



LEITI Liberia Extractive
Industries Transparency Initiative

LEITI Report

Reporting period: 1 July 2021 to 31 December 2022

December 2023



This report has been prepared at the request of the Multi-Stakeholder Group (MSG) in charge with the implementation of the Extractive Industries Transparency Initiative in Liberia (LEITI). The opinion expressed in the report are those of the Independent Administrator and did not reflect the official opinion of the LEITI MSG. This report has been prepared exclusively for use by EITI Liberia and must not be used by other parties, nor for any purposes other than those for which it is intended.

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LIST OF ACRONYMS

ABWA	(Association of) Accountancy Bodies in West Africa
AME	Assistant Minister for Exploration
ASM	Artisanal and Small-scale Mining
BO	Beneficial Ownership
BWG	Budget Working Group
CBD	Convention on Biological Diversity
CBL	Central Bank of Liberia
CFMA	Community Forest Management Agreement
CIT	Company Income Tax
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMS	Convention on the Conservation of Migratory Species of Wild Animals
DBDP	Department of Budget & Development Planning
DEM	Department of Economic Management
ECOWAS	Economic Community of West African States
EIA	Environmental Impact Assessment
EIS	Environmental Impact Statement
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Plan
EPA	Environmental Protection Agency
EPML	Environmental Protection and Management Law
EU	European Union
EUTR	European Union Timber Regulation
FAO	Food and Agriculture Organisation
FDA	Forestry Development Authority
FLEGT-VPA	Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement
FMC	Forestry Management Contract
FY	Fiscal Year
GAC	General Auditing Commission
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GHG	Greenhouse Gas
GIS	Geographic Information System
GoL	Government of Liberia
HSE	Health Safety and Environment
HTC	Hydrocarbon Technical Committee
IA	Independent Administrator
IFAC	International Federation of Accountants
IFAD	International Fund on for Agricultural Development
IMCC	Inter-Ministerial Concession Committee
ISRS	International Standards on Related Services
ISSAI	International Standards of Supreme Audit Institutions
ITAS	Integrated Tax Administration System
ITTO	International Tropical Timber Organization

IUCN	International Union for Conservation of Nature
IWRM	International Water Resources Management
LACRA	Liberia Agriculture Commodity Regulatory Authority
LBR	Liberia Business Registry
LEITI	Liberia Extractive Industries Transparency Initiative
LGS	Liberian Geological Survey
LICPA	Liberian Institute of Certified Public Accountants
LPRA	Liberia Petroleum Regulatory Authority
LRA	Liberia Revenue Authority
LRC	Liberia Revenue Code
MCAS	Mining Cadastre Administration System
MCIMU	Mining Cadastre Information Management Unit
MDA	Mineral Development Agreement
MFDP	Ministry of Finance and Development Planning
MME	Ministry of Mines and Energy
MoA	Ministry of Agriculture
MoL	Ministry of Labour
MSG	Multi-stakeholder Group
MTEF	Medium Term Expenditure Framework
NBC	National Bureau of Concessions
NEP	National Environmental Policy
NOCAL	National Oil Company of Liberia
NPA	National Port Authority
OEP	Opening Extractive Programme
OTP	Order To Pay
PAFA	Pan African Federation of Accountants
PEP	Politically Exposed Persons
PEPA	Petroleum Exploration and Production Act
PETS	Public Expenditure Tracking
PFM	Public Finance Management
PSC	Production Sharing Contract
REDD	Reducing Emissions from Deforestation and forest Degradation
ROR	Rate of Return
RT	Reporting Template
SIGTAS	Standard Integrated Government Tax System
SOE	State-Owned Enterprise
TSC	Timber Sales Contract
TTG	Tonalite-trondhjemite-granodiorite
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
USA	United States of America
USD	United States dollar

1. OVERVIEW

1.1. Extractive Industries Transparency Initiative (EITI)

Background

The Extractive Industries Transparency Initiative (EITI) was first announced at the World Summit on Sustainable Development in Johannesburg in 2002 (the Earth Summit 2002) and was officially launched in London in 2003.¹

It is a global Standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debates, and enhance trust. In each implementing country, it is supported by a coalition of governments, companies operating in the extractive sector and civil society organisations working together.

Evolving normative framework (2003-2023)

From 1 January 2020 onwards, EITI reports should be prepared based on the 2019 EITI Standard (here in after referred to as the “The EITI Standard”). This is the sixth version of the Standard since the EITI Principles were declared in 2003. Please see Figure 1 below.

The EITI Standard encourages countries to make use of existing reporting systems for EITI data collection and to make the results transparent at source. The EITI Standard introduced new aspects on environmental, social, and gender impacts. It also broke ground on the disclosure of the identity of the real owners - the ‘beneficial owners’ - of the companies that have obtained rights to extract oil, gas and minerals starting from 2020. It sets out the requirements which countries need to meet to be recognised, first as EITI Candidates and subsequently as EITI Compliant countries.

Recognising the challenges associated with the COVID-19 pandemic, the EITI Board issued new measures to provide flexibility in EITI implementation and reporting scheduled for publication in 2021 and 2022.²

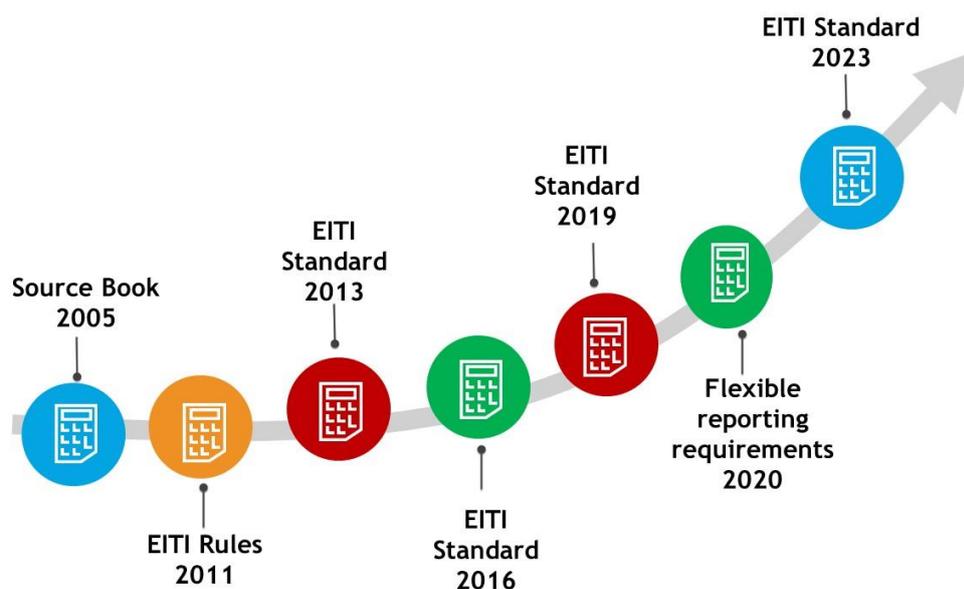
The 2023 EITI Standard

The EITI Standard was revised in June 2023 following the EITI Global conference in Dakar, Senegal. The 2023 EITI Standard includes several new and revised provisions that enable countries to respond to the most pressing challenges that concern natural resource governance today. The summary of changes enacted with the 2023 Standard, which comes into effect from 1 January 2025 is available [here](#).

¹ For more information on the EITI, please visit their website [here](#).

² For more information on these measures, please see [here](#).

FIGURE 1: EVOLVING NORMATIVE FRAMEWORK (2003-2023)



Independent evaluation of EITI

The EITI International Secretariat published in November 2022 an [independent evaluation of EITI](#). It builds on efforts to strengthen the EITI’s approach to documenting, communicating and learning from the results of implementation, in line with recommendations from a 2020 review of international best practice in results measurement and impact evaluation.

The study raised some findings about these points:

- Informing the energy transition
- Supporting open data
- informing investment decisions
- Strengthening revenue mobilisation
- Addressing corruption risks
- Measuring impact

1.2. EITI in Liberia-Timeline³

Liberia signed up to the EITI process in April of 2007 and was subsequently established as an autonomous agency by an Act of the Liberian Legislature approved on 10 July 2009.⁴ Liberia became EITI compliant in 2009. The LEITI is led by a governing board called the Multi-stakeholders Group (MSG), which comprises representatives of the Government of Liberia

³ For more information on EITI in Liberia, see the website, [here](#).

⁴ Source: <https://www.a-mla.org/images/acts/2009-07-10-act-2009-act-establishing-the-liberia-extractive-industries-and-transparency-initiative-leiti-ext-en.pdf>

(GoL), civil society organizations (CSO), the private sector, and Liberia’s development partners.

The LEITI process covers the mining and oil & gas sector as well as agriculture and forestry sector. To date fourteen (14) annual EITI Reports have been published covering the period from 1 July 2007 until 30 June 2021. The timeline for LEITI process can be presented as follows:

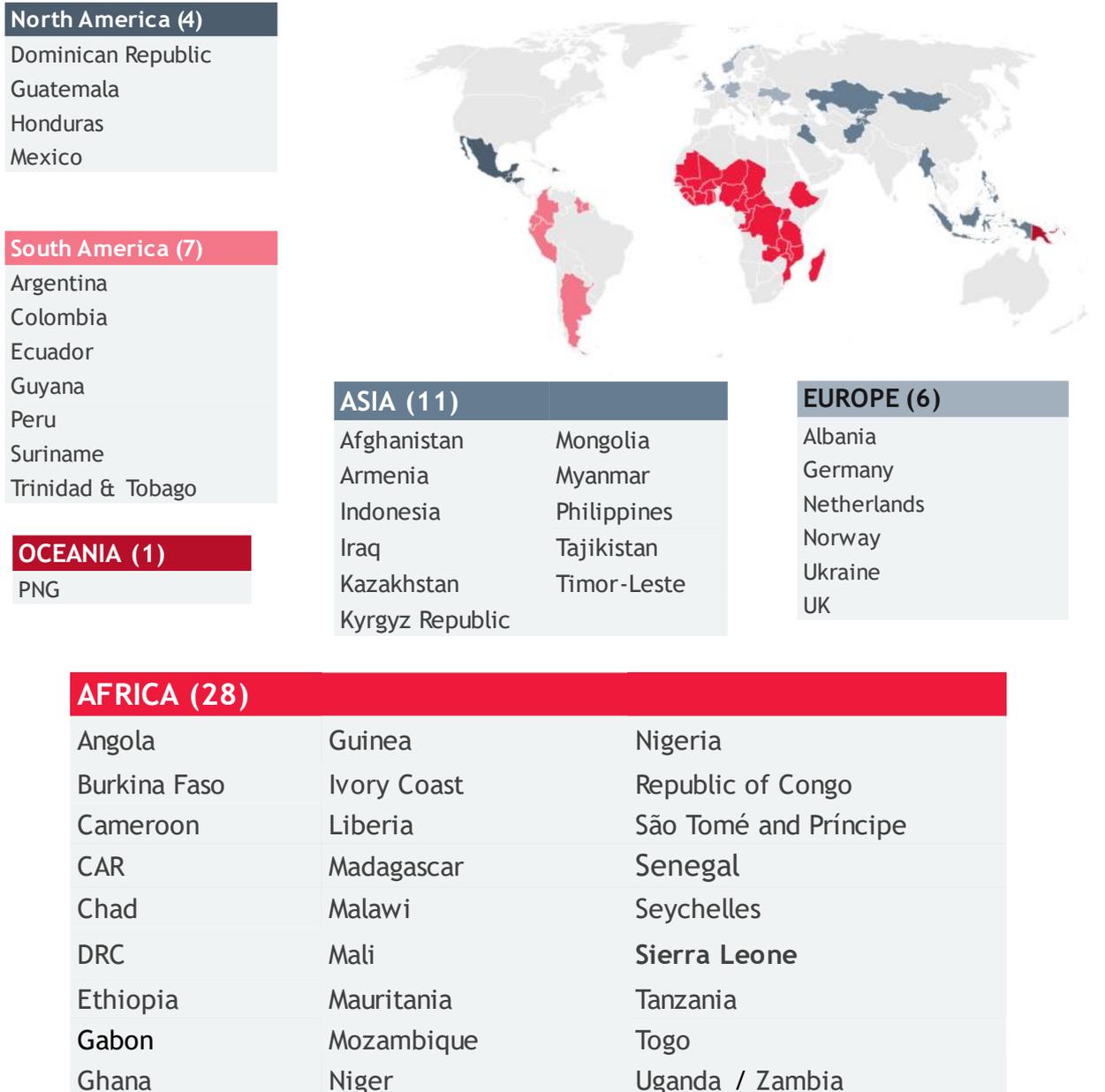
TABLE 1: LEITI PROCESS TIMELINE

Date	Event
2007	Liberia MSG formed.
2007	Liberia's government announces Commitment to EITI.
2008	Liberia becomes a candidate country.
January 2009	Liberia 1 st EITI Report published. (Period covered: July 2007 - June 2008)
July 2009	Liberia published the LEITI Act
2009	Liberia Wins EITI Chair's award at Doha Global Conference.
2009	Liberia Validation Report submitted
2009	LEITI Act requires disclosure of contracts and payments from stakeholders.
October 2009	Liberia designated Compliant country.
January 2010	Liberia 2 nd EITI Report published. (Period covered: July 2008 - June 2009)
November 2011	Liberia 3 rd EITI Report published. (Period covered: July 2009 - June 2010)
May 2013	Liberia 4 th EITI Report published. (Period covered: July 2010 - June 2011)
2013	Post Award Process Audit reveals that procedures for awarding contracts are not being followed.
June 2014	Liberia 5 th EITI Report published. (Period covered: July 2011 - June 2012)
December 2015	Liberia 6 th EITI Report published. (Period covered: July 2012 - June 2013)
30 June 2016	Liberia 7 th EITI Report published. (Period covered: July 2013 - June 2014)
1 July 2016	Commencement of Validation.
July 2016	Liberia 8 th EITI Report published. (Period covered: July 2014 - June 2015)
January 2019	Liberia 9 th EITI Report published. (Period covered: July 2015 - June 2016)
December 2019	Liberia 10 th and 11 th EITI Report published. (Period covered: July 2016 - June 2018)
April 2021	Liberia 12 th EITI Report published. (Period covered: July 2018 - June 2019)
May 2022	Scoping Report on Beneficial Ownership Transparency in Liberia published
June 2022	Liberia 13 th EITI Report published. (Period covered: July 2019 - June 2020)
December 2022	Liberia 14 th EITI Report published. (Period covered: July 2020 - June 2021)

EITI Implementing countries

EITI is currently being implemented in 57 countries in Africa, Asia, Europe, America and Oceania. Please see Figure 2 below.

FIGURE 2: MAP OF EITI IMPLEMENTING COUNTRIES



1.3. Objective

EITI requires publishing comprehensive EITI reports, including full disclosure of government revenues from the extractive sector, as well as the disclosure of all material payments made to the government by companies operating in the oil, gas and mining sectors.

The objective of this EITI report is to gain an understanding of the level of contributions of the extractive sector to the economic and social development of Liberia, and to improve transparency and good governance at all levels of the extractive industry value chain.

The objectives of EITI implementation are detailed in the EITI standard.

1.4. Scope of Work

BDO LLP and Parker & Company, LLC were appointed as Independent Administrator to prepare the 15th LEITI Report for the period from 1 July 2021 to 31 December 2022.

This engagement was carried out in accordance with the International Standards on Related Services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information). The procedures performed were those set out in the terms of reference included in the contract for consultants' services.

The reconciliation procedures carried out were not designed to constitute an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result, no assurances on the transactions beyond the explicit statements set out in this report are being expressed.

Reported data disaggregated by extractive entities, government agencies and revenue streams, are presented in Sections 6 and 7 of this report.

This report incorporates information received up to 11 December 2023. Any information received after this date has not, therefore, been included in this report.

2. EXECUTIVE SUMMARY

This report covers payments made by extractive entities and revenues received by government agencies and other material payments and benefits to government agencies as stated by Requirement 4.1 of the 2019 EITI Standard.

It also includes contextual information about the extractive industries in accordance with EITI Requirements 2, 3, 4, 5 and 6. This information includes a summary description of the legal framework and fiscal regime, an overview of the extractive sector, the extractive industries' contribution to the economy, production and exports data, the State's shareholding in extractive entities, revenue allocations, license registers and license allocations.

2.1. Revenue Generated from the Extractive Industries

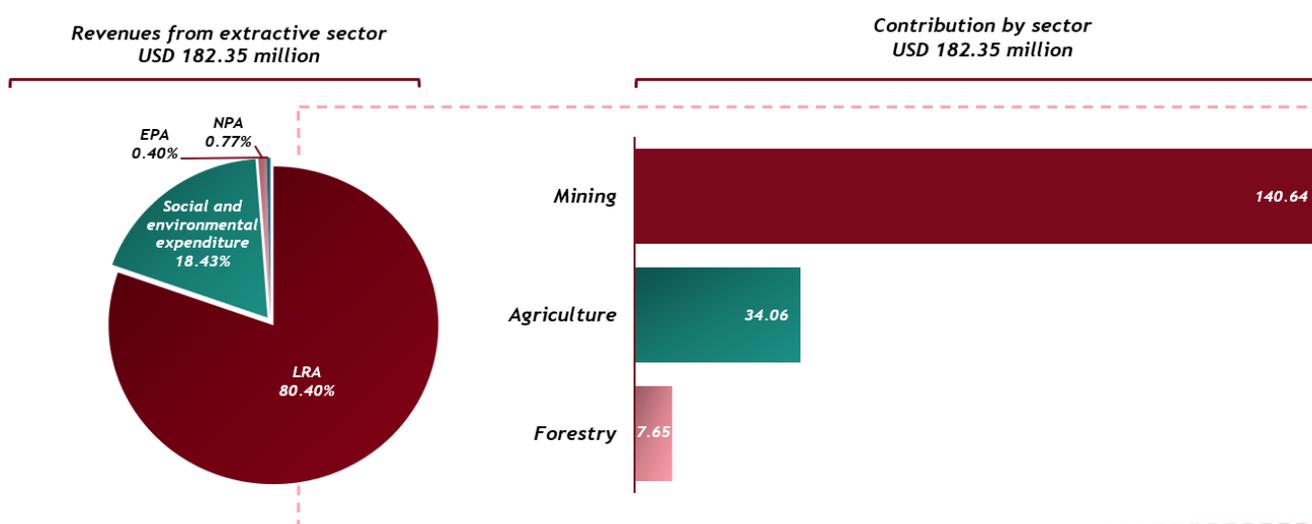
Total revenues received from the extractive sector amounted to **USD 182 million** during the period from 1 July 2021 to 31 December 2022. Revenues collected by the Liberia Revenue Authority (LRA) accounted for 80% of the total revenue streams generated by the sector. The breakdown of revenues is set out in the table below:

TABLE 2: TOTAL EXTRACTIVE REVENUES BY GOVERNMENT AGENCY AND BY SECTOR

Amounts in USD million	Mining	Agriculture	Forestry	Total revenues	% of total revenues
Liberia Revenue Authority (LRA)	119.45	20.10	7.06	146.61	80.40%
Social and environmental expenditure	20.32	13.18	0.10	33.60	18.43%
National Port Authority (NPA)	0.21	0.75	0.46	1.41	0.77%
Environmental Protection Agency (EPA)	0.66	0.03	0.03	0.73	0.40%
Total	140.64	34.06	7.65	182.35	100.00%

Source: LEITI Reporting templates

FIGURE 3 : STRUCTURE OF REVENUES FROM THE EXTRACTIVE SECTOR

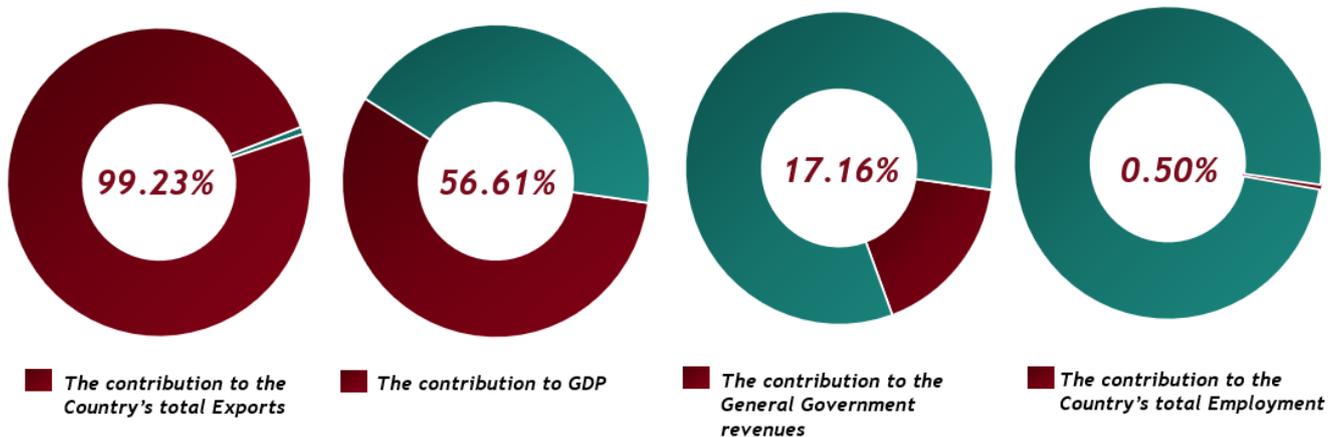


The detail of total extractive revenues during the period from 1 July 2021 to 31 December 2022 is presented in Section 7 of this report.

2.2. Contribution to Liberia's Economy

The contribution of the extractive sector can be summarised as follows:

FIGURE 4 : CONTRIBUTION OF THE EXTRACTIVE SECTORS TO THE ECONOMY



The value of exports from the mining, forestry and agriculture sectors amounted to USD 1,472 million accounting for 99.23% of the total exports of the country during the period from 1 July 2021 and 31 December 2022.

According to the Central Bank of Liberia (CBL), the Gross Domestic Product (GDP) from mining, forestry and agriculture sector sectors amounted to USD 1,924 million and accounted for 56.61% of total GDP in 2022.

The contribution of the extractive sector to Government's revenue amounted to USD 182.35 million, accounting for 17.16% of the total domestic revenues for the period from 1 July 2021 and 31 December 2022.

According to data collected from the Ministry of Labour (MoL), there were 12,017 people employed in the mining, agriculture and forestry sectors in 2022, representing 0.5% of the country's labour force, 21% of them are female workers.

The details of the contribution to the economy are presented in Section 4.15 of this report.

2.3. Production and Export Data

Production

The table below presents the summary of production quantities for the mining, agriculture and forestry sectors during the period from 1 July 2021 and 31 December 2022 by commodity:

TABLE 3: PRODUCTION DATA (QUANTITIES)

Sector/Commodity	Unit	Volume
Mining sector (1)		
Iron Ore (2)	MT	6,852,999
Diamond	Carat	87,732
Gold	Kg	14,092
Agriculture sector (3)		
Rubber	Ton	122,265
Crude Palm Oil	MT	40,343
Kernel Palm	MT	7,434
Palm	Ton	5,500
Palm Kernel Cake	MT	3,551
Kernel Palm Oil	MT	2,614
Forestry sector (4)		
Round Logs	m ³	263,324

Source: LEITI Reporting templates

(1) According to the data collected from the Ministry of Mines and Energy (MME).

(2) According to the data collected from the mining companies included in the reconciliation scope namely Arcelor Mittal (Liberia) Ltd and Western Cluster Limited. The Iron Ore production data was not provided by the MME.

(3) According to the data collected from the agricultural companies included in the reconciliation scope. Production data for the agriculture sector was not provided by the Ministry of Agriculture (MoA).

(4) According to the data collected from the Forestry Development Authority (FDA).

We contacted the MME (for the mining sector), the FDA (for the forestry sector) and the MoA (for the agriculture sector) and invited them to provide us with the production and exports data in terms of volume and value. However, no information on the value of production has been communicated by the government agencies nor the extractive companies included in the reporting scope. Details of production volumes are detailed by sector and by extractive company in section 4.12 of this report.

Exports

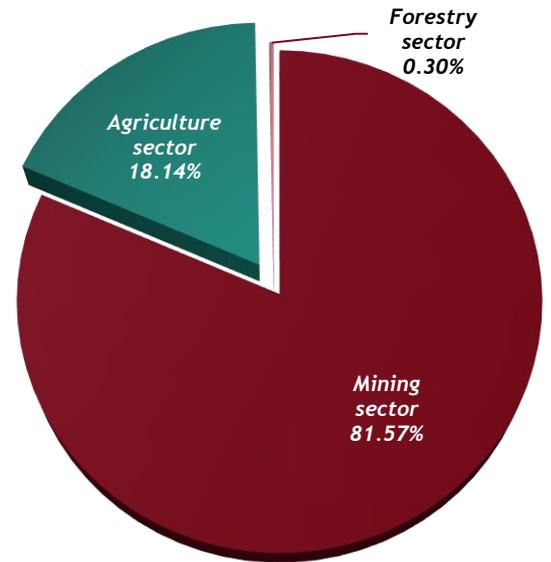
The table and figures below provide an overview of exports data from the mining, agricultural and forestry sectors as well as the contribution by sector and by commodity to the State exports' during the period from 1 July 2021 to 31 December 2022:

TABLE 4: EXPORT DATA

Sector/Commodity	Unit	Volume	Value (USD million)	%
Mining sector (1)			1,200.56	81.57%
Gold	Kg	14,092	693.80	47.14%
Iron ore (2)	Mt	6,365,189	477.23	32.42%
Diamond	Carat	84,583	29.54	2.01%
Agriculture sector (3)			266.98	18.14%
Rubber	Ton	125,432	201.18	13.67%
Crude palm oil	Mt	1,239,197	51.25	3.48%
Palm	Ton	6,149	9.70	0.66%
Kernel palm oil	Mt	2,846	4.76	0.32%
Kernel palm	Mt	402,933	0.08	0.01%
Forestry sector (4)			4.36	0.30%
Round logs	m3	188,737	4.36	0.30%
Total Export			1,471.90	100.00%

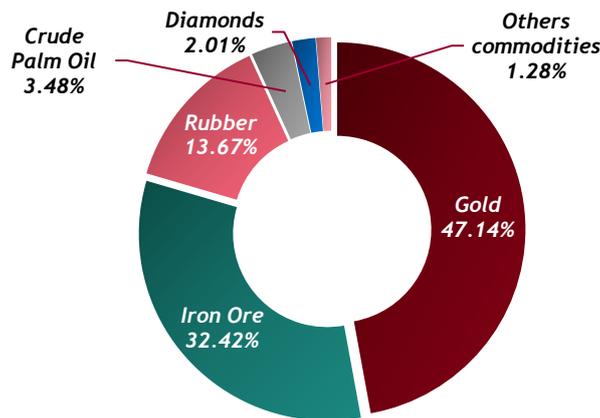
Source: LEITI Reporting templates

FIGURE 5: EXPORT CONTRIBUTION BY SECTOR



- (1) According to the data collected from the Ministry of Mines and Energy (MME).
- (2) According to the data collected from the mining companies included in the reconciliation scope namely Arcelor Mittal (Liberia) Ltd and Western Cluster Limited. The Iron Ore production data was not provided by the MME.
- (3) According to the data collected from the Ministry of Agriculture (MoA) and the agricultural companies included in the reconciliation scope.
- (4) According to the data collected from the Forestry Development Authority (FDA).

FIGURE 6: EXPORT CONTRIBUTION BY COMMODITY



2.4. Scope of the Data Collection and Reconciliation

Reconciliation scope

The LEITI MSG agreed to include the mining, agricultural and forestry sectors in the reconciliation scope.

Based on the revenue structures collected by the LRA, the LEITI MSG agreed to include six (6) mining companies, six (6) agricultural companies and nine (9) forestry companies, which held active licenses during the period from 1 July 2021 to 31 December 2022 and which made payments over the materiality threshold of USD 1,000,000 for the mining and agricultural sectors and USD 100,000 for the forestry sector.

TABLE 5: LIST OF EXTRACTIVE ENTITIES RETAINED IN THE RECONCILIATION SCOPE

N°	Company name	Mining	Agriculture	Forestry
1	Arcelor Mittal (Liberia) Ltd	✓		
2	Bao Chico Resources Liberia Ltd	✓		
3	Bea Mountain Mining, Inc.	✓		
4	Hummingbird Resources (Liberia) Inc	✓		
5	MNG Gold Liberia, Inc	✓		
6	Western Cluster Limited	✓		
7	Cavalla Rubber Corporation		✓	
8	Firestone Liberia Incorporated		✓	
9	Liberian Agricultural Company		✓	
10	Libinc Oil Palm, Inc		✓	
11	Mano Palm Oil Plantation (Liberia) Inc.		✓	
12	Maryland Oil Palm Plantation		✓	
13	Euro-Liberia Logging Company			✓
14	Geblo Logging, Inc			✓
15	Horizon Logging Limited			✓
16	Kisvan Timber Corporation			✓
17	L & S RESOURCES, INC.			✓
18	Liberia Tree And Trading Company Inc			✓
19	Masayaha Limited Liability Corporation (LLC)			✓
20	Sinoforest International Corporation Liberia, Inc.			✓
21	West African Forest Development Incorporated (WAFDI)			✓

The revenues included in the reconciliation scope for the period from 1 July 2021 to 31 December 2022 represent 71% of the total adjusted revenues from the mining, agriculture and forestry sectors as detailed below:

TABLE 6: RECONCILED REVENUES FOR THE PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2022

Payments from	Revenues July 2021- December 2022		Breakdown by sector		
	(USD million) (a)+(b)+(c)	% Contribution	Mining (a)	Agriculture (b)	Forestry (c)
Total reconciled revenues(*) (1)	130.09	71%	108.10	17.86	4.13
Unilateral disclosure by Government Agencies (**)	18.66	10%	12.22	3.02	3.42
Unilateral disclosure by companies (**)	33.60	18%	20.32	13.18	0.10
Total unilateral disclosure (2)	52.26	29%	32.54	16.20	3.52
Total revenues (1) + (2)	182.35	100%	140.64	34.06	7.65

(*) Reconciled revenues detailed by extractive entity in Section 6 of this report.

(**) Unilateral disclosure by Government Agencies and by companies are detailed by company in Section 7.2 of this report.

The LEITI MSG agreed to include in the reconciliation scope the LRA which is a centralised government revenues collection agency responsible for collecting taxes from extractive entities.

Unilateral disclosure for the Mining Sector

As agreed by LEITI MSG, revenues below the materiality threshold collected from mining entities were included in the EITI Scope through unilateral disclosure by government agencies in accordance with EITI Requirement 4.1.d.

Mining entities within the reconciliation scope have also been requested to disclose unilaterally all social and environmental expenditure as well as the subnational payments they made.

Based on the above, we have included a combined amount of USD 32.54 million as unilateral disclosures by Government Agencies and by mining companies in the report. These unilateral disclosures represent 23% of total mining sector revenues, which therefore means that 77% of total revenue of the mining sector was included in the reconciliation scope.

TABLE 7: UNILATERAL DISCLOSURE FOR THE MINING SECTOR

Payments from	Revenues July 2021- December 2022	
	(USD million)	%
Mining sector total revenue	140.64	100%
Reconciled revenue from the mining sector	108.10	77%
Unilateral disclosure by government agencies	12.22	9%
Unilateral disclosure by mining entities within the reconciliation scope (*)	20.32	14%
Total unilateral disclosure of mining sector revenues	32.54	23%

Source: LEITI Reporting Templates

(*) This corresponds to Social and environmental Contribution (SC) reported by the mining entities within the reconciliation scope.

The details of the unilateral disclosure are presented in Section 7.2 of this report.

Unilateral disclosure for the Agriculture Sector

We included a combined amount of USD 17.86 million as unilateral disclosures by government agencies and agricultural companies in the report. These unilateral disclosures represent 48% of total revenues of the agriculture sector, which therefore means that 52% of the total agriculture sector revenue was included in the reconciliation scope.

TABLE 8: UNILATERAL DISCLOSURE FOR THE AGRICULTURE SECTOR

Payments from	Revenues July 2021-December 2022	
	(USD million)	%
Agriculture sector total revenue	34.06	100%
Reconciled revenue from the agriculture sector	17.86	52%
Unilateral disclosure by Government Agencies	3.02	9%
Unilateral disclosure by agricultural entities within the reconciliation scope (*)	13.18	39%
Total unilateral disclosure of agriculture sector revenues	16.20	48%

Source: LEITI Reporting Templates

(*) This corresponds to Social and environmental Contribution (SC) reported by the agricultural entities within the reconciliation scope.

Details of the unilateral disclosure are presented in Section 7.2 of this report.

Unilateral disclosure for the Forestry Sector

As agreed by LEITI MSG, revenues collected from forestry entities below the materiality threshold were included in the EITI Scope through unilateral disclosure by Government Agencies in accordance with EITI Requirement 4.1.d.

According to a confirmation received from the FDA, the LEITI MSG agreed to exclude the following five (5) forestry companies from the reconciliation scope, despite the fact that their payments are above the materiality threshold, due to their inactivity, and to include the related revenues through unilateral disclosure by Government Agencies.

TABLE 9: LIST OF INACTIVE FORESTRY COMPANIES EXCLUDED FROM THE RECONCILIATION SCOPE

N°	Company name
1	Indo African Plantations Liberia Inc
2	Mandra Forestry Liberia Ltd
3	Akewa Group of Companies
4	Alpha Logging and Wood Processing Inc
5	Coveiyalah Investment Enterprises Inc

Based on the above, we have included a combined amount of USD 3.52 million as unilateral disclosures by Government Agencies and by agricultural companies in the report. These unilateral disclosures represent 46% of total forestry sector revenues, which therefore means that 54% of total revenue of the forestry sector was included in the reconciliation scope.

TABLE 10: UNILATERAL DISCLOSURE FOR THE FORESTRY SECTOR

Payments from	Revenues July 2021-December 2022	
	(USD million)	%
Forestry sector total revenues	7.65	100%
Reconciled revenues from the forestry sector	4.13	54%
Unilateral disclosure by government agencies	3.42	45%
Unilateral disclosure by forestry entities within the reconciliation scope (*)	0.10	1%
Total unilateral disclosure of forestry sector revenues	3.52	46%

Source: LEITI Reporting Templates

(*) This corresponds to Social and environmental Contribution (SC) reported by the agricultural entities within the reconciliation scope.

The details of the unilateral disclosure are presented in Section 7.2 of this report.

2.5. Completeness and Reliability of Data

Comprehensiveness

Government Agencies

The LEITI MSG agreed that nine (9) government agencies would be required to disclose the revenues received from extractive companies, contextual data related the exploration, production, exports, state participation, infrastructure provisions and barter agreements, environmental and social expenditure, and employment as required by the EITI Standard. The government agencies selected in the scope are presented in the table below:

TABLE 11: LIST OF GOVERNMENT AGENCIES WITHIN THE LEITI REPORTING PROCESS

N°	Government agency	Status
1	Liberia Revenue Authority (LRA)	Included in the reconciliation scope
2	Environmental Protection Agency (EPA)	Unilateral disclosure
3	National Port Authority (NPA)	
4	Ministry of Mines and Energy (MME)	
5	Ministry of Agriculture (MoA)	
6	Forestry Development Authority (FDA)	
7	National Oil Company of Liberia (NOCAL)	
8	Liberia Petroleum Regulatory Authority (LPRA)	
9	Ministry of Labor (MoL)	

All government agencies included in the reporting scope of the LEITI 15th report through unilateral disclosure or included in the reconciliation scope, have submitted their reporting templates.

Based on the above, we can reasonably conclude that both financial and non-financial data included in the LEITI report for the period from 1 July 2021 to 31 December 2022 are comprehensive.

Extractive entities

Thirteen (13) out of 21 extractive companies included in the reconciliation scope submitted their reporting templates. Receipts reported by government agencies and relating to these extractive entities amounted to USD 125.87 million accounting for 96.75% of the reconciled revenues.

Eight (8) extractive companies did not submit their reporting templates. Receipts reported by government agencies and relating to these companies amounted to USD 4.22 million accounting for 3.25% of the reconciled revenues, details of which can be found in the table below:

TABLE 12: GOVERNMENT REVENUES RELATED TO RTs NOT SUBMITTED BY EXTRACTIVE COMPANIES

N°	Company	Amount (USD million)	Weight (%)
1	Mano Palm Oil Plantation (Liberia) Inc.	1.68	1.29%
2	Geblo Logging, Inc	1.02	0.78%
3	Horizon Logging Limited	0.18	0.14%
4	Kisvan Timber Corporation	0.20	0.15%
5	L & S Resources, INC.	0.24	0.18%
6	Liberia Tree and Trading Company Inc	0.38	0.30%
7	Masayaha Limited Liability Corporation (LLC)	0.38	0.29%
8	West African Forest Development Incorporated (WAFDI)	0.13	0.10%
Total of reporting templates not submitted by extractive entities		4.22	3.25%
Total reconciled revenues		130.09	100.00%

The status of reporting templates submitted by extractive entities is presented in Annex 8 of this report.

Based on the above, we can reasonably conclude that this report covers all significant revenues made by extractive entities to the revenues of Liberia during the period from 1 July 2021 to 31 December 2022.

Data Reliability

Government agencies

The LEITI MSG agreed to include in the reconciliation scope the LRA which is a centralised government revenues collection agency responsible for collecting taxes from extractive entities.

Receipts reported by the LRA amounted to USD 146.61 million, representing 98.56% of the total extractive revenues reported by the different government agencies included in the reporting process, and 80.40% of the total revenues from mining, agriculture and forestry sectors for the period from 1 July 2021 to 31 December 2022.

To ensure that EITI data submitted by the LRA are subject to credible, independent audits, applying international auditing standards, the LEITI MSG agreed on the reporting templates (RTs) for the LRA to be:

- co-signed by an authorised senior manager and the finance/tax officer; and
- certified by the General Auditing Commission (GAC) who should submit a report confirming that the figures and information disclosed by the LRA are in accordance with instructions issued by LEITI MSG, are comprehensive and agree with the government accounts for the reporting period 2021/22.

However, the reporting templates that were submitted by the LRA were not signed by an authorised senior manager and the finance/tax officer nor certified by the GAC, as agreed by the LEITI MSG.

Extractive companies

To ensure that EITI data submitted by extractive companies included in the reconciliation scope are subject to credible, independent audits, applying international standards on auditing, the LEITI MSG agreed on the RTs for the extractive companies to be:

- co-signed by an authorised senior manager and the finance/tax officer;
- certified by an external auditor or a statutory auditor who should confirm that the figures and information included in the RT are in accordance with the instructions issued by LEITI MSG, comprehensive and agree with the company’s accounts for the FY 2021/22; and
- accompanied by the company’s audited financial statements for the FY 2021/22 to compare the information reported in their RTs against those of the audited financial statements.

Ten (10) extractive entities submitted their RTs signed by an authorised officer at management level, while the other three (3) companies submitted unsigned RTs. The revenues reported by government agencies in respect of companies which submitted reporting templates not signed by management amounted to USD 37.08 million, representing 28.51% of the total reconciled revenues. These are set out as follows:

TABLE 13: GOVERNMENT REVENUES RELATED TO UNSIGNED REPORTING TEMPLATES

N°	Company	Amount (USD million)	% by companies
1	Bea Mountain Mining, Inc.	33.98	26.12%
2	Cavalla Rubber Corporation	1.87	1.44%
3	Maryland Oil Palm Plantation	1.23	0.95%
Total of unsigned reporting templates		37.08	28.51%
Total reconciled revenues		130.09	100.00%

Only four (4) extractive companies namely Hummingbird Resources (Liberia) Inc, MNG Gold, Bea Mountain Mining Corp and Sino-Forest International Corporation submitted their audited financial statements.

Five (5) extractive companies namely Hummingbird Resources (Liberia) Inc, Western Cluster Limited, Firestone Liberia Incorporated, Liberian Agricultural Company and Libinc Oil Palm, Inc submitted RTs that were certified by an external auditor.

Eight (8) extractive companies submitted RTs that were not certified by an external auditor. The revenues reported by government agencies in respect of the latter eight (8) companies amounted to USD 107.09 million representing 82.32% of the total reconciled revenues, details of which can be found in the table below:

TABLE 14: GOVERNMENT REVENUES RELATED TO UNCERTIFIED REPORTING TEMPLATES

N°	Company	Amount (USD million)	% by companies
1	Arcelor Mittal (Liberia) Ltd	60.53	46.53%
3	Bea Mountain Mining, Inc.	33.98	26.12%
4	MNG Gold Liberia, Inc	6.39	4.91%
5	Cavalla Rubber Corporation	1.87	1.44%
2	Bao Chico Resources Liberia Ltd	1.51	1.16%
7	Euro-Liberia Logging Company	1.45	1.12%
6	Maryland Oil Palm Plantation	1.23	0.95%
8	Sinoforest International Corporation Liberia, Inc.	0.14	0.11%
Total of uncertified reporting templates		107.09	82.32%
Total reconciled revenues		130.09	100.00%

The status of RTs submitted by extractive entities is presented in Annex 8 to this report.

Assessment of assurance level of data

Based on the above, it was not possible to conclude that the financial data submitted by Government Agencies and extractives companies, included in this report was based on data subject to audits that were performed in accordance with international standards.

2.6. Reconciliation of Cash Flows

The purpose of reconciling payment flows was to identify any potential discrepancies in the declarations and to clarify them. The discrepancies initially identified were analysed and adjusted whenever the relevant supporting documents were made available by the reporting parties.

Based on the data collected from extractive entities and Government Agencies, revenues generated from the extractive industries amounted to USD 182.35 million. The revenues included in the reconciliation scope amounted to USD 130.09 million and represent 71% of the total extractive revenues during the period from 1 July 2021 to 31 December 2022. The remaining 29% of the extractive revenues amounting to USD 52.26 million were unilaterally disclosed by the extractive companies and government agencies.

Following the adjustments resulting from the reconciliation exercise, a net difference of USD 3.54 million remained unreconciled, which represents 2.72% of government revenues of USD 130.09 million included in the reconciliation scope, as set out in the table below.

TABLE 15: CASH FLOWS RECONCILIATION FOR THE PERIOD FROM 1 JULY 2021 TO 31 DECEMBER 2022

Government agency	Extractive Companies (USD million) (a)	Govt (USD million) (b)	Unreconciled Difference (c) = (a) - (b)	% (d) = (c)/(b)
Liberia Revenue Authority (LRA)	126.55	130.09	(3.54)	(2.72%)
Reconciled government revenues	126.55	130.09	(3.54)	(2.72%)

Source: LEITI Reporting Templates

The details of the reconciliation results and adjustments made by company and by tax are set out in Section 6 of this report. The detailed reconciliation sheets by extractive entity are set out in Annex 7 to this report.

2.7. Recommendations

Relevant recommendations and additional measures to be implemented in order to improve the EITI process in Liberia are summarised as follows:

TABLE 16: SUMMARY OF THE EITI RECOMMENDATIONS

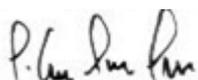
N°	Recommendations
1	Data quality and assurance (EITI Requirements 4.1 and 4.9)
2	Public disclosure of the full text of the mining licenses (EITI Requirement 2.4.e)
3	Production details and export data (EITI Requirements 3.2 and 3.3)
4	Public disclosure of beneficial ownership information (EITI Requirement 2.5)
5	Public disclosure of the SOEs audited financial statements (EITI Requirement 2.6.b)
6	Mainstreaming and systematic disclosure of EITI data (EITI Requirement 7.2)
7	Updating data on the contribution of the informal mining sector (EITI Requirement 6.3)

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27 December 2023

3. APPROACH AND METHODOLOGY

The EITI reconciliation process included the following steps:

- conducting a scoping study to determine the scope of the reconciliation exercise and to design the reporting templates;
- the collection of payment data from government agencies and extractive companies, which provides the basis for the reconciliation;
- a comparison of amounts reported by government agencies and extractive companies to determine if there are discrepancies between the two sources of data; and
- contact with government agencies and extractive companies to resolve the discrepancies identified.

3.1. Scoping Study

In accordance with our terms of reference, we carried out a scoping study, which was communicated to the LEITI MSG on matters to be considered in determining the scope for the FY 2021-22 LEITI report, including:

- materiality threshold for receipts and payments;
- taxes and revenues to be covered;
- extractive companies and government agencies to be included in the report;
- reporting templates to be used; and
- assurances to be provided by reporting entities to ensure the credibility of the data made available to us.

The results of the scoping analysis described in Section 5 of this report were approved by the LEITI MSG.

3.2. Data Collection

Instructions were developed, including reporting templates and reporting guidelines, requesting extractive companies and government agencies to report all required data.

The technical workshop was held on 29 June 2023, during which the IA presented the following:

- reconciliation process;
- reconciliation scope;
- reporting templates and instructions;
- lessons learnt from other reconciliation processes; and
- reconciliation issues.

The reporting package, including the RTs and the instructions for their completion, was sent electronically to the reporting entities.

Extractive companies and government agencies were required to report directly to the IA, to whom they were also requested to direct any queries about the RTs.

3.3. Reconciliation and Investigation of Discrepancies

The process of reconciling the data and investigating discrepancies was carried out between 7 August and 3 November 2023. In carrying out the reconciliation, the following procedures were performed:

- the figures reported by extractive companies were compared item-by-item to the figures reported by government agencies. Consequently, all discrepancies identified have been listed item by item in relation to each government agency and extractive company;
- where data reported by extractive companies agreed with the data reported by government Agencies, the government figures were considered to be correct, and no further action was undertaken; and
- Government agencies and extractive companies were requested to provide supporting documents and/or confirmation for any adjustments to the information provided on the original data collection templates.

In cases where it was not possible to resolve discrepancies, reporting entities were contacted directly for additional supporting documentation evidencing the payments declared. In certain cases, these differences remained unresolved. The results of the reconciliation exercise are presented in Section 6 of this report.

3.4. Reliability and Credibility of Data Reported

In order to comply with Requirements 4.3, 4.4, 4.6, 4.9 and 5.2.b of the 2019 EITI Standard, the LEITI MSG agreed on a procedure to address data quality and assurance of information submitted by reporting entities.

To ensure that EITI data submitted by reporting entities had been subject to credible, independent audits, applying international standards on auditing, the LEITI MSG agreed on the following approach with regards to the reporting process by Government Agencies and extractive companies included in the LEITI reporting scope:

- ✓ the declarations made by companies and government agencies should be signed by an authorised senior officer (at management level) and an authorised senior official respectively;
- ✓ the RTs submitted by government agencies included in the reporting scope certified by the GAC who should agree with the government accounts for the reporting period 2021/22; and
- ✓ the RTs submitted by the extractive companies included in the reporting scope should be certified by an external auditor or the statutory auditor for each company; and
- ✓ all reporting entities selected in the reporting scope would be required to submit their audited financial statements for the reporting period 2021/22.

For any changes to the information provided in the original data collection templates, supporting documents and/or confirmation from reporting entities would have to be made available to the IA.

3.5. Accounting records

In accordance with Requirement 4.7 of the EITI Standard, data was reported by company, by payment flow and by government agency. Reporting entities were asked to provide relevant details along with the RTs for each payment flow, as well as contextual information.

The reconciliation was carried out on a cash basis. Accordingly, payments made prior to 1 July 2021 were excluded. The same applies to payments made after 31 December 2022.

3.5.1. Extractive companies

Extractive companies usually prepare their accounting records on an accrual basis, i.e., the tax expense is recognised at the time it is due rather than at the time when it is paid. However, for EITI purposes, only amounts actually paid during the reporting period, i.e., from 1 July 2021 to 31 December 2022 were disclosed in the RTs.

3.5.2. Government agencies

In respect of government agencies, care was taken to ensure that the amounts shown on the “Payment/Receipt Report” line included all receipts in the reporting period from 1 July 2021 to 31 December 2022, irrespective of whether the receipt was allocated in the agency’s records against amounts due in previous or subsequent fiscal years.

4. CONTEXTUAL INFORMATION ON THE EXTRACTIVE SECTORS

4.1. Overview and main prospecting activities

4.1.1. Overview of the mining sector

The mining sector in Liberia is characterised by the wide variety of mineral resources, especially higher value metals such as gold and diamonds and industrial minerals like iron ore. These are mainly found in ancient greenstone belts in several regions of the country. Traces of other substances like platinum, uranium and niobium, and base metals such as nickel, cobalt, tin, lead and manganese were also found. Key industrial rocks and minerals mainly include sulphur, phosphates, clays (kyanite), granite, silica sand, heavy mineral sands (rutile & ilmenite) and diabase/dolerite. These minerals exist in both smaller and large quantities across Liberia.

Mining exploration history in Liberia⁵

The mineral industry has always historically been a key pillar of the country's economic development. Hitherto the 1990s, the minerals sector, particularly iron ore, contributed to over than 60% of export earnings and somewhat 25% of GDP⁶. Iron ore alone contributed with more than 20% of the gross national product and provided over 50,000 workplaces, employing nearby 15% of the country's total workforce. Gold and diamonds, in contrast, did not provide a significant contribution to the Liberian economy as they were primarily based on artisanal, small-scale extraction methods and tools.

During the civil disorder that lasted between 1989 to 2003, the mineral sector contribution saw a sharp drop and investments in the sector were curbed. Exports of diamonds, a significant mineral sector export, was banned. Large scale mines suspended operations, and some even closed due to the civil unrest. As a result, revenues and jobs collapsed, infrastructure was worn out and environmental impacts and overall poverty worsened.

Following the stabilisation of the political environment in the country since 2005, investments in the sector resumed which led to increased exploration and development of mines, especially in gold and diamond mines. The Government of Liberia set a strategy for the mineral sector that aims to institute appropriate policies and fiscal framework to attract investments to enhance its contribution to government revenues.

This evolution was checked in 2014 by the expansion of Ebola virus crisis that paralysed the country's economy, combined with the worldwide fall of commodity prices in the international market. As a result, industrial mining remained fairly limited and, in the absence of a formalised artisanal mining sector and the lack of foreign investment in the

⁵ A.G. Gunn et. Al (2010): The distribution of the principal bedrock gold occurrences and gold 'belts' in Liberia. A.G. Gunn et al. Ore Geology Reviews 101 (2018) 413-431 418 <https://nora.nerc.ac.uk/id/eprint/520688/1/1-s2.0-S0169136818300994-main.pdf>

⁶ [Country-Profile Liberia Final.pdf \(delvedatabase.org\)](#)

sector, mining was not producing the concrete socio-economic benefits envisioned by the government.

The government therefore acknowledges the weaknesses in the legal and regulatory framework governing the extractives sector, and have set actions to strengthen it in order to create transparency and cater to the welfare of small-scale miners while safeguarding the environment.⁷

The following timeline presents the main historical developments in the mining sector in Liberia:

FIGURE 7 : MINING SECTOR HISTORY IN LIBERIA⁸



⁷ [Country-Profile_Liberia_Final.pdf \(delvedatabase.org\)](#)

⁸ [Country-Profile_Liberia_Final.pdf \(delvedatabase.org\)](#)

Geological and resources overview

Liberia is located in the centre of the Leo-Man Shield, a craton in the southeast portion of the West African craton, across the boundary between the Archaean and Paleoproterozoic domains. The Archaean basement (3260-2850 Ma) extends across central and western Liberia, and is characterised by TTG gneisses, locally migmatite, which are in folded with supracrustal metavolcanic and metasedimentary rocks and intruded by late-Archaean granitoids. Eastern Liberia is underlain by Eburnean age tightly folded paragneiss, migmatite and amphibolite interpreted to be part of the Paleoproterozoic Birimian sequence (2200-2100 Ga). The prominent structural trend throughout most of the country is northeast to east-northeast. Along the coast to the southwest of the Archean basement is a north-northwest trending belt of Archean and Paleoproterozoic age metamorphosed sedimentary and mafic igneous rocks that were deformed during the much younger Pan African orogeny (580 Ma).⁹

These geological characteristics are similar to those of border countries that produce significant levels of gold, iron ore, diamonds, and other precious metals. The Archaean rocks are known for their iron ore deposits within the greenstone belts, with its largest deposits in south-east Guinea. The greenstone belts also host significant gold minerals with majority of them located in in Ghana, Mali, Senegal, Niger, Burkina Faso and Ivory Coast.¹⁰

Liberia's geological similarities with its neighbouring countries in the region point to a higher potential of minerals. It is understood that, despite these potentials, Liberia is still an underexplored country. Beside the traditional minerals (iron ore, gold, and diamonds), there is significant potential for other minerals including barite, heavy mineral beach sands (rutile, zircon, ilmenite, and monazite), phosphate, clays, silica sand, copper, zinc, and chromite.¹¹

⁹ [Metalite Provides Update on Its Lithium Exploration Activities in Liberia \(accesswire.com\)](#)

¹⁰ A.G. Gunn et. Al (2010): The distribution of the principal bedrock gold occurrences and gold 'belts' in Liberia.

A.G. Gunn et al. Ore Geology Reviews 101 (2018) 413-431 418 <https://nora.nerc.ac.uk/id/eprint/520688/1/1-s2.0-S0169136818300994-main.pdf>

¹¹ A.G. Gunn et. Al (2010): The distribution of the principal bedrock gold occurrences and gold 'belts' in Liberia.

A.G. Gunn et al. Ore Geology Reviews 101 (2018) 413-431 418 <https://nora.nerc.ac.uk/id/eprint/520688/1/1-s2.0-S0169136818300994-main.pdf>

FIGURE 8 : MINERAL POTENTIAL MAP OF LIBERIA¹²



¹² https://mimeliberia.files.wordpress.com/2018/08/mineral-potential-map-of-liberia_april2011.pdf

Main exploration, mining and mineral processing projects in Liberia

The table below gives an overview on the main ongoing mining projects in Liberia:

TABLE 17: MAIN ONGOING MINING PROJECTS IN LIBERIA

Project	Commodity	Company	Description
Mount Tokadeh deposit at Yekepa Nimba County	Iron Ore	ArcelorMittal	<p>In 2011 ArcelorMittal commenced mining of the Mount Tokadeh deposit at Yekepa, located about five km west of the now-exhausted Nimba Range deposit. Production from this deposit, which is part of the Western Range Project, is from high-grade oxidised ore, with an average iron content of 60-62%. This ore only requires crushing and screening to make it suitable for export. Total ore reserves at Yekepa are 501 million tonnes at 48.3% Fe.</p> <p>ArcelorMittal signed a pre-agreement in September 2021¹³ amending the initial MDA signed in 2005 to stay for at least 25 more years in Liberia, where it will at least triple its iron ore production and invest an additional USD \$800 million and is expected to create 1,000 direct jobs, 2,000 temporary construction-related jobs and about 4,000 indirect jobs.</p> <p>The expansion project, which encompasses processing, rail and port facilities will be one of the largest mining projects in West Africa. The project includes the construction of a new concentration plant and the substantial expansion of mining operations, with the first concentrate expected in late 2023, ramping up to 15 million tonnes per annum. We understand that the final agreement still has not been approved yet by the Liberian Legislature, however.</p>
Bong Mine Bong County	Iron Ore	China-Union Investment (Liberia)	<p>The Bong Mine, about 110 km north-east of Monrovia, is located at the south-western end of the north-east-trending Bong Range which comprises Archaean supracrustal rocks outcropping over a strike length of about 35 km (Kromah, 1974). The mine was operated by the Bong Mining Company between 1965 and 1990 when 158 million tonnes of medium to high grade iron ore were extracted (International Business Publications, 2013). It was most recently worked by China Union between 2011 and 2015. Further exploration has identified additional resources to the east of the Bong deposit at Goma and in adjacent ('Non-Goma') deposits. The 'Non-Goma' deposits within the Bong Range are estimated to contain 304 million tonnes ore at 36.5% Fe (Government of the Republic of Liberia, 2009).</p>
Kokoya Mine ¹⁴	Gold	MNG Gold Liberia	<p>Kokoya mine is owned by Avesoro Holdings Ltd (formerly MNG Gold Holdings Ltd) through its subsidiary MNG Gold Liberia Inc.</p>

¹³ https://www.investliberia.gov.lr/media/userfiles/subsite_200/files/industries/Mining/Liberia-Minerals-VP-May-2022.pdf

¹⁴ https://avesoroholdings.com/wp-content/uploads/2017/09/Avesoro_Holdings_Kokoya_Sept_2017.pdf

Project	Commodity	Company	Description
Bong County			<p>In the south of Bong County, a mineral resource (indicated) containing 210,000 oz of gold at a grade of 3.5 g/t Au is reported at Kokoya (MNG Gold, 2015). The mineralisation is structurally controlled and hosted in a package of strongly deformed amphibolite's and gneisses.</p> <p>In January 2015 MNG Gold was awarded a Class A gold mining licence at Kokoya valid until 2027. Since the acquisition of the Kokoya Gold Project in Bong County, MNG has invested more than US\$15 million in the development of the mine, including the signing of agreements for the purchase of the main mining equipment's, trucks and processing plant. Some of the equipment has already delivered to Liberia, some further equipment is now in transit and further items are being manufactured.¹⁵</p>
New Liberty Mount County	Gold	BEA Mountain Mining Corporation	<p>New Liberty is a shear zone-hosted gold deposit owned by Avesoro Resources Inc through its subsidiary BEA Mountain Mining Corporation.</p> <p>The key asset in Avesoro Resources' portfolio is the New Liberty Gold Mine, which is Liberia's First and largest commercial gold mine.</p> <p>Construction at New Liberty commenced in April 2014, with first gold poured from the process plant on 31 May 2015 and gold sales commencing in August 2015. Commercial Production was declared at New Liberty on 1 March 2016.</p> <p>New Liberty is an open-pit mining operation, and the process plant has an industry standard flowsheet consisting of a two stage crushing, ore stockpiling, milling and gravity and carbon in leach plant with an annual throughput capacity of 1.1 million tonnes of ore.</p> <p>The New Liberty Gold Mine has a NI 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") compliant Proven and Probable Mineral Reserve estimate of 7.4 million tonnes grading 3.03 g/t for 717,000 contained ounces of gold and a NI 43-101 compliant Mineral Resource estimate comprised of 9.6 million tonnes grading 3.2 g/t for 985,000 ounces in the Measured and Indicated category and 6.4 million tonnes grading 3.0 g/t for 620,000 ounces in the Inferred category.</p>
Dugbe gold project Sinoe county	Gold	ARX Hummingbird Resources	<p>The Dugbe gold project is an open-pit mining project that will be developed in Liberia. Spanning 2,559km², the project comprises the Tuzon, Dugbe F and Sackor gold deposits and is supposed to be the largest gold discovery in the country. A feasibility study of the project was released in June 2022, which indicated 14 years of mine life with significant upside potential for exploration to enhance the resource estimates. The project is expected to produce 2.27 million ounces (Moz) of gold over its 14-year lifetime among with an estimated 200,000 oz average annual</p>

¹⁵ https://landmatrix.org/media/uploads/mnggoldcomresimleruserfiles/mng_kokoya_appendix_enpdf.pdf

¹⁶ <https://avesoro.com/operations/liberia/new-liberty-gold-mine/>

Project	Commodity	Company	Description
			production in the first five years of operation. Construction of the project is expected to commence in 2023. ¹⁷

Artisanal and Small-Scale Mining (ASM)

In the absence of a clear definition in the Mineral and Mining Act (2000), Artisanal and small-scale mining (ASM) is described as largely informal economic sector that involves the use of manual labour and rather simple methods of mining and processing using traditional equipment simple machinery. The aforementioned Law only referred to ASM as “small-scale mining” until 2004 when “artisanal” mining was mentioned in the amendment of the Law.

Overview of the ASM sector in Liberia and its contribution to the Economy¹⁸

The ASM sector in Liberia is largely informal and not well regulated. It is an important sector economically, with activities widespread across the country and an estimated 100,000 artisanal miners especially in rural communities that are interested mainly in the extraction of gold and diamonds, which represents 2% of the Liberian population. It is also believed that almost 1.575 million people are indirectly involved in the ASM activity, 10 to 20% of them are women.

Diamond and Gold ASM contribute to the economy through royalties and taxes paid by licensed dealers. However, as long as artisanal gold mining is largely informal and unregulated, a significant portion of revenues disappear into informal channels. As a result, governments are deprived of substantial revenues, which could be captured if effective tax regimes were put in place as part of a formalised system.

Given the numerous challenges they face, many artisanal miners are operating at different stages of legality, through the payment of informal taxes, and on the basis of informal agreements with local government officials. In fact, a significant proportion of unlicensed artisanal miners have, at some point in time, entered into such informal agreements with local mining officials in order to benefit from tacit permission to start or resume their activities. Such practices offer an alternative to the upfront payment of a license fee and avoid significant losses to the miners in case of unprofitable applications.

Government seeks to improve the enforcement of regulation on artisanal, small-scale and large-scale mining activities through rigorous monitoring. In fact, concessional agreements will be subject to review for compliance with laws and regulations, and in particular those that benefit the local communities. The Liberian government will encourage Corporate Social Investment with strong local content development framework and strategy for local benefits. A major focus is being placed on strengthening of regulatory mechanisms to enhance transparency and to improve the welfare of small-scale miners while safeguarding the environment.

¹⁷ [Dugbe, Liberia - Hummingbird Resources Plc](#)

¹⁸ [Country-Profile Liberia Final.pdf \(delvedatabase.org\)](#)

The MME notes that in order to ensure effectiveness and inclusiveness of formalization, the process requires buy-in, active participation, inclusion and commitment from a range of stakeholders from the government, civil society and traditional community leaders as well as those engage in the formalization process. With increased formal taxation, the government needs to demonstrate reinvestment and support for miners who formalize their operations through technical assistance and access to credit or equipment. Additionally, cooperative structures were being captured by dealers and Monrovia-based businessmen “to perpetuate existing forms of resource capture and revenue sharing arrangements”.

In fact, Liberia's New Pro-Poor Agenda for Prosperity and Development (2018-2023) sets out a new vision for improving mining governance and enforcement of regulations on artisanal and small-scale mining operations throughout the country in order to develop the sector and therefore increase its productivity. As a result, these convergent policy objectives have led to the government and its development partners to strengthen the regulatory frameworks that govern ASM and to bolster financial inclusion. Supporting this impetus, this financial inclusion framework for ASM in Liberia was commissioned and developed, informed by a review and analysis of Liberia’s financial ecosystems and the country’s ASM value chain. It is underpinned by a theory of change which considers all facets of ASM in Liberia to advance financial inclusion through a holistic, integrated, multi-sectoral formalisation approach. The framework is also guided by six interconnected principles: access, usage, quality, social, education and infrastructure, which work in unison to achieve the goal of financial inclusion.¹⁹

In addition, the GoL is one of the political sponsors, alongside with Ivory Coast, Guinea and Sierra Leone, of the GIZ program “Regional Resource Governance in West Africa” that aims to provide support for the partner countries to change the political, institutional and legal framework conditions in order to formalise the ASM sector. It works together with Mano River Union government institutions, communities, civil society organisations, and the private sector²⁰.

Legal framework of the ASM sector

The main legislation governing the ASM sector in Liberia are:

TABLE 18: MAIN LEGISLATION GOVERNING THE ASM SECTOR IN LIBERIA

Legislation	Description
The Liberian Constitution (1986) ²¹	Article 22 provides that ‘all minerals belong to the Republic and should be used for the benefit of all Liberians’. This article is of specific relevance for ASM, as it confers operators with rights under the Constitution.
The Liberian Mineral Policy (2010) ²²	This is the main policy instrument that guides the management of the mining sector.

¹⁹ <https://www.afdb.org/en/documents/financial-inclusion-framework-and-implementation-roadmap>

²⁰ [Promoting responsible resource supply chains - giz.de](http://www.giz.de)

²¹ <http://judiciary.gov.lr/wp-content/uploads/2017/11/CONSTITUTION-OF-THE-REPUBLIC-OF-LIBERIA.pdf>

²² <https://mmliberia.files.wordpress.com/2018/08/liberia-mineral-policy.pdf>

Legislation	Description
	Section 9 outlines Liberia’s vision for the ASM sector acknowledging its potential economic and developmental benefits as well as the adverse impacts associated with ASM.
The Minerals and Mining Law (2000) ²³	This is the main legal instrument for the licensing and management of the mining sector. The ASM sector is regulated by Class B and Class C licenses.
Environment Protection and Management Law (2002) ²⁴	The main objective of this law is to promote the sustainable use of natural resources for socioeconomic development without undermining the environment, so that the environment and natural resources continue to provide benefits for present and future generations.

Institutional framework of the ASM sector²⁵

The key institutions involved in the administration and supervision of the ASM activities in Liberia are as follows:

TABLE 19: KEY INSTITUTIONS INVOLVED IN THE ASM SECTOR IN LIBERIA

Institution	Roles and Responsibilities
Ministry of Mines and Energy (MME)	The main role of MME in the ASM sub-sector is to issue mineral and mining licenses and to ensure that ASM is carried out according to the Minerals and Mining Law. That work includes, issuing licenses and monitoring mining activities.
Environmental Protection Agency (EPA)	The main role of the EPA in ASM is to ensure that mining is conducted based on the Environment Protection and Management Law. That work includes assessing environmental impact assessments, investigating reports of environmental pollution and taking action to correct (remediate or rehabilitate) damages to the environment, and also taking disciplinary actions against those who cause harm to the environment.
Forestry Development Authority (FDA)	The FDA preserves forests and protected areas, and work to prevent mining activities in such areas.

Artisanal and Small-Scale mining licenses

There are two (2) type of licenses that are relevant for ASM sector in Liberia, as follows:

TABLE 20: ARTISANAL AND SMALL-SCALE MINING LICENSES IN LIBERIA

License	Description
Class B Mining License	Class B Mining License holders can use machines to carry out mining and may further sell minerals inside or outside Liberia if in the possession of a dealer license. To obtain a Class B Mining License, it is required that mineral prospecting has been performed, and that a mineral reserve has been identified.

²³ <https://mlmeliberia.files.wordpress.com/2018/08/liberia-minerals-and-mining-law-2000.pdf>

²⁴ <https://mlmeliberia.files.wordpress.com/2018/10/environmental-code.pdf>

²⁵ Handbook for Artisanal and Small-Scale Miners:

https://www.undp.org/sites/g/files/zskgke326/files/migration/lr/UNDP_lr_Handbook-for-Artisanal-and-Small-Scale-Miners.pdf

License	Description
Class C Mining License	A Class C Mining License is a license to work on a 25-acres claim on an alluvium/placer deposit, and it may only be awarded to Liberian nationals over the age of 18. One applicant/miner(s) can have up to four (4) of such mining licenses. Class C miners are overall encouraged to form and work in Cooperatives.

ASM activities and their locations²⁶

The table below provides an overview of commonly exploited minerals in Liberia's ASM sector, their activities and their locations:

TABLE 21: OVERVIEW OF ASM SECTOR MINERALS, ACTIVITIES AND LOCATIONS

Minerals	ASM activities and locations
Diamond	Liberia's largest diamond reserves are in the west, near the border with Sierra Leone. However, there are also some occurrences in the alluvial deposits of Kakata, Bolola and Sannaquellie, near the border with Guinea and Ivory Coast. Ore extraction commonly involves the dredging of riverbeds, often accompanied by river diversion. The practice of diving for alluvial ore is also practiced in Liberia. Processing to recover the diamonds usually involves washing the alluvial ore in shaker-boxes and hand jigs, followed by hand sorting to pick out the diamonds. The actors in this value chain include license holders where the claims are licensed, miners and processors referred to as "diamond boys", supporters and financiers, dealers and exporters.
Gold	The occurrence of gold is widespread in Liberia. The deposits are alluvial, eluvial (saprolite) and hard rock (usually hosted by quartz veins). The type of ore extraction is determined by the type of ore deposit. Alluvial deposits are exploited through both dredging and riverbank mining, often mined by so-called "gold boys". Eluvial deposits usually involve open pit mining either manually or with excavators (colloquially referred to as "yellow machines"). Mining hard rock deposits usually involves rock breaking with hammers and chisels or jackhammers where the operation is semi-mechanised, and sometimes the use of explosives (although their use is not allowed in Class C operations). Processing involves crushing and milling rock, usually manually, but simple mechanical crushers are often used, with the most common being a hammer mill that feeds directly onto a sluice box. The pre-concentrate from the sluice box is panned to upgrade the gold concentrate. At this stage mercury is often added to produce an amalgam that is eventually burnt to evaporate the mercury, leaving the gold behind. The purity of this gold is usually about 95%.

²⁶ Africa Natural Resources Management & Investment Center (ANRC). 2022. Financial Inclusion Framework and Implementation Roadmap. An Innovative Financial Inclusion Framework to Support Artisanal and Small-scale Mining Formalisation in Liberia. African Development Bank. Abidjan, Côte d'Ivoire:
https://www.afdb.org/sites/default/files/documents/publications/financial_inclusion_framework_and_implementation_roadmap_final_signed_version.pdf

Minerals	ASM activities and locations
	<p>The actors in this value chain include license holders where the claims are licensed, miners and processors (referred to as “gold boys”), supporters and financiers, dealers and exporters. Suppliers of inputs include those that provide equipment, explosives and mercury.</p>
<p>Development minerals (<i>mostly sand and aggregate</i>)</p>	<p>The exploitation of these development minerals used in construction occurs near settlements and built-up areas. Sand occurs as alluvial deposits near rivers, as well as eluvial deposits in the case of pit sand. This is extracted either manually with shovels in micro-operations or with excavators in semi mechanised operations.</p> <p>Usually, the sand is sold by the truckload with no further processing. Aggregate exploitation is of hardrock, usually granite or similar rock types. Rudimentary exploitation involves breaking large boulders and crushing it using hammers. More mechanised operations use jackhammers and explosives to break the rock in quarries. The rock is then crushed using mechanical crushers and the final aggregate is sold by the truckload.</p> <p>The actors in the value chains of these construction materials depend on whether the operations are basic manual operations or mechanised. In manual operations there are rock breakers (usually men), and crushers (who are often women). For the most basic operations, transportation is by wheelbarrows and motorbikes, and for larger, more mechanised operations lorries are used.</p>

The maps below show the location of Class “B” and “C” licenses in Liberia:

FIGURE 9: MAP SHOWS THE LOCATION OF CLASS B LICENSES IN LIBERIA

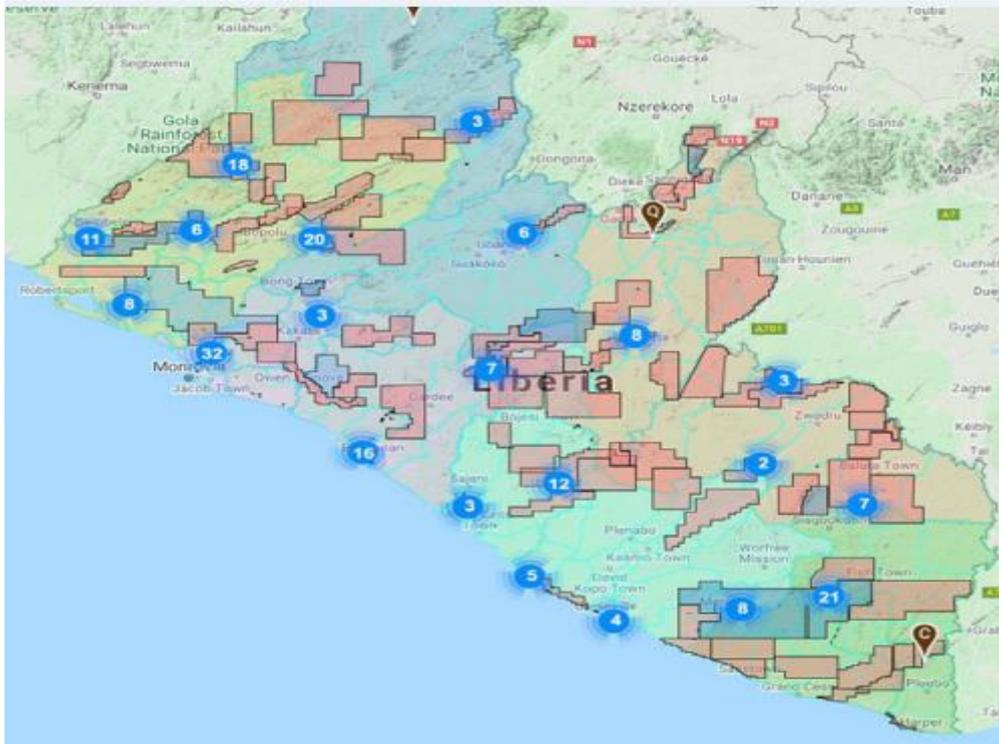
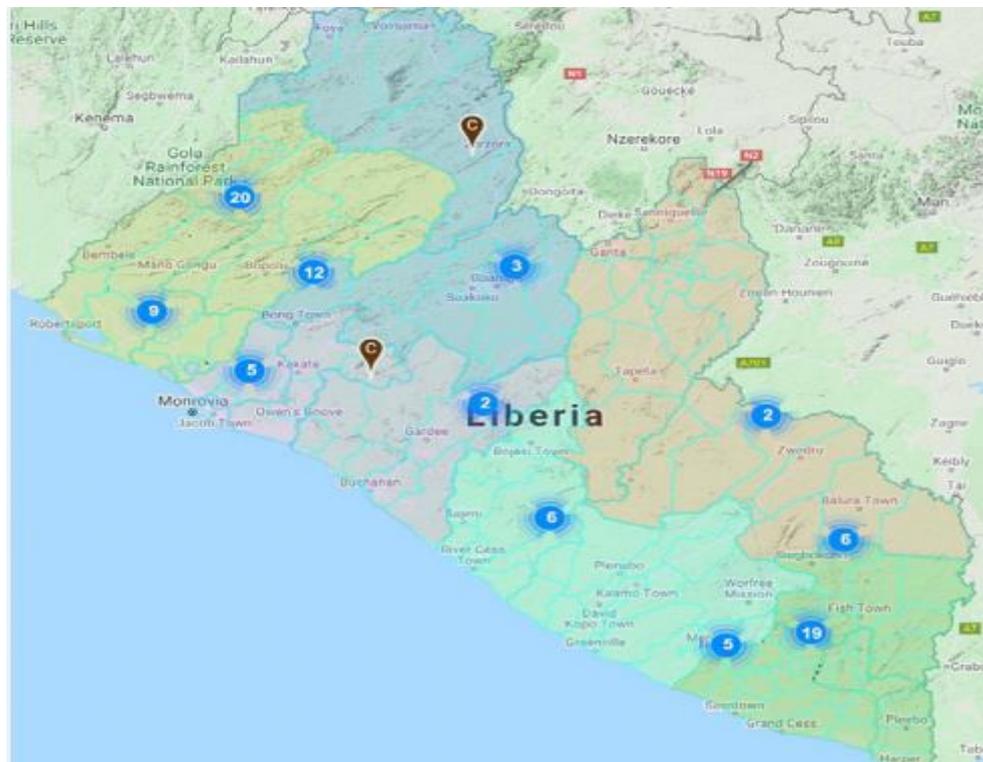


FIGURE 10 :MAP SHOWS THE LOCATION OF CLASS C LICENSES IN LIBERIA



ASM sector socio-economic, environmental, health and safety impacts²⁷

The table below provides an overview of the main socio-economic, environmental, health and safety impacts of the ASM sector in Liberia.

TABLE 22: ASM SECTOR SOCIO-ECONOMIC, ENVIRONMENTAL, HEALTH AND SAFETY IMPACTS

Type of impact	Main impacts of ASM in Liberia
Socio-economic impacts	<p>The main socio-economic challenges associated with ASM in Liberia include:</p> <ul style="list-style-type: none"> - Lack of access to finance; - Unequal benefits from the proceeds of the mining; - Illicit mineral trade (including transboundary export) which is associated with an inaccurate valuation of minerals (where miners fail to receive a fair price), and mineral theft; - Unequal power relations between miners, supporters and financiers leading to exploitation; - Child labour; - Gender inequality where women are disadvantaged through unequal access to mineral deposits, and disproportionately high exposure to mercury pollution; - Poor labour practices, including working hours, poor safety practices; - High costs of mining license, survey and clearance fees are barriers to formal entry into the sector; and - Intra-community tension (between community and miners) when miners' activities cause negative environmental and social impacts.
Environmental impacts	<p>The environmental impacts of ASM in Liberia include:</p> <ul style="list-style-type: none"> - Mercury use by Artisanal and Small-Scale Gold Miners (ASGM) in Liberia is widely reported as the element is often used for the final gold extraction step. It commonly results in the toxin being released into the environment; - Unrehabilitated mined-out areas are frequently reported in ASM areas. Mining pits are not regularly backfilled causing health impacts associated with water borne diseases and safety hazards to the unsuspecting; - Poor handling of mining waste, and discharge of waste into natural water bodies is commonly reported at mining processing areas in Liberia. This leads to high levels of suspended solids in rivers and dams which affects the health of aquatic life, brings health risks and increases siltation, amongst its many impacts; and - Encroachment of mining into protected areas and subsequent deforestation has been reported as a problem of national concern. This is driven by the informal nature of ASM and associated with low levels of regulatory compliance. The limited capacity of regulatory agencies means that the level of enforcement is low.

²⁷ Africa Natural Resources Management & Investment Center (ANRC). 2022. Financial Inclusion Framework and Implementation Roadmap. An Innovative Financial Inclusion Framework to Support Artisanal and Small-scale Mining Formalisation in Liberia. African Development Bank. Abidjan, Côte d'Ivoire:
https://www.afdb.org/sites/default/files/documents/publications/financial_inclusion_framework_and_implementation_roadmap_final_signed_version.pdf

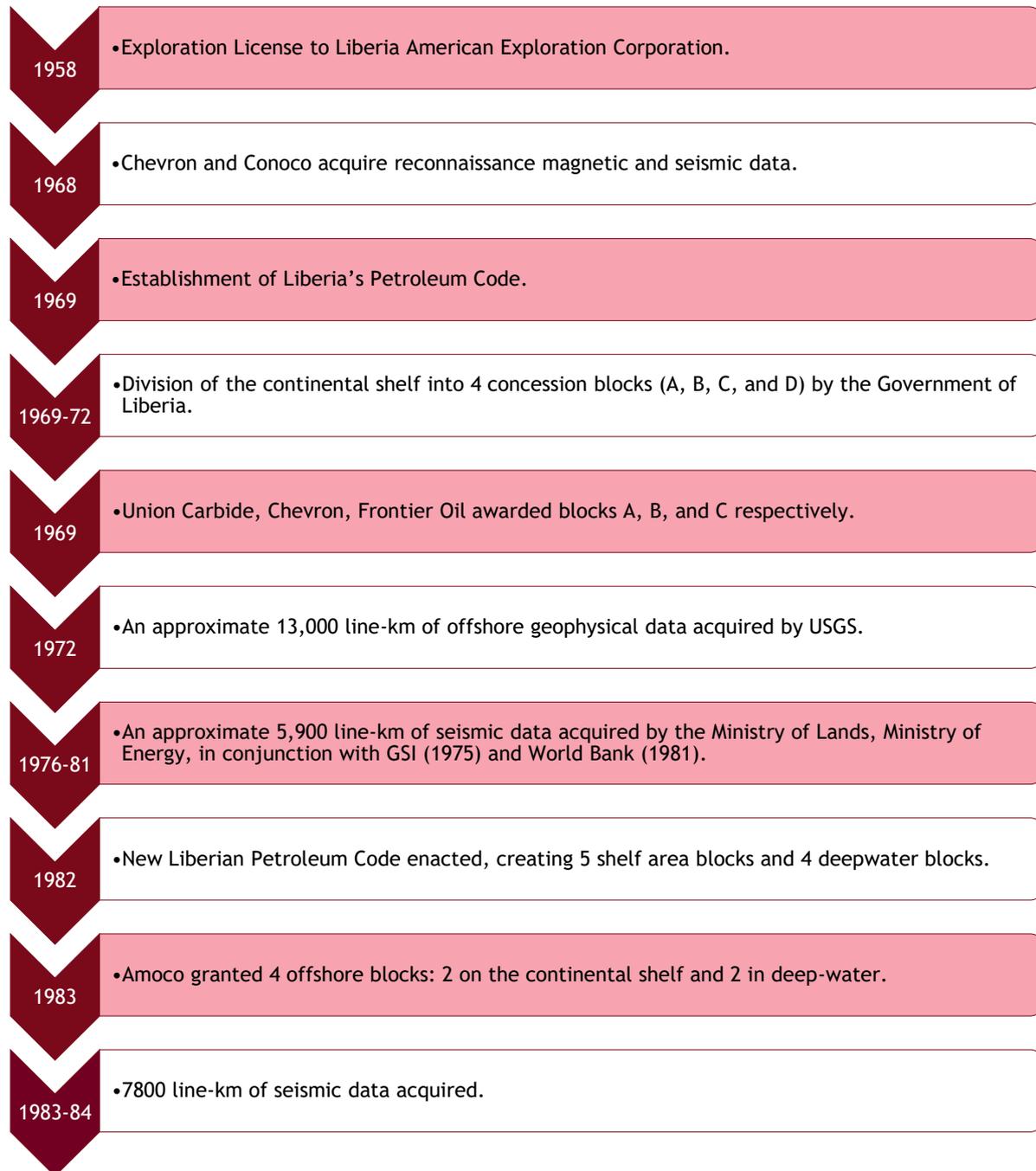
Type of impact	Main impacts of ASM in Liberia
Health and safety impacts	<p>The health and safety impacts of ASM in Liberia include:</p> <ul style="list-style-type: none"> - The release of mercury vapours from the burning of amalgam by artisanal miners in Liberia exposes them to mercury toxins and enables mercury to enter the food chain causing negative health impacts; - Injuries and death from the lack of Personal Protective Equipment (PPE). It is common practice in Liberia that miners do not use PPE and work-related injuries are frequent; - Exposure to dust from poor dust suppression practices and lack of appropriate PPE is reportedly common and will lead to occupational diseases such as silicosis. However, as the practice of mining is so informal, data has not been collected on this or other health issues; and - Poor sanitation and hygiene practices are prevalent in Liberia. Reportedly, many ASM sites do not have toilets or clean drinking water for the workers. This increases the prevalence of waterborne diseases and illness for workers and host communities.

4.1.2. Overview of the oil and gas sector

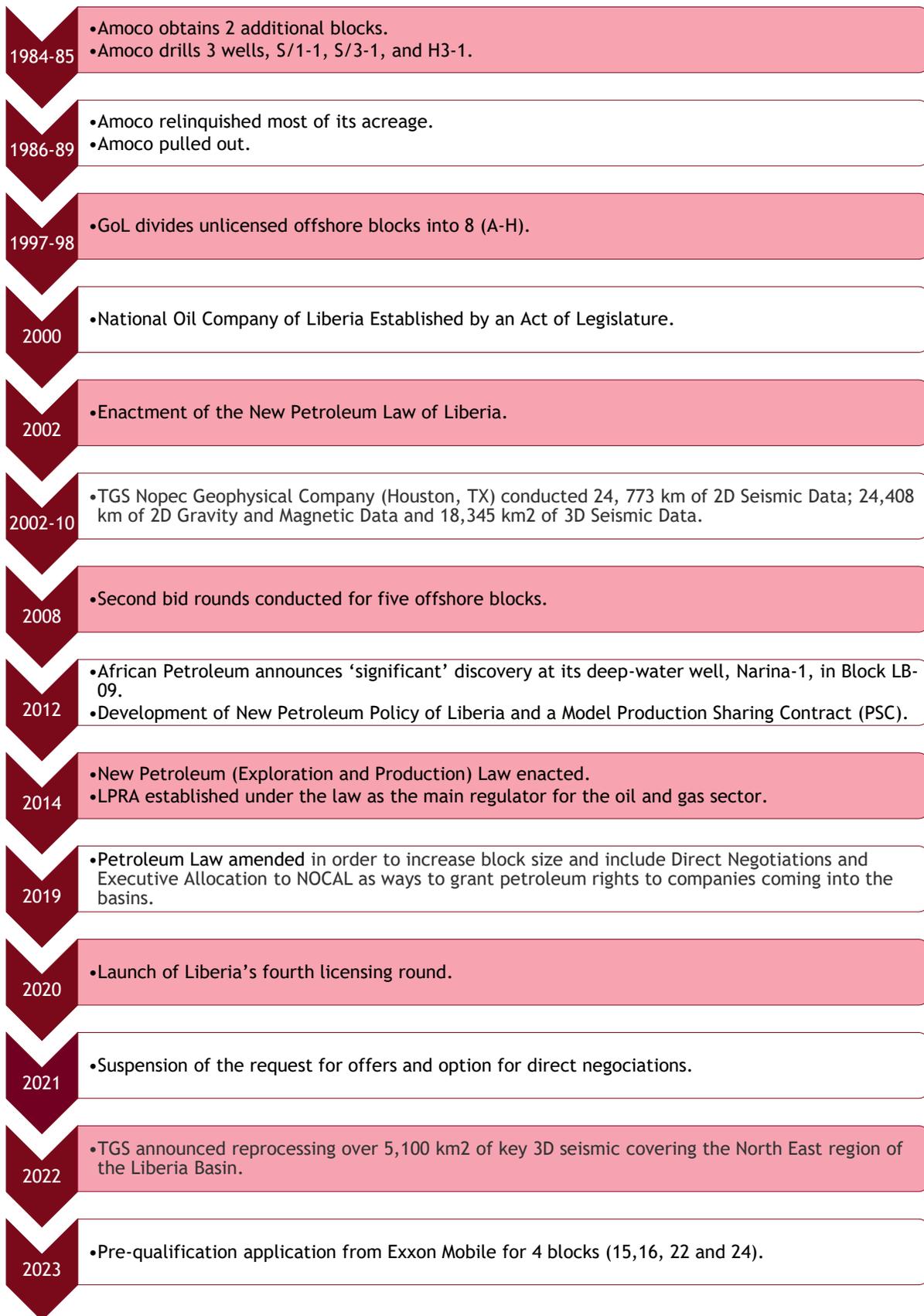
Petroleum exploration history in Liberia

The timeline below presents the major historical stages in the oil and gas sector in Liberia:

FIGURE 11 : OIL & GAS SECTOR HISTORY IN LIBERIA²⁸



²⁸ <https://nocaltest.wordpress.com/about/background-on-liberias-oil/#:-:text=Liberia's%20quest%20for%20oil%20and,%20Chevron%20oil%20Company%20Liberia.>

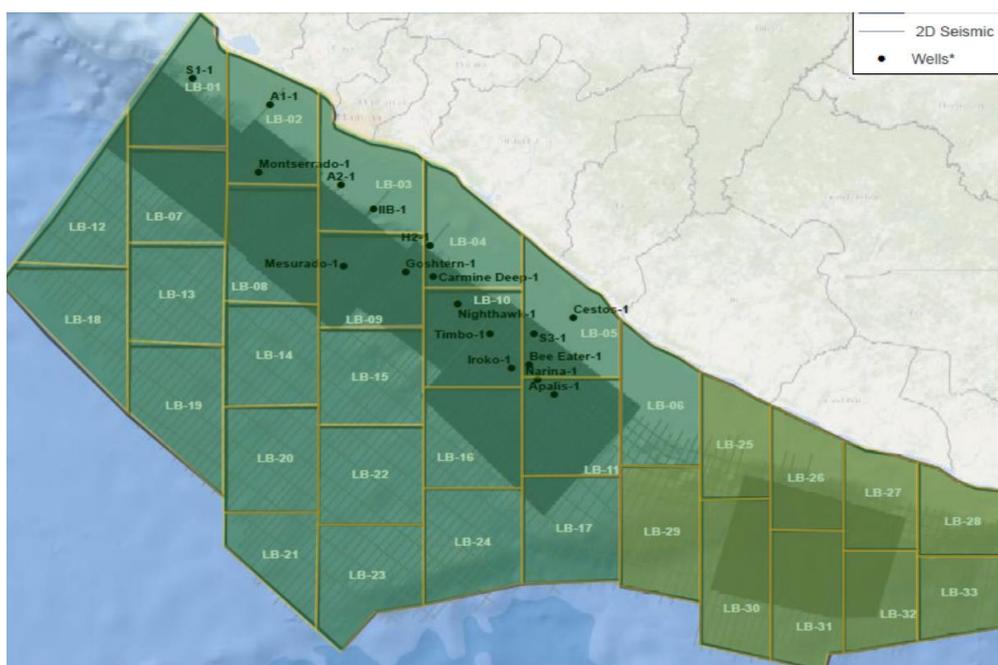


Geological and resources overview

The Liberia offshore acreage is demarcated into thirty-three (33) offshore blocks with sizes ranging from over 2,999 km² to 3400 km² area. To date, seventeen (17) wildcat exploratory wells have been drilled in the area, along the shelf and deepwater domains. Some of the wildcat wells drilled had oil shows in shelfful reservoirs and some proved non-commercial oil discoveries in deepwater. Post well analysis has proven the existence of a working petroleum system for the Cretaceous plays.

The map below shows the 33 offshore blocks in Liberia:

FIGURE 12 :MAP SHOWS THE OFFSHORE BLOCKS IN LIBERIA²⁹



The table below shows the detailed size per each offshore block:

TABLE 23: SIZE PER OFFSHORE BLOCK OF THE LIBERIA BASIN³⁰

Block	Block Area (km ²)	Total 3D in block (km ²)	Total 2D in Block (km)
LB-01	2,997	1,760	677
LB-02	3,432	1,491	499
LB-03	3,274	651	253
LB-04	2,987	425	170
LB-05	3,187	844	235
LB-06	3,002	128	409
LB-07	2,935	1,612	971
LB-08	3,419	2,711	1,113
LB-09	3,177	2,930	1,056
LB-10	3,025	2,802	990

²⁹ <https://www.nocal.com.lr/map>

³⁰ [AME-Liberia-Direct-Negotiations-2021-R02.pdf \(hubspotusercontent-na1.net\)](https://www.nocal.com.lr/map)

Block	Block Area (km ²)	Total 3D in block (km ²)	Total 2D in Block (km)
LB-11	3,023	2,687	861
LB-12	2,811	214	817
LB-13	3,088	-	888
LB-14	2,981	31	859
LB-15	3,247	166	975
LB-16	3,135	1,865	1,006
LB-17	3,276	418	821
LB-18	3,368	9	633
LB-19	3,405	-	949
LB-20	3,072	-	851
LB-21	2,205	-	534
LB-22	3,301	-	969
LB-23	3,294	-	892
LB-24	3,314	-	913
LB-25	2,445	201	2,445
LB-26	2,482	910	2,494
LB-27	2,300	746	2,314
LB-28	2,256	-	2,314
LB-29	3,272	-	3,717
LB-30	3,391	1,500	4,056
LB-31	3,051	1,880	3,683
LB-32	2,322	930	2,849
LB-33	2,332	-	2,776

Main projects in the oil and gas upstream sector in Liberia³¹

The Government of Liberia launched in February 2020 the fourth licencing bid round covering 33 offshore blocks within the offshore Liberia acreage, including Harper basin. With a total 2D seismic data of 24,773 kilometres, this bid offers a new investment opportunity to international oil companies that expressed their interest in the area that offers significant exploration potential in one of the few remaining unexplored deep-water basins in West Africa. Several sub-commercial discoveries have proven that the petroleum systems are working offshore Liberia.

Due to several significant factors including the recent investment climate, among which the latent impact of the energy transition and the impacts of COVID-19 pandemic outbreak, and following a 6-month extension of the bid round, the GoL has indefinitely suspended the 2020 bid round and opted for Direct Negotiations in order to simplify the process to international exploration and production companies and to make the investment opportunity in Liberia more attractive to external capital.³²

³¹ [AME-Liberia-Direct-Negotiations-2021-R02.pdf \(hubspotusercontent-na1.net\)](#)

³² <https://lpra.gov.lr/lpra/gol-extends-licensing-round-2020-incorporates-new-flexible-and-attractive-commercial-terms-the-government-of-liberia-announces-direct-negotiations-for-33-offshore-blocks-gol-extends-licensing-round-2/>

The Direct Negotiation process was launched on 1st June 2021 and covers the same 33 offshore blocks. In April 2023, LPRA has announced that it has received pre-qualification application from ExxonMobil for four offshore blocks in Liberia. ExxonMobil expressed interest in Blocks 15, 16, 22 and 24 within the Liberia Basin and the company has now officially applied to be pre-qualified to negotiate for the Blocks. The LPRA is currently reviewing ExxonMobil's application and when the company has been pre-qualified, the Authority will invite them to negotiate a Petroleum Sharing Contract (PSC) for the Blocks.³³

Apart from the 4th round of direct negotiations, the NOCAL has also a Joint Industry Project with Core Lab, which provides a comprehensive and up-to-date geological evaluation of well data from the Equatorial Atlantic Transform Basins of Liberia. The fully integrated project database, incorporating stratigraphy, reservoir description and regional geology, will utilise rock material and well log data from 17 offshore exploration wells.

³³ <https://mailchi.mp/1a3ff1ff6af0/lpra-receives-pre-qualification-application-from-exxonmobil?e=ece56ef69e>

4.1.3. Overview of the forestry sector

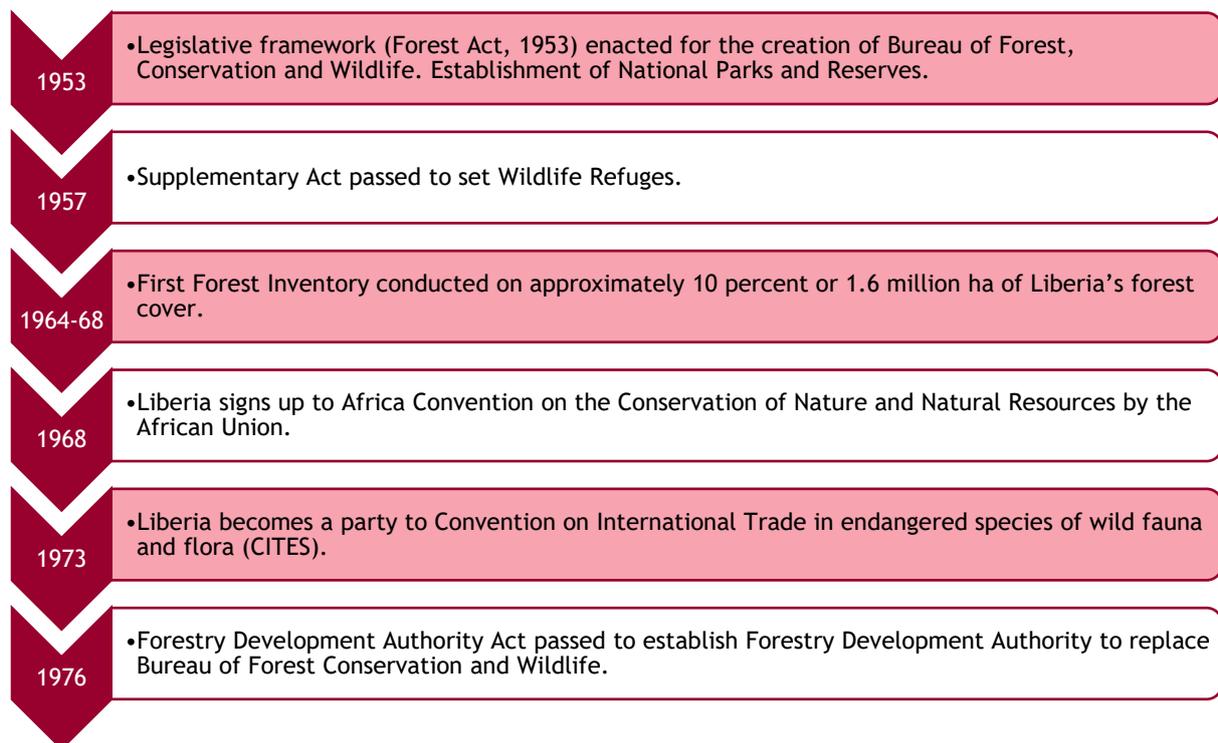
Forestry sector history in Liberia³⁴

Liberia possesses significant forest resources within the West African region, and is considered the most forested country in the region with 69% of Liberia’s land surface covered by forests, being thus the only country that was historically covered entirely with rain forest. Liberia’s forest is made up of approximately 6.69 million hectares (Mha) of lowland tropical forest that comprise 43% of the remaining Upper Guinea forests of West Africa.

Despite the high rate of deforestation, forestry resources still provide vital ecosystem services to inhabitants especially nearby communities, and they also contribute to the national economy and encloses rich biodiversity to multiple species. Forest provides crucial source of income, jobs, and food security for households as almost half of the population who lives within 2.5 kilometres of a forest earns 35% of their income from the forest. Furthermore, Liberia’s forests are home to 881 known fauna species, out of which 0.8% are endemic and 4.2% threatened; and at least 2,200 flora species of vascular plants, 4.7% of them are endemic.

The timeline below shows the major milestones undergone by the Liberian government in relation to the forestry sector:

FIGURE 13 : LIBERIAN FORESTRY SECTOR HISTORY



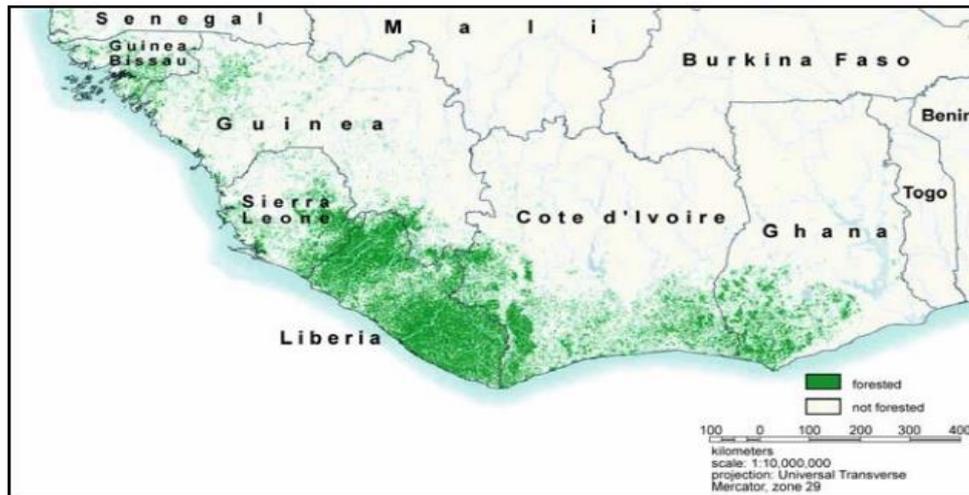
³⁴ National Household Forest Survey, (2018-2019), Forestry Development Authority of Liberia. <https://www.forestcarbonpartnership.org/system/files/documents/Liberia%20National%20Forest%20Inventory.pdf>



Geological and resources overview

Liberian forests represent more than half of the remaining rainforests in West Africa region, and are mostly characterized by moist evergreen forests and semi-deciduous forests (predominantly in the North). Liberia remains the only country in the West African sub-region where a significant portion (43%)³⁵ of the remaining Upper Guinea forest ecosystem can be identified and measured in practical sense. Thus, the sensitivity of Liberia's forests is registered in the data of the international community thereby being considered by the outside world as a conservation hot spot.

FIGURE 14: MAP OF WEST AFRICA'S FORESTS³⁶



Liberia has around 7.6 million hectares of forested land as per 2020, which covers about 68% of the total land area, the vast majority of which is made of primary or otherwise naturally regenerated (therefore secondary) forest, with the remainder being only around 8,000 ha of planted forest.³⁷

The Protected Forest Area Network Act (2003) aims to cover at least 30% of the existing forest area of Liberia, representing approximately 1.5 million hectares. According to Fauna & Flora of Liberia and other sources, Liberia currently has five main protected forest areas: the Sapo National Forest (Sinoe County), the East Nimba Nature Reserve (Nimba County), the Lake Piso Multiple Use Reserve, the Gola National Forest Park (Gbarpolu County) and the Grebo-Krahn National Park (River Gee County/Sinoe). These areas cover a total area of 454,800 ha which represents 4.1 % of the country's area.

These conserved forests have been restrained mainly by hunters, loggers and miners as reports have suggested over time. Several other areas are on the verge of being protected, and attempts are being made to connect existing protected areas using existing forests between them.

³⁵ Liberia Forest And Climate Change Resilience Forum | Liberia Forest Sector Project, The World Bank, February 2, 2023

³⁶ https://fda.gov.lr/sites/default/files/documents/doc_1320_1.pdf

³⁷ Source: Global Forest Resources Assessment, FAO 2020

Besides, Liberia currently counts five ‘Wetlands of International Importance’ designated under the Ramsar Convention on Wetlands. Mount Nimba was recently designated an ‘Alliance for Zero Extinction’ Site, while the ‘Upper Guinea Rivers and Streams’ WWF Global 200 site that straddles the border of Liberia is recognised as a critical region for freshwater conservation. A proposed protected area and the closest to gazettelement, Wonegezi Forest, is a pilot site for the REDD+ programme in Liberia.

The number of proposed areas for protection continues to increase with the discovery of the presence of endangered species and of diminishing ecosystems. Liberia has ratified the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the Convention on Biological Diversity (CBD) and the Convention on the Conservation of Migratory Species of Wild Animals (CMS).

According to the same source, the current deforestation rate is of 30’000 ha / year (-0.7%), with conversion for agriculture and mining being the main drivers. However, uncontrolled logging is a significant cause of forest degradation.

According to the International Tropical Timber Organisation (ITTO) biennial review, the Liberian industry produced about 451,000 m³ of industrial round wood in 2020, with a sharp decrease of almost 100,000 m³ (-18%) compared to 2018 production. Yet, the majority of the wood production, including firewood and wood for construction, is used in the domestic market and is largely unregistered. The civil war (1989-2003) destroyed the forest industry and rural infrastructure, and consequently round logs currently account for the bulk of export volumes.

According to the FDA, Liberia produced 263,324 m³ of logs for the period from 01/07/2021 to 31/12/2022, while exports of logs and sawn timber totalled 283,439 m³ for the same period.

The vast majority of wood exports goes to China, with the remainder mainly going to other Asian countries (Bangladesh, India, Singapore, Turkey, UAE., Vietnam) and to Europe (Belgium, France, Germany, Italy).

Timber is mostly exported via the main ports of the country: the freeport of Monrovia and the ports of Buchanan, Greenville and Harper (near Pedebo, a crossing point to Ivory Coast). While Harper and Greenville are known as main outlets for the timber industry, only containerised logs and processed-wood products can be shipped out of Monrovia, while the three other ports accept both logs (in bulk) and containerised logs or products. Containerisation is becoming the most popular export method out of Liberia. Only self-loading ships operate in Liberia as ships cannot berth at Harper. As a result, logs and timber products must be transferred to the ships by barges or rafts of floating logs.³⁸

³⁸ Source: <https://www.timbertradeportal.com/countries/liberia/>

Main projects in the forestry sector in Liberia

The table below summarises the four ongoing projects supervised by the FDA:

TABLE 24: MAIN ONGOING PROJECTS IN THE FORESTRY SECTOR³⁹

Project	Description
REDD+	<p>The aim of Liberia REDD+ is to encourage the country to contribute to climate change mitigation efforts by: i) reducing greenhouse gas emissions (GHG) by slowing, halting and reversing forest loss and degradation; and ii) increasing removal of GHGs from the earth's atmosphere through the conservation, management and expansion of forests.</p> <p>The County has showed interest in REDD+ and was required to progress through three phases, which are closely linked. These include:</p> <ul style="list-style-type: none"> - readiness phase, involving the development of national strategies or action plans, REDD+ mitigation actions, and capacity building; - implementation of national strategies and results-based demonstration activities, enacting REDD+ actions and national strategies or plans that could involve further capacity building, technology development and transfer, and results-based demonstration activities; - Results-based actions that must be fully measured, reported and verified.
FLEGT-VPA	<p>Through the Voluntary Partnership Agreement, Liberia can issue verified legal timber products with FLEGT licenses. The advantage of this is that FLEGT-licensed products automatically meet the requirements of the EU Timber Regulation (EUTR), which prohibits EU operators from placing illegally harvested timber and timber products on the EU market.</p> <p>The EUTR entered into force in 2013. It requires EU operators to perform due diligence checks to ensure the timber products they place on the EU market are legal. FLEGT-licensed timber meets the due diligence requirements under the EUTR.</p>
International Water Resources Management	<p>The GEF-funded “Mano River Ecosystem Conservation and International Water Resources Management (IWRM) Project” is being implemented by the International Union for Conservation of Nature (IUCN). It targets the conservation and sustainable use of the transboundary water basins and their biodiversity resources within the Mano River Union member states, among which Liberia with a total area of 111,370 km² (15%).</p> <p>The project is being implemented in the Upper Guinea forest covering Sierra Leone, Guinea, Liberia and Ivory Coast with the objective of strengthening the management of transboundary natural resources for sustained ecological benefits and improved livelihoods for the forest adjacent communities.</p>
Liberia Chimpanzee Rescue & Protection	<p>This project is a combined chimpanzee sanctuary, protection, and conservation organization in Liberia rescuing chimpanzees who are victims of illegal bushmeat and live pet trades that aims to confiscate, rescue and rehabilitate orphaned chimpanzees.</p>

³⁹ [Projects | Forestry Development Authority \(fda.gov.lr\)](https://fda.gov.lr/Projects)

4.1.4. Overview of the Agriculture sector

Geological and resources overview of the agriculture sector in Liberia⁴⁰

Agriculture is the primary economic sector in the country as it provides livelihood for more than 68% of Liberia's population with an overall contribution of 30% of Liberia's 2022 real gross domestic product (GDP). It provides sustenance for many households engaging in cassava and rice that form the primary staple of food crops, as well as rubber, oil palm, cocoa, or sugarcane production. More households engage in cassava production than any other food crop. However, overall agricultural productivity is low as it is mainly based on traditional, small-scale farming systems that rather rely on labour force than machinery. As a result, Liberia imports more than 80% of its rice, making the country vulnerable to global food price volatility.

The poor integration of the sector resides in the lack of basic infrastructure such as developed machinery, farming equipment/tools, farm-to-market roads, fertilizers and pesticides and food storage capacity. The main cash crops and foreign exchange earners are rubber, oil palm, rice, and timber.

Rubber is one of the dominant revenue generators, accounting for 12.5% of the total export receipts in 2022. Various estimates put the number of people employed by commercial rubber farms at 20,000 and the number of smallholder households involved in growing rubber trees at 35,000. However, no baseline study provides definite statistics. The Firestone Natural Rubber concession, covering almost 200 square miles, is the largest contiguous natural rubber operation in the world and the biggest private sector employer in Liberia.

Palm oil, a traditional domestically consumed product, also plays a major role in the country's economy with a total contribution of 4% of total export receipts. There has been some interest from both smallholders and large investors in expanding cash crop production. However, access to market is a concern to most of them. Stakeholders in the palm oil sector include smallholder farmer cooperatives, individual farmers, large multinational-owned corporations and concessionaires, as well as individuals playing various intermediary roles and providing support services.

Concessionaires still encounter issues obtaining land rights in Liberia. Despite of the promulgation of the Land Rights Act in 2018 that clarified land tenure, however only a comprehensive implementation of the law could resolve uncertainty around land ownership. Furthermore, the lack of capital and professional expertise to increase farms productivity presents a barrier to investment in the agriculture sector, which deprives the country from considerable opportunities to increase its outcome from the sector.

In addition to this, farmers' ability to access valuable markets and improved inputs to increase production is limited by the poor quality of the country's network of roads. During the rainy season that lasts from May to September, movement from rural areas is significantly restrained due to heavy rainfall, especially in lowland swamp areas. As a result,

⁴⁰ <https://www.trade.gov/country-commercial-guides/liberia-agricultural-sectors>

smallholders tend to sell produce in local markets where prices are relatively lower. Despite the government’s current initiative to rehabilitate main roadways and some key feeder roads in productive areas, more work is demanded to improve roads network and bridge infrastructure in remote rural areas.⁴¹

Liberia has a favourable climate and fertile soil for cocoa production and there has been substantial investment in the rehabilitation of cooperative and smallholder farms. The country’s international partners, such as the International Fund for Agricultural Development (IFAD) continues to invest in cocoa smallholder producers to improve livelihoods and raise incomes by modernising cocoa farming, increasing production, and developing market access. Small scale cocoa production will likely increase as farmers continue to reclaim and rehabilitate their farms. As with the agricultural sector in general, smallholder cocoa farmers and local cooperatives suffer inadequate farm-to-market roads, lack of familiarity with measurement and quality standards, lack of storage facilities, and limited access to up-to-date price and market information. According to FAO, cocoa beans exports duplicated between 2018 and 2021 with 19 tons for USD 40.8 million against 10 tons for USD 18 million in 2018.⁴²

Main projects in the agriculture sector in Liberia

The importance of the agriculture sector in Liberia’s economy led the government to conduct several projects to promote the sector and enhance its productivity. The table below showcases the main ongoing projects in the agriculture sector:

TABLE 25: MAIN ONGOING PROJECTS IN THE AGRICULTURE SECTOR⁴³

Project	Donor	Timeframe	Description
Rural Economic Transformation Project (RETRAP)	World Bank	2021 - 2029	<p>The project seeks to contribute to creating long-term economic opportunities for actors in selected value chains through a threefold approach, by:</p> <ul style="list-style-type: none"> - strengthening critical institutions overseeing the development of the sector; - intervening at various level of the supply chain to build capacity and support investment subprojects to improve the agricultural productivity and climate resilience of the agri-food system; and - improving rural access and agricultural marketing by upgrading selected roads and rural markets.
Smallholders Agriculture	World Bank	2019 - 2024	The project aims to increase agricultural productivity and commercialization on the part of

⁴¹ Stakeholder-Engagement-Plan-SEP-Liberia-Rural-Economic-Transformation-Project-P175263.docx (live.com)

⁴² Source: FAOSTAT

⁴³ Projects | Ministry of Agriculture (moa.gov.lr)

Project	Donor	Timeframe	Description
Transformation and Agribusiness Revitalisation Project (STAR-P)			<p>smallholder farmers for the vegetable, rice and oil palm value chains in selected counties of Liberia.</p> <p>The geographic area will indicatively consist of the following counties: Bomi, Gbarpolu, Grand Cape Mount, Grand Gedeh, Lofa, Margibi, Maryland, Nimba and Sinoe.</p>
Building Climate Resilience Project (BCRP)	International Fund for Agriculture Development	2019 - 2026	<p>The project targets 25,000 beneficiaries (10,000 rice producers, 10,000 cocoa producers and 5,000 other smallholder farmers) in Bong, Lofa and Nimba counties and aims to promote agriculture as a business for enhanced incomes and reduced rural poverty in the targeted counties, with a main focus on:</p> <ul style="list-style-type: none"> - climate-proofed agricultural production and post-harvest diversification; - climate resilient rural infrastructure; and - institutional capacity development and policy engagement.
Tree Crops Extension Project (TCEP)	International Fund for Agriculture Development	2017 - 2023 2019 - 2025	<p>This project, throughout its two phases, seeks to improve incomes and climate change resilience of 8,000 smallholder cocoa producers and 3,000 additional farmers and youths in Nimba county as well as 15,000 beneficiaries in Lofa county. The main objectives of the project are:</p> <ul style="list-style-type: none"> - revitalising cocoa plantation; - rehabilitating and maintaining Farm-to-Market roads; and - providing services for value-chain development.

4.2. Legal and Institutional Framework

This section presents a summary description of the legal and institutional frameworks as well as the fiscal regime governing the mining sector.

4.2.1. Legal framework of the mining sector

4.2.1.(a) Legislation governing the Mining Sector

The mining sector is regulated by the following main policies, legislations and regulations:

TABLE 26: MINING SECTOR LEGAL FRAMEWORK

Legislation	Description
Policies	
Mineral Policy of Liberia, (2010) ⁴⁴	The Mineral Policy of Liberia provides the policy directions to ensure equitable and optimal exploitation of Liberia's mineral resources to achieve a broad-based sustainable growth and socio-economic development. In essence, it sets out the expectations for the sector to contribute to Liberia's economy and more broadly to social regeneration and the enhancement of a democratic culture.
Legislations	
The Constitution of the Republic of Liberia, (1986) ⁴⁵	The Constitution is the supreme law of Liberia. Under Article 7 of the Constitution, it requires the economy and natural resources of Liberia to be managed in a way that ensures the maximum feasible participation of Liberian citizens under conditions of equality to advance the general welfare of the Liberian people and the economic development of Liberia. This forms the legal basis of preferential reservations of Class C licenses for Liberian nationals as well as local content rules in the Mining industry.
Minerals and Mining Law, (2000) ⁴⁶	The Minerals and Mining Law of 2000 is the primary law that governs the conduct of mineral activities, including exploration, development, and mining operations on ground surface, soil or subsoil, streams, rivers, watercourses, territorial waters, and continental shelf of Liberia. Specifically, the Law provides or the basis for the definition of ownership of mineral resources in Liberia, allocation of rights (including reconnaissance, prospecting, and exploration licenses), allocation of rights for mineral operation, and environmental protection.
Revenue Code of Liberia (2000) and as Amended in 2011 ⁴⁷	The Law stipulates determinative legal provisions for mining taxation in Liberia. Specifically, Sections 700 to 714 covers overall taxation in the sector, including the definition of key mining taxation terms, corporate income tax, royalties, surface rents, withholding tax, dividends, capital allowance, and other tax related structures.

⁴⁴ <https://mmliberia.files.wordpress.com/2018/08/liberia-mineral-policy.pdf>

⁴⁵ <http://judiciary.gov.lr/wp-content/uploads/2017/11/CONSTITUTION-OF-THE-REPUBLIC-OF-LIBERIA.pdf>

⁴⁶ <https://mmliberia.files.wordpress.com/2018/08/liberia-minerals-and-mining-law-2000.pdf>

⁴⁷ <https://mmliberia.files.wordpress.com/2018/10/revenue-code.pdf>

Legislation	Description
Land Rights Act, (2014) ⁴⁸	The Law provides a framework for the legal definition of land ownership, use, and overall administration, including dispute resolution and transfer of land ownership. Specifically, it prescribes means by which each land category in Liberia can be acquired, used, transferred, or otherwise managed.
Environmental Protection and Management Law (2002) ⁴⁹	The Law establishes a legal framework for the overall protection and management of the environment by the Environment Protection Agency of Liberia in partnership with regulated Ministries and organisations and in a close and responsive relationship with the people of Liberia. Specifically, it provides the legal basis for the conduct of Environmental Impact Assessments, Audit and Monitoring of mining projects; setting of Environmental Standards that ensures safe and secure mining activities in Liberia; protection of biodiversity and national heritage sites, maintenance of pollution controls; implementation of International Environment Protocols; among other administrative processes in the mining sector. Specifically, the law includes international environmental principles of sustainable development including: the pre-cautionary principle, the polluter - pays principle, the principle of inter-generational equity, the principle of public participation, the principle of international co-operation in the management of environmental resources shared by two or more states; among others.
Model Mineral Development Agreement, (2008)	The model agreement provides a model contract to guide contract development and negotiation between the Government of Liberia and potential investors in the mining sector.
Regulations	
Regulations Governing Exploration under a Mineral Exploration License under the Minerals and Mining Law (2000) ⁵⁰	The Exploration Regulations govern the administration of exploration licenses issued under the Liberia Minerals and Mining Law (2000).

⁴⁸ <https://mlmeliberia.files.wordpress.com/2018/10/land-rights-act.pdf>

⁴⁹ <https://mlmeliberia.files.wordpress.com/2018/10/environmental-code.pdf>

⁵⁰ <https://mlmeliberia.files.wordpress.com/2018/08/liberia-exploration-regulationseffective-2010.pdf>

4.2.1.(b) Institutional framework of the mining sector

The mining sector is regulated by multiple institutions with clear mandates and responsibilities. These include responsibilities in allocation of rights, application of taxations, environmental management, export and imports of materials, financial related activities, among others. The primary regulator is the Ministry of Mines and Energy; however, several other institutions play other relevant roles in the regulation of the mining sector.

The key institutions involved in the administration of the mining sector in Liberia are as follows:

TABLE 27: MINING SECTOR INSTITUTIONAL FRAMEWORK

Institution	Description of Roles and Responsibilities
The Ministry of Mines and Energy (MME) ⁵¹	<p>The MME is responsible for the coordination and formulation of mineral and energy policies and legislation. The Ministry plays a dual role as a policy maker and regulator of mineral activities, particularly the development of policies, laws, allocation of rights between the government of Liberia and potential investors, as well as the day-to-day regulation of the mineral sector.</p> <p>Furthermore, the Ministry monitors and enforces compliance of all policies, laws and regulations pertaining to research, exploration, development and exploitation of mineral, water, and energy resources in Liberia.</p> <p>Overall, the ministry comprises three divisions:⁵²</p> <ul style="list-style-type: none"> ▪ <u>Division of Operations</u>⁵³ <p>The Division of Operations is headed by a Deputy Minister for Operations followed by the Assistant Minister for Mines and the Assistant Minister for Mineral Exploration and Environmental Research. This division oversees the following departments:</p> <ul style="list-style-type: none"> - Liberian Geological Survey; - Hydrological Survey; - Bureau of Mines; - Bureau of Economic Forecast and Concession Appraisal; - Mineral Cadastre Unit; - Integrated Coastal Zone Management Unit; - Mining Inspectorate; and - Office of Precious Minerals. <ul style="list-style-type: none"> ▪ <u>Division of Administration</u>⁵⁴ <p>The division of Administration provides support to the operations of the Ministry. This Division is headed by a Deputy Minister for Administration and is separated into four 3 departments, with each playing a distinct but coordinated role in meeting the objectives of the Division. These include Personnel, Finance & budget and Procurement departments.</p>

⁵¹ <https://mme.gov.lr/about/>

⁵² <https://mme.gov.lr/organogram/>

⁵³ <https://mme.gov.lr/division-of-operations/>

⁵⁴ <https://mme.gov.lr/division-of-administration/>

Institution	Description of Roles and Responsibilities
	<ul style="list-style-type: none"> ▪ <u>Division of Planning</u>⁵⁵ <p>The statutory mandate of the Department of Planning is to collaborate with heads of departments in planning and implementing technical operations and capacity building programs of the Ministry. This Department consists of two divisions: Bureau of Planning and Bureau of training and Human Resource Development (HRD).</p>
Ministry of Finance and Development Planning (MFDP) ⁵⁶	The Ministry of Finance and Development Planning (MFDP) bears the responsibility to formulate, institutionalize and administer economic development, fiscal and tax policies for the promotion of sound and efficient management of financial resources of Liberia. With regards to the Mining sector, the ministry plays a leading role in the formulation of fiscal terms. The Ministry also contributes to contract negotiations.
Liberia Revenue Authority (LRA) ⁵⁷	<p>The LRA's mandate is to enforce all applicable tax laws in Liberia, including those in the mining sector. Through its Natural Resources Division under the Domestic Tax Division, the LRA conducts tax assessments and issues invoices for all companies that own or operate in the ministry mining sector, the collection of all tax liabilities.</p> <p>Furthermore, its customs Division, under the customs code and regulations, bears the responsibility for the collection of import and export duties and the facilitation of exportation/importation of any outputs/inputs related to the mining sector in Liberia.</p>
Environmental Protection Agency of Liberia (EPA) ⁵⁸	<p>EPA is responsible for the management of the environment, as it relates to the mining sector. To achieve this, EPA co-ordinates with other relevant agencies including MME to monitor, supervise and consult with relevant stakeholders on all activities pertaining to the protection of the environment and the sustainable use of natural resources.</p> <p>The main functions with regards to mineral activities include the review of environmental laws and regulations; the enforcement of required legislation on the conduct of Environmental Impact Assessments or equivalent; the development of environmental and social monitoring reports, and the overall oversight on environmental obligations of mining activities.</p>
National Bureau of Concessions (NBC)	<p>NBC provides a data repository of all concessions including minerals.</p> <p>In addition, the NBC monitors and develops reports on investor compliance with mineral concession obligations.</p>

⁵⁵ <https://mme.gov.lr/division-of-planning-and-hr-development/>

⁵⁶ <https://www.mfdp.gov.lr/index.php/about-us1/about-mfdp>

⁵⁷ <https://revenue.lra.gov.lr/natural-resources-businesses/>

⁵⁸ <https://www.epa.gov.lr/content/statutory-mandate>

4.2.1.(c) Fiscal regime of the mining activities

The key legal frameworks providing for the mineral sector’s fiscal regime in Liberia are:

- Revenue Code of Liberia (2000) and as Amended in 2011;
- Minerals and Mining Law (2000);⁵⁹ and
- Regulations Governing Exploration under a Mineral Exploration License under the Minerals and Mining Law (2000).⁶⁰

The fiscal regime for the mining sector in Liberia includes the following:

TABLE 28: MAIN PAYMENT STREAMS IN THE MINING SECTOR

Taxes	Description	Rate	Reference
Corporate Income Tax	Taxes are assessed as a percentage of the net profits of a project after deducting allowable expenses. These vary most often based on what deductions are allowed and how they are calculated and monitored.	30% on taxable income from a mining project.	Section 701 to 703 and 705 of Liberia Revenue Code (LRC)
Government equity participation	The Government shall receive free of charge an equity interest in all Class A Mining Operations.	Mineral equity participation between 10% - 15%	Section 9.22 of the Mining and Minerals Law (2000)
Cost Recovery for mining production assets	An amount of money spent on asset that can be deducted from tax owed to the government. This is often based on a maximum allowable deduction.	A mining project is allowed to recover the cost of a mining production asset on an asset-by-asset basis using the straight-line method over a five (5) year period at the rate of 20% per year.	Section 706 of LRC
Royalties	A royalty is due and payable to the Government of Liberia at the time of each shipment and in the amount of the stated percent of the value of commercially shipped mineral, regardless of whether the shipment is a sale or other disposition.	- Iron ore: 4.5% - Gold and other base metals: 3% - Commercial diamonds: 5%	Section 704 of LRC
Surface Rents	A producer who has a mineral exploration license or a Class A mining license shall pay an annual surface rent.	- Exploration license: US\$ 0.20 per acre. - Mining License area: Year 1 to 10 - US\$ 5 per acre Year 11 to 25 - US\$ 10 per acre	Section 704 of LRC
Mineral exploration license fees	Fees paid for authorisation and permit to conduct mineral exploration activities.	An annual License fee of US\$ 5,000 is due and payable in advance for each year of the License Term.	Section 12.2 of Regulations governing exploration under a mineral exploration license

⁵⁹ <https://mlmeliberia.files.wordpress.com/2018/08/liberia-minerals-and-mining-law-2000.pdf>

⁶⁰ <https://mlmeliberia.files.wordpress.com/2018/08/liberia-exploration-regulationseffective-2010.pdf>

Taxes	Description	Rate	Reference
Application processing fees	Fees to be paid when applying for grant renewals, or transfers of mineral exploration license.	<ul style="list-style-type: none"> - Processing application or extending a license term: US\$ 5,000. - Suspension of exploration: US\$ 2,500. - Application to amend approved work program and budget: US\$ 2,500. - Application for pilot mining and recovery program: US\$ 10,000. - Application for transfer or change of control: US\$ 2,500. 	Section 12.3 of Regulations governing exploration under a mineral exploration license
Stability Provisions for mining projects	When entering into a mineral agreement, the Government of Liberia is permitted to accept a clause stabilising some aspects of taxation to the terms under the Revenue Code provisions for a period not to exceed 15 years from the effective date of the agreement.	<p>15-year stability period on taxes including:</p> <ul style="list-style-type: none"> - Income tax rate. - Royalty rate. - Special rule for extended net operating loss carry-forwards. - Special rule for depreciation and other cost recover mechanisms. - Exemptions for input supplies. - Exemption for property rates on Real property within a mineral exploration license area, a mining license area, or used for a mining project. - Exemptions from import duties. 	Section 17 of LRC

4.2.2. Legal framework of the oil and gas sector

4.2.2.(a) Legislation governing the Oil and Gas sector

The Oil and gas sector is regulated by the following main policies, legislations and regulations:

TABLE 29: OIL AND GAS SECTOR LEGAL FRAMEWORK

Legislation	Description
Policies	
National Petroleum Policy of Liberia (2012) ⁶¹	The Petroleum Policy of Liberia was developed in 2012 with the overall objective of directing the management of Liberia’s petroleum resources in an environmentally responsible manner, optimising returns to achieve equitable distribution of accrued benefits.
Legislations	
The Constitution of the Republic of Liberia (1986) ⁶²	The Constitution is the supreme law of Liberia. Under Article 7 of the Constitution, it requires the economy and natural resources of Liberia to be managed in a way that ensures the maximum feasible participation of Liberian citizens under conditions of equality to advance the general welfare of the Liberian people and the economic development of Liberia.
Petroleum (Exploration and Production) Act (2014) and as Amended in 2019 ⁶³	<p>The Petroleum (Exploration and Production) Act (PEPA) is the primary legislation for the oil and gas sector in Liberia. It establishes a fiscal and legal regulatory framework for the management and regulation of petroleum activities in accordance with Articles 7 and 22(b) of the Constitution of the Republic of Liberia. Specifically, it provides the basis for ownership of petroleum and petroleum rights; institutional arrangements, including the establishment of NOCAL and LPRA; licensing, tendering for and granting of petroleum agreements; definition of forms and types of petroleum agreement, state participation; citizen participation; environmental health and safety; and local content and participation.</p> <p>Under the original law, the allocation of petroleum rights was only to be conducted through international competitive tendering. However, in 2019 the law was amended to include allocation of rights through direct negotiations with potential investors and executive allocation to NOCAL. In addition, new blocks were configured in the same year to align with international standards.</p>
The National Oil Company of Liberia Act (2000) and as Amended in 2014 ⁶⁴	The Law establishes NOCAL as the national oil company with the mandate to engage in petroleum exploration, development and production on behalf of the State; lift and market State’s entitlement of crude petroleum taken in-kind; hold and manage all interests acquired by the State in all Petroleum agreements or production-sharing agreements; and encourage the development of national capabilities in all aspects of petroleum exploration, development and production, among other things.

⁶¹ <https://s3.amazonaws.com/rji-documents/0ee439a28db1053787740470d52f17f43ce65859.pdf>

⁶² <http://judiciary.gov.lr/wp-content/uploads/2017/11/CONSTITUTION-OF-THE-REPUBLIC-OF-LIBERIA.pdf>

⁶³ <https://lpra.gov.lr/lpra/laws-regulations/>

⁶⁴ <https://www.nocal.com.lr/media/nocalAct>

Legislation	Description
Model Production Sharing Contract (2020) ⁶⁵	The model PSC is intended to guide the contracting and negotiation processes between the government of Liberia, NOCAL and potential investors. It provides look-alike terms and conditions of a PSC, including contractors' obligations of NOCAL and the government of Liberia obligations; taxation and royalties; accounting methods and audit; State participation and Citizen Participation; among other relevant areas.
Revenue Code of Liberia (2000) and as Amended in 2011 ⁶⁶	The Law stipulates determinative legal provisions for the petroleum sector in Liberia. Specifically, Sections 740 to 754 covers overall taxation in the sector, including the definition of key Petroleum taxation terms, corporate income tax, royalties, surface rents, withholding tax, dividends, capital allowance, among other tax-related structures.
Environmental Protection and Management Law (2002) ⁶⁷	The Law establishes a legal framework for the overall protection and management of the environment by the Environment Protection Agency of Liberia in partnership with regulated Ministries and organizations and in a close and responsive relationship with the people of Liberia. Specifically, it provides the legal basis for the conduct of Environmental Impact Assessments, Audit and Monitoring of petroleum projects; setting of Environmental Standards that ensures safe and secure petroleum activities in Liberia; protection of biodiversity and national heritage sites, maintenance of pollution controls; implementation of International Environment Protocols; among other administrative processes in the oil and gas sector.
Regulations	
Reconnaissance License Fees & Application Requirement for onshore Areas (2019) ⁶⁸	The Regulations prescribe fees for the application of reconnaissance license and for the regulation of onshore areas.
Regulations on pre-qualification of companies' interest in acquiring offshore petroleum rights (2020) ⁶⁹	The Regulations sets the guidelines and requirements for assessing expression of interest submitted by potential investors to acquire petroleum rights. They also expatiate on the requirements for technical and financial capacity of applicants to ensure that they effectively perform their contractual and legal obligations under petroleum agreements.
Regulations on the Disclosure of Ultimate Beneficial Ownership (2020) ⁷⁰	<p>The Regulations provide further direction on the implementation of Beneficial Ownership guidelines in the Oil and gas sector. They particularly provide clarity on the definition of a beneficial owner, parties authorised to collect BO information, thresholds for ownership reporting, obligations of companies that seek to acquire, own, or operate a petroleum license or exercise control over operating companies.</p> <p>It further provides details on applicable thresholds, BO information verification, enforcement rules, penalties for breaches and the publication of BO information.</p>

⁶⁵ https://lpra.gov.lr/lpra/wp-content/uploads/2023/04/model-psc_final_4_final.pdf

⁶⁶ <https://mlmeliberia.files.wordpress.com/2018/10/revenue-code.pdf>

⁶⁷ <https://mlmeliberia.files.wordpress.com/2018/10/environmental-code.pdf>

⁶⁸ <https://lpra.gov.lr/lpra/laws-regulations/>

⁶⁹ <https://lpra.gov.lr/lpra/laws-regulations/>

⁷⁰ <https://lpra.gov.lr/lpra/laws-regulations/>

4.2.2.(b) Institutional framework of the Oil and Gas sector

The main government agencies involved in the oil and gas sector in Liberia are set out in the table below:

TABLE 30: OIL AND GAS SECTOR INSTITUTIONAL FRAMEWORK

Institution	Description of Roles and Responsibilities
Liberia Petroleum Regulatory Authority (LPRRA) ⁷¹	<p>LPRRA is responsible for the overall regulation of upstream oil and gas activities. It conducts technical evaluation and research to advice on the opening of areas to petroleum operations. LPRRA also manages the allocation of rights in coordination with other relevant agencies; and bears the mandate to enter into petroleum agreement on behalf of the State. Finally, LPRRA reviews and approves licenses, and monitors and enforces compliance on petroleum operations through inspections, investigations, and audits.</p> <p>Overall, the Authority comprises three departments:</p> <ul style="list-style-type: none"> ▪ <u>Department of Technical</u>⁷² <p>The department of technical services is responsible for leading the Authority’s program on geophysical assessment and data management, evaluation for areas to be included in bid rounds, health, safety and environment management, exploration drilling including regulating international oil companies, etc. Headed by a Deputy Director-General, the department ideally contains two major units:</p> <ul style="list-style-type: none"> - Exploration unit; and - HSE (Health Safety and Environment) unit. <ul style="list-style-type: none"> ▪ <u>Department of Operation</u>⁷³ <p>Headed by a Deputy Director-General, the department is generally responsible for information communication technology (ICT) and general services (GS). Its programs are coordinated and managed through two significant units:</p> <ul style="list-style-type: none"> - IT unit; and - General services unit. <ul style="list-style-type: none"> ▪ <u>Department of Administration</u>⁷⁴ <p>The department of administration mainly handles the general administration of the Authority, including procurement and human resources related activities. It is headed by the Deputy Director-General for Administration and supported by two key units:</p> <ul style="list-style-type: none"> - Procurement unit; and - HR unit.
National Company of Liberia (NOCAL) ⁷⁵	<p>Oil NOCAL is an oil company wholly owned by the state with the responsibility to manage the State’s interests in all petroleum agreements. It also engages in petroleum exploration, development, and production on behalf of the State.</p> <p>NOCAL is required under the Petroleum Law to lead the development of local capabilities in all aspects of upstream oil and gas activities, including ensuring the transfer of technology to Liberians.</p>

⁷¹ <https://lpra.gov.lr/lpra/#>

⁷² <https://lpra.gov.lr/lpra/technical/>

⁷³ <https://lpra.gov.lr/lpra/operation/>

⁷⁴ <https://lpra.gov.lr/lpra/administration/>

⁷⁵ <https://www.nocal.com.lr/about/>

Institution	Description of Roles and Responsibilities
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Hydrocarbon Technical Committee (HTC)	<p>HTC has the mandate to lead contract negotiations in the oil and gas sector. With the power to negotiate petroleum agreements on behalf of the government, decisions on the conclusion of agreements become binding on all parties, including potential investors and government agencies with responsibilities in the oil and gas sector.</p> <p>According to the National Petroleum Policy of Liberia of 2012, the HTC comprises the following eight (8) members:</p>
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Member	Position
President & CEO, NOCAL	Chairman
Minister of Justice	Member
Minister of Finance	Member
Legal Advisor to the President	Member
Minister of Lands, Mines, & Energy	Member
Minister of Labour	Member
Chairman, National Investment Commission	Member
Executive Director Environmental Protection Agency	Member

Ministry of Mines and Energy (MME) ⁷⁶	<p>The MME is responsible for the coordination and formulation of energy policies and legislations, including upstream petroleum policies. With the establishment of LPRA, MME’s responsibilities in the upstream sector is limited to the policy formulation, legislative coordination, and contribution to contract negotiations at the level of the Inter-Ministerial Hydrocarbon Technical Committee. Through its bureau of Hydrocarbons, the MME coordinates stakeholders on policy discussions related to the upstream petroleum sector.</p>
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Ministry of Finance and Development Planning (MFDP) ⁷⁷	<p>The MFDP bears the responsibility to formulate, institutionalise and administer economic development, as well as manage fiscal and tax policies for the promotion of sound and efficient management of the country’s financial resources. With regards to the upstream oil and gas sector, the MFDP plays leading role in the formulation of fiscal terms and conditions during contract negotiations.</p>
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Environmental Protection Agency of Liberia (EPA) ⁷⁸	<p>EPA is responsible for the management of the environment in the upstream oil and gas sector. To achieve its objective, EPA co-ordinates with other relevant agencies including LPRA to monitor, supervise and consult with relevant stakeholders on all activities relating to oil and gas extraction, including decommissioning activities.</p>
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The main functions of EPA with regards to oil and gas activities includes:

- the review of environmental laws and regulations;
- enforcement of required legislation on the conduct of Strategic Environmental Assessments or their equivalent;
- development of environmental and social monitoring reports; and
- overall oversight of environmental obligations concerning oil and gas activities.

⁷⁶ <https://mme.gov.lr/about/>

⁷⁷ <https://www.mfdp.gov.lr/index.php/about-us1/about-mfdp>

⁷⁸ <https://www.epa.gov.lr/content/statutory-mendate>

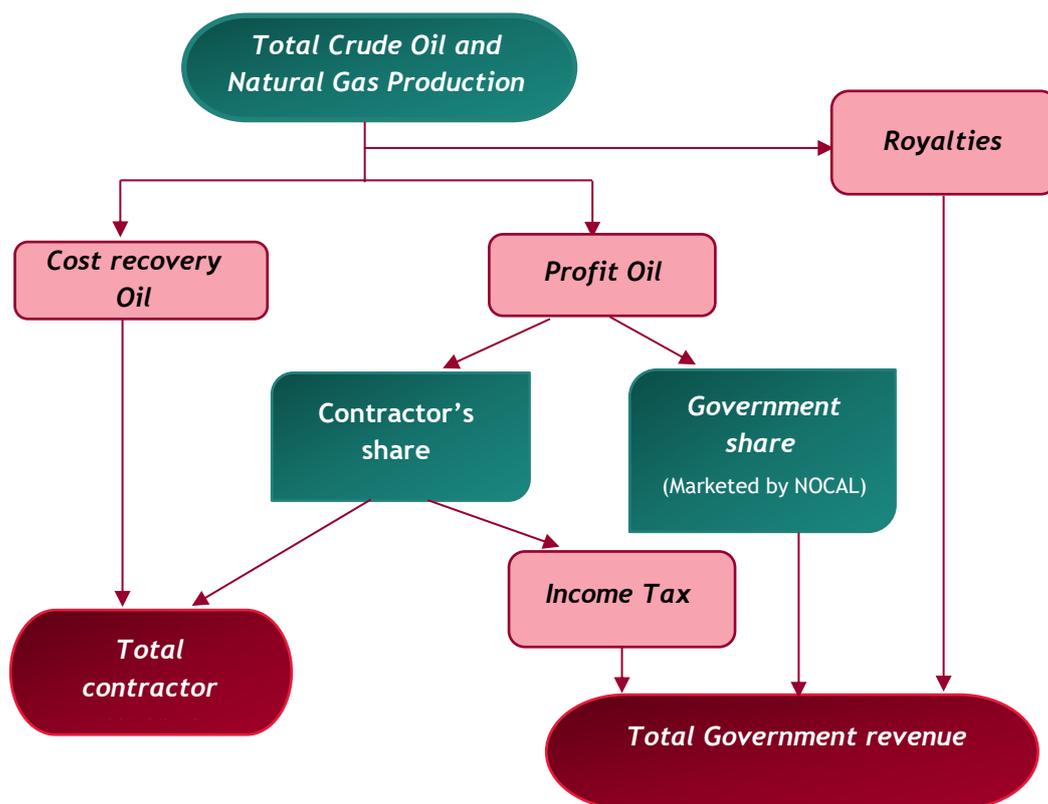
Institution	Description of Roles and Responsibilities
Liberia Revenue Authority (LRA) ⁷⁹	<p>LRA’s mandate is to enforce all applicable tax laws in Liberia, including those relating to the Upstream Petroleum sector. Through its Natural Resources Division under the Domestic Tax Division, LRA conducts tax assessments and issues invoices for all companies that own or operate in the oil and gas sector, for the collection of all tax liabilities.</p> <p>Furthermore, its customs Division, under the Customs code and regulations, bears responsibility for the collection of import and export duties, and the facilitation of exportation and importation of any outputs/inputs required in the upstream petroleum sector.</p>

4.2.2.(c) Fiscal regime of the Oil and Gas activities

PSC fiscal regime mechanism

The fiscal regime for the oil and gas sector in Liberia is mainly based on a Production Sharing Contract (PSC) based on which oil companies are contracted by Government and are rewarded an agreed share of the production. The fiscal provisions of a PSC constitute four main components including royalties, cost recovery oil, profit oil, and income tax as shown in the figure below:

FIGURE 15: PSC FISCAL REGIME MECHANISM⁸⁰



⁷⁹ <https://revenue.lra.gov.lr/natural-resources-businesses/>

⁸⁰ https://lpra.gov.lr/lpra/wp-content/uploads/2023/04/model-psc_final_4_final.pdf

Main payment streams in the oil and gas sector

The main oil and gas sector payment streams according to the model of the Production Sharing Contract (2020) are detailed as follows:

TABLE 31: MAIN PAYMENT STREAMS IN THE OIL AND GAS SECTOR

Taxes	Description	Rate	Reference
Government Equity Participation	The State shall have the right to receive free interest participations in the Contractor's rights and obligations under the Petroleum Contracts.	- State Participation (Free Interest): 5% - Citizen Participation (Free interest): 5%	Articles 17.1 & 17.2 of Model PSC (2020)
Royalties	A petroleum agreement shall provide for the payment of royalties on the value of total production of petroleum from the contract area, excluding such quantities as are used, reinjected, or unavoidably lost in the petroleum operations, at the percentage rate(s) specified therein. Such royalties shall be payable into the Consolidated Fund.	- 8% for Crude Oil total production - 5% for Natural Gas total production	Article 15.3 of Model PSC (2020)
Cost Recovery for Oil and Gas Projects	For the purposes of recovery of Petroleum Costs with respect to any Exploitation Area, the Contractor may freely take each calendar month from each of the Net of Royalty Production of Crude Oil and the Net of Royalty Production of Natural Gas.	- 70% of Net of Royalty Production	Article 14.3 of Model PSC (2020)
Profit Oil	The quantity of Crude Oil and Natural Gas from an Exploitation Area remaining after the Contractor has taken from the Net of Royalty Production the portion shall be shared between the State and the Contractor according to the Contractor's nominal pre-tax rate of return from the conduct of Petroleum Operations with respect to an Exploitation Area.	Based on Pre-tax rate of return (ROR) for production area: - 19% or less ROR: 25% State and 75% contractor - 19% to 25% ROR - 45% State and 55% contractor - Above 25% ROR - 70% State and 30% contractor	Article 14.4 of Model PSC (2020)
Corporate Income Tax	Taxes are assessed as a percentage of the net profits of a project after deducting allowable expenses. These vary most often based on what deductions are allowed and how they are calculated and monitored.	- 15% on the Contractor's taxable income.	Article 15.2 of Model PSC (2020)
Surface Rents	Surface rentals shall be payable to the Government of Liberia into the consolidated account per square kilometer of the Contract Area remaining at the beginning of each Contract Year.	- First exploration phase: US\$50 per sq. km - Second exploration phase: US\$75 per sq. km - Third exploration phase: US\$100 per sq. km - Exploitation Areas: US\$150 per sq. km	Article 16.1 of Model PSC (2020)
Signature and production bonuses	A lumpsum payment charged at a point in a project timeline.	- US\$8,000,000 within thirty (30) days of the Effective Date as signature bonus. - US\$5,000,000 when the combined Total Production of Crude Oil from all Exploitation Areas within the Contract Area first reaches the average rate of 30,000 barrels per	Article 16.2 of Model PSC (2020)

Taxes	Description	Rate	Reference
		day during a period of 30 consecutive days. - US\$7,000,000 when the combined Total Production of Crude Oil from all Exploitation Areas within the Contract Area first reaches the average rate of 50,000 barrels per day during a period of 30 consecutive days. - US\$10,000,000 when the combined Total Production of Crude Oil from all Exploitation Areas within the Contract Area first reaches the average rate of 100,000barrels per day during a period of 30 consecutive days.	
Contribution to the Hydrocarbon Development Fund	The Contractor shall make a one-time contribution to the Hydrocarbon Development Fund. This contribution shall be paid into a separate subaccount of the Consolidated Fund established for the sole purpose of holding the contributions made to the Hydrocarbon Development Fund pursuant to this and other petroleum agreements.	- US\$500,000 within thirty days of the Effective Date of the Contract.	Article 16.4 of Model PSC (2020)
Contribution to the Rural Renewable Energy Fund	The Contractor shall make an annual contribution to the Rural Renewable Energy Fund into a separate subaccount of the Consolidated Fund established for the sole purpose of holding the contributions of the Rural Energy Fund pursuant to this and other petroleum agreements.	- US\$100,000 per year.	Article 16.4 of Model PSC (2020)

Discrepancies in Fiscal Regime

Liberia’s fiscal regime or terms for all sectors are enshrined in the Liberia Revenue Code 2000 (as Amended in 2011). However, we found the below discrepancies between the Royalties rates and corporate tax rates in the Revenue Code and Model PSC (2020):

TABLE 32: DISCREPANCIES IN THE OIL AND GAS SECTOR FISCAL REGIME

Fiscal Term	Revenue Code	PSC Model
Royalties	10% for Crude Oil	8% for Crude Oil
	10% for Natural Gas	5% for Natural Gas
Corporate Tax Rate	30% of taxable income	15% of taxable income

4.2.3. Legal framework of the forestry sector

4.2.3.(a) Legislation governing the forestry sector

The main policies, laws and regulations governing the forestry sector in Liberia are:

TABLE 33: FORESTRY SECTOR LEGAL FRAMEWORK

Legislation	Description
Policies	
National Forest Management Strategy (2007) ⁸¹	It is a Policy Document that lays out the methods and approaches to sustainable forest management in Liberia. It is the legal foundation that prescribes specific and measurable goals on how Liberia's forest is managed to produce the desired goods and services current and future generations.
Legislations	
The 2006 National Forestry Reform Law (NFRL 2006) ⁸²	The Law provides for the management and conservation of the forest resources of Liberia. It covers the definition of ownership rights and other rights in forests, the regulation of commercial and other use of forest resources, the provision for the protection of the environment and wildlife in forest areas, the regulation of the trade in forest products, and the provision for various other matters relative to forestry and wildlife.
The Forestry Development Authority Act (1976), (As Amended) ⁸³	The Act (as amended) establishes the FDA as a body corporate with its objectives as: establish a permanent forest estate made up of reserved areas upon which scientific forestry will be practiced; devote all publicly owned forest lands to their most productive use for the permanent good of the whole people considering both direct and indirect values; stop needless waste and destruction of the forest and associated natural resources and bring about the profitable harvesting of all forest products while assuring that supplies of these products are perpetuated; correlate forestry to all other land use and adjust the forest economy to the overall national. Further Amendments have been enacted to even improve the governance and ownership responsibility of the FDA in forest management in Liberia. For instance, the National Forestry Reform Law further enjoins the FDA with the responsibility to assure the sustainable management of the Republic's Forest Land, conservation of the Republic's Forest Resources, protection of the Republic's Environment, and sustainable development of the Republic's economy, with the participation of and for the benefit of all Liberians, and to contribute to poverty alleviation in the Nation.
Act for the Conservation of the Forests (1953) ⁸⁴	It provides the framework for the use of forest and wildlife resources and allows for the creation of government reserves, native authority reserves, commercial forests, national parks, and wildlife refuges.
Supplementary Act for the Conservation of Forests (1957) ⁸⁵	The Supplementary Law also provides the framework for the use of forest and wildlife resources and allows for the creation of government reserves, native authority reserves, commercial forests, national parks, and wildlife refuges.

⁸¹ <https://faolex.fao.org/docs/pdf/lbr178980.pdf>

⁸² <https://faolex.fao.org/docs/pdf/lbr67626.pdf>

⁸³ <https://faolex.fao.org/docs/pdf/lbr3219.pdf>

⁸⁴ <https://faolex.fao.org/docs/pdf/lbr3213.pdf>

⁸⁵ <https://faolex.fao.org/docs/pdf/lbr3216.pdf>

Legislation	Description
Wildlife and National Parks Act (1988) ⁸⁶	This Law identifies several protected areas and specifies policies and objectives regarding wildlife and conservation in Liberia.
Community Rights Law with respect to forest lands (2009) ⁸⁷	This Law empowers local communities to fully engage in the sustainable management of forest by creating local framework that defines and supports community rights in the management and use of Forest in Liberia Resources.
Environmental Protection and Management Law 2002 (EPML- 2002) ⁸⁸	The EPML provides the legal framework for the sustainable development, management and protection of the environment by the EPA. It works in collaboration with regulatory ministries and organisations in Liberia. The law provides detailed information and guidance on the state of the environment and for things connected therewith. Section 77 and 78 focus on protection of the forest and reforestation, respectively.
Land Rights Act (2018) ⁸⁹	The Act with respect to forest lands gives statutory recognition to customary ownership of both forests and forest resources within community lands, provides for the management of community forests by community forest management bodies, and requires prior informed consent of the community for concessions to be made on community lands. It further provides the legal basis for the formation of community owned governance structure manage customary and community owned lands and forest resources.
Regulations	
Ten Core FDA Regulations ⁹⁰	<ul style="list-style-type: none"> - Regulation on Public Participation in Promulgation of Regulations, Codes, and Manuals (FDA Regulation 101-07). - Regulation on Forest Land Use Planning (FDA Regulation 102-07). - Regulation on Bidder Qualifications (FDA Regulation 103-07). - Regulation on Tender, Award, and Administration of Forest Management Contracts, Timber Sale Contracts, and Major Forest Use Permits (FDA Regulation 104-07). - Regulation on Major Pre-Felling Operations under Forest Resources Licenses (FDA Regulation 105-07). - Regulation on Benefit Sharing (FDA Regulation 106-07). - Regulation on Certain Forest Fees (FDA Regulation 107-07). - Regulation on Establishing a Chain of Custody System (FDA Regulation 108-07). - Regulation on Penalties (FDA Regulation 109-07). - Regulation on Rights of Private Landowners (FDA Regulation 110-07).

⁸⁶ <https://faolex.fao.org/docs/pdf/lbr3548.pdf>

⁸⁷ <https://faolex.fao.org/docs/pdf/lbr143892.pdf>

⁸⁸ <https://mlmeliberia.files.wordpress.com/2018/10/environmental-code.pdf>

⁸⁹ <https://faolex.fao.org/docs/pdf/lbr182407.pdf>

⁹⁰ <https://www.clientearth.org/media/d0qjcdxbx/forestry-development-authority-ten-core-regulations-ext-en.pdf>

4.2.3.(b) Institutional framework of the forestry sector

The main structures involved in the forestry sector as well as their main roles and responsibilities are summarised in the below table:

TABLE 34: FORESTRY SECTOR INSTITUTIONAL FRAMEWORK

Institution	Description of Roles and Responsibilities
The Forestry Development Authority (FDA) ⁹¹	<p>The FDA is a semi-public autonomous corporation created by an act of the legislature on 20 December 1976, with the mandate to sustainably manage and conserve the forests and related resources of the country for the benefit of present and future generations. The mandate of the FDA includes but is not limited to the following broad responsibilities:</p> <ul style="list-style-type: none"> - formulation and enforcement of forestry law, policy objectives and regulations in collaboration with the relevant and concerned ministries and agencies; - enhancement of the sustainable management, conservation and utilisation of the forest and related resources, taking into consideration their various benefits to the people and the nation; - controlling and monitoring of concessions operations to ensure that concessionaires carry out activities in line with prescribed guidelines; - assessment and collection of revenue from forestry activities; - conduct of research and training; - provisions of technical assistance to operators engage in the forestry sector; - implementation and supervision of reforestation programs and projects. <p>Encouraging and promoting the involvement and participation of rural dwellers in forestry programs and projects; and</p> <ul style="list-style-type: none"> - protection and extension services for the sustainability of the forest estate. <p>The FDA uses a “3 C’s - Commercial, Community, Conservation” approach to focus on management of Liberia’s forests in order to achieve the agency’s overall goal of developing and sustaining the benefits of Liberia’s forest resources.</p>
Environmental Protection Agency (EPA)	<p>EPA is the principal authority for the management of the environment, and mandated to coordinate, monitor, supervise and consult with relevant stakeholders on all activities in the protection of the environment and sustainable use of natural resources; promotes environmental awareness and implementation of the national environmental policy and the environmental protection and management law; oversees the implementation of international environment related conventions.</p>
Ministry of Internal Affairs	<p>The Ministry is responsible for the administration of the affairs of all Government functionaries ‘within local and urban areas of Liberia. The Ministry oversees the activities of local Government bodies such as the chiefdoms and clans; supervises all County Superintendents; guarded by the revised interior regulations of Liberia, which give the Ministry custodianship over all private and public properties within the territorial confines of the country. Hence, they play key role in coordinating community forest management and lands.</p>

⁹¹ <https://www.fda.gov.lr/general/mandate>

4.2.3.(c) Fiscal regime of the forestry sector

The key legal frameworks providing for the forestry sector’s fiscal regime in Liberia are:

- Revenue Code of Liberia (2000) and as Amended in 2011;
- The National Forestry Reform Law (NFRL) of 2006; and
- The Ten Core FDA Regulations.

The fiscal regime for the forestry sector in Liberia includes the following:

TABLE 35: MAIN PAYMENT STREAMS IN THE FORESTRY SECTOR

Tax	Description
Corporate Income Tax	All holders of Forest Resources Licenses are subject to the revenue and finance laws of general application in the Republic. Rate: 25% based on net income.
Stumpage fees	Stumpage fees are fees associated with the harvest of Forest Resources, including fees based on the kind and amount of Forest Resources harvested. Any person felling a tree shall pay to the Government a log stumpage fee, based on the merchantable volume harvested, according to the following formula: 1) For category A species, 10% of the market price of Log, FOB Monrovia, as determined in the list approved under Section 3 of FDA Ten Core regulations; 2) For category B species, 5% of the market price of Log, FOB Monrovia, as determined in the list approved under Section 3 of FDA Ten Core regulations; and 3) For category C species, 2.5% of market price of Log, FOB Monrovia, as determined in the list approved under Section 3 of FDA Ten Core regulations.
Land rental fees	Land rental fees, which are fees associated with the use of Forest Land, including administrative fees and area-based fees tied to Forest Resources Licenses.
Forest Product fees	Forest Product fees, which are fees associated with the production, registration, transport, transfer of ownership, use, or export of Forest Products.
Log Export Fees	These are fees associated with the export of logs as a forestry product.
FDA coupe annual inspection fees	US\$ 50 per square kilometer block

4.2.4. Legal framework of the agriculture sector

4.2.4.(a) Legislation governing the agriculture sector

As per the reporting scope, the agriculture sector comprises the oil palm and rubber subsectors. Some of the key pieces of legislation that guide the agriculture sector include:

TABLE 36: AGRICULTURE SECTOR LEGAL FRAMEWORK

Legislation	Description
Agricultural Law 1973 (As Amended) ⁹²	<p>The Law is divided into four chapters:</p> <p>Chapter 1 is divided into the following articles: Short title (1); Purpose (2); Definitions (3); Authority and responsibility of the Minister of Agriculture (4); Penalty for violation of chapter provisions (5).</p> <p>Under Chapter 2, a National Livestock Bureau is established. Its function shall be "to provide necessary administration and coordination to the development of the animal husbandry resources in the Republic". Other articles of chapter 2 make provision for a national artificial insemination programme to be established by the Ministry of Agriculture.</p> <p>Chapter 3 has a single article: Destruction of palm trees on public lands forbidden (art. 3.1).</p> <p>Chapter 4 (2 articles): Boundary posts to be erected on farmlands (art. 4.1); Annual National Agricultural Fair and Commercial Fair (art. 4.2).</p>
Liberia Agriculture Commodity Regulatory Authority Act (2014) ⁹³	<p>This Act establishes the Agricultural Commodities Regulatory Authority as a body corporate and defines its functions and powers. The Authority shall be a semi-autonomous agency of the Government and shall be under the general supervision and director of the Ministry.</p> <p>The Authority shall be governed by a Board of Directors, while the Director General shall be responsible for the day-to-day management of the affairs of the Authority. The functions of the Authority are, among other things, to administer and to promote the agriculture export trade of Liberia, to increase agriculture productivity, competitiveness, value chain development, and environmental sustainability, especially for smallholders, including women and youth, and to promote a robust, competitive and modernised agriculture sector support of sustainable economic growth and development. It shall, also, among other things, licence exporters and serve as an advisory and dispute resolution body.</p>
Rubber Development Fund Incorporated Act (2016)	<p>This Act provides the framework to ensure the development and modernisation of Liberia's Rubber Industry in all aspects, including capacity building and manufacturing of rubber products as well as improving the performance and competitiveness of Liberian Rubber supply chain and value chain activities. The enactment of this law led to the repeal and replacement of the Rubber Industry Rehabilitation and Development Fund of Liberia (2003) and the Liberia Rubber Development Authority Act (2004).</p>
Revenue Code of Liberia (2000) and as Amended in 2011 ⁹⁴	<p>The Law stipulates determinative legal provisions for agriculture and renewable resources taxation in Liberia. Specifically, Sections 600 to 623 covers overall taxation in the sector, including the definition of key agriculture and renewable resources taxation terms, rate of tax, valuation, surface rents and royalties, determination of taxable income from renewable resources project, and other tax related structures.</p>

⁹² <https://faolex.fao.org/docs/pdf/lbr5338.pdf>

⁹³ <https://faolex.fao.org/docs/pdf/lbr178624.pdf>

⁹⁴ <https://mimeliberia.files.wordpress.com/2018/10/revenue-code.pdf>

Legislation	Description
Land Rights Act (2018) ⁹⁵	The Law provides a framework for the legal definition of land ownership, use, and overall administration, including dispute resolution and transfer of land ownership. Specifically, it prescribes means by which each land category in Liberia can be acquired, used, transferred, or otherwise managed.
Environmental Protection and Management Law (2002) ⁹⁶	The Law establishes a legal framework for the overall protection and management of the environment by the EPA in partnership with regulated Ministries and organizations and in a close and responsive relationship with the people of Liberia. In particular, it provides the legal basis for the conduct of Environmental Impact Assessments of the agriculture activities.

4.2.4.(b) Institutional framework of the agriculture sector

The main structures involved in the agriculture sector as well as their main roles and responsibilities are summarised in the below table:

TABLE 37: AGRICULTURE SECTOR INSTITUTIONAL FRAMEWORK

Institution	Description of Roles and Responsibilities
Ministry of Agriculture (MoA) ⁹⁷	<p>The mandate to develop the agricultural sector calls for putting in place an effective organisational structure and manned by staff capable of planning, coordinating, implementing, monitoring and evaluating agricultural development programmes. It also ensures that its staff and the farmers are trained to cope with the challenges of developing the agricultural sector. In addition, MoA ensures that agricultural challenges that impede production are investigated, lasting solutions found and farmers are provided with support services and a conducive environment for production.</p> <p>The core general areas of responsibility of MoA will likely continue to consist of: agriculture, both smallholder and commercial; plantation crops; fisheries; and livestock. The Ministry's major activities are coordinated through the following four departments: Administration, Planning and Development, Regional Development and Extension and Technical Services, each having units and divisions.</p>
Liberia Agriculture Commodity Regulatory Authority (LACRA)	<p>The LACRA is a semi-autonomous agency of the Government created by an act of the legislature in 2014. The mission of LACRA is to further enhance the Country's agriculture potential by promoting, developing standards, and regulating agriculture exports through:</p> <ul style="list-style-type: none"> - product quality improvement traceability in order to maintain the national integrity of the country from farm gate to market; - the establishment of a rigorous commodity trade licensing regime, including inspection and validation of storage; - commodity price standardisation based on world market variables in order to ensure the receipt of a fair share of the world market price; and - international connectivity maintain with the country's regional and international partners, including the Inter-African Coffee Organisation, the International Cocoa Organisation, the International Coffee Organisation, etc.

⁹⁵ <https://faolex.fao.org/docs/pdf/lbr182407.pdf>

⁹⁶ <https://mlmeliberia.files.wordpress.com/2018/10/environmental-code.pdf>

⁹⁷ <https://www.moa.gov.lr/index.php/general/mandate-mission>

4.2.4.(c) Fiscal regime of the agriculture sector

The agriculture sector fiscal regime is set out in chapter 6 of the LRC (2000) and as Amended in 2011.

The main revenue streams paid by agricultural companies in Liberia are:

TABLE 38: MAIN PAYMENT STREAMS IN THE AGRICULTURE SECTOR

Tax	Description
Corporate Income Tax	Income tax is imposed on taxable income from agricultural production and renewable resource projects. The tax rate on taxable income from extraction of renewable resources, except for rice production project, shall be 25%. The rate of tax on taxable income for rice production projects shall be 15%.
Surface Rental	A contractor must pay an annual surface rent of USD 2 per acre for developed land and USD 1 per acre for undeveloped land, irrespective of the value of the assets contained thereon. The valuation of and the payment for the value of the assets in a proposed concession area may be made a biddable item in the concession procurement process. Annual payments are due on or before the effective date of the agreement and thereafter on the agreement anniversary date.
Royalty for Carbon Credits	A contractor who has entered into renewable resource contract and who obtains carbon credits must pay a carbon credit royalty equal to 10% of the value of the credits.

4.3. Contract and license allocations

4.3.1. License allocations in the Mining Sector

4.3.1.(a) Types of mining licenses and permits

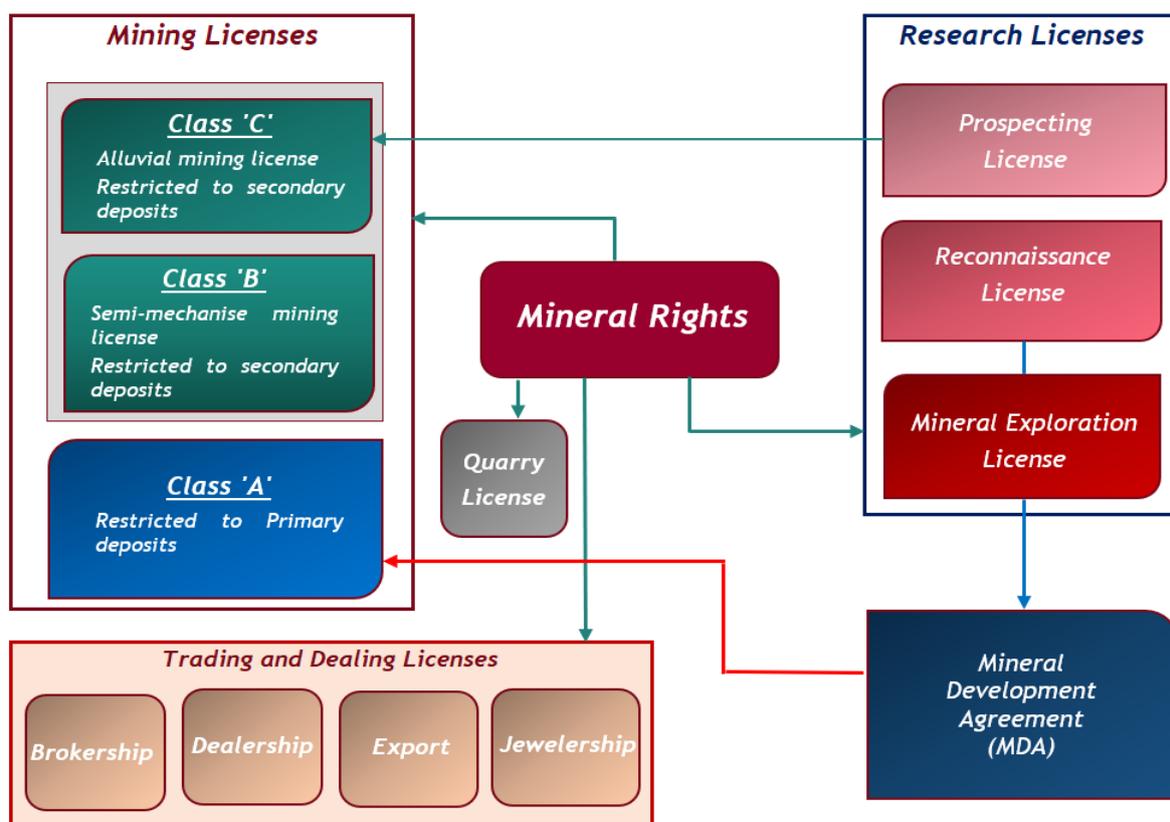
The license award process in the mining sector is conducted in accordance with the Minerals and Mining Law (2000), under Chapters 5, 6, and 7. Liberia practices an open door negotiated system for allocating mineral rights on a first-come-first-serve basis. The types of licenses include Reconnaissance, Prospecting, Exploration and Mining Licenses. There are different classes of mineral licenses including Class A, B, and C.

The Law also allowed the government to enter into a Mineral Development Agreement (MDA) with any eligible applicant. Eligible Applicants shall have concluded an MDA or other agreement with the government in order to be granted either an Exploration License or a Class A Mining License.

The figure⁹⁸ below shows the different mineral rights that were granted according to the Minerals and Mining Law, 2000:

⁹⁸ <https://mme.gov.lr/basic-mineral-titles/>

FIGURE 16: MINERAL RIGHTS IN LIBERIA



The table below details the rights conferred and requirements for application of each class of mineral license related to upstream activities:

TABLE 39: DESCRIPTION AND REQUIREMENTS OF MINERAL LICENSES RELATED TO UPSTREAM ACTIVITIES

Type	Rights conferred and requirements	Area	Duration
Research Licenses			
Reconnaissance License	<ul style="list-style-type: none"> - The holder of a Reconnaissance License shall have the rights during its term, to conduct reconnaissance in the area subject to the Reconnaissance License. - The holder shall not engage in drilling or sinking of pits. 	Not exceed 2,000 square km.	Maximum period of six months, renewable once for another six months.
Prospecting License	<ul style="list-style-type: none"> - The holder of the Prospecting License shall have the exclusive rights during its term to conduct Prospecting over the granted area and to apply for a Class B or Class C Mining License with respect to any part of the granted area. - The holder shall file and submit to the Minister a proposed work plan for prospecting. 	Not exceed 100 acres.	Period of six months, renewable once for a further period of six months.
Exploration License	<ul style="list-style-type: none"> - The holder of the Exploration License shall have the exclusive rights to conduct Exploration work in 	1,000 square km.	Three years and it may be extended for a

Type	Rights conferred and requirements	Area	Duration
	<ul style="list-style-type: none"> the area granted and covered under the terms of the Exploration License. - The holder shall submit a proposed exploration program to the Minister within the 90 days after the issuance of the Exploration License. 		single two-year term.
Mining Licenses			
Class A Mining License	<ul style="list-style-type: none"> - It is granted during or at the end of the exploration period of a discovery of exploitable deposits and is materially in compliance with, an MDA, which has become effective, permitting mining in the proposed production area (Large-scale operations). - The operator shall have successfully completed a proposed exploration program and submitted to the Minister a detailed map and descriptive statement based on actual surveys. - the operator shall have completed a feasibility report describing a plan for the efficient and economic conduct of Mining in the Proposed Production Area. 	As mapped	25 years, renewable by additional 25 years.
Class B Mining License	<ul style="list-style-type: none"> - The holder of a Class B Mining Licence shall have the right to conduct mining as an industrial operation. - The holder shall submit a production plan to the Ministry prior to commencing Mining. 	An area not currently under a mineral right	Five (5) years, renewable by additional five (5) years.
Class C Mining License	<ul style="list-style-type: none"> - The holder of a Class C Mining License shall have exclusive rights to mine in the Production Area covered by the mining License. - the holder shall conduct Mining predominantly as a Small-Scale Operation. 	Up to 25 acres	One year, renewable for further terms of one year each.
Quarry License	<ul style="list-style-type: none"> - The holder of a Quarry License shall have the exclusive rights to develop, Mine, and sell Building and Industrial Minerals found within the area subject to the Quarry License but shall not have the right to Mine other Minerals. - The Quarry License is granted on the same basis as a Class B Mining License. The only exception is that the area must not exceed 50 acres. 	Up to 50 acres	Five 5 years, renewable for further terms of five years each.

Source: *Minerals and Mining Law, 2000.*

4.3.1.(b) Awarding procedures for mining licenses and permits

All persons or operators desiring to participate in the mineral sector of Liberia are required to be licensed before they can engage in the mining activities.

We present below the licensing application process of each class of mineral license and agreements related to upstream activities.

Application process for exploration, prospective and reconnaissance licences

The table below provides details of the application process for Exploration, Prospective and Reconnaissance Licences:

TABLE 40: APPLICATION PROCESS FOR EXPLORATION, PROSPECTIVE AND RECONNAISSANCE LICENSES

Step	Stage/Activity
1	Applicant submits application at the Minister's office.
2	Minister's office logs and stamps application with a date and time application received.
3	Minister's office sends application to Cadastre Unit for Registration. Registrar inputs application data and coordinates on MCAS, scans application into shared folders and uploads application into MCAS.
4	Application in Validation stage, whereby the Geographic information systems (GIS) Technician within Cadastre Unit verifies area limit, application requirements and whether area is encumbered by other licenses, concessions, protected, proposed protected, conservation as well as proposed conservation areas.
5	GIS Technician prepares a map of the application area with comments and forwards application and map to the Director of the Mining Cadastre Information Management Unit (MCIMU).
6	Director of MCIMU reviews application, adds comments on application and map and send them to the Assistant Minister for Exploration (AME).
7	AME office send application to Liberian Geological Survey (LGS) for, compliance check including timely submission of reports and execution of the license work program and other legal and regulatory obligation of the license.
8	LGS recommends either the granting or denial of application based on its review and forwards application to AME.
9	If LGS recommends that application be granted, the AME make comments, signs application and sends it to Cadastre Unit to print an Order to Pay (OTP) for surface rent and license fee.
10	Registrar calculates surface rent and license fees (exploration license), prints out an OTP and Cadastre Unit forwards OTP to AME for signature and approval by the Deputy Minister for Exploration.
11	OTP is returned to the Cadastre Unit and issued to the applicant for payment.
12	Applicant pays necessary fees and returns payment receipt to the Cadastre Unit.
13	Registrars record payment data into MCAS and prints license.
14	License is sent to AME for signature and approval by the Minister (Exploration and Reconnaissance only. Prospecting license is signed by the Director of LGS and approved by the AME).
15	Signed License is returned to the Cadastre Unit.
16	License is scanned and attached to the shared folder.
17	Director of Cadastre contacts applicant to pick up license from the Cadastre Unit.

Source: Ministry of Mines and Energy (MME)

Application process for Class B and C Mining Licences

Any Person who is an Eligible Applicant for a Class B or Class C Mining Licenses may apply for, and the Minister shall grant, a Class B or C Mining Licenses over a production Area not

subject to a Mineral Right granted another Person subject. The table below provides details of the application process for Class B and C mining Licences:

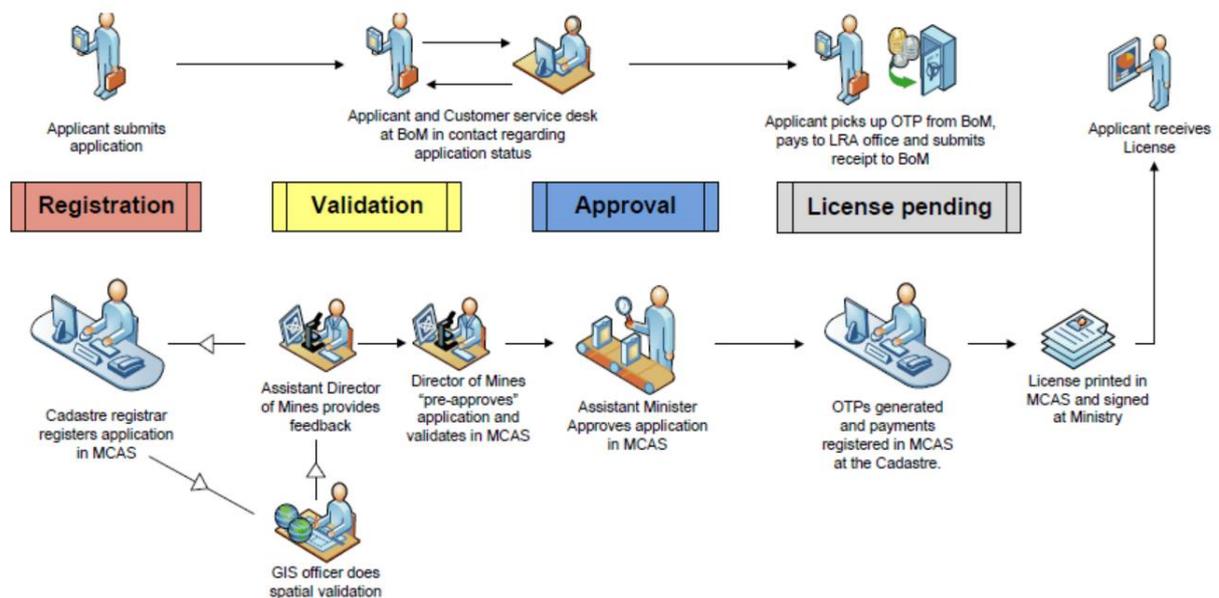
TABLE 41: APPLICATION PROCESS FOR CLASS B AND C MINING LICENCES

Step	Stage/Activity
1	Application submitted to Minister's office.
2	Application recorded by Cadastre office and uploaded on MCAS.
3	Vetting of application by GIS technician and recommendation for validation.
4	Application forwarded to bureau of Mines for further vetting.
5	Application reviewed, vetted, and validated by Director of Mines.
6	Assistant Minister of Mines reviews and issues approval.
7	Application is forwarded by Bureau of Mines to Cadastre office to effect payment process.
8	Request for Payment delivered to applicant.
9	Payment made to LRA by applicant and receipt submitted to Bureau of Mines.
10	Cadastre receives payment confirmation and prints license and sends to Bureau of Mines for signing.
11	License is issued to applicant.
12	License filed and included in Cadastre.

Source: Ministry of Mines and Energy (MME)

The figure below shows the application workflow for Class B and C Mining Licenses.⁹⁹

FIGURE 17: APPLICATION WORKFLOW FOR CLASS B AND C MINING LICENCES

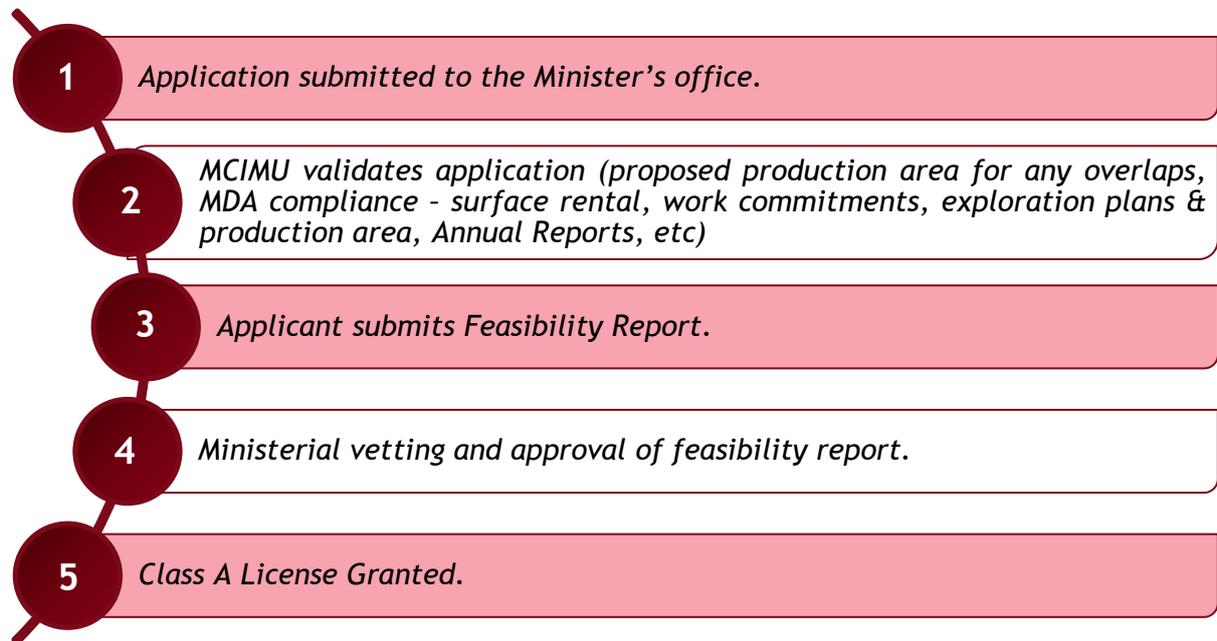


⁹⁹ <https://mme.gov.lr/licenses/>

Application process for Class A Mining Licences

The figure below provides details for each step of the application process for Class A mining Licence:¹⁰⁰

FIGURE 18: APPLICATION PROCESS FOR CLASS A MINING LICENSE



Application process for a Mineral Development Agreement (MDA)

The MDAs are legally binding agreements between mining companies and the Government of Liberia. Eligible applicants shall have concluded an MDA or other agreement with the Government in order to be granted either an Exploration License or a Class A Mining License.

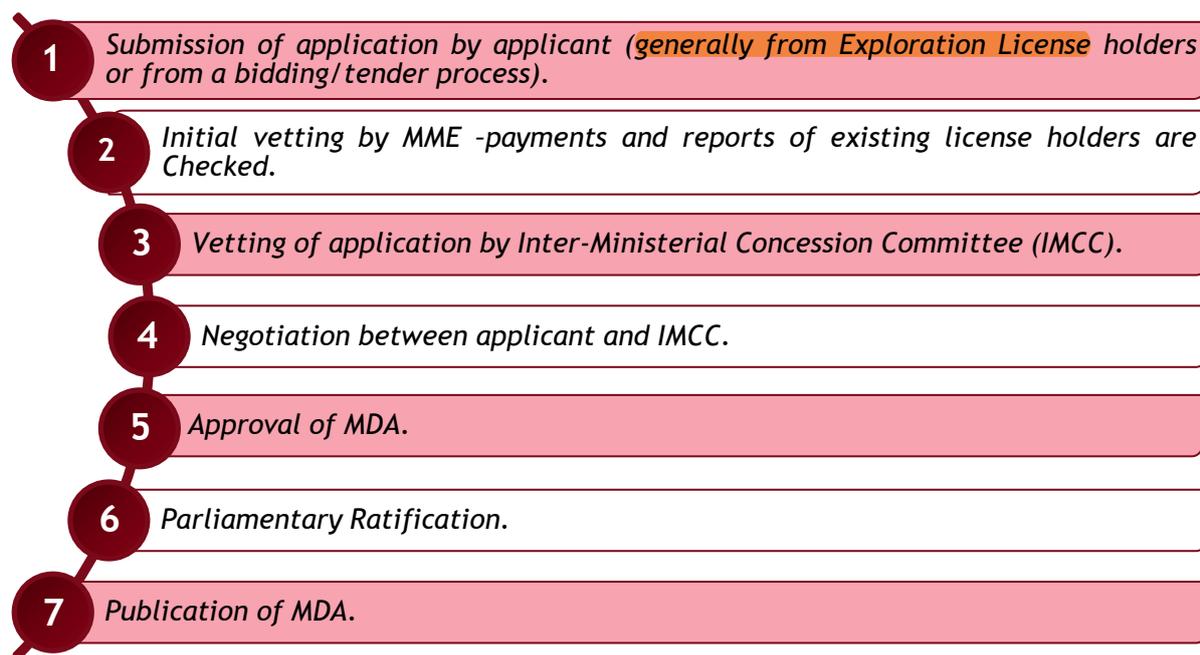
MDAs must follow the main following rules:

- exploration and production work programmes;
- environmental protection and management;
- fiscal and tax obligations;
- financial reporting;
- terms guaranteeing the right of the other party will be free from currency of other exchange controls with respect to their proceeds of export sales, to repatriate earnings, and to exchange currency in Liberia at fair market rates of exchange; and
- terms providing for International binding arbitration of disputes arising, terms affirming such party's right to import goods and equipment for use in its operations and to export Minerals.

¹⁰⁰ Source: Ministry of Mines and Energy (MME)

The figure below provides details for each step of the application process for an MDA: ¹⁰¹

FIGURE 19: APPLICATION PROCESS FOR A MINERAL DEVELOPMENT AGREEMENT



Technical and Financial Criteria used in Mineral License Allocation

The MME is mandated by the Minerals and Mining Law, 2000 to ensure that any potential investor or applicant who expresses interest in the exploitation of the Liberia’s minerals resources possesses the requisite technical and financial capacity to meet legal obligations under all mineral licenses or agreements.

Section 6.5 of the Minerals and Mining Law, 2000 regarding the process for granting of Class A Mining License stipulates that “the Minister shall have been satisfied that the operator possesses the necessary **technical skill and experience**, and the **financial resources necessary**, to allow it to carry out Mining Operations in keeping with the requirements of a Class A Mining License and of this Law”.

The same Law defines an eligible applicant as: “... shall mean the person eligible to receive the Mineral Right of the type applied for, pursuant to the provisions of Section 4.2 of this Law and who has demonstrated the **technical and financial capacity** required with respect to that Mineral Right”.

Section 4.2 requires both financial and technical capacity of the licensee. This section stipulates that information furnished by the Licensee demonstrates to the reasonable satisfaction of the Minister that:

- in accordance with Schedule 4.2(c)(i) “*The Licensee must demonstrate that it possesses, or is able to outsource, the technical resources to conduct the proposed work*”

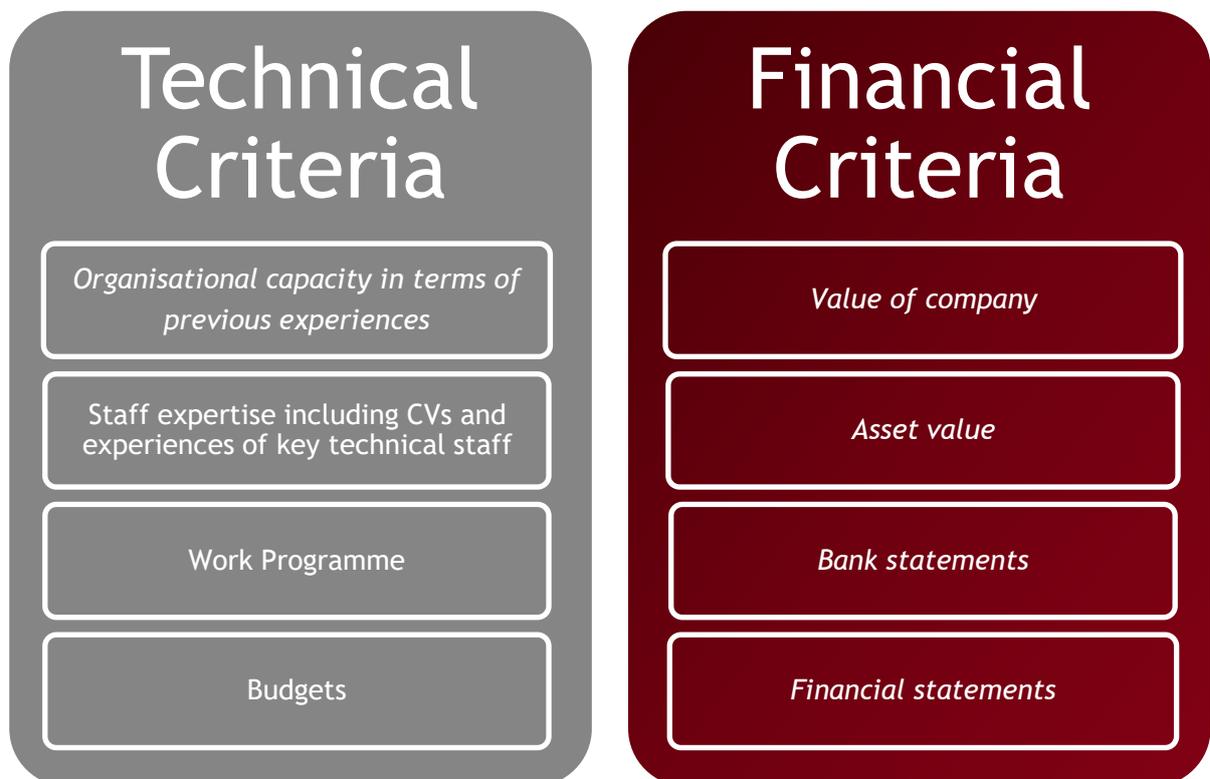
¹⁰¹ Source: Ministry of Mines and Energy (MME)

programme. These technical resources must include registered professionals with experience in the specific field of prospecting for the minerals covered by the relevant licensee. Evidence of the qualifications of third parties should come directly from them or from reliable external sources which are identified. The licensee must also show evidence of the availability on the schedule provided in the proposed work programme of the equipment required to carry out the proposed work programme, whether to be provided by the licensee or to be provided by third parties”.

- in accordance with Schedule 4.2(c)(ii) “The licensee must provide a financial plan indicating the manner in which its proposed work programme and budget will be funded. To the extent funding is to come from the owners of the licensee, audited financial statements and estimated free cash flow projections of such persons should be provided. To the extent funding is to come from other sources, the nature of the sources should be described, and the licensee must provide a letter from an investment bank or similar firm experienced in the funding of mining exploration companies to the effect that the financing plan is a practical plan that could reasonably be expected to be implemented under the circumstances existing as at the date of such letter”.

We present in the figure below the technical and financial criteria used in practice for assessing license application:

FIGURE 20: TECHNICAL AND FINANCIAL CRITERIA FOR ASSESSING MINING LICENSES APPLICATION



Mineral License Transfer Process

Section 9.17 of the Minerals and Mining Act (2000) stipulates that mineral rights may be assigned only upon the approval of the government, except for an assignment to an affiliate of the Holder of Mineral Rights. Any purported assignment in contravention of this section shall be null and void and shall constitute a material violation of the Law.

Section 15.1 of the Regulations governing exploration under a mineral exploration license (2010) stipulates that no Transfer of a License is permitted unless it has received the prior written consent of the Minister or is otherwise permitted under the terms of Section 15.2, 15.3 or 15.6 of the Regulations governing exploration under a mineral exploration license (2010).

Section 15.5 (c) of the Regulations governing exploration under a mineral exploration license (2010) prescribes that the transferee should demonstrate to the reasonable satisfaction of the Minister prior to the occurrence of such transfer that:

- it possesses, or has access to, the technical capacity as contemplated by Schedule 4.2(c)(i) to carry out its approved work programme and comply with its obligations under this regulation and the Mining Law; and
- it has the financial capacity as contemplated by Schedule 4.2(c)(ii) to carry out its approved work programme and comply with its obligations under this regulation and the Mining Law.

4.3.1.(c) Mining licenses awarded and transferred during the reporting period

During the period from 1 July 2021 to 31 December 2022, there were 536 licenses awarded as detailed in the table below:

TABLE 42: MINING LICENSES AWARDED DURING THE REPORTING PERIOD

Licenses awarded during the reporting period	Number
Class C Mining License	498
Exploration License	20
Class B Mining License	17
Class A Mining License	1
Total	536

Source: Ministry of Mines and Energy (MME)

The list of licenses granted during the period from 1 July 2021 to 31 December 2022, is included in Annex 1 to this report.

4.3.2. License allocations in the oil and gas Sector

4.3.2.(a) Types of Oil and Gas Licenses or Agreements

The Liberia Petroleum Regulatory Authority (LPRA) is responsible for granting petroleum rights and negotiating petroleum agreements. The NOCAL manages and markets petroleum data and supports the LPRA in the negotiation of a PSC. NOCAL also represents the Government of Liberia in all PSCs, either through equity participation, direct participation or by operating an entire block.

There are two types of petroleum licenses in the oil and gas upstream sector: the reconnaissance license and petroleum agreements:

TABLE 43: TYPE OF LICENSES AND AGREEMENTS IN THE OIL AND GAS UPSTREAM SECTOR

Licence Type	Rights conferred
Reconnaissance License	<ul style="list-style-type: none">- The reconnaissance license shall confer upon the holder non-exclusive and non-transferable rights to conduct reconnaissance operations in an area specified in the license.- Duration is two years.
Petroleum Agreement	<ul style="list-style-type: none">- Petroleum agreements grants the Contractor, an exclusive right to:<ul style="list-style-type: none">• explore for petroleum in the contract area and to carry out such operations and execute such works as may be necessary for that purpose;• apply for and obtain an exclusive exploitation authorisation, in the event of a discovery of petroleum in the contract areas which following appraisal, has been shown to be commercial; and• to carry out development and production operations in the exploitation perimeter and to transport, sell or otherwise dispose of the contractor's share of petroleum in accordance with the field development and production plan.- A petroleum agreement shall grant the contractor an exploration authorisation for a maximum period of seven (7) years, divided into an initial phase, followed by extension periods, which shall be granted to the contractor, at the contractor's request, provided that the exploration work commitment to be carried out in the preceding phase was fulfilled.- Petroleum agreements shall be in the form of PSC. A model of PSC is publicly available in the NOCAL¹⁰² and LPRA¹⁰³ websites.

Source: *Petroleum (Exploration and Production) Reform Law, 2014.*

¹⁰² <https://www.nocal.com.lr/media/psc>

¹⁰³ https://lpra.gov.lr/lpra/wp-content/uploads/2023/04/model-psc_final_4_final.pdf

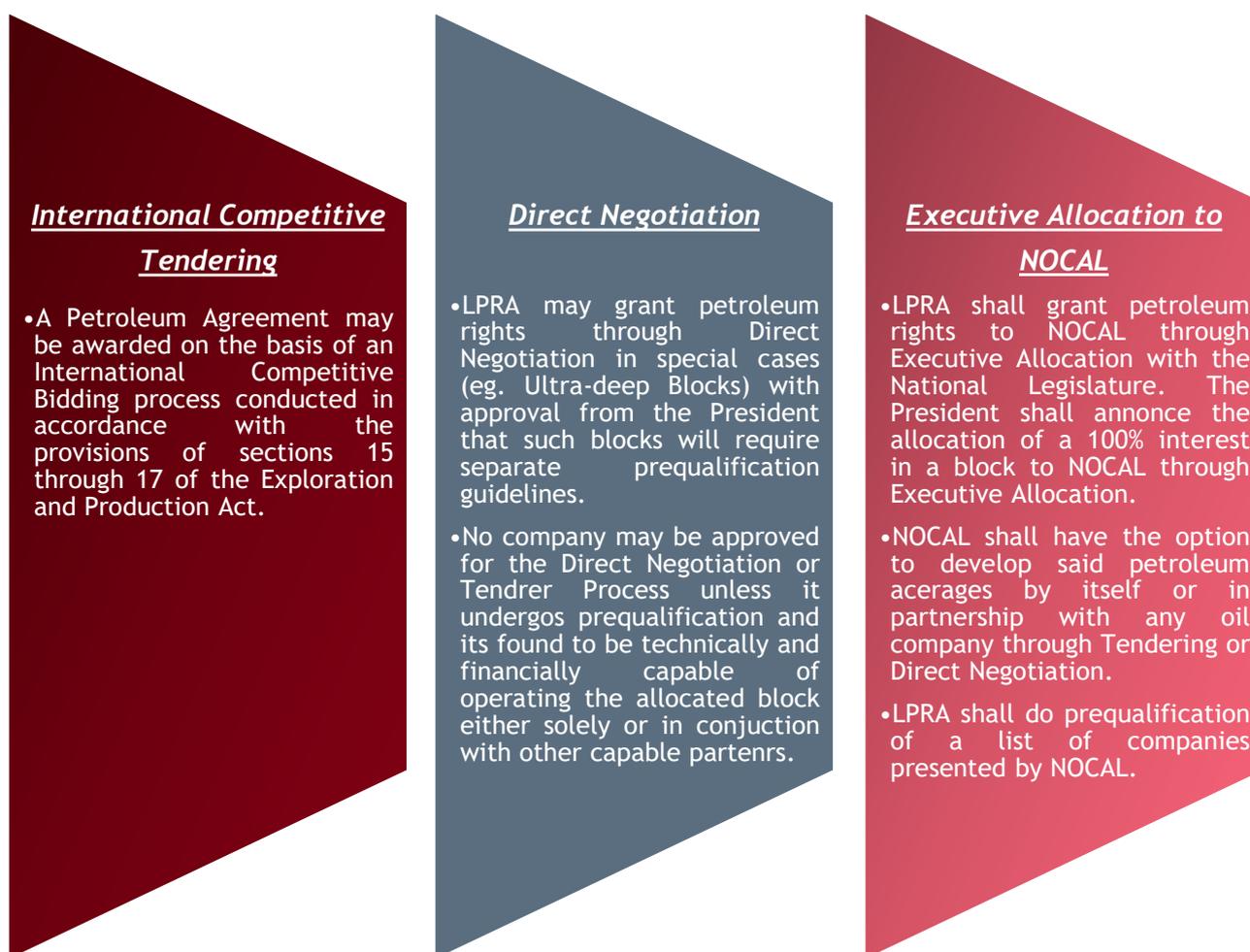
4.3.2.(b) Awarding procedures for Oil and Gas Licenses and Agreements

Processes for awarding Petroleum Rights

The allocation of licensing allocation in the oil and gas sector is regulated by the Petroleum (Exploration and Production) Reform Law (2014) and its amendment (2019). As per Section 14 of the Act, Petroleum rights allocation is done through international competitive tendering, direct negotiation, and executive allocation of rights to NOCAL.

The figure below provides an overview of the different processes for awarding Petroleum Rights:¹⁰⁴

FIGURE 21: PROCESSES FOR AWARDING PETROLEUM RIGHTS



¹⁰⁴ Source: Petroleum (Exploration and Production) Amended Law, 2019: <https://lpra.gov.lr/lpra/download/10/laws-regulations/810/2019-amended-petroleum-law.pdf>

Reconnaissance License application requirements for Onshore Areas

Under the LPRA Regulatory Instrument N°0001/LPRA/19¹⁰⁵ related to the Reconnaissance License Fees & Application requirements for Onshore Areas:

- Companies interested in conducting surveys to assess the geological, geophysical, geochemical and geotechnical characteristics of a designated area within Liberia shall apply to the LPRA for a Reconnaissance License.
- The Applicant shall pay a minimum annual fee of US\$ 150,000 to the LPRA in a bank account designated by the Authority.
- The application shall include all information and requirements set out in Schedule 1 of this regulation, which are detailed as follows:

TABLE 44: APPLICATION REQUIREMENTS FOR A RECONNAISSANCE LICENSE

N°	Information required for a Reconnaissance License application
1	The name of the company applying for the Reconnaissance License.
2	Particulars of the incorporation or registration of the company, including the name and nationality of the directors and shareholders.
3	An identification and description of the area to which the application relates. This may include GPS coordinates, maps, metes and bounds, etc.
4	The period for which the license is required but not exceeding two years.
5	The work proposed to be carried out and the proposed budget.
6	Evidence of financial capability to carry out the work program through provision of three years prior financial statements.
7	Evidence of technical capability by submitting information relating to similar work conducted in the past or members of the team who have extensive experience in conducting such work.
8	An assessment of the impact which the proposed operations may have on the environment. This is not an Environmental and Social Impact Assessment (ESIA) which shall be required, in the license, prior to commencement of any activity by the license holder.

Pre-qualification requirements for granting of Petroleum Rights - Offshore Liberia

Under the LPRA Regulatory Instrument N°0002/LPRA/20¹⁰⁶ related to the Pre-qualification requirements for granting of Petroleum Rights - Offshore Liberia:

- Companies interested in acquiring offshore petroleum rights, shall apply to the LPRA for pre-qualification. Only companies which acquire or expect to acquire at least 10% equity interest in the petroleum agreement awarded for a block are required to be pre-qualified.
- A company which applies to be an Operator shall pay to LPRA a non-refundable fee of US\$ 50,000 in case of direct negotiations and US\$ 20,000 in case of a bid round. A company which applies to be a Participant shall pay to LPRA a non-refundable fee of

¹⁰⁵ <https://lpra.gov.lr/lpra/download/10/laws-regulations/872/reconnaissance-license-fees-application-requirements-for-onshore-areas.pdf>

¹⁰⁶ <https://lpra.gov.lr/lpra/download/10/laws-regulations/813/regulations-on-pre-qualification-of-companies-interest-in-acquiring-offshore-petroleum-rights.pdf>

US\$ 30,000 in case of direct negotiations and US\$ 15,000 in case of a bid round. Without prejudice to the foregoing, Liberia owned companies or companies where majority of the voting interest are held by natural persons of Liberian Citizenship shall pay US\$ 25,000 in case of direct negotiations and US\$ 5,000 in case of a bid round.

- The application shall include all information and requirements of this Regulation, set out in Schedule 1 relating to the requirements for legal documents, Schedule 2, demonstrating financial capacity and Schedule 3, demonstrating technical capacity, which are detailed as follows:

TABLE 45: PRE-QUALIFICATION REQUIREMENTS FOR GRANTING PETROLEUM RIGHTS

Type of requirements	Pre-qualification requirements for granting Petroleum Rights
Legal Documentation Requirements	- Name of the Applicant (as set forth in its organisational documents).
	- Date and place of incorporation or organisation.
	- Address of applicant's Registered Office and of applicants' principal place of business (including website address).
	- Registration number and country of residence, where applicable.
	- An outline of the corporate structure, including an explanatory diagram, if appropriate, showing parent, subsidiary and affiliate companies.
	- If the applicant is not the ultimate parent entity, list any ultimate entity of the entity, the location of its principal office, and the jurisdiction under the laws of which it is organised. For the purposes of this regulation, the ultimate parent entity is any legal entity (including a government, trust, partnership or other non-corporate entity) that ultimately controls the applicant.
	- List of all companies or individuals known to the applicant or the ultimate parent entity (with detailed address attached) which directly or indirectly own or have beneficial interest, voting or equity interest of more than 5% in the applicant.
	- Any civil or criminal penalties sought from or assessed against the ultimate parent company or any entity controlled by it in the petroleum exploration and development business during the previous five years for (a) environmental or safety requirements violations, or (b) violation of laws, rules or regulations relating to bribery or other corrupt practices, in each case stating the nature of alleged violation.
	- Description of any circumstances in which the ultimate parent company or any entity controlled by it has been party to a petroleum exploration or development contract with a government unit (a) which contract the governmental unit has sought to terminate the contract based on the contractor's default or failure to perform, or (b) pursuant to which contract the contractor has commenced an arbitration against the governmental unit.
	Financial Capability Requirements
- For operators, evidence of total minimum equity of US\$ 200 million or total asset value of at least US\$ 500 million. For participants, proof of minimum equity of at least US\$ 50 million, together with a summary of major existing financial commitments for the next three years.	

Type of requirements	Pre-qualification requirements for granting Petroleum Rights
Technical Capability Requirements	<ul style="list-style-type: none"> - CVs of technical and managerial team. - Document/evidence of deep-water petroleum exploration programmes carried out by the applicant, its ultimate parent or other wholly owned subsidiaries of the ultimate parent acting as operator with the responsibility for selecting well locations. For this purpose, a "deep water exploration programme" is carried out with respect to a block having an average depth of at least 1,000 meters. - Demonstrate by submitting document/evidence of experience in working in a given geological environment (i.e. experience in the West Africa Transform Margin (WATM), stratigraphy/structural play).

Transfer process of petroleum rights

Sub-section 65.2 of the Petroleum Law reform 2014 states that, "Except as stipulated in the petroleum right, a sale, assignment, pledge, mortgage or other transfer of any right, title or interest in any petroleum right, whether directly or indirectly, shall not be made without the prior written consent of the Director General".

Direct Negotiations for 33 Offshore Blocks

In April 2020, the GoL through the LPRA and in collaboration with NOCAL announced the launch of its open competitive international tender for offshore blocks in the coveted frontier Harper Basin. The Licensing rounds offered nine (9) blocks in the Harper Basin, including Blocks LB25 through LB 33.

Due to several significant factors including the recent investment climate, the latent impact of the energy transition, COVID-19 and its cascading effect on the sector. The Government of Liberia, through LPRA, following a 6-month extension, has indefinitely suspended the 2020 bid round and opted for Direct Negotiations to extenuate the current hurdle faced by international exploration and production companies and to offer an attractive opportunity for investment in Liberia.¹⁰⁷

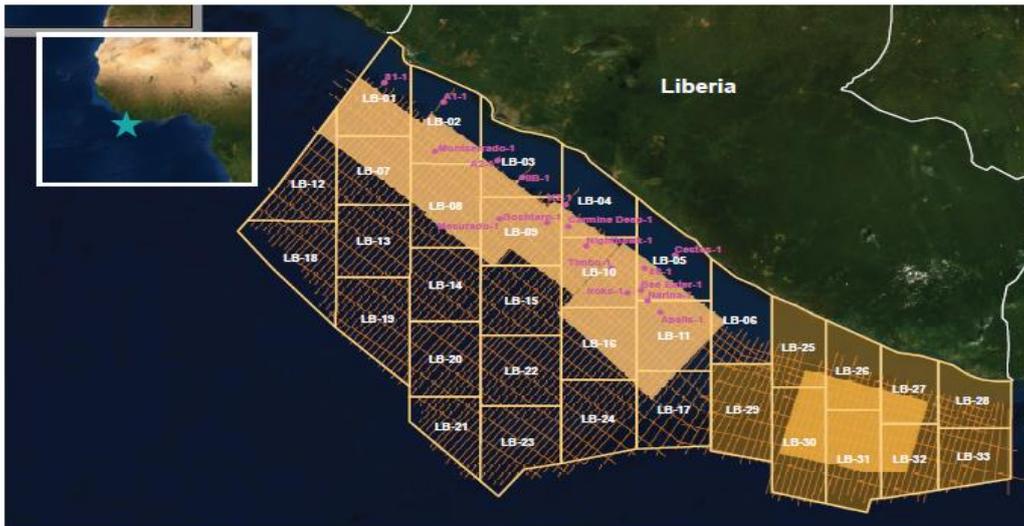
The Direct Negotiation process was launched on 1st June 2021 and covered 33 offshore blocks within the offshore Liberia acreage, including the Harper and Liberia Offshore Basins.

The 33 blocks offered for Direct Negotiations are presented in the map below:¹⁰⁸

¹⁰⁷ <https://lpra.gov.lr/lpra/gol-extends-licensing-round-2020-incorporates-new-flexible-and-attractive-commercial-termsthe-government-of-liberia-announces-direct-negotiations-for-33-offshore-blocksgol-extends-licensing-round-2/>

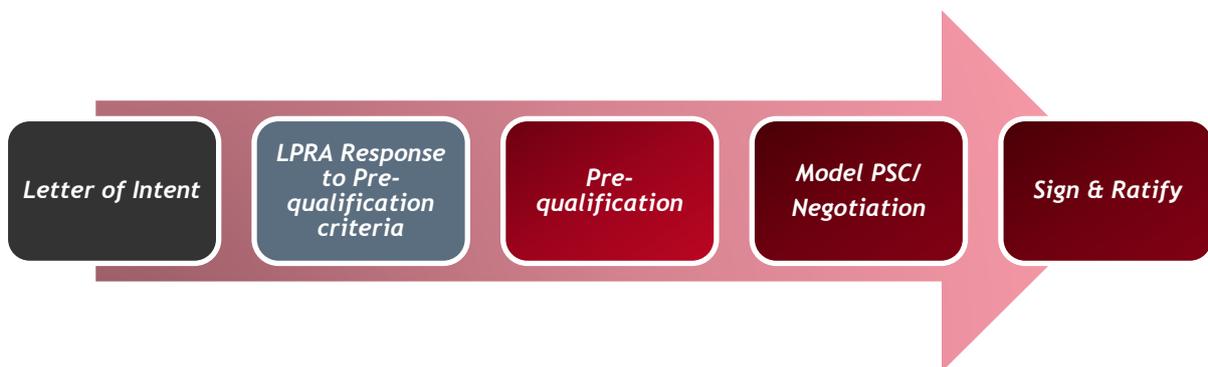
¹⁰⁸ <https://www.tgs.com/seismic/multi-client/africa-mediterranean-middle-east/west-africa-transform/liberia>

FIGURE 22: MAP OF THE 33 BLOCKS OFFERED FOR DIRECT NEGOTIATIONS



Direct Negotiation is framed through a 5-phase process, as detailed in the below figure:¹⁰⁹

FIGURE 23: DIFFERENT PHASES OF THE DIRECT NEGOTIATION PROCESS



In April 2023, LPRAs has announced that it has received pre-qualification application from ExxonMobil for four offshore blocks in Liberia. ExxonMobil expressed interest in Blocks 15, 16, 22 and 24 within the Liberia Basin and the company has now officially applied to be pre-qualified to negotiate for the Blocks. The LPRAs is currently reviewing ExxonMobil’s application and when the company has been pre-qualified, the Authority will invite them to negotiate a PSC for the Blocks.¹¹⁰

4.3.2.(c) Petroleum licenses awarded and transferred during the reporting period

No new licenses or contracts were awarded in the oil and gas sector during the period from 1 July 2021 to 31 December 2022 according to LPRAs.

¹⁰⁹ <https://www.tgs.com/seismic/multi-client/africa-mediterranean-middle-east/west-africa-transform/liberia>

¹¹⁰ <https://mailchi.mp/1a3ff1ff6af0/lpra-receives-pre-qualification-application-from-exxonmobil?e=ece56ef69e>

4.3.3. Concession Allocations in the Forestry Sector

4.3.3.(a) Types of Forestry Licenses and Concessions

The forestry sector has three main types of forestry license, namely: Forestry Management Contracts (FMC), Timber Sales Contract (TSC) and Community Forest Management Agreement (CFMA). The details of each license, areas and validity have been presented in the table below:

TABLE 46: TYPE OF LICENSES AND CONCESSIONS IN THE FORESTRY SECTOR

License Type	Description	Area (not to exceed)	Duration
Forestry Management Contract (FMC)	Long term contracts for large areas. Small FMCs are reserved for majority-owned (51%) Liberian companies although they represent an opportunity for joint ventures between domestic and foreign partners. There are no restrictions on company ownership for larger FMCs.	- Large FMCs: up to 400,000 hectares. - Small FMCs: 50,000 - 100,000 hectares.	25 years
Timber Sale Contract (TSC)	For small areas and usually short-term contracts. TSCs are focused on areas that will likely be cleared for plantations or farming, and as such, the management requirements for harvesting the timber are less onerous. Thus, TSCs require less planning and can be awarded more easily than FMCs. TSCs are also reserved for majority-owned Liberian companies.	Less than 5,000 hectares.	3 years
Community Forest Management Agreement (CFMA)	Issued to communities for community-based management forest with specific community-based governance structures.	Less than 50 hectares.	15 years

4.3.3.(b) License and Concession Application Process in the Forestry Sector

Licenses and Concessions application requirements

As per the national forestry reform law, 2006 and the Public Procurement and Concession Act, 2010, the allocation of concessions requires the following process and requirements. All license applications are expected to be conducted under competitive bidding process. Below are the key requirements for application for forestry licenses:

TABLE 47: LICENSE APPLICATION REQUIREMENTS IN THE FORESTRY SECTOR

License	Application requirements
Forest Management Contract (FMC)	FMCs must meet all the following requirements: - the land area involved must be identified as a potential concession in the National Forest Management Strategy in effect at the time the concession is offered and must be validated. - the land involved must not include private land;

License	Application requirements
	<ul style="list-style-type: none"> - the contract must require the Holder to perform actions necessary for sound, long-term forest management, including inventories, preparation of management plans, and annual operations plans; - the contract must require the Holder to prepare all environmental impact assessments required under the laws governing environmental protection; - the contract must require the Holder to submit a business plan to the Authority and to demonstrate to the Authority's satisfaction that the Holder has the technical and financial capacity to manage the forest sustainably; - the contract must require the Holder to establish a social agreement with local forest-dependent communities, approved by the Authority, which defines these communities' benefits and access rights; - the contract must require the Holder to pay the Government the fee that the Holder bid in the concession process, in addition to any other applicable taxes and fees, for the privilege of harvesting or using Forest Resources; - the basic terms of the contract must approximate the length of a forest rotation on the land based on a sustainable yield of timber products, although the contract may be terminated sooner for cause; - the land area subject to the contract must be at least 50,000 hectares and no more than 400,000 hectares; and - the Annual Coupe must allow the Holder to harvest every suitable area once during the term of the contract.
Timber Sale Contract (TSC)	<p>TSCs must meet all the following requirements:</p> <ul style="list-style-type: none"> - the contract must be consistent with the National Forest Management Strategy in effect when the contract is awarded, and the area must be validated; - the land involved must not include private land; - the basic terms of the contract must not be more than three years; - the land area subject to the contract must be no more than 5,000 hectares; - the contract must require the Holder to prepare an annual operations plan; and - the contract must require the Holder to pay the Government the fee that the Holder bid in the concession process, in addition to any other applicable taxes and fees, for the privilege of harvesting or using Forest Resources.
Community Forest Management Agreement (CFMA)	<p>CFMAs must meet all the following requirements:</p> <ul style="list-style-type: none"> - specify rights and responsibilities of communities with respect to ownership and uses of Forest Resources; - set up mechanisms to promote informed community participation in forest-related decisions; - create a framework that allows communities fair access to Forest Resources; and - establish social, economic, and technical procedures for capacity building to ensure that communities can equitably participate in and equitably benefit from sustainable management of the forests.

Technical and Financial Criteria used for awarding Licenses and Concessions

The basis of the requirement for the technical and financial criteria for awarding Concessions in the Forestry sector is stipulated in the Section 5.3 (b) (v) of the National Forestry Reform law, 2006,¹¹¹ while the Public Procurement and Concessions Act, 2010 specifies the minimum requirements for technical and financial evaluations of bids.¹¹²

Prequalification

According to The Public Procurement and Concessions Act of 2010, the evaluation criteria applicable to a request for expressions of interest (pre-qualification) shall take into consideration the requirements of the proposed concession and the nature of the expertise required for efficient and effective implementation of the Concession.

The FDA's Regulation 103-07¹¹³ sets out the procedures for prequalification. This Regulation concerns screening and prequalification of bidders on Forest Resources Licenses. It is made under provisions of the National Forestry Reform Law of 2006 that govern contracting and permitting and standard qualifications for commercial forest operations.

The FDA shall keep a list of debarred Persons and a list of suspended Persons in accordance with Section 44 of the Public Procurement and Concessions Act. If a Person is on the list of debarred Persons or the list of suspended Persons, the Person is ineligible to bid on a Forest Resources License offered through a concessions process. Any Person may appeal a decision of the Authority to the Board of Directors of the Forestry Development Authority.

Only Persons with a valid prequalification certificate may submit bids for Forest Resources Licenses offered as concessions.

Bid Evaluation Criteria

Section 5.3 (v) of the National Forestry Reform Act 2006 stipulates that the contract must require the Holder to submit a business plan to the Authority and to demonstrate that it has the technical and financial capacity to manage the forest sustainably.

The Forestry Development Authority's Regulation 104-07¹¹⁴ sets out policy principles, requirements and procedures of tendering, awarding and administering Forest Management Contracts (FMCs), Timber Sale Contracts (TSCs), and Major Forest Use Permits. According to this Regulation, Successful bidders and Holders of FMCs and TSCs shall post an annual performance bond to assure payment of amounts due the Government, including taxes, fees, damages, and penalties. The Regulations also provide with respect to assignment of Contracts to third parties and the requirement that operations be in conformity with plans and (environmental impact) assessments.

¹¹¹ <https://faolex.fao.org/docs/pdf/lbr67626.pdf>

¹¹² <https://faolex.fao.org/docs/pdf/lbr180718.pdf>

¹¹³ <https://faolex.fao.org/docs/pdf/lbr160082.pdf>

¹¹⁴ <https://faolex.fao.org/docs/pdf/lbr160083.pdf>

The Public Procurement and Concessions Act of 2010 specifies the minimum contents of the evaluation criteria. The evaluation criteria applicable to an invitation to bid shall be designed to attain the objects of the concession and shall include at least the following:

TABLE 48: BID EVALUATION CRITERIA ACCORDING TO THE PUBLIC PROCUREMENT AND CONCESSIONS ACT

N° Bid Evaluation criteria used for awarding Forestry Licenses and Concessions	
1	Compliance of the bidder with any specific technical and financial requirements stated in the bid documents (including any required bid security).
2	Technical and financial capacity of the bidder to carry out all phases of the proposed project.
3	Technical feasibility of the proposal.
4	Effectiveness of the methods and resources to be deployed.
5	In the case of infrastructure projects for the delivery by private entities of public services or facilities that will serve the general public where the bidders are not bidding to provide contract-mandated Amended and Restated Public Procurement and Concessions Act 101 levels of service, the magnitude of the planned service level improvements over the Concession period.
6	If the Government has adopted overall strategic objectives and national development plans, the extent to which the proposed concession contributes to the realisation of such plan.
7	Technology transfers.
8	Impact on the environment and compliance with environmental laws and regulations.
9	Expected effects of the concession on national income, employment of Liberians, the communities affected (social impact considerations), industries and other sectors of the economy.
10	Direct financial benefits flowing to the government from the award of the concession.
11	Negative impacts on government revenues of any financial concessions proposed to be granted.
12	Any margin of preference applicable in accordance with Section 99 of this Act.

Processes for License or Ownership Transfers

Section 6.2 of the National Forestry Reform Law of 2006 stipulates that no person shall assign a Forest Resources License without prior, written approval of the Authority. Any assignment of a Forest Resources License without prior, written approval of the Authority is void. The Authority shall not approve an assignment or transfer of a Forest Resources License to a Person who fails to satisfy the basic qualifications set forth in this Law. The Authority may establish by Regulation additional standards governing assignments and transfers.

4.3.3.(c) Forestry Concessions awarded and transferred during the reporting period

The FDA has confirmed that there was not any award / transfer of forestry license during the reporting period.

4.3.4. Concession Allocations in the Agriculture Sector

Agricultural concessions are allocated as per the Public Procurement and Concessions Act, 2010, which provides the legal basis for the national procurement of goods and services. The same process applies to the Forestry Sector.

4.3.5. National Local Content

Section 75 of Title 18 of the Liberian Codes of Laws Revised in 1976, states that, except for administrative, supervisory, or technical positions, it is not allowed to hire a foreign employee unless the list of qualified Liberians had been exhausted or there is no qualified person on the list capable of performing the job. The employer would then have to report to the Minister of Labour that he is unable to find a suitable Liberian candidate, in which case, a special permit will be granted to hire the service of foreigner. Salaries given to the foreign employment would have to be the same as the one that would have been paid to a Liberian citizen in similar position, with equal competence or length of service.

A number of investment incentives are also provided for new investment activities under the Liberia Revenue Code of 2000 (amended in 2011). Certified firms are eligible for special investment incentives, for a period of five years if their investments exceed US\$ 1,000,000 or, in the case of a business with 100% Liberian ownership, the capital invested exceeded US\$ 500,000. For large investments exceeding USD 10 million, the tax incentives could go up to 15 years. To be eligible, firms need to inject new investments and operate in 15 priority areas, including manufacturing of finished products having at least 60% local raw material contents and capital invested exceeding US\$ 100 000, which may be applicable to the extractive sector.

Mining sector¹¹⁵

The main local contents-related provisions under current legislation are found in Section 20 of the Mining Act 2000, which sets out provisions common to all mining licences as follows:

- *Section 20.2: No operator or its contractor or subcontractor shall employ foreign unskilled labour. To the maximum extent feasible an operator or its contractor or sub-contractor shall give preference and employ Liberians at all levels of their operations structure, particularly in skilled, technical, administrative, financial or managerial positions.*
- *Section 20.3: Any and all operators, contractors or sub-contractors shall provide on a continuing basis appropriate training for their Liberian employees, in order to qualify them for skilled, technical, administrative, financial or managerial positions”.*

Additionally, "holders of mineral rights and their respective contractors and sub-contractors shall conduct business in Liberia in such a way as to encourage the transfer of technology to Liberians to the fullest degree possible". Mining firms are also obliged under the Law to contribute to a Mineral Development Fund that administers various activities to help develop the sector.

Specific provisions are also found in the MDAs. These relate to employment provisions, training and capacity building and local procurement.

¹¹⁵ <https://www.oecd.org/trade/topics/trade-in-raw-materials/documents/trade-raw-materials-liberia-country-note.pdf>

We present in the table below a summary of the local content provisions in the current mining sector legal frameworks:

TABLE 49: LOCAL CONTENT PROVISIONS RELATED TO THE MINING SECTOR

National Content requirement	Details of requirements	Applicability in Liberia	Legal framework
Employment provisions	Compulsory requirement prohibiting employment of foreign labour in unskilled positions.	Mining operators are not allowed to employ foreign unskilled labour.	Mining and Minerals Law 2000; MDAs
	Requirement to employ local labour in skilled positions.	The Mining Law states that a preference in skilled / technical /managerial positions should be given to Liberians. Mineral Development Agreements (MDAs) typically state that firms must submit a plan to ensure that 30% of such positions are filled by Liberians after five years, and 70% after 10 years.	
Local procurement provisions	Firms to source inputs from domestic suppliers only if available on a competitive basis.	Firms must ‘to the maximum extent possible’ give a preference when purchasing goods and services to those produced by Liberian firms (where the latter are defined as being those where Liberians are entitled to receive at least 60% of profits), provided that such goods are comparable to those obtainable from other sources.	MDAs
Capability and knowledge development	Requirement for the training of local labour or certification of local supplier.	The Mining Law states that training should be provided to enable Liberians to qualify for skilled / technical /managerial positions. Mineral Development Agreements (MDAs) typically set out instruments (e.g. overseas scholarships, donations to local universities) to achieve this, where necessary and operationally possible.	Mining and Minerals Law 2000; MDAs
R&D contribution and transfer of technology	Firms required to transfer technology to local firms	Firms must conduct business ‘in such a way as to encourage technology transfer’.	Mining and Minerals Law 2000; MDAs
	Firms required to carry out some levels of R&D locally	Up to two professionals, including geologists, mining engineers, surveyors etc. must participate in technical aspects of operations as well as marketing activities. Firms are obliged to contribute to a Mining Development Fund.	

Oil and Gas sector

The main local contents-related provisions under Petroleum (Exploration and Production) Act (2014), which sets out provisions common to all oil and gas licences as follows:

- *Section 43.1: A contractor and its subcontractors shall ensure that opportunities are given to qualified Liberian citizens for employment in various levels of their Liberian operations and shall implement or provide training programs for this purpose and as such shall be stipulated in the petroleum agreement.*
- *Section 44.1: A contractor and its subcontractors shall give preference to enterprises, goods and services provided or supplied by Liberia citizens or business entities controlled by Liberia citizens, where conditions of price, quality, delivery time, service and terms of payment are equivalent to those from other countries or from non-Liberian sources."*

Specific local content related provisions are also found in the model of the PSC. These relate to employment and training provisions, citizens participation and local purchases of goods and services.

We present in the table below a summary of the main local content provisions related to the oil and gas sector according to the model PSC:

TABLE 50: LOCAL CONTENT PROVISIONS RELATED TO THE OIL AND GAS SECTOR

National Content requirement	Details of requirements according to the model PSC
Employment and Training of Liberian citizens	<p>Art 13.1 The Contractor shall employ Liberian citizens in the performance of Petroleum Operations in Liberia whenever suitably qualified and available for employment. In furtherance of this requirement:</p> <ul style="list-style-type: none"> - the Contractor shall hire only citizens of Liberia for unskilled and semi-skilled labour positions within Liberia or on-board vessels or equipment stationed in Liberian waters; - the Contractor and its subcontractors shall ensure that opportunities are given to qualified Liberian citizens for employment in various levels of their Liberian operations and shall implement or provide training programs; - each development and production plan shall include plans to train Liberian citizens in the full range of managerial and technical activities involved in the performance by the contractor of its obligations under the petroleum agreement, including without limitation engineering design, information technology, petroleum geology technology, production facility operations and maintenance, contract negotiation and contract management; and - the Contractor shall give preference to the employment of competent and suitably qualified citizens of Liberia as executives, managers, technicians, engineers, accountants, geologists, geophysicists, scientists, chemists, drillers, foremen, mechanics, skilled workers, secretaries and executive employees as and when such positions become available unless and to the extent that such competent and suitably qualified citizens are not available for such positions, in which case non-Liberians may be hired for such positions.

National Content requirement	Details of requirements according to the model PSC
	<p>Art 13.3 The Contractor shall provide funding of training programs for employment in various levels of the Liberian operations of the Contractor and its subcontractors and for that purpose the Contractor shall devote an annual training budget of:</p> <ul style="list-style-type: none"> - US\$200,000 during each year of the exploration and appraisal period; and - US\$1,000,000 in relation to each exclusive exploitation authorisation during each year of any such authorisation. <p>Additionally, the Contractor shall make an annual contribution during the term of the Contract of \$150,000 to all public universities and colleges for the enhancement of programs related to petroleum operations including but not limited to geology, engineering and environmental studies,</p> <p>Art 13.4 The Contractor shall provide funding for social and welfare programs in Liberia and for that purpose the Contractor shall devote an annual social and welfare budget of:</p> <ul style="list-style-type: none"> - US\$175,000 during each year of the exploration and appraisal period; and - US\$500,000 in relation to each exclusive exploitation authorisation during each year of any such authorisation.
Local procurement of goods and services	<p>Art 13.7 The Contractor and its subcontractors shall be obligated to give preference to services and goods provided by Liberian citizens or business entities controlled by Liberian citizens, if conditions of price, quality, delivery time, service and terms of payment are substantially similar to those from other countries or from non-Liberian sources.</p> <p>Art 13.9 Within no more than 180 days following the Effective Date, the Contractor shall deliver to the LPRA a project linkages plan for the exploration period which:</p> <ul style="list-style-type: none"> - identifies the potential for local suppliers, contractors and service providers to provide goods and services to Petroleum Operations. - identifies key interventions to increase local participation in the provision of goods or services to Petroleum Operations; and - sets out a local project purchase plan complying with clear milestones identified in terms of an increasing percentage of local purchases of goods and services, and providing for bidding preferences for local suppliers, contractors and service providers.
Citizen participation	<p>Art 17.2 The State shall have the right to receive a 5% undivided participating interest in the Contractor’s rights and obligations:</p> <ul style="list-style-type: none"> - The Citizen Participation shall be granted by the Contractor at no cost to the State or NOCAL, and shall be held and managed by NOCAL for the benefit of a citizen participation fund. - All amounts distributable on account of the Citizen Participation shall be deposited in a citizen participation fund which shall be held and managed by a trustee which shall be a responsible international trust company selected by the Ministry of Finance and Development Planning in consultation with the Central Bank of Liberia, under a trust agreement that provides for the administration of the fund.

Forestry sector

The National Forestry Reform Law (2006) does not include any provisions regarding local contents. However, after reviewing some forestry contracts, we noted local content provisions related to hiring of employees and staff training, as follows:

- in the selection of employees to conduct its operations, the holder shall give preference to competent and qualified individuals living in and near the contract area and particularly to individuals from communities benefiting from the holder's social agreements;
- the holder shall not import unskilled labour from outside Liberia; and
- the holder shall comply with all training and employment obligations required by law or regulation.

Agriculture sector

We noted the following local content provisions in the agricultural concession agreements:

- Employment and training;
- Use of Liberian Products and Services;
- Manufacturing; and
- Community Resources.

4.4. Register of licenses

The EITI Standard requires implementing countries to maintain a publicly available register or cadastre system which must be kept up to date with comprehensive information regarding each of the licenses pertaining to companies covered in the EITI Report: i. Name(s) of license holder(s); ii. Coordinates of the licensed area; iii. Date of application, date of award and duration of the license; and iv. In the case of production licenses, the commodity being produced.

The Liberia National Concessions Portal is an online cadastre system including interactive map for the oil, gas and mining agreements as well as the forestry and agricultural concessions.

For each agreement and concession, the portal provides information on:

- the land parcel and total area;
- the type and status of each agreement or concession;
- the identity of the holder;
- the duration (start date and expiry date); and
- the commodity produced.

The Liberia National Concessions Portal is publicly available on: <http://portals.landfolio.com/Liberia/>

4.4.1. Register of Mineral Licenses and Contracts

The MME publishes all mining licenses, including reconnaissance, exploration, mining, via an online repository.

This Online Repository is publicly available on: <https://mme.gov.lr/liberia-online-repository/>

The Portal allows to search by license code or by holder name and provides information on:

- the identity of the license holder;
- the status of the license;
- the date of application;
- the date of award;
- the expiry date;
- the commodity produced; and
- the area of the license.

The Online Repository is further linked to the tax authority's system. This system allows them to publish revenues from the sector online and therefore makes a significant contribution to transparency efforts in license management.

According to the list of mining licenses received from MME, there were 673 mineral rights in existence as of 31 December 2022, as detailed in the table below:

TABLE 51: MINERAL RIGHTS IN EXISTENCE AS OF 31 DECEMBER 2022

Licence Type	Number of active licenses
Class C Mining License	536
Class B Mining License	81
Exploration License	49
Class A Mining License	7
Total	673

Source: The Ministry of Mines and Energy (MME)

The list of mining rights in existence as of 31 December 2022, is detailed in Annex 2 to this report.

4.4.2. Oil and Gas Contracts and License Register

Sections 63 and 64 of the New Petroleum (Exploration and Production) Act, 2014, require compliance with LEITI's Act and the Freedom of Information Act (2010). The sections also require the publication of all petroleum rights, including all annexes and schedules.

No new licenses nor were contracts awarded in the oil and gas sector during the period from 1 July 2021 to 31 December 2022 according to LPRA. There are also no active licenses as of that period.

4.4.3. Forestry Concessions and License Register

The National Forestry Reform Law of 2006 does not require offsetting up a public register of forestry licenses. However, sub-section 4.1 (f) of the LEITI Act 2009 stipulates that all companies operating in the oil, mining, agriculture, and forestry sector in Liberia must be registered in a public database.

The National Bureau of Concessions (NBC) provided the list of the active licenses in the forestry sector that are summarised by license type in the table below:

TABLE 52: ACTIVE FORESTRY SECTOR LICENSES IN LIBERIA¹¹⁶

Forestry License	Number of active licenses
Forest Management Contract (FMC)	7
Timber Sale Contract (TSC)	2
Community Forest Management Agreement (CFMA)	10

4.4.4. Agriculture Concession and License Register

The Liberia Agriculture Law does not require offsetting up a public register of forestry licenses. However, sub-section 4.1 (f) of the LEITI Act 2009 stipulates that all companies operating in the oil, mining, agriculture, and forestry sector in Liberia must be registered in a public database.

The NBC list included ten (10) active concessions for companies operating in the agriculture sector as presented in the table below:

TABLE 53: LIST OF THE ACTIVE CONCESSIONS IN THE AGRICULTURE SECTOR¹¹⁷

Company	Commodity	Year	Expiry
Liberia Company (COCOPA)	Rubber	1949	2029
Salala Rubber Corporation	Rubber	1959	2029
Liberia Agricultural Company	Rubber	1966	2035
LIBINC Oil Palm Inc.	Oil Palm	2008	2048
Firestone Liberia Inc.	Rubber	2008	2041
Liberian Forest Products Inc.	Oil Palm	2008	2033
Sime Darby Inc.	Oil Palm and Rubber	2009	2072
Golden Veroleum Inc.	Oil Palm	2010	2075
Maryland Oil Palm Plantation	Oil Palm	2011	2036
Cavalla Rubber Corporation	Rubber	2011	2061

¹¹⁶ [status_of_concessions_in_liberia_2021.pdf \(leiti.org.lr\)](#)

¹¹⁷ [status_of_concessions_in_liberia_2021.pdf \(leiti.org.lr\)](#)

4.5. Disclosure of licenses and contracts

EITI requirement 2.4 states that implementing countries are encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals.

In this respect, LEITI secretariat, alongside with the government agencies, took initiatives to provide information on the active licenses, contracts and agreements in the mining, agriculture and forestry sector. The major sources of information that served as a basis for us to trace information regarding licenses and contracts are summarised in the table below:

TABLE 54: SOURCES OF AGREEMENTS AND CONCESSIONS DISCLOSURE IN LIBERIA

Source	Description	Link
LEITI website	The LEITI website is the main platform for licenses, contracts, agreements and concessions, and includes search feature that allows for keywords to be searched and documentation filtered according to title. The website also has a function which allows documentation to be filtered by sector, nevertheless this feature does not gather all the available concessions for each sector.	Link
Resource Contract website	The website is a repository of publicly available oil, gas, and mining contracts in machine-readable, searchable, open-data format for 99 countries around the world. The portal is managed by the Natural Resource Governance Institute (NRGI) in partnership with the Columbia Centre on Sustainable Investment and the World Bank.	Link

4.5.1. Disclosure of contracts and licenses in the mining sector

The Minerals and Mining Act (2000) does not provide for a public register of mining licenses to be kept. However, the 2009 LEITI Act, stipulates that concessions and licenses of all companies operating in the oil, mining, agricultural and forestry sectors in Liberia must be publicly accessible.

The status of concessions in Liberia provided by the National Bureau of Concessions (NBC) referred to seven active MDAs that are presented below:

TABLE 55: LIST OF ACTIVE MINERAL DEVELOPMENT AGREEMENTS (MDAs)

N°	MDA	Start date	Expiry
1	Avesoro Resources Ltd. (Bea Mountain)	2001	2026
2	Arcelor Mittal	2007	2032
3	China Union	2009	2034
4	Mermet Nizif Gonelle (MNG) Kokoya (Amlib- Kokoyah)	2010	2035
5	Western Cluster	2011	2036

N°	MDA	Start date	Expiry
6	Hummingbird Resources	2019	2044
7	Bao Chico Resources Liberia	2021	2046

Source: National Bureau of Concessions (NBC)

The full text of the active MDAs above was published on LEITI website.

The online cadastral system provides information on license holder, co-ordinates of the licensed areas, date of application award and duration of the license as well as the commodity being produced. Details on the mining licenses, including the full text are not publicly available.

Due to the volume and complexity around the disclosure of the ASM sector, the MSG agreed that only the list of active ASM licenses (Classes B and C mining licenses) will be disclosed on the EITI report.

4.5.2. Disclosure of contracts and licenses in the oil and gas sector

Sections 63 and 64 of the New Petroleum (Exploration and Production) Act, 2014 require compliance with LEITI's Act and the Freedom of Information Act (2010). The sections also require the publication of all petroleum rights, including all annexes and schedules.

At the time of writing, no petroleum agreement had been signed in the period under review. Hence, no oil and gas contract had been published. NOCAL has an online interactive map which provide details on each oil and gas block including, block name, size, location, license type, contractors name, present wells. The map can be accessed at: <https://www.nocal.com.lr/map>

The model of the PSC that might be used in case of agreement with petroleum companies is available on the NOCAL¹¹⁸ and LPRA¹¹⁹ websites. This model includes the scope of the contract, its duration, contractors' obligations and rights, production sharing, taxation, valuation etc.

4.5.3. Disclosure of concessions and licenses in the forestry sector

The National Forestry Reform Law of 2006 does not provide for a register of forestry licenses to be held and made publicly available. However, sub-section 4.1 (f) of the LEITI Act 2009 stipulates that all companies operating in the oil, mining, agriculture, and forestry sector in Liberia must be registered in a public database.

The full text of the active concession agreements and contracts in the forestry sector as provided by the NBC are publicly available on the LEITI website. Other TSC agreements not indicated in the NBC list were also available on the LEITI website:

¹¹⁸ <https://www.nocal.com.lr/media/psc>

¹¹⁹ https://lpra.gov.lr/lpra/wp-content/uploads/2023/04/model-psc_final_4_final.pdf

TABLE 56: PUBLISHED FORESTRY SECTOR ACTIVE LICENSES¹²⁰

Company	License type	Year	Expiry
Gbi Community Forest	CFMA	2011	2026
Doru Community Forest	CFMA	2011	2026
Blouquai Community Forest	CFMA	2011	2026
Neezonnie Community Forest	CFMA	2011	2026
Blei Community Forest	CFMA	2011	2026
Zor Community Forest	CFMA	2011	2026
Nitrian Community Forest	CFMA	2011	2026
Nimopoh Community Forest	CFMA	2011	2026
Gba Community Forest	CFMA	2011	2026
Bluyeama Community Forest	CFMA	2012	2027
Liberia Tree & Trading Company	FMC	2008	2033
Geblo Logging	FMC	2009	2034
Alpha Logging & Wood Processing Inc.	FMC	2008	2033
Atlantic Resources Ltd.	FMC	2009	2034
EJ & J Investment	FMC	2008	2033
International Consultant Capital	FMC	2009	2034
Euro Liberia Logging	FMC	2009	2034
Burglar & Vincent Company	TSC	2008	2011
Tarpeh Timber Company	TSC	2008	2011

4.5.4. Disclosure of concessions and licenses in the agriculture sector

In the absence of provisions in the Liberia Agriculture Law related to a register of licenses in the agriculture sector, the sub-section 4.1 (f) of the LEITI Act 2009 covers this deficiency as it provides for that all companies operating in the oil, mining, agriculture, and forestry sector in Liberia must be registered in a public database.

According to the status of concessions in Liberia provided by the NBC, there are actually 10 active concessions in the agriculture sector as detailed in section 4.4.4 of this report. The LEITI secretariat published in its website the integral texts of these concessions.

4.6. State participation in the extractive industries

Requirement 2.6 of the EITI Standard requires that the government and state-owned enterprises should disclose their shareholding in oil, gas and mining companies operating within the country, and any changes in the shareholding during the accounting period covered by the LEITI Report.

Requirement 4.5 of the EITI Standard states that: “The MSG is required to ensure that the reporting process comprehensively addresses the role of SOEs, including comprehensive and

¹²⁰ <https://www.leiti.org.lr/publications/document-type/forestry>

reliable disclosures of material company payments to SOEs, SOE transfers to government agencies and government transfers to SOEs”.

Requirement 6.2 of the EITI Standard states that: “Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOEs on their quasi-fiscal expenditure. The MSG is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams and should include SOE subsidiaries and joint ventures”.

4.6.1. State participation in the mining sector

State-Owned Enterprises (SOEs) in the mining sector

We were not informed of any SOE operating in the mining sector in Liberia during the reporting period.

Government ownership in companies’ equity operating within the mining sector

The Mining and Minerals Law 2000 states in its Section 9.22 that “Government shall receive free of charge an equity interest in all Class A Mining Operations as defined in Chapter 6 of the Act, equal to but not less than ten percent (10%) or not more than fifteen percent (15%) of its authorised, issued and outstanding share capital existing at any time and from time to time without dilution”.

Based on the terms of the relevant MDAs between the Government and the operating mining companies in Liberia, the government’s equity shareholding is detailed the table below:

TABLE 57: GOVERNMENT OWNERSHIP IN MINING COMPANIES’ EQUITY

MDA	Year	Government ownership in companies’ equity
Arcelor Mittal	2005	<p>According to Article 16 of the MDA, the initial stated capital of the Concessionaire should be (US\$10,000), divided in Ten Thousand (10,000) shares of per value US\$ One (1) each, allocated as follows:</p> <ul style="list-style-type: none"> - The Principal: 70% - The Government 30%. <p>Between the effective date and the commercial operation startup date, the other shareholders shall contribute to a cash amount of USD 35,000,000, while the Government shall contribute in kind:</p> <ul style="list-style-type: none"> - The Class A mining license - Assets and facilities detailed in the appendix F to the MDA worth US\$ 15,000,000. <p>As such, the total share capital of the company shall amount to USD 50,010,000 detailed as follows:</p> <ul style="list-style-type: none"> - The Principal: US\$ 35,007,000 - The Government: US\$ 15,003,000
Bea Mountain	2001	<p>According to Section 33 of the 2010 amendment to the MDA: “Government shall receive free of charge, an equity interest in the operator’s operations equal to 10% of its authorised share capital, issued from time to time, without dilution. Dividends to shareholders will be payable only once all the project capital</p>

MDA	Year	Government ownership in companies' equity
		investment and any related loan interest have been fully recovered.” The MDA did not provide further details regarding the State participation in the company.

The mining companies selected to report Government ownership disclosed the following:

TABLE 58: GOVERNMENT OWNERSHIP IN THE MINING COMPANIES DURING THE REPORTING PERIOD

Company	Government ownership FY 2021/22	Government ownership FY 2020/21	Change
Arcelor Mittal	15.00%	15.00%	0.00%
Bea Mountain	0.00%	0.00%	0.00%

Although the Libera Minerals and Mining Law 2000 requires the receipt by the government of an equity interest of 10% to 15% in all class A mining licenses, the MDAs published do not provide for such, except for the two companies presented in the table above.

Dividends

The reporting templates submitted by government agencies and mining companies did not indicate any dividends paid by the mining companies to the Government during the reporting period.

Loans or loan guarantees

The reporting templates submitted by government agencies and mining companies did not indicate any loans or loan guarantees provided by the government to the mining companies during the reporting period.

4.6.2. State participation in the oil and gas sector

State-Owned Enterprises (SOEs) in the Oil and Gas sector

The only SOE operating in the oil and gas sector in Liberia is the National Oil Company of Liberia (NOCAL) that was established in April 2000 by Liberia’s National Legislature.

The NOCAL’s mission consists of “holding all of the rights, titles and interests of the Republic of Liberia in the deposits and reserves of liquid and gaseous hydrocarbons within the territorial limits of the Republic of Liberia, whether potential, proven, or actual, with the aim of facilitating the development of the oil and gas industry in the Republic of Liberia.”¹²¹

NOCAL is expected to be subjected to and complies with Liberia’s Public Financial Management Act, with respect to financial reporting requirements, rules governing the maintenance of funds and application of surplus funds, borrowing and issuance of guarantees, accounts and audits, and the preparation of budgets, including multiyear budgets and expenditure approvals.

¹²¹ Source: NOCAL’s website <http://www.nocal.com.lr/>

The activities of NOCAL are predicated on four main basis according to the Petroleum Act (2014). The corporation is established as a commercial entity for the purposes of:

- (i) According to the 2014 Petroleum Act, NOCAL activities are organised around petroleum operations and petroleum transportation system operations, either alone or in conjunction with others.
- (ii) Promoting exploration, ensuring that Liberia's petroleum resources are developed in a way that is orderly and well-planned, and ensuring that Liberia benefits as much as possible from the development of its petroleum resources;
- (iii) Ensuring that Liberians, particularly young people, receive training in all aspects of petroleum operations to strengthen national capabilities;
- (iv) Aiding in capacity building and human resource development to enable the company to get ready for commercial activities involving the exploration and production of petroleum products with a view to creating an international oil and gas company that explores and produces.

NOCAL also chairs the Hydrocarbon Technical Committee (HTC) - the inter-ministerial body created by the 2002 Petroleum Law which is empowered to negotiate all contracts.

During last few years, NOCAL has entered into a vigorous seismic data promotion and marketing campaign in order to stimulate new exploration and to ensure that companies holding oil exploration blocks work up to their programmes promptly. This programme includes data studies followed by detailed 3D seismic, which led to the identification of drillable structures and the exploratory drilling programme.

Governance of NOCAL

NOCAL is governed by the Board of Directors that is in charge of the general policies, oversight and direction of the affairs of the corporation. The Board of Directors shall be composed of at least three members without exceeding seven members as determined in the by-laws of the corporation. Five directors were initially appointed, while the Minister of Finance and Development Planning (MFDP) and the Minister of Lands, Mines and Energy act as ex officio members of the Board of Directors.

Capitalisation

NOCAL is a wholly owned State Corporation as stated in Section 4 of the NOCAL Act 2014.¹²² According to Section 8 of the Act, NOCAL is authorised to issue a maximum of one hundred (100) shares of stock, all of which shall be of no-par value and shall be owned by the State.

NOCAL shall have an initial stated capital of US\$ 250,000. The President is authorised to provide in the National Budget for an increase in the capital of the corporation from time to time, as may be deemed necessary. Such amounts shall be paid to NOCAL by MFDP as approved in the National Budget and in the manner provided by law.

Income

¹²² <http://www.nocal.com.lr/operations/New%20Petroleum%20Law/New%20Petroleum%20Law/petroleum-law>

In respect to Section 8 of NOCAL Act 2014, the funds of NOCAL shall consist of:

- fees and commissions earned on account of its marketing activities;
- revenues derived from the State's participating interests held and managed by NOCAL;
- amounts received in connection of managing data obtained pursuant to licenses and made available to LPRA;
- amounts transferred to NOCAL by LPRA in connection of holding and managing, on behalf of the State and all participating interests acquired by the State in petroleum agreements;
- loans obtained; and
- any other income derived by NOCAL from its commercial activities.

As there is no production of oil and gas currently, NOCAL collects only other payments made by oil and gas companies as required by some contracts (not all): Surface Rentals, Annual Licence fees, Renewable Energy Funds, Annual training, contribution to Hydrocarbon Development Funds and other contributions. These contributions are transferred by NOCAL to LRA.

According to NOCAL and LRA reports, no transfers were made to LRA during FY 2021/22.

In terms of income, NOCAL received an amount of US\$ 5,626,058 from the sale of seismic data, as well as US\$ 150,000 of CSR contribution.

Financial relationship between NOCAL and GoL

The financial relationship between the NOCAL and the GoL involves government ownership, revenue sharing, regulatory oversight, joint ventures, and contributions to the national budget. As such, all amounts due to the State on account of its share of production, either received in cash from the contractor or otherwise received from the sale of production taken in kind, less any fees or commissions due to NOCAL, shall be deposited into the Consolidated Fund.

NOCAL typically plays a key role in managing Liberia's oil and gas sector, and the government benefits from this partnership through various financial mechanisms. Revenue generated from the oil and gas sector supports the national budget and government programs, with the specificities of the relationship subject to change based on evolving agreements and regulations.

Dividends policy

Section 8 (f) and (g) of the NOCAL Act 2014 previews the dividends policy applicable to NOCAL as follows:

“At such time as NOCAL has funds available in excess of 110% of its unspent amount from its approved budget for the current fiscal year plus the lesser of its total approved budget for the current fiscal year and the amount of its approved budget for the following fiscal year (if such budget then exists), it shall transfer to LRPA in support of its regulatory responsibilities such amounts as are deemed necessary to result in the latter holding funds equal to the unspent amount of its approved budget for the current fiscal year plus the

lesser of its total approved budget for the current fiscal year and the amount of its approved budget for the following fiscal year (if such budget then exists).

NOCAL shall declare and pay dividends only at such time as no amounts are transferrable to LRPA and shall respect the following provisions:

- the Board of Directors shall declare and pay dividends to the State in accordance with a dividend policy set by the President;*
- the dividend policy shall ensure that the retained earnings of the corporation shall be sufficient to cover known and reasonably anticipated financial requirements of the corporation as set forth in the current approved budget of the corporation and shall ensure that dividends are paid to the State; and*
- all dividend payments shall be made directly into the Consolidated Fund.”*

According to NOCAL and other government agencies, there were no dividend payments made to Government during the reporting period FY 2021/22.

Tax payments to GoL

Paragraph 14 (b) of the NOCAL Act (2014) states that NOCAL shall be subject to law of general application in accordance with LRC.

According to LRA and NOCAL confirmations, there were no tax payments made by NOCAL to LRA during the reporting period FY 2021/22.

NOCAL’s Audited Financial Statements

Section 14 (d) of the NOCAL act 2014 states that in addition to any audits which the Auditor General may conduct of the books and accounts of the corporation, the annual financial statements of the corporation shall be audited by a reputable international accounting firm.

The same Act states in its Section 14 (e) that the audited financial statements of NOCAL and the audit report shall be published on NOCAL’s website and published in at least two national newspapers within 90 days of their delivery to NOCAL.

NOCAL has confirmed that its accounts have not been audited during the reporting period FY 2021/22.

The last publicly available audited Financial Statements of NOCAL cover the FY 2019/20 and are published on GAC website.¹²³ However, the audited financial statements for the FY 2020/21 and 2021/22 are not publicly available or communicated by NOCAL during the reporting process.

Shares in oil and gas companies

In the oil and Gas sector, the State is entitled to 10 percent free interest under all Petroleum Agreements. In addition to this, the State has the right to acquire additional 5 percent citizen participation managed by NOCAL.

¹²³ <https://gac.gov.lr/wp-content/uploads/2023/05/AGs-Report-on-the-Financial-Statements-Audit-of-the-National-Oil-Company-of-Liberia-for-the-FY-Ended-30-June-2020.pdf>

As of the reporting period, NOCAL has no shares in any oil company.

Quasi-fiscal expenditure

The LEITI MSG has agreed that any public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. made by NOCAL i.e. outside of the national budgetary process is regarded as quasi-fiscal expenditure.

However, NOCAL did not declare such expenditure during the period from 1 July 2021 to 31 December 2022.

State interests in the petroleum agreements (participation in oil & gas projects as a partner)

Section 35 of the new petroleum Law 2014 states that the State shall have the right to acquire through NOCAL a participation in the rights and interests of a contractor under a petroleum agreement in a percentage specified in the petroleum agreement, but which shall not be less than 10%.

The participation option is to be exercised by the Minister of Finance and Development Planning upon recommendation of LRPA and NOCAL, by written notice to the contractor given within the time provided in the relevant petroleum agreement.

HTC has the power, under the chairmanship and guidance of the President/CEO of NOCAL to negotiate and conclude agreements with all applicants for hydrocarbon development and exploitation rights and such related permits. The agreement so negotiated and concluded, becomes effective and binding upon the parties and the Republic of Liberia, when signed by the applicants, NOCAL, the Minister of Finance, the Minister of Lands, Mines and Energy, the Chairman of the National Investment Commission, attested by the Minister of Justice and approved by the President of Liberia.

Any State participation acquired pursuant to Section 35 shall be carried out by the contractor until the start of commercial production, which means that:

- all exploration, appraisal and development costs shall be paid by the contractor;
- the State, through NOCAL, shall pay its participating interest share of all costs of carrying out production operations, and
- the non-State participants comprising the contractor shall be entitled to recover the State's participating interest share of all or part of the exploration, appraisal and development costs of the field in question, with or without interest thereon, all under the terms and subject to such conditions as shall be specified in the petroleum agreement.

The State participation then acquired pursuant to Section 35 shall be managed by NOCAL, becoming thus a party to the petroleum agreement under the terms of a joint operating agreement between NOCAL and the other entity or entities comprising the contractor.

As such, the Liberian government has participation in the PSCs through its SOE, NOCAL. The latter has a share in the remaining Oil production (Total production of oil Crude -recovery of the Petroleum costs).

Government's share in the petroleum companies

The New Petroleum Act of Liberia 2014 does not provide for shares in the petroleum companies to be held in petroleum companies.

The GoL does not hold any shares in petroleum companies during the reporting period FY 2021/22.

State interests in the petroleum agreements

The 2002 Petroleum Law provides the legal basis for the State participation in the oil and gas sector. The State is entitled to a 20% charge-free equity interest in all Petroleum Agreements. In addition to this, the State has the right to acquire an additional 10% citizen participation, managed by NOCAL.

4.6.3. State participation in the forestry sector

State-Owned Enterprises (SOEs) in the forestry sector

We understand that there were no SOE operating in the forestry sector in Liberia during the reporting period FY 2021/22.

The FDA is a state corporation pursuant to the Public Authorities Law that was established by an Act of legislature in 1976. This law, alongside with the National Resources Law 1979, the National Forestry Reform Law 2006 and the concession agreements with the forestry sector companies operating in Liberia do not provide for a share of ownership to be attributed to the FDA in these companies' shareholders equity.

Financial Relationship between the FDA and Government

The financial relationship between the FDA and the GoL involves government ownership, revenue sharing, regulatory oversight, and contributions to the national budget. The FDA, as the governing body responsible for managing Liberia's forests, generates revenue through activities such as timber concessions and fees.

A portion of this revenue is typically shared with the government, contributing to the national budget and funding various government programs and services. Additionally, the FDA exercises regulatory oversight by setting and enforcing regulations related to forestry management.

The specifics of this financial relationship may evolve based on changing agreements and regulatory frameworks.

FDA dividend policy

The forestry sector doesn't have a dividend policy. However, the dividend policy of the forestry sector is determined by the government policies and the financial performance of the Authority. These policies may prioritise reinvestment of profits into the sector's development or other government programs.

State ownership in forestry companies or interests in forestry contracts

The National Forestry Reform Law 2006 does not mention any state participation in forestry companies' equity or interests when contracts are concluded. It is understood that the State does not have any equity interest in forestry concessions.

4.6.4. State participation in the agriculture sector

State-Owned Enterprises in agricultural sector

There are no SOE operating in the agricultural sector in Liberia during the reporting period.

State ownership in agricultural companies or interests in agricultural agreements

The applicable legislation does not require state participation in agricultural companies' equity nor interests in the agricultural contracts.

In addition, the concession agreements made with the agriculture sector companies operating in Liberia did not provide for any shares held by the government in those agricultural companies.

4.7. Collection and Distribution of Extractive Revenues

In accordance with Requirement 5.3b of the EITI Standard, the Multi-Stakeholder Group is encouraged to disclose information of the country's budget and audit processes and links to the publicly available information on budgeting, expenditures and audit reports.

This section presents information on the Budget Process including Budget execution and oversight, Revenue Collection and Allocation, Accountability and Reporting of Revenues from the extractive sector.

4.7.1. Budget Process

The budget process in Liberia is supported by a legal and regulatory framework - the Public Financial Management (PFM) Act of 2009,¹²⁴ coupled with the Medium-Term Expenditure Framework (MTEF) Budgeting Manual.¹²⁵

The Public Financial Management Act of 2009 represents the legal framework for reforming the institutions and processes involved in the financial and economic governance of Liberia.

Section 8.1 of the PFM Law of 2009 and its implementing regulations require that the national budget be prepared "in the context of a medium-term fiscal framework for the purposes of achieving national objectives over a multi-year period".

This MTEF Budgeting Manual details the processes and sub-processes, institutional responsibilities, and relevant authorities for implementing that mandate.

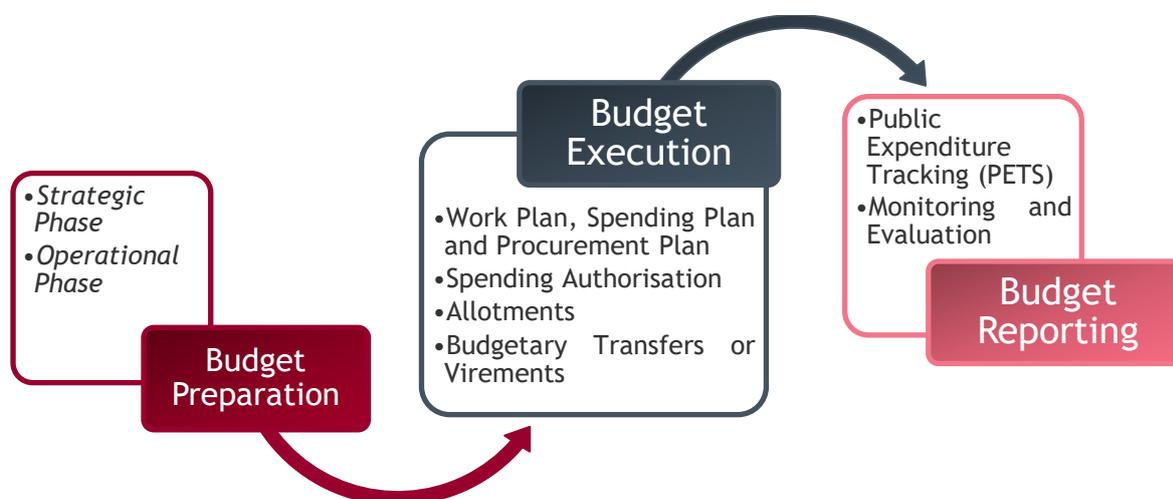
¹²⁴ <https://revenue.lra.gov.lr/wp-content/uploads/2021/11/Public-Finance-Management-Act.pdf>

¹²⁵ <https://www.mfdp.gov.lr/index.php/departement-of-budget-reports/citizen-s-guide/budget/liberia-mtef-manual>

The budget cycle

The MTEF budget process comprises the following three main phases:

FIGURE 24: LIBERIA'S BUDGET CYCLE



Budget Preparation

The overall purpose of the budget preparation phase is to produce a National Budget which is policy focused and allocates scarce resources in the most efficient and effective way.

There are two phases of the MTEF budget preparation process:

- **Strategic phase:** the overall purpose is to work on policies: Both fiscal policy and service delivery policy and priorities.
- **Operational phase:** the overall purpose is to develop detailed budgets for each spending entity based on agreed priorities during the strategic phase.

We present in the below table the different activities & outputs required, timelines and responsibilities for each phase of the budget preparation process according to the MTEF Budgeting Manual:

TABLE 59: BUDGET PREPARATION PHASES, ACTIVITIES AND TIMELINES

N°	Activity	Deadline	Responsible party
Strategic Phase			
1	Revenue estimates (Medium Term Fiscal Framework); and Project Projections and Spending Review.	Quarter 2 October	- Department of Economic Management (DEM); - Department of Budget & Development Planning (DBDP); - Liberia Revenue Authority (LRA); and - Legislative Budget Office as observer.
2	Updating Sector Strategies.	Quarter 2 October	- DBDP; and - Sector Working Groups and spending entities.

N°	Activity	Deadline	Responsible party
3	Budget Options Paper (BOP) reflecting sector strategies derived from BFP for Cabinet meeting and approval.	Quarter 2 November	- DEM; - Budget Working Group (BWG); and - Finance Minister/Cabinet.
4	Budget Call Circular 1 - guidance to Spending entities on preparing strategic budget submissions.	Quarter 2 November	- DBDP.
5	Spending entities prepare Budget Policy Notes (PBNs) in line with guidance in Budget Call Circular 1.	Quarter 2 December	- Spending entities Budget Committees.
6	Cabinet approval of the first draft of Budget Framework Paper informed by BPNs and Sector Strategies.	Quarter 3 February	- DEM; - BWG; - DBDP; and - Finance Minister/Cabinet.
7	Presentation to Legislature of the Budget Framework Paper (BFP).	Quarter 3 February	- Finance Minister/National Legislature.
Operational Phase			
1	Budget Call Circular 2 - guidance to spending entities on preparing detailed budget submissions.	Quarter 3 February	- DBDP.
2	Spending entities prepare detailed Budgets in line with guidance in Budget Call Circular 2.	Quarter 3 March	- Spending entities Budget Committees.
3	Budget Hearings (Executive).	Quarter 3 March	- DBDP; - Finance Minister - National Budget Committee (NBC); and - Spending entities.
4	Draft Budget Book and final BFP prepared based on decisions from Budget Hearings	Quarter 4 April	- DBDP; and - DEM.
5	Presentation of Draft Budget and BFP to Cabinet and the President.	Quarter 4 April	- Deputy Minister DBDP; and - Finance Minister.
6	Presentation of Draft Budget and BFP to the Legislature.	Quarter 4 30 th April	- Finance Minister; and - President.

Budget Execution

At the start of each budget year, budget execution takes a central stage in the budget process. This is when the strategic plans and priorities defined during the strategic phase and translated into budget allocations during the operational phase must be implemented.

The table below gives an overview on the main activities related to the budget execution process according to the MTEF Budgeting Manual:

TABLE 60: BUDGET EXECUTION MAINS ACTIVITIES

Activity	Description
Work Plan, Spending Plan and Procurement Plan	Spending entities are required to submit an outline of the activities to be undertaken during the course of the fiscal year, segmented by quarters into a comprehensive plan covering all of the activities articulated in their BPNs and reflected in the approved Budget. The completion of a procurement plan has been integrated with the budget process. The procurement plan must be submitted to the Public Procurement and Concessions Committee, and once approved, be forwarded to the Department of Budget & Development Planning.
Spending Authorisation	Following approval of the Budget, the President is required to issue a formal authorisation to the Minister for the release of funds through the warrant process. If the budget is not approved by the National Legislature by 1st July, then the Department of Budget & Development Planning is authorised to make allotments for each month based on the previous year's budget until the budget is approved.
Allotments	Allotments are authorisations for spending entities to access their budget. The DBDP makes allotments ideally on a quarterly basis, based on the spending plans that the spending entities have submitted and cash availability. Once these allotments issued, the spending entities can request for release of funds from the Department of Fiscal Affairs.
Budgetary Transfers or Virements	Budgetary transfer or Virement is an authorised alteration in budget appropriation after the Legislature has approved the National Budget. Since the budget is a dynamic instrument, unforeseen changing circumstances may necessitate changes to budgetary appropriations after the budget is approved. These budget reallocations or virements are permitted as long as they are approved by the Deputy Minister of Budget or for inter-ministry transfer, approved by the National Legislature.

Budget Reporting and Accountability

An important characteristic of the MTEF process is to increase the results focus of the budget. By reporting on budget performance there is increased transparency and accountability on how public resources have been utilised to deliver services.

We present in the table below, an overview on the required activities related to the budget reporting and accountability process according to the MTEF Budgeting Manual:

TABLE 61: BUDGET REPORTING AND ACCOUNTABILITY MAINS ACTIVITIES

Activity	Description
Reporting Requirements	The DBDP will analyse progress made in project performance against the funds utilised. The semi-annual budget performance report will provide an indication of past performance. This will be used to inform budget decision-making for the forthcoming financial year. Spending entities are required to disclose information concerning commitments on major capital projects. The DBDP and the Department of Fiscal Affairs will develop a standard reporting tool or template to be used by all spending entities and sectors to ensure consistency in reporting.
Public Expenditure Tracking (PETS)	PETS' findings and recommendations are meant to enhance Accountability and transparency in the use of public resources and to ensure that the resources actually do reach the intended beneficiaries. Good practice requires that the conduct of PETS be outsourced to an independent researcher, knowledgeable in PETS methodology and capable of undertaking the assignment. The PETS findings should be shared with as many stakeholders as possible, not just within the MFDP.

Activity	Description
Monitoring and Evaluation	Monitoring and Evaluation (M&E) are important components of the MTEF process. Monitoring must be employed to assess whether programmes are being implemented according to the Monitoring & Evaluation Plan and per schedule. Evaluation must be conducted to assess the impact, efficiency, effectiveness and sustainability of these programs.

Key budget documents are available electronically and are publicly available on the budget information website www.mfdp.gov.lr.

4.7.2. Revenue Collection

The National Budget is the Government’s plan on how to collect and spend funds to deliver services to the citizens of Liberia. The budget starts on 1 July and ends the following year on 30 June. This is referred to as the fiscal year.

Revenue comes from different sources, such as taxes and borrowing from other countries. Pursuant to the Constitution of Liberia, the legislature is authorised: “to levy taxes, duties, imposts, excise and other revenues, to borrow money, issue currency, mint coins, and to make appropriations for the fiscal governance of the Republic.” The LRA is the principal collector of taxes and the administrator of the Revenue Code. LRA collects taxes that account for about 90% of the revenue that supports the Government’s operations.¹²⁶

Tax Administration System

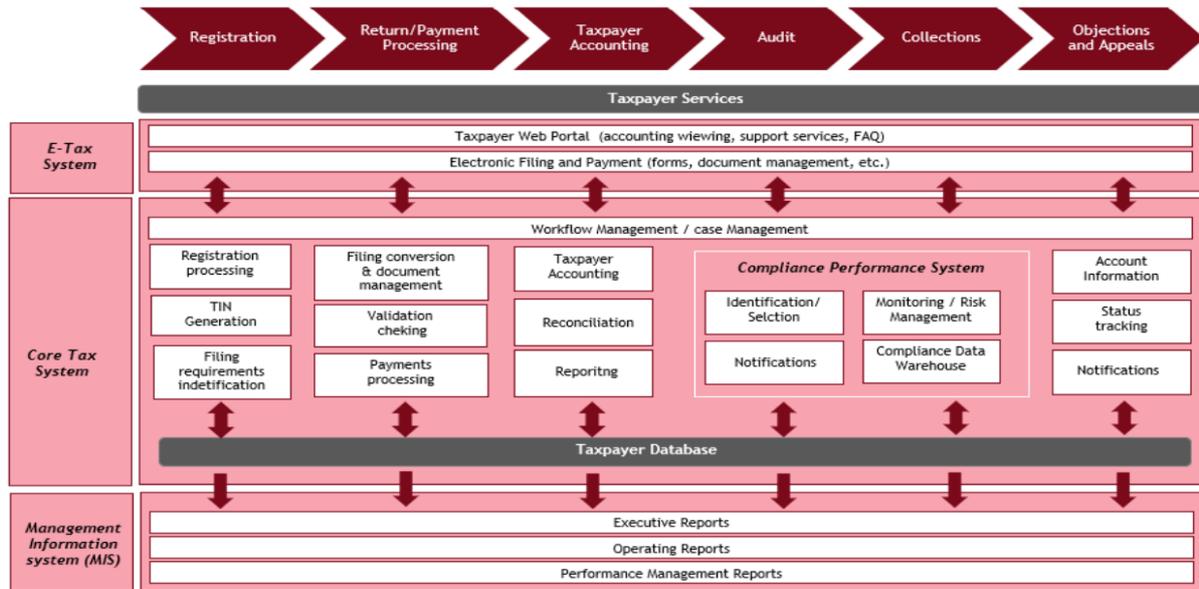
In June 2021, the LRA has launched the implementation of the Integrated Tax Administration System (ITAS)¹²⁷ The new tax system which is inclusive of online registration, online filing and payment among others, will replace the Standard Integrated Government Tax System (SIGTAS) currently used by the Authority.

The figure below presents the different types of ITAS support to each of the tax administration's functions:

¹²⁶ <https://revenue.lra.gov.lr/about>

¹²⁷ <https://liberianewsagency.com/2021/06/22/lra-launches-itas-project-for-tax-payers/>

FIGURE 25: ITAS SUPPORT TO TAX ADMINISTRATION FUNCTIONS¹²⁸



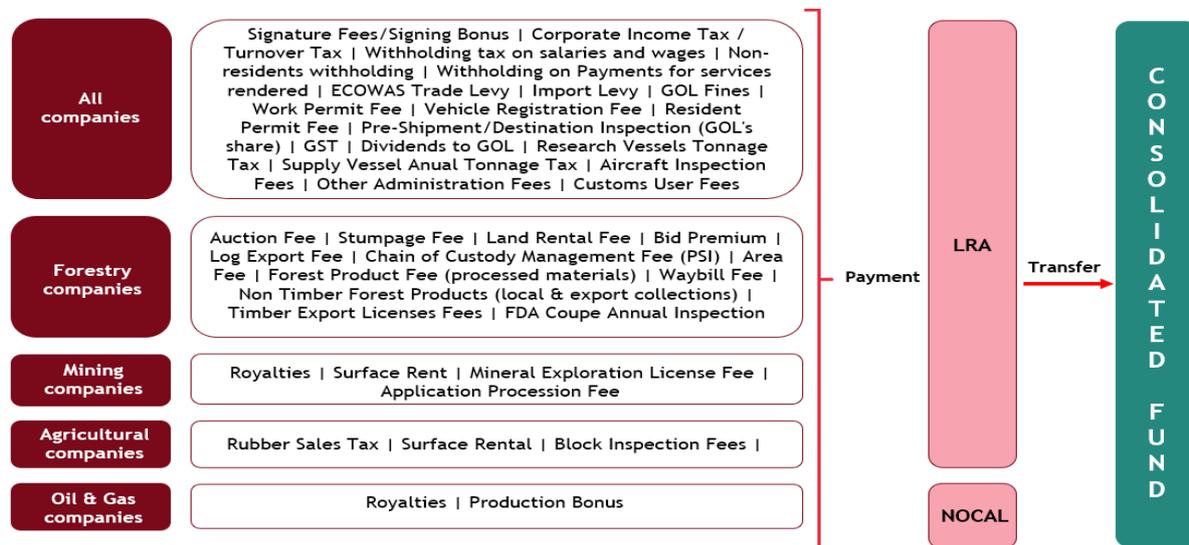
Revenue allocation and transfers

Section 26 of the LRA Act, stipulates that the revenue collected by the LRA shall be paid into the Consolidated Fund. The Finance and accounts unit of the FDA collects fees for timber and non-timber forest products and deposits same into government revenue account.

As part of the provisions in the PSCs, NOCAL receives funds from Oil Companies then remits them to the Government and other institutions such as the University of Liberia and MME.

The figure below sets out the extractive revenue collection framework:

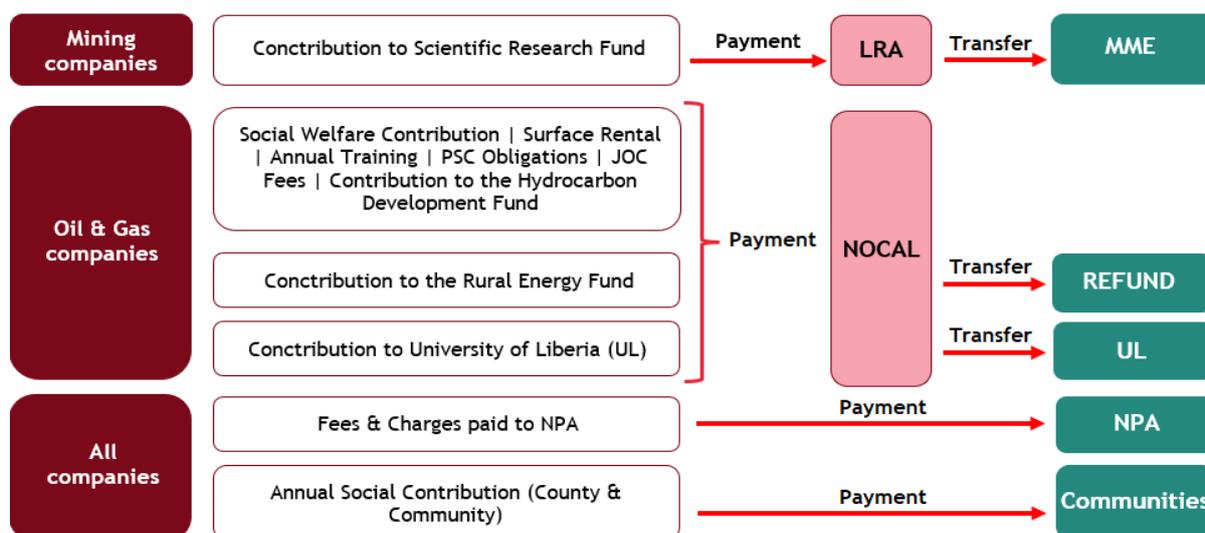
FIGURE 26: EXTRACTIVE REVENUE COLLECTION DIAGRAM



¹²⁸ https://pdf.usaid.gov/pdf_docs/pnaea485.pdf

The figure below sets out the Off-budget extractive revenue collection framework.

FIGURE 27: OFF-BUDGET EXTRACTIVE REVENUE COLLECTION DIAGRAM



4.8. Infrastructure and barter arrangements in the Extractive Sector

EITI Requirement 4.3 states that it should be considered whether there are any agreements or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities.

None of the reporting entities declared any agreements nor sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works, in full or partial exchange for mining exploration or production concessions or physical delivery of such commodities).

4.9. Transportation revenues

EITI Requirement 4.4 states that “Where revenues from the transportation of oil, gas and minerals are material, the government and SOEs are expected to disclose the revenues received by government agencies”. The EITI Standard requires disclosure of details of arrangements in situations where Government Agencies and state-owned enterprises are involved in the transportation of oil, gas and minerals. These details include the product(s) transported, route(s) and the relevant companies and government agencies, including SOE(s), involved in the transportation.

None of the government agencies nor SOEs included in the reporting scope declared transportation revenues collected by the GoL during the period from 1 July 2021 to 31 December 2022.

4.10. Subnational payments

EITI Requirement 4.6 states that: “It is required that the MSG establishes whether direct payments, within the scope of the agreed benefit streams, from companies to subnational government entities are material. Where material, the multi-stakeholder group is required to ensure that company payments to subnational government entities and the receipt of these payments are disclosed.”

None of the extractive companies included in the reconciliation scope declared direct payments to sub-national government agencies during the period from 1 July 2021 to 31 December 2022.

4.11. Sub-national transfers

EITI Requirement 5.2 states that: “Where transfers between national and subnational government agencies are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the MSG is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity.”

None of the government agencies included in the reporting scope declared transfers between the central government and sub-national government agencies that are related to revenues generated by the extractive sector during the period from 1 July 2021 to 31 December 2022.

4.12. Beneficial ownership (BO)

The 2019 EITI Standard recommends that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that apply for or hold a participating interest in an exploration or production oil, gas or mining license or contract, including the identity(ies) of their beneficial owner(s), the level of ownership and details about how ownership or control is exercised.

In 2021, Liberia signed up to the Opening Extractive Programme (OEP), a programme implemented by the International EITI Secretariat and Open Ownership. OEP is intended to assist Liberia to implement a BO regime that discloses high quality and accurate information; enhance the access to and use of BO information. OEP has conducted an initial scoping report¹²⁹ that examines the state of play of BO reforms in Liberia. It aims to identify specific gaps in BO implementation and make context-specific recommendations on how Liberia can advance beneficial ownership reforms.

¹²⁹ <https://eiti.org/sites/default/files/2022-05/Liberia-scoping-report-may-2022.pdf>

The following updates have been made for the BO implementation in Liberia under the OEP program:

- Completion of a BO scoping study for Liberia.
- Completion of a BO Decision Document that elaborates the key aspects of BO implementation including thresholds, definition of Politically Exposed Persons (PEP), information to collect from each beneficial owner, among others.
- Completion of a stakeholder consultation session on BO regulations.
- Completion of BO draft regulations and stakeholder consultations as well as BO draft forms and guidance notes.
- Adoption of the new Beneficial Ownership Regulations in August 2023 which require companies to disclose information about their beneficial or ultimate owners in a new central register, including names, addresses, and ownership stakes.
- Launch of a new Digital Beneficial Ownership Register in September 2023.

4.12.1. Current legislations relating to the Beneficial Ownership disclosure in Liberia.

The legislative frameworks that guide the implementation of beneficial ownership disclosure in Liberia partly follow international requirements/standards but are fragmented between multiple agencies of the government. In 2020, Liberia enacted BO provisions under its Title 5, Associations Law. The administration of BO disclosure takes place across numerous government agencies with different regulatory frameworks and intended objectives.

In Liberia, there are four definitions of a beneficial owner which are outlined variously in:

- the 2020 Associations Law of Liberia,
- the 2020 Disclosure of Ultimate Beneficial Ownership Regulation 2 (DUBO Regulation),
- the 2013 AML/CFT Regulations for Financial Institutions in Liberia, and
- the Regulation on Enhanced Due Diligence in the Provision of Financial Services for PEPs.

While the definition in the Associations Law is targeted at all entities in Liberia registered at the Liberia Business Registry (LBR) including trusts and foundations, the other three definitions are specific to companies within the extractives sector (oil and gas), financial institutions, and designated non-financial businesses and professions, respectively.¹³⁰

The table below gives an overview on the current legislations related to the disclosure of BO information or to maintain a public register of the beneficial owners of extractive companies operating in Liberia.

¹³⁰ <https://eiti.org/sites/default/files/2022-05/Liberia-scoping-report-may-2022.pdf>

TABLE 62: BENEFICIAL OWNER AND PEP DEFINITIONS ACCORDING TO THE NEW BO REGULATIONS

Legislation	Provisions related to the BO information disclosure
LEITI Act 2009 ¹³¹	<p>The LEITI Act 2009 has been used as the principal legal framework under which LEITI operates. The Act empowers a multi-stakeholder steering group (MSG), established under a tripartite arrangement between government, civil society, and extractive companies, to adopt measures and take the necessary actions for achieving the mandate and objective of LEITI.</p> <p>In fact, this includes the implementation of BO. Although the Act does not explicitly provide for the mandate to collect and maintain BO information, LEITI MSG understands that its general mandates include the implementation of BO as per EITI Requirement 2.5, as well as Section 4.1(j) of the LEITI Act, which mandates the LEITI Secretariat: “to perform and undertake all actions as may be necessary to achieve its statutory objectives.”</p>
Petroleum (Exploration and Production) Act (2014) and as Amended in 2019 ¹³²	<p>Section 15 of the New Petroleum Law of Liberia 2014 stipulates that a company wishing to apply for a petroleum agreement in a bidding round shall apply for pre-qualification. The pre-qualification guidelines shall provide the identity of its directors, shareholders and beneficial owners. A company which holds a pre-qualification notice shall give written notice to the Director General within forty-five days of any material change, including changes in BO.</p> <p>Section 62 of the New Petroleum Law of Liberia 2014 states that petroleum agreements and licenses issued under this Act shall contain provisions requiring regular reports as to the identity of directors, officers, material shareholders, material beneficial owners and controlling persons or groups.</p>
LPRA Regulations on the disclosure of Ultimate Beneficial Owners of Oil & Gas companies ¹³³	<p>The Liberia Petroleum Regulatory Authority (LPRA) has issued its Regulations for the disclosure of Ultimate Beneficial Owners, which aims to:</p> <ul style="list-style-type: none"> - ensure that ownership information of companies seeking to acquire, own or operate a license and /or exercise control over companies operating within the oil and gas sector of Liberia is made publicly available; and - ensure greater transparency in the award process and operation of licenses and other ownership rights within the oil and gas sector by making public identities of persons owning shares in oil and gas companies. <p>The LPRA regulations set the definition of a Beneficial Owner and a Politically Exposed Person as well as the disclosure thresholds:</p> <p>Definition of Beneficial Owner:</p> <p>Beneficial Owner means the natural person(s) who ultimately owns directly or indirectly (shares or voting rights), exercises ultimate effective controls, or economically benefits from the income or assets of a company including a PEP). Definition of Controlling Person: Controlling Person means any natural person who holds directly or indirectly (eg. through a chain of entities) more than 25% of the shares or voting rights of an entity as a beneficial owner.</p> <p>Definition of Politically Exposed Person (PEP)</p> <p>PEP means an individual who is or has been entrusted domestically (or by a foreign country or international organization providing aid to Liberia) with a prominent public function. for example, Heads of State of Government. Senior Politicians, Members of the National Legislature or parliament (where applicable), Judicial or Military Officials. senior executives of state-owned corporations or enterprises</p>

¹³¹ https://revenue.lra.gov.lr/wp-content/uploads/2021/11/liberia_2009_act_leiti.pdf

¹³² <https://lpra.gov.lr/lpra/laws-regulations/>

¹³³ <https://lpra.gov.lr/lpra/laws-regulations/>

Legislation	Provisions related to the BO information disclosure
	(excluding middle and junior officers). important political party officials, etc. For purposes of this Regulation, a PEP ceases to be considered a PEP at least five years after leaving a public office.

4.12.2. Liberia’s legal reforms on Beneficial Ownership disclosure

In August 2023, Liberia adopted new BO regulation¹³⁴ which require companies to disclose information about their beneficial or ultimate owners in a new central register, including names, addresses, and ownership stakes.

The purpose of this regulation is to provide for the basis for the application of matters on beneficial ownership disclosure as prescribed by the Associations Law of Liberia, Title 5. Specifically, this Regulation provides the basis for the collection, processing, verification, publication, and accessibility to the information of beneficial owners of all entities that are created, organised, registered, or incorporated under the laws of the Republic of Liberia as well as foreign entities, businesses and companies that are authorised to do business within Liberia. The Regulation also prescribes sanctions for non-compliance.

This regulation applies to all forms of domestic entities and/or organised under the laws of Liberia, inclusive of:

- domestic corporations,
- domestic limited liability companies,
- partnerships,
- limited partnership,
- trusts,
- foundations, and
- other legal entities organised under the laws of Liberia.

Definitions adopted

The new BO regulation defines the Beneficial Owner and the Politically Exposed Person (PEP) as follows:

TABLE 63: BENEFICIAL OWNER AND PEP DEFINITIONS ACCORDING TO THE NEW BO REGULATIONS

Term	Definition adopted
Beneficial Owner ¹³⁵	<p>A “Beneficial Owner” refers to:</p> <ul style="list-style-type: none"> - the natural person(s) who ultimately owns or controls or exercises ultimate effective control over a legal person or arrangement; - where no natural person exerts control through ownership interests, the natural person(s) exercising control of the legal person through other means, such as control through relationships, financial power or contractual associations; and

¹³⁴ <https://www.leiti.org.lr/sites/default/files/documents/Liberia%20Beneficial%20Ownership%20Regulation.pdf>

¹³⁵ As defined in section 1.2(c) of the Business Corporations Act

Term	Definition adopted
	- where no natural person meets the criteria above, the relevant natural person(s) who holds the position of senior managing officer.
Politically Exposed Person (PEP)	<ul style="list-style-type: none"> - PEP means any person who is or has been entrusted with a Prominent Public Function in Liberia or in any foreign country. - A PEP includes but is not limited to, a head of state or head of government; a senior politician; a senior government; judicial or military official; a director or officer of a State-Owned Enterprise; a senior political party official member of a state's legislature, senate or other parliamentary body ; or any person who is entrusted with prominent functions by any international organization, such as members of senior management, directors, deputy directors, and members of the board, or other equivalent positions. - An individual is considered a PEP pursuant to this Regulation for at least five years after the date the individual ceases to hold the position that rendered him or her a PEP.

Thresholds adopted

The disclosure of beneficial ownership information by the Beneficial Owner and the Reporting Entity according to new beneficial ownership regulations are based on the following thresholds:

TABLE 64: DISCLOSURE OF BO INFORMATION THRESHOLDS ACCORDING TO THE NEW BO REGULATIONS

N°	Thresholds
1	A direct or indirect ownership interest of at least 5% in a Reporting Entity where the beneficial owner is the ultimate shareholder.
2	A direct or indirect controlling interest of at least 5% voting rights in a reporting entity where the Beneficial Owner is the ultimate shareholder or otherwise has the ability or power to exercise at least 5% of the voting rights of that reporting entity.
3	A direct or indirect ownership interest of at least 5% in a reporting entity where the Beneficial Owner is a foreign PEP.
4	A direct or indirect ownership interest of 1% in a reporting entity where the Beneficial Owner is a domestic PEP.

Central Register of Beneficial Owners

The new beneficial ownership regulations require all reporting entities to keep a register of its beneficial or ultimate owners.

The Registry shall compile the beneficial ownership information submitted by reporting entities into a Digital Central Register, including names, addresses, and ownership stakes.

Details of the BO information that must be included in the central register of beneficial owners, for each reporting entity, natural person, or SOE, are detailed in section 2.6 of the new BO regulation.

Access to the Central Register of Beneficial Owners

The below figure shows the information that must be publicly available in the Digital Central Register according to the new BO regulation:

FIGURE 28: PUBLICLY AVAILABLE BO INFORMATION ON THE CENTRAL REGISTER¹³⁶

<i>For each reporting entity</i>
<ul style="list-style-type: none"> •Name of the Reporting Entity. •Registration number of the Reporting Entity. •Date of registration. •Country of registration. •Registration authority. •Number of Beneficial Owners and a link to relevant particulars of the Beneficial Owners.
<i>Each Beneficial Owner of a Reporting Entity</i>
<ul style="list-style-type: none"> •Full name to include the first,middle and last names. •Month and year of birth. •Nationality. •The nature of the beneficial ownership interest in each Reporting Entity for which the individual is a Beneficial Owner. •Statement on whether the individual is declared as a PEP, a Close Associate of a PEP or a Family Member of a PEP.
<i>Beneficial Owners on each government-owned company</i>
<ul style="list-style-type: none"> •The name and address of each government agency or body that is a beneficial ownership. •The nationality of each government agency. •Country of incorporation of the government-owned company. •The nature of beneficial ownership interest.

Sanctions related to the disclosure of BO information

The table below shows the different sanctions related to the disclosure of BO information according to the new beneficial ownership regulations.

TABLE 65: SANCTIONS RELATED TO THE DISCLOSURE OF BO INFORMATION¹³⁷

Sanction	Description
<i>Sanctions for non-submission, late submission, and incomplete submission of BO information</i>	<ul style="list-style-type: none"> - <u>Reporting Entity</u>: US\$3,000 and not exceeding US\$5,000 and a daily penalty of US\$100 until the non-compliance is rectified. - <u>Beneficial Owner/ Declaring Person</u>: US\$2,000 and not exceeding US\$5,000 and a daily penalty of US\$100.00 until the non-compliance is rectified.
<i>Sanctions for Submission of False Declaration BO Information</i>	<ul style="list-style-type: none"> - <u>Reporting Entity</u>: fine of not less than US\$3,000 but not exceeding US\$5,000, or subject to withdrawal of the legal status of good standing, revocation of formation documents or license to operate, certificate to do business, or dissolution, or any combination of the penalties prescribed herein as the Court shall deem appropriate or commensurate to the gravity of the violation. - <u>Beneficial Owner/Declaring Person</u>: fine of not less than US\$ 2,000 but not exceeding US\$5,000, or a prohibition from acting in any capacity as a Beneficial Owner of any domestic Reporting Entity or foreign Reporting Entity authorized to do business in Liberia, or any combination of the penalties prescribed herein as the Court shall deem appropriate or commensurate to the gravity of the violation. The beneficial owner may also be subject to a term of imprisonment

¹³⁶ Section 2.7 of the new beneficial ownership regulations.

¹³⁷ Section 4 of the new beneficial ownership regulations.

Sanction	Description
	of not less than one year and not more than two years as determined by the court.

4.12.3. Progress made on the implementation of BO Transparency by LEITI¹³⁸

Liberia is taking a significant step towards transparency in company ownership with the launch of its new BO register. The register aims to help increase accountability in the country's business sector, strengthen domestic resource mobilisation, and reduce risks of money laundering, corruption and other financial or environmental crimes.

The new digital beneficial ownership register was launched on 29 September 2023. The full register will be available on 1 December 2023, when companies can start making their BO declarations.

The new digital BO register is part of Liberia's work to promote transparency and accountability, and to ensure that the benefits of its industries are fairly shared among all citizens. It is also part of the country's broader effort to leverage digital technology to automate, streamline and improve efficiencies in delivering key Government-to-Businesses services including business registration. The register launch marks a pivotal moment, signalling the country's dedication to good governance and responsible business practices as it seeks to attract and bolster private sector investment. With over 100 countries worldwide also committed to implementing BO reforms, Liberia's register sets an example for other countries seeking to address opaque company ownership structures.

4.12.4. Beneficial Ownership and Legal Ownership declaration

The companies selected in the LEITI reconciliation scope have been requested to make declarations on legal and beneficial ownerships in the reporting templates. Accordingly, the following information was requested:

- **Name of beneficial owner and nationality:** full name(s) of the company's beneficial owner(s) and information on their identity(ies) including:
 - Name of any politically exposed person where any owner is also a 'politically involved person', this should be mentioned.
 - Identifying details: additional details are required to narrow down a beneficial owner to one individual.
- **Contact:** details of the beneficial owner such as a business address.
- **Means of control:** a description of how the beneficial owner and any politically engaged persons exercises control over the company.
- **Signed statement of accuracy:** a senior official from the company should sign a statement to confirm that the information provided is accurate.

Detail of legal and BO reported are presented in Annexes 3 and 4 to this report.

¹³⁸ <https://www.leiti.org.lr/media/news/liberia-launches-new-digital-beneficial-ownership-register>

4.13. Auditing and accounting

To ensure that EITI data submitted by reporting entities are credible and of good quality, the LEITI MSG agreed to adopt the following approach with regards to the reporting process by Government Agencies and extractive companies included in the LEITI reporting process:

- the declarations made by companies and government agencies should be signed by an authorised senior officer (at management level) and an authorised senior official respectively;
- the reporting templates submitted by the government agencies included in the reporting scope certified by the GAC who should agree with the government accounts for the reporting period 2021/22; and
- the reporting templates submitted by the extractive companies included in the reporting scope should be certified by an external auditor or the statutory auditor for each company; and
- all reporting entities selected in the reporting scope would be required to submit their audited financial statements for the reporting period 2021/22.

We set out below the assurance procedures in Liberia with regards to audits, as required by EITI Requirement 4.9.

4.13.1. Audit of private companies

The Liberian Institute of Certified Public Accountants (LICPA) is the successor of the Institute of Certified Public Accountants, Liberia (ICPAL) which was established by an act of the National Legislature in 1933 and is the promoter and regulator of the accountancy profession in Liberia. According to section 7 of the LICPA Act 2010, LICPA aims to:

- set, monitor and enforce accounting, auditing, other assurance, education, ethics and other professional standards of general and specific application in Liberia;
- license qualified individuals and firms to engage in public accounting in Liberia; and
- supervise the conduct of all persons, firms and individuals, who engage in public accountancy in Liberia.¹³⁹

Only registered members of the Institute are authorised to conduct audit engagements according to section 24 §1 of the LICPA Act 2010.

The LICPA is a member of the International Federation of Accountants (IFAC), the Pan African Federation of Accountants (PAFA) and the Association of Accountancy Bodies in West Africa (ABWA). It issued in 2019 the professional code of conduct and guide for members that is extensively inspired from the guidelines of the International Federation of Accountants (IFAC) and the Nigerian Institute of Charter Accountants.

The Liberia Association Law 1976 does not provide for the conditions under which the companies' accounts shall be audited nor for the presentation of audited annual financial statements to shareholders or authorities.

¹³⁹ <https://licpa.org.lr/index.php/about-us/objectives/>

4.13.2. Audit of Government Agencies and State-Owned Enterprise

The GAC is an independent commission created by the 1986 Liberian Constitution. It conducts the audit of all Government Ministries and Agencies as well as State owned Enterprises and private entities in which the GoL has share holdings and reports to the National Legislature.

The GAC has a large audit scope. Section 53.1 of the Executive Law defined the audit mandate of the GAC, dividing the mandate into two distinct categories, as reflected below:

- Government agencies: every ministry, bureau, board, commission, institution, authority, organization, enterprise, officer, employee, or other instrumentality of the Government including commonwealths, cities and townships, local authorities, and political units of the Republic;
- Government organizations: every enterprise, authority, monopoly, factory, or other industrial or commercial facility, corporation, utility, company, lending or financial institution, or other instrumentality which is wholly or partly owned by the Government.

The estimated number of institutions and programs in the mandate is 85 government departments, ministries, agencies, and public corporations. Additionally, the mandate also requires the GAC to audit local governments, other municipalities, embassies, and diplomatic missions.¹⁴⁰

The GAC is habilitated to conduct the following missions:

- (i) Financial statements audit: determining whether an entity's financial information is presented in accordance with an applicable financial reporting and regulatory framework.
- (ii) Compliance audit: builds on the definition of public sector audits with a specific focus on assessing compliance with criteria derived from authorities.
- (iii) Performance audit: an independent assessment of a program, function, operation or the management systems and procedures of a governmental entity to assess whether the entity is achieving economy, efficiency and effectiveness in the employment of available resources and that value of money is being achieved.
- (iv) IT audit: aims to ensure that the IT resources allow organizational goals to be achieved effectively and use resources efficiently.
- (v) Special audit: comprises the audits that are performed under International Standards of Supreme Audit Institutions (ISSAI) such as forensic audits, agreed upon procedures and environmental audits.
- (vi) Project audit: a systematic and often iterative activity of auditing and verifying a project for consistency and relevance to the basic parameters (quality, performance, cost-effectiveness) that are preset at the very beginning of the project.¹⁴¹

¹⁴⁰ [Audit Mandate - General Auditing Commission \(gac.gov.lr\)](http://gac.gov.lr)

¹⁴¹ [Audit Services Department - General Auditing Commission \(gac.gov.lr\)](http://gac.gov.lr)

Financial statements audit is conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). Those standards and the applicable guidelines require that the Auditor General complies with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.¹⁴²

4.14. Production and exports data in the extractive sector

4.14.1. Minerals' production and export data

Production

According to the data received from the MME, total production of the extractive companies in the mining sector for the period 2021/22 detailed as follows:

TABLE 66: PRODUCTION BY COMPANY AND COMMODITY

Company	Commodity	Unit	Volume
Bea Mountain Mining Corp	Gold	Kg	11,046
Arcelor Mittal *	Iron Ore	mT	6,414,584
Western Cluster **	Iron Ore	mT	438,415
MNG Gold	Gold	Kg	2,856
Artisanal small-scale miners	Diamond	Carat	87,732
Artisanal small-scale miners	Gold	Kg	190

Source: MME

* as per Arcelor Mittal confirmation. In fact, the MME provided us only with the exports quantity

** as per Western Cluster confirmation. This data was not provided by the MME

In order to be able to analyse production evolution, we only took into consideration data from 1 July 2021 to 30 June 2022 to ensure comparability of periods. This leads to the results presented in the table below:

TABLE 67: PRODUCTION DATA (QUANTITY)

Commodity	Unit	2021/22* (1)	2020/21** (2)	2019/20** (3)	Var 1/2	Var 1/3
Gold	Kg	7,097	5,352	2,926	33%	143%
Diamonds	Carat	68,516	72,793	43,380	-6%	58%
Iron Ore	T	3,877,266	4,093,510	4,788,038	-5%	-19%

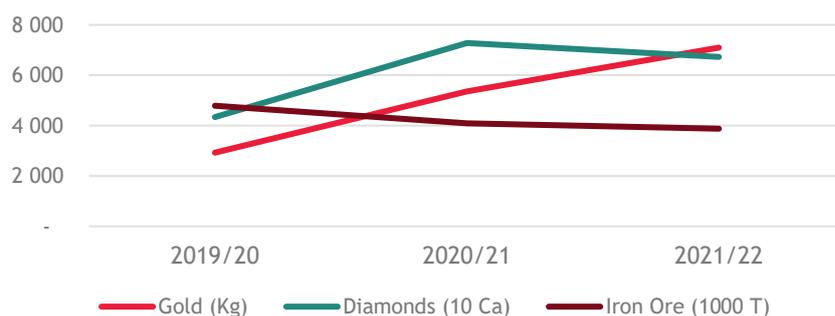
* Source: MME

** Source: LEITI 14th report 2020/21

The line chart below presents the evolution trend of production by commodity between 2019/20 and 2021/22 based on data provided by the MME and comparative data from the latest LEITI 14th report:

¹⁴² <https://gac.gov.lr/wp-content/uploads/2023/08/A.G-Report-on-Consolidated-Funds-Account-Financial-Statements-Audit-FY-2022.pdf>

FIGURE 29: PRODUCTION VOLUMES BY COMMODITY BETWEEN 2019/20 AND 2021/22



As presented above, production saw a significant fluctuation between 2021/22 and 2019/20, except gold that registered an increase by 33% compared to 2020/2021 and 143% compared to 2019/20. Iron Ore on the other hand decreased by 5% compared to 2020/21 and 19% compared to 2019/20.

This decrease is the result of the drop in activity as mining sites tend to reach their mining life, as well as the recession caused by sanitary measures linked to the Covid-19 outbreak on an international scale. Gold, in contrast, knew an important expansion of mining licences given during the period 2021/22 with 265 licences out of a total 512 active licences by year end (51%), 80% of them are class C licenses, which explains the stabilisation of the increasing trend.

Exports

The MME data show that the production of 2021/22 was fully exported. No additional quantities coming from previous periods were exported during 2021/22.

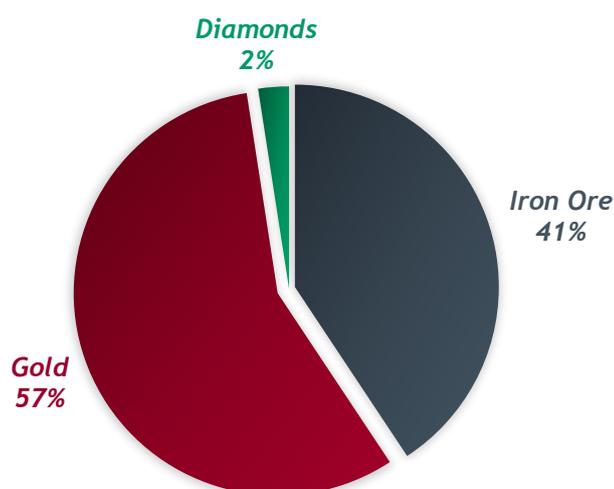
According to the data obtained from the Central Bank of Liberia (CBL), the mining sector generated US\$ 1.55 billion in the two calendar years 2021 and 2022 as presented in the table below:

TABLE 68: EXPORTS VALUE BY COMMODITY BETWEEN 2021 AND 2022 (IN MILLION USD)

Commodity	2022	2021	Total	Proportion
Iron Ore	285.72	346.93	632.65	41%
Gold	542.94	340.27	883.22	57%
Diamonds	22.54	15.18	37.72	2%
Total	851.21	702.38	1,553.59	100%

Source: Central Bank of Liberia

FIGURE 30 : EXPORTS VALUE BY COMMODITY DURING THE REPORTING PERIOD



As shown in the figure above, gold presents 57% of the overall mining exports. The effect of such increase is due to the sharp rise of gold price in the international market since Covid-19 outbreak as a reaction to worldwide uncertainty at that time.

The table below shows the mining sector exports by company for the reporting period:

TABLE 69: EXPORTS BY COMPANY

Company	Commodity	Unit	Volume	Value (in USD)	Percentage
Bea Mountain Mining Corp	Gold	Kg	11,046	576,378,060	48%
Arcelor Mittal (*)	Iron Ore	mT	6,365,189	477,226,819	40%
MNG Gold	Gold	Kg	2,856	111,920,394	9%
Artisanal small-scale miners	Diamond	Carat	84,583	29,541,207	2%
Artisanal small-scale miners	Gold	Oz	190	5,497,208	1%
			Total	1,200,563,688	100%

Source: Ministry of Mines and Energy

(*) as per ARCELOR MITTAL confirmation

Bea Mountain Mining Corporation is the major contributor in Liberia’s exports (48%), followed by Arcelor Mittal (40%) and MNG Gold (9%).

The data provided by the MME do not include the value of Iron Ore exports for the scoping period. For this, the table below presents the exports volumes and value according to the data collected from in-scope extractive companies compared to the data collected from the MME:

TABLE 70: MINING COMPANIES EXPORTS DATA AGAINST THE MME DATA

Company	Unit	Volume			Value (in USD)		
		MME	Companies	Difference	MME	Companies	Difference
Bea Mountain Mining Corp	Kg	11,046.47	9,960.62	1,085.85	576,378,060	600,062,898	-23,684,837
Arcelor Mittal	mT	6,421,220.00	6,365,189.15	56,030.85	-	477,226,819	-477,226,819
MNG Gold	Kg	2,856.38	1,875.00	981.38	111,920,394	118,420,155	-6,499,761
Total					688,298,454	1,195,709,871	-507,411,417

The data provided by the MME did not include the destinations of the aforementioned exports.

4.14.2. Oil and Gas' production and export data

In the absence of active oil and gas companies for the period 2021/22, therefore there is no production nor exports to be reported as no data was received by NOCAL and the LPRA in this regard.

4.14.3. Forestry' production and export data

Production

Data provided by the FDA present exclusively the round logs production for the period 2021/22 period with 263,323 m³ as presented in the table below:

TABLE 71: ROUND LOGS PRODUCTION FOR THE PERIOD 2021/22 BY COMPANY

Logging Operator Company	2021/22	Proportion	2020/21
Euro Liberia Logging Company	43,732	16,6%	19,232
LTTC Inc.	35,677	13,5%	14,935
Geblo Logging	24,961	9,5%	1,359
Indo African Plantations Liberia Inc.	22,189	8,4%	-
Coveiyalah Investment Enterprises Inc.	21,409	8,1%	1,422
Alpha Logging and Wood Processing Inc	16,212	6,2%	2,275
Mandra Forestry Liberia Ltd.	16,067	6,1%	9,733
Horizon Logging Limited	15,554	5,9%	-
Kisvan Timber Corporation	12,801	4,9%	-
Masayaha Logging	11,024	4,2%	5,139
Akewa Groups of Companies	10,615	4,0%	-
L&S Resources Inc.	8,074	3,1%	1,376
WAFDI	7,267	2,8%	17,498
West Water Group (Liberia), Inc.	6,443	2,4%	-
WESTNAF Limited	5,579	2,1%	3,895
SING AFRICA PLANTATIONS LIBERIA INC.	3,111	1,2%	-
SANABEL Investment Company	854	0,3%	-
Association Of Logging Enginners Liberia Limited	673	0,3%	-
SIX S (6S) International Trading Limited	566	0,2%	-

Logging Operator Company	2021/22	Proportion	2020/21
Tetra Enterprise Inc.	396	0,2%	-
Regnals Internationals Inc.	119	0,0%	-
African Wood & Lumber Co	-	0,0%	9,186
Delta Timber Corporation	-	0,0%	124
Build Liberia Inc.	-	0,0%	117
Total	263,324	100%	86,291

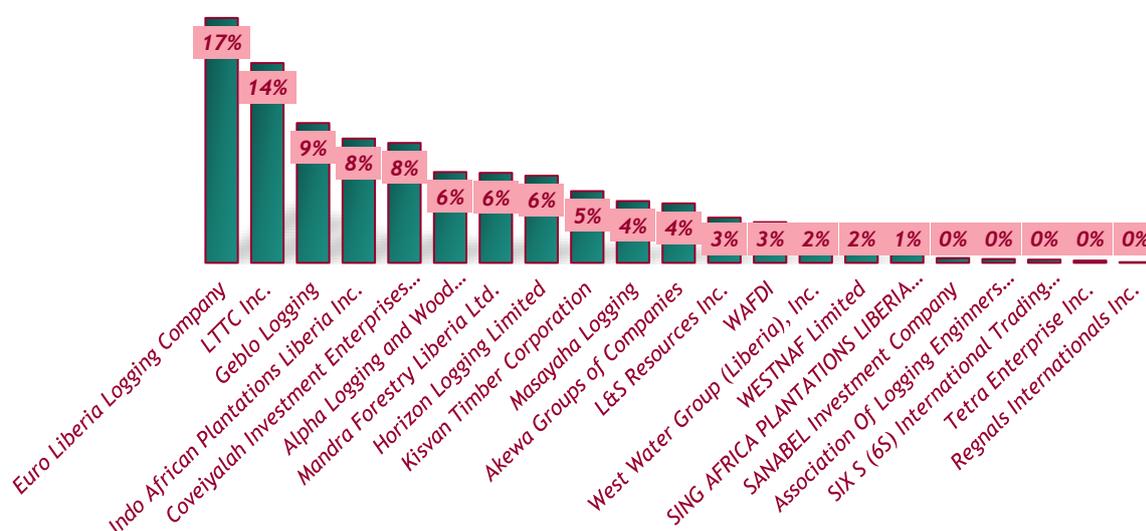
Source: Forestry Development Authority (FDA)

Euro Liberia Logging Company remains the major log producer with 43,732 m³, presenting 16.6% of the overall production, followed by Liberia Tree and Trading Company with 13.5% and Geblo Logging with 9.5%. Top five companies in the list contribute alone by 56% to the total production of round logs of the country.

A significant increase of production was noted compared to the period from 1 July 2020 to 30 June 2021. This is the effect of the entry into production of 11 new companies, contributing alone by 27.8% of the overall production for the 2021/22 period. Indo Africa Plantations Liberia tops the list with 22,189 m³ of round logs produced for the period, presenting 8.4% of the total production.

The line chart below presents the round logs production by company for the 2021/22 period:

FIGURE 31 : LOGS PRODUCTION BY COMPANY



Exports

According to data provided by the Forestry Development Authority, forestry companies exported 188,737 m³ of round logs between 1st June 2021 and 31st December 2022 for a total value of USD 4,363,461 as detailed in the table below:

TABLE 72: ROUND LOGS EXPORTS BY COMPANY & DESTINATION

Company	Volume (m ³)	Value (USD)	%
Euro Liberia Logging Company	30,868	754,974	17,3%
Stadium Inc.	31,042	658,782	15,1%
Geblo Logging Inc.	22,495	538,499	12,3%
Mandra Forestry Liberia Ltd.	17,169	416,053	9,5%
Indo African Plantations Liberia Inc.	16,077	386,190	8,9%
Coveiyalah Investment Enterprises Inc.	15,977	381,237	8,7%
Horizon Logging Limited	13,250	297,581	6,8%
Akewa Groups of Companies	8,847	210,664	4,8%
Masayaha Logging	6,907	165,204	3,8%
Kisvan Timber Corporation	7,377	158,746	3,6%
L&S Resources Inc.	6,682	148,741	3,4%
West African Forestry Development Inc.	4,577	104,171	2,4%
Alpha Logging and Wood Processing Inc.	4,092	92,920	2,1%
WESTNAF Limited	2,453	27,885	0,6%
Sing Africa Plantations Liberia Inc.	642	15,374	0,4%
LTTC Thanry	208	5,009	0,1%
Dadekoloi Liberia Limited	73	1,431	0,0%
Total	188,737	4,363,461	100,0%

Source: Forestry Development Authority (FDA)

Euro Liberia Logging Company is the major exporter with 30,868 m³ of round logs exported for a total value of USD 754,974, representing thus 17.3% of Liberia's round logs exports, followed by Stadium Inc. with USD 658,782 (15.1%) and Geblo Logging Inc. with USD 538,499 (12.3%).

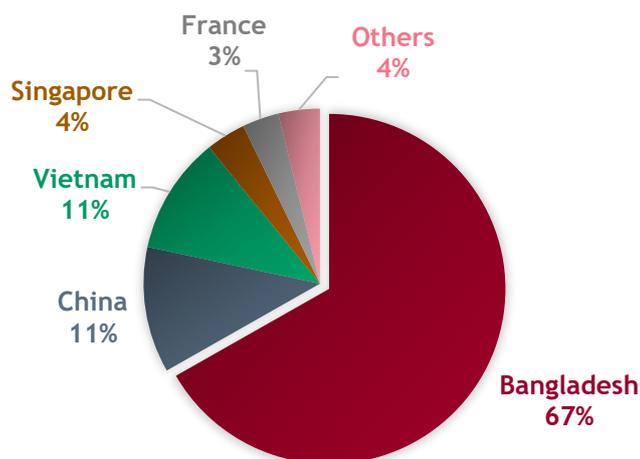
The table below presents the destination of Liberian log exports:

TABLE 73: EXPORTS OF ROUND LOGS BY COUNTRY

Country	Volume (m ³)	Value (USD)
Bangladesh	122,944	2,912,085
China	23,952	507,400
Vietnam	20,327	472,788
Singapore	6,976	158,773
France	5,691	146,259
India	7,059	123,817
Germany	760	18,538
Turkey	699	14,318
Portugal	152	4,933
Italy	113	3,018
United Arab Emirates	63	1,531
Total	188,737	4,363,461

Source: Forestry Development Authority (FDA)

FIGURE 32: EXPORTS BY COUNTRY



As set in the chart above, Bangladesh remains the main importer for Liberia’s logs with 67%, followed by China with 12%, then Vietnam with 11%.

4.14.4. Agriculture’ production and export data

Production

The MoA did not provide with the production data. Accordingly, we relied on the data provided by in-scope companies detailed in the table below:

TABLE 74: AGRICULTURE PRODUCTION BY COMPANY

Company	Commodity	Unit	Volume
Firestone Liberia	Rubber	Lbs	154,152,588.13
Cavalla Rubber Corporation	Rubber	Ton	11,915.39
Cavalla Rubber Corporation	Palm	Ton	5,499.97
Liberian Agricultural company	Rubber	Ton	40,426.92
LIBINC Oil Palm	Crude Palm Oil	Mt	31,245.21
LIBINC Oil Palm	Kernel Palm	Mt	6,243.60
LIBINC Oil Palm	Kernel Palm Oil	Mt	2,614.44
LIBINC Oil Palm	Palm Kernel Cake	Mt	3,551.16
Maryland Oil Palm Plantation	Crude Palm Oil	Mt	9,097.40
Maryland Oil Palm Plantation	Kernel Palm	Mt	1,190.50

Source: in-scope extractive companies

Exports

According to the MoA and the in-scope extractive companies that submitted their reports, exports totalled USD 267 million as shown in the table below:

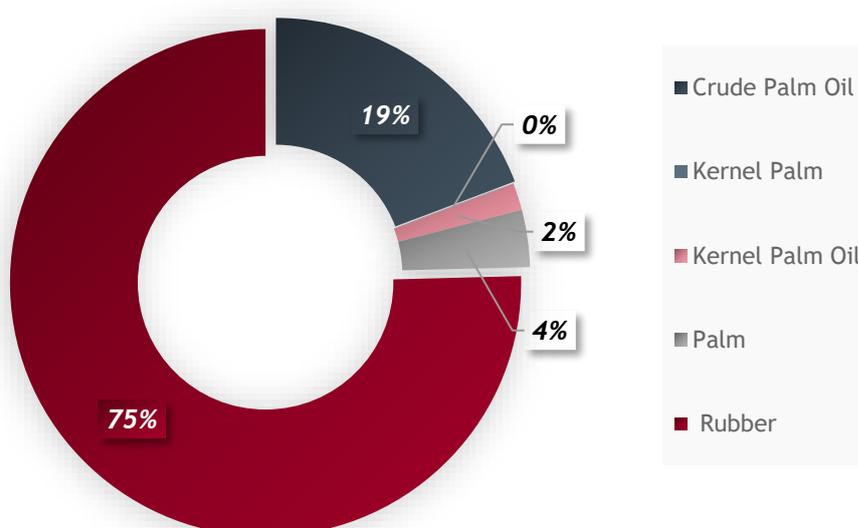
TABLE 75: AGRICULTURE SECTOR EXPORTS BY COMPANY & COMMODITY

Company	Commodity	Unit	Volume	Value USD
Firestone Liberia*	Rubber	Lbs	171,336,207.06	125,887,312
Cavalla Rubber Corporation**	Rubber	Ton	6,007.68	9,474,765
Cavalla Rubber Corporation**	Palm	Ton	6,148.80	9,698,122
Liberian Agricultural company**	Rubber	Ton	41,707.20	65,814,889
LIBINC Oil Palm*	Crude Palm Oil	Mt	28,498.03	38,113,443
LIBINC Oil Palm*	Kernel Palm Oil	Mt	2,846.13	4,764,601
Maryland Oil Palm Plantation**	Crude Palm Oil	Mt	1,210,698.98	13,141,473
Maryland Oil Palm Plantation**	Kernel Palm	Mt	402,932.60	80,587
Total				266,975,192

* Source: MoA

** Source: in-scope extractive companies. The Ministry of Agriculture (MoA) did not provide the production data related to these agricultural companies.

FIGURE 33: AGRICULTURE SECTOR EXPORTS BY COMMODITY



As presented in the pie chart above, rubber is the main cash provider in the agriculture sector with total exports of USD 201 million (75%), followed by crude palm oil (19%).

Below are the exports by commodity and by destination according to the available data provided by the MoA and from the in-scope extractive companies. Exports data by destination for the remaining companies were not provided neither by the MoA nor by the in-scope extractive companies.

TABLE 76: AGRICULTURE SECTOR EXPORTS BY DESTINATION

Destination	Commodity	Unit	Volume	Value (US\$)	%t
FIRESTONE LIBERIA			171,336,207	125,887,312	67.0%
UK	Rubber	Lbs	93,512,684	67,410,770	35.9%
USA	Rubber	Lbs	54,667,579	41,497,626	22.1%
Spain	Rubber	Lbs	17,466,960	12,709,142	6.8%
Mexico	Rubber	Lbs	3,688,951	2,696,859	1.4%
Italy	Rubber	Lbs	2,000,034	1,572,915	0.8%
LIBINC OIL PALM INC			31,344	42,878,044	22.8%
Cameroon	Palm Oil	Mt	5,300	6,055,090	3.2%
Cameroon/ Morocco	Palm Oil	Mt	15,904	23,289,624	12.4%
Ivory Coast	Palm Oil	Mt	2,001	2,062,905	1.1%
Morocco	Palm Oil	Mt	5,302	6,754,567	3.6%
Morocco	Palm Kernel Oil	Mt	1,402	2,238,984	1.2%
India	Palm Kernel Oil	Mt	1,444	2,525,617	1.3%
Adjustments & sales returns		Mt	(8.89)	(48,743)	0.0%
Cavalla Rubber Corporation (*)			12,156	19,172,887	10.2%
Czech Republic	Rubber	Mt	343	552,933	0.3%
Germany	Rubber	Mt	1,714	2,676,034	1.4%
India	Rubber	Mt	3,367	5,323,244	2.8%
Malaysia	Rubber	Mt	81	116,099	0.1%
Netherlands	Rubber	Mt	141	225,719	0.1%
Spain	Rubber	Mt	464	739,277	0.4%
UK	Rubber	Mt	40	64,816	0.0%
China	Palm Oil	Mt	302	419,422	0.2%
Czech Republic	Palm Oil	Mt	464	745,514	0.4%
Germany	Palm Oil	Mt	1,976	3,093,112	1.6%
India	Palm Oil	Mt	2,560	4,080,991	2.2%
Italy	Palm Oil	Mt	101	156,769	0.1%
Netherlands	Palm Oil	Mt	363	582,415	0.3%
Spain	Palm Oil	Mt	242	396,542	0.2%
Total			187,938,243	187,938,243	100.0%

Source: MoA

(*) Based on the data received from the company. These data are not confirmed by the MOA.

The figures below present the exports by country and continent:

FIGURE 34: AGRICULTURE SECTOR EXPORTS BY DESTINATION

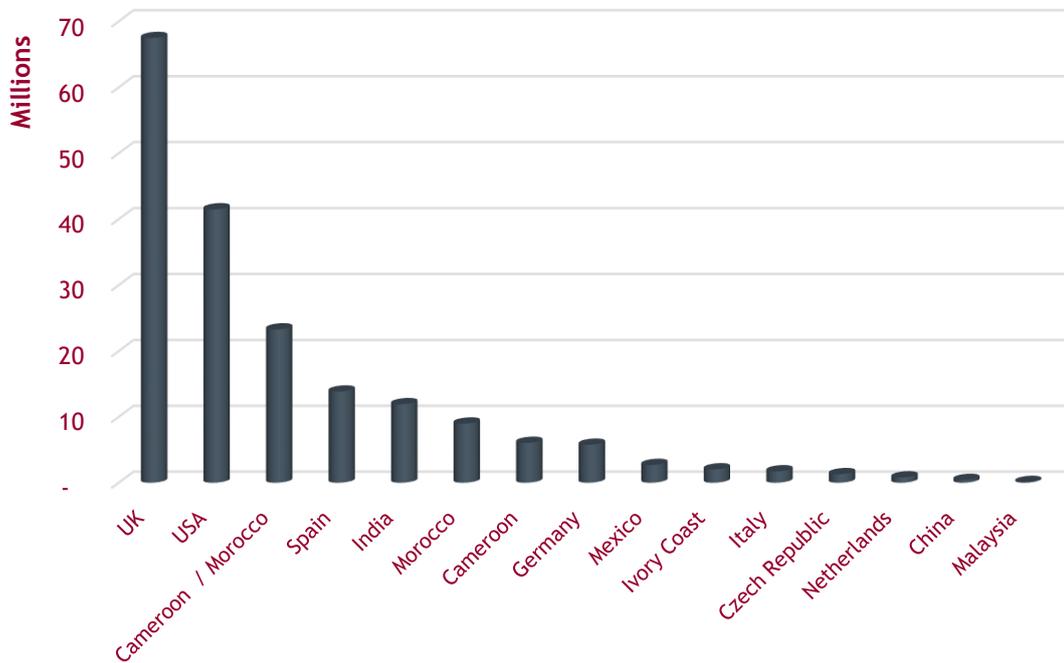
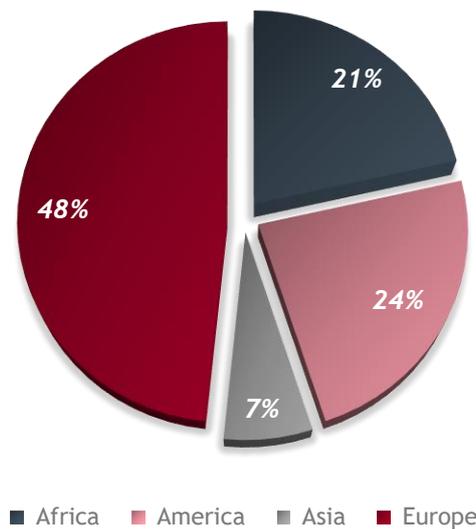


FIGURE 35: AGRICULTURE SECTOR EXPORTS BY CONTINENT



As presented above, 48% of the Liberian exports go to Europe, followed by America (24%), consisting mainly of rubber exported to the UK and the USA that host approximately 58% of total Liberian exports from the agriculture sector.

Africa exports are mainly composed of palm oil exported to Morocco and Cameroon combined, attracting thus 21% of total agriculture sector exports.

4.15. The contribution of the extractive sector to the economy

4.15.1. Extractive sector contribution to GDP

As presented in the table below, the extractive sector contribution presents 57% of Liberia's real GDP for FY 2022:

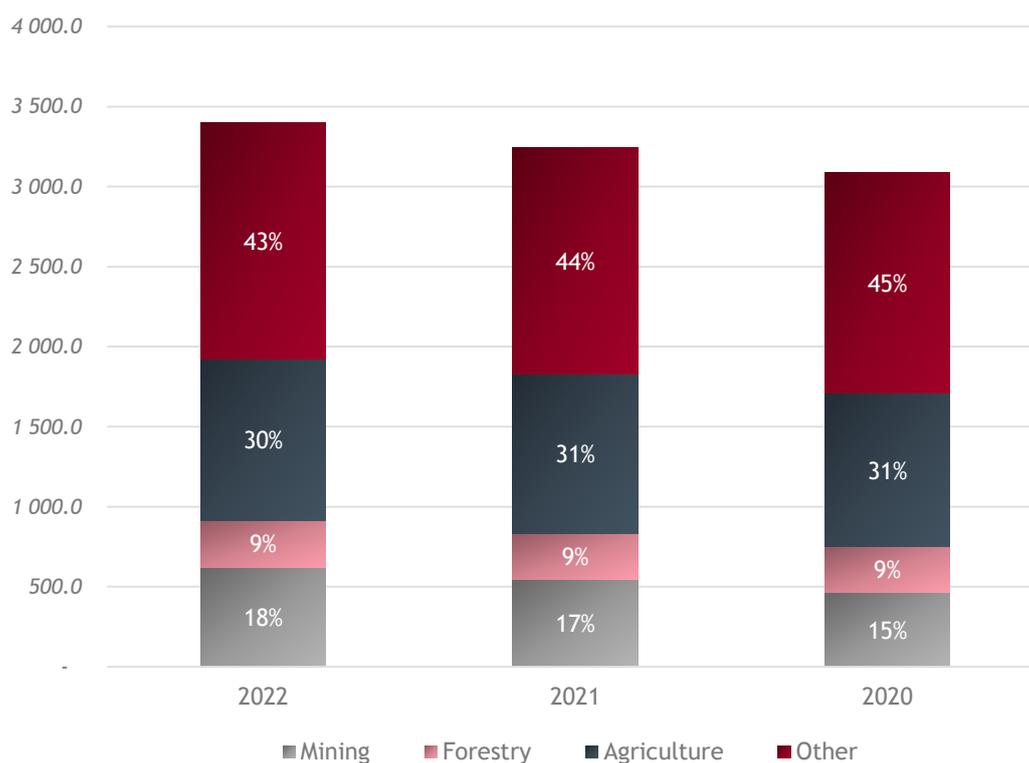
TABLE 77: EXTRACTIVE SECTOR CONTRIBUTION TO GDP BETWEEN 2020-2022

(in million USD)

Sector	2022		2021		2020	
Real GDP	3,398.40		3,242.40		3,087.70	
Mining	621.8	18%	545.3	17%	463.7	15%
Forestry	292.9	9%	288.2	9%	285.3	9%
Agriculture	1,009.30	30%	997.7	31%	959.3	31%
Oil & Gas	-	0%	-	0%	-	0%
Total	1,924.00	57%	1,831.20	56%	1,708.30	55%

Source: Central Bank of Liberia

FIGURE 36: EXTRACTIVE SECTOR CONTRIBUTION TO GDP BETWEEN 2020-2022



4.15.2. Extractive sector contribution to the State revenue

The extractive sector contribution to the State revenue is presented in the table below:

TABLE 78: EXTRACTIVE INDUSTRIES SHARE OF GOVERNMENT REVENUES

Description	Amount in million USD	Contribution in %
Mining sector	140.64	13%
Agriculture sector	34.06	3%
Forestry sector	7.65	1%
Extractive sector revenues¹⁴³	182.35	17%
Total Government Revenues (*)	1,062.62	100%

(*) Total government revenues were taken from the Central Bank of Liberia (CBL) as follows:

- FY2022: CBL Annual report FY2022.
- FY2021: CBL Monthly Economic Reviews from July to December 2021.

4.15.3. Extractive sector contribution to the State exports

The extractive sector contributed to **99%** of the Liberian exports during the period from 1 July 2021 to 31 December 2022 according to the data provided by the government agencies as presented in the table below:

TABLE 79: EXTRACTIVE SECTOR CONTRIBUTION TO THE STATE EXPORTS DURING THE REPORTING PERIOD

Sector / commodity	Amount in million USD	Contribution In %
Mining sector ¹⁴⁴	1,200.6	80.94%
Forestry sector ¹⁴⁵	4.4	0.29%
Agriculture sector ¹⁴⁶	267.0	18.00%
Total extractive sector	1,471.9	99.24%
Total exports (*)	1,483.2	100%

(*) Total exports were taken from the Central Bank of Liberia (CBL) as follows:

- FY2022: CBL Annual report FY2022.
- FY2021: CBL Monthly Economic Reviews from July to December 2021

The pie chart below presents the contribution of each extractive sector to the State's exports during the period from 1 July 2021 to 31 December 2022:

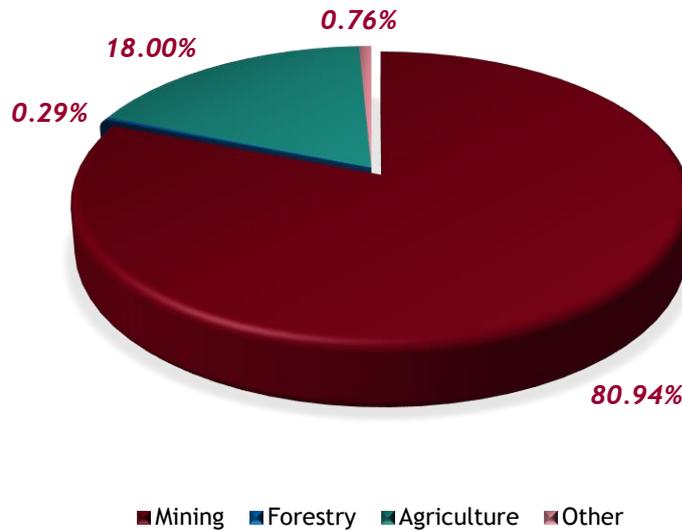
¹⁴³ Source: Total receipts for the period from 1 July 2021 to 31 December 2022, collected from different reporting entities during the reconciliation phase.

¹⁴⁴ Source: Data collected from MME except for Iron Ore exports that were provided by the company Arcelor Mittal.

¹⁴⁵ Source: Data collected from FDA.

¹⁴⁶ Source: Data collected from MoA.

FIGURE 37: EXTRACTIVE SECTOR CONTRIBUTION TO THE STATE'S EXPORTS DURING THE REPORTING PERIOD



According to the CBL, the extractive sector contribution presents 96% of Liberia's exports in 2022 (97% in 2021) as shown in the table below.

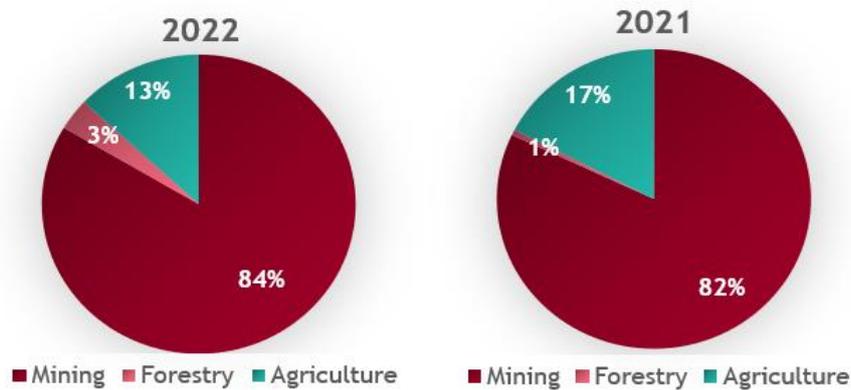
TABLE 80: EXTRACTIVE SECTOR CONTRIBUTION TO LIBERIA'S EXPORTS BETWEEN 2020-2022

(in million USD)

Sector / commodity	2022		2021	
Iron Ore	285.7	27%	346.9	39%
Gold	542.9	51%	340.3	39%
Diamond	22.5	2%	15.2	2%
Mining sector	851.2	80%	702.4	80%
Round logs and Timber	34.8	3%	5.3	1%
Forestry sector	34.8	3%	5.3	1%
Rubber	101.1	10%	110	12%
Palm oil	31.5	3%	32.5	4%
Cocoa beans	0.4	0%	5.9	1%
Agriculture sector	133	13%	148.4	17%
Total extractive sector	1 018.9	96%	856.1	97%
Total exports	1 058.0	100%	881.2	100%

Source: Central Bank of Liberia

FIGURE 38: EXTRACTIVE SECTOR CONTRIBUTION TO THE STATE EXPORTS ACCORDING TO THE CBL

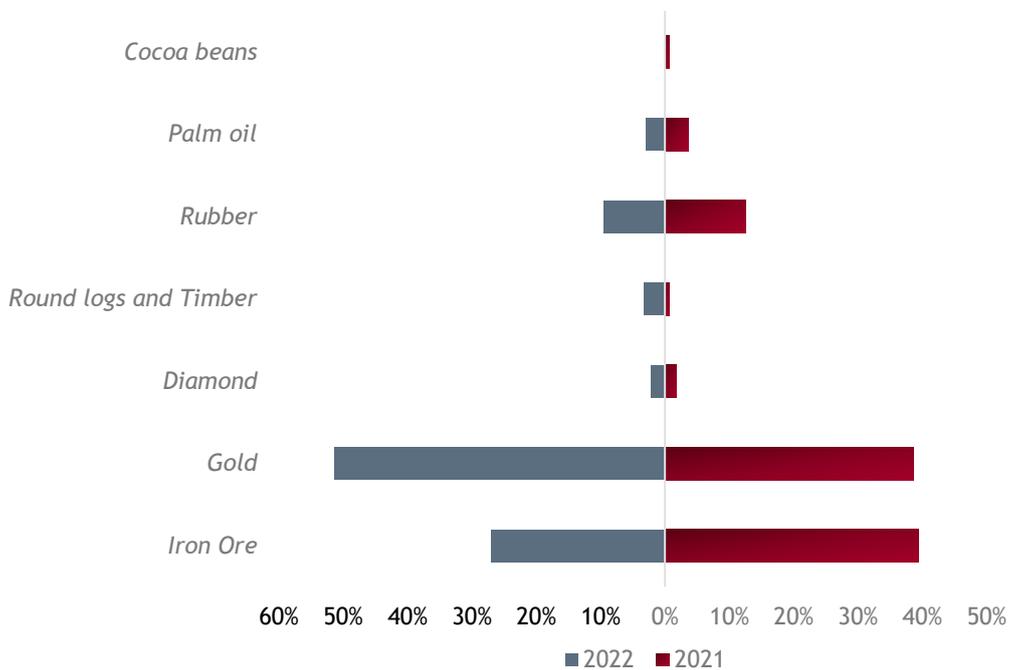


The mining sector is the main country’s cash provider with 80% of total exports, mainly Gold that provided half of the country’s exports, followed by Iron Ore (27%), while diamonds contribution is limited to 2% as extraction is performed by artisanal small-scale miners.

Agriculture exports are mainly composed of rubber that represents 10% of the country’s total exports, then palm oil with a 3% contribution. Forestry sector’s exports is limited to 3% compared to 1% in 2021 as exported round logs provided approximately USD 35 million.

The graph below presents the contribution of the major commodities in Liberia’s exports:

FIGURE 39: CONTRIBUTION TO EXPORTS BY COMMODITY



4.15.4. Extractive sector contribution to employment

As shown in the table below, the extractive sector provides livelihood to 0.5% of the country's labour force, 79% of them are male workers, while only 21% are female:

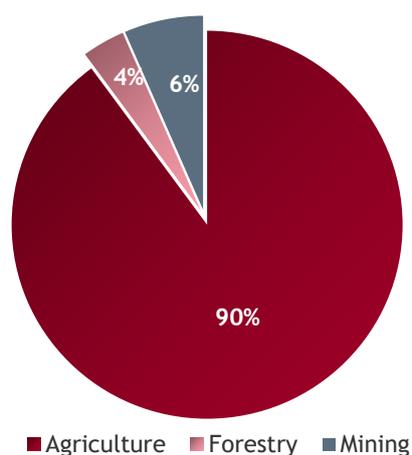
TABLE 81: EXTRACTIVE SECTOR CONTRIBUTION TO THE EMPLOYMENT

Sector	Male	Female	Total	Extractive sector Contribution (%)	Contribution to the labor force (%)
Agriculture	8,355	2,450	10,805	89.91%	0.45%
Forestry	400	26	426	3.54%	0.02%
Mining	757	29	786	6.54%	0.03%
Total	9,512	2,505	12,017	100%	0.50%
Liberia 2022 labour force¹⁴⁷				2,415,635	100%

Source: Ministry of Labour (MoL)

As presented in the graph below, agriculture is the extractive sector providing most of job opportunities as it attracts 90% of labour force:

FIGURE 40: CONTRIBUTION TO EMPLOYMENT BY EXTRACTIVE SECTOR



The nationality of extractive sectors workers in Liberia is presented in the table below:

TABLE 82: EXTRACTIVE SECTORS EMPLOYMENT BY NATIONALITY

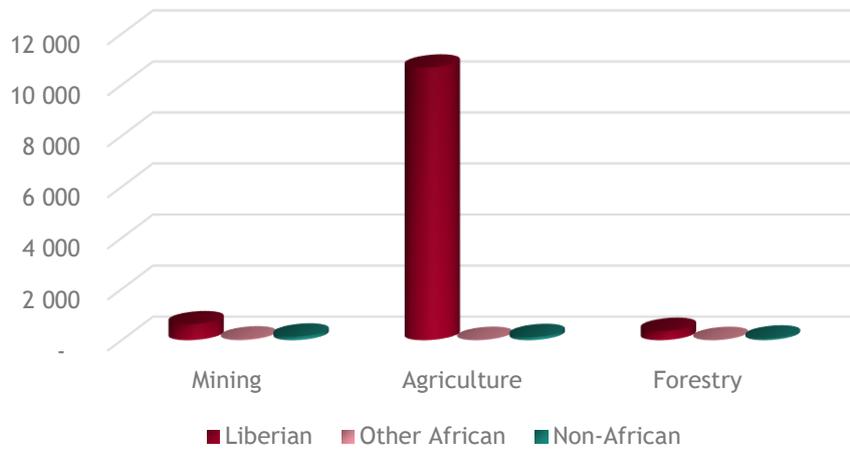
Nationality	Mining	Agriculture	Forestry	Total	%
Liberian	622	10,678	361	11,661	97.0%
Other African	26	7	4	37	0.3%
Non-African	138	120	61	319	2.7%
Total	786	10,805	426	12,017	100%

Source: Ministry of Labour (MoL)

¹⁴⁷ <https://data.worldbank.org/indicator/SL.TLF.TOTL.IN?locations=LR>

97% of employees in the extractive sectors are Liberians, while only 0.3% are employees from other neighbouring countries in Africa.

FIGURE 41: EXTRACTIVE SECTORS EMPLOYMENT BY NATIONALITY



4.16. Management and monitoring of environment in the extractive sector

4.16.1. Legal framework governing Liberia's environment

The EPA was founded on 26 November 2002, to oversee the nation's natural resources and environment. The EPA operates on three (3) basic legal Instruments:

TABLE 83: LEGAL FRAMEWORK FOR THE ENVIRONMENT MANAGEMENT IN LIBERIA¹⁴⁸

Legal instrument	Description
The National Environmental Policy (NEP) ¹⁴⁹	<p>The NEP ordered the creation of the EPA to ensure sound environmental management and put in place measure to avoid irreparable damage to the country's natural resources. The NEP seeks to harmonise cross cutting functions between and amongst agencies. The NEP seeks to ensure long-term economic prosperity of Liberia through sustainable social and economic development of the generation without endangering the potential of future generation.</p> <p>The objective of the NEP is to improve the physical environment, the quality of life and the improvement of economic and social living condition of the citizenry present and future generations. It also seeks to ensure reconciliation and coordination between economic development and growth with the sustainable management of the natural resources. A National Environmental Policy provides a broad framework for the implementation of national objectives and plans.</p>
The Environmental Protection and Management Law (EPML) ¹⁵⁰	<p>The EPML establishes a legal framework for the sustainable development, management and protection of the environment by the EPA in partnership with regulatory Ministries and organisations and in a close and responsive relationship with the people of Liberia; and to provide high quality information and advice on the state of the environment and for matters connected therewith. The EMPL have several principles and objectives to include but not limited to the following:</p> <ul style="list-style-type: none"> - The principle of sustainable development; - The pre-cautionary principle, - The polluter - pays principle, - The principle of inter-generational equity, - The principle of public participation, - The principle of international co-operation in the management of environmental resources shared by two or more states; and - Other principles of natural resources and environmental management.
The Act establishing the EPA ¹⁵¹	<p>The Act creating the EPA provides the legal mandates and authority to manage coordinate, monitor and supervise in consultation with relevant line Ministries, Agencies and organization, and other relevant stakeholders for the protection of the environment and sustainable use of natural resources.</p> <p>The act details the functions of the EPA from the Policy Council to environmental inspectors. The Act also clearly explain the entire environmental impact assessment (EIA) process in its totality.</p>

¹⁴⁸ <https://www.epa.gov.lr/content/brief-history>

¹⁴⁹ <https://faolex.fao.org/docs/pdf/lbr175141.pdf>

¹⁵⁰ <https://www.epa.gov.lr/sites/default/files/ENVIRONMENTAL%20AND%20MANAGEMENT%20LAW%20%20III.pdf>

¹⁵¹ <https://www.epa.gov.lr/sites/default/files/THE%20ACT%20ESTABLISHING%20THE%20EPA.pdf>

4.16.2. Environmental management

EPA's main roles for environmental management

The EPA is the principal authority in Liberia for the management of the environment and shall co-ordinate, monitor, supervise and consult with relevant stakeholders on all activities in the protection of the environment and sustainable use of natural resources. Its functions mainly include:

TABLE 84: MAIN FUNCTIONS OF THE EPA FOR THE MANAGEMENT OF THE ENVIRONMENT¹⁵²

N° EPA's main functions for environmental management	
1	Co-ordinate, integrate, harmonise and monitor the implementation of environmental policy and decisions of the Policy Council by the Line Ministries; ensure the integration of environmental concerns in overall national planning.
2	Collect, analyse and prepare basic scientific data and other information pertaining to pollution, degradation and environmental quality, resource use and other environmental protection and conservation matters and undertake research and prepare and disseminate a biannual report on the state of the environment in Liberia.
3	Build the capacity of line Ministries, authorities and organisations through the exchange of data and information, and to render advice, technical support and training in environment and national resource management so as to enable them to carry out their responsibilities effectively; ensure the preservation and promotion of important historic, cultural and spiritual values of natural resources heritage and, in consultation with indigenous authority, enhance indigenous methods for effective natural resource management.
4	Promote public awareness through public participation in decision making and formal and informal education about the protection and sustainable management of the environment, and to allow, at minimal or no costs, access on environmental information and records; integrate scientific mechanisms and technical requirements in environmental management in order to develop indicators for environmental changes and progress of environmental sustainability; the use of appropriate environmentally sound technologies and renewable sources of energy and natural resources.
5	Establish environmental criteria, guidelines, specifications and standards for production processes and the sustainable use of natural resources for the health and welfare of the present generation, and in order to prevent environmental degradation for the welfare of the future generations.
6	Identify projects, activities, policies, and programs for which environmental impact assessment must be conducted.
7	Initiate and co-ordinate actions required in a state of environmental emergency or any other situation which may pose serious threat to the environment and public health.
8	Monitor and assess projects and activities including activities being carried out by relevant ministries and bodies to ensure that the environment is not degraded by such activities and that environmental management objectives are adhered to and adequate early monitoring on impending environmental emergencies is given.

¹⁵² <https://www.epa.gov.lr/content/statutory-mendate>

N° EPA's main functions for environmental management

- 9 Review sectoral environmental laws and regulations and recommend for amendments and to initiate proposals for the enactment of environmental legislation.
- 10 Function as the national clearinghouse for all activities relating to regional and international environment-related conventions, treaties and agreements, and as national liaison with the secretariat for all such regional and international instruments;
- 11 Improve efficiency of financial processes under multilateral agreements by prioritising and harmonizing host and donor priorities in programmes, project preparation and design; advise the State and participate in the process of negotiating, ratifying or acceding to relevant regional and international environmental agreements.

Environmental Impact Assessment (EIA)

EIA is a systematic process to identify, predict and evaluate the environmental effects of proposed projects, plans or policies. This process is applied prior to major decisions and commitments being made. The EIA process helps to provide stakeholders with information about the likely environmental impacts of projects. In some cases, the outcome of the EIA processes may require a developer to alter or in extreme cases abandon a project. Although the EIA processes may result in delays and added costs, these will be outweighed by the overall benefits that accrue from EIA application.¹⁵³

The table below present the list of petroleum, mining, agriculture and forestry projects and activities requiring an Environment Impact Assessment according to the Environmental Protection and Management Law (EPML):

TABLE 85: PROJECTS/ACTIVITIES REQUIRING AN ENVIRONMENTAL IMPACT ASSESSMENT¹⁵⁴

Sector/Industry	Projects/Activities requiring an Environmental Impact Assessment (EIA)
Extractive Industries	<ul style="list-style-type: none">- Extraction of petroleum;- Extraction and purification of natural gas;- Other deep drilling - bore-holes and wells;- Mining;- Quarrying;- Coal mining; and- Sand dredging.
Petroleum Industry	<ul style="list-style-type: none">- Oil and gas exploration and development, including seismic survey;- Construction of offshore and onshore pipelines;- Construction of oil and gas separation, processing, handling and storage facilities;

¹⁵³ <https://www.clientearth.org/media/wazpf1zz/guidelines-2006-environmental-impact-assessment-procedural-guideline-liberia-abstract-ext-en.pdf>

¹⁵⁴ Annex 1 of the Environment Protection and Management Law of Liberia (EMPL):

<https://www.epa.gov.lr/sites/default/files/ENVIRONMENTAL%20AND%20MANAGEMENT%20LAW%20%20III.pdf>

Sector/Industry	Projects/Activities requiring an Environmental Impact Assessment (EIA)
	<ul style="list-style-type: none"> - Construction of oil refineries; - Construction of product depots for the storage of petrol, gas, diesel, tar and other products within commercial, industrial or residential areas; and - Transportation of petroleum products.
Agriculture	<ul style="list-style-type: none"> - Cultivating natural and semi-natural not less than 50ha; - Water management projects for agriculture (drainage, irrigation); - Large scale monoculture (cash and food crops); - Pest control projects (i.e. tsetse, army worm, locusts, rodents weeds) etc; - Fertiliser and nutrient management; - Agricultural programmes necessitating the resettlement of communities; - Introduction of new breeds of crops; and - Arial spraying.
Forestry	<ul style="list-style-type: none"> - Timber logging and processing; - Forest plantation and afforestation and introduction of new species; - Selective removal of single commercial tree species; and - Pest management.

The following is a sequence of major operating stages required in the EIA process¹⁵⁵:

TABLE 86: EPA'S EIA PROCESS STAGES¹⁵⁶

N°	Process stage	Description
1	Applications for EIA permit	Prior to the commencement of works, a proponent whose project /activity falls under the prescribed list of Annex 1 of the Environment Protection and Management Law of Liberia (EMPL) is required to obtain an application for EIA permit/ license.
2	Submission of a Project Brief	The proponent is expected to submit the filled form alongside with a project brief and a specified fee to the EPA. If the EPA considers the project brief to be complete, a copy of the project brief will be transmitted to individual relevant line ministry/agency ten days after its submission, for comments.
3	Notice of Intent	A proponent whose undertaking requires an EIA must prepare and publish a Notice of Intent that provides information to enable stakeholders to identify their interest in the proposed project.
4	Screening	The EPA will evaluate the project brief and transmit a copy with comments to relevant line ministries /agencies. The following determination may be made from the screening process:

¹⁵⁵ <https://www.epa.gov.lr/content/epas-esia-process-stages>

¹⁵⁶ Annex 1 of the Environment Protection and Management Law of Liberia (EMPL):

<https://www.epa.gov.lr/sites/default/files/ENVIRONMENTAL%20AND%20MANAGEMENT%20LAW%20III.pdf>

N° Process stage	Description
	<ul style="list-style-type: none"> - A certificate of approval may be issued to the applicant where the EPA considers that the project / activity will not have or is unlikely to have a significant environmental impact; or that the project discloses sufficient mitigation measures to ensure the acceptability of the anticipated impacts. - Where further study is necessary to determine the level of EIA required, the applicant will need to prepare an environmental review/ initial environmental examination or evaluation. - The proponent or applicant will be required to prepare and environmental impact study if the project/activity will have or is likely to have a significant impact on the environment.
<p>5 Scoping</p>	<p>If an EIA is required, the proponent will be requested to carry out a public consultation termed scoping. The scoping exercises will identify what possible impacts there may be from the project and from alternatives considered.</p> <p>This process will also lead to the identification of terms of reference for preparation of Environmental Impact Statement of the proposed project. The Terms of Reference must consider issues contained in Annex- B and the results of the consultations.</p> <p>The EPA must approve the TOR prior to commencement of the EIA study. Consultants for EIA must also meet the qualification criteria set by the Agency, and be in its Registry.</p>
<p>6 Preparation and Submission of EIA Report</p>	<p>Where EIA is required, the applicant will prepare an EIA report that includes Environmental Impact Statement (EIS) and Environmental Management Plan (EMP) in line with the Terms of Reference approved by the EPA.</p>
<p>7 Review of the EIA Report</p>	<p>The EPA will study the report to ensure that it is of standard and addresses the scope of work outlined in the terms of reference. If the report is satisfactory in these respects, the Agency will distribute copies of it to the relevant line ministry/agency and other relevant public agencies and communities for comments.</p> <p>After receiving comments from stakeholders on the report, the EPA will constitute a Committee (Environmental Assessment Committee) to review the report. The committee will comprise technical experts from the Agency and sector agencies /ministries, a representative from the project, and also a representative from the project area. The body will give its opinions to the EPA for consideration.</p>
<p>8 Decision making</p>	<p>Following the review of the EIA Report and considering comments received during the review period, the EPA will decide on the proposed project. The EPA may:</p> <ul style="list-style-type: none"> - Approve the project unconditionally; - Approve the application conditionally; - Request for further study and/or submission of additional detail; or - Reject the application if the project is likely to cause significant or irreversible damage to the environment.
<p>9 Environmental License or Permit</p>	<p>The issuance of the EIA permit/ license will be made within the time period specified below for different categories of projects:</p>

N° Process stage	Description
	<ul style="list-style-type: none"> - For projects not requiring an EIA, 15 days from of date of decision indicated in communication to the applicant. - For projects requiring an EIA, three months following receipt of the EIA Report.
10 Follow-up	<p>The EPA should undertake follow-up actions after the issuance of EIA permits:</p> <ul style="list-style-type: none"> - to ensure that the terms and conditions of approval are met; - to monitor the impacts of development and the effectiveness of mitigation measures; - to strengthen future EIA applications and mitigation measures and where required; and - to undertake environmental audit and process evaluation to optimise environmental management.

Sanctions related to the violations of environmental provisions¹⁵⁷

The Act establishing the EPA (2002) provides for the imposition of penalty for violation of any provision of the Law or any regulation made thereunder as required. Section 56 of the same Act provides that any violation for which no other penalty is specifically provided, is punishable, upon conviction, by a general penalty of not more than US\$ 50, 000 and or an imprisonment of no more than 10 years.

Generally, as provided under the Environmental Protection and Management Law (EPML), a penalty for violation of any provision is pre-set under such provision. Interestingly, each pre-set penalty is enclosed within a mandatory framework, above which the EPA lacks the authority to fine.

Additionally, Section 53.2(d) of the Act gives the Agency the authority to make regulation providing for fees and levies to be charged in the enforcement of the Act.

In fulfilment of this mandate, the EPA has established a procedural mechanism by which:

- alleged violators are engaged;
- response to each suspected or reported violation is done based on the immediate impact or potential impact of the violation;
- the response may range from warning letter to revocation of permit, penalty and imprisonment; and
- all penalties must be within the statutory allowable range.

¹⁵⁷ <https://www.epa.gov.lr/content/fines-violations>

4.17. Notes towards Gender Sensitive LEITI Reporting and Implementation

4.17.1. Legislative & Policy Framework for Gender Equality in Liberia

Gender equality is among the primary concerns for Liberian officials. In fact, the Ministry of Gender, Children and Social Protection that was established in 2013 in replacement of the Ministry of Women and Children Affairs, aims to “achieve gender equality, equity, the empowerment of women and girls, promoting the survival and development of children, thus ensuring their rights” through policy formulation, coordination and monitoring & evaluation of the issues related to these topics as part of the Liberian development agenda.¹⁵⁸

The Liberian 1986 constitution does not provide for an article specifically dedicated to women's rights and gender equality, however all the articles of the chapter III related to fundamental rights establish for equal rights with no discrimination of any kind among Liberian citizens. Besides, the article 8 of the constitution states that “*The Republic shall direct its policy towards ensuring for all citizens without discrimination, opportunities for employment and livelihood under just and humane conditions, and towards promoting safety, health and welfare facilities in employment*”.¹⁵⁹

The Liberian government set numerous policies and enrolled in various programs that target gender equality and women’s rights. These components of the regulatory framework are referenced in the table below:

TABLE 87: GENDER EQUALITY-RELATED POLICIES AND PROGRAMS

Policy /Program	Year	Description
National Gender-Based Violence Plan of Action	2006	The action plan is in the Phase III of the Gender-Based Violence National Action Plan (GBV-NAP) 2018- 2023 and consists of the revised version of previous Phase II implemented from 2011 to 2016 that summaries the intervening concept points towards the prevention and management of GBV in Liberia. This instrument is in direct response to SGBV across Liberia, building on the successes, improving on the pitfalls and incorporating emerging issues stemming from the implementation in the previous phase. As such, this new phase of the NAP merged GBV interventions into three critical pillars: Psychosocial & Coordination, and Health. ¹⁶⁰
Global Joint Programme on Accelerating Progress toward the Economic Empowerment of Rural Women	2014-2020	The joint program implemented by the United Nations is a global initiative with a goal to secure rural women’s livelihoods, rights and resilience in the context of sustainable development and has four objectives: <ul style="list-style-type: none"> - Improved food security and nutrition; - Increased income, decent work and economic autonomy;

¹⁵⁸ [About Us - Ministry of Gender Children and Social Protection \(mogcsp.gov.lr\)](http://mogcsp.gov.lr)

¹⁵⁹ The 1986 constitution of the Republic of Liberia - Article 8

¹⁶⁰ [Phase III of the Gender-Based Violence National Action Plan 2018-2023 \(unwomen.org\)](http://unwomen.org)

Policy /Program	Year	Description
		<ul style="list-style-type: none"> - Enhanced participation and leadership in rural life and institutions; - More gender-responsive policy environment.¹⁶¹
Decent Work Act	2015	<p>The act aims to:</p> <ul style="list-style-type: none"> - Promote the attainment of decent work in Liberia, by establishing a regulatory environment which facilitates: <ul style="list-style-type: none"> i) continuing and further creation of quality employment; ii) the ability of all to exercise their rights at work; iii) a measure of social protection; and iv) participation in institutions and processes of social dialogue. - Ensure respect for, and the protection and fulfilment of fundamental rights at work in Liberia, including fundamental rights that are protected by the Constitution of Liberia. - Contribute to the enhancement of the human capabilities of all who work in Liberia. <p>Promote economic development and growth that can be shared throughout Liberia. These rights are guaranteed to all workers irrespective of gender, ethnicity, occupation, social status, political affiliation or opinion, or any other kind of discrimination.¹⁶²</p>
National Gender Policy (Revised)	2017	<p>The revised version of the 2009 National Gender Policy is implemented between 2017-2022 and seeks to address the following issues:</p> <ul style="list-style-type: none"> - strengthen the NGP existence to ensure coordination of gender mainstreaming work; - pay close attention to boys and young men under priority on vulnerable groups; - strengthen the role of civil society as part of the coordination and mainstreaming priority with the Ministry of Gender, Children & Social Protection; - ensure teenagers accessibility to services, education and programs set by the Government against teenage pregnancy to allow them to return to schools; and - focus on child labor and the negative impact of mining activities on boys through interventions towards education of boys.¹⁶³
Revised Liberia Women Manifesto	2017	<p>The Manifesto aims to ensure that women are aware of aspects associated with elections and how women can use their knowledge and skills to become involved. It also provides the foundation for women to understand and undertake strategies which will include them in the governance of Liberia.¹⁶⁴</p>

¹⁶¹ [Joint Programme on Accelerating Progress towards the Economic Empowerment of Rural Women \(ifad.org\)](#)

¹⁶² [Decent Work Act.docx \(live.com\)](#)

¹⁶³ Liberia's Gender Strategy: A Look AT THE NATIONAL GENDER POLICY, by SieaneAbdul-Baki Acting Minister - Ministry of Gender, Children and Social Protection, Liberia, Kigali, November 2, 2017

¹⁶⁴ [Liberia.pdf \(unwomen.org\)](#)

Policy /Program	Year	Description
Pro-Poor Agenda for Prosperity and Development	2018	<p>The new agenda aims, among its goals, to reduce gender inequality and empower women and girls by:</p> <ul style="list-style-type: none"> - enhancing inclusiveness of women and girls to reduce inequalities in political, social, and economic life; - investing in gender-responsive policies to reduce the number of girls who are out of school; - rolling out gender-responsive training and curriculum including Sexual and Gender Based Violence (SGBV); - raising awareness on the national Gender Policy in schools and other institutions of learning; develop and implement a policy for boys who impregnate girls; - enhancing public awareness and sensitization on Gender Based Violence (GBV) issues; Access to gender sensitive psychosocial, health and legal services nationwide; - supporting women-led CSOs working for engendering the peace and security actor and prioritize community-based approaches to sustain the peace and include women in decision-making in the security sector; and - promoting and support sustainable and gender sensitive use of natural resources.¹⁶⁵
Land Rights Act	2018	<p>As part of its objectives, the law that was implemented to organize the way land ownerships and rights are granted to citizens. As part of its objectives, it aims to ensure equal access and equal protection with respect to land ownership, use and management regardless of gender, identity, ethnicity or otherwise. Therefore, the Act provides that each Resident of a Customary Land community, irrespective of gender, shall be entitled to some portion of the Residential Area for up to one Acre of land for exclusive possession and use as a residence.¹⁶⁶</p>

Other policies and programs targeted gender equality among their provisions such as:

- Poverty Reduction Strategy Paper (2008-2011);
- Policy on Girl Child Education (2006);
- HIV and AIDS Strategic Plan of Action (2007);
- National Health Policy and National Health Plan (2007);
- Food and Agricultural Policy (2007);
- Environmental Policy (2002);
- Civil Service Reform Strategy (2008);

¹⁶⁵ [PRO POOR AGENDA FOR PROSPERITY AND DEVELOPMENT \(PAPD\) \(globalnaps.org\)](http://globalnaps.org)

¹⁶⁶ [Land Rights Act_full draft.pdf \(sdiliberia.org\)](http://sdiliberia.org)

- Gender Policy of the Liberia National Police;
- the National Action Plan on the UN Security Council Resolution 1325;
- Mental Health Policy (2009);
- Social Welfare Policy (2008); and
- Labor Policy and the Gender Policy of the Liberia National Police.¹⁶⁷

4.17.2. Statistics on gender parity in Liberia

Liberia is ranked 164th in the Gender Inequality Index with a band score of 0.648 according to the 2021 Human Development report established by United Nations Development Program, which is below the world average of 0.581. The main figures outlined from the UNDP data are presented in the table below:

TABLE 88: GENDER INEQUALITY INDEX¹⁶⁸

Index	Liberia		World		Gap	
	Female	Male	Female	Male	Female	Male
Population with at least some secondary education	20.76%	39.16%	36.00%	44,40%	-15,24%	-5,24%
Labour force participation rate	69.78%	79.72%	51.30%	79,90%	18,48%	-0,18%
Gender Inequality Index	0.648		0.581		0.067	

Source: UNDP Human Development Reports

More detailed statistics provided by UN Women are presented in the table below:

TABLE 89: OTHER GENDER PARITY STATISTICS¹⁶⁹

Index	Women	Men	Total
1. No Poverty			
1.1.1 Employed population below international poverty line, by sex and age (%)	47.3	43.1	45.1
3. Good Health & Wellbeing			
3.1.1 Maternal mortality ratio (Per 100,000 live births)	661	-	-
3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease (probability)	19.8	15.4	17.8
3.7.2 Adolescent birth rate (per 1,000 women aged 15-19 years)	128	-	-
4. Quality Education			
4.2.2 Participation rate in organized learning (one year before the official primary entry age), by sex (%)	78.73	78.86	78.8

¹⁶⁷ [Liberia National Gender Policy 2010-2015_EN.pdf \(oecd.org\)](#)

¹⁶⁸ <https://hdr.undp.org/data-center/thematic-composite-indices/gender-inequality-index#/indicies/GII>

¹⁶⁹ <https://data.unwomen.org/country/liberia>

Index	Women	Men	Total
4.c.1 Proportion of teachers who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country, by sex and education level (%)	73.87	69.33	70.17
5. Gender Equality			
5.4.1 Proportion of time spent on unpaid domestic chores and care work, by sex, age and location (%)	6.29	2.58	-
5.5.1 Proportion of seats held by women in national parliaments (% of total number of seats)	10.96	-	-
5.5.2 Proportion of women in managerial positions (%)	20.04	-	-
8. Decent Work to Economic Growth			
8.3.1 Proportion of informal employment in non-agriculture employment, by sex (ILO harmonized estimates) (%)	95.2	99.8	90.1
8.5.2 Unemployment rate, by sex and age (%)	2.4	3.8	3.1
8.5.2 Unemployment rate, by sex and disability (%)	12.7	8.8	10.7
8.6.1 Proportion of youth not in education, employment or training, by sex and age (%)	16.7	8.9	13.2
8.7.1 Proportion of children engaged in economic activity and household chores, by sex and age (%)	12.9	15	14
8.10.2 Proportion of adults (15 years and older) with an account at a financial institution or mobile-money-service provider, by sex (% of adults aged 15 years and older)	28.16	43.66	35.71

Source: UN Women

According to the statistics set above, 16.7% of female youth are not enrolled in education, employment or training programs against 8.9% of male youth. Besides, Females occupy only 20% of managerial positions, and their parliamentary representation is limited to 11%.

4.17.3. Statistics on gender parity in the extractive sector in Liberia

The table below presents the gender parity in the extractive sectors by 2022 according to the data obtained from the Ministry of Labour:

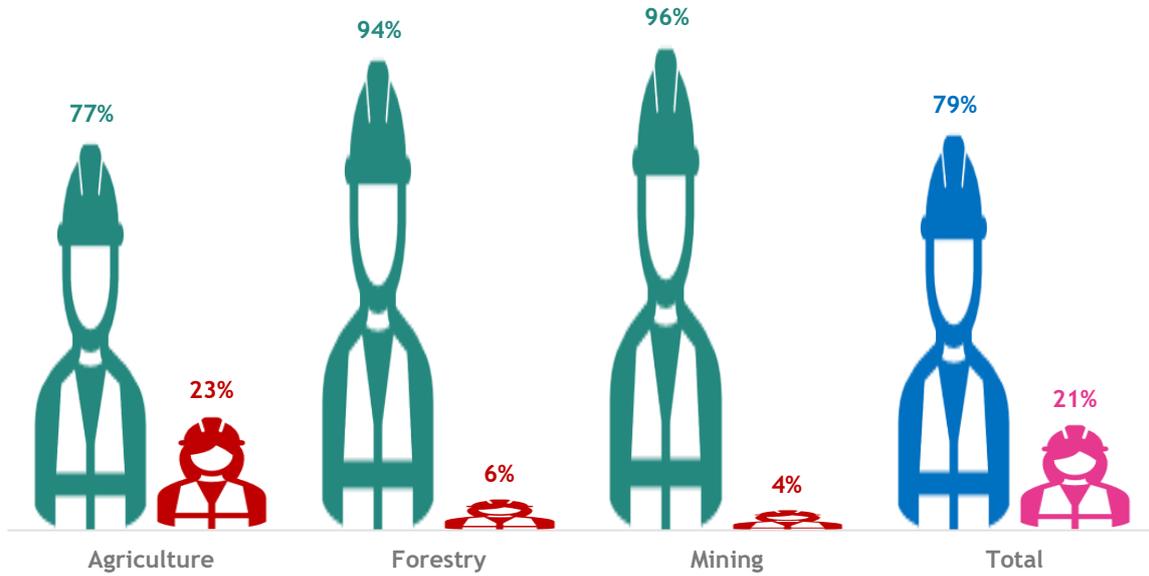
TABLE 90: GENDER PARITY IN THE EXTRACTIVE SECTOR IN LIBERIA

Sector	Male		Female		Total
Agriculture	8,356	77%	2,447	23%	10,803
Forestry	400	94%	26	6%	426
Mining	695	96%	29	4%	724
Total	9,451	79%	2,502	21%	11,953

Source: Ministry of Labour (MoL)

The graph below presents the gender parity by extractive sector:

FIGURE 42: GENDER PARITY BY SECTOR



As shown in the table above, 79% of the extractive sector workers are male, while female inclusion in extractive industries does not exceed 21% of total workers. Mining sector attracts mainly male workers as these represent 96% of workers in the sector, while agriculture is the most attractive sector for female workers with a 23% inclusion compared to 77% of male workers.

5. DEFINING THE RECONCILIATION SCOPE

The work included a general understanding of the extractive sector in Liberia. Government agencies were consulted in order to collect relevant information on the size of the extractive sector in Liberia, their contribution to the economy and to government revenues, as a part of the process for the LEITI MSG to agree on the scope for the reconciliation exercise for the period from 1 July 2021 to 31 December 2022.

5.1. Revenues flows

5.1.1. Direct payments

During the scoping phase, government agencies that received payment flows from the extractive sectors were consulted. The LEITI MSG agreed to include in the reconciliation scope the following payment flows:

TABLE 91: LIST OF DIRECT PAYMENTS INCLUDED IN THE RECONCILIATION SCOPE

Payment flows	Extractive companies	Government agencies
Liberia Revenue Authority (LRA)		
1.1 WH (Res.) on salaries and wages	✓	✓
1.2 Signature bonuses (mineral mining)	✓	✓
1.3 Royalties Gold and other base metals 3% (mineral mining)	✓	✓
1.4 CIT Regular (25%) (200b2C)	✓	✓
1.5 WH (non-Res.) on payments for services rendered	✓	✓
1.6 Social contributions (mineral mining)	✓	✓
1.7 WH (Res.) on payments for serv. rendered	✓	✓
1.8 Other import duties	✓	✓
1.9 Customs user fees	✓	✓
1.1 Stumpage fees GoL share (FDA regulation 107-7 section 22b) (Forestry - FMCs)	✓	✓
1.11 Log and wood product export fee (FDA regulation 107-7 section 44-45) (Forestry - FMCs)	✓	✓
1.12 ECOWAS trade levy	✓	✓
1.13 WH (Res.) of income on rubber sales 4%	✓	✓
1.14 Education and training funds (mineral mining)	✓	✓
1.15 Import duties on goods other than rice and petroleum	✓	✓
1.16 Surface rental - Land in mineral exploration area \$0.20/acre (mineral mining)	✓	✓
1.17 Surface rental (agriculture)	✓	✓
1.18 Vehicle License Plates	✓	✓
1.19 Annual Vehicle Registration Sticker	✓	✓
1.20 GST on imported goods (excluding petroleum)	✓	✓
1.21 Other exports	✓	✓

Payment flows		Extractive companies	Government agencies
1.22	Royalties Iron Ore 4.5%	✓	✓
1.23	WH (Res.) on Interest, Dividends, Royalties, License Fees, and similar payments	✓	✓
Social expenditure			
3.1	Mandatory social expenditure	✓	
3.2	Discretionary social expenditure	✓	
Environmental expenditure			
4.1	Mandatory environmental expenditure	✓	
4.2	Discretionary environmental expenditure	✓	
Infrastructure provisions and Barter arrangements			
5.1	Value of the benefit stream between 1 July 2021 to 31 December 2022	✓	✓
Subnational payments			
6.1	Any payment made by extractive companies to the affected communities	✓	
Subnational payments			
7.1	Any transfer made by the Government to the affected communities from payments made by extractive companies		✓
Quasi-fiscal expenditure			
8.1	Quasi-fiscal expenditure made between 1 July 2021 to 31 December 2022		✓

5.1.2. Social and environmental expenditure

Social expenditure consists of all contributions made by extractive entities to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages the multi-stakeholder groups to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them.

These contributions can be voluntary or mandatory and can be made in cash or in kind, depending on individual contracts. This category includes, inter alia infrastructures relating to health or education, road and farming projects related to the promotion of agriculture, as well as grants provided to the population.

Requirement 6.1 states that: ‘Where material payments by companies to the government related to the environment are mandated by law, regulation or contract that governs the extractive investment, such payments must be disclosed.’

The LEITI MSG agreed to include the mandatory and discretionary social and environmental expenditure in the scope through unilateral disclosure by extractive companies. Social and environmental expenditure are detailed in Section 7.2.2 of this report.

5.1.3. State’s share of production and other in-kind revenues

EITI Requirement 4.2 states that: “Where the sale of the state’s share of production of oil, gas and/or mineral resources or other revenues collected in kind is material, the government, including state-owned enterprises, are required to disclose the volumes received and sold by the state (or third parties appointed by the state to sell on their behalf),

the revenues received from the sale, and the revenues transferred to the state from the proceeds of oil, gas and minerals sold. Where applicable, this should include payments (in cash or in kind) related to swap agreements and resource-backed loans.”

None of the government agencies confirmed receiving payments in kind from extractive entities during the period from July 2021 to 31 December 2022.

The LEITI MSG agrees that this EITI requirement is not applicable to the Liberian context.

5.1.4. Subnational payments

EITI Requirement 4.6 states that: “It is required that the multi-stakeholder group establishes whether direct payments, within the scope of the agreed benefit streams, from companies to subnational government entities are material. Where material, the multi-stakeholder group is required to ensure that company payments to subnational government entities and the receipt of these payments are disclosed.”

The LEITI MSG agreed to include information on payments to sub-national government agencies through unilateral disclosure by extractive companies included in the reconciliation scope.

5.1.5. Sub-national transfers

EITI Requirement 5.2 states that: “Where transfers between national and subnational government agencies are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue sharing mechanism, the MSG is required to ensure that material transfers are disclosed. Implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity.”

The LEITI MSG agreed to include information on direct sub-national transfers through unilateral disclosure by the relevant government agencies.

5.1.6. Quasi-fiscal expenditure

EITI Requirement 6.2 of the EITI Standard states that: “Where state participation in the extractive industries gives rise to material revenue payments, implementing countries must include disclosures from SOEs on their quasi-fiscal expenditures (QFE). The MSG is required to develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams and should include SOE subsidiaries and joint ventures.”

The LEITI MSG has agreed that any public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. made by NOCAL i.e. outside of the national budgetary process is considered as QFE. NOCAL did not report any QFE during the period from 1 July 2021 to 31 December 2022.

5.2. Level of Disaggregation

The LEITI MSG agreed on the level of disaggregation by company for the EITI data by extractive entity selected in the scope and to present aggregated revenues collected from extractive entities that are not selected in the reconciliation scope.

5.2.1. Mining sector

The LEITI MSG agreed to include in the reconciliation scope mining entities holding active licenses and which making material payments exceeding the materiality threshold of USD 1,000,000. These account for **90.38%** of the total revenues collected by government agencies from entities operating in the mining sector during the period from 1 July 2021 to 31 December 2022.

Accordingly, the LEITI MSG agreed to include the following six mining companies in the reconciliation exercise:

TABLE 92: LIST OF IN-SCOPE MINING COMPANIES

N°	TIN	Company name
1	500033821	Bea Mountain Mining, Inc.
2	500036301	Arcelor Mittal (Liberia) Ltd
3	500170254	MNG Gold Liberia, Inc
4	500015636	Western Cluster Limited
5	500118730	Bao Chico Resources Liberia Ltd
6	500014566	Hummingbird Resources (Liberia) Inc

It is to be noted that the companies “Deko Mining Corporation” and “Ivanhoe Liberia Limited” are service companies that do not hold mining licenses to operate in Liberia, as presented in the table below:

TABLE 93: OUT OF SCOPE MINING COMPANIES

N°	Government agency	Suggestion	Payments (USD)
1	Deko Mining Corporation	Subcontractor	3,227,707.54
2	Ivanhoe Liberia Limited	Transportation & logistics services	30,152,915.77
Total			33,380,623.31

According to the MME’s confirmation, the MSG agreed that “Deko Mining Corporation” and “Ivanhoe Liberia Limited” should not be considered as extractive companies as they have not been issued any mining license or concession to operate in Liberia.

The confirmation of the MME is provided in Annex 9 to this report.

Payment details of the aforementioned companies are presented in Annex 12 to this report.

5.2.2. Agriculture sector

The LEITI MSG agreed to include in the reconciliation scope agricultural entities holding active concession and which making material payments exceeding the materiality threshold of USD 1,000,000. These account for **91.43%** of the total revenues collected by Government Entities from entities operating in the mining sector during the period from 1 July 2021 to 31 December 2022.

Accordingly, the LEITI MSG agreed to include the following six agriculture companies in the reconciliation exercise:

TABLE 94: LIST OF IN-SCOPE AGRICULTURE COMPANIES

N°	TIN	Company name
1	500017812	Firestone Liberia Incorporated
2	500012318	Liberian Agricultural Company
3	500021996	Cavalla Rubber Corporation
4	500021969	Mano Palm Oil Plantation (Liberia) Inc.
5	500009242	Libinc Oil Palm, Inc
6	500026072	Maryland Oil Palm Plantation

5.2.3. Forestry sector

The LEITI MSG agreed to include in the reconciliation scope forestry entities holding active concession and which making material payments exceeding the materiality threshold of USD 100,000. These account for **60.31%** of the total revenues collected by government agencies from entities operating in the mining sector during the period from 1 July 2021 to 31 December 2022.

Accordingly, the LEITI MSG agreed to include the following nine (9) forestry companies in the reconciliation exercise:

TABLE 95: LIST OF IN-SCOPE FORESTRY COMPANIES

N°	TIN	Company name
1	500009992	Euro-Liberia Logging Company
2	500172868	Geblo Logging, Inc
3	500954149	Masayaha Limited Liability Corporation (Llc)
4	500002882	Liberia Tree And Trading Company, Inc
5	500616602	L & S Resources, Inc.
6	500905997	Kisvan Timber Corporation
7	501158267	Horizon Logging Limited
8	500992599	Sinoforest International Corporation Liberia, Inc.
9	500078809	West African Forest Development Incorporated (Wafdi)

The initial scope included six additional companies detailed in the table below:

TABLE 96: LIST OF FORESTRY COMPANIES EXCLUDED FROM THE RECONCILIATION SCOPE

N°	Company name	Status	Payments (USD)
1	Stadium Inc	No contract (buyer & exporter)	342,028.44
2	Indo African Plantations Liberia Inc	Inactive	221,679.93
3	Mandra Forestry Liberia Ltd	Inactive	1,003,267.27
4	Akewa Group of Companies	Inactive	221,877.82
5	Alpha Logging and Wood Processing Inc	Inactive	708,671.84
6	Coveiyalah Investment Enterprises Inc	Inactive	272,431.89
Total			2,769,957.19

During the reconciliation exercise, the FDA confirmed that “Stadium Inc.” is a buyer and an exporter company that does not hold a contract to operate in the forestry sector in Liberia, and therefore is out of scope of the LEITI 15th report.¹⁷⁰ The LEITI MSG agreed that a separate section of the report should capture payments made by this company.

The LEITI MSG also agreed to exclude the other inactive five forestry companies from the reconciliation scope, despite the fact that the payments are above the materiality threshold, and to consider their payments through unilateral disclosure by government agencies.

Detailed payments made by “Stadium Inc.” are provided in Annex 12 to this report. Those made by the other companies were presented in section 7.2.1 of this report as part of the unilateral disclosure by government agencies.

5.2.4. Oil and gas sector

According to the response received from Liberia Petroleum Regulatory Authority (LPRA) during the scoping phase, there was no active oil and gas company/licence in the sector during the period from 1 July 2021 to 31 December 2022.

The LRA confirmed also that the reporting period does not account any revenues from the oil and gas sector in the Tax Administration System.

The NOCAL disclosed revenues collected from TGS-NOPEC GEOPHYSICAL COMPANY ASA (TGS NOPEC) for almost USD 5.8 million during the period from 1 July 2021 to 31 December 2022 detailed in the table below:

TABLE 97: REVENUES COLLECTED BY NOCAL FROM TGS NOPEC

Company	Revenue stream	Total (US\$)
TGS NOPEC	Seismic Data Sales	5,626,058
	CSR Contribution	150,000
Total		5,776,058

TGS NOPEC Geophysical Company provides energy data and intelligence to companies and investors across energy markets. It does not hold any petroleum license in Liberia, and therefore is not an extractive company.

These payments relate to the seismic data provided by NOCAL.

The LEITI MSG agreed that TGS NOPEC should not be captured as an extractive company and exclude the above payment streams from the reconciliation scope of the oil and gas sector.

¹⁷⁰ The confirmation of the FDA is provided in the Annex 10 to this report.

5.3. Government agencies

Based on the above proposed scope, the government agencies that were required to submit reporting templates are as follows:

TABLE 98: LIST OF GOVERNMENT AGENCIES WITHIN THE LEITI REPORTING PROCESS

N°	Government agency	Status
1	Liberia Revenue Authority (LRA)	Included in the reconciliation scope
2	Environmental Protection Agency (EPA)	Unilateral disclosure
3	National Port Authority (NPA)	
4	Ministry of Mines and Energy (MME)	
5	Ministry of Agriculture (MoA)	
6	Forestry Development Authority (FDA)	
7	National Oil Company of Liberia (NOCAL)	
8	Liberia Petroleum Regulatory Authority (LPRA)	
9	Ministry of Labour (MoL)	

6. RECONCILIATION RESULTS

Detailed results of the reconciliation exercise, as well as differences noted between amounts paid by extractive company and received by government agencies are set out below. The tables below highlight the amounts initially reported and the adjustments made following the reconciliation work, as well as the final amounts and unreconciled differences.

6.1. Payment Reconciliation between extractive companies and government agencies

6.1.1. Reconciliation by extractive company

The table below summarises the differences between the payments reported by extractive entities and receipts reported by government agencies. It includes consolidated figures based on the reporting templates prepared by each extractive company and government agency, adjustments made by us following our reconciliation work and the residual, unreconciled differences. Details of the adjustments are presented in Section 5.2 of this report and to keep the report size reasonable, detailed reporting templates for each company have been included in Annex 7 to this report.

TABLE 99: RECONCILIATION BY EXTRACTIVE ENTITY

Amounts in USD

No.	Company	Templates originally lodged			Adjustments			Final amounts		
		Company (a)	Govt (b)	Difference (c) = (a - b)	Company (d)	Govt (e)	Difference (f) = (c-d)	Company (g) = (a+d)	Govt (h) = (b+e)	Difference (i) = (g-h)
1	Arcelor Mittal (Liberia) Ltd	74,216,726	27,393,893	46,822,833	(13,692,295)	33,132,449	(46,824,745)	60,524,430	60,526,342	(1,912)
2	Bao Chico Resources Liberia Ltd	1,515,042	1,506,741	8,301	700	-	700	1,515,742	1,506,741	9,001
3	Bea Mountain Mining, Inc.	33,979,977	33,982,050	(2,072)	-	-	-	33,979,977	33,982,050	(2,072)
4	Hummingbird Resources (Liberia) Inc	1,195,442	1,194,595	847	-	-	-	1,195,442	1,194,595	847
5	MNG Gold Liberia, Inc	6,384,674	6,385,567	(893)	-	-	-	6,384,674	6,385,567	(893)
6	Western Cluster Limited	5,395,648	4,507,430	888,218	(887,768)	-	(887,768)	4,507,880	4,507,430	450
7	Cavalla Rubber Corporation	1,738,504	1,850,890	(112,386)	135,772	18,770	117,002	1,874,276	1,869,660	4,616

No.	Company	Templates originally lodged			Adjustments			Final amounts		
		Company (a)	Govt (b)	Difference (c) = (a - b)	Company (d)	Govt (e)	Difference (f) = (c-d)	Company (g) = (a+d)	Govt (h) = (b+e)	Difference (i) = (g-h)
8	Firestone Liberia Incorporated	9,231,697	8,835,358	396,340	(11,310)	-	(11,310)	9,220,387	8,835,358	385,030
9	Liberian Agricultural Company	2,273,604	3,437,965	(1,164,361)	239,377	(789,281)	1,028,659	2,512,981	2,648,684	(135,702)
10	Libinc Oil Palm, Inc	1,439,256	1,600,114	(160,857)	216,721	(11,726)	228,447	1,655,977	1,588,388	67,590
11	Mano Palm Oil Plantation (Liberia) Inc.	-	1,684,015	(1,684,015)	-	-	-	-	1,684,015	(1,684,015)
12	Maryland Oil Palm Plantation	1,206,169	1,231,278	(25,109)	-	-	-	1,206,169	1,231,278	(25,109)
13	Euro-Liberia Logging Company	1,365,462	1,450,685	(85,223)	470,172	-	470,172	1,835,634	1,450,685	384,949
14	Geblo Logging, Inc	-	1,020,760	(1,020,760)	-	-	-	-	1,020,760	(1,020,760)
15	Horizon Logging Limited	-	180,785	(180,785)	-	-	-	-	180,785	(180,785)
16	Kisvan Timber Corporation	-	201,601	(201,601)	-	-	-	-	201,601	(201,601)
17	L & S Resources, Inc.	-	235,149	(235,149)	-	-	-	-	235,149	(235,149)
18	Liberia Tree And Trading Company Inc	-	384,796	(384,796)	-	-	-	-	384,796	(384,796)
19	Masayaha Limited Liability Corporation (LLC)	-	381,825	(381,825)	-	-	-	-	381,825	(381,825)
20	Sinoforest International Corporation Liberia, Inc.	135,962	138,822	(2,860)	-	-	-	135,962	138,822	(2,860)
21	West African Forest Development Incorporated (WAFDI)	-	132,497	(132,497)	-	-	-	-	132,497	(132,497)
Total		140,078,164	97,736,815	42,341,349	(13,528,631)	32,350,212	(45,878,843)	126,549,533	130,087,027	(3,537,493)

6.1.2. Reconciliation by revenue stream

The table below shows the total initial payments reported by extractive company and government agencies, after adjustments.

TABLE 100: RECONCILIATION BY REVENUE STREAM

Amounts in USD

N°	Description of Payment	Templates originally lodged			Adjustments			Final amounts		
		Company (a)	Govt (b)	Difference (c) = (a - b)	Company (d)	Govt (e)	Difference (f) = (c-d)	Company (g) = (a+d)	Govt (h) = (b+e)	Difference (i) = (g-h)
1	WH (Res.) on salaries and wages	29,586,542	29,464,561	121,981	170,840	706,027	(535,187)	29,757,382	30,170,589	(413,206)
2	Signature bonuses (mineral mining)	1,500,000	1,500,000					1,500,000	1,500,000	-
3	Royalties Gold and other base metals 3% (mineral mining)	21,582,683	21,582,683					21,582,683	21,582,683	-
4	CIT Regular (25%) (200b2C)	8,766,283	7,411,586	1,354,696	(41,467)	2,385,780	(2,427,247)	8,724,816	9,797,366	(1,072,550)
5	WH (non-Res.) on payments for services rendered	9,328,961	5,995,932	3,333,029	154,663	3,487,933	(3,333,269)	9,483,624	9,483,864	(240)
6	Social contributions (mineral mining)	8,360,000	5,292,568	3,067,432	(3,067,433)		(3,067,433)	5,292,567	5,292,568	(1)
7	WH (Res.) on payments for serv. rendered	6,272,294	5,441,740	830,554	(44,205)	744,082	(788,287)	6,228,089	6,185,822	42,267
8	Other import duties	3,873,765	896,403	2,977,361	(29,354)	3,017,307	(3,046,661)	3,844,411	3,913,711	(69,300)
9	Customs user fees	3,038,512	3,299,648	(261,137)	104,710	(6,267)	110,977	3,143,221	3,293,381	(150,159)
10	Stumpage fees GoL share (FDA regulation 107-7 section 22b) (Forestry - FMCs)	441,514	1,849,963	(1,408,450)	546,350	-	546,350	987,864	1,849,963	(862,099)
11	Log and wood product export fee (FDA regulation 107-7 section 44-45) (Forestry - FMCs)	698,552	1,274,169	(575,617)	(40,907)	-	(40,907)	657,645	1,274,169	(616,524)
12	ECOWAS trade levy	2,211,717	2,298,893	(87,176)	32,860	(23,325)	56,185	2,244,577	2,275,568	(30,991)

N°	Description of Payment	Templates originally lodged			Adjustments			Final amounts		
		Company (a)	Govt (b)	Difference (c) = (a - b)	Company (d)	Govt (e)	Difference (f) = (c-d)	Company (g) = (a+d)	Govt (h) = (b+e)	Difference (i) = (g-h)
13	WH (Res.) of income on rubber sales 4%	1,974,362	2,247,385	(273,023)	30,341	(63,402)	93,743	2,004,703	2,183,983	(179,280)
14	Education and training funds (mineral mining)	379	1,965,412	(1,965,033)	1,965,412	0	1,965,412	1,965,791	1,965,412	379
15	Import duties on goods other than rice and petroleum	270,915	4,342,438	(4,071,523)	946,224	(3,106,869)	4,053,093	1,217,139	1,235,568	(18,429)
16	Surface rental - Land in mineral exploration area \$0.20/acre (mineral mining)	1,304,061	1,161,099	142,962	219,315	362,277	(142,962)	1,523,377	1,523,377	-
17	Surface rental (agriculture)	370,478	510,981	(140,503)	-	(31,975)	31,975	370,478	479,006	(108,528)
18	Vehicle License Plates	407,537	239,542	167,995	38,654	258,524	(219,870)	446,191	498,065	(51,875)
19	Annual Vehicle Registration Sticker	233,241	518,333	(285,092)	(1,687)	(255,822)	254,135	231,554	262,511	(30,957)
20	GST on imported goods (excluding petroleum)	327,608	351,983	(24,375)	50,171	-	50,171	377,780	351,983	25,796
21	Other exports	22,065,255	91,494	21,973,761	(21,975,557)	-	(21,975,557)	89,699	91,494	(1,796)
22	Royalties Iron Ore 4.5%	17,463,504	0	17,463,504	0	17,463,504	(17,463,504)	17,463,504	17,463,504	-
23	WH (Res.) on Interest, Dividends, Royalties, License Fees, and similar payments	-	-	-	7,412,438	7,412,438	-	7,412,438	7,412,438	-
Total		140,078,164	97,736,815	42,341,349	(13,528,631)	32,350,212	(45,878,843)	126,549,533	130,087,027	(3,537,493)

6.2. Adjustments

6.2.1. Adjustments to Extractive entities' templates

The adjustments were carried out following confirmations received from extractive entities and government agencies and were supported by adequate evidence wherever deemed appropriate. The adjustments made are as follows:

TABLE 101: ADJUSTMENTS TO EXTRACTIVE ENTITIES' TEMPLATES

Adjustments to extractive company payments	Total amount (in USD)
Tax amount incorrectly reported (a)	(13,091,697)
Tax paid not reported (b)	1,274,712
Tax incorrectly classified (c)	(882,706)
Tax paid reported but outside the reconciliation scope (d)	(690,699)
Tax paid reported but outside the period covered (e)	(135,825)
Tax reported but not paid	(2,415)
Total	(13,528,631)

a) Tax amounts incorrectly reported

These relate mainly to duplicated reported payments in the Arcelor Mittal (Liberia) LTD reporting template. Adjustments were made based on the company's confirmation. Details of the adjustments by payment stream made to company payments are set out in the table below:

TABLE 102: ADJUSTMENTS FOR TAX AMOUNTS INCORRECTLY REPORTED BY PAYMENT STREAM

Revenue stream	Total amount (in USD)
Other exports	(13,012,906)
Log and wood product export fee (FDA regulation 107-7 section 44-45) (Forestry - FMCs)	(40,907)
Stumpage fees GoL share (FDA regulation 107-7 section 22b) (Forestry - FMCs)	(35,010)
Vehicle License Plates	(31,939)
WH (Res.) on payments for serv. rendered	19,999
WH (Res.) of income on rubber sales 4%	13,926
Annual Vehicle Registration Sticker	(2,460)
Customs user fees	(2,401)
Total	(13,091,697)

Details of the adjustments by company can be presented as follows:

TABLE 103: ADJUSTMENTS FOR TAX AMOUNTS INCORRECTLY REPORTED BY COMPANY

Company	Total amount (in USD)
Arcelor Mittal (Liberia) Ltd	(13,012,906)
Euro-Liberia Logging Company	(74,817)
Liberian Agricultural Company	(21,573)
Cavalla Rubber Corporation	(2,401)
Total	(13,091,697)

b) Tax paid not reported

These are payment flows reported by government agencies but not reported by extractive companies. Adjustments were made on the basis of flag receipts or confirmations made available by the companies. A summary of the adjustments made to company payments is set out in the table below:

TABLE 104: ADJUSTMENTS FOR TAX PAID NOT REPORTED BY COMPANY

Company	Total amount (in USD)
Euro-Liberia Logging Company	586,456
Liberian Agricultural Company	350,247
Libinc Oil Palm, Inc	219,136
Cavalla Rubber Corporation	118,173
Bao Chico Resources Liberia Ltd	700
Total	1,274,712

Details of the adjustments by payment stream can be presented as follows:

TABLE 105: ADJUSTMENTS FOR TAX PAID NOT REPORTED BY PAYMENT STREAM

Payment stream	Total amount (in USD)
Stumpage fees GoL share (FDA regulation 107-7 section 22b) (Forestry - FMCs)	581,360
WH (Res.) on salaries and wages	248,479
Customs user fees	109,526
WH (Res.) on payments for serv. rendered	84,470
GST on imported goods (excluding petroleum)	50,171
Annual Vehicle Registration Sticker	42,748
Vehicle License Plates	40,618
ECOWAS trade levy	32,860
WH (Res.) of income on rubber sales 4%	28,388
Other exports	25,551
Other import duties	20,496
WH (non-Res.) on payments for services rendered	10,045
Total	1,274,712

c) Tax incorrectly classified

These relate to the reclassification of the mandatory social expenditures reported by Western Cluster Limited as a social contribution (mineral mining). Adjustment was made based on the company's confirmation.

d) Tax paid reported but outside the reconciliation scope

These are payments reported by extractive companies but related to payments flows outside the agreed reconciliation scope. These payments are included in the unilateral disclosure from the LRA. Details of the adjustments by company can be presented as follows:

TABLE 106 : ADJUSTMENTS FOR TAX PAID BUT OUTSIDE THE RECONCILIATION SCOPE

Company	Total amount (in USD)
Arcelor Mittal (Liberia) Ltd	(679,389)
Firestone Liberia Incorporated	(11,310)
Total	(690,699)

e) Tax paid reported but outside the period covered

These are payment flows reported by extractive companies, but which are paid outside the reconciliation period, i.e. received before 1 July 2021 or after 31 December 2022. A summary of the adjustments made to company payments is set out in the table below:

TABLE 107: ADJUSTMENTS FOR TAX PAID REPORTED BUT OUTSIDE THE PERIOD COVERED

Company	Total amount (in USD)
Liberian Agricultural Company	(89,297)
Euro-Liberia Logging Company	(41,467)
Western Cluster Limited	(5,062)
Total	(135,825)

6.2.2. Adjustments to Government Agency templates

The adjustments were carried out on the basis of confirmations received from extractive companies or from government agencies and supported by flag receipts wherever deemed appropriate. The adjustments are detailed as follows:

TABLE 108: ADJUSTMENTS TO GOVERNMENT AGENCIES' TEMPLATES

Adjustments to government payments	Total amount (in USD)
Tax received on other identification number (a)	33,222,011
Tax received reported but outside the period covered (b)	(839,454)
Tax amount incorrectly reported (c)	(90,562)
Tax received not reported (d)	58,216
Total	32,350,212

a) Tax received on another identification number

These are payment flows reported by ArcelorMittal Liberia Limited under the tax identification number (TIN) of ArcelorMittal Holdings and were not included in the payments reported by the LRA.

During the reconciliation exercise, we received a confirmation from the LRA that Arcelor Mittal Holding is the concessionaire while ArcelorMittal Liberia Limited is the local company and both are registered and have distinct TINs. The adjustment was made based on confirmations from the LRA and supporting documents (receipts) received from the company. Details of the adjustments by payment stream can be presented as follows:

TABLE 109: ADJUSTMENTS FOR REVENUES RECEIVED ON OTHER IDENTIFICATION NUMBER

Revenue stream	Total amount (in USD)
Royalties Iron Ore 4.5%	17,463,504
WH (Res.) on Interest, Dividends, Royalties, License Fees, and similar payments	7,412,438
WH (non-Res.) on payments for services rendered	3,568,134
CIT Regular (25%) (200b2C)	2,385,780
WH (Res.) on salaries and wages	1,137,890
WH (Res.) on payments for serv. rendered	891,988
Surface rental - Land in mineral exploration area \$0.20/acre (mineral mining)	362,277
Total	33,222,011

b) Tax received reported but outside the period covered

These are payment flows reported by the LRA, but which are received outside the reconciliation period, i.e. received before 1 July 2021 or after 31 December 2022. A summary of the adjustments made to LRA revenues detail by company is set out in the table below:

TABLE 110: ADJUSTMENTS FOR REVENUES OUTSIDE THE PERIOD COVERED BY COMPANY

Company	Total amount (in USD)
Liberian Agricultural Company	(807,479)
Libinc Oil Palm, Inc	(31,975)
Total	(839,454)

Details of the adjustments by payment stream can be presented as follows:

TABLE 111: ADJUSTMENTS FOR REVENUES OUTSIDE THE PERIOD COVERED BY PAYMENT STREAM

Revenue stream	Total amount (in USD)
WH (Res.) on salaries and wages	(487,416)
WH (Res.) on payments for serv. rendered	(154,705)
WH (Res.) of income on rubber sales 4%	(63,402)
Customs user fees	(41,378)
Surface rental (agriculture)	(31,975)
ECOWAS trade levy	(28,939)
WH (non-Res.) on payments for services rendered	(16,849)
Annual Vehicle Registration Sticker	(14,790)
Total	(839,454)

c) Tax amount incorrectly reported

These are errors made by the LRA when filling out the RTs and related to differences between the amounts reported in the 'Payment Receipt' sheet and the associated payment details in the 'Payments flow detail' sheet in the RTs. A summary of the adjustments made to the LRA revenues detail by company is set out in the table below:

TABLE 112: ADJUSTMENTS FOR TAX AMOUNT INCORRECTLY REPORTED BY COMPANY

Company	Total amount (in USD)
Arcelor Mittal (Liberia) Ltd	(89,562)
Cavalla Rubber Corporation	(1,000)
Total	(90,562)

Details of the adjustments by payment stream can be presented as follows:

TABLE 113: ADJUSTMENTS FOR TAX AMOUNT INCORRECTLY REPORTED BY PAYMENT STREAM

Revenue stream	Total amount (in USD)
Import duties on goods other than rice and petroleum	(3,106,869)
Other import duties	3,017,307
WH (non-Res.) on payments for services rendered	(16,862)
WH (Res.) on salaries and wages	15,862
Total adjustments	(90,562)

d) Tax received not reported

These are payment flows reported by the extractive companies, but which were not reported by the LRA. Adjustments to reported payments were therefore made based on confirmations received from the company and the review of the supporting documents (receipts). Details of the adjustments by company can be presented as follows:

TABLE 114: ADJUSTMENTS FOR REVENUES RECEIVED NOT REPORTED BY COMPANY

Company	Total amount (in USD)
Libinc Oil Palm, Inc	20,249
Cavalla Rubber Corporation	19,770
Liberian Agricultural Company	18,198
Total	58,216

Details of the adjustments by payment stream can be presented as follows:

TABLE 115: ADJUSTMENTS FOR REVENUES RECEIVED NOT REPORTED BY PAYMENT STREAM

Revenue stream	Total amount (in USD)
Customs user fees	35,111
Annual Vehicle Registration Sticker	17,492
ECOWAS trade levy	5,614
Total	58,216

6.3. Unreconciled discrepancies

Following the adjustments made, the total unreconciled discrepancies amounted to USD (3,545,210) representing 2.72% of total revenues of USD 130,089,891 included in the reconciliation scope. This is the sum of positive difference of USD 1,371,606 and negative differences amounting to USD (4,916,816). These unreconciled differences can be analysed as follows:

TABLE 116: SUMMARY OF UNRECONCILED DISCREPANCIES

Reasons for differences	Total	Negative	Positive
	(in USD)	Differences (in USD)	differences (in USD)
Reporting template not submitted by the extractive company (a)	(4,221,428)	(4,221,428)	-
Tax not reported by the Government Agency (b)	1,378,794	-	1,378,794
Tax not reported by the extractive company (c)	(685,213)	(685,213)	-
Not material difference	(9,646)	(13,029)	3,382
Total	(3,537,493)	(4,919,670)	1,382,177

a) Reporting template not submitted by the extractive company

These differences relate to taxes reported by government agencies, but which could not be reconciled because the companies failed to submit their reporting templates.

b) Tax not reported by the Government Agency

These differences relate to taxes paid by extractive companies but not reported by the LRA. Due to the lack of feedback from companies and the LRA, these differences remain unreconciled.

This could be the result of extractive companies using accrual basis instead of cash basis and this may explain the unreconciled difference. It was therefore not possible to confirm from the LRA the existence of certain payments declared by the extractive companies.

c) Tax not reported by the extractive company

These differences relate to taxes received by LRA but not reported by extractive companies. Due to the lack of feedback from companies and LRA, these differences remain unreconciled. This could be mainly the result of the company maintaining its accounting records on the accrual basis. It was therefore not possible to confirm from the company the existence of certain payments declared by the LRA.

The breakdown of unreconciled differences by company and payment stream are presented in the tables below:

- Unreconciled differences by extractive entity:

A summary of the unreconciled differences by company are set out in the table below:

TABLE 117: SUMMARY OF UNRECONCILED DISCREPANCIES BY COMPANY

No.	Company	Unreconciled difference	Reasons for differences			
			RT not submitted by the extractive company	Tax not reported by the Govt Agency	Tax not reported by the extractive company	Non-material difference < US\$ 2,000
1	Arcelor Mittal (Liberia) Ltd	(1,912)	-	-	-	(1,912)
2	Bao Chico Resources Liberia Ltd	9,001	-	10,576	-	(1,575)
3	Bea Mountain Mining, Inc.	(2,072)	-	-	-	(2,072)
4	Hummingbird Resources (Liberia) Inc	847	-	-	-	847
5	MNG Gold Liberia, Inc	(893)	-	-	-	(893)
6	Western Cluster Limited	450	-	-	-	450
7	Cavalla Rubber Corporation	4,616	-	2,719	-	1,897
8	Firestone Liberia Incorporated	385,030	-	567,768	(179,548)	(3,190)
9	Liberian Agricultural Company	(135,702)	-	9,158	(144,195)	(665)
10	Libinc Oil Palm, Inc	67,590	-	151,514	(83,844)	(80)
11	Mano Palm Oil Plantation (Liberia) Inc.	(1,684,015)	(1,684,015)	-	-	-
12	Maryland Oil Palm Plantation	(25,109)	-	-	(22,655)	(2,453)
13	Euro-Liberia Logging Company	384,949	-	637,060	(252,111)	-
14	Geblo Logging, Inc	(1,020,760)	(1,020,760)	-	-	-
15	Horizon Logging Limited	(180,785)	(180,785)	-	-	-
16	Kisvan Timber Corporation	(201,601)	(201,601)	-	-	-
17	L & S Resources, Inc.	(235,149)	(235,149)	-	-	-
18	Liberia Tree And Trading Company Inc	(384,796)	(384,796)	-	-	-
19	Masayaha Limited Liability Corporation (LLC)	(381,825)	(381,825)	-	-	-
20	Sinoforest International Corporation Liberia, Inc.	(2,860)	-	-	(2,860)	-
21	West African Forest Development Incorporated (WAFDI)	(132,497)	(132,497)	-	-	-
Total Unreconciled Differences		(3,537,493)	(4,221,428)	1,378,794	(685,213)	(9,646)

Amounts in USD

- **Unreconciled differences by payment stream:**

A summary of unreconciled amounts by type of payment are set out in the table below:

TABLE 118: SUMMARY OF UNRECONCILED DISCREPANCIES BY PAYMENT STREAM

Amounts in USD

No.	Revenue stream	Unreconciled difference	Reasons for differences			
			RT not submitted by the extractive company	Tax not reported by the Govt Agency	Tax not reported by the extractive company	Non-material difference < US\$ 2,000
1	WH (Res.) on salaries and wages	(413,206)	(480,712)	76,674	(6,764)	(2,405)
2	Signature bonuses (mineral mining)	-	-	-	-	-
3	Royalties Gold and other base metals 3% (mineral mining)	-	-	-	-	-
4	CIT Regular (25%) (200b2C)	(1,072,550)	(1,370,789)	532,129	(234,907)	1,016
5	WH (non-Res.) on payments for services rendered	(240)	-	-	-	(240)
6	Social contributions (mineral mining)	(1)	-	-	-	(1)
7	WH (Res.) on payments for serv. rendered	42,267	(30,310)	73,003	-	(426)
8	Other import duties	(69,300)	(61,633)	-	(7,065)	(602)
9	Customs user fees	(150,159)	(658)	14,879	(163,843)	(537)
10	Stumpage fees GoL share (FDA regulation 107-7 section 22b) (Forestry - FMCs)	(862,099)	(1,201,543)	339,444	-	-
11	Log and wood product export fee (FDA regulation 107-7 section 44-45) (Forestry - FMCs)	(616,524)	(896,362)	279,838	-	-
12	ECOWAS trade levy	(30,991)	(6,803)	5,752	(29,522)	(418)
13	WH (Res.) of income on rubber sales 4%	(179,280)	-	-	(179,280)	0
14	Education and training funds (mineral mining)	379	-	-	-	379
15	Import duties on goods other than rice and petroleum	(18,429)	(7,461)	-	(9,023)	(1,945)
16	Surface rental - Land in mineral exploration area \$0.20/acre (mineral mining)	-	-	-	-	-

No.	Revenue stream	Unreconciled difference	Reasons for differences			
			RT not submitted by the extractive company	Tax not reported by the Govt Agency	Tax not reported by the extractive company	Non-material difference < US\$ 2,000
17	Surface rental (agriculture)	(108,528)	(108,182)	-	-	(346)
18	Vehicle License Plates	(51,875)	(7,170)	3,788	(50,479)	1,987
19	Annual Vehicle Registration Sticker	(30,957)	(37,926)	10,989	-	(4,020)
20	GST on imported goods (excluding petroleum)	25,796	(11,880)	42,299	(4,331)	(292)
21	Other exports	(1,796)	-	-	-	(1,796)
22	Royalties Iron Ore 4.5%	-	-	-	-	-
23	WH (Res.) on Interest, Dividends, Royalties, License Fees, and similar payments	-	-	-	-	-
	Total payments	(3,537,493)	(4,221,428)	1,378,794	(685,213)	(9,646)

7. ANALYSIS OF REPORTED DATA

7.1. Analysis of total extractive revenues

Total extractive revenues are made up of the reconciled revenues after adjustments, unilateral disclosure of payments by extractive entities and unilateral disclosure of revenues by government agencies as set out below.

7.1.1. Analysis of total revenues - contribution by sector

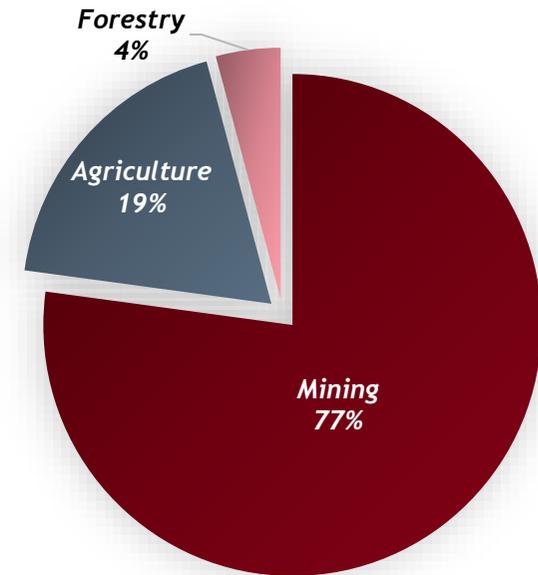
The analysis of Government revenues by sector contribution indicates that the mining sector contributed 77% of the total extractive revenues during the period from 1 July 2021 to 31 December 2022. The table below shows the contribution of each sector:

TABLE 119 : ANALYSIS OF TOTAL EXTRACTIVE REVENUES BY SECTOR

Sectors	Extractive revenue July 21 to Dec 22 (USD)	Contribution %
Mining	140,642,618	77%
Agriculture	34,056,518	19%
Forestry	7,649,699	4%
Total	182,348,835	100%

Source: LEITI Reporting templates

FIGURE 43 : CONTRIBUTION TO EXTRACTIVE REVENUES BY SECTOR



7.1.2. Analysis of total revenues - contribution by extractive entity

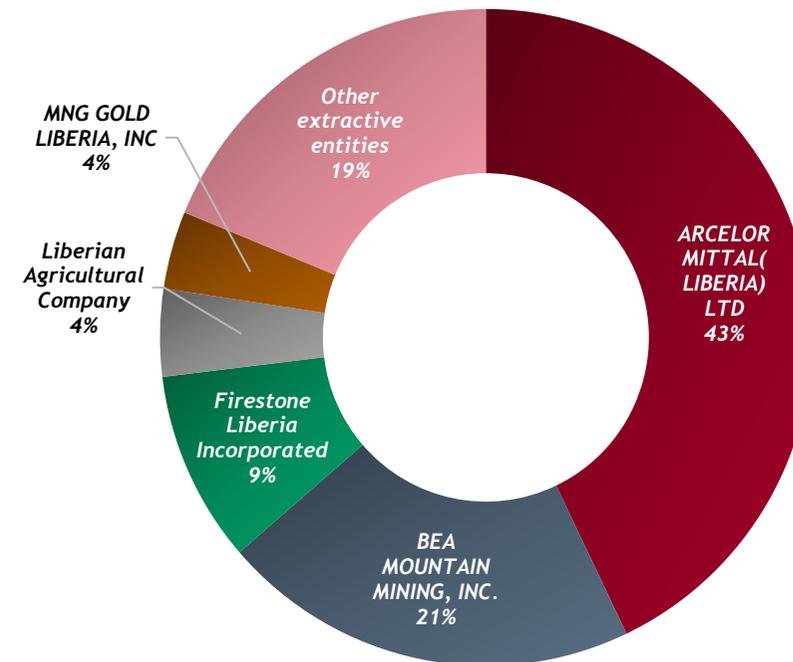
The analysis of Government revenues by company indicates that top five extractive companies contributed approximately 81% of the total extractive revenues during the period from 1 July 2021 to 31 December 2022. Arcelor Mittal (Liberia) Ltd accounts for 43% of the country's extractive revenues.

TABLE 120 : ANALYSIS OF TOTAL EXTRACTIVE REVENUES BY COMPANY

Extractive company	Sector	Extractive revenues July 21 to Dec 22 (USD)	Contribution %
Arcelor Mittal (Liberia) Ltd	Mining	78,226,389	43%
Bea Mountain Mining, Inc.	Mining	37,826,906	21%
Firestone Liberia Incorporated	Agriculture	17,201,294	9%
Liberian Agricultural Company	Agriculture	7,851,709	4%
MNG Gold Liberia, Inc	Mining	6,983,237	4%
Other extractive entities	Mining, Agriculture and Forestry	34,259,300	19%
Total		182,348,835	100%

Source: LEITI Reporting templates

FIGURE 44 : TOP FIVE COMPANIES' CONTRIBUTION



7.1.3. Analysis of total revenues - contribution by revenue stream

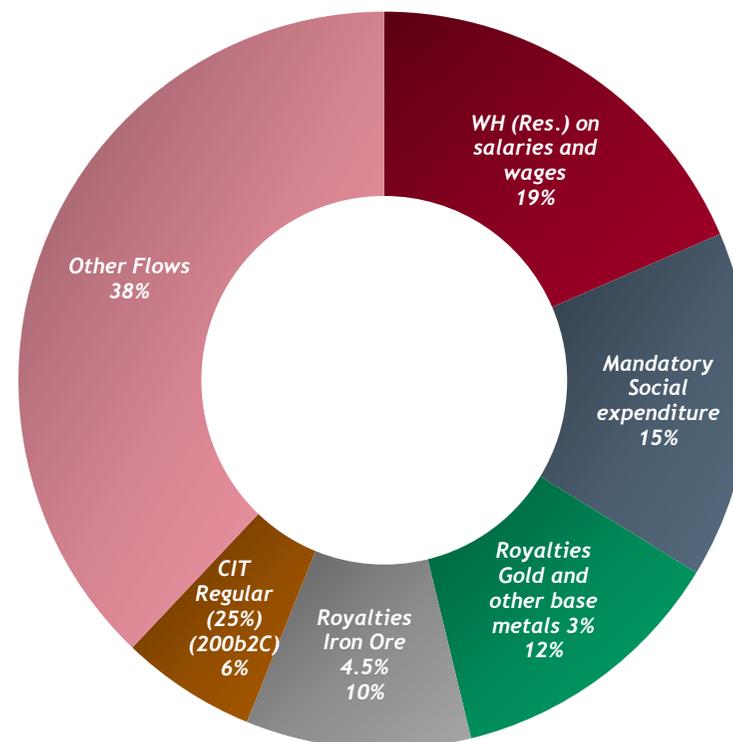
The analysis of payment flows by contribution shows that the top five payment streams represent 60% of the total extractive revenues during the period from 1 July 2021 to 31 December 2022. Other flows accounted for 40% as set out below.

TABLE 121: ANALYSIS OF TOTAL EXTRACTIVE REVENUES BY PAYMENT STREAM

Payment stream	Extractive revenue July 21 to Dec 22 (USD)	% of total payment
WH (Res.) on salaries and wages	32,498,128	18%
Mandatory Social expenditure	26,739,730	15%
Royalties Gold and other base metals 3% (mineral mining)	21,855,924	12%
Royalties Iron Ore 4.5%	17,463,504	10%
CIT Regular (25%) (200b2C)	10,464,198	6%
Other Flows	73,327,352	40%
Total	182,348,835	100%

Source: LEITI Reporting templates

FIGURE 45 : TOP FIVE PAYMENTS STREAMS CONTRIBUTION



7.1.4. Analysis of total revenues - contribution by Government agency

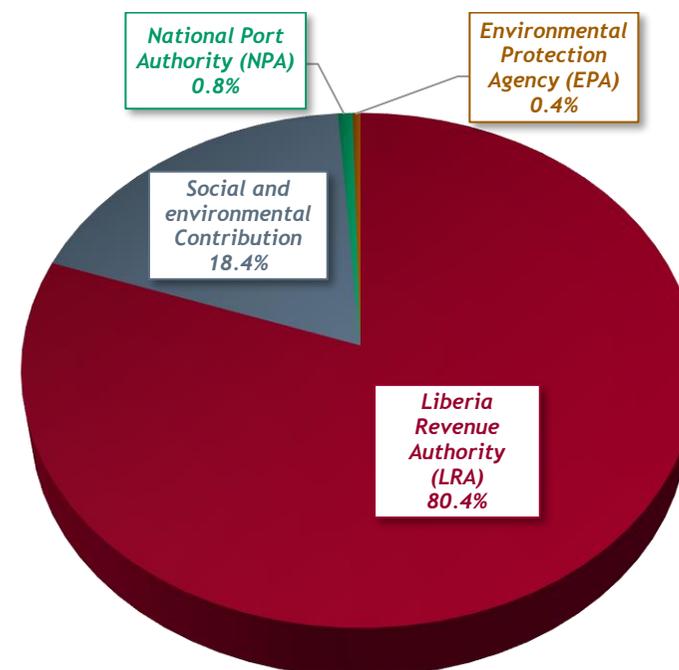
During the period from 1 July 2021 to 31 December 2022, the LRA collected the largest amount of extractive revenues as set out in the table below:

TABLE 121: ANALYSIS OF TOTAL EXTRACTIVE REVENUES BY GOVERNMENT AGENCY

Government Agency	Extractive revenue July 21 to Dec 22 (USD)	% of total payment
Liberia Revenue Authority (LRA)	146,610,948	80.4%
Social and environmental Contribution	33,601,968	18.4%
National Port Authority (NPA)	1,410,014	0.8%
Environmental Protection Agency (EPA)	725,906	0.4%
Total	182,348,835	100.0%

Source: LEITI Reporting templates

FIGURE 46 : GOVERNMENT AGENCIES' CONTRIBUTION



7.2. Unilateral disclosure of revenue streams

In accordance with EITI Requirement 4.1.d, government agencies are required to provide aggregate information about the amount of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below the agreed materiality threshold.

Government agencies have been requested to unilaterally disclose aggregated revenue streams collected from extractive entities that have not been included within the reconciliation scope. Extractive companies have unilaterally disclosed social and environmental contributions paid to third parties in accordance with EITI Requirement 6.1.a. These unilateral disclosures are summarised in the table below.

7.2.1. Unilateral disclosure by Government Agencies

The unilateral disclosures made by government agencies are summarised by sector as follows:

TABLE 122 : SUMMARY OF UNILATERAL DISCLOSURES BY GOVERNMENT AGENCIES

Government agency	Sectors			Total (USD)
	Mining	Agriculture	Forestry	
Liberia Revenue Authority (LRA)	11,348,153	2,244,791	2,930,977	16,523,921
National Port Authority (NPA)	205,869	747,354	456,790	1,410,014
Environmental Protection Agency (EPA)	664,620	29,900	31,386	725,906
Total Unilateral disclosure	12,218,643	3,022,045	3,419,153	18,659,841

Source: LEITI Reporting Templates

The detail of unilateral disclosures made by government agencies, by extractive company and by payment stream is presented in Annex 6 to this report.

7.2.2. Social and environmental expenditure disclosed by extractive company

Social payments consist of all contributions made by extractive companies to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages MSGs to apply a high standard of transparency to social payments and transfers and to the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams. These payments may be reported even though it is not possible to reconcile them.

Extractive companies included in the reconciliation scope reported unilaterally the following social and environmental expenditure:

TABLE 123 : SUMMARY OF SOCIAL AND ENVIRONMENTAL EXPENDITURE REPORTED BY COMPANIES

Extractive company	Social Expenditure		Environmental Expenditure		Total (USD)
	Mandatory	Voluntary	Mandatory	Voluntary	
Arcelor Mittal	16,281,578	639,868	252,106	-	17,173,552
Firestone Liberia	7,387,801	125,736	111,961	-	7,625,498
Liberian Agricultural Company	1,945,896	3,080,510	51,926	-	5,078,332

Extractive company	Social Expenditure		Environmental Expenditure		Total (USD)
	Mandatory	Voluntary	Mandatory	Voluntary	
Bea Mountain Mining Corp	-	362,519	766,583	892,758	2,021,860
Western Cluster	882,706	-	-	-	882,706
Maryland Oil Palm Plantation	58,759	237,297	500	-	296,556
MNG Gold	-	88,560	92,975	51,597	233,132
Cavalla Rubber Corporation	99,866	3,250	3,050	-	106,166
Libinc Oil Palm Inc	-	70,539	-	-	70,539
Sino-Forest International Corporation Liberia, Inc.	41,819	10,040	10,462	-	62,321
Euro-Liberia Logging Company	41,305	-	-	-	41,305
Hummingbird Resources Ltd	-	10,000	-	-	10,000
Total	26,739,730	4,628,320	1,289,564	944,355	33,601,968

Source: LEITI Reporting Templates

The detail of social and environmental expenditure unilaterally disclosed by extractive company is presented in Annex 5 to this report.

8. RECOMMENDATIONS

The EITI Standard requires taking steps to act upon lessons learnt with a view to strengthening the impact of EITI implementation on natural resource governance; and to consider the recommendations resulting from EITI implementation.

The following recommendations have been made to improve the impact of EITI implementation on natural resource governance in Liberia.

8.1. Data quality and assurance (EITI Requirements 4.1 and 4.9)

EITI Requirement 4.9 requires an assessment of whether the payments and revenues are subject to credible, independent audit, following international auditing standards. EITI Requirement 4.1.e warrants companies to publicly disclose their audited financial statements, or the main items where financial statements are not available.

As part of the procedures to ensure the reliability of the data reported to the Independent Administrator during the reconciliation process, reporting entities were requested to provide signed copies of their reporting templates and a copy of their audited financial statements for the reporting period. Companies were also requested to provide a confirmation from an external auditor that the figures reported in the Reporting Templates are complete and in agreement with the audited accounts.

A number of reporting entities did not comply with this assurance process agreed by the LEITI MSG as detailed in Section 2.5 of this report.

Additionally, the reporting templates that were submitted by the LRA were not signed nor certified by the GAC, as agreed by the LEITI MSG.

The LEITI MSG should engage with reporting entities and emphasize the importance of complying with this requirement to provide signed, duly certified and audited templates for future reports, to meet EITI Requirement 4.9.

It is also recommended to put in place an assurance process for the government reporting templates to allow their reconciliation with the audited accounts.

8.2. Public disclosure of the full text of the mining licenses (EITI Requirement 2.4.e)

EITI Requirement 2.4.e expects implementing countries to disclose the full text of any license, lease, title or permit by which a government confers on a company or individual rights to exploit oil, gas and/or mineral resources.

The online cadastral system provides information on license holder, co-ordinates of the licensed areas, date of application award and duration of the license as well as the commodity being produced. Details on the mining licenses, including the full text are not publicly available.

Although the full text of active Mineral Development Agreements (MDAs) is published on the LEITI website, it is recommended that the full text of the mining licenses (Class A, B and C) be made publicly available online via the MME or LEITI websites.

8.3. Production and exports data (EITI Requirements 3.2 and 3.3)

According to the Requirements 3.2 and 3.3, implementing countries must disclose production and export data for the period covered by the EITI Report, including total production and export volumes and the value of production and export by commodity, and, where relevant, by state/region.

The following observations were noted during the data collection phase:

No information on the production value of the mining, agricultural and forestry sectors has been communicated by the government agencies (MME, MoA and FDA). In light of this, the MSG has mandated the LEITI Secretariat to request specifically a technical focal person from each government reporting entity to be trained under the 2023 EITI Standard to ensure that this gap is fully addressed in Liberia's next EITI report.

The MME and the MoA did not maintain comprehensive data with regards to production and exports in the extractive sector for period under review.

In order to comply with EITI Requirements 3.2 and 3.3, government agencies should maintain data on production and exports. The data should include volumes and values and the methods for calculating figures.

We also recommend that government agencies improve transparency in this area by publishing production and exports data regularly on a timely basis on their website. For example, the MME could publish up to date data on the Online Repository for the mining sector.

8.4. Public disclosure of beneficial ownership information (EITI Requirement 2.5)

EITI Requirement 2.5 stipulates that: 'As of 1 January 2020, it is required that implementing countries request, and companies publicly disclose, BO information. This applies to corporate entities that apply for or hold a participating interest in an exploration or production oil, gas or mining license or contract and should include the identities of their beneficial owners, the level of ownership and details about how ownership or control is exerted.'

Extractive companies included in the reconciliation scope have been requested to submit information on their beneficial owners as detailed in Section 4.12 of this report.

The GoL is taking a significant step towards transparency in company ownership with the launch of its new digital BO register in December 2023. Nevertheless, to date, there is no public disclosure of data on beneficial owners of all companies operating in the extractive sector.

We recommend expediting the BO register implementation and to put in place:

- *an assurance process of information and due diligence procedures to ensure reliability of the information declared; and*
- *plans for developing a database that would be filled in by reporting entities systematically online.*

8.5. Public disclosure of the SOEs audited financial statements (EITI Requirement 2.6.b)

According to the EITI requirement 2.6.b, SOEs are required to publicly disclose their audited financial statements.

The last publicly available audited Financial Statements of NOCAL cover the FY 2019/20 and are published on the GAC website. However, the audited financial statements for the FY 2020/21 and the FY 2021/22 are not publicly available or communicated by NOCAL during the reporting process.

To improve transparency on the state participation in the extractive sector, all SOEs financial statements should be published and included on their respective websites in accordance with EITI requirement 2.6.b.

8.6. Mainstreaming and systematic disclosure of EITI data (EITI Requirement 7.2)

In accordance with EITI Requirement 7.2, the MSG is encouraged to make systematic disclosure of data in machine readable and inter-operable format, and to code or tag EITI disclosures and other data files so that the information can be compared with other publicly available data.

The EITI data disclosed in this report has been collected from different sources, including government agencies selected in the LEITI reporting process. However, regarding the contextual information on the extractive sector, data on revenues collected and budget allocations are not systematically published on a centralised platform.

The LEITI MSG is encouraged to put in place a roadmap for the implementation of an open data platform that centralises all EITI data. This roadmap should provide a clear open data policy on the access, release and re-use of EITI data. Government agencies and extractive entities are expected to publish EITI data under an open license, and to make users aware that information can be reused without prior consent as stipulated by EITI Requirement 7.2 Data accessibility and open data.

It is recommended that the LEITI website publishes the relevant links to the different information required by the EITI Standard as availed by the different Government Agencies.

Government agencies should set-up an open EITI database in the government systems by:

- *upgrading an integrated cadastral system with adequate details such as data about valid licenses, coordinates, licensees, revenues collected, production data and export data, as well as beneficial owners of the companies; and*
- *enhancing and integrating the current management information systems of the government agencies involved in the LEITI process (i.e. LRA, MME, MoA, FDA) to allow the publication of systematic EITI data.*

8.7. Updating data on the contribution of the informal mining sector (EITI Requirement 6.3.a)

EITI Requirement 6.3.a requires implementing countries to disclose information about the contribution of informal sector activities, including but not necessarily limited to Artisanal and Small-Scale Mining (ASM).

ASM's contribution to employment in the sector proved to be significant with an estimated number of workers at over 100,000 direct jobs and 1.6 million indirect jobs according to a study conducted in 2011. The ASM contribution to employment was not included in the extractive sector's employment data for FY 2021-22 because of a lack of updated estimates available.

We recommend that further studies be conducted to document the contribution of the informal mining sector in the country's economy. This would support the MME to better control the mining sector.

ANNEXES

Annex 1: List of mineral rights that were awarded in FY 2021-22

Please refer to the separate Annex to this report.

Annex 2: List of active licenses in the mining sector

Please refer to the separate Annex to this report.

Annex 3: Legal ownership reported

No	Company	Sector	Name of the shareholder	% Interest	Nationality of the shareholder	Stock exchange Listed entity (yes/no)	Stock exchange (if the company's shares are quoted)
1	ARCELOR MITTAL(LIBERIA) LTD	Mining	ArcelorMittal Holding AG	85%	Luxembourg	No	N/A
2	BAO CHICO RESOURCES LIBERIA LTD	Mining	BAO CHICO (HONGKONG) LTD	100%	China	No	N/A
3	BEA MOUNTAIN MINING, INC.	Mining	Avesoro Resources	100%	Virgin Islands	No	N/A
			Hummingbird Resources Plc	51%	British	Yes	London
4	HUMMINGBIRD RESOURCES (LIBERIA) INC	Mining	Pasofino Gold Ltd	49%	Canadian	Yes	Alberta New York Frankfurt
5	MNG GOLD LIBERIA, INC	Mining	Avesoro Jersey Limited	100%	British	No	N/A
6	WESTERN CLUSTER LIMITED	Mining	Bloom Fountain ltd	100%	Mauritius	No	N/A
7	Cavalla Rubber Corporation	Agriculture	SOCIETE INTERNATIONALE DE PLANTATIONS D'HEVEAS (SIPH)	100%	France	No	N/A
8	Firestone Liberia Incorporated	Agriculture	FIRESTONE NATURAL RUBBER	100%	American	No	N/A
9	Liberian Agricultural Company	Agriculture	SOCFINAF	100%	Luxembourg	Yes	Luxembourg
10	Libinc Oil Palm, Inc	Agriculture	Liberian Palm Developments Limited	100%	Mauritius	No	N/A
11	Mano Palm Oil Plantation (Liberia) Inc.	Agriculture	NC	NC	NC	NC	NC
12	Maryland Oil Palm Plantation	Agriculture	SIFCA	100%	Ivory Coast	Yes	Abidjan
13	EURO-LIBERIA LOGGING COMPANY	Forestry	NC	NC	NC	NC	NC
14	GEBLO LOGGING, INC	Forestry	NC	NC	NC	NC	NC
15	HORIZON LOGGING LIMITED	Forestry	NC	NC	NC	NC	NC

No	Company	Sector	Name of the shareholder	% Interest	Nationality of the shareholder	Stock exchange Listed entity (yes/no)	Stock exchange (if the company's shares are quoted)
16	KISVAN TIMBER CORPORATION	Forestry	NC	NC	NC	NC	NC
17	LIBERIA TREE AND TRADING COMPANY INC	Forestry	NC	NC	NC	NC	NC
18	L & S RESOURCES, INC.	Forestry	NC	NC	NC	NC	NC
19	MASAYAHA LIMITED LIABILITY CORPORATION (LLC)	Forestry	NC	NC	NC	NC	NC
20	SINOFOREST INTERNATIONAL CORPORATION LIBERIA, INC.	Forestry	LUI FENGQIU	63%	China	No	N/A
			WANG XICHANG	25%	China		
			JIE WANG	7%	Australia		
			LOUSIE MAPLEH KPOTO	5%	Liberia		
21	STADIUM, INC.	Forestry	NC	NC	NC	NC	NC
22	WEST AFRICAN FOREST DEVELOPMENT INCORPORATED (WAFDI)	Forestry	NC	NC	NC	NC	NC

Source: LEITI Reporting templates

NC: Not Communicated

N/A: Not applicable

Annex 4: Beneficial ownership reported

No	Company	Full name as it appears on national identify card	Politically exposed person (PEP)	Applicable from	Applicable to	Date of Birth	National identity number (National Registrati on Numbers (NRC))	Nationality	Country of residence	By direct shares	By direct voting rights	Date when beneficial interest was acquired	Nb. of shares	Nb. of votes	% of shares
1	ARCELOR MITTAL(LIBERIA) LTD	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
2	BAO CHICO RESOURCES LIBERIA LTD	Bao Chico Resources Limited	No	N/A	N/A	11/2012	NC	Chinese	China	Yes	Yes	2012	NC	NC	100%
3	BEA MOUNTAIN MINING, INC.	Murathan Doruk Gunal	No	N/A	N/A	12/1986	NC	Turkish	Turkey	Yes	Yes	2016	NC	NC	NC
4	HUMMINGBIRD RESOURCES (LIBERIA) INC	hummingbird Resources Plc	No	N/A	N/A	2005	NC	British	England	Yes	Yes	2006	NC	NC	51%
5	MNG GOLD LIBERIA, INC	Murathan Doruk Gunal	No	N/A	N/A	12/1986	NC	Turkish	Turkey	Yes	Yes	2016	NC	NC	NC
6	WESTERN CLUSTER LIMITED	Mr. Anil Agarwal	No	N/A	N/A	09/1952	NC	Indian	UK	Yes	Yes	2011	NC	NC	NC
7	Cavalla Rubber Corporation	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
8	Firestone Liberia Incorporated	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
9	Liberian Agricultural Company	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
10	Libinc Oil Palm, Inc	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
11	Mano Palm Oil Plantation (Liberia) Inc.	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
12	Maryland Oil Palm Plantation	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
13	EURO-LIBERIA LOGGING COMPANY	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
14	GEBLO LOGGING, INC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
15	HORIZON LOGGING LIMITED	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
16	KISVAN TIMBER CORPORATION	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
17	LIBERIA TREE AND TRADING COMPANY INC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC

No	Company	Full name as it appears on national identify card	Politically exposed person (PEP)	Applicable from	Applicable to	Date of Birth	National identity number (National Registrati on Numbers (NRC))	Nationality	Country of residence	By direct shares	By direct voting rights	Date when beneficial interest was acquired	Nb. of shares	Nb. of votes	% of shares
18	L & S RESOURCES, INC.	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
19	MASAYAHA LIMITED LIABILITY CORPORATION (LLC)	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC
20	SINOFORREST INTERNATIONAL CORPORATION LIBERIA, INC.	LUI FENGQIU	NC	NC	NC	10/1959	NC	China	China	Yes	Yes	07/02/2019	NC	NC	63%
		WANG XICHANG	NC	NC	NC	08/1965	NC	China	China	Yes	Yes	07/02/2019	NC	NC	25%
		JIE WANG	NC	NC	NC	02/1974	NC	Australia	China	Yes	Yes	07/02/2019	NC	NC	7%
		LOUSIE MAPLEH KPOTO	NC	NC	NC	03/1953	NC	Liberia	Liberia	Yes	Yes	07/02/2019	NC	NC	5%
21	STADIUM, INC.	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	
22	WEST AFRICAN FOREST DEVELOPMENT INCORPORATED (WAFDI)	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	NC	

Source: LEITI Reporting templates

NC: Not Communicated

N/A: Not applicable

Annex 5: Social and environmental expenditure disclosed by extractive companies

Please refer to the separate Annex to this report.

Annex 6: Unilateral disclosure by government agencies

Please refer to the separate Annex to this report.

Annex 7: Reconciliation sheets

Please refer to the separate Annex to this report.

Annex 8: Data submission and reliability

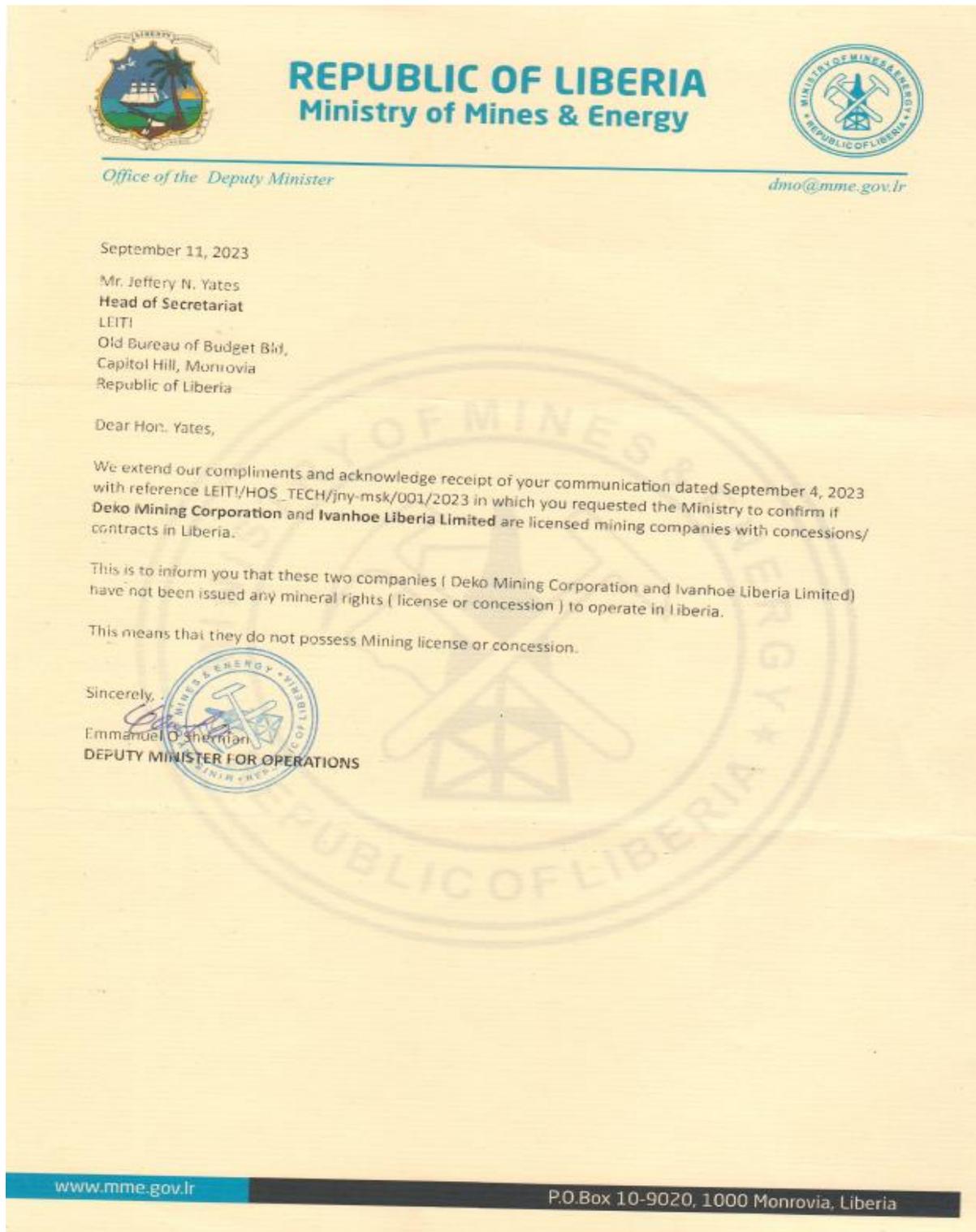
Extractive companies

N°	Company	Excel RT	Signed RT	Certified RT	Audited FS
1	ARCELOR MITTAL(LIBERIA) LTD	Yes	Yes	No	No
2	BAO CHICO RESOURCES LIBERIA LTD	Yes	Yes	No	No
3	BEA MOUNTAIN MINING, INC.	Yes	No	No	Yes
4	HUMMINGBIRD RESOURCES (LIBERIA) INC	Yes	Yes	Yes	Yes
5	MNG GOLD LIBERIA, INC	Yes	Yes	No	Yes
6	WESTERN CLUSTER LIMITED	Yes	Yes	Yes	No
7	Cavalla Rubber Corporation	Yes	No	No	No
8	Firestone Liberia Incorporated	Yes	Yes	Yes	No
9	Liberian Agricultural Company	Yes	Yes	Yes	No
10	Libinc Oil Palm, Inc	Yes	Yes	Yes	No
11	Mano Palm Oil Plantation (Liberia) Inc.	No	No	No	No
12	Maryland Oil Palm Plantation	Yes	No	No	No
13	EURO-LIBERIA LOGGING COMPANY	Yes	Yes	No	No
14	GEBLO LOGGING, INC	No	No	No	No
15	HORIZON LOGGING LIMITED	No	No	No	No
16	KISVAN TIMBER CORPORATION	No	No	No	No
17	L & S RESOURCES, INC.	No	No	No	No
18	LIBERIA TREE AND TRADING COMPANY INC	No	No	No	No
19	MASAYAHA LIMITED LIABILITY CORPORATION (LLC)	No	No	No	No
20	Sinoforest International Corporation Liberia, Inc.	Yes	Yes	No	Yes
21	West African Forest Development Incorporated (WAFDI)	No	No	No	No

Government agencies

N°	Government Agency	Excel RT	Signed RT	Certified RT	Audited FS
1	Liberia Revenue Authority (LRA)	Yes	No	No	NA
2	National Oil Company of Liberia (NOCAL)	Yes	Yes	NA	No
3	Liberia Petroleum Regulatory Authority (LPRA)	Yes	No	NA	NA
4	National Port Authority (NPA)	Yes	No	NA	NA
5	Environmental Protection Agency (EPA)	Yes	No	NA	NA
6	Ministry of Mines and Energy (MME)	Yes	No	NA	NA
7	Ministry of Labor (MoL)	Yes	No	NA	NA
8	Ministry of Agriculture (MoA)	Yes	No	NA	NA
9	Forestry Development Authority (FDA)	Yes	No	NA	NA

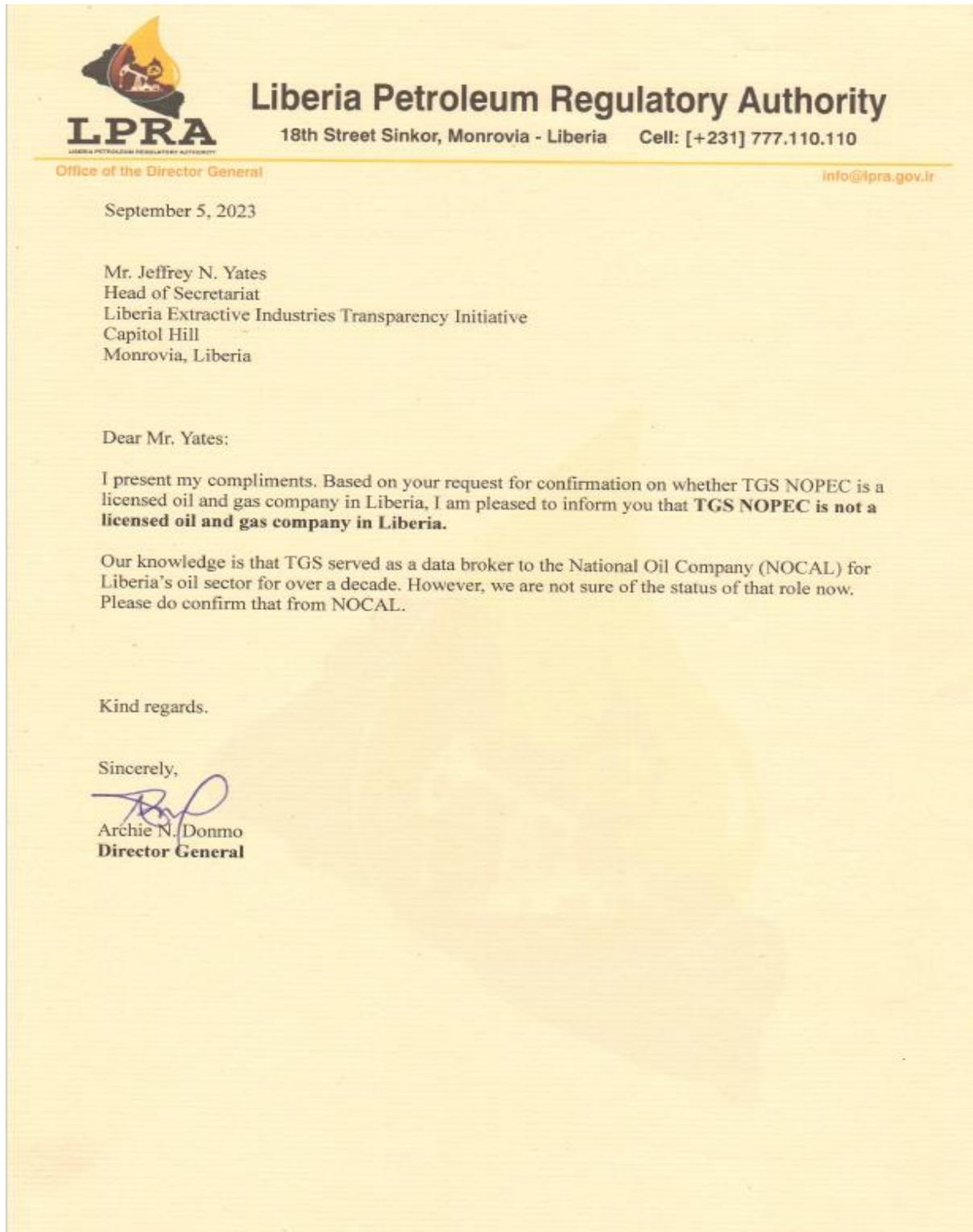
Annex 9: MME confirmation regarding out-of-scope companies



Annex 10: FDA confirmation regarding out-of-scope companies

No.	Company Name	Operation Types	Contract Types	Operation Status
1	Sino Forest International Corporation Liberia Inc.	Logging Operator	Community Forest Management Agreement (CFMA)	Active
2	Horizon Logging Limited	Logging Operator	Community Forest Management Agreement (CFMA)	Active
3	KISVAN TIMBER CORPORATION	Logging Operator	Community Forest Management Agreement (CFMA)	Active
4	Masayaha Logging	Logging Operator	Community Forest Management Agreement (CFMA)	Active
5	STADIUM INC.	Buyer & Exporter	No Contract	Active
6	LTTTC Inc.	Logging Operator	Community Forest Management Agreement (CFMA)	Active
7	INDO AFRICAN PLANTATIONS LIBERIA INC	Logging Operator	Community Forest Management Agreement (CFMA)	Inactive
8	L&S RESOURCES INC	Logging Operator	Community Forest Management Agreement (CFMA)	Active
9	Geblo Logging Inc	Logging Operator	Forest Management Contract (FMC)	Active
10	WEST AFRICAN FORESTRY DEVELOPMENT INC	Logging Operator	Community Forest Management Agreement (CFMA)	Active
11	Mandra Forestry Liberia Ltd	Logging Operator	Forest Management Contract (FMC)	Inactive
12	Akewa Groups of Companies	Logging Operator	Timber Sales Contract & Community Forest Management Contract	Inactive
13	Euro Liberia Logging Company	Logging Operator	Forest Management Contract (FMC)	Active
14	Alpha Logging and Wood Processing Inc	Logging Operator	Forest Management Contract (FMC)	Inactive
15	Coveiyalah Investment Enterprises, Inc.	Logging Operator	Community Forest Management Agreement (CFMA)	Inactive

Annex 11: LPRA confirmation regarding out-of-scope companies



Annex 12: Payment details of out-of-scope companies

Please refer to the separate Annex to this report.

Annex 13: IA team

PARKER & COMPANY, LLC

Ernest Parker	Partner
Richard Roy Montgomery	Director

BDO LLP

David Dicker	Partner
Hedi Zaghouani	Director
Achraf Kanoun	Senior Manager
Helmi Ben Rhouma	Manager
Wissem Zaazaa	Supervisor