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Global Witness welcomes oil sector reforms by the Liberian Government

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Recent pledges by the Liberian Government to enhance transparency and the involvement of civil society in its oil sector represent a welcome step forward, says Global Witness today.

International interest in Liberia's oil sector has increased in recent months after the Australian oil company African Petroleum announced it had found commercial oil off of Liberia's coast. Other oil concessions have been awarded to major companies such as Chevron and Anadarko Petroleum, while last week Canadian Overseas Petroleum announced that the Liberian Government had approved the entry of ExxonMobil to an offshore concession – Block 13.

“With Liberia's oil find and the involvement of large companies, it is possible that the sector could produce much needed revenue for the country,” said Jonathan Gant, a Policy Advisor with Global Witness. “But for Liberians to benefit from this oil rush the country has got to overcome a history of outdated laws, low capacity within the National Oil Company of Liberia (NOCAL) and corruption in the sector. In promising further transparency and involving civil society groups in drafting policy, the Government is moving towards reforms the oil sector so badly needs.”

One of the most significant developments came in February of this year, when NOCAL announced that it was committed to being transparent about the operations of oil companies and management of the money they are expected to generate. Adding further detail to this pledge, on 11 April NOCAL stated that it had submitted the agency's current annual budget to the Liberian Legislature. Most recently, on 19 April NOCAL announced that it would commission an independent audit of its finances for the past three years and would “open up the books and put them in order.”

In another welcome move, the Liberian Government has begun including Liberian civil society organizations in discussions about reforms of the country's oil laws and policy.

“Reforming Liberia's oil sector will be hard and will take considerable time. Reforms will be successful if they are inclusive and if NOCAL embraces fiscal transparency,” said Gant. “We are optimistic that, if the Government continues down the reformist path it is now taking, Liberia's citizens can reap the full benefits of the country's oil wealth.”

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Note to editors

In September 2011, Global Witness and the Liberian Oil and Gas Initiative published a report describing those steps necessary to reform Liberia's oil sector, *Cure or Curse: How Oil Can Boost or Break Liberia's Post-War Recovery*. A copy of this report is available at www.globalwitness.org/curse_or_cure/index.html.