

**Special Address by Honorable Joseph N. Boakai, Sr.  
Vice President of the Republic of Liberia  
at the Open Society Foundations Luncheon  
on “Natural Resources, Fiscal and Financial Transparency”  
The Willard Intercontinental Hotel  
Washington, D.C., USA  
Monday, August 4, 2014**

*(As Delivered)*

Chairman George Soros, of the Open Society Foundations;  
Mr. Chris Stone, President of OSF;  
The Partners of OSF;  
Distinguished Ladies and Gentlemen:

Let me, on behalf of President Ellen Johnson Sirleaf, thank you for the invitation to address this luncheon on the “Fiscal and Financial Transparency of Liberia's Natural Resources”.

Let me also express her deep regrets at her inability to be here. The pressing situation at home made it imperative that she remain on the ground to spearhead the fight against the deadly Ebola virus and to consult with her Mano River colleagues on this menace that is raging through three countries of our sub-region, including Liberia.

Mr. Soros, the OSF and its partner organizations have been true friends of Liberia, spanning our years of struggle till today. Your positions regarding good governance, accountability and transparency -- not to mention all human rights -- are well known. And we endeavor to be guided by them, despite the multiple challenges we continue to face as a post-conflict nation.

We have managed to piece together the broken institutions, and to create new ones where none had previously existed, all aimed at advancing governance and the rule of law. We know that by creating stronger institutions, our government can better serve its people and create the space for a fair, just, and thriving society.

All of you in this room, I have no doubt, know the story of Liberia: its beginnings; the years of turmoil and 14-year civil war that devastated the country, and destroyed lives and values. I figure you are also pretty much aware of our efforts amidst very daunting challenges.

Our focus on these worthy efforts follows from the dictates of the 2003 Comprehensive Peace Agreement, fashioned principally to consolidate peace and security, revitalize the economy, rebuild governance and the rule of law, and rebuild infrastructure and provide basic services.

Over the past eight years of our administration, we have endeavored to keep the peace, reconcile our people, grow our economy and work towards sustainable and inclusive development. We are focused on rebuilding

our structures and providing and expanding basic social services in the areas of health, education, gender equality, youth empowerment, and more.

Even more pertinent here, we have been hard at work rebuilding or establishing institutions aimed at good governance, integrity, transparency, and accountability – much of which was almost decimated by the civil war, as well as some that were non-existent when we came to power in 2006. The task of rebuilding such a society demands many years of tedious work, but we continue to lay the groundwork towards a better future for Liberia and its people.

Our government remains firmly committed to breaking with the corruption of the past. As such, we have taken strong measures that have placed public accountability and improved governance at the very top of our priorities, especially in the extractive industries. It is a moral imperative that the exploitation of our extractive industries is rooted in transparency and accountability.

In so short a time as one month following our assumption of the helm of office -- in February 2006 -- our government issued Executive Order No. 1 that led to the cancellation of 87 forestry concessions and a review of all concession contracts concluded during the Interim National Transitional Government of Liberia (NTGL) to ensure that the national interest was protected.

On July 10, 2007, we launched the Extractive Industries Transparency Initiative (EITI) in Liberia, a global standard promoting transparency in the management of resources from the extractive industries. Liberia became one of the first countries to commit its forestry sector to the EITI reporting, which raised the level of transparency.

LEITI informs the public as to the amount of taxes and other payments made by every extractive company to the government, thus leading to accountability regarding the revenues from those resources. This initiative has mitigated some of the tensions associated with suspicion on the part of those benefiting from the resources and the perceptions that certain groups are not getting short-changed by not accruing their fair share of the revenues generated. LEITI is one of the components of resource governance in Liberia. It depends on the interactions with other components and actors to achieve the overall goal of better resource management.

To further protect our country's national resources we, in 2012, placed a moratorium on Private Use Permits (PUPs) and their issuance. We recently took actions against corrupt officials engaged in the mismanagement of resources generated from the forestry sector.

In 2013, we signed onto the Voluntary Partnership Agreement (VPA), to ensure that all timber leaving Liberia come from a legal source. Our intention is to protect our natural resources and use them to the benefit of the society.

We have signed onto the Tropical Forest Alliance-2020. This is a Public-Private Partnership which commits members to taking voluntary actions, individually and in combination, to reduce the tropical deforestation associated with the sourcing of commodities such as palm oil, soy, beef, paper and pulp.

We are proud that Liberia continues to lead in the implementation of EITI standards. EITI's program in Liberia is now widely considered as a model for good practices. Of the more than 40 countries that have now signed up to this program, Liberia's achievements stand tall. For example, Liberia was the first country to

have a dedicated EITI legislation, and also the first to move EITI reporting beyond the oil and gas industries to include agriculture and forestry. Liberia thus deserved becoming the recipient of the “Best Implementing Title” in 2009.

At the core of the EITI is transparency through public disclosure of taxes and revenues from the extractive industries. Liberia has consistently published its EITI reports. On June 30, 2014, the country launched its 5<sup>th</sup> EITI Report which recorded US\$110 million as taxes received by the government from the extractive sectors during fiscal year 2011-2012. The previous four reports showed steady growth of revenue contributions to the economy.

The content of our EITI reports also improved significantly, with more relevant data and contextual information integrated to ensure that disclosure is comprehensive and the information is comprehensible. For instance, beyond reporting taxes and revenue data, the past two reports have also tracked the allocation of the revenue, the full amount due as taxes to be paid by the companies, and in-kind contributions from them. Once published, the EITI reports are taken to all 15 of Liberia's counties -- at major population and strategic centers -- and the findings are discussed with the citizens.

These dissemination exercises have enhanced the awareness and citizens' participation in the debate around resource governance. Contributions from the citizens also demonstrate the confidence they are beginning to repose in the process and how transparency can promote peace and development.

Liberia embarked upon the first major effort aimed at promoting contract transparency in EITI history by conducting the Post Award Process Audit in 2013. This audit, done by the internationally accredited accounting firm, Moore Stephens LLP, examined 68 material concession agreements awarded by government in the oil, mining, agriculture, and forestry sectors between July 2009 and December 2011.

The audit focused on ascertaining whether the processes leading to the awards were in conformity with existing Liberian laws. It revealed certain lapses in the processes leading to the award of some contracts, including lack of stakeholder participation, procurement missteps, and conflicting legislations.

Importantly, however, the courage to undertake this audit demonstrated Liberians' determination to assess themselves and transform their destiny. Such findings challenge us to exercise greater care in managing our resources for more transparent resource governance.

Concession agreements and contracts entered into by the government are complex, with legal diction and implications, making it challenging for average citizens to understand their terms and conditions. This general lack of understanding leads citizens to their own inferences which are usually not necessarily the true intent of the agreement.

We have also moved to ensure increased public access to and understanding of contracts, with support from Germany. In that light, LEITI is preparing a matrix that will simplify all contracts awarded by the government of Liberia in the oil, mining, agriculture, and forestry sectors. The matrix, which is expected to be completed by September this year, will summarize the fiscal terms, contract start/end dates, community benefits, and other key provisions of the agreements.

One of key requirements of this new EITI Standard, adopted in Sydney, Australia, in 2013, is the disclosure of the true ownership of mineral rights to ensure that citizens of resource-rich countries truly benefit from their resources. Liberia is among a handful of EITI implementing countries that have resolved to pilot this initiative.

To support the EITI Standard, the Multi-stakeholder Steering Group of LEITI approved the review of a Beneficial Ownership Disclosure of all material rights assigned in the oil, mining, agriculture and forestry sectors in the Work Plan for 2013/14.

Specifically, the project will require developing a publicly available register of the beneficial owners of the corporate entity that bid for, operates, or invests in extractive assets. This will cover disclosure of the identities of their beneficial owner(s) and the level of ownership during the period of July 2009 to December 2011. The United Nations Development Programme (UNDP), through its Private Sector Development Program, is funding this project.

LEITI's engagement with Liberia's youth continues to gain momentum. Activities were implemented at 10 high schools under the LEITI Extractive Club Program. Under this program, LEITI works with students to promote the value of integrity and to increase their understanding of the extractive sector, thereby preparing them for greater leadership roles in the future.

Activities of the E-Club Program include field trips to extractive companies, mentorship programs, peer-to-peer discussions, and inter-high school debates. Plans are under way to expand the program to reach a greater number of youths throughout the country.

The progressive gains made by the LEITI have made Liberia a model in EITI implementation, and other countries are keen to learn from our good examples. LEITI is admired for its autonomy, the legal framework establishing it, as well as the many creative approaches used by the Secretariat to engage the public. The level of political support towards the LEITI has also enjoyed great acknowledgment.

Last November, the World Bank, as part of its efforts to strengthen better resource governance in developing countries, selected Liberia for a special Learning Exchange Tour intended to enhance implementation of the EITI in the African region. The South-South Learning Exchange Program, held in Monrovia, was designed to promote experience and knowledge sharing on EITI implementation amongst Liberia, Tanzania, and Ethiopia.

With other countries eager to learn from Liberia, the LEITI is gathering the necessary resources to establish a regional EITI Center of Excellence. It will contain relevant resource materials on the EITI, and will support research on good governance and transparent resource management.

Let me thus close by urging you to maintain your interest in the well-being and advancement of our country, Liberia. We will continue to count on your counsel and support with the prayerful hope that our mutual dream of positively impacting the lives of people will yield results.

Thank you very much, and I go with the gratitude of our government and the people of Liberia. God bless you.

