

LEITI MSG Retreat  
Charlie Lodge, Buchanan City, Grand Bassa County  
February 18-20, 2021  
Started@10:12am

***Under the theme: Strengthening the Capacity of MSG Members for a Successful EITI Implementation in Liberia.***

**Objective: The objective of the retreat is to strengthen the capacity of MSG members to enable them lead a successful EITI process in Liberia through effective MSG oversight.**

### **Key Decisions Taken at the Retreat by the MSG**

- Review of the MSG Policy Manual by the GEM Committee along with the Secretariat and come up with final version.
- The GEM Committee will work with the Secretariat to develop an assessment form for members of the MSG.
- A Committee that includes all the blocs of the MSG will be constituted to work on the MSG scorecard.
- The reconstituted Finance and Administration Committee will work with the Secretariat to develop funding strategies for the Secretariat.
- Institutions were asked to respond to an email from the Secretariat by expressing interest in committees they want to serve in.
- The MSG agreed on reconstitution of the three (3) MSG Committees to reflect all blocs and include observers/donors.
- The different Committees will meet and determine their chairs and co-chairs.
- The Secretariat will send the Mainstreaming Report and ToR to members of the MSG.
- The MSG agreed that the Mainstreaming Report should be updated.
- The Secretariat will do the ToR and budgeting of the Mainstreaming Update for MSG approval.
- Following the development of the ToR and budgeting of the Mainstreaming Update, a next step will be determined by the MSG.
- The Secretariat should write all institutions on the LEITI MSG requesting them to designate an official alternate.
- The Secretariat should work with the MSG Committees to develop the assessment tools which will be used to conduct the MSG self-assessment.
  
- The MSG will meet regularly on a quarterly basis and that the Chair will call emergency meetings in consultation with at least one member from each MSG bloc.
- All MSG members must attend at least 50% of quarterly all regular meetings.
- The MSG agreed to offer the HOS and DHOS three years and two years contracts respectively which were signed by the Chairman and witnessed by other MSG Members.

- The MSG agreed to remove the “renewable once” phrase from the Policy Manual. This will require amending the LEITI Act of 2009.
- It was agreed that succession of the Chairmanship of the MSG be in order of the permanent members.
- The MSG agreed to include partners on all committees of the MSG but as observers.

### **Self-Introduction**

The meeting started with self-introduction, followed by a brief introduction of the first presenter by the Officer-In-Charge of the LEITI Secretariat, Mr. Jeffrey N. Yates. Mr. Yates told the gathering that Counselor Nagbalee Warner was the first Head of Secretariat of LEITI and that he has always sought Cllr. Warner’s advice on issues and that Cllr. Warner was always willing to help.

### **Welcome Remarks and Brief Statement by the MSG Chairman**

The Chairman, Hon. C. Mike Doryen, in his welcome remarks recognized Cllr. Negbalee Warner and thanked him for honoring LEITI’s invitation to do a presentation at their retreat. He welcomed his fellow officials of Government and other MSG members and observers to the city of hospitality. He also spoke briefly about:

- The origin of the word “Retreat” tracing it to the military.
- Soldiers retreat after casualty to reflect on their weakness, failure and strength.
- MSG consists of experienced and passionate people, but they make mistake because they are not perfect.
- This retreat is to assess their progress and ensure that they promote transparency because there are penalties for a country’s extractive activities to not be transparent.
- He stated that transparency should not be restricted to government alone and that the budget of NGOs should be looked at because they solicit funds on behalf of the country and that NGOs should show transparency in their operations.
- He referenced a research which showed that less than 3% of NGOs funds reach the actual beneficiaries and urged the country to do things differently if we are not making progress.
- He expressed happiness that the recruitment process of the Head of Secretariat and the deputy was successful and urged donors to now help the LEITI to succeed.
- He said their collective action should help build the peace and thanked all MSG members for their service to the country.

### **Remarks from the Finance and Administration Committee**

Madam Cecelia Danuweli made remarks on behalf of the Finance and Administration Committee. She spoke specifically about:

- The recruitment process being very vigorous
- The process took long because the Committee wanted to observe best practice by having different committees handle different aspects of the recruitment process.
- The Head and Deputy were selected finally by a voting process of the MSG.
- She presented the contracts and due diligence report to the Chairman.

#### **Concerns emanating from the Finance and Administration Committee Remarks:**

- ✓ The Finance and Administration Committee should have circulated the report to MSG members before the retreat.
- ✓ Was the due diligence done by the Secretariat?

Mr. Yates clarified that the due diligence was done by the Finance and Administration Committee and not the Secretariat. The Chair then assured that the Due Diligence report will be given to all MSG members.

#### **Overview of the Retreat (Mr. Jeffrey N. Yates)**

- Following the constitution of the MSG by the President, it is important that a retreat of the MSG be held to orientate MSG members on :
  - ✓ the entire EITI process in Liberia.
  - ✓ Review the MSG Policy Manual and amendments where necessary.
  - ✓ Funding strategy for LEITI
  - ✓ Committees' unbalanced structure and the implications for Validation and its violation of the MSG Policy Manual
  - ✓ Mainstreaming process and how the MSG can approve the recommendations from the Mainstreaming workshop.

#### **First Presentation: By Cllr. T. Negbalee Warner, BA, LLB, LLM**

#### **Topic: The Role of LEITI's MSG in the Successful Implementation of the EITI Process in Liberia**

*Covered: Nature and Objectives of EITI, Requirement for MSG Oversight, Role and Responsibilities of the MSG, Minimum Requirement for a Functioning MSG, Importance of a Functioning MSG, Conclusion*

Cllr. Warner spoke briefly about his involvement with the EITI with specificity on:

- Being happy to be at the MSG retreat and to see a lot of people he worked with.
- Served as the first head of LEITI Secretariat
- Serves of EITI Board
- Member of Validation Team of the International EITI

- Jeffrey is the first person to call him for help since he left the LEITI
- He has been helping other countries but his own country has not called upon him.
- The 2019 EITI Standard made use of Liberia's model but nobody reference that.
- The idea to publish contract started from Liberia.

### **Highlights from Cllr. Warner's Presentation**

- EITI is a global standard to promote inclusive and transparent natural resource governance.
- The objective of the EITI is to address the challenges and resultant mistrusts along the extractive industries value chain.
- The MSG is a reflection of the inclusive nature of the EITI Process
- Key requirements (2019 Standard) related to MSG oversight: government engagement, industry engagement, civil society engagement, establishment and functioning of an MSG and annual work plan with clear objectives.
- The reporting process not about what has been paid, but what ought to be paid.
- Citizens extracting minerals believe that they should not pay taxes but private companies must. Awareness can solve this mentality.
- The MSG is central and critical to the entire EITI process. The most critical EITI Requirement being an engaged and well-functioning MSG.
- The EITI report is not end in itself, it must be communicated.
- The role of the MSG is to drive and oversee national EITI implementation. This includes the responsibilities to endorse the country work plan, approve the Independent reconciler, and approve of the appointment of the Validator and communicating the national EITI Report.
- It is one thing to establish MSG and another to have it functioning.
- To have a functioning MSG, members must be committed, engaged, attend meetings and be accountable(report to your constituents or principals)
- MSG must have convenience and receive standard treatment at all times.
- A functioning MSG protects against delisting.
- An engaged government will ensure that the EITI is headed by a person who has the requisite access and authority to ensure senior representation on and attendance of MSG and funding to support EITI implementation.

### **Questions and Answers/Comments**

- ✓ Request for a copy of the presentation(Timothy Jarry)
- ✓ Cllr. Warner said Jeffrey has the presentation and he will send it out.
- ✓ Cllr. Warner offered to provide free consultancy to LEITI
- ✓ The Chair raised the issue of sustainable projects in the forestry sector; how wise benefits are used and how FDA provides technical guardian to the communities.
- ✓ Cllr. Warner said it was a valid point because there is no accountability from people who receive benefits.
- ✓ Marcus Wleh of Arcelor Mittal explained about an arrangement that their company is engaging the GOL on whereby the contribution of Arcelor Mittal will be lodged with the

company and government and the counties will work on a project that the company will pay to the contractor.

- ✓ Elvis Morris added that disagreement over who manages the funds has kept money of communities in escrow account for years
- ✓ Cllr. Warner responded by suggesting that challenges expressed with SDF and Communities were centered on the issue of trustor and trustee. He urged that government must step forward and find a way to handle the issue of impact to communities of benefits.
- ✓ The Co-Chair, Minister Miller stated that to date, Arcelor Mittal has paid 35 million to government as SDF but no impact can be seen.
- ✓ Mr, Fallah Kamara raised the issue of license fees, country devil and the cost of obtaining license. He urged the MME to work hard to ensure that revenue from precious minerals increase.
- ✓ Madam Cecelia Danuweli intimated that if the MSG had been engaged, they would have found solutions to some of the issues in the extractive sectors. She decried the fact that companies were paying money but roads were very bad.
- ✓ The Co-Chair, Minister Miller, stated that the MSG needs introspection. The MSG needs to be doing a lot of things which it is not doing. The MSG has to work to deal with the issue of misconception about the work of LEITI and disseminate the importance of LEITI to the country.
- ✓ On the issue of land rights, Cllr. Warner said that localizing international model without looking at historical context was part of the problem of land ownership in Liberia. He stated that awareness, prevention and prosecution are the best approach to fighting corruption.
- ✓ AL Dennis of LRA said that there should be accountability for money being spent for community development. He suggested that LEITI reports in detail on how monies for community development are being spent, because we do not see the development.
- ✓ Cllr. Warner in response to Al Dennis point, said community development funds reporting must come from MACs through which they pass.
- ✓ Cllr. Warner advised that if MSG members are below key levels, MSG engagement will not be successful.
- ✓ Michael of MFDP suggested that communities form corporative with civil society engagement will help resolve some of the challenges to community development.
- ✓ Marcus Wleh stated that Arcelor Mittal has sponsored awareness in their operational areas in the past and are willing to do it again.
- ✓ Jeffrey N. Yates informed the MSG that Arcelor Mittal is willing to sponsor LEITI contract transparency initiative.
- ✓ At this point, Cllr. Warner renewed his commitment to LEITI; urged MSG to be engaged and reach the EITI Process to Cabinet level.

## **Review of MSG Policy Manual**

The review of the MSG Policy Manual was greeted with concerns from the Chair and Co-Chair. Questions such as:

- ✓ Why the review?
- ✓ Is there any difference between the approved 2015 version and the amended 2017 version?
- The Chairman suggested that an expert be sought to review the MSG Policy Manual because they could not do that at the retreat. He asked whether MSG Policy Manual can be reviewed anytime and Cllr. Warner said yes. He advised that group review can be difficult so the MSG can turn the manual over to a subcommittee.
- On the question of legislators serving on LEITI MSG, Cllr. Warner said that it was not illegal because the legislature should not be separated from the government.
- Cllr. Warner urged the MSG to encourage the appointment of legislators on the MSG.
- On the question of which committee head will sit on the MSG since there are different committees related to the extractive sector, Cllr. Warner said the Speaker and the Pro-Tempt will submit names to the President.
- On the question of successor in the Act, Cllr. Warner said it means the same entity in different form or one with inherited function.
- A suggestion to amend LEITI Act of 2009 to reflect current reality was made.
- On the issue of fisheries being added as a sector, Cllr. Warner said fisheries was under MOA already.
- With the creation of LPRA, Cllr. Warner said it is a successor to NOCAL. LPRA is now the regulator and NOCAL a company that must report.
- On the question of whether permanent members have more rights than non-permanent members on the MSG, Cllr. Warner said no. Permanent members must just always be on the MSG. Ministry of Agriculture by parity of reasoning should be a permanent member of the MSG.
- Cllr. Warner recommended that in the interest of technical purity, NOCAL must relinquish license regulation and avoid conflict of interest.
- Tenure of MSG Members ends in October. The renewability of the tenure of MSG Members should not be restricted to once.
- With regards to MSG Members orientation, local content should be utilized too. The MSG will decide who conduct its orientation exercise without being restrictive.
- It was agreed that the Co-Chair acts on behalf of the Chair in the absence of the Chair, not a proxy.
- It was agreed that the MSG meets on a quarterly basis.
- It was agreed that succession of the Chairmanship of the MSG be in order of the permanent members.
- It was agreed that the Chairman may call emergency meeting in consultation with at least one member from each sector.
- The Chairman shall call emergency meeting without specific timeframe for notification of members.
- It was agreed that the paragraph on penalties for prolonged absence be reworded and a committee will handle the details.
- Cllr. Warner advised the every committee of the MSG must reflect all constituent parts of the MSG.

- One the issue of observer, Cllr. Warner clarified that observers have no voice, they can only suggest. They can also serve as observers on Committees and must be clearly designated for the records.
- It was agreed that members attend at least 50% of regular meetings while having alternate.
- Cllr. Warner suggested that the MSG change “emergency meeting” to “called meeting” and that all members should be scored on regular meetings, not emergency meetings.
- On the issue of meeting place, the MSG agreed that it reads,” As may be determined by the Chairman in consultation with majority members.”
- Under attendance, the MSG agreed that the word “sub-committee” should replace “Secretariat” to be in line with previous changes made.
- The Chairman advised that the MSG Policy manual be thoroughly looked at by a committee and brought for approval. The MSG agreed that the Governance and Ethics Committee look at the manual following its reconstitution.
- The MSG agreed to include partners on all committees of the MSG.
- The Chair applauded GIZ and promised to engage other partners to come to MSG meetings.
- The Chair also mandated the Secretariat to email all committee structures to MSG members so that they can choose committees they wish to serve on.

**Presentation 2: By Jeffrey N. Yates (Officer-In-Charge/LEITI)**

**Topic: The EITI Reporting Process, Results and Validation**

*Covered: General Objective of LEITI, What is an EITI Report, Things to do Before and After the Production of the Report, Objective of EITI Reconciliation, Reconciliation Results for 2017/18, Summary of EITI Reports, Extractive Revenue Flow, 2007-2016, Validation*

- He talked about the general objective of LEITI being to ensure that all payments due the government and people of Liberia on account of the exploitation of minerals and other natural resources are:
  - ✓ Verifiably paid
  - ✓ Duly accounted for and
  - ✓ Prudently utilized
- He explained that an EITI Report is schedule of verified payments and revenues data of the extractive sector of an EITI country. He stated that EITI Report is at the core of the EITI process.
- EITI reporting process is not just about the report, but what happens before the report is produced and what happens after the report is produced.
- He listed things to do before the production of the report:
  - ✓ Capacity building
  - ✓ Agreement on scope of the report
  - ✓ Agreement on taxes and revenues streams to be reported
  - ✓ Effective communication and outreach
- He also listed things to do after the report is produced:

- ✓ Ensure that the reported is communicated
  - ✓ Identify address weaknesses or gaps in the report and the MSG takes remedial action.
- MSG needs to establish focal person at each reporting entity to be responsible for EITI reporting.
- Objective of EITI reporting:
  - ✓ Reconcile data of companies with that of Government;
  - ✓ Assist the Government in identifying the positive contribution of the extractive sector to the economy.
- He showed the reconciliation results for fiscal year 2017/18 showing payments and receipts.
- Published reconciliation figures reflect only the period they are due.
- Investigation of discrepancies is usually done to establish the cause of the discrepancies.
- He emphasized that the figures in LEITI Reports are verified and comprehensive.
- He mentioned the fact that the credibility of LEITI reports have never been challenged.
- Challenges of previous reporting are discussed at the technical workshop of the subsequent reporting.
  
- Summary of EITI Reports published showing results from 2007 to 2018.
  - ✓ 2007/2008----30 companies-----29.5M
  - ✓ 2012/2013-----85 companies-----185.35M
  - ✓ 2017/2018----19 companies-----68.98M
- He stated that templates are usually explained at the technical workshop before entities begin populating them.
- He presented a graph showing extractive revenue performance between fiscal years 2007/08 and 2015/16.
- He explained Validation within the context of the EITI. He described it as an independent review of the entire EITI process; how it verifies results on ground and provides quality control mechanism. He also spoke about the implications of Validation and how de-listing come about.
- He indicated that Liberia's Validation is scheduled for July 1.
- He said the MSG will look into concerns about recognizing most EITI compliant companies by certificating them.

## Questions and Answers

- On the issue of variance between payments and receipts, Al Dennis from LRA stated some companies do not even know what they paid. They come to the LRA for payment data. He clarified that the difference in payments is usually due to companies including payments not made to LRA in their filing.
- Proxy from MFDP asked as to whether the templates are explained before issuance to reporting companies.



- Mr. Fallah Kamara urged the MME to bring more pressure on gold miners to increase Government revenue from this activity.
- The Co-Chair said that people don't understand how some things work in Liberia. He referenced how LRA took control of 50kg of gold seized at the airport but people in the past but people wrongly blame the MME for these things.
- The Chair said that certain things were beyond the control of Government. He said Government needs to strengthen regulation and control to ensure that we minimize smuggling of minerals across the borders. He attributed revenue drop to fall in commodity prices and Covid-19.
- Mr. Witherspoon asked that the MSG looks at past validation result and review it as a guide for the pending Validation. He wants the Secretariat identify the specific issues of Validation that need to be addressed.
- Co-Chair requested that LEITI provide encouragement during dissemination to reporting companies that did well in the reporting and certificate them.

### **MSG Strategy for Funding LEITI**

- On the issue of strategy for funding LEITI, Jeffrey Yates suggested establishing an escrow account for donors to contribute and a Committee of the MSG to engage the MFDP on LEITI funding.
- Mr. Elvis Morris of GVL suggested that to fund LEITI, the MSG needs to get to groups that once funded LEITI activities and also engage the Government for increased budgetary support.
- The Co-Chair advised that the issue of LEITI funding be handled by the Finance and Administration Committee and report to the MSG.
- Daniel Nyankonah of the PUL said that innovation is needed on the issue of funding. He suggested the tying cost to activities and selling it to donors. Mr. Witherspoon suggested a pull fund and reaching out to Samson Tokpah for his approach he used to attract donors in the past.
- The Chair said the issue of funding will be turned over to the Finance and Administration Committee at next meeting. He urged the country to focus on domestic revenues mobilization and austerity measures on resources because donors support can shrink over time. He encouraged the MSG to go beyond the traditional donors.
- He concluded by saying that after the reconstitution of the Finance and Administration Committee, engagements will start on LEITI funding.

### **MSG Self-Assessment**

- On the issue of self-assessment, Mr. Daniel Nyankonah asked as to whether we have the tools for the assessment. The Chair said the Secretariat will work with the MSG committees to develop the tools and conduct that exercise.

### **Recommendations from Cllr. Warner:**

- ✓ He recommended that the MSG make usage of Social Development Funds a subject for MSG discussion.

- ✓ He recommended that government takes charge and have conversation with counties to ensure that SDF benefit all and not few at certain level.
- ✓ He recommended that the MSG takes transparency to the subnational level too, not only the national level.
- ✓ He recommended that the MSG seeks at least 30minutes of Cabinet time to make a presentation on LEITI, because if the MSG must rise to the occasion, government must be engaged.
- ✓ He recommended that in the interest of technical purity, NOCAL relinquishes its license regulation to avoid conflict of interest.
- ✓ He recommended that the MSG considers the frequency of meetings.
- ✓ He recommended that Legislators serve on the LEITI MSG upon based on nomination and appointment by the President.
- ✓ He recommended that by parity of reasoning, Ministry of Agriculture should be a permanent member of LEITI MSG.
- ✓ He recommended that MSG members have convenience and be treated with dignity and held at high standard.

### **Other General Recommendations**

- ✓ The MSG should conduct a scoping study on NAFAA to determine its revenue generation capacity.
- ✓ Assessment tools should be designed by the Secretariat and MSG Committees for the self-assessment exercise.
- ✓ The Secretariat should look into recognizing and certifying best reporting entities during dissemination.
- ✓ Opening escrow or pull fund to support LEITI activities.
- ✓ Setting up a Committee of the MSG to engage the MFDP on budgetary increment.
- ✓ Engage groups that once funded LEITI to encourage them to resume supporting LEITI.

### **Saturday (Day-2)**

- Minister Miller presided in the absence of the Chairman and did the welcome remark.
- The Secretariat will forward the Retreat report to all MSG members and AfDB.

- A recap of major decisions made by the MSG.
- The Secretariat will forward both presentations to the MSG members.
- The utilization of the remaining AfDB funds before the time expires.( Discussions on how to utilize the MSG balance money and how it worked in the past)
  - ✓ The fund is for feedback
  - ✓ The MSG has already agreed on how the money will be distributed
  - ✓ Each bloc will do a concept note on the utilization of the allotted fund.
  - ✓ The messaging for each bloc should be consistent. The message will be developed by the Secretariat.

### **Presentation of Recommendations from the Mainstreaming Workshop**

- Committees Formation

#### **F&A**

- 1.LRA
- 2.PWYP
- 3.MICSOL
- 4.LibTA
- 5.GVL
- 6.LLC
- 7.MFDP

#### **GEM**

1. PWYP
- 2.MOJ
- 3.NOCAL
4. LibTA
- 5.AML
6. PUL
- 7.LLC

#### **R&C**

- 1.PUL
- 2.PWYP
- 3.MICSOL
- 4.NOCAL
5. GVL
6. MME
7. MOJ
8. MOA

Signing of contracts by the Chairman and turning over to the new Head of Secretariat concluded the MSG Retreat.