberia's validation

Validation is an assessment of a country's progress against the EITI standard. Liberia's last validation happened in 2009, producing a result that made the nation first in Africa and second in the world to comply with the EITI Standard. The country's next validation was due in 2012 but LEITI's MSG requested an extension to 2014 which accidentally became the year of the Ebola Viral Disease outbreak in the country. Between 2009 and end of the reviewed period, the EITI Standard had been revised twice, with the most recent being the 2016 Standards adopted in Lima, Peru. Due to the procrastination caused by the aforementioned challenges, Liberia was assessed against the new Standard during the period under consideration.

To that end, a team of two fact finders from the international EITI Secretariat situated in Norway visited the country and collected data through individual interviews and stakeholders meetings. The goal was to find indicators of Liberia's compliance with the EITI Standard since 2009. Pablo Martinez Valverde and Alexandre Louis Gordy both Country managers visited Liberia from August 21 to 26, 2016 holding meetings with civil society organizations, the media, government officials and past and present members of the Multi stakeholder Steering Group (MSG). The team also met with donors such as the United Nations Mission in Liberia (UNMIL), United Nations Development Program (UNDP), African Development Bank, GIZ, ETC.



Alexandre Louis Gordy(immediate left, picture 1) and Pablo Martinez Valverde immediate right in picture 2, held discussions with several stakeholders including civil society groups on and outside of MSG.

The fact finding team released its findings in late December 2016 requiring the LEITI to respond. The Secretariat will present these findings with the MSG during the January 2017 sitting of the Multi stakeholder Steering Group for further actions.

Based on Liberia’s response, the team will now make a full report to an independent validator who is expected to pass judgment on Liberia’s validation status. The independent validator’s opinion will then be submitted to the International Board of the EITI who will state Liberia’s compliance level with the EITI Standard. The result of the process is expected to be declared in 2017.

I. Assessment of Performance against Target Activities in Work Plan

Customarily, the annual work plans of LEITI have been aligned with the Government’s fiscal year, which starts from July 1 of the current year to June 30 of the following year. This Report, being the substance of the 2016 calendar year, integrates components of both the 2014/2015 and 2015/2016 Annual Work Plans.

During the period under review, several programs and activities were approved for implementation particularly in support of meeting compliance with the EITI Standards and fulfilling other national requirements as captured by the LEITI Act of 2009. Substantial progress was made towards these target deliverables. Achievements against each target deliverable are catalogued below.

Production, Publication and dissemination of Liberia’s 7th and 8th EITI Reports: The 7th and 8th EITI Reports on Liberia were launched on separate dates as stated in the executive summary of this report but were disseminated collectively in one summary report. The United Nations Development Program, UNDP supported the dissemination exercise through the provision of a \$76,000.00 (seventy-six thousand United States Dollars) grant. The Country was

divided into four regions with a team assigned to each- Northern, consisting of Bong, Lofa, Nimba and Grand Gedeh Counties; Western Includes Bomi, Cape Mount and Gbarpolu Counties; Western 2-Montserrado, Margibi, Grand Bassa and Rivercess Counties and South eastern region comprised Grand Kru, Maryland, Sinoe and River Gee Counties.

Over thirty seven town hall meetings were held bringing together 5,010 people including disable, women, youths, traditional leaders and local authorities at the County level across the nation for the discussion of key findings of both reports. The Multi-Stakeholders Steering Group (MSG) of the Liberia Extractive Industries Transparency Initiative (LEITI) in March 2015 and at the start of 2016 retained and commissioned Moore Stephens of the United Kingdom in collaboration with Parker & Associates of Liberia, two competent and credible auditing firms, to prepare the 7th and 8th EITI Reports for Liberia respectively. The 7th report covers July 1, 2013- June 30, 2014 whilst the 8th covers the period July 1, 2014 to June 30, 2015.



Cross section of women participants in Foya, Lofa County



MSG member Kofi Ireland in Grand Bassa



Cross section of citizens in Beeplay, Nimba County

Conduct of the second Post Award Process Audit/Review of material concessions, contracts, licenses, permits granted by the Government of Liberia in the sectors covered by LEITI from January 1, 2012 to December 31, 2012: A process audit under the EITI arrangement, investigates whether the processes leading concession awards or rights are within the ambit of existing laws and international best practice. The goal of conducting a second post award process audit / investigation as targeted in the 2015/2016 Work Plan, was to fulfill the EITI Standard, sustain the gains made in the first instance and ensure increased and continuous transparency in the contract award processes. Procurement processes for this report were completed late in 2015 with PriceWaterHouseCoopers (PWC) recruited as the consultant to conduct the second audit. However, the consultancy was planned for the first quarter of 2016. As it stands, PWC concluded its work and submitted a full report to the LEITI Secretariat for subsequent publication. The document was among several key documents that were due for presentation to the MSG in the December 2016 sitting but this meeting did not take place due to the lack of quorum. The document was sent via emails to MSG members for review with the expectation of acquiring the required “no objection” for its subsequent launch. The Liberia

Extractive Industries Transparency Initiative (LEITI) with authority from the Multi stakeholder Steering Group (MSG) recently released the second Post Award Process Audit report on Liberia covering the period 2nd January, 2012 to 30th June, 2015.

The audit is an investigation of the processes of awarding material public concessions. The report among other things reveals that the Ministry of Lands, Mines and Energy, the arm of government that regulates the mining sector poorly accounted for needed documents that could validate the processes of awards during the period.

According to the report, out of 61 exploration licenses made available for review during the audit, only 4 had a technical work plan attached to application forms contrary to the regulation governing exploration license of the Republic of Liberia which stipulates that a technical workplan is to be attached to the application for exploration.

In support of EITI new Standard, develop a Beneficial Ownership Roadmap: In February of 2016, implementing countries of the EITI at its Global Conference held in Australia, adopted a New EITI Standard aimed at strengthening and advancing transparency in natural resource management to ensure citizens of resource rich countries truly benefit from the extraction of their natural resources. One of the requirements of the EITI Standard mandates EITI countries to disclose beneficial owners of corporate entities that operate and invest in extractive assets in their various countries.

Towards this end, stakeholders of the process in Liberia initiated processes leading to the development of a BO Roadmap that would be a milestone in the drive to ensure resource transparency in Liberia. A regional conference on BO Roadmap development took place in



A member of the MSG, John Deah of the private sector making a point at the Monrovia workshop

Nigeria which saw the attendance of Sector Analyst Sarnyenneh Dickson and Head of Secretariat Konah D. Karmo in October 2016. This was followed by a more domesticated workshop in Monrovia from November 9 to 10, 2016 headed by a team from the International EITI body. The Monrovia workshop was held with the participation of all stakeholders including members of the MSG. The product of these workshops is a fully developed Beneficial international body following a no objection by

Expansion of the extractive clubs in high schools and inter-high school debate to include Bong, Nimba and Margibi Counties: The Extractive Club Program is part of LEITI outreach campaign that seeks to increase public awareness on the management of natural resources in Liberia. Over the past four years, through series of activities, including on-campus speaker series, peer-to-peer discussions, inter-high school debates, mentorship and field trips to extractive companies amongst others, the Extractive Club Program has set the platform for students to learn more about natural resource governance in Liberia, a process that contributes to policy decision making around the sector. The momentum has been building up and with funding from the German Development Cooperation in 2014, the program was expanded to five additional schools, bringing the number of participating schools up to fifteen with about 300 students reached. This represents a 100% increment from the number of students reached in 2013.. But these achievements are centered on schools in Montserrado and Margibi Counties. The LEITI had proposed in its 2015/2016 workplan the extension of 'Extractive clubs' activities to two additional counties as well as expanding its scope in Margibi. Bong and Nimba were targeted for this gradual decentralization exercise. As stated in the 2015 annual report, funding is being sought with both government and partners including the GIZ which is the current and only funder, for the expansion especially to above mentioned Counties where concessions are active. The LEITI believes targeting and impacting the younger generation of leaders, with the true picture of events unfolding in the extractive industries, will strengthen maintenance of



A female student of the Ricks asking question during the On Campus Speaker Series event at Ricks

peace and push the necessary advocacies for the equitable distribution of the nation's wealth. However, during the period under review, series of programs were held with the fifteen high schools in Margibi and Montserrado including peer to peer learning, On Campus Speaker Series, inter school debate and the All Schools Speaker Series. The Essay competition could not go ahead as planned due to requests from the schools to push the event to the 2017 to allow them adequately participate.

Dissemination of the Contract Matrix:

Also during the period under review, the Secretariat successfully piloted the dissemination of hard copies of the Contract Matrix developed in December 2015. The Contract Matrix presents 26 concessions contracts simplified by the LEITI in an effort to ensure increased public understanding of and access to contracts that the Liberian Government signed with extractive companies. In the abridged contracts, basic terms of the agreements, particularly those of high relevance to the citizens are summarized, ensuring that complexities such as the legal diction which have hampered the average citizens' understanding of these agreements are simplified. In January 2016, the Contact matrix was disseminated along with summaries of the 6th EITI report on Liberia as well as the Scoping Study on the mining sector. 1500 copies were disseminated nationwide. However, the matrix dissemination fell short of detailed explanation of the various agreements as findings of the 6th report took center stage.

II. Assessment of Performance against EITI Requirements

During the reviewed period, Liberia achieved two significant milestones. First, the nation simultaneously prepared, launched and published its 7th and 8th EITI reports on Liberia covering the periods FY 2013/2014 and 2014/2015 respectively, making the LEITI compliant with Requirement 4.8 (data timeliness) and second, underwent EITI validation assessment with mixed results highlighted in its initial assessment report. Below is an assessment of LEITI's performance against the EITI Requirements for the period under review:

Requirement	Progress
<p><u>I.I Government engagement.</u></p> <p><u>Requirement I.I(a)</u> The government is required to issue an unequivocal public statement of its intention to implement the EITI. The statement must be made by the head of state or government, or an appropriately delegated government representative.</p> <p><u>Requirement I.I(b)</u> The government is required to appoint a senior individual to lead the implementation of the EITI. The appointee should have the confidence of all stakeholders, the authority and freedom to coordinate action on the EITI across relevant ministries and agencies, and be able to mobilise resources for EITI implementation.</p> <p><u>Requirement I.I(c)</u> The government must be fully, actively and</p>	<p>The government issued a policy letter expressing Liberia's interest to implement the EITI since 2007. The statement was signed by President Ellen Johnson-Sirleaf.</p> <p>President Sirleaf also appointed Hon. Patrick Sendolo, Minister of Lands, Mines and Energy as Chair of the MSG and Mr. Boima Kamara, Minister of Finance and Development Planning as Co-Chair. The appointment of the two Heads of agencies was done almost three years ago.</p> <p>The MSG met once every month in 2016 and also held series of committee and special called meetings during the reviewed period.</p>

<p>effectively engaged in the EITI process.</p> <p><u>Requirement 1.1 (d)</u> The government must ensure that senior government officials are represented on the multi-stakeholder group.</p>	<p>There were quorum at all these meetings with government represented both at senior and middle levels.</p> <p>Government’s composition on the MSG is represented at the senior level. For example, the Managing Director of the Forestry Development Authority and Vice President of the National Oil Company usually represented their individual institutions at MSG meetings during the reviewed period.</p>
<p><u>1.2 Company engagement.</u></p> <p><u>Requirement 1.2 (a)</u> Companies must be fully, actively and effectively engaged in the EITI process.</p> <p><u>Requirement 1.2 (b)</u> The government must ensure that there is an enabling environment for company participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of company representatives substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.</p> <p><u>Requirement 1.2 (c)</u> The government must ensure that there are no obstacles to company participation in the EITI process.</p>	<p>Reviewed period witnessed full participation of companies (Western Cluster, ExxonMobil, Aurous Gold, Golden Veroleum and Liberia Timber Authority) in the EITI process as respective companies’ representatives attended MSG meetings and contributed to consensual decision making, especially in approving the workplan and TOR for 7th and 8th EITI reports on Liberia.</p> <p>“Under article 6.4C of the LEITI Act, industry is guaranteed at least four seats in the MSG including a minimum of one seat each for companies in the mining, forestry and oil sectors. The current MSG has six representatives from the sector: Golden Veroleum, an oil palm developer, Exxon Mobile, an oil and gas company, the Gold and Diamond Dealers and Brokers Association, the Liberia Timber Association, Western Cluster, an iron ore mining company, and Aureus Gold, a gold mining company.”</p> <p>Decision making on the MSG is by consensus and in instances where consensus building</p>

	cannot hold, MSG members including CSOs and companies have the right to vote without molestation or harassment. The review period however saw a level playing field for companies representation on the MSG.
<p><u>I.3 Civil Society Engagement</u></p> <p><u>Requirement I.3 (a)</u> Civil society must be fully, actively and effectively engaged in the EITI process.</p> <p><u>Requirement I.3 (b)</u> The government must ensure that there is an enabling environment for civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected.</p> <p><u>Requirement I.3 (c)</u> The government must ensure that there are no obstacles to civil society participation in the EITI process.</p>	<p>CSOs are an integral part of the LEITI, backed by an Act of 2009. One of the specific objectives of LEITI, according to Article 3.2(a) of the LEITI Act, is “to promote the effective participation of civil society in the design, implementation, evaluation and modification of actions, activities, processes and institutional arrangements associated with resource governance in Liberia”. During the reviewed period, there were CSO representations in all monthly MSG and committees meetings. CSOs made significant contributions to the development of LEITI’s workplan, approval of 7th and 8th Reports TOR as well as participated in dissemination of the referenced reports. Publish What You Pay, a permanent CSO representative on the MSG, and Women NGO Secretariat of Liberia (WONGOSOL), participated in the dissemination of the 7th and 8th LEITI reports in the Western and Southeastern regions of Liberia respectively.</p> <p>Civil society organizations’ involvement in the LEITI process is legal through an act of legislation.</p>

<p><u>Requirement 1.3 (d)</u></p> <p>The government must refrain from actions which result in narrowing or restricting public debate in relation to implementation of the EITI.</p> <p>Requirement 1.3 (e) Stakeholders, including but not limited to members of the multi-stakeholder group must: i. Be able to speak freely on transparency and natural resource governance issues. ii. Be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate. iii. Have the right to communicate and cooperate with each other. iv. Be able to operate freely and express opinions about the EITI without restraint, coercion or reprisal.</p>	<p>Civil society organizations' involvement in the LEITI process is legal through an act of legislation. CSOs</p> <p>Civil society are able to fully, actively and effectively engage in the design, implementation, monitoring and evaluation of the EITI process, but there are important capacity constraints linked to staffing and funding. Stakeholders are taking part in outreach and efforts to promote public debate especially at the level of counties. There is an enabling environment for civil society participation in the EITI.</p>
<p><u>Requirement (1.4)</u></p> <p>Multi-stakeholder group.</p> <p>a) The government is required to commit to work with civil society and companies, and establish a multi-stakeholder group to oversee the implementation of the EITI. In establishing the multi-stakeholder group, the government must:</p> <p>i. Ensure that the invitation to participate in the group is open and transparent.</p> <p>ii. Ensure that stakeholders are adequately represented. This does not mean that they need to be equally represented numerically. The multi-stakeholder group must comprise appropriate stakeholders, including but not necessarily limited to: the private sector; civil society, including independent civil society groups and other civil society such as the media and unions; and relevant government entities which can also include parliamentarians. Each stakeholder group must have the right to appoint its own representatives, bearing in mind the</p>	<p>The MSG has been formed and includes self-appointed representatives from each stakeholder group. While the President is responsible for appointing all MSG members, the selection was made by each constituency. There was public outreach ahead of selection of CSO members of the MSG. The ToR for the MSG addresses the requirements of the EITI Standard. Attendance of MSG members is at varying levels, with delegation of attendance to different representatives being common particularly for government and industry. There is evidence that key documents are shared with MSG representatives for comments. Efforts are now underway to enhance MSG members to in turn share with the broader constituency.</p>

desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion. Civil society groups involved in the EITI as members of the multi-stakeholder group must be operationally, and in policy terms, independent of government and/or companies.

iii. Consider establishing the legal basis of the group.

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

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

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

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

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

iv. The multi-stakeholder group is required to approve annual work plans, the appointment of the Independent Administrator, the Terms of Reference for the Independent Administrator, EITI Reports and annual activity reports.

<p>v. The multi-stakeholder group should oversee the EITI reporting process and engage in Validation. Internal governance rules and procedures:</p> <p>vi. The EITI requires an inclusive decision-making process throughout implementation, with each constituency being treated as a partner. Any member of the multi-stakeholder group has the right to table an issue for discussion. The multi-stakeholder group should agree and publish its procedures for nominating and changing multi-stakeholder group representatives, decision-making, the duration of the mandate and the frequency of meetings. This should include ensuring that there is a process for changing group members that respects the principles set out in</p> <p><u>Requirement (1.4.a.)</u> Where the MSG has a practice of per diems for attending EITI meetings or other payments to MSG members, this practice should be transparent and should not create conflicts of interest.</p> <p>vii. There should be sufficient advance notice of meetings and timely circulation of documents prior to their debate and proposed adoption.</p> <p>viii. The multi-stakeholder group must keep written records of its discussions and decisions</p>	
<p><u>Requirement 1.5</u> Work plan. The multi-stakeholder group is required to maintain a current work plan, fully costed and aligned with the reporting and Validation deadlines established by the EITI Board. The work plan must:</p> <p>a) Set EITI implementation objectives that are linked to the EITI Principles and reflect national priorities for the extractive industries. Multi-stakeholder groups are encouraged to</p>	<p>During the reviewed period and in keeping with Requirement 1.5, LEITI prepared a well costed workplan driven by substantive and collective inputs from MSG members. The workplan covers July 1 2016 to June 30, 2017 and is inline with the country’s fiscal period. Although the workplan was lately approved by the MSG (around November 2016), it encompasses deliverables aimed at achieving</p>

<p>explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business.</p> <p>b) Reflect the results of consultations with key stakeholders, and be endorsed by the multi-stakeholder group.</p> <p>c) Include measurable and time bound activities to achieve the agreed objectives. The scope of EITI implementation should be tailored to contribute to the desired objectives that have been identified during the consultation process. The work plan must:</p> <p>i. Assess and outline plans to address any potential capacity constraints in government agencies, companies and civil society that may be an obstacle to effective EITI implementation.</p> <p>ii. Address the scope of EITI reporting, including plans for addressing technical aspects of reporting, such as comprehensiveness and data reliability (Requirements 4.1 and 4.9).</p> <p>iii. Identify and outline plans to address any potential legal or regulatory obstacles to EITI implementation, including, if applicable, any plans to incorporate the EITI Requirements within national legislation or regulation.</p> <p>iv. Outline the multi-stakeholder group's plans for implementing the recommendations from Validation and EITI reporting.</p> <p>d) Identify domestic and external sources of funding and technical assistance where appropriate in order to ensure timely implementation of the agreed work plan.</p> <p>e) Be made widely available to the public, for</p>	<p>the EITI Standard, Act of 2009 and conforms with the Agenda for Transformation (AfT) which is the nation's overarching development plan.</p> <p>Key deliverables of the 2016/2017 work plan are the preparation of the 7th and 8th EITI Report on Liberia and the country's Second Post Award Process Audit. The referenced reports were prepared, launched and published in prints and online (LEITI's Website).</p>
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<p>example published on the national EITI website and/or other relevant ministry and agency websites, in print media or in places that are easily accessible to the public.</p> <p>f) Be reviewed and updated annually. In reviewing the work plan, the multi-stakeholder group should consider extending the detail and scope of EITI reporting including addressing issues such as revenue management and expenditure (5.3), transportation payments (4.4), discretionary social expenditures (6.1.b), ad-hoc sub-national transfers (5.2.b), beneficial ownership (2.5) and contracts (2.4).</p> <p>In accordance with Requirement 1.4.b (viii), the multi-stakeholder group is required to document its discussion and decisions.</p> <p>g) Include a timetable for implementation that is aligned with the reporting and Validation deadlines established by the EITI Board (see provision 8) and that takes into account administrative requirements such as procurement processes and funding.</p>	
<p>Requirement 2 Legal and institutional framework, including allocation of contracts and licenses.</p> <p><u>Requirement 2.1</u> Legal framework and fiscal regime.</p> <p>a) Implementing countries must disclose a description of the legal framework and fiscal regime governing the extractive industries. This information must include a summary description of the fiscal regime, including the level of fiscal devolution, an overview of the relevant laws and regulations, and information on the roles and responsibilities of the relevant government agencies.</p> <p>b) Where the government is undertaking reforms, the multi-stakeholder group is encouraged to ensure that these are documented.</p>	<p>Legal Framework (Mining Sector) The Ministry of Lands, Mines and Energy (MLME) is the Government Agency responsible for the administration of the mineral sector, including granting mining licenses, and it has statutory oversight of the energy, land, minerals, and water sectors. The minerals sector is regulated by the Mining and Minerals Law of 2000. The Minerals Policy of Liberia was created in March 2010 to complement the Mining and Minerals Law. The document outlines the Government’s expectations with regard to the contributions of all stakeholders in the sustainable development of Liberia’s mineral resources. These laws are under review.</p>

Exports and imports of rough diamonds are overseen by the Government Diamond Office (GDO) within MLME and by the Bureau of Customs.

Fiscal Regime (Mining Sector)

The fiscal regime specific for mining companies is set out in the Liberia Revenue Code (LRC) from sections 701 to 739. The main taxes paid by a mining company are: tax on taxable income (30%), royalties (Iron ore. 4.5% | Gold and other base metals. 3% | Commercial diamonds. 5%.) and surface rent ((A) Land within a mineral exploration license area: USD 0.20 per acre. (B) Land within mining license are: (i) Year 1-10 USD 5.00 per acre (ii) Year 11-25 USD 10.00 per acre).

Legal Framework (Oil and Gas Industry)

The Ministry of Lands, Mines and Energy (MLME) regulates the oil and gas industry while NOCAL, which was set up in 2000, administers and controls the rights, title, and interest in oil and gas deposits and reserves in the Liberian territory. NOCAL also facilitates the development of the oil and gas industry in Liberia and is mandated to grant exploration licenses and negotiate all petroleum contracts. In fact, NOCAL is the independent state-owned enterprise created by the NOCAL Act 2000 and the 2002 Petroleum Law to coordinate the development of Liberia's oil sector. NOCAL chairs the Hydrocarbon Technical Committee (HTC) – the inter-ministerial body created by the 2002 Petroleum Law which is empowered to negotiate all contracts.

HTC has the power, under the chairmanship and guidance of the President/CEO of NOCAL to negotiate and conclude agreements with all applicants for hydrocarbon development and exploitation rights and such related permits. The

	<p>agreement so negotiated and concluded, becomes effective and binding upon the parties and the Republic of Liberia, when signed by the applicants, NOCAL, the Minister of Finance, the Minister of Lands, Mines and Energy, the Chairman of the National Investment Commission, attested by the Minister of Justice and approved by the President of Liberia. The Hydrocarbons Law is the New Oil & Gas Law of Liberia enacted in 2002. It requires 20% equity to be granted to NOCAL, 10% equity to be made available for purchase by Liberians, and purchase contracts valued at USD 3 million or less to be awarded to Liberian contractors. The Petroleum Law has only been partially implemented and local content provisions have not been enforced in the first two bidding rounds, primarily because there are no guidelines to implement them. Whether the ongoing third bidding round will be subject to the provisions will depend on the legislature issuing timely guidelines. In the case of disputes arising between The Republic of Liberia and a petroleum company, the Laws of Liberia are still applicable. However, arbitration provide the forum where disputes can be heard and settlement sought. The National Petroleum Policy of 2012 places a strong emphasis on developing heightened environmental and safety standards. The policy requires that environmental safety plans be submitted as part of the oil contract bidding process. At the end of each term of the PSC, mandatory audits take place to check for compliance with these standards.</p> <p>Liberia’s Environmental Protection Agency (EPA), established in 2006, is responsible for preparing Environmental and Social Impact Assessments. The Oil & Gas Law specifies that an environmental impact study should be part of every contract.</p> <p>Fiscal Regime (Oil and Gas)</p> <p>The fiscal regime specific for Oil & Gas</p>
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companies is set out in the Liberia Revenue Code (LRC) from sections 740 to 799. The main taxes paid by an Oil & Gas company are: taxes on taxable income (30%), royalties (10%), surface rental (usually stated in Production Sharing Contract) and Signature Fees/Signing Bonus (These are bonuses or fees paid by extractive Industries to the Government of Liberia for the signing of Concession Agreements. These are non-sector specific taxes paid to the Government of Liberia).

Legal Framework (Agriculture Sector)

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

Fiscal Regime (Agriculture Sector)

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

Legal Framework (Forestry Sector)

Apart from the Public Procurement and Concession Agreement (PPCA) 2010, specific regulations that apply to the Forestry Sector are: • Act creating the Forestry Development Authority (FDA) of 1976; • National Forestry

<p><u>Requirement (2.2)</u> License allocations.</p> <p>a) Implementing countries are required to disclose the following information related to the award or transfer of licenses pertaining to the companies covered in the EITI Report during the accounting period covered by the EITI Report: i. a description of the process for transferring or awarding the license; ii. the technical and financial criteria used; iii. information about the recipient(s) of the</p>	<p>Reform Law of 2006; • Forestry Core Regulations - FDA Ten Core Regulations (effective September 2007); • Act to Establish the Community Rights Law with respect to Forest Lands of 2009; • FDA Regulations to the Community Rights Law with Respect to Forest Lands, July 2011; • Guidelines for Forest Management Planning in Liberia; and • National Forest Management Strategy, 2007.</p> <p>Fiscal Regime (Forestry Sector) The main taxes paid by a forestry company are taxes on taxable income (25%) and Log Export Fees (These are fees associated with the export of log as a forest product), Area Fee (These are fees associated with the use of Forest Land, including administrative fees and area-based fees tied to the resource licensees.), Forest Product Fee (processed materials) Stumpage Fee (These fixed fees were prescribed by regulations issued by FDA in consultation with the Minister, and assessed by FDA and paid regularly to the Minister for deposit into the account of Government. It is associated with the production, registration, transport, transfer of ownership, use, or export of forest products), Sawmill Permit Fees (Sawmill operators are classified into three (3) categories. These are class A, B, and C. Class A operators are those who process 1,500 cubic meters of wood per year and are required to pay USD 2,500 per annum. Class B operators are those who process 750 cubic meters of wood but less than 1,500 and are to pay USD 1,000 annually and class C Operators process less than 750 cubic meters of wood per year and are to pay USD 750 for the permit), Timber Export License Fees (This is a payment made to government for a short-term forest Resource license issued by the government under section 5.3 of the National Forestry Reform law that allows the license holder to manage a track of forest land and harvest or use forest products.</p>
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<p>license that has been transferred or awarded, including consortium members where applicable; and iv. any non-trivial deviations from the applicable legal and regulatory framework governing license transfers and awards. It is required that the information set out above is disclosed for all license awards and transfers taking place during the accounting year covered by the EITI Report, including license allocations pertaining to companies that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them.</p> <p>b) Where companies covered in the EITI Report hold licenses that were allocated prior to the accounting period of the EITI Report, implementing countries are encouraged, if feasible, to disclose the information set out in 2.2(a) for these licenses.</p> <p>c) Where licenses are awarded through a bidding process during the accounting period covered by the EITI Report, the government is required to disclose the list of applicants and the bid criteria.</p> <p>d) Where the requisite information set out in 2.2(a-c) is already publicly available, it is sufficient to include a reference or link in the EITI Report.</p> <p>e) The multi-stakeholder group may wish to include additional information on the allocation of licenses in the EITI Report, including commentary on the efficiency and effectiveness of licensing procedures.</p> <p>Requirement (2.3) Register of licenses.</p>	<p>Mining Rights Allocation</p> <p>There is a strict requirement that a person shall not prospect for minerals or carry on mining operations or mineral processing operations without the authority of a mining right or mineral processing license granted under the Minerals and Mining Law (2000). The Minister of Lands, Mines and Energy is responsible to ensure that the law and regulations are administered properly.</p> <p>The Minister of Lands, Mines and Energy shall grant a prospecting license to all eligible applicants for an area to be specified in the application, if the application is compliant with the requirements set forth in the law or regulations.</p> <p>The following are types of mineral rights/licenses that can be granted under the Minerals and Mining Law in Liberia: a) Prospecting License - it is granted when an area has not already been subject to a valid Mineral right granted to another person; the area granted shall not exceed one hundred (100) acres. The holder shall file and submit to the Minister of Land, Mines and Energy a proposed work plan for the prospection. The Prospecting license does not give the right to conduct commercial mining. This is valid for six (6) months, renewable once for a further period of six (6) months provided that the holder meets his obligations under the law.</p> <p>b) Exploration License - it is granted when the area has not already been subject to a valid mineral right granted to another person; the exploration area shall be contiguous and shall not exceed one thousand (1,000) square kilometers. The holder is to submit a proposed exploration programme to the Minister of Land, Mines and Energy within ninety (90) days after the issuance of the exploration license and shall commence exploration within one hundred and eighty</p>
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<p>a) The term license in this context refers to any license, lease, title, permit, contract or concession by which the government confers on a company(ies) or individual(s) rights to explore or exploit oil, gas and/or mineral resources.</p> <p>b) Implementing countries are required to maintain a publicly available register or cadastre system(s) with the following timely and comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report: i. License holder(s). ii. Where collated, coordinates of the license area. Where coordinates are not collated, the government is required to ensure that the size and location of the license area are disclosed in the license register and that the coordinates are publicly available from the relevant government agency without unreasonable fees and restrictions. The EITI Report should include guidance on how to access the coordinates and the cost, if any, of accessing the data. The EITI Report should also document plans and timelines for making this information freely and electronically available through the license register. iii. Date of application, date of award and duration of the license. iv. In the case of production licenses, the commodity being produced. It is expected that the license register or cadastre includes information about licenses held by all entities, including companies and individuals or groups that are not included in the EITI Report, i.e. where their payments fall below the agreed materiality threshold. Any significant legal or practical barriers preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them.</p> <p>c) Where the information set out in 2.3.b is already publicly available, it is sufficient to include a reference or link in the EITI Report.</p>	<p>(180) days after the issuance of an exploration license unless the Minister agrees to a longer period. This is valid for not more than three (3) years and it may be extended for a single two (2) year term upon written application of a holder.</p> <p>c) Class C mining license - the production area covered by this license shall be not more than twenty five (25) acres. One person may hold up to four (4) class C mining licenses at the same time. Holders of a class C mining licenses shall conduct mining predominantly as a small-scale operations. This is valid for one (1) year, renewable for further terms of one year each, if the holder has met all of his legal obligations.</p> <p>d) Class B mining license - holders of a class B mining licenses can conduct mining as industrial operations. Production area is twenty-five (25) acres. This is valid for five (5) years, renewable for not more than five (5) years.</p> <p>e) Class A mining license - it is granted during or at the end of the exploration period of a discovery of exploitable deposits and is materially in compliance with, a Mineral Development Agreement, which has become effective, permitting mining in the proposed production area. Not be more than twenty-five (25) years and may be extended for consecutive additional terms not exceeding twenty-five (25) years each.</p> <p>The 8th EITI Report on Liberia, prepared during the referenced period, provides a list of active licenses in the mining, oil, agriculture and forestry sectors of Liberia. The report can be found on the LEITI website (http://www.leiti.org.lr)</p>
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Where such registers or cadastres do not exist or are incomplete, the EITI Report should disclose any gaps in the publicly available information and document efforts to strengthen these systems. In the interim, the EITI Report itself should include the information set out in 2.3.b above.

Requirement (2.4)

Contracts.

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

During the reviewed period, Liberia developed an open data policy that conforms to Requirement 4.1.

full text of any alteration or amendment to the documents described in 2.4(d)(i) and 2.4(d)(ii).

Requirement (2.5)

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

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

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

exerted. Any gaps or weaknesses in reporting on beneficial ownership information must be disclosed in the EITI Report, including naming any entities that failed to submit all or parts of the beneficial ownership information. Where a country is facing constitutional or significant practical barriers to the implementation of this requirement by 1 January 2020, the country may seek adapted implementation in accordance with requirement 8.1.

d) Information about the identity of the beneficial owner should include the name of the beneficial owner, the nationality, and the country of residence, as well as identifying any politically exposed persons. It is also recommended that the national identity number, date of birth, residential or service address, and means of contact are disclosed.

e) The multi-stakeholder group should agree an approach for participating companies assuring the accuracy of the beneficial ownership information they provide. This could include requiring companies to attest the beneficial ownership declaration form through sign off by a member of the senior management team or senior legal counsel, or submit supporting documentation.

f) Definition of beneficial ownership:

i. A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.

ii. The multi-stakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with (f)(i) above and take international norms and relevant national laws into account, and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons.

iii. Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.

iv. In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless

it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided. g) The EITI Report should also disclose the legal owners and share of ownership of such companies.

Requirement (2.6)

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

The National Oil Company of Liberia is an SOE, as per EITI Standard. Section 3.6, p30 of the 8th EITI report on Liberia states that: "The Petroleum Law mandates NOCAL to delineate, establish, and issue licenses for particular areas, fields, and blocks, as the case maybe, on such terms and conditions as shall be deemed appropriate, subject to the approval of the Board of Directors and final ratification by the President of Liberia. All Petroleum contracts shall be negotiated by NOCAL on behalf of the State. As there is no production of oil & gas at present, NOCAL collects other payments from Oil & Gas companies operating in the country such us Surface Rental and signature fees." Pages 71-72 also detail a list of leased petroleum blocks, name of operators and NOCAL's corresponding ownership in percentage terms.

<p>companies operating within the country, details on these transactions should be disclosed</p>	
<p>Requirement 3 Exploration and Production <u>Requirement (3.1)</u> Exploration. Implementing countries should disclose an overview of the extractive industries, including any significant exploration activities. 3.2 Production. Implementing countries must disclose production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity, and, when relevant, by state/region. This could include sources of the production data and information on how the production volumes and values disclosed in the EITI Report have been calculated. 3.3 Exports. Implementing countries must disclose export data for the fiscal year covered by the EITI Report, including total export volumes and the value of exports by commodity, and, when relevant, by state/region of origin. This could include sources of the export data and information on how the export volumes and values disclosed in the EITI Report have been calculated.</p>	<p>According to p17, Section 3.1 of the 8th EITI Report on Liberia produced during the review period, “Construction work at the New Liberty gold mine was reportedly on schedule and about 33% completed at the end of 2013. Aureus Mining Inc. of Canada (AMI), which owned the mining rights to the project, completed a definitive feasibility study for the mine in May 2013. The new reserve estimate was expected to support an open pit operation with a capacity to produce an average of about 3,700 kilograms per year (reported as 119,000 troy ounces per year) for the first 6 years of operation. The New Liberty Mine, which is located about 90 km North of Monrovia, would be Liberia’s first commercial gold mine. In November 2013, AMC Consultants (UK) Ltd. completed a National Instrument 43–101 resource estimate for AMI’s Ndablama and Weaju gold projects in Liberia. Inferred mineral resources were estimated to be 6.8 Mt at a grade of 2.1 g/t gold for Ndablama and 2.7 Mt at a grade of 2.1 g/t gold for Weaju. Exploration was to continue in 2014. The Ndablama and Weaju projects are located within AMI’s Bea Mountain mining concession area in North Western Liberia” The report also points out that ArcelorMittal produced about 4.7 Mt of iron ore in 2013, which included direct-shipping ore from its Western Range Project (WRP) and stockpiled material. The company planned to further increase production capacity to 15 million metric tons per year by replacing the current production of direct</p>

	<p>shipping ore (60% Fe content) with that of sinter fines (62% Fe content) by the end of 2015. The WRP consisted of three iron ore deposits located about 300 km northeast of the capital city of Monrovia along Nimba County's mountain range. Some deposits within WRP had been mined during the 1980s and the beginning of the 1990s, but production ceased in 1992 following the onset of the Liberian civil war. Arcelor Mittal held a 70% interest in the project. The report also noted that 9,205 ounces of gold and 53,158 carats of diamond were produced respectively.</p>
<p>Requirement 4 Revenue Collection</p> <p>4.1 Comprehensive disclosure of taxes and revenues. a) In advance of the reporting process, the multi-stakeholder group is required to agree which payments and revenues are material and therefore must be disclosed, including appropriate materiality definitions and thresholds. Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the EITI Report. A description of each revenue stream, related materiality definitions and thresholds should be disclosed. In establishing materiality definitions and thresholds, the multi-stakeholder group should consider the size of the revenue streams relative to total revenues. The multi-stakeholder group should document the options considered and the rationale for establishing the definitions and thresholds. b) The following revenue streams should be included: i. The host government's production entitlement (such as profit oil) ii. National state-owned company production entitlement iii. Profits taxes iv. Royalties v. Dividends vi. Bonuses, such as signature, discovery and production bonuses vii. License fees, rental fees, entry fees and other considerations for licenses and/or concessions viii. Any other significant payments and material benefit to government Any revenue streams or benefits should only be excluded where they are not</p>	<p>The reviewed period witnessed the preparation, launch and publication of two EITI reports on Liberia covering the periods 2013/14 and 2014/15 respectively. The reports were preceded by a scoping study report which informed their preparation. During the scoping, MSG approved materiality thresholds for the four sectors as follow: Oil (US\$200,000), Mining (US\$100,000), Agriculture (US\$100,000) and Forestry (US\$100,000). Scoping phase also identified 95 revenue streams (see LEITI's 7th and 8th reports online :(www.leiti.org.lr).</p> <p>Both 7th and 8th EITI Reports on Liberia reconciled government revenues and company payments, including payments to and from state owned enterprises, in accordance with the agreed scope. Following the materiality setting, the reports reconciled 42 and 44 companies' payments respectively.</p>

<p>applicable or where the multi-stakeholder group agrees that their omission will not materially affect the comprehensiveness of the EITI Report. c) Implementing countries must provide a comprehensive reconciliation of government revenues and company payments, including payments to and from state owned enterprises, in accordance with the agreed scope. All companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. An entity should only be exempted from reporting if it can be demonstrated that its payments and revenues are not material. All government entities receiving material revenues are required to comprehensively disclose these revenues in accordance with the agreed scope.</p> <p>d) Unless there are significant practical barriers, the government is additionally required to provide aggregate information about the amount of total revenues received from each of the benefit streams agreed in the scope of the EITI Report, including revenues that fall below agreed materiality thresholds. Where this data is not available, the Independent Administrator should draw on any relevant data and estimates from other sources in order to provide a comprehensive account of the total government revenues.</p> <p>4.2 Sale of the state's share of production or other revenues collected in-kind. Where the sale of the state's share of production or other revenues collected in-kind is material, the government, including state-owned enterprises, are required to disclose the volumes sold and revenues received. The published data must be disaggregated by individual buying company and to levels commensurate with the reporting of other payments and revenue streams (Requirement 4.7.). Reporting could also break down disclosures by the type of product, price, market, and sale volume. Where practically</p>	<p>Section 5.1.2, pages 49-50 and Section 5.1.2 and pages 50-51 of the 7th and 8th EITI reports on Liberia provide details of reconciliation by revenue streams in accordance with Requirement 4.1 d.</p> <p>The National Oil Company of Liberia (NOCAL) operates as a state owned enterprise. However, oil has not been discovered in commercial quantity, hence there is no production taking place in the industry. State's share of production is not however applicable. Section 3.7 (State Participation in the Extractive Sector), page 30 of the 8th EITI Report on Liberia details that.</p>
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feasible, the multi-stakeholder group is encouraged to task the Independent Administrator with reconciling the volumes sold and revenues received by including the buying companies in the reporting process.

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

4.4 Transportation revenues. Where revenues from the transportation of oil, gas and minerals are material, the government and state-owned enterprises (SOEs) are expected to disclose the revenues received. The published data must be disaggregated to levels commensurate with the reporting of other

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

The reviewed period recorded no transportation revenue in any of the reports. In fact, the LEITI made a case that this Requirement is not applicable to the Liberian setting and it was accepted by the Validators.

<p>payments and revenue streams (Requirement 4.7.). Implementing countries could disclose: i. A description of the transportation arrangements including: the product; transportation route(s); and the relevant companies and government entities, including SOE(s), involved in transportation. ii. Definitions of the relevant transportation taxes, tariffs or other relevant payments, and the methodologies used to calculate them. iii. Disclosure of tariff rates and volume of the transported commodities. iv. Disclosure of revenues received by government entities and SOE(s), in relation to transportation of oil, gas and minerals. v. Where practicable, the multi-stakeholder group is encouraged to task the Independent Administrator with reconciling material payments and revenues associated with the transportation of oil, gas and minerals.</p> <p>4.5 Transactions related to State-owned enterprises (SOEs). The multi-stakeholder group must ensure that the reporting process comprehensively addresses the role of SOEs, including material payments to SOEs from oil, gas and mining companies, and transfers between SOEs and other government agencies.</p> <p>4.6 Sub-national payments. It is required that the multi-stakeholder group establish whether direct payments, within the scope of the</p>	<p>As earlier mentioned, NOCAL is the only Liberian extractive SOE. During the reviewed period and as provided by the 8th EITI Report on Liberia, NOCAL has submitted two (2) types of templates for reconciliation purposes:</p> <ul style="list-style-type: none"> • the first type for payments made to Government Agencies. NOCAL reported payments and transfers made to Government Agencies (One template). • The second type for payments received from Oil & Gas companies. <p>As NOCAL has the status of state owned company, it has submitted a separate template for each Oil & Gas company.</p> <p>The following taxes are collected from oil and gas companies and transferred later to GoL: • Surface Rental; • Signature Bonus; and • Taxes on transactional income.</p> <p>There were no subnational transfers recorded during the reviewed period. This requirement is not applicable to Liberia.</p>
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agreed benefit streams, from companies to subnational government entities are material. Where material, the multi-stakeholder group is required to ensure that company payments to subnational government entities and the receipt of these payments are disclosed and reconciled in the EITI Report.

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

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

Data in the 7th EITI Report for Liberia, prepared during the period under consideration, was presented disaggregated by company in Section 5.1.1 (pp.49-50) and by revenue stream in Section 5.1.2 (pp.51-52), but not by receiving government entity. The EITI Report for Liberia stated in the introduction (p.8) and Section 5.1.1 (p.49) that detailed reconciliation reports for each company were included as a separate document published on the LEITI website in order to keep the EITI Report's size reasonable

Liberia has been lagging in its EITI report preparation and publication due to budgetary constraint and the Ebola outbreak. The reviewed period witnessed bridging of the gap as the nation simultaneously prepared two reports covering 2013/14 and 2014/15 fiscal periods respectively. Publication of the latter made Liberia current in EITI reporting as per Requirement 4.8.

Liberia's EITI report covering 2014/15 was prepared by Moore Stephens in collaboration with Parker and Associates. The IA was hired through a competitive process guided by Liberia's Public Procurement and Concession Law. In order to comply with EITI Requirement 4.9 and to ensure the credibility

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

<p>Implementing countries should indicate which extractive industry revenues, whether cash or in-kind, are recorded in the national budget. Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable, e.g., sovereign wealth and development funds, sub-national governments, state-owned enterprises, and other extra-budgetary entities. b) Multi-stakeholder groups are encouraged to reference national revenue classification systems, and international standards such as the IMF Government Finance Statistics Manual.</p>	<p>are deposited in a consolidated account at the Central Bank of Liberia (CBL), from whence it is captured in the national budget. However, there are other fees collected by NOCAL, National Port Authority (NPA), University of Liberia for Legitimate reasons but are not captured in the National Budget. Section 3.5, pages 27-28 of Liberia’s EITI Report covering FY2014/15 provides the details.</p>
<p>5.2 Subnational transfers. a) Where transfers between national and sub-national government entities are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the multi-stakeholder group is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity. The multi-stakeholder group is encouraged to reconcile these transfers. Where there are constitutional or significant practical barriers to the participation of sub-national government entities, the multi-stakeholder group may seek adapted implementation in accordance with Requirement 8.1. b) The multi-stakeholder group is encouraged to ensure that any material discretionary or ad-hoc transfers are also disclosed and where possible reconciled.</p>	<p>Subnational transfer is not applicable to Liberia.</p>
<p>5.3 Revenue management and expenditures. The multi-stakeholder group is encouraged to disclose further information on revenue</p>	<p>Liberia operates and Open Budget Initiative (OBI), which requires the national budget to be supported by a budget framework paper. The requirements for the Budget Framework</p>

<p>management and expenditures, including: a) A description of any extractive revenues earmarked for specific programmes or geographic regions. This should include a description of the methods for ensuring accountability and efficiency in their use. b) A description of the country's budget and audit processes and links to the publicly available information on budgeting, expenditures and audit reports. c) Timely information from the government that will further public understanding and debate around issues of revenue sustainability and resource dependence. This may include the assumptions underpinning forthcoming years in the budget cycle and relating to projected production, commodity prices and revenue forecasts arising from the extractive industries and the proportion of future fiscal revenues expected to come from the extractive sector.</p>	<p>Paper are set out in Section 11 of the PFM Act of 2009 and in Part D.6 of the Associated Regulations, as follows:</p> <ol style="list-style-type: none"> 1. The Proposed National Budget to be presented to the Legislature shall be accompanied by the budget framework paper, as outlined in Section 11 of the PFM Act of 2009, updated to reflect the draft budget submitted to the Legislature. 2. The budget framework paper shall contain the following: <ol style="list-style-type: none"> i. an analysis of the economic and fiscal trends, and the assumptions underlying the medium term macroeconomic and fiscal framework of the budget; ii. an explanation of the government's policy priorities and how these are reflected in the budget; iii. a statement of key fiscal risks that may affect budget execution; iv. the essential features of the medium term expenditure framework, where this has been prepared; v. a summary statement of revenues and expenditure performance, using the main economic categories identified in Section 8(d) of the PFM Act of 2009, for the last two years showing the surplus or deficit in each of the years, and indicating the use to which it was put (in the case of surplus) or the means of financing (in the case of deficit); vi. a summary statement of revenues and expenditures, using the main economic categories identified in Section 8(d) of the PFM Act of 2009, for the three years showing the projected surplus or deficit in each of the years, and indicating the use to which it will be put (in the case of surplus) or the means of financing (in the case of deficit); vii. a summary statement of off-budget donor funding showing name of project and program, funding agency, recipient Government Agency, disbursements effected in the previous financial year, projected disbursement in the following financial year; viii. a summary statement of the performance of State-Owned Enterprises (SOE) and their annual financial plans for the following year showing revenues, expenditures and changes in net worth; ix. a summary statement of the
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	<p>performance of public corporations and Special Funds showing incomes accruing to them including any donor funding, cash flow statement, outstanding debt if any that includes arrears to vendors and borrowing requirements for the following financial year;</p> <p>x. a summary statement of budgetary implications of new legislations on the proposed budget as well as the financial implication over the two outer years, consistent with the provisions of Section 19 of the PFM Act of 2009.</p> <p>3. The detailed annual budget estimates shall show the previous budget year outturns, the current year’s original budget as well as the year-to-date outturn based on available data, and projected outturns.</p> <p>4. The detailed estimates, which will include both revenues and expenditures, will be structured according to the classifications specified in Section 8(d) of PFM Act of 2009.</p> <p>5. The detailed estimates will include overall as well as agency level summaries by the various classifications utilised in the budget. To strengthen the link between national priorities as set out in the national development plan and the budget, MTEF sets out two separate phases of the budget preparation process: a strategic phase and an operational phase. The strategic phase is used to review high-level priorities and strategies before detailed resource allocation is undertaken. The operational phase of the budget preparation involves the allocation of resources to sectors and various spending entities, and concludes with the passing of the national budget by the national legislature.</p>
<p>6.I Social expenditures by extractive companies. a) Where material social expenditures by companies are mandated by law or the contract with the government that governs the extractive investment, implementing countries must disclose and, where possible, reconcile these transactions. Where such benefits are provided in-kind, it is required that implementing countries disclose</p>	<p>Mandatory social contribution made by companies during FY2014/14 amounted to USD 8,274,281. Section 6.2, page 60 of the FY2014/15 EITI Report for Liberia provides detailed and disaggregated.</p>

<p>the nature and the deemed value of the in-kind transaction. Where the beneficiary of the mandated social expenditure is a third party, i.e. not a government agency, it is required that the name and function of the beneficiary be disclosed. Where reconciliation is not feasible, countries should provide unilateral company and/or government disclosures of these transactions. b) Where the multi-stakeholder group agrees that discretionary social expenditures and transfers are material, the multi-stakeholder group is encouraged to develop a reporting process with a view to achieving transparency commensurate with the disclosure of other payments and revenue streams to government entities. Where reconciliation of key transactions is not possible, e.g., where company payments are in-kind or to a non-governmental third party, the multi-stakeholder group may wish to agree an approach for voluntary unilateral company and/or government disclosures.</p> <p>6.2 Quasi-fiscal expenditures. Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOE(s) on their quasi-fiscal expenditures. Quasi-fiscal expenditures include arrangements whereby SOE(s) undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process. The multi-stakeholder group is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams, and should include SOE subsidiaries and joint ventures.</p> <p>6.3 The contribution of the extractive sector to the economy. Implementing countries must disclose, when available, information about the contribution of the extractive industries to the economy for the fiscal year covered by the EITI Report. It is required that this information includes:</p>	<p>During FY2014/15, the extractive sector accounted for 11.22 percent of the country's GDP (Oil Sector – 2.34%; Agriculture Sector – 1.65%; Forestry – 1.28%; Mining – 5.95%).</p> <p>Total revenue generated during the same period amounted to 100.73 million dollars, down from 135 million in FY2013/14.</p>
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<p>a) The size of the extractive industries in absolute terms and as a percentage of GDP as well as an estimate of informal sector activity, including but not necessarily limited to artisanal and small scale mining.</p> <p>b) Total government revenues generated by the extractive industries (including taxes, royalties, bonuses, fees, and other payments) in absolute terms and as a percentage of total government revenues.</p> <p>c) Exports from the extractive industries in absolute terms and as a percentage of total exports.</p> <p>d) Employment in the extractive industries in absolute terms and as a percentage of the total employment. e) Key regions/areas where production is concentrated.</p>	<p>The report also details exports and employment numbers in Sections 1.3 and 1.4, pages 10-11.</p>
<p>7.1 Public debate.</p> <p>The multi-stakeholder group must ensure that the EITI Report is comprehensible, actively promoted, publicly accessible and contributes to public debate. Key audiences should include government, parliamentarians, civil society, companies and the media. The multi-stakeholder group is required to: a) Produce paper copies of the EITI Report, and ensure that they are widely distributed. Where the report contains extensive data, e.g. voluminous files, the multi-stakeholder group is encouraged to make this available online. b) Agree a clear policy on the access, release and re-use of EITI data. Implementing countries are encouraged publish EITI under an open license, and to make users aware that information can be reused without prior consent. c) Make the EITI Report available in an open data format (xlsx or csv) online and publicise its availability. d) Ensure that the EITI Report is comprehensible, including by ensuring that it is written in a clear, accessible style and in appropriate languages. e) Ensure that outreach events, whether organised by government, civil society or companies, are undertaken to spread awareness of and facilitate dialogue about the</p>	<p>The reviewed period saw the preparation, launch and publication of a comprehensible 8th EITI Report for Liberia covering FY2014/15. The report was published online (www.leiti.org.lr) and printed into hard copies. During the period under consideration, the LEITI disseminated the report via town hall meetings in all 15 political subdivisions of Liberia. Participants in the town hall discussions included local leaders, women and youth groups, CSOs, the physically challenged and other minorities, the media, companies representatives, etc. Presentations were aided by info-graphs and a summarized version of the 8th reports. An excel summary data was also published online in the xlsx format.</p> <p>The reviewed period also witnessed the release of LEITI's open data policy with the following thrusts:</p> <ul style="list-style-type: none"> 1) EITI Reports on Liberia will be made comprehensible, actively promoted, and publicly accessible, contribute to public debate and will be published in paper copies. Summary copies will be developed along with visual aids and

<p>EITI Report across the country.</p> <p>7.2 Data accessibility. The multi-stakeholder group is encouraged to make EITI Reports machine readable, and to code or tag EITI Reports and data files so that the information can be compared with other publicly available data by adopting Board-approved EITI data standards. As per Requirement 5.1(b), the multi-stakeholder group is encouraged to reference national revenue classification systems, and international standards such as the IMF Government Finance Statistics Manual. The multi-stakeholder group is encouraged to:</p> <p>a) Produce brief summary reports, with clear and balanced analysis of the information, ensuring that the authorship of different elements of the EITI Report is clearly stated.</p> <p>b) Summarize and compare the share of each revenue stream to the total amount of revenue that accrues to each respective level of government.</p> <p>c) Where legally and technically feasible, consider automated online disclosure of extractive revenues and payments by governments and companies on a continuous basis. This may include cases where extractive revenue data is already published regularly by government or where national taxation systems are trending towards online tax assessments and payments. Such continuous government reporting could be viewed as interim reporting, and as an integral feature of the national EITI process which is captured by the reconciled EITI Report issued annually.</p> <p>d) Undertake capacity-building efforts, especially with civil society and through civil society organizations, to increase awareness of the process, improve understanding of the information and data from the reports, and encourage use of the information by citizens, the media, and others.</p> <p>7.3 Discrepancies and recommendations from EITI Reports. With a view to strengthen the impact of EITI implementation on natural resource governance, as per Requirement 7.4, the multi-stakeholder group is required to take steps to act upon lessons learnt; to</p>	<p>distributed nationwide. Soft copies of both full and summary reports will be published online;</p> <ol style="list-style-type: none"> 2) All extractives and related data will be published under open license online (www.leiti.org.lr) and websites of other relevant government ministries and agencies; 3) Extractives and related data will be released in granular, machine-readable format online and in a format as specified by EITI Requirement 7.1c (xlsx or csv). 4) LEITI will undertake nationwide and periodical dissemination of EITI reports on Liberia; 5) EITI reports on Liberia will be produced in not more than 18 months following the expiration of any fiscal year; 6) Over the medium term, LEITI's online data portal will be made interoperable; 7) LEITI will ensure continuous awareness creation and capacity building of citizens on open data availability, accessibility and reusability. Focus will be on youth groups, women groups, local authority, parliamentarians, media, marginalized and minority groups, etc. 8) LEITI will strive to establish a register of beneficial owners of the companies operating in the extractive sector of Liberia on an annual basis beginning January 1, 2020. <p>The net difference between payments declared by extractive companies and Government Agencies, as per EITI report for Liberia covering FY2014/15, at the beginning of the reconciliation amounted to USD 3.17 million or 3.33% of the total amount declared by</p>
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<p>identify, investigate and address the causes of any discrepancies; and to consider the recommendations resulting from EITI reporting.</p> <p>7.4 Review the outcomes and impact of EITI implementation. The multi-stakeholder group is required to review the outcomes and impact of EITI implementation on natural resource governance.</p> <p>a) The multi-stakeholder group is required to publish annual progress reports.⁵ The annual progress reports must include: i. A summary of EITI activities undertaken in the previous year.</p>	<p>the Government. The LEITI is currently mobilizing funds from UNDP to conduct discrepancies resolution.</p>
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III. Specific Strengths and Weaknesses identified in the EITI Process

Major Strengths

- Increased efforts at advocacy and Stakeholders’ feedback**—lately, our outreach efforts have significantly changed in emphasis from raising awareness, to advocacy and feedback. When launched, LEITI reconciliation reports are taken to all fifteen counties in various summarized forms, including recently, disaggregated findings by sectors, and are shared with citizens. Civil society groups represented on the MSG, particularly those with emphasis in transparency and natural resource management are involved in the dissemination exercises, allowing them to get feedback from the communities and engage in the relevant advocacy. The scope of our outreach, particularly the dissemination exercises, has also expanded greatly. More than 5,010 citizens including youths, women, civil society, local government administrations, disabled etc. were reached through this year’s dissemination exercises through 37 town hall meetings

Staff capacity Building: Also as stated earlier in the Executive Summary, several staff members enjoyed career upgrades courtesy of the LEITI. Communications and Outreach Officer Cedrick Kpadeh had a two week coaching on web management from the Stars College; while Emmanuel Dormeyan and Benedict Workpeh separately had classes on Computer skills and Monitoring and Evaluation respectively from two separate institutions. These trainings are positively impacting their individual outputs as well as holistically impacting LEITI’s.

Political Will

EITI implementation in Liberia continues to enjoy the personal support of the President, Madam Ellen Johnson-Sirleaf. During the reviewed period, the President attended the MSG meeting held on 26 April 2016 and this was viewed by stakeholders as a show of commitment to the EITI process in Liberia.

Weaknesses

Most notable weaknesses observed over the review period include:

Decline in Government funding – during the period under review budgetary support to the LEITI declined thereby affecting implementation of the LEITI work plan. The LEITI was created as an autonomous agency of government through an act of the Liberian Legislature. The Government of Liberia was designated by the Act as the primary funding source, through budgetary appropriations. The decline largely affected the Focal Persons in the 15 Counties who had to be put on standby for an entire fiscal year.

Constituency feedbacks-The tripartite arrangement of the Multi-stakeholder Steering Group (MSG) means sector representatives must provide regular updates on the EITI process to their various constituencies to generate feedback to update the gathering or sitting of the MSG. However, this process has not been very impressive across the sectors.

IV. Total Implementation Cost

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

LIBERIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (LEITI)	
STATEMENT OF INCOME AND EXPENDITURES FY2015/2016	
ACCOUNT DESCRIPTION	AMOUNT (US\$)
Government of Liberia	717,527.00
World Bank	106,574.00
AfDP	303,809.00
USAID	160,235.00
UNDP	150,000.00
GIZ	35,635.00
TOTAL Income	1,473,780.00
EXPENDITURE	
Personnel Expense	272,172.00
LEITI Secretariat Operation Cost	410,849.00
Multi-Stakeholder Steering Committee	12,284.00
Consultancy Fee	526,020.70
Training and Capacity Building	148,952.00
	1,370,277.70
EXCESS Income over Expenditure	103,502.30

V. Details of Membership of the MSG during the Period

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

Membership to the MSG is for the period of three years. In October 2014, the MSG was re-constituted by President Ellen Johnson-Sirleaf as the tenure of members appointed in 2011 expired. The reconstitution saw the appointment of the Commissioner General of the Liberia Revenue Authority as one of the representatives from the GoL, a reflection of current reforms in the Government—the LRA now has taken over the revenue collection role once played by the MFDP, hence, its importance in the reconciliation process. The reconstitution also reflects the reverse order of the traditional leadership structure of the MSG, with the Minister of Lands, Mines and Energy appointed as the Chair and the Minister of Finance and Development Planning as Co-Chair. Until then, the Minister of Finance has since chaired the MSG while the Minister of Lands, Mines and Energy had served as the Co-Chair.

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

Constituency		
	<i>Institution</i>	<i>Representative</i>
Government	MFDP	Amara M. Konneh
	MLME	Patrick N. Sendolo
	FDA	Harrison S. Karnwea, Sr.
	NOCAL	Randolph McClain
	Senate	Albert Chea
	HOR	Adolph Lawrence
	MoA	Florence Chenoweth
	MIA	Morris M. Dukuly
	LRA	Elfrieda S. Tamba
Civil Society	PWYP	Cecelia T. M. Danuweli
	WONGOSOL	Marpue M. Speare
	Rights and Rice Foundation	James M. Yarsiah
	GODIMWUL	Ezekiel S. Johnson
Private Sector	Western Cluster	Atul Mittal
	Aureus Gold	Debar Allen

	ExxonMobil	Keith Conrad
	LTA	John Deah
	Gold & Diamond Brokers & Dealers Association	Esiaka B. Konneh
	GVL	Henri Harmon
Others	NTCL	Chief Zanzan Karwor
Observers	AfDB	Margret Kilo
	N C S C L	Frances R. Deigh Greaves
	GIZ	Mark Mattner
	IMF	Charles Amo-Yartey
	EITI Board Rep.	Gbehzohngar Findley
	UNDP	Kamil Kamaluddeen
	World Bank	Inguna Dobraja
	UNMIL	Karim Landgren
	US Embassy	Debora Malac

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

During these meetings, issues of concerns are discussed and policy decisions are made while the MSG is also briefed by the Head of Secretariat on the status of planned activities and other progress at the Secretariat. Most decisions are reached by consensus, but where consensus cannot be obtained, the body would resort to voting. Observers can contribute to the discussions but are not eligible to vote.

During the period in review, the MSG had eight regular sittings and in confirmative to their rule on quorum. However, one of the sittings did not meet the minimum requirement for quorum and was therefore nullified. There was also an emergency sitting on May 4, 2016 to finalize and approve the Inception report of the 7th and 8th EITI Reports on Liberia

A major challenge to the MSG during the period under review is that most of the representations are proxies rather than the heads of the institutions appointed by the President.



Also during the period under review, the MSG received for the first time ever, the visit of the president, Her Excellency Ellen Johnson Sirleaf during the April 2016 sitting of the supervisory body. The President's visit basically was a solidification of her Government's commitment to the implementation of the EITI process in Liberia.

Liberian President Ellen Johnson Sirleaf flanked by the Head of Secretariat, Konah D. Karmo at the April 2016 sitting of the MSG

Attendance is recorded at every meeting, and over time, the Secretariat has used these records to prepare scorecards that reflect the overall participation of members of the MSG in the body's decision making process. The scorecards can be accessed from the LEITI website at: <http://www.leiti.org.lr/multi-stakeholder-steering-group-msg.html>. Minutes of these meetings are also available on the website at <http://www.leiti.org.lr/multi-stakeholder-steering-group-msg.html>.

Approval by the MSG

Proxy - Chair Person / LEITI MSG

Date: _____