



LEITI ANNUAL ACTIVITY REPORT

2012

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. Ministry of Agriculture

National Legislature

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

Civil Society Organizations

1. Publish What You Pay (PWYP)
2. Federation of Liberian Youth (FLY)
3. Gold & Diamond Miners Workers Union of Liberia

Private Sector

1. ArcelorMittal
2. Chevron
3. BHP Billiton
4. Liberia Timber Association (LTA)
5. Gold & Diamond Brokers & Dealers Association

Others

1. National Traditional Council of Liberia (NTCL)

Development Partners

1. World Bank (WB)
2. International Monetary Fund (IMF)
3. United Nations Development Program (UNDP)
4. UK's Department for International Development (DfID)
5. United States Government
6. United Nations Mission in Liberia (UNMIL)
7. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
8. African Development Bank (ADB)

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MESSAGE FROM THE HEAD OF SECRETARIAT

Enforcing transparency and accountability over revenue and contracts is naturally a critical issue and challenging task, but more so in an environment historically characterized by abuse and mis-management of its resources. The journey therefore requires commitment, integrity, and passion of key stakeholders to ensure that Liberia Extractive Industries Transparency Initiative (LEITI) achieves the objectives outlined in the LEITI Legislation of 2009.

My full year at the helm of Liberia's extractive sectors watchdog agency was humbling and remarkable. The achievements recorded in 2012 by the LEITI in its drive to ensure that real transparency and accountability are achieved within the country's oil, mining, forestry, and agriculture sectors is a testament that teamwork is critical to progress.

Accordingly, the progress made by the LEITI would not have been possible without the support of all stakeholders in the LEITI process: the Multi-stakeholder Steering Group (MSG) for the guidance in setting policy direction for the Secretariat; the Government of Liberia for its 183% increment in budgetary allocation to support the work of the LEITI; the African Development Bank, the German Development Corporation (GIZ), the World Bank, UNDP, and other donor partners; the civil society organizations and ordinary Liberians, including chiefs and traditional leaders, in the towns and villages across the country, whose continuous questioning and desire to make meaningful contributions to decisions on the sharing of benefits from the resources have given us the burning desire to work hard at crafting policies and programs. To those concessionaries who have shown keen interest in the value of responsible business, and continue to cooperate with us and are engaged in meaningful corporate social responsibilities programs that are bringing transformation to the lives of the citizenry.

I am foremost thankful to the staffs of the LEITI Secretariat for their dedicated support that have made possible our achievements. My staff has been very supportive, delivering their best during and after regular office hours. This experience has confirmed to me that the best resource that a leader needs is a team that is united and willing to achieve a common goal. It is truly a privilege that I find myself working with some of the brightest minds in Liberia.

In 2012, the LEITI completed the dissemination of the 3rd Reconciliation Report and begun work on the 4th Report. The 4th Report will include four additional agencies of government, reconcile what ought to have been paid, and track the use of earmarked revenues from the oil, mining, agriculture, and forestry sectors. The Secretariat also consummated an arrangement with Moore Stephens, LLP to conduct LEITI's first Post Award Process Audit. The Secretariat established materiality thresholds for both the 4th and Process Audit reports. Both reports are expected to be published by May 2013. The Secretariat secured and uploaded to its website more than fifty agreements in keeping with the LEITI Act of 2009. To strengthen its operations, the Secretariat recruited a Finance Director and Communications Officer; renovated its offices, and upgraded its information technology system with several computers and a server. In similar direction, the MSG approved the 2012/13 Work Plan, Operations Manual, and established several Standing Committees. It also approved a two-year Strategic Work Plan at the Buchanan Retreat.

The Secretariat published its 1st Perception Survey Report, to understand the full impact of its outreach program. We engaged in an aggressive awareness program by airing our jingles and dramas in all vernaculars on several national and community radio stations throughout Liberia. With support from GIZ, we established a Resource Center and launched an inter-high school debate program.

As Liberia looks towards EITI Validation in October 2014 and beyond, it is not only imperative that the EITI Rules are fully implemented but that the owners of the resources can feel, taste, and smell the value of their God-given resources. I therefore appeal to all stakeholders to once again support the LEITI agenda so that we demonstrate to the rest of the world that we are committed to changing our destiny.

Samson S. Tokpah
Head of Secretariat

INTRODUCTION

The LEITI is a part of a global standard called the Extractive Industries Transparency Initiative (EITI). The objective of the EITI is to ensure that the taxes, royalties and other fees paid by companies for the extraction of a country's natural resources are used for the general benefit of the nation. Liberia signed up to the EITI and the initiative was formally launched by the Government of Liberia in April 2007 and subsequently enacted by the Liberian Legislature in July 2009. The core function of the LEITI is the regular verification, disclosure, publication and dissemination of all material payments made by companies operating in the oil, mining agriculture and forestry sectors to the Government, and all material revenues received by the Government from these sectors.

Even though forestry and agriculture are not considered as "extractive sectors," these two sectors have been included under the scope of the LEITI to ensure that revenues generated are properly accounted for and not mismanaged, as they were in the past.

Liberia has made significant gains over the past years. Some of which were the "Best Implementing Country Award" in 2009; the first African Country, and second globally to become EITI compliant; the first country globally to include Agriculture and Forestry in its EITI program; the first country to expand its EITI scope to include Contract Transparency; and one of few countries that have regularly published their EITI Reports.

The Liberia Extractive Industries Transparency Industries continues to make strides in ensuring that transparency and accountability are achieved throughout Liberia's extractive sectors. Following nearly a year of slow activities due to administrative changes, the LEITI is now poised to continue its good works in Liberia as a pace-setter in the global EITI community.

During the year in review, the LEITI was successful in:

- Conducting the dissemination of its 3rd Report
- Opening to the public a Resource Center with support from GIZ
- Holding its first inter-high school debate
- Initiating the establishment of an Extractive Club in ten high schools
- Strengthening relations with the media
- Producing a perception survey on citizens' awareness of the LEITI process and the effectiveness of the LEITI Communications Strategy
- Producing three editions of the LEITI quarterly newsletters
- Initiating the airing of LEITI jingles and drama

- Recruiting a Finance Director as well as a Communications Officer to lead the LEITI communications efforts
- Expanding the LEITI scope to include payments from other agencies of government
- Initiating the conduct a process audit/contract transparency
- Commencing the preparation of the 4th LEITI Report to include "what ought to have been paid" and tracking of the revenue
- Conducting other activities to enhance the productivity and management of the LEITI Secretariat

This Annual Activity Report is not only in fulfillment of the EITI Regulation, but also a requirement by the LEITI Act of 2009. The report provides a detail narrative on the activities at the LEITI Secretariat for 2012.

I. COMMUNICATIONS AND OUTREACH

Dissemination of LEITI Reports - following the publication of Liberia's 3rd EITI Report in December 2011, which showed that the extractive sectors contributed a total of \$71m (more than 100% increase from the previous year) to the Liberian economy, the LEITI successfully launched a mass dissemination exercise of its revenue reports to all fifteen counties. A total of fifteen (15) meetings were held and attended by over three hundred (300) participants per location, including representatives of extractive companies, local government officials, chiefs, traditional leaders, youth groups, miners, brokers, students, market women, civil society organizations, and other citizens of the county who expressed varying concerns around the extractive sectors. A single meeting was held per county in 2012 as compared to the previous year, which recorded two separate meetings per county. This was due to budgetary constraints and the change in weather conditions (rainy season).

The Secretariat wishes to, in a special way, recognize the United Nations Mission in Liberia (UNMIL) for supporting the LEITI in ensuring that members of the dissemination team were airlifted to areas that were inaccessible by vehicle due to the deplorable road conditions. Specifically, UNMIL facilitated the team's travel to the southeast of Liberia: Maryland, Sinoe, Grand Kru, River Gee, and Grand Gedeh Counties.

Resource Center - in order to strengthen the knowledge base of citizens and enhance their capacities to participate in the resource debate, the LEITI opened a Resource Center in February 2012. The Center has since provided wide range of data, articles, news, etc. on resource governance/management in Africa and

around the world. The Center was formally launched by the German Ambassador to Monrovia, Dr. Bodo Schaff. It was furnished with all necessary reading materials, a desktop computer and photocopier by the German International Development (GIZ). The Center has been a huge source of support to journalists, researchers, students, etc.

Inter-high School Debate - the LEITI Secretariat organized and held a one-day Inter-high School Debate under the theme “Resource Management: A Tool to Fight Corruption and Reduce Poverty”. The debate brought together more than 200 students from William V. S. Tubman High School, G. W. Gibson High School, St. Theresa Convent and B. W. Harris Episcopal High School. Staff of the LEITI and representatives from the UN, the Press, Multi-stakeholders Steering Group, and the public were in attendance. At the end of the program, B. W. Harris won the debate with Miss Satta Wahab, the most outstanding person on the school’s debate team awarded the “Most Valuable Player” (MVP) title. She was subsequently awarded a 3-month internship at the Secretariat. The program was intended to create awareness and empower high school students with the knowledge to help them make informed decisions about Liberia’s non-renewable extractive resources and to also make good intellectual choices in their schools, communities, and the society at large.

Establishment of Extractive Clubs - in furtherance to communicating the LEITI and making its activities known, the Secretariat has initiated the establishment of extractive clubs within ten (10) high schools in and around Monrovia. The effort is in support of LEITI’s outreach programs aimed at increasing public awareness on activities in the extractive sectors. The project will enable students from participating schools access knowledge and information on issues relative to the management of Liberia’s natural resources through campus-based activities, including peer-to-peer discussions, lecture series, mentoring, and field trips amongst others. Schools targeted under this pilot phase of the project include B.W. Harris, St. Mary, Tubman High, Jimmy Jolocon and G.W. Gibson High School. Others are Haywood Mission, Len Miller, St. Theresa Convent, Isaac David, and the Caver Mission High School. Funding for the initial phase of the program is provided by the German Development Corporation (GIZ).

Editor’s Forum – a one-day Editor’s Forum under the theme “Partnering with the Media to Promote Resource Transparency and Accountability” was held on Friday, September 21, 2012. The event brought together over thirty (30) Journalists from the print and electronic media to include representatives from the Liberia Broadcasting System, Radio Harbel, In-Profile

Newspaper, New Dawn Newspaper, Daily Observer Newspaper, Analyst Newspaper, Heritage Newspaper, FrontPage Africa Newspaper, New Democrat Newspaper, UNMIL Radio Station, VERITAS Radio Station, and SKY FM Radio Station. Other institutions represented include HOT FM Radio Station, Teach FM Radio Station, Liberia Media Center, Liberia Media for Democratic Initiatives (LMDI), Association of Liberia Community Radios, Liberia Media Committee on the Extractive Industries & Environment, Weala Radio Station, Mass Communications Department-University of Liberia, Press Union of Liberia, Publish What You Pay and the Center for Transparency and Accountability in Liberia (CENTAL). The event was intended to establish partnership with various media institutions in order to ensure increased media attraction for, and enhance public awareness of activities in Liberia’s extractive sectors. At the end of the meeting, a network of journalists, coined “Extractive Reporters”, was organized to report and red flag activities in Liberia’s extractive sectors and provide information on LEITI’s current and future activities. The activity was supported by the African Development Bank. Mr. Thomas Nah and Lawrence Randall served as presenters.

Perception Survey – the services of the Liberian Media Center was engaged by the LEITI to determine information and knowledge gaps amongst stakeholders and various interest groups on issues relating to the extractive sector and activities of the Liberia Extractive Industries Transparency Initiative through a perception survey. It was also aimed at determining citizens’ awareness of the LEITI process and the effectiveness of the Communications Strategy designed in 2008 to support the Secretariat in effectively disseminating its messages through the use of diverse mass media channels. The survey showed an overall minimum awareness of the EITI process by most of the citizenry and provided recommendations on how the LEITI Secretariat can improve the awareness gap. The report was sponsored by the World Bank.

LEITI Newsletters – three (3) editions of the LEITI Quarterly Newsletter, highlighting activities of the LEITI, were produced during the Year 2012. These newsletters were printed and distributed both locally and internationally and serve as a major outreach tool in publicizing and reaching out on the activities of the LEITI. About seven hundred (700) copies of these newsletters were produced for each edition, and disseminated to various line ministries and agencies of government, private companies operating in Liberia’s extractive sector, members of the LEITI Multi-stakeholders Steering Group, civil society organizations, universities, high schools, embassies, as well as diplomatic missions accredited near Monrovia. Electronic copies of these newsletters can be found on the LEITI website www.leiti.org.lr.

LEITI Jingles and Drama – after nearly a year of being off the air, the LEITI began airing its jingles and dramas on various national and community radio stations, to enhance public awareness of the EITI process. The jingle is a nineteen-second production in the English Language and is played at least twice a day on each of fourteen radio stations. Additionally, dramas in both English and all vernaculars spanning 14 minutes each, are being run on radio stations throughout the country. The stations include ELBC, Fabric Radio, Radio One-Magic, Rivercess Broadcasting Service, Radio Kakata, Radio Nimba, Smile Fm, River Gee Broadcasting Station, Radio Gbarnga and Radio Bomi. This cost is covered under the Government of Liberia budgetary allocation to the LEITI.

Communications Officer - communicating the EITI is key to the implementation of a country's EITI program, hence the Liberia EITI hired a Communications and Outreach Officer to implement its Communications Strategy. The goal is to ensure an effective communication dissemination with all stakeholders and the public regarding the work, achievements, and image of the LEITI. The aim of hiring this person is to organize and implement advocacy programs and strategies to ensure continued support for the implementation of the EITI in Liberia. The hiring of the Communications & Outreach Officer was one of the recommendations from the Perception Survey conducted in 2012.

Some of the core functions of the Communications Officer include the production of LEITI's Quarterly Newsletter, Press Statements, Annual Reports, and other media items; identify and maintain lists of relevant media contacts, editors, community leaders, other opinion leaders, industries contacts, and government contacts; manage the dissemination of information, organizing workshops, identifying participants and associated logistical needs; manage cross-functional relationships with other stakeholders, mass media, print media, consultants, committees, and CSOs; develop professional communications materials, including press releases, information kits, workshop materials, talking points, speeches, brochures, scripts, and other related materials with the aim of achieving the objectives of LEITI.

II. EXPANSION OF SCOPE

In a major endeavor to fully implement the LEITI Act of 2009, the MSG approved to include and reconcile payments reported to other agencies of government by oil, mining, agriculture, and forestry companies. These agencies include the Liberia Maritime Authority (LMA), Liberia Civil Aviation Authority (LCAA), Environmental Protection Agency (EPA), and National Port Authority (NPA). This move will provide a comprehensive picture

of revenues generated within the extractive sectors. Toward this end, the Secretariat sought partnership with these entities to nominate focal persons from each agency to serve as leaders on all LEITI activities. This approval is in line with the LEITI Act of 2009 which requires that all agencies receiving payments from extractive companies should form part of the reconciliation process. Payments to these agencies will form part of the 4th Reconciliation Report.

III. PROCESS AUDIT/CONTRACT TRANSPARENCY

In yet another significant step in achieving its mandate, the MSG approved the conduct of a Post Award Process Audit of all material concessions within the oil, mining, agriculture and forestry sectors. Moore Stephens, LLP, London, in collaboration with Parker and Associates, Liberia, was recruited to conduct the audit. The audit investigation was made possible through grant support from the African Development Bank.

Based on analysis conducted by the Secretariat and taking into consideration the investment amount and land area of companies in the extractive sectors, the MSG approved the threshold for the Post Award Process Audit. The audit will cover material rights assigned between July 13, 2009 and December 31, 2011. Companies such as BHP Billiton, Golden Veroleum, Africa Petroleum, Chevron/Oranto Petroleum, Alpha Logging, etc., will all form part of the audit process.

The decision by the LEITI to conduct this exercise is in keeping with the LEITI Act of 2009 which mandates "appropriate audits and/or investigations of the process by which each material concession, contract, license, and other rights are awarded by the Government in respect of the forestry, mining, oil, agriculture and other designated resource sectors of Liberia in order to determine whether each of these rights was awarded in compliance with applicable Liberian laws".

The LEITI Secretariat in 2012 secured and uploaded to its website for public consumption, more than fifty (50) concessions agreements, contracts, permits, and licenses in respect of the oil, mining, forestry, and agriculture sectors. Hard copies of these assigned rights are available at the office of the Secretariat.

IV. FOURTH (4TH) RECONCILIATION AND REVENUE TRACKING REPORT

4th Report - the LEITI has begun work on the Fourth EITI Reconciliation Report for Liberia. Apart from including additional agencies of government, this report will also

reconcile “what ought to have been paid” by companies operating in the four sectors. This is a key mandate of the LEITI Act of 2009.

Further, and in keeping with the revised EITI Rules of 2011, the Report will also include information on in-kind contributions.

The MSG approved the setting of materiality threshold of \$200k for the oil sector, \$30k for the Agriculture Sector, \$10k for the forestry sector and \$15k for the mining sector. The threshold was made pursuant to the revised EITI Rules of 2011 requiring the Multi-stakeholder Steering Group (MSG) to define what material payments and revenues comprise and what constitutes a predefined, reasonable material threshold. The LEITI is of the opinion that by establishing a material threshold it can effectively minimize resources on companies and revenue streams that are considered immaterial and achieve the “name and shame” objective while fulfilling the mandate of the LEITI Act of 2009. This threshold will be used during the preparation of the LEITI 4th Report.

Revenue Tracking - the LEITI Reconciliation Report will, for the first time, track the use of extractive sectors revenues by the Government of Liberia. This too is in fulfillment of the LEITI Act of 2009. The LEITI is working with the Ministry of Internal Affairs, the Dedicated Fund Committee, the National Benefit Sharing Trust Board, the Ministry of Finance, University of Liberia, Ministry of Lands, Mines & Energy, Ministry of Agriculture, Forestry Development Authority, Environmental Protection Agency, Liberia Maritime Authority, National Port Authority, Liberia Civil Aviation Authority and the National Oil Company of Liberia to extract information on this aspect of the report. Separate Revenue Tracking Templates were designed to assist in the collection of said data.

The Firm Ernst & Young, Ghana, in collaboration with MGI Monbo and Company, Liberia, was recruited to conduct the reconciliation exercise. The report is expected to be published in early 2013.

V. MSG/SECRETARIAT OPERATIONS

MSG Retreat - with support from the GIZ, the LEITI Multi-stakeholder Steering Group (MSG) held a two-day retreat in Buchanan, Grand Bassa County in February 2012, with more than 30 persons in attendance. At the end of the retreat, the MSG approved a two-year strategic work plan geared towards achieving some key components of the LEITI Act of 2009. The plan also embraces recommendations contained in the LEITI Incentivizing Report which highlights ways that countries can maintain their compliant status.

Capacity Building - the LEITI Secretariat in 2012 continued to expand its workforce to bridge the critical human resource gap needed to fulfill the mandates of the LEITI. In this regard, the LEITI hired a Finance Director and Communications and Outreach Officer in 2012. In addition, LEITI experienced an Information Technology boost through support from the UNDP. Several computers and a Server were donated to the Secretariat in July 2012. These equipment are crucial to enhancing and supporting the internal operations of the Secretariat as well as enabling interface with the information systems of other line ministries and agencies in order to access concessions, contracts and agreements of companies operating in the oil, mining, forestry and agriculture sectors.

Impact Evaluation Scheme - the LEITI in collaboration with the German Development Cooperation (GIZ), and a team of consultants from ITAD (GB) agreed on piloting the EITI Impact Evaluation Scheme which aims at providing EITI country institutions with the skills and capacities to efficiently monitor and evaluate their own work along agreed objectives and goals. This process was closely linked to the international EITI Strategy Working Group (SWG) established by the EITI Board to examine options and make recommendations regarding the strategic direction of the EITI for the next 3-5 years. Liberia was the first country to undertake this endeavor.

Change in Leadership - according to the LEITI Act, the Chairperson and Co-chairperson shall be the Minister of Finance and the Minister of Lands, Mines & Energy respectively. During the year, the LEITI ushered in a new Chairperson and Co-chairperson in person of Hon. Amara Konneh, Minister of Finance and Hon. Patrick S. Sendolo, Minister of Lands, Mines & Energy as a result of the administrative changes in Government effected by the Champion of the EITI process in Liberia, President Madame Ellen Johnson-Sirleaf. The LEITI Secretariat is grateful for the services of Hon. Augustine Kpehe Ngafuan and Hon. Roosevelt G. Jayjay who served as Minister of Finance and Minister of Lands, Mines & Energy respectively, prior to the changes. The Secretariat also welcomes its new Chairpersons.

MSG Approvals - a number of approvals were made by the LEITI MSG during the year.

MSG Standing Committees: the MSG approved the establishment of three (3) Standing Committees to work with the Secretariat. These committees include (1) Governance, Membership and Ethics Committee; (2) Finance and Administration Committee; and (3) Reports and Communications Committee. Each committee reflects the EITI tripartite arrangement. Organizations forming part of the Governance, Membership & Ethics Committee are:

- Federation of Liberian Youth (FLY),
- Chevron Liberia Ltd.,
- Forestry Development Authority (FDA),
- PWYP,
- Ministry of Internal Affairs,
- Ministry of Agriculture,
- EITI Board Rep. (Hon. Roosevelt G. Jayjay).

The Finance and Administrative Committee comprises of:

- the Liberia Timber Association,
- Gold & Diamond Miners Workers Union (GODIMWUL),
- Ministry of Internal Affairs,
- PWYP,
- and the US Embassy as Observer.

Members of the Reports and Communication Committee are:

- Ministry of Lands, Mines and Energy,
- BHP Billiton,
- Forestry Development Authority (FDA),
- Federation of Liberian Youth (FLY),
- PWYP,
- and UNMIL.

Costed Work plan: the LEITI Work Plan costing US\$ 1,682,467.00 was amongst several documents approved by the MSG at the September 2012 MSG Meeting. The Work Plan covers activities/inputs and outputs of the Secretariat for the next fiscal year July 1, 2012 – June 30, 2013.

Operations Manual: the MSG approved the Operations Manual for the Secretariat. The LEITI Operations Manual documents operational policies and procedures to support the effective and efficient management of the Secretariat. Its aim is to provide guidance and serve as a point of reference for all LEITI staff and stakeholders as regards the day-to-day operations of the Secretariat. It covers a broad range of operational issues, organizational mission, vision, structure, and functions; general staff management information; financial management policies and procedures; and monitoring, evaluation, and reporting systems and processes.

VI. MEETINGS AND VISITATIONS

UN Sanctions Committee: a delegation headed by the Chairperson of the United Nations Sanctions Committee, His Excellency Ambassador Abdullah Hussain Haroon paid a courtesy call on the Office of the LEITI Secretariat on Tuesday, May 15, 2012. The purpose

of the meeting was to engage with stakeholders in Liberia to ascertain their views on sanctions measures, familiarize themselves with issues regarding the future of the sanctions regime, and have an understanding of the activities and operations of the LEITI, its challenges and plans for sustainability.

The Chairperson of the Committee was concerned about the civil society engagement with the LEITI process, commitment by reporting companies to the LEITI process, fair sharing of benefits, the LEITI outreach programs, establishment of a comprehensive database of reporting companies, appointments of MSG members by the President, sustainability and continuity of the LEITI and the delegation of more authority to the LEITI Secretariat.

The Secretariat adequately addressed these concerns and indicated that the LEITI process was a significant improvement in Liberia's quest for transparency and accountability and that the political will and support were critical components to this achievement.

Participation/Attendance at the 20th EITI Board and Regional Meetings: the Liberia EITI Board Representative, Hon. Roosevelt G. Jayjay, Hon. Angela Cassell-Bush-MSG Chair Proxy, and Mr. Samson S. Tokpah-Head of Secretariat represented Liberia at the 20th EITI Board and Regional Meeting in Peru. The Ministry of Finance fully underwrote the cost of travel and DSA in the amount of \$33,202.00 for LEITI showing the government's clear support for the EITI process.

The regional meeting was held under the theme: "Open Government and Transparency in the Extractive Industries in Latin America and the Caribbean", and brought together participants from more than 30 countries including Nigeria, Ghana, Niger, Guatemala, United States, Trinidad and Tobago, Timor Leste, Cameroon, and host country Peru. It was during this meeting that Peru was presented the Certificate of Compliance for being the first country in the region to achieve its EITI Compliant Status. The certificate was awarded to the President of Peru.

Participation in the National Coordinators Meeting (NCM) & Board Meeting – Lusaka, Zambia: the National Coordinators Meeting, which is a forum for discussion and exchange of ideas and best practices amongst EITI implementing countries, was held from 22-25 October, 2012 in Lusaka, Zambia. The National Coordinators meeting brought together representatives from about thirty-six (36) EITI implementing countries including, Ghana, Nigeria, Azerbaijan, Trinidad and Tobago, United States, Togo, Mauritius, Philippines, Gabon, and host country Zambia. The meeting also coincided with host country Zambia being declared EITI Compliant. The

National Coordinators Meeting was attended by the LEITI Head of Secretariat, Mr. Samson S. Tokpah, while the Board Meeting was attended by Honorable Angela Cassell-Bush and Honorable Roosevelt G. Jayjay.

Participation in the First Global Meeting on Open Contracting, Johannesburg, South Africa: based on invitation from the World Bank and the German Federal Ministry for Economic Cooperation and Development in collaboration with the Government of the Philippines, Construction Sector Transparency Initiative, Transparency International, Oxfam America, and Integrity Action, the LEITI Head of Secretariat, Mr. Samson S. Tokpah attended the first Global meeting on Open Contracting in Johannesburg, South Africa. The meeting which was held from 24-26 October, 2012 brought together more than 140 practitioners and experts from government, civil society, private sector, and academia across the world.

Participation in the 1st Regional EITI Meeting: the LEITI Head of Secretariat participated in the first ever regional EITI meeting in Accra, Ghana from September 27 to 28, 2012. The meeting which was held under the theme “Natural Resource Governance, Setting Standards with EITI”, brought together stakeholders from more than 20 countries including Mali, Mauritania, Nigeria, Ghana, Niger, United States, Sierra Leone, Chad, Democratic Republic of Congo, Guinea, and host country Ghana. It provided an opportunity for the Liberia EITI not to only strengthen its understanding of EITI issues in the region but to also share Liberia’s experience in the debate and policy discussions as well as the implementation of EITI institutions to engage in peer-to-peer learning with the objective of garnering best practices for home implementation.

UN Panel of Experts Report of Liberia: the United Nations Panel Report on Liberia recorded the Panel’s interest in seeing the Secretariat recruit its Industry Analyst for each sector as well as focal points in each county to extend the LEITI’s outreach activities. It was also interested in the LEITI’s ability to source funding necessary to hire and retain staff; the involvement at ministerial level in the LEITI process given the hierarchical nature of the Liberian Government; the inclusion of “what ought to be paid” in the LEITI 4th Report as well as the capturing of payments by EPA, LMA, LCAA and NPA. Finally, the Panel declared its support for the conduct of the Post award Process Audit and hailed continuous support from the government and international community towards the EITI process.

Meeting with the Speaker of the House of Representatives: in April 2012, the LEITI Head of Secretariat, Mr. Samson S. Tokpah, met with the Honorable Speaker of the House of Represent, Hon.

Alex Tyler on the House’s representation at the MSG. The Multi-stakeholders Steering Group is the decision making body of the LEITI and comprises of a tripartite membership of the Government of Liberia, the Private Sector, Civil Society Organizations and Development Partners. In January, 2011, the President of Liberia, HE Madam Ellen Johnson-Sirleaf appointed new members of the MSG, but did not name anyone from the House of Representatives due to the House’s failure to submit any name to her. It can be recorded that prior to the appointment of the new MSG members, the 52nd Legislature was represented by Hon. Matthew Darblo, who was very instrumental in pushing the bill to pass the LEITI Act in 2009.

Since the turn of the 52nd Legislature, the House of Representative has not participated in any of the MSG deliberations. LEITI believes the Legislature’s participation would further demonstrate the Government’s political will in implementing the EITI process in Liberia.

Special Representative of the Secretary General of UNMIL: the Head and Deputy Head of Secretariat met with Mr. Mousatapha Soumare, Acting Head of the United Nations Special Representative of the Secretary General (SRSG) in Liberia. The need to strengthen the LEITI process was underscored.

CHALLENGES

I. HUMAN RESOURCE

The Secretariat started the Year 2012 with six staff, four professionals and two support staff. Subsequently, and in accordance with the LEITI Operational Manual, a Finance Director and Communications and Outreach Officer were recruited. In September 2012, the LEITI Operations Manual was approved by the MSG to serve as a guide for the operations of the EITI in Liberia. The purpose of the manual is to provide guidance and a point of reference for all LEITI staff and stakeholders as regards the day-to-day operations of the Secretariat. It covers a broad range of operational issues, organizational mission, vision, structure, and functions; general staff management information; financial management policies and procedures; and monitoring, evaluation, and reporting systems and processes. According to the manual, the LEITI is to be fully staffed with over twenty-five (25) staff headed by a Head of Secretariat, assisted by a Deputy Head of Secretariat and other staff to include three main divisions of the Secretariat: Central Administration (headed by the Administrative Director), Operations (Headed by the Deputy Head

of Secretariat), and Finance (headed by the Finance Officer/Comptroller).

It is our hope that the LEITI Operational Manual will be followed and the recruitment of additional staff to boost the human resource needs of the Secretariat will be fulfilled.

The need for the LEITI to build the capacity of current staff to enhance their ability of ensuring a meaningful transparency and accountability in the extractive sectors is vital.

II. OFFICE SPACE

With increasing staff to handle the affairs of the Secretariat, there is a dire need to identify a new office space to adequately accommodate the staff. According to the approved LEITI Operations Manual, the Secretariat is expected to be staffed with over twenty five (25) employees and four (4) departments. If all of these staff are to be hired, the need for an appropriate office space cannot be overemphasized.

III. FUNDING

Despite the increased budgetary support from the Government of Liberia (by 185%), as well as contributions and support from partners including GIZ, ADB and others, the LEITI's activities were still not fully covered. Other programs still needing support include the expansion of the LEITI outreach activities; vehicles to support the Technical Department; the development of an automated report systems; and general office supplies.

IV. KEY DELIVERABLES IN THE 2012/13 WORK PLAN

Objectives	Constraints	Implementing Partners	Secretariat Support	Cost	Funding Source	Timeline	Expected Outcomes
<ul style="list-style-type: none"> Production and dissemination of LEITI 4th Reconciliation & Revenue Tracking Rpt. in Summary, Sector, & Regional forms Production of Annual Activity Rpt. and Newsletters 	<ul style="list-style-type: none"> Lack of or little data on extractive companies contribution to society/ GoL Lack of or little data on GoL receipts from extractive companies Minimum awareness of LEITI activities 	<ul style="list-style-type: none"> LEITI Secretariat MSG Legislature County Officials County-based Civil Societies 	<ul style="list-style-type: none"> All Secretariat Staff 	\$213,500	UNMIL Civil Affairs ADB GoL WB	Sept 2012 – Jun 2013	<ul style="list-style-type: none"> Increased awareness of LEITI activities Increased awareness of extractive companies and their contribution to society/GoL Awareness of GoL receipts of payments Enhanced revenue transparency
<ul style="list-style-type: none"> Production of LEITI 5th Reconciliation & Revenue 	<ul style="list-style-type: none"> Lack of or little data on extractive companies contribution to society/ GoL Lack of or little data on GoL receipts from extractive companies 	<ul style="list-style-type: none"> LEITI Secretariat 	<ul style="list-style-type: none"> LEITI Secretariat 	\$108,100	GoL	Jan 2013 – May 2013	<ul style="list-style-type: none"> Increased awareness of extractive companies and their contribution to society/GoL Awareness of GoL receipts of payments Enhanced revenue transparency
<ul style="list-style-type: none"> Workshop with LACC and Legislature on the LEITI process and make use of the Reports 	<ul style="list-style-type: none"> Minimum use of LEITI reports by Legislature and LACC 	<ul style="list-style-type: none"> LEITI Secretariat 	<ul style="list-style-type: none"> LEITI Secretariat 	\$6,000	WB	Jan 2013	<ul style="list-style-type: none"> Increased awareness and use of LEITI reports by Legislature and LACC

Objectives	Constraints	Implementing Partners	Secretariat Support	Cost	Funding Source	Timeline	Expected Outcomes
<ul style="list-style-type: none"> Strengthen Capacity to monitor sectors Capacity Building – Artisanal miners Reconditioning of LEITI Billboards across the country 	<ul style="list-style-type: none"> Weak or minimum capacity to monitor sectors Weak capacity to support LEITI payment reconciliation Minimum awareness of LEITI activities 	<ul style="list-style-type: none"> LEITI Secretariat LEITI Secretariat LEITI Secretariat 	<ul style="list-style-type: none"> LEITI Secretariat LEITI Secretariat Head/Deputy Head of Secretariat Finance Director Administrative Manager 	<ul style="list-style-type: none"> \$30,000 \$45,000 \$55,870 	<ul style="list-style-type: none"> GOL ADB GOL 	<ul style="list-style-type: none"> Jan 2013 March 2013 Jan 2013 	<ul style="list-style-type: none"> Increased revenue Hiring of industry analysts Strengthened capacity to enhance revenue collection Increased awareness of LEITI activities
<ul style="list-style-type: none"> Radio Show / Competition 	<ul style="list-style-type: none"> Minimum awareness of LEITI activities 	<ul style="list-style-type: none"> ELBC Radio LEITI 	<ul style="list-style-type: none"> Head of Secretariat Communications Officer 	<ul style="list-style-type: none"> \$15,000 	<ul style="list-style-type: none"> GIZ 	<ul style="list-style-type: none"> Feb 2013 	<ul style="list-style-type: none"> Increased awareness of and participation in LEITI activities
<ul style="list-style-type: none"> Conduct Post Contract Award Process Audit of rights granted in the oil, mining, agriculture, and forestry sectors 	<ul style="list-style-type: none"> Availability of all contracts, concessions, licenses in the oil, mining, forestry, and agriculture sectors Supervising agencies lack information on under their purview 	<ul style="list-style-type: none"> ADB LEITI Secretariat 	<ul style="list-style-type: none"> Head of Secretariat Deputy Head of Secretariat Administrative Manager Office Assistant 	<ul style="list-style-type: none"> \$95,000 	<ul style="list-style-type: none"> ADB 	<ul style="list-style-type: none"> Oct 2012 – Jan 2013 	<ul style="list-style-type: none"> Ascertain if applicable Liberian laws were followed Recommend ways to harmonize lapses/overlap in laws Ensure Liberians get fair benefits from their resources
<ul style="list-style-type: none"> Develop & implement MSG Operations Manual 	<ul style="list-style-type: none"> Lack of clear rules of engagement 	<ul style="list-style-type: none"> WB LEITI Secretariat 	<ul style="list-style-type: none"> Head of Secretariat 	<ul style="list-style-type: none"> \$5,000 	<ul style="list-style-type: none"> WB 	<ul style="list-style-type: none"> April 2013 	<ul style="list-style-type: none"> Effective functioning of the MSG Effective policy formulation
<ul style="list-style-type: none"> Implement LEITI Secretariat Manual 	<ul style="list-style-type: none"> Lack of clear rules of engagement 	<ul style="list-style-type: none"> LEITI Secretariat 	<ul style="list-style-type: none"> LEITI Secretariat 	<ul style="list-style-type: none"> \$2,500 	<ul style="list-style-type: none"> WB 	<ul style="list-style-type: none"> March 2013 	<ul style="list-style-type: none"> Effective and efficient Secretariat operations
<ul style="list-style-type: none"> Conduct financial needs assessment 	<ul style="list-style-type: none"> Inadequate funding 	<ul style="list-style-type: none"> MSG LEITI Secretariat 	<ul style="list-style-type: none"> LEITI Secretariat 		<ul style="list-style-type: none"> GOL 	<ul style="list-style-type: none"> October 2012 	<ul style="list-style-type: none"> Adequate funding to carry out LEITI activities
<ul style="list-style-type: none"> Establishment of Extractive Clubs (e-clubs) in high schools & Inter-high school debate 	<ul style="list-style-type: none"> Little knowledge of LEITI activities amongst high school 	<ul style="list-style-type: none"> GIZ LEITI Secretariat MSG 	<ul style="list-style-type: none"> All Secretariat Staff 	<ul style="list-style-type: none"> \$27,500 	<ul style="list-style-type: none"> GIZ 	<ul style="list-style-type: none"> May 2013 	<ul style="list-style-type: none"> Increased awareness and participation of LEITI activities and programs
<ul style="list-style-type: none"> Decentralization of LEITI activities 	<ul style="list-style-type: none"> Need to expand activities of LEITI to leeward counties to ensure wider participation of citizens 	<ul style="list-style-type: none"> WB LEITI Secretariat MSG 	<ul style="list-style-type: none"> Head of Secretariat Deputy Head of Secretariat Finance Director Communications Officer 	<ul style="list-style-type: none"> \$95,413 	<ul style="list-style-type: none"> GOL WB 	<ul style="list-style-type: none"> Jan 2013 – March 2013 	<ul style="list-style-type: none"> Full decentralization of LEITI activities across the country
<ul style="list-style-type: none"> Integration of LEITI templates into IFMS / MOF 	<ul style="list-style-type: none"> General lack of delay in payment Delayed in LEITI reports Inefficient reconciliation processes 	<ul style="list-style-type: none"> LEITI Secretariat 	<ul style="list-style-type: none"> Head of Secretariat 	<ul style="list-style-type: none"> \$3,000 	<ul style="list-style-type: none"> WB 	<ul style="list-style-type: none"> May 2013 – June 2013 	<ul style="list-style-type: none"> Enhanced ability to generate sector & regional reports Real-time access to payment data Efficient reconciliation process

Published by the LEITI Secretariat

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