

Approved MSG Policy on Contract Disclosure

1.0 Background

All contracts, licenses, and related agreements are critical to any country's legal framework. They explain the rights and responsibilities of all parties involved in exploiting and or extracting mineral and other resources. Contract transparency fosters beneficial relationships among citizens, companies, and governments, thereby reducing conflict and promoting stability in the sector. It helps set accurate hopes about the terms, conditions, and timelines for extraction, expediting accurate government revenue collection and forecasting. By shedding light on the rules and terms governing extractive projects, contract transparency can help curb corruption and empower citizens to consider whether they are getting a good deal for their resources. Public disclosure of contracts shows how much revenue is expected to stream to national and subnational governments.

Liberia is a member of the Extractive Industries Transparency Initiative, a global standard to uphold the 'transparent and accountable management of natural resources. The foundation of EITI implementation is that natural resources must benefit the country's citizens and contribute to economic growth and sustainable development. One of the twelve principles of the EITI is its commitment to promoting high standards of transparency and accountability in public life, government operations, and business.

2.0 The purpose of the development of this policy

The development of this policy framework seeks to guide the Multi-Stakeholders Group of Liberia's EITI in disclosing extractive sector contracts and licenses covering mining, forestry, agriculture, and oil & gas. As an EITI-implementing country, Liberia is required to disclose all contracts and licenses in the extractive sector. However, there remain challenges with disclosing all contracts and licenses, especially Class C (Artisanal Miners) licenses.

Given the above, this policy framework aims to strengthen and direct the MSG in disclosing contracts and licenses in the extractive sector. With the unanimous approval and adoption of this policy, we believe the barriers associated with disclosing all extractive contracts and licenses will be addressed, enabling Liberia to comply with Requirement 2.4 of the 2023 EITI Standard fully.

3.0 EITI Requirements on Contract Transparency

EITI Requirement 2.4 states that:

a) Implementing countries ***must*** disclose any contracts and licenses granted, entered into, or amended from 1 January 2021. 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) ***the multi-stakeholder group is expected to agree and publish a plan for disclosing contracts with a clear timeframe for implementation, addressing any barriers to comprehensive disclosure. This plan will be integrated into work plans covering 2020 onwards***; c) It is a requirement to document the government's policy on disclosure of contracts and licenses that govern the exploration and exploitation of oil, gas, and minerals.

This should include the following:

- i. A description of whether legislation or government policy addresses the disclosure of contracts and licenses, including whether it requires or prohibits disclosure of contracts and licenses. If there is no existing legislation, an explanation of where the government policy is embodied should be included. The multi-stakeholder group should document its discussion on what constitutes government policy on contract disclosures. Any reforms relevant to disclosing contracts and licenses planned or underway should be documented.
 - ii. An overview of which contracts and licenses are publicly available. Implementing countries should provide a list of all active contracts and licenses, indicating that they are publicly available and not. For all published contracts and licenses, it should include a reference or link to the location where the contract or license is available for viewing. The legal or practical barriers should be documented and explained if a contract or license is not published.
 - iii. Where disclosure practice deviates from legislative or government policy requirements concerning the disclosure of contracts and licenses, an explanation for the deviation should be provided.
- d) The term contract in 2.4(a) means:
- i. The full text of any contract, concession, production-sharing agreement, or other agreement granted or entered into by. This government provides the terms for exploiting oil, gas, and mineral resources.
 - ii. The full text of any annex, addendum, or rider that establishes details relevant to the exploitation rights described in 2.4(d) (i) or the execution thereof.
 - iii. The full text of any alteration or amendment to the documents described in 2.4(d) (i) and 2.4(d) (ii).
- e) 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 2.4(e) (i) or the execution thereof.
- ii. The full text of any alteration or amendment to the documents described in 2.4 (e) (i) and 2.4(e) (ii).

4.0 MSG Decision

In April 2022, the MSG (through the support of the EITI International Secretariat) concluded a contract disclosure mapping which confirmed that the legal and policy frameworks applicable to the forestry, agriculture, oil and gas, and mining sectors are **conducive** to contract disclosure and are broadly in line with Requirements 2.4 of the EITI 2019 Standard, and cover the disclosure of contracts entered into, amended or modified since the LEITI Act (2009) was signed into law. The study confirmed that the Freedom of Information Act (FIA), the National Bureau of Concessions Act (2010), the Public Procurement and Concessions Act (2005), and the LEITI Act (2009) sufficiently provide for the request and public disclosure of all contracts applicable in the forestry, agriculture, oil and gas, and mining sectors. Specifically, Section 4.1 (f) of the LEITI Act (2009) mandates LEITI to act as one of the **national depositories** of all concessions, contracts, and licenses and similar agreements and rights granted by the Government of Liberia to individuals and companies in respect of logging, mining, oil, forestry, agriculture, and other designated sectors; and to grant members of the public access to such concessions and agreements in keeping with their status as public documents.

Additionally, Liberia is a member of the Open Government Partnership (OGP), built around three core values: transparency, civic participation, and public accountability. The OGP acknowledges that contract transparency is crucial for the effective management of resources, ensuring equitable economic growth and development. Publishing information on how the Liberian government manages resources will increase public awareness and participation by opening avenues for the public to hold the government accountable for public funds.

The MSG recognizes that, despite an enabling legal and policy framework, there have been gaps in the practice of contract disclosures. The mapping referred to above also documents actual contract disclosure practice in Liberia. LEITI has faced compliance and technical challenges in publishing extractive sector contracts as provided for by the legal and policy framework. The MSG is keen to address the challenges to enable Liberia to make progress with implementing contract disclosure and ensure Liberia's full compliance with its statutory and international responsibilities to publicly disclose all contracts in the mining, oil and gas, forestry, and agriculture sectors. The MSG has therefore agreed to the following disclosure practice across the four sectors covered by the scope of LEITI implementation:

4.1 Mining Sector

LEITI will publicly disclose all reconnaissance, prospecting, exploration, quarry, Class A, and Class B licenses, as well as MDAs, in the mining sector through its website. Class "C" mining licenses (ASM) issued for one year to Liberians only, for subsistence purposes, will not be publicly disclosed. The MSG has agreed to exclude publishing Class C mining licenses because of their subsistent, informal, and complex nature. MSG acknowledges ongoing efforts to formalize this

subsector by establishing cooperatives to enhance revenue collection, coverage, and reporting. MSG will review its decision to publish the Class C licenses when progress is made toward formalizing this segment of the mining sector. However, a comprehensive list of all Class C licenses will be publicly disclosed on the LEITI website.

4.2 Oil & Gas Sector

The MSG has agreed that all Petroleum Sharing Contracts (PSCs) entered into and Reconnaissance/exploration licenses awarded by the Government of Liberia will be publicly disclosed on the LEITI website.

4.3 Forestry Sector

The MSG has agreed that all Forest Management Contracts (FMCs), Timber Sale Contracts (TSCs), Community Forest Management Agreements (CFMAs), and other social agreements with affected communities will be publicly disclosed by LEITI through its website.

4.4 Agriculture Sector

The MSG has agreed that LEITI will publicly disclose all concessions signed between the Government of Liberia and private investors in the agricultural sector.

5. The role of the Ministry of Foreign Affairs

The legislature established the Ministry of Foreign Affairs with the mandate to print all Acts, Resolutions, and other official documents in handbills to ensure their availability to the public. Given this role, the LEITI Secretariat has established an MoU with the Ministry to ensure that extractive contracts are transmitted to the LEITI Secretariat within seven working days after their printing and publication. The Ministry will transmit either hard or soft copies.

6. Public Debate

To be useful and contribute to public debate, MSG will continue to simplify and update the LEITI Contract Matrix to ensure a common understanding of the contracts among critical stakeholders and the general public, thereby facilitating the effective and sound use of the disclosed contract information.

Consent Statement: We, the members of the Multi-Stakeholder Group of LEITI, have unanimously approved and adopted this Contract Disclosure Policy Framework to guide the implementation of contract transparency in Liberia, in accordance with Requirement 2.4 of the 2023 EITI Standard.

Approved