



TEAM LIBERIA FINAL REPORT

PROGRAM ROUND 2025, COUNTRY LIBERIA

SUMMARY

The SecFin Africa project is funded by the European Union, Germany, and France through the Swedish Tax Agency (STA) and the Collaborative Africa Budget Reform Initiative (CABRI) to deliver the International Capacity-Building Programme (ICBP), a problem-driven initiative enhancing the capacity of selected countries. The project is focused on the fight against Illicit Financial Flows in Africa.

Liberia was selected in April 2025 to join five African countries to participate in the International Capability Building (ICBP) Program. The journey included facilitated learning through workshops, peer exchanges, reflection exercises, and most importantly our (participants) actions in remedying issues of relating to Illicit Financial Flows (IFFs) in Liberia.

Over the last 50 years, Africa is estimated to have lost in excess of \$1 trillion in illicit financial flows (IFFs) (Kar and Cartwright-Smith 2010; Kar and Leblanc 2013). This sum is roughly equivalent to all of the official development assistance received by Africa during the same timeframe. Currently, Africa is estimated to be losing more than \$50 billion annually in IFFs. But these estimates may well fall short of reality because accurate data do not exist for all African countries, and these estimates often exclude some forms of IFFs that by nature are secret and cannot be properly estimated, such as proceeds of bribery and trafficking of drugs, people and firearms. The amount lost annually by Africa through IFFs is therefore likely to exceed \$50 billion by a significant amount.

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1. INTRODUCTION

Short description of the Team and the content/structure of the Program

A team of Liberian experts selected for this project were Cllr. Bobby F. W. Livingstone (Ministry of Justice), Atty. Zobon A. Kolenky and Cooper Leamah II (Financial Intelligence Agency), Romina Priscilla Moore-Hoff (Central Bank of Liberia), Alwell Aloysius Carr (Ministry of Mines & Energy), and Baba M. Borkai (Liberia Anti-Corruption Commission).

The Program comprised three action-areas:

- Learning the Problem Driven Iterative Approach (PDIA)
- Get Insights And Knowledge In The Programs Topic
- Problem Solving

2. LEARNING AND USING THE PDIA APPROACH

2.1 WHAT HAVE WE DONE - PDIA

2.0 Learning and Using the PDIA Approach

During the period of developing the capability of the Team, the process of learning and applying the Problem-Driven Iterative Adaptation (PDIA) tool kit was the primary objective. Using the PDIA Tool kit, we developed the capability to solve complex, context-specific problems through an iterative and adaptive process of “trying, learning, iterating, and adapting”.

Our specific learning objectives included:

- Shifting from a solution-driven to a problem-driven approach: As participants, we learn to resist applying predetermined “best practice” solution and instead start with a deep, local analysis of the specific problem of “smuggling of illicit gold from Liberia”.
- Problem deconstruction: The PDIA toolkit taught us how to break a complex challenge down into its root causes, components, and potential entry points for action.
- Iterative learning and adaptation: The core objective here was to promote a mindset of active, experiential learning.

This involved:

- Identifying and taking small, manageable action step.
- Implementing tight, short-term feedback loops to reflect on what worked, what didn't, and why.
- Using lessons learned to adapt and revise subsequent actions (the “try, learn adapt, iterate” cycle).
- Building and leveraging authorization and teams: Learning how to work in collaborative, multi-agent teams and how to build and maintain the necessary political support and legitimacy from stakeholders and authorizers (leaders) to implement change.

Our team was comprised of six persons from at least five agencies: CBL, FIA, LACC, MOJ, MME, initially. We also had three of our heads of agencies: FIA, LACC, and

MOJ serving as authorizers and because of the unique area that our study covered, we employed the term, "sub-authorizers" to keep the heads of the MME and CBL on board and to enjoy their blessing as we went along in trying to implement the necessary change in the mining sector.

- Developing local solution: The process emphasized empowering our multi-agency team to find context-specific solutions that fit our unique environment, rather than imposing external models from "experts". The team refused to follow the old method ("ready-made solution") of solving problem and instead focused on adapting and internalizing the PDIA method.
- Fostering an adaptive organizational culture: Ultimately, the goal was to cultivate individuals, teams, and institutions that developed a habit of learning and can continuously adapt to solve future problems, thereby building long-term state capability.

From our learning experience, we learned that, the PDIA-Toolkit, developed by the Building State Capability program at Harvard University, was designed as a do-it-yourself guide with worksheets to help teams put these principles into practice.

We also specifically learned about three PDIA-based bullet points tailored specifically to solving Illicit Financial Flows (IFF) in the artisanal mining sector in Liberia.

- We learned that the real problem is deeper than "illegal mining" or "weak enforcement".
Using PDIA, we broke the issue into underlying causes-lack of adequate resources to the MME, unclear licensing processes, low government presence at mining sites, informal trading chains, and lack of traceability. This helped us avoid the usual shortcut of blaming miners or proposing generic enforcement solutions.
- We learned that small, iterative actions work better than big, one-time reforms: Instead of designing a large national anti-IFF strategy upfront, PDIA helped us test practical steps such as piloting community reporting mechanisms, mapping gold buyers, and suggesting the improvement of record-keeping at a few mining sites. Each small test generated real learning, which shaped the next step.
- We learned that solutions must come from the actors inside the system, not external experts:
Through PDIA, we engaged miners, local authorities, buyers, community leaders, and relevant ministries. Their insights revealed hidden practices and incentives that outsiders often miss. This built stronger local ownership and produced interventions that are workable in Liberia's artisanal mining context.

Short description of how you have used the PDIA-approach when working on your Problem

In using the PDIA approach, we were able to do the following:

- Listen to and learn new skills from renown experts via podcast, interviews, and books
- We identified a major problem in the mining sector relating to IFF in Liberia
- Using the Liberian context, we mapped stakeholders, with low, medium, and high acceptance, and ability to cause change/impact in solving the problem.
- Identified the root cause and sub-causes to the problem identified

2.2 WHAT HAVE WE LEARNED? - PDIA

Describe your **main take-aways** of using the PDIA-approach and how you think you will use it in the future

- With the use of the PDIA approach, we have learned to work effectively in a team.
- We have learned new problem-solving skills to solve crucial problems.
- Skills acquired are positively impacting our approach to solving problems both on the job and in our personal lives.
- Lastly, we have built some very strong bounds within our team, with our coach and with other colleagues from other countries on the continent.

3. GETTING KNOWLEDGE AND INSIGHTS ON IFF

3.1 WHAT HAVE WE DONE – IFF

Short description of your insights on Illicit Financial Flows when working on your Problem

- We conducted survey in two major mining regions in Liberia to ascertain the level of IFF in the mining sector.
- We analyzed the data and found vulnerabilities and acts of illicit financial flows in those regions.

3.2 WHAT HAVE WE LEARNED – IFF

Describe your **main take-aways** about Illicit Financial Flows and how you think you will use it in the future

- We have learned that the mining sector is vulnerable to IFF in Liberia
- We have learned that the stakeholders approach in solving problem is more efficient and effective.

4. SOLVING OUR CHOSEN PROBLEM

Short description of the Problem Area your authorizers chose for the team and why it cannot be ignored

The problem area selected by our authorizers is the “mining sector”. The mining sector is vital in generating significant percentage of Liberia’s revenue and has great potential in Liberia.

4.1 PROBLEM STATEMENT

State your Problem statement and comment if it has changed a lot during the process

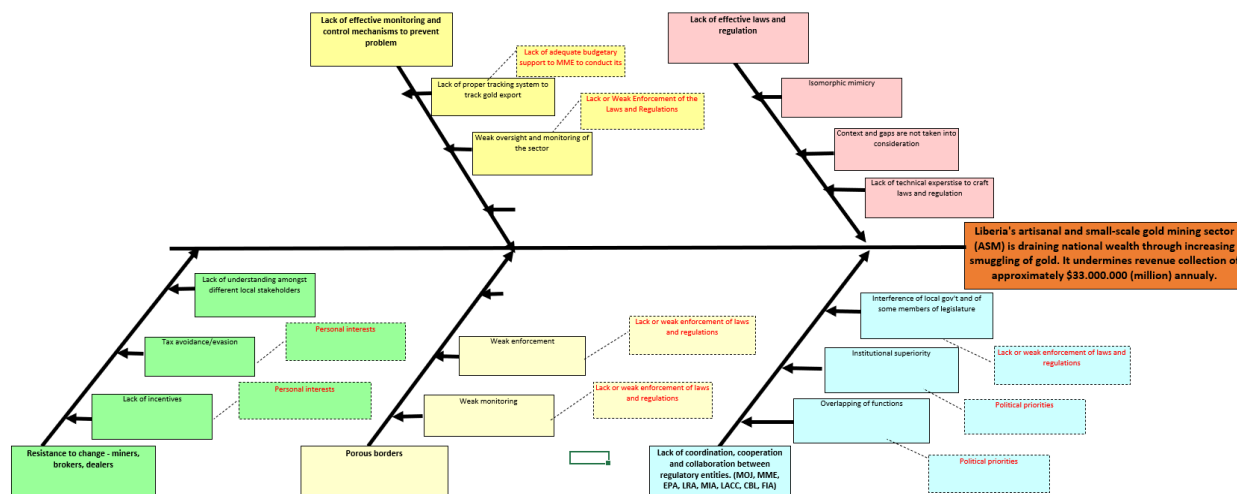
“Liberia’s Artisanal and Small-Scale Gold Mining Sector is **draining national wealth** through increasing smuggling of gold”.

Negative Effects of the problem

- It undermines revenue collection of approximately US\$33m annually.
- It undercuts budgetary support to health delivery, education, infrastructure and denies communities of basic social economic services which represents:
 - 40.911% of the budgetary allocation for the healthcare sector
 - 30.11 of the education sector or
 - 59.96% of the infrastructure & basic services sector

The problem statement has not changed but significant work to solve some of the difficiencies during the implimentation of the project were carried out.

4.2 FISHBONE-DIAGRAM



4.3 ENTRY POINTS

Entry Point 1: Inadequate budgetary support (personnel, logistics, training, awareness)” – This entry point was chosen to assess the underlining factors for the regulator (Ministry of Mines & Energy (MME) to enforce the laws and regulation in the mining sector including but now limited to personnel, logistics, training, and awareness.

4.4 ACTIONS

- Provided awareness and sensitization on IFF for actors, stakeholders and the general public
- Conducted a survey in mining regions to assess rate of IFF and/or the vulnerabilities and threat of IFF.
- Ensured that the process licensing is decentralized regionally.
- Adequate budgetary support provided for increased capacity to monitor and enforce and raise compliance. Success would have been achieved when laws are revised and full implementation of the laws are adhered to.
- Royalties /Tariff in Liberia are reviewed and recommendation for alignment with other countries submitted, Reduction in the royalty & Tariff, Increase salaries of inspectors enforcers, Recruit and train more inspectors.
- Increase salaries of mining agents. Develop policies /regulations to provide incentives for mining community & whistleblowers.
- Create awareness provide education on the risk/benefit of whistleblowing. Provide a seize fund on the spot payment. Give at least 30% of the value of the seized gold to the individual community for reporting the smuggler. Reward honest reporting of smuggling. Projects on the provision of education, health care and sanitation are

designed for local residents and submitted. Provision of social services. Income sharing by GOL/Communities.

- Setup a team to review laws relating to the sector. The Law Reform Commission is mandated to review existing laws and regulations. Draft or formulate new laws & regulations to address smuggling, considering local context, Draft New Mining Code/laws, Laws of effective laws (ensure the laws governing the mining sector are adequate & effective, ensure that mitigants and penalties are within the law. Revised mining laws and include penalties for smugglings, establish a smuggling review board to manage cases of smuggling.

4.5 RESULTS

- Extensive research and field visit established personnel gap, inadequate logistics, and training and awareness amongst stakeholders or actors due to inadequate budgetary support – thereby contributing to smuggling and illicit mining.
- The team has found from data analysis and field visit that the creation of alternative incentives for actors within the ASM sector will help to curb or alleviate the incidences of smuggling and illicit mining.
- The revision of new and existing laws & regulations will prevent and deter smuggling & illicit mining of gold within the ASM sector
- From data analysis and field visit the team identified the increase in the employment and deployment of mining agents and inspectors will drastically improve oversight, monitoring & enforcement thereby increasing royalties and reduce smuggling & illicit mining.
- The team found that there is an urgent need to have a well defined role of actors' responsibility (IES) within the sector.
- Improved awareness through local stakeholder in engagement will enhance extensive understanding of the consequences of smuggling and illicit mining, as well as the benefit of preventing illicit mining and smuggling.
- The team has also found specifics on what knowledge is lacking or missing on the part of local stakeholders.

Additional Survey Findings:

- Of the Seventeen (17) miners (respondents), eight (8) confirmed that they do not have mining license.
- Four (4) out of six brokers confirmed that gold is being smuggled out of Liberia.
- Twelve (12) out of Thirteen (13) dealers confirmed that gold is being smuggled out of Liberia.
- All eleven (11) law enforcement officers (Police, Immigration, LDEA, etc) revealed that gold is being smuggled.
- All eight (8) Mining inspectors indicated that gold is being smuggled out of Liberia.

- All thirteen (13) Local Government Officials established that gold is being smuggled out of Liberia
- All 68 respondents did not have adequate knowledge on IFF and its prevention.
- 47% of miners (respondents) confirmed that they did not have mining license.
- 66% of brokers (respondents) confirmed that there is being smuggled out of Liberia.
- 92% of dealers (respondents) confirmed that there is gold being smuggled from Liberia.
- 100% of law enforcement officers confirmed that gold is being smuggled out of Liberia.
- 100% of mining inspectors indicated that gold is being smuggled out of Liberia.
- 100% of Local Government Officials established that gold is being smuggled out of Liberia.
- 100% of all respondents confirmed not to have adequate knowledge on IFF and its prevention.

4.5.1 RECOMMENDATIONS TO THE ADMINISTRATIONS

If the team has made recommendations of changes to be done, further work to be done e.t.c. – describe them:

Recommendation	What part of the administration have received/will receive the recommendation?	Expected result of the recommendation
Allocate adequate budget for personnel, logistics, training, and awareness	Ministry of Finance and development planning & Ministry of Mines & Energy	More agents will be trained and deployed with equipment and logistics to monitor, deter, detect, and prosecute IFF in the sector.
Budgetary support	from the SecFin Project	Enhance the effort of MME to implement the recommendations.
Increased budgetary allocation to the Ministry of Mines and Energy.	The Ministry of Mines & Energy and The MFDP	Employ additional field staff to improve oversight, monitoring & enforcement Provide resources for logistics and capacity building, and Conduct awareness amongst major stakeholders and actors.
Decentralize licensing and operations.	The Ministry of Mines & Energy The Liberia Revenue Authority	Makes licensing services accessible. Reduce the number of illicit miners Increase revenue Increase the number of licit miners

Incentivize whistle blowing by establishing a seize fund for actors within the Artisanal Small-scale Mining sector.	The Ministry of Mines and Energy The Ministry of Justice	Stimulate stakeholders within the mining communities to increase reporting on illicit mining and activities. Reduce illicit mining.
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4.5.2 IMPLEMENTED CHANGES

If the team has implemented changes – describe them:

Implemented change	Seen or expected result of the change

4.5.3 NEW KNOWLEDGE GAINED

If the team has found new knowledge during the work that has not been used to solve the Problem but that is important for the administrations to know – describe them:

New knowledge found	To what part of the administrations has/will the new knowledge been shared	Expected use of the the new knowledge

4.5.4 OTHER RESULTS