



Liberia Extractive Industries
Transparency Initiative

MSG POLICY MANUAL

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INTRODUCTION

The Government of Liberia, recognizing its sovereign duty to manage the country's resource wealth for the benefit of all its citizens, established the Liberia Extractive Industries Transparency Initiative (LEITI) in 2007 and formally enacted it into law in 2009. As an anti-graft institution, LEITI was established to minimize, or, if possible, eradicate corruption, and to encourage transparency and accountability in the extractive sector, thereby alleviating poverty in Liberia. Liberia was the first African country and the second globally to become EITI-compliant.

The EITI began as a civil society organization campaigning for the publication of payments made by extractive companies to host governments. This is driven by the principle that a country's wealth of natural resources should benefit all its citizens, which requires high standards of transparency and accountability. To ensure these principles are adhered to, rules were drawn up in 2011 requiring all EITI member countries to commit to a minimum level of transparency in companies' reporting of revenues paid and in the government's reporting of the receipt of those revenues.

Over the years, the EITI has recognized, based on lessons learned, the need to move from a process that encourages member countries to meet the requirements for reporting revenues paid and received to one that promotes better governance of the extractive sector. This led to the establishment of the EITI Standard, launched at the EITI biannual Conference in Sydney in May 2013, replacing the rules adopted in 2011.

The EITI Standard encourages national ownership of reform efforts to better serve the interests of citizens of member countries. It also requires that the reports include basic contextual information on the fiscal regime, contractual framework, production, exports, beneficial ownership transparency, anti-corruption, energy transition, licensing procedures, revenue allocations, and expenditures, amongst other things.

The EITI is also founded on the premise that transparency in revenue management, along with the principles and practices of government accountability to all its citizens, enhances democratic and open government. The EITI principles provide the basis for establishing a multi-stakeholder governance structure responsible for effective oversight of the EITI process in every EITI member country.

The Multi-Stakeholders Steering Group (MSG) is a governing body that manages the Liberia Extractive Industries Transparency Initiative (LEITI) Secretariat. The MSG has three components: the Government of Liberia (GOL), Civil Society Organizations (CSOs), and Private Companies engaged in the extraction/exploitation of the country's oil, mining, forest, and agricultural resources.

PURPOSE

The purpose of this manual is to provide the policy framework for how the MSG will guide the implementation of the EITI principles in Liberia through the Secretariat. It covers rules, procedures, and regulations guiding the operations and decision-making of the MSG; prescribes members' responsibilities and obligations relative to their participation in the activities of the MSG; defines regular meeting dates and quorum for meetings; the role of observers concerning decision making and the overall conduct of the MSG; a code of conduct that will guide MSG members, and all those associated with LEITI process, in line with EITI Standard and local laws.

SECTION 1.0: STRATEGIC PLAN

LEITI is the local version of the global EITI, established in 2007. Its purpose is primarily to ensure transparency and accountability in the management of payments made by companies in the extractive industry to the government, as well as the revenues received by the government and other statutory recipients. The LEITI mirrors the EITI principles and objectives.

1.1 Vision

To build an MSG that is transparent, accountable, effective, and result-oriented.

1.2 Mission

To benefit the citizenry, we aim to cultivate a culture of transparency, accountability, due process, and zero tolerance for corruption in Liberia's extractive industries.

1.3 Goal

To guide the MSG in its conduct, thereby empowering the secretariat to hold government and extractive industry companies accountable and strengthen participatory democracy.

1.4 Objectives

The primary objectives of the LEITI are:

- 1) To ensure due process and transparency in the payments made by all companies in the extractive sectors to the Government of Liberia.
- 2) To monitor and ensure accountability in the revenue receipts of the Government of Liberia from companies in the extractive sectors.
- 3) To eliminate corruption in the determination, payment, receipts, and posting of revenue accrued to the Government of Liberia from the Extractive Industry Companies.
- 4) To ensure transparency and accountability by the government in applying financial resources from payments received from companies in the extractive sector.
- 5) To ensure conformity with the principles of the Extractive Industries Transparency Initiative.

SECTION 2.0: BOARD ORGANIZATION/OPERATIONS

2.1 Terms of Reference

The MSG is the LEITI's governing body, empowered by the LEITI Act to ensure the achievement of its mandate.

Under this, the MSG shall have the following specific terms of reference to conduct its internal governance properly.

The MSG was established to ensure that Liberia implements the LEITI objectives promptly and effectively. The MSG is responsible for ensuring that the views of key stakeholders are taken into account in the direction and conduct of implementing LEITI objectives. MSG members are representatives of their broader constituencies and must **consult them** regularly to ensure they continue to reflect those constituencies' views.

Specifically, the MSG will:

- Approve and supervise the implementation of a fully costed work plan containing measurable targets and a timetable for implementation, which incorporates an assessment of capacity restraints;
- Approve and supervise the implementation of a communications plan;
- Establish and support any sub-groups to examine specific issues, which may include the preparation of reporting templates and preparation of contextual information for the annual EITI reconciliation;
- Agree on the appropriate definition of “extractive industry” and “materiality” for the LEITI in line with the EITI Standard;
- Define and assess the scope of the LEITI;
- Agree upon contextual information to be included within the annual report;
- Approve the Terms of Reference for and endorse an independent Administrator to undertake the annual reconciliation;
- Approve and agree on the format of the LEITI Report;
- Endorse and publish an Annual Activity Report.

2.2 Code of Ethics and Code of Conduct

2.2.1 Scope

All MSG members, their alternates, proxies, and observers shall adhere to this code of conduct. Additionally, all are expected to abide by the local code of conduct and ethics, as well as other statutes governing the behavior of government officials. Where there is a conflict between the local code of conduct and that of the EITI, the local code of conduct and ethics shall take precedence.

2.2.2 Personal Behavior, Integrity, and Values

MSG members shall exhibit the highest standards of integrity and ethical conduct and act honestly and decently. Their personal and professional conduct should always command respect and confidence in their status as MSG members. Such conduct should espouse transparency and accountability and contribute to the ethical governance of the LEITI.

MSG members shall dedicate themselves to leading by example and representing the interests and mission of the LEITI in good faith, with honesty, integrity, due diligence, and reasonable competence, in a manner that preserves and enhances public confidence in their integrity and the LEITI's integrity. They shall also ensure their association with the LEITI remains in good standing.

2.2.3 Compliance

MSG members shall discharge their duties to the LEITI in compliance with the laws and regulations of the Republic of Liberia, the LEITI Act, and all rules governing the activities of persons involved with/or associated with implementing EITI standards.

2.2.4 Respect for others

MSG members shall respect the dignity, LEITI-related needs, and private lives of others and exercise proper authority and sound judgment in their dealings with other MSG members, staff of the Secretariat, members of the other EITI bodies, the general public, and anyone with whom they come in contact in the discharge of their duties to the LEITI.

2.2.5 Professionalism

MSG members shall perform their assigned duties professionally and on time, and shall use their best efforts to regularly participate in professional development activities.

2.2.6 Discrimination

MSG members shall not engage in or facilitate any discriminatory or harassing behavior directed toward anyone they come in contact with during the discharge of their duties to the MSG.

2.2.7 Confidentiality

MSG members shall not use any information that is provided in his/her role as MSG members, and that is not already in the public domain in any manner other than in furtherance of his/her duties. MSG members shall continue to be bound by this obligation for up to two years after the expiration of their tenure as members of the MSG.

2.2.8 Expenditure of LEITI Resources and Use of LEITI Property

MSG members shall respect the value-for-money principle and be responsible for the use of funds dedicated to the LEITI. No MSG member shall misuse LEITI property or resources, and all MSG members shall always keep LEITI property secured and not allow any persons not appropriately authorized to have or use such property.

MSG members shall only bill at the actual cost of travel, operational, or other costs related to fulfilling duty as an MSG member. MSG members shall provide goods or services to the LEITI as a paid vendor to the LEITI only after full disclosure and advance approval of the MSG is obtained by consensus or a two-thirds majority of those present and eligible to vote.

2.2.9 Conflict of Interest and Abuse of Position

MSG members shall always act in the best interests of LEITI, not for personal or private benefit or financial enrichment. They shall also avoid conflicts of private interest. For this code, a conflict of interest is a situation or circumstance in which MSG members' interests influence or may influence the objective and impartial performance of their official LEITI duties. In this regard, private interests include any advantage for oneself, one's family, or one's acquaintances. MSG members in such a situation must recuse themselves and inform the MSG of such recusal.

Precisely, MSG members shall follow the guidelines below:

- Avoid placing and avoid the appearance of placing one's self-interest or any third-party interest above that of the LEITI. In contrast, the receipt of incidental personal or third-party benefit may necessarily flow from certain LEITI-related activities; such benefit must be merely incidental to the primary benefit to the LEITI and its purposes. Any per diems set, paid, or obtained should be based on reasonable actual costs and good international practice.
- Refrain from overstepping the conferred powers. MSG members shall not abuse the LEITI office by improperly using LEITI's staff, services, equipment, resources, or property for personal or third-party gain or pleasure; MSG members shall not represent to third parties that their authority as MSG members extends any further than that which it extends.
- Avoid engaging in any outside personal activities that could, directly or indirectly, materially and adversely affect the LEITI.

2.2.10 Gifts, Trips, and Entertainment

MSG members shall not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity that is intended to be, or that can reasonably be perceived to be, a direct or indirect inducement to provide special treatment to such donor concerning matters about the LEITI.

Any offering or receiving of gifts, free trips, or other compensations should be subject to the Liberia Code of Conduct of 2014. Section 1.3.3 of the Liberia Code of Conduct of 2014 states that "any unsolicited present or gift, of a modest scale given to a Public Official or Employee of Government which is not connected to their official duties, which does not exceed US\$200.00 in value. This provision shall not apply to gifts given during cultural and customary celebrations".

Any offering or receiving of gifts considered excessive should be refused. The MSG Governance, Membership & Ethics Committee should be consulted if in doubt.

2.2.11 Implementation

The MSG is responsible for ensuring that every MSG member, including the Secretariat, is familiar with this Code of Conduct and provides advice and, if required, training on its interpretation and implementation.

2.2.12 Reporting

MSG members concerned about the interpretation, implementation, or potential violation of this Code of Conduct shall bring such issues to the MSG's attention immediately. When matters are brought to the MSG's attention, the MSG will consider the circumstances and determine whether action is necessary in accordance with this manual. Anybody uncomfortable raising such concerns with the MSG may bring them to the attention of the Chairperson.

2.3 Board Meeting Attendance Policy

2.3.1 Board Composition

The Multi-Stakeholders Steering Group (MSG) is a governing board that manages the Liberia Extractive Industries Transparency Initiative (LEITI). Under section 6.1 of the LEITI Act, the MSG shall consist of at least fifteen (15) members drawn from three constituencies: the Government of Liberia (GOL), the National Legislature, the Civil Society Organization (CSO), and private companies engaged in the extraction/exploitation of the country's oil, mining, forest, and agricultural resources.

The Government of Liberia shall have seven (7) representatives including the Minister of Finance; the Minister of Lands, Mines, & Energy; the Managing Director of the Forestry Development Authority; and the President/CEO of the National Oil Company of Liberia (NOCAL) or its successor as permanent members; Civil Society shall have four (4) representatives to include Publish What You Pay Liberia or a successor organization; and a representative of a recognized association or union of workers in the extractive sectors as permanent members; and the Private Sector shall have four (4) representatives to include at least one representative each from the mining, forestry and oil sectors as permanent members.

2.3.1.2 Appointment of MSG Members

The President shall appoint the MSG members and designate one as the Chairperson and another as the Co-Chairperson. The President shall hold **appropriate consultations** with members of the respective groups before appointing members of the MSG to represent civil society and the private sector. The Members of the MSG shall serve a renewable three-year term. During the consultation and nomination period, *constituents must consider gender balance.*

2.3.1.3 Membership Right

All MSG members or their proxies shall have the right to attend all regular, emergency, and extraordinary meetings. The proxies shall have the power to participate in discussions, vote, and generally perform all the functions of the principals they represent at all such meetings.

2.3.1.4 Observers

Representatives from relevant international and local organizations, such as the United Nations, World Bank, and other relevant stakeholders appointed by the President as observers, shall be required to attend all MSG meetings. Observers shall have no voting rights but may actively

participate in discussions and suggest relevant issues that may lead to MSG decisions by consensus.

2.3.1.5 Member Orientation

Every new member shall sign off on this manual and agree to abide by all provisions. The EITI International Secretariat or the LEITI Secretariat shall conduct at least one annual training workshop for all MSG members.

2.3.1.6 Removal/Resignation of MSG Member/Alternate

A member/alternate shall be removed from the MSG for proven misconduct or may resign. In the event of a resignation, the member/alternate shall inform the MSG through written communication endorsed by their constituent and addressed to the Chairperson of the MSG. Where misconduct by a member/alternate occurs, they will first be referred to the Governance, Membership & Ethics Committee. MSG member/Alternate shall be removed from office by the President of Liberia upon the recommendation of the MSG.

2.3.1.7 Replacement of MSG Member/Alternate

If an MSG member resigns or is removed, the president fills the vacancy by appointment. If an alternate is removed, their constituent nominates a new alternate.

2.3.2 Meetings

The MSG will meet regularly every quarter, and the Chair will call emergency meetings in consultation with at least one member from each MSG bloc. All MSG members must attend at least 100% of regular quarterly meetings. Such a meeting shall review progress on the implementation of the Work Plan and other activities, and make relevant decisions to guide the Secretariat in achieving the objectives of the LEITI. The Chairperson shall preside over the meeting or, in his absence, the Co-chair shall preside. A permanent civil society or private sector representative shall preside if the Chairperson, the Co-Chairperson, or their proxies are absent. The chairmanship of the MSG shall rotate among the permanent members.

The Chairperson of the MSG may call an emergency meeting through the Secretariat and in consultation with at least one member from each sector. For such meetings to occur, MSG members must be given at least three days' notice.

2.3.2.1 Proxy Arrangements

The Chair or Co-chair may appoint a proxy if s/he is unable to attend a meeting. A proxy shall be appointed in writing to the Secretariat before the meeting. Where the Chair or Co-chair designates a permanent proxy, the principal must attend at least two MSG meetings annually. The Co-Chair shall act as Chair in the absence of the Chair, not the Chair's proxy. Succession to the Chairmanship of the MSG shall be in order of the permanent members.

2.3.2.2 Meeting Place

All MSG meetings, including those of subcommittees, shall be determined by the Chairman in consultation with the majority members. Meetings may be held at different locations under

extraordinary circumstances, as shall be determined by the Head of the Secretariat. If the nature of a committee's meeting requires that such a meeting be held outside the office of LEITI, the committee shall do so in consultation with the Secretariat.

2.3.2.3 MSG Meeting Agendas and Minutes

The Secretariat shall circulate electronic and hard copies of the agenda and minutes to each MSG member at least one week before each meeting. The Secretariat shall develop the MSG agenda in consultation with the Chairperson. Upon completion, such an agenda shall be circulated in draft, along with other documents, to members of the MSG, consistent with count 2.4.3.3 above. Members may suggest changes to the draft agenda and draft minutes upon receipt and before the meeting. ***The draft meeting minutes should be prepared by the Secretariat a week after an MSG meeting. Upon approval by the Body, the Secretariat shall publish all meeting minutes on its website for public consumption.***

2.3.3 Attendance

All MSG members are expected to attend and fully participate in all meetings. The Secretariat shall, from time to time, include MSG members' **scorecards** in the minutes and agenda for quarterly meetings. This scorecard shall also be available on the **LEITI website** and to the general public.

2.3.4 Quorum

The quorum for all regular and emergency MSG meetings shall consist of at least two-thirds of the total membership of the MSG, with at least two members of each sector (Government, Private Sector, and Civil Society) being a part of such two-thirds. The quorum for committee meetings shall consist of at least two-thirds of the total membership of such committee, with at least one member of each constituency represented on the committee.

2.3.5 Alternates

Each constituency may nominate an alternate to the MSG, including observers. An Alternate may deputize for an MSG member at regular, emergency, and extraordinary meetings. When deputizing for an MSG member, the Alternate shall have the power to participate in discussions, vote, and generally perform all the functions of that MSG Member at such meetings for which voting rights are required. This does not apply to Alternates or Proxies of Observers.

2.3.6 Decision-making procedures

The Multi-Stakeholder Group (MSG) shall follow the procedure listed below in its decision-making processes. The decision-making procedures include principles and rules that should inform all decisions made in MSG meetings, including those of standing committees.

2.3.6.1 Principles

The MSG is committed to collaborating, cooperating, and making consensus-based decisions. In cases where a consensus cannot be reached, the Chair may call a formal vote, and voting rules will apply. All constituent MSG members shall be represented in decision-making. Simple majority voting is the least desirable option and will occur only as a last resort.

2.3.6.2 Rules

Decision-making will occur through a three-tiered hierarchical system as follows:

- Consensus—the Chairperson **must** seek consensus for all decisions. If this is not achieved, a modified consensus will be sought.
- Modified Consensus—Consists of a two-thirds or greater majority of exercised votes (i.e., minus abstentions) and includes a minimum of 2 representatives from each constituency. If this is not achieved, a working group comprising equal representation from each constituency will be formed to discuss and negotiate a recommendation to present to the MSG. This may occur at the meeting or post-meeting to provide a recommendation by the next MSG meeting date, or it may be considered out-of-session. Once the sub-group has provided its recommendation, the MSG will decide by consensus or modified consensus.
- Simple Majority—If modified consensus is still not achieved, the motion will be passed by a simple majority, i.e., greater than 50 % in favor. Decisions made by a simple majority will be identified in the minutes as such, with the recognition that simple-majority decision-making is the least desirable and lowest-grade decision, reflecting substantial dissent by MSG members.

SECTION 3.0 BOARD COMMITTEES

The MSG shall establish committees to address specific issues in more detail. Any such committee shall include two or more MSG Members or their Alternates and partners as observers and shall, as far as is reasonable, reflect the multi-stakeholder nature of the LEITI. These committees shall make recommendations to the MSG for final decisions on the specific issues they address.

3.1 General Guidelines

- No Committee of the MSG shall have any authority to execute except as instructed by the MSG;
- Decisions of a Committee shall take effect only after approval by the MSG;
- Each Committee will observe the same rules of conduct and procedures as the MSG unless otherwise stated by the MSG in writing;
- Committees shall provide formal quarterly reports back to the MSG or at every scheduled MSG meeting, and
- Each Committee shall consider any other matters referred to it by the MSG.

3.2 Governance, Membership & Ethics Committee

- Advise the MSG on procedures and policies to improve and guide its decision-making, selection, participation, responsibilities, conduct, and activities.
Members regarding (voting, participation, attendance, honorarium, etc);
- Advise on constituency feedback mechanisms for the MSG;
- Advise on (non) compliance with legal and regulatory requirements, including disclosure controls and procedures;
- Advise on implementing the LEITI Act, all relevant EITI Requirements, and all conditions and strategies for successful Validation.

3.3 Finance & Administration Committee

- Advise the MSG on the integrity and internal financial and operational control systems;
- Advise on the LEITI financial reports, annual budget, and work plan;
- Advise in areas of risk assessment and management;
- Advise on any financial matters;
- Advise on sustainable funding arrangement;
- Advise on the appointment, recruitment, disciplines, remuneration, and other related matters regarding the Head and Deputy Head of the Secretariat;
- Advise on the approval of LEITI's staff plans and human resources strategies developed by the Head of the Secretariat and
- Advise on strategies to strengthen the capacity of the LEITI Secretariat.

4.4 Reporting & Communication Committee

- Advise the MSG on the design for all LEITI reports, including timelines/deadlines;
- Advise on the processes to streamline reporting (i.e., electronic data collection, database of reporting companies, etc.) and end-user capacity;
- Advise on the methodologies/strategies to automate and improve report quality;
- Advise on the Recruitment and compensation of LEITI's independent reconciler.
- Advise on all communication matters;
- Facilitate the interface between the MSG and communication stakeholders and
- Advise on strategies to enhance awareness of the LEITI brand.

BIBLIOGRAPHIES

EITI Rules

View at www@eiti.org

Drilling Down EITI

View at www@eiti.org

EITI Standard

View at www@eiti.org

EITI Terms of Reference	View at www@eiti.org
Implementing EITI for Impact	View at www@eiti.org
LEITI ACT	View at leiti@org.lr
National Code of Conduct	View at emansion@gov.lr
EITI Association Code of Conduct	View at www@eiti.org
Guide to Developing an Organizational Policy & Procedures Manual	View at ahmrc@org.au
Nigeria EITI Handbook	View at www@org.ng
U.K. EITI Stakeholder Group	View at www@gov.uk
The Role and Responsibilities of the EITI Board Members	View at www@eiti.org