



SUMMARY OF LEITI FIRST REPORT

1 July 2007 – 30 June 2008

LEITI MULTI-STAKEHOLDERS STEERING GROUP

Government of Liberia

1. Ministry of Finance – Chair
2. Ministry of Lands, Mines & Energy – Co-chair
3. Ministry of Internal Affairs (MIA)
4. Forestry Development Authority (FDA)
5. National Oil Company of Liberia(NOCAL)
6. Liberia Reconstruction & Development Committee (LRDC)

National Legislature

1. The Liberian Senate
2. The Honorable House of Representatives

Civil Society Organizations

1. Publish What You Pay (PWYP)
2. Liberia National Bar Association (LNBA)
3. National Traditional Council of Liberia (NTCL)
4. Miners & Brokers Association

Private Sector

1. ArcelorMittal
2. AmLib
3. Oranto Petroleum
4. Liberia Timber Association (LTA)

Development Partners

1. World Bank (WB)
2. International Monetary Fund (IMF)
3. United Nations Development Program (UNDP)
4. UK's Development for International Development(DFID)
5. United States Agency for International Development (USAID)
6. United Nations Mission in Liberia (UNMIL)

I. NARRATIVE

BACKGROUND

The Liberia Extractive Industries Transparency Initiative (LEITI) was established in 2007 by the Government of Liberia for the purpose of promoting good resource governance through the implementation of the international criteria and principles of the Extractive Industries Transparency Initiative (EITI). The EITI (www.eitransparency.org) is a globally developed standard that promotes transparency of payments and revenues from the extractive sector of resource-rich countries. The broad aim of the LEITI is to publish, in a widely accessible manner, revenues generated by companies operating in the **forestry, mining and oil sectors** of Liberia in order to increase the likelihood that such revenues will be used in an accountable, prudent and equitable manner. Although forestry is not an extractive sector and therefore not traditionally covered by the EITI, Liberia has included this sector in the scope of LEITI because of past negative activities in the sector, which underscores the need to ensure that forest revenues, like mineral revenues, are properly accounted for and used for the benefit of all.

KEY DATA

In keeping with the aims of the LEITI and the global principles and criteria of the EITI, the LEITI published its first EITI Report on February 10, 2009. The LEITI 1st Report was prepared by an international firm of chartered accountants named Crane, White & Associates, and was based on (1) payments data supplied by **thirty (30)** companies, and (2) revenues data supplied by **four (4)** agencies of Government. A total of **US\$29,454,662.00** was reported by the companies as combined payments of **taxes, royalties, land/surface rental, administrative fees, and other community/county contributions and donations** made to the Government, while the Government reported total receipts of **US\$29,447,339.00**, thus yielding a total discrepancy of **US\$7,323.00**. The total receipts reported by the Government as revenues from the forestry, mining and oil sectors represents approximately **15%** of total Government revenues of approximately **US\$200 Million** for the reporting year. "The Report provides, for the first time in the history of our country, an open and transparent reconciliation of the records of Government and the concerned industries as to payments made by the industries and that which was received and recorded in Government accounts", President Ellen Johnson-Sirleaf said of the Report at a recent EITI Conference in Doha, Qatar.

COMPLETE LEITI REPORT

The full text of the LEITI Report can be obtained from the Offices of the LEITI on the 4th Floor of the Ministry of Finance Building, Broad Street, Monrovia, Liberia, and from the LEITI's website: www.leiti.org.lr.

CONCLUSIONS OF LEITI FIRST REPORT

In addition to disclosing the figures of payments and revenues, the LEITI Report contains specific conclusions and

recommendations. The overall conclusion of the Report is that LEITI performed well in preparing and producing its first EITI Report, particularly bearing in mind that this was the first such exercise ever in Liberia. Another major conclusion is that the LEITI First Report was comprehensive, and that the overall net discrepancy of **US\$7,323 which is 0.02%** of the Government total receipt is immaterial.

UNRESOLVED DISCREPANCIES

Notwithstanding its general conclusion that the LEITI performance is good, the LEITI First Report contains numerous discrepancies between payments reported by companies and revenues reported by Government – though many of these were of a minor nature, likely to have arisen because of differences between companies and Government in how they classified payments and revenues. However there were a number of differences described as material or significant. One significant unresolved discrepancy concerns the amount of **US\$104,288** representing withholding income tax that AmLib reported as payments to Government, but which the Government categorically denied receiving. Preliminary efforts to resolve the discrepancy succeeded only in discovering that the alleged payment receipts are not genuine Flag Receipts of the Government of Liberia. Other material unresolved discrepancies involved ArcelorMittal; the National Oil Company of Liberia (NOCAL); Unitimber; Afro Minerals; Ousomar Minerals and Western Mineral Resources Corporation. The Report "not only gives an account of the flow of funds but discloses certain systemic weaknesses which we must correct to ensure full compliance by the concerned industries and proper accounting of Government", said President Johnson-Sirleaf.

EFFORTS TO RESOLVE MATERIAL DISCREPANCIES

The EITI process is built on learning from implementation experiences and taking actions to address observed operational problems, including discrepancies in a reconciliation/audit Report. Accordingly, the LEITI is working to resolve all reported discrepancies contained in its first Report by April 24, 2009. The LEITI will further report publicly on the outcome of the on-going efforts to resolve the discrepancies.

SUMMARY OF FULL LEITI REPORT

This Summary of LEITI 1st Report is aimed at providing a comprehensive and comprehensible account of the material payment and revenue figures contained in the full **66-page Report**. The Summary Report separately captures payment and revenues data reported for each of the three sectors covered by the LEITI, namely, **forestry, mining, and oil**. **The Summary Report is meant to make the main contents of the First LEITI Report accessible, comprehensible, and user friendly**. In case of doubt or for further details, please consult the full report, which is available at the Offices of the LEITI and at its website: www.leiti.org.lr.

II. FIGURES OF PAYMENTS AND REVENUES

A. OIL SECTOR

Taxes/Revenue	Oranto Petroleum Company		Broadway Consolidated PLC.		NOCAL	
	COMPANY	GOL (NOCAL)	COMPANY	GOL (NOCAL)	COMPANY	GOL
Surface Rental	194,395.00	194,395.00	99,000.00	99,000.00		
Hydrocarbon Development Fund	750,000.00	750,000.00	500,000.00	500,000.00		
Annual Training	105,641.00	105,641.00	100,000.00	100,000.00		
Social Welfare Contribution	300,000.00	300,000.00	50,000.00	50,000.00		
Contribution UL Department	150,000.00	150,000.00	75,000.00	75,000.00		
Corporate profits Tax						12,309.00
ECOWAS Trade Levy						1,013.00
Customs						18,517.00
Dividends to GOL					600,000.00	600,000.00
Administration Fees						10,135.00
Vehicle License Fees						876.00
Personal Income						35,882.00
TOTAL	1,500,000.00	1,500,000.00	924,000.00	924,000.00	600,000.00	678,732.00

B. FORESTRY SECTOR

Taxes/Revenue	UNITIMBER		UFC REGNALS			
	COMPANY	GOL	COMPANY	GOL		
Stumpage Fee	265,368.00	202,678.00				
Log Export Fees	25,317.00					
ID Card Fees	175.00					
Administration Fees	100.00	220.00				
Business Registration	900.00					
Rental Income	53.00	53.00				
Personal Income			7.00			
Withholdings on rent and lease				250.00		
TOTAL	291,913.00	202,951.00	7.00	250.00		

C. MINING SECTOR

Taxes/Revenue	African Aura Resources		ArcelorMittal Liberia		AmLib United Minerals	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
Excise Tax					196.00	196.00
ECOWAS Trade Levy			322,977.00	506,273.00	8,729.00	6,857.00
Pre-shipment Inspection (PSI)GOL's Share					1,387.00	
Customs user fees			400,000.00	400,000.00		9,562.00
Customs						32,058.00
Import Levies				3,764.00	38,771.00	10,070.00
County contribution					23,400.00	
Land Rental			200,000.00	200,000.00	167,677.00	
Stumpage Fees						110.00
Export Tax						5,970.00
Community Contributions/receipts			6,994,521.00	6,994,521.00		
Signature fees/signing bonus			15,000,000.00	15,000,000.00		
Corporate Registration			900.00	900.00		
Fines for customs offenses			21,183.00	21,183.00		
Scientific Research Fund			143,561.00	143,561.00		
Administration Fees				5,795.00		3,385.00
Exploration Fees	27,791.00	27,791.00			15,000.00	117,902.00
Vehicle License Fees		881.00	23,048.00	23,048.00		3,612.00
Business Registration Fees		900.00				
Personal Income	54,176.00	44,166.00	582,547.00	597,591.00	104,288.00	
Vehicle Drivers License Fees				1,410.00		
Withholdings on rent and lease				6,500.00		
Others						8,730.00
TOTAL	81,967.00	73,738.00	23,688,737.00	23,904,546.00	361,448.00	198,452.00

Taxes/Revenue	Broadway Consolidated Plc		Bukon Jedeh Resources		Crafton Development Inc	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
Excise Tax		54.00				
Surface Rental	517,973.00	516,474.00				
Customs		503.00				
Administration Fees		1,795.00				
Exploration Fees	150,000.00	150,000.00	900.00	900.00	35,000.00	35,000.00
Vehicle License Fees		171.00		648.00		
Business Registration Fees						
Personal Income			8,061.00	6,318.00		
Others-Dealer Export License	21,500.00	21,500.00				
TOTAL	689,473.00	690,497.00	8,961.00	7,866.00	35,000.00	35,000.00

Taxes/Revenue	Afro Minerals Resources		BEA Mountain Mining Corp.		BHP Billiton World Exploration	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
Excise Tax					25,044.00	34,737.00
ECOWAS Trade Levy				756.00	47,001.00	52,079.00
Pre-shipment Inspection (PSI)GOL's Share					19,011.00	866.00
Customs user fees			18,315.00	784.00		
Customs				1,770.00		
Import Levies				4,228.00	421,846.00	377,288.00
County contribution			8,500.00			
Land Rental	12,454.00				8,700.00	
Corporate Registration				900.00		900.00
Fines for customs offenses				3,911.00		
Administration Fees				75.00		40,499.00
Exploration Fees	5,000.00					
Vehicle License Fees				470.00		3,905.00
Business Registration Fees			900.00			
Personal Income			18,773.00	20,251.00	39,590.00	39,590.00
Withholdings on rent and lease			6,000.00	6,000.00		
Others (import levy)				9,440.00		
ID Cards Fees			805.00			
License & Registration Fees					7,284.00	
MLME Donation-environmental park				1000.00		
TOTAL	17,454.00	-0-	53,293.00	48,585.00	569,864.00	549,864.00

Taxes/Revenue	Ducor Minerals Inc.		G-10 Resources		Golden Ventures Inc.	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
Land Rental			50,000.00	50,000.00		
Corporate Registration					900.00	900.00
Exploration Fees	82,925.00	82,925.00			40,000.00	40,000.00
Others-License and Registration Fees						2,700.00
TOTAL	82,925.00	82,925.00	50,000.00	50,000.00	40,900.00	43,600.00

Taxes/Revenue	T-Rex Resources Inc.		Universal Mining Corporation		Western Mineral Resources Corp.	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
Customs user fees					3,694.00	
Import Levies						2,210.00
Land Rental	45,000.00	45,000.00				
Exploration Fees			20,000.00	20,000.00		
Business Registration Fees					900.00	
Personal Income					34,258.00	2,949.00
TOTAL	45,000.00	45,000.00	20,000.00	20,000.00	38,852.00	5,069.00

Taxes/Revenue	Hummingbird Resources		KPO Resources Corporation		Liberia Gold Corporation	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
ECOWAS Trade Levy			3,978.00	5,719.00		
Customs user fees			18,390.00	362.00	768.00	
Import Levies	1,137.00			1,077.00		1,066.00
Corporate Registration						900.00
Administration Fees		300.00		1,825.00		
Vehicle License Fees				1,068.00		
Business Registration Fees			900.00	900.00	900.00	
Personal Income	2,588.00	2,588.00	13,244.00	17,019.00		
Vehicle License Fees		548.00				1,047.00
Operational License				225.00		
Royalty				504.00		
Other import taxes			45,787.00	2,061.00		
Other import levy				62,486.00		
ID cards fees			600.00			
TOTAL	3,725.00	3,436.00	82,899.00	93,246.00	1,668.00	3,013.00

Taxes/Revenue	Liberty Gold & Diamond Mining Inc.		Magma Mineral Resources Inc.		Mano River Resources Inc.	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
ECOWAS Trade Levy		180.00				
Customs user fees					6,816.00	
Customs		1,821.00				
Import Levies		1,401.00				
Land Rental	10,000.00					
Corporate Registration		900.00	900.00	900.00		
Administration Fees		223.00				
Exploration Fees	60,000.00	55,000.00	50,000.00	50,000.00		
Vehicle License Fees		1,608.00				396.00
Business Registration Fees					900.00	
Personal Income	87,055.00	87,055.00			3,704.00	
Others - Rental Income	8,500.00	8,500.00				
TOTAL	163,755.00	156,688.00	50,900.00	50,900.00	11,422.00	396.00

Taxes/Revenue	Ousomar Mines & Minerals Inc.		Precious Minerals & Mining Co		Target Resources Inc.	
	COMPANY	GOL	COMPANY	GOL	COMPANY	GOL
Mineral License Fees	5,000.00	5,000.00				
Fine Precious Mineral License		37,618.00				
Administration Fees		60.00				20.00
Exploration Fees			35,887.00	35,887.00		
TOTAL	5,000.00	42,678.00	35,887.00	35,887.00	-0-	20.00

***Please note that all payments are in United States Dollars

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