

# REPUBLIC OF SIERRA LEONE

Multi-stakeholder Group  
of the Sierra Leone  
Extractive Industries Transparency Initiative

## VALIDATION REPORT

Appendix IV subject to  
certificate of payment



# REPUBLIC OF SIERRA LEONE

## Multi-stakeholder Group of the Sierra Leone Extractive Industries Transparency Initiative

### ABSTRACT

The Republic of Sierra Leone has joined the Initiative in 2006. Since its first public statement, the National Initiative passed through two main phases:

- Phase I: a slow and rather passive Initiative (2006-2010)
- Phase II: a renewed framework and dynamic implementation (2011-2012)

The progress made recently by the National Initiative is important and undeniable, characterised by:

- The approval of an ambitious work plan
- The nomination of a new, active and efficient SLEITI Champion
- The adoption of a formal and solid institutional framework
- A balanced multi-stakeholder group with regular activities
- A full engagement of main companies
- An increased mobilisation of public offices
- The elaboration and publication of an EITI report for the years 2008 to 2010, covering mining and oil sectors, 13 revenues streams, 15 companies, 4 Ministries and public offices, 7 District councils, 12 Chiefdom administrations

However, the National Initiative must continue its progress to achieve compliance, drawing specific attention to the comprehensiveness of the scope of companies and Government agencies declarations.

To a lesser extent, the National Initiative could monitor progress on:

- The mobilisation of sustained funding
- The full implementation of the EITI work plan
- Increase the quality of EITI reports
- Continue the dissemination and encourage public debate



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**Dr. Kaifala Marah**  
**Champion of the SLEITI MSG**  
Chief of Staff  
Office of the President  
Freetown – SIERRA LEONE

Paris, December 8, 2012

## EXECUTIVE SUMMARY

Dear Sir,

### The context

The Extractive Industries Transparency Initiative (EITI) aims to improve the transparency of public revenues yielded by the extractive companies in resource-rich countries (oil, gas and mining).

Sierra Leone joined the EITI in 2006 and accessed candidate status on 22 February 2008. To become compliant to the EITI, Sierra Leone must provide, before 9 December 2012, the EITI International Board with an independent assessment on progress made in the implementation of the EITI Rules, 2011 edition.

The period subject to this validation begins on the date of accession to the EITI and ends in early December 2012.

As a validator certified by the EITI International Board, the firm CAC 75 has been selected by tender to conduct the Validation assessment of the EITI in Sierra Leone, according to the procedures agreed with yourself and in accordance with the EITI Rules, 2011 edition.

### Work done

We commenced our work in October 2012, by analysing the documents underlying the EITI process. In particular, we have studied the SLEITI work plan, covering the 2011-2012 period, the laws and Memorandum of Understanding (MoUs), the minutes of the SLEITI MSG, the first Validation report as well as the SLEITI 2<sup>nd</sup> reconciliation report (and supplementary report). We have also transmitted the self-assessment forms to the extractive companies included in the scope of the EITI reports.

In addition, we have conducted a series of meetings in Freetown with representatives from various stakeholders, including Dr. Kaifala Marah, SLEITI Champion, Cecilia Mattia, National Coordinator of NACE, Kabineh I. Koroma, Corporate Executive of Sierra Rutile and Ibrahim S. Kamara, Chief Communications Officer of Koidu Holdings, as well as Francis A. Brown, from the World Bank and Yero H. J. Baldeh, Resident Representative of the AfDB.

The full list of the stakeholders met is presented in section 1.1.

### The Validation report

This Validation report contains five sections and appendices. The first section briefly presents the Validation process, the extractive sector of Sierra Leone, the progress made by the National Initiative, the engagement of civil society and of companies. The second section is dedicated to the global evaluation of EITI implementation in Sierra Leone. The third section assesses the twenty EITI Requirements. The fourth section addresses other considerations, such as the impact of the EITI, the sustainability of the EITI process and the possible steps taken to go beyond the EITI. The fifth and final section addresses recommendations to improve the quality of the National Initiative.

The appendices contain the list of references used, the 2011-2012 SLEITI work plan and the self-assessment forms filled in by the participating extractive companies.

### Judgment of the validator

Based on the work completed, we believe that the EITI in Sierra Leone has achieved compliance for the following Requirements:

Requirement No.1	Requirement No.7	Requirement No.14
Requirement No.2	Requirement No.8	Requirement No.16
Requirement No.3	Requirement No.10	Requirement No.17
Requirement No.4	Requirement No.11	Requirement No.18
Requirement No.5	Requirement No.12	
Requirement No.6	Requirement No.13	

We consider however, that at the end of the period subject to this Validation, the EITI in Sierra Leone has not achieved compliance for the following Requirements:

Requirement No.9	Requirement No.15
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### Suggested recommendations

Particular attention should be paid to monitoring the progress of certain Requirements for which recommendations are made in the last section of this report.

Regards,



Hugues Renaux  
Partner

**CAC 75 ✓**  
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## KEY ABBREVIATIONS USED IN THIS VALIDATION REPORT

### State agencies

GoSL	Government of Sierra Leone
GGDO	Government Gold and Diamond Office
MMMR	Ministry of Mines and Mineral Resources
NRA	National Revenue Authority

### Civil society

CDHR	Centre for Democracy and Human Rights
NACE	National Advocacy Coalition on Extractives

### Others

IMF	International Monetary Fund
Kg	Kilograms
Km	Kilometres
M Le	Million of Leones
MoU	Memorandum of Understanding
MSG	Multi-stakeholder Group
Mt	Million tons
MUSD	Million United States Dollars
SLEITI	Sierra Leone Extractive Industries Transparency Initiative
ToRs	Terms of Reference

# 1 INTRODUCTION

## 1.1 The Validation process

- Objectives
- Process
- Stakeholders met

## 1.2 The extractive sector

- A growing mining sector
- A promising oil and gas sector

## 1.3 The progress accomplished by the National Initiative

## 1.4 The engagement of civil society

## 1.5 The engagement of the companies



## 1.1 The Validation process

### ■ Objectives

Validation is an essential feature of the EITI process. It serves two critical functions. First, it promotes dialogue and learning at the country level. Second, it safeguards the EITI brand by holding all EITI implementing countries to the same global standard.

### ■ Process

The EITI is a robust, but flexible standard that is country-led and allows implementation to be adapted to local needs and circumstances. However, the quality of implementation can only be ensured with one single Validation methodology applicable to all Candidate countries. The EITI International Board supervises Validation to ensure quality, consistency and sustainability of the process.

The main steps of an EITI Validation are:

- Multi-stakeholder group agreement to commence Validation

The MSG must agree on when to schedule the Validation, how the process will be conducted, and who should oversee the process throughout.

- Procurement of a validator

Policy Note No.2 sets out the steps and modalities for procurement. The implementing country finances the cost of Validation (see Policy Note No.4).

- Validation

The validator assesses the adherence to the EITI Principles and Criteria by assessing compliance with 20 EITI Requirements (see section 4.4, below). Validation is a consultative process. The validator should meet with the multi-stakeholder group, the organisation contracted to reconcile the figures disclosed by companies, the government and other key stakeholders (including companies and civil society not in the multi-stakeholder group).

The validator should also consult available documentation, including:

- The EITI work plan, and other planning documents such as budgets and communication plans
- The MSG's Terms of Reference, and minutes from MSG meetings
- EITI reports, and supplementary information such as summary reports and associated communication materials
- Company forms

The validator should produce a draft Validation report for comment by the MSG and the EITI International Board. The EITI International Board – via the Validation Committee – will review the draft Validation report to ensure that it is comprehensive and provides an adequate basis for establishing the country's compliance with the EITI Requirements. The Validation Committee's comments on the draft Validation report must be addressed in the final version of the report.

The final version of the Validation report should be formally endorsed by the multi-stakeholder group and the government. The country publishes the final Validation report.

- The EITI International Board analyses the report and decides on the status of the country

The EITI International Board will review the final Validation report and decide on the status of the country.

## ■ Stakeholders met

Various meetings held in Freetown between 22 and 26 October 2012 allowed us to meet different stakeholders involved in the implementation of the EITI in Sierra Leone. These meetings were held in a conducive environment, allowing a free dialogue with the validator.

During our mission in Sierra Leone, we also took part in 2 of the Sierra Leone EITI multi-stakeholder group (SLEITI MSG) meetings, on 22 and 26 October 2012.

### SLEITI MSG

Name	Position	Organisation
<i>Government</i>		
Kaifala Marah	Chief of Staff, EITI Champion	Office of the President
Emmanuel T. Komba	Deputy Secretary	Ministry of Mines and Mineral Resources
Isatu A. Conteh	Assistant Desk Officer	Office of National Security
Sinneh Kargbo	Principal Auditor	Audit Service

Name	Position	Organisation
<i>Civil society</i>		
Cecilia C. Mattia	Coordinator	NACE
Mustapha O. Thomas	Chairman	NACE

Name	Position	Organisation
<i>Extractive industries</i>		
Kabineh I. Koroma	Corporate Executive	Sierra Rutile Ltd.
Millicent F. Conteh	Office Administrator	Anadarko
Ibrahim S. Kamara	Chief Communications Officer	Koidu Holdings Ltd.
Neima Macfay	Special Assistant to the Executive	African Minerals
Alusine Jalloh	Managing Director	Cluff Gold

### Former MSG members

Name	Position	Organisation
Ernest S.A Surrur	Director-General	Human Resource Management Office
Joseph T. Kanu	Permanent Secretary	Ministry of Health and Sanitation

### Donors

Name	Position	Organisation
Francis A. Brown	Country Manager	World Bank
Yero H. J. Baldeh	Resident Representative	African Development Bank
Mia Seppo	Country Director	UNDP
Benjamin O. Maturu	Economic Advisor	UNDP

### Other stakeholders

Name	Position	Organisation
Valnora A.C. Edwin	National Coordinator	Campaign for Good Governance
Sahr Kendema	Assistant	Campaign for Good Governance
Alpha I. Sesay	Programme Coordinator	Ministry of Finance and Economic Development

### EITI reconciler

Name	Position	Organisation
Kwaku Boa	Partner	Boas and Associates

EITI Secretariat

Name	Position	Organisation
Lamin Kenei	National Coordinator	SLEITI Secretariat

## 1.2 The extractive sector

### ■ A growing mining sector

#### The institutional framework

Sierra Leone adopted a Mines and Minerals Act in 2009. In 2010, the Ministry of Mineral Resources and Political Affairs was responsible for the general administration and implementation of the law. The Sierra Leone Geological Survey was responsible for undertaking geological mapping, along with the publication and dissemination of information concerning the geology and the mineral resources of the country. The Minerals Advisory Board was responsible for advising and making recommendations to the Minister of Mines, including granting application for mining licenses<sup>1</sup>.

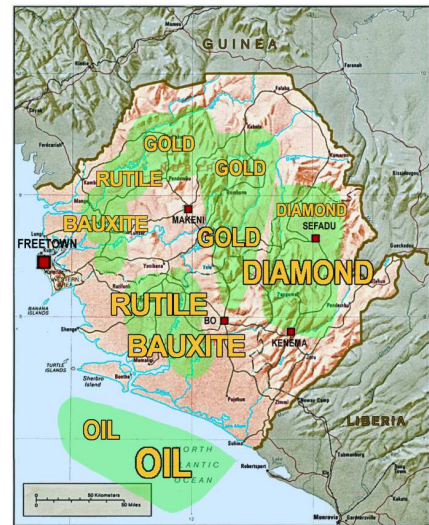
#### The main minerals mined

Sierra Leone has a long history of mining and the sector is quite important for the country's economy. The war (1991-2002) has hindered the national production, and the sector is now slowly recovering, with a certain number of international industrial mining companies re-investing in Sierra Leone's major minerals, namely diamonds, rutile, bauxite, gold and iron ore.

Diamonds represent the most significant commodity to Sierra Leone's economy. With an annual production close to 440.000 carats, the country was in 2010, the world's 10<sup>th</sup> largest producer of diamonds<sup>2</sup>. In the same year, Sierra Leone exported more than 550.000 carats, worth approximately 130 MUSD<sup>3</sup>. Diamonds are mined in Kono, Kenema and Bo Districts<sup>4</sup>.

The Government of Sierra Leone (GoSL) and Koidu Holdings S.A. signed a new agreement for the Koidu Kimberlite Project mining lease area, ratified by the parliament in November 2010. This project is located within the Kono District, in the Eastern Province. The sector includes other international companies, such as Dolat Ventures Inc., and Sierra Leone Hard Rock Ltd<sup>5</sup>.

Sierra Leone is also the world's third largest producer of rutile, with a production reaching nearly 70.000 tons in 2010<sup>6</sup>. Sierra Rutile Ltd. owned and operated the Sierra Leone Rutile



*Main minerals mined in Sierra Leone in 2010*

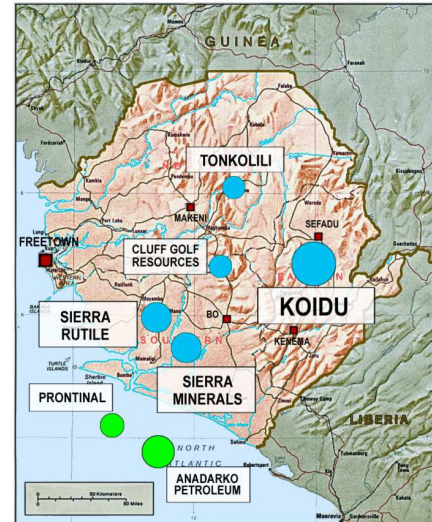
<sup>1</sup> Further information available on the Ministry of Mines and Mineral Resources' website: [www.slminerals.org](http://www.slminerals.org)  
<sup>2</sup> 2010 Minerals Yearbook Sierra Leone, USGS (September 2011), p. 35.1  
<sup>3</sup> Id.  
<sup>4</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 1  
<sup>5</sup> 2010 Minerals Yearbook Sierra Leone, USGS (September 2011), p. 35.1  
<sup>6</sup> Id., p. 35.2

mine, located in south-western Sierra Leone, which produced in 2010 more than 7.000 tons of zircon and 68.000 tons of rutile<sup>7</sup>.

The country also produced approximately 1 Mt of bauxite<sup>8</sup>. The company Vimetco was, in 2010, the only producer of bauxite in Sierra Leone. It could be caught up by the joint-venture created in 2010 by Sierra Leone Exploration and Mining Company Ltd. and ABG Shipyard Co. Their exploration works in Porto Loko District and has estimate reserves of 231 Mt and an annual production of 10 Mt<sup>9</sup>.

Cluff Gold plc and Axmin Inc. were the two major industrial companies present in Sierra Leone in 2010. Cluff Gold plc expected the Baomahun gold project to reach an annual production close to 5.000 kg, for a start of production by mid 2013. Axmin explored gold in various locations, including the Komahun Gold Project, in the Nimini Hill concession in east-central Sierra Leone. The annual target production for this project levels at around 1.600 kg; beginning of production has not yet been announced.

The production of iron ore has not yet started but prospects appear promising. In 2010, African Minerals Ltd. held 100% ownership in the Tonkolili project, located in the Sula Mountains Greenstone Belt. The project includes two mining licenses, the rehabilitation of the port facilities, the reconstruction of a railway and the completion of a 126 km railroad. Cape Lambert Resources Ltd. acquired, on its side, a 100% interest in the Marampa iron ore project, in the north-east of Freetown. The company should begin production in late 2012.<sup>10</sup>



*Main companies active in Sierra Leone in 2010*

## ■ A promising oil and gas sector

In 2010, Sierra Leone was not a producer of hydrocarbons.

The company Anadarko Petroleum Corp., however, announced a deepwater discovery in the Mercury-1 well. This well is operated in joint-venture with Repsol Exploration Sierra Leone (25%) and Tullow Sierra Leone (10%). In 2010, the company Prontinal Ltd. had on its side, the petroleum exploration and extraction rights to the offshore Block SL-4, covering more than 4.400 square km. We understand that Prontinal Ltd. is currently offering to sell a participating interest in this Block.

These prospects could enable Sierra Leone to become a junior oil producing company in the coming years<sup>11</sup>.

<sup>7</sup> Id.

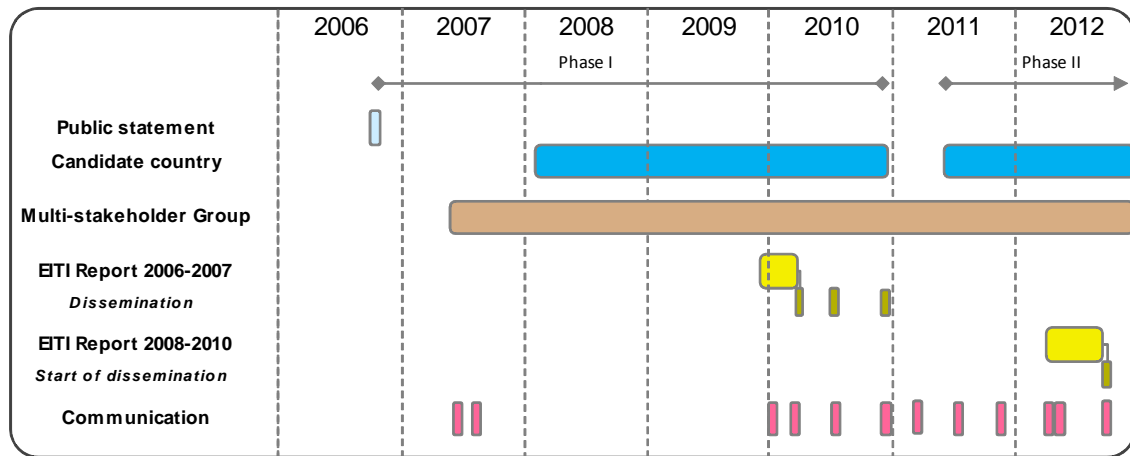
<sup>8</sup> Id., p. 35.1

<sup>9</sup> Id.

<sup>10</sup> Id., p. 35.2

<sup>11</sup> Validation report – Adam Smith International (July 2010), p. 1

## 1.3 The progress accomplished by the National Initiative



Chronogram of SLEITI activities

The Republic of Sierra Leone joined the Initiative in 2006. Since its first public statement, the National Initiative passed through two main phases:

- Phase I: a slow and rather passive Initiative
- Phase II: a renewed framework and more dynamic implementation

### Phase I: a slow and rather passive Initiative

This first Phase is characterised by very slow progress and few activities in favour of the EITI. After the public statement of the country's intention to implement the EITI from the Minister for Presidential Affairs during the third EITI Global Conference held in Oslo in October 2007, the official launch of the Initiative was organised mid-2007, in Freetown<sup>12</sup>. Following this, we notice that just a few MSG meetings have been organised (1 in 2007, 3 in 2008, 4 in 2009) and only one communication event between 2006 and 2009 (the launching of the Initiative, in 2007).

We understand from the first Validation report that the Initiative suffered from a "lack of clear leadership from Government for the implementation of EITI"<sup>13</sup> as a consequence, notably, of the dissolution of the Ministry for Presidential Affairs. Furthermore, we note the absence of a formal SLEITI Secretariat endowed with a full-time staff, in charge of the concrete implementation of the National Initiative. As confirmed by the first Validation report: "the lack of human resources, guided by a full time National Coordinator, is a serious issue for SLEITI. Without a Secretariat the process has lurched from Requirement to Requirement as it best could"<sup>14</sup>.

It is our understanding that the elaboration and the publication of the SLEITI 1<sup>st</sup> reconciliation report, covering 2006 and 2007, represent the only activities of this first Phase of implementation. This reconciliation report was issued in March 2010, followed by an immediate launching ceremony opened by the President, Dr. Ernest Bai Koroma. The Validation process started in June 2010, for a publication of the final Validation report in July 2010. Referring to the difficulties described above, the weak legal framework and the quality of the EITI report, this report noted that "EITI in Sierra Leone is in danger of collapsing"<sup>15</sup>.

<sup>12</sup> Programme for launch and working session of the SLEITI (28 June 2007)

<sup>13</sup> Validation report – Adam Smith International (July 2010), p. 11

<sup>14</sup> Id., pp. 31-32

<sup>15</sup> Id., p. 32



On this basis, and during its 14<sup>th</sup> meeting, the EITI International Board “*agreed to designate Sierra Leone as a candidate country that has made meaningful progress*”<sup>16</sup>.

### Phase II: a renewed framework and more dynamic implementation

The nomination of Dr. Kaifala Marah, Chief of Staff in the Office of the President, as the Champion of the Sierra Leone EITI (SLEITI)<sup>17</sup> on 24 August 2010, was a clear indication of a coming change in the Initiative.

The participation of the SLEITI Champion in the 5<sup>th</sup> EITI Global Conference in Paris, in March 2011 – where he confirmed that “*recommendations such as having a fully fledged Secretariat, developing a costed work plan, reviewing the composition of the MSG and its terms of reference [...] are being pursued by the Government*”<sup>18</sup> – his letter, dated 8 March 2011, to the International Secretariat to renew Sierra Leone’s EITI Candidate status, the elaboration of a new SLEITI work plan, and the adoption of Terms of Reference (ToRs) and Code of conduct for the SLEITI multi-stakeholder Group (MSG), illustrate the positive impact the conclusions of the EITI International Board have had on the implementation of the EITI in Sierra Leone.

All of these commitments allowed the 17<sup>th</sup> Board meeting, held in June 2011, to approve “*the re-application from Sierra Leone for extending candidate status*” and to establish “*a new validation deadline of 9 December 2012*”<sup>19</sup>.

Since that date, a National Coordinator has been nominated (July 2011) and actions have been undertaken to endow the National Initiative with a staffed Secretariat. The SLEITI MSG meetings have been organised regularly, updates on the SLEITI implementation have been produced, a mock reconciliation exercise has been performed and the SLEITI 2<sup>nd</sup> reconciliation report has been prepared. In addition, various public events have been organised, including :

- The launching ceremony of the SLEITI 2<sup>nd</sup> reconciliation report, in September 2012
- The training workshop on implementation of the EITI in Sierra Leone, in May 2012
- The dissemination of a perception survey on the EITI implementation in Sierra Leone, in April 2012
- The 2 day workshop on the new EITI Rules, 2011 edition, in January 2012

To a certain extent, one could conclude that this Initiative is relative young with regards to the effective start of implementation (August 2011). For this reason, the dynamism and the efficiency of the SLEITI Champion and MSG must be commended.

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<sup>16</sup> Minutes of the 14<sup>th</sup> Board meeting (11 January 2011), p. 8

<sup>17</sup> Appointment of the SLEITI Champion (24 August 2010)

<sup>18</sup> Statement delivered by Dr. Kaifala Marah, SLEITI Champion, at the 5<sup>th</sup> EITI Global Conference (3 March 2011)

<sup>19</sup> Minutes of the 17<sup>th</sup> EITI Board meeting (20 July 2011), p. 5

## 1.4 The engagement of civil society

The MoU signed in July 2011 between the government of Sierra Leone, civil society and the extractive industries for the implementation of EITI, explicitly entails that “civil society representatives shall be selected from the National Advocacy Coalition on Extractive (NACE)”<sup>20</sup>.

In fact, civil society organisations hold 6 seats on the SLEITI MSG, shared by the following institutions:

- National Advocacy Coalition on Extractives (NACE – 3 seats)
- Sierra Leone Association of Journalists (2 seats)
- Sierra Leone Parliament (1 seat)

The minutes of the SLEITI MSG meetings confirm the regular participation of civil society members in these sessions.

Various documents also allow us to conclude the freedom of speech of civil society. Indeed, its members have, on various occasions, expressed their criticism openly to the GoSL, towards the implementation of the National Initiative. As an example, in its letter from the 6 September 2011, NACE (the main organisation chairing on the SLEITI MSG) conveys explicit concerns about the slow pace of EITI implementation and firmly concludes: “civil society remains a key player in the EITI process in Sierra Leone [...]. Transparency, probity, and accountability in the extractive sector are not negotiable and we will do everything humanly possible to ensure that there is no more ‘business as usual’. We reaffirm our commitment to the EITI process and we will not rest until all obstacles in the way of progress are removed”<sup>21</sup>.

A meeting between the SLEITI Champion and representative of NACE in November, as a consequence of the above letter, also illustrates the independence of civil society. The minutes of the meeting indeed relate the “strong disapproval for the advertisement of position for the Secretariat without [civil society] participation and also for the position of a National Coordinator being unadvertised”. The document concludes: “the Champion made commitment that hence forth procedures will be followed especially the element of consultation with CSOs”<sup>22</sup>, therefore confirming a strong and respected engagement of civil society in the implementation of the EITI in Sierra Leone.

The engagement of civil society in issues going beyond EITI, specifically in the mining sector, is materialised by the publication of various documents and analyses, such as ‘Cost-benefit review of London mining Company Agreement’ and ‘Cost-benefit review of African minerals limited mining lease Agreement’, both published in 2011, and by ‘Focus on mining companies: diamonds, blood and tears, the relationship between Koidu Holdings Ltd. and the affected property owners of Kono – Network Movement for Justice and Development’ and ‘The citizens and the Mines and Mineral Act – Network Movement for Justice and Development’, both published in 2010.

Finally, we note that representatives from civil society have taken, since the first Validation report, an active part in various training and communication events in Sierra Leone, at an international level, as the following examples illustrate<sup>23</sup>:

- The launching ceremony of the 2nd SLEITI reconciliation report, organised in Freetown on 24 September 2012

<sup>20</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)

<sup>21</sup> Letter from NACE to the SLEITI Champion to convey concerns about the slow pace of implementation of the SLEITI (6 September 2011)

<sup>22</sup> Minutes of the meeting held between the SLEITI Champion and the NACE (15 November 2011)

<sup>23</sup> List of activities undertaken by civil society organisations in the implementation of the SLEITI (undated)

- The training workshop on implementation of the EITI in Sierra Leone, organised in Freetown on 5 May 2012
- The launching ceremony of the SLEITI work plan, organised in Freetown on 20 July 2011
- The 5<sup>th</sup> EITI Global Conference, held in Paris the 2 and 3 March 2011
- The organisation of a consultative workshop on the EITI in Mankeni, on 4 July 2010

## 1.5 The engagement of extractive companies

The MoU signed in July 2011 between the government of Sierra Leone, civil society and the extractive industries for the implementation of EITI explicitly entails that “*Representatives from the extractive industry enterprises shall be selected, but not limited to the following:*

- *Koidu Holdings S.A.*
- *Sierra Rutile Limited*
- *Sierra Minerals Limited*
- *African Minerals*
- *London Mining Limited*
- *Cluff Gold, Sierra Leone*
- *Diamond dealers/Exporters association*<sup>24</sup>

In fact, extractive companies hold 5 seats on the SLEITI MSG, shared by the following institutions:

- Sierra Rutile Limited
- African Minerals Limited
- African Minerals Limited
- Koidu Holdings S.A.
- Volunteer Member

The minutes of the SLEITI MSG meetings confirm the regular participation of extractive company members in these sessions.

We further note that representatives from extractive companies have taken, since the first Validation report, an active part in various training and communication events in Sierra Leone, at an international level, as the following examples illustrate<sup>25</sup>:

- The launching ceremony of the 2nd SLEITI reconciliation report, organised in Freetown on 24 September 2012
- The training workshop on implementation of the EITI in Sierra Leone, organised in Freetown on 5 May 2012
- The launching ceremony of the SLEITI work plan, organised in Freetown on 20 July 2011
- The 5<sup>th</sup> EITI Global Conference, held in Paris the 2 and 3 March 2011
- The organisation of a consultative workshop on the EITI in Makeni, on 4 July 2010

We finally note that extractive companies have financed the perception survey of the EITI implementation in Sierra Leone and the dissemination activities of the SLEITI 2<sup>nd</sup> reconciliation report, confirming their strong engagement in the implementation of the EITI in Sierra Leone.

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<sup>24</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)

<sup>25</sup> List of activities undertaken by companies in the implementation of the SLEITI (undated)



# 2 GLOBAL EVALUATION OF EITI IMPLEMENTATION

## 2.1 Our analysis of the EITI Requirements

## 2.2 The Validation grid

## 2.1 Our analysis of the EITI Requirements

Based on the work completed, we believe that the EITI in Sierra Leone has achieved compliance for the following Requirements:

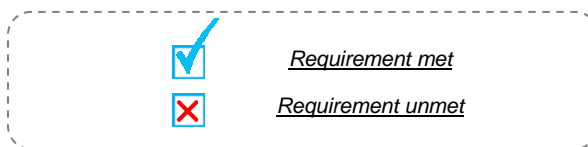
Requirement No.1	Requirement No.7	Requirement No.14
Requirement No.2	Requirement No.8	Requirement No.16
Requirement No.3	Requirement No.10	Requirement No.17
Requirement No.4	Requirement No.11	Requirement No.18
Requirement No.5	Requirement No.12	
Requirement No.6	Requirement No.13	

We consider however, that at the end of the period subject to this Validation, the EITI in Sierra Leone has not achieved compliance for the following Requirements:

Requirement No.9	Requirement No.15
------------------	-------------------

Particular attention should be paid to monitoring the progress of certain Requirements for which recommendations are made in the last section of this report.

## 2.2 The Validation grid



# 3 EVALUATION OF EITI REQUIREMENTS

Requirement No.1	21
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# Requirement No.1

*The government is required to issue an unequivocal public statement of its intention to implement the EITI*

## ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Declaration has been stated by Head of State or Government	Yes
b) Public statement has been made at a formal launch event, publicised through the national media, placed on a dedicated EITI website	Yes
c) The statement indicates what measures and actions the government intends to take to meet the EITI Criteria	Yes
d) A copy of the statement has been sent to the EITI International Secretariat	Yes

*See EITI Rules, 2011 edition, p. 15*

### A public statement during the third EITI Global Conference

The Government declared its intention to implement the EITI on 16 October 2006, via a public statement from the Minister for Presidential Affairs, during the third EITI Global Conference held in Oslo.

During his speech, the Minister notably said: *“this conference therefore gives us the opportunity to enter the EITI learning curve right at the beginning of our journey [...]. As a nation, we have no option but to share in the common EITI vision of increasing transparency in the extractive industries based on the principle of ‘publish what you pay and publish what you receive’, and to ensure that the proceeds from the extractive industry are utilised to improve the living standards of our people, the majority of whom live in abject poverty and deprivation”*<sup>26</sup>.

We further note the address delivered by the President, Dr. Ernest Bai Koroma, at the launching ceremony of the SLEITI 1<sup>st</sup> reconciliation report, held in Freetown on 25 March 2010, where the President has reminded that *“the vision of the Sierra Leone EITI is to ensure that the natural resources wealth become an engine for sustainable development and poverty eradication in Sierra Leone through transparent, accountable and effective management of revenues generated, controlled and utilised for the benefit and satisfaction of Sierra Leoneans”*<sup>27</sup>.

The national support to the EITI has since been regularly expressed, as during the 5<sup>th</sup> EITI Global Conference held in March 2010 in Paris, where the EITI Champion, Dr. Kaifala Marah, pronounced a public statement<sup>28</sup>, or through the Government’s letter of acceptance to the Board’s changes of the EITI Rules and Validation deadline, sent to the EITI Chair in December 2011<sup>29</sup>.

<sup>26</sup> Statement by the Minister for Presidential Affairs at the 3<sup>rd</sup> International Conference on the EITI, Oslo (16-17 October 2006)

<sup>27</sup> Keynote address delivered by the President of Sierra Leone at the launching ceremony of the SLEITI 1<sup>st</sup> reconciliation report (25 March 2010)

<sup>28</sup> Statement delivered by Dr. Kaifala Marah, the SLEITI Champion, at the 5<sup>th</sup> EITI Global Conference (3 March 2011)

<sup>29</sup> Letter to Clare Short confirming the Government’s acceptance of the Board’s changes of the EITI Rules and Validation deadline (20 December 2011)

## ■ References

**No.**

- 2-160** **MSG** – Letter to Clare Short confirming the Government's acceptance of the Board's changes of the EITI Rules and Validation deadline (20 December 2011)
- 2-640** **Dissemination** – Statement delivered by Dr. Kaifala Marah, the SLEITI Champion, at the 5<sup>th</sup> EITI Global Conference (3 March 2011)
- 3-490** **Dissemination** – Keynote address delivered by the President of Sierra Leone at the launching ceremony of the SLEITI 1<sup>st</sup> reconciliation report (25 March 2010)
- 7-100** **Dissemination** – Statement by the Minister for Presidential Affairs at the 3th International Conference on the EITI, Oslo (16-17 October 2006)

## ■ Stakeholder views

Stakeholders agree that the Government of Sierra Leone has regularly expressed its intention and support to EITI implementation.

## ■ Conclusion

An unequivocal public statement has been made by the Government, confirming the Minister's intention to implement EITI, and has since been regularly confirmed. For this reason, we consider that this Requirement is met.

Requirement No.1 is met



## Requirement No.2

*The government is required to commit to work with civil society and companies on the implementation of the EITI*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Companies and civil society organisations are substantively engaged in the design, monitoring and evaluation of the EITI process, contributing to public debate	Yes
b) Obstacles to civil society and company participation in the process are removed	Yes
c) An enabling framework for civil society organisations and companies participation in EITI implementation has been set	Yes
d) Civil society and company representatives can speak freely on transparency and natural resource governance issues	Yes
e) Civil society and company representatives can communicate and cooperate with each other and relevant actors	Yes

*See EITI Rules, 2011 edition, p. 43*

### An initial Memorandum of Understanding confirming the multi-stakeholder nature of the SLEITI

An initial Memorandum of Understanding (MoU) on the EITI in Sierra Leone has been designed by the Minister of Presidential Affairs in September 2006, concluding the creation of a government-led multi-stakeholder National Interim Steering Committee, composed of representatives of the Government, civil society organisations and mining companies<sup>30</sup>.

### Updated MoUs confirming the Government's commitment to work with civil society and companies

The adoption of the EITI MoU by members of Government, civil society organisations and extractive companies, during the two-day working session held in Freetown on 28 and 29 August 2007, allowed the official launch of the SLEITI and confirmed the commitment of the authorities to work jointly with civil society and extractive companies<sup>31</sup>.

After the publication of the first Validation report, a new MoU was adopted in July 2011, offering a more balanced representation of stakeholders. Indeed, the document explicitly refers to the composition of the new SLEITI multi-stakeholder group (MSG) in the following terms: *"The MSG will be adequately represented and will comprise stakeholders from the following [...]:*

- *Representatives from the extractive industry enterprises shall be selected, but not limited to the following:*
  - *Koidu Holdings S.A.*
  - *Sierra Rutile Limited*
  - *Sierra Minerals Limited*
  - *African Minerals*
  - *London Mining Limited*
  - *Cluff Gold, Sierra Leone*
  - *Diamond dealers/Exporters association*

<sup>30</sup> Memorandum by the Minister for Presidential Affairs (25 September 2006)

<sup>31</sup> Report on the working session to finalise and adopt the EITI memorandum of understanding, implementation framework and the national strategic action plan (29 August 2007)

- *Civil society representatives shall be selected from the National Advocacy Coalition on Extractive (NACE) which consists of the following:*
  - *Christian aid*
  - *Catholic relief services*
  - *Network Movement for Justice and Development*
  - *Talking drum studio (search for common ground)*
  - *Action Aid Sierra Leone*
  - *World Vision International*
  - *National Forum for Human Rights*
  - *Anti-Corruption Commission*
  - *Sierra Leone indigenous miners movement-united miners union*
  - *Green scenery, community advocacy and development movement*
  - *Campaign for Good Governance*
  - *National accountability group*
  - *Centre for the coordination of youth activities*
  - *Initiative for sustainable healthy environment and animal welfare*
  - *Sierra Leone association of journalists<sup>32</sup>*

## ■ References

### No.

- 2-450** **Laws and MoUs** – MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)
- 6-120** **Dissemination** – Report on the working session to finalise and adopt the EITI memorandum of understanding, implementation framework and the national strategic action plan (29 August 2007)
- 7-110** **MSG** – Memorandum by the Minister for Presidential Affairs (25 September 2006)

## ■ Stakeholder views

The stakeholders confirm the renewed motivation of the Government, since the first Validation report, to work evenly with civil society and extractive companies in the implementation of the EITI. African Minerals has, notably, declared that “*the tripartite partnership has made the dialogue very constructive*”<sup>33</sup> and Koidu Holdings noted that “*the discussions are very open and constructive*”<sup>34</sup>.

Civil society representatives confirm that the dialogue on the Initiative is constructive and that of the government’s commitment to work with civil society and companies.

## ■ Conclusion

The Government has committed to work with civil society organisations and with extractive companies, as formalised by the adoption of MoUs and by the views of the various stakeholders. For this reason, we consider that this Requirement is met.

Requirement No.2 is met



<sup>32</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)

<sup>33</sup> African Minerals self-assessment form (5 November 2012)

<sup>34</sup> Koidu Holdings self-assessment form (5 November 2012)



## Requirement No.3

*The government is required to appoint a senior individual to lead on the implementation of the EITI*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) The nomination has been publicly announced	Yes
b) The individual leading on EITI implementation should have the confidence of all stakeholders and be situated in relevant ministries or agencies	Yes
c) The appointee should have the authority and freedom to coordinate action on EITI	Yes

See EITI Rules, 2011 edition, p. 15

### The appointment of an EITI Champion from the Office of the President

On 24 August 2010, Dr. Kaifala Marah, Chief of Staff in the Office of the President, was appointed Champion of the Sierra Leone EITI (SLEITI)<sup>35</sup>.

As the SLEITI Champion, we understand that Dr. Kaifala Marah is representing the SLEITI at a national and international level. He, among others duties, is in charge of supervising the implementation of the National Initiative and chairs the SLEITI MSG meetings<sup>36</sup>.

We understand that Dr. Kaifala Marah is still, to date, the SLEITI Champion, confirming the stability and continuity of the SLEITI since the first Validation report. He launched the EITI work plan and issues press releases in collaboration with SLEITI Secretariat and lead briefing sessions with development partners.

### ■ References

No.

1-715 **MSG** – ToRs and Code of conduct of the SLEITI MSG (undated)

3-210 **MSG** – Appointment of the SLEITI Champion (24 August 2010)

### ■ Stakeholder views

The stakeholders confirm that Dr. Kaifala Marah, Chief of Staff in the Office of the President, leads the implementation of the EITI as the SLEITI Champion.

### ■ Conclusion

The Government of Sierra Leone has appointed a senior individual to lead on the implementation of the EITI. For this reason, we consider that this Requirement is met.

Requirement No.3 is met



<sup>35</sup> Appointment of the SLEITI Champion (24 August 2010)

<sup>36</sup> ToRs and Code of conduct of the SLEITI MSG (undated)

## Requirement No.4

*The government is required to establish a multi-stakeholder group to oversee the implementation of the EITI*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Stakeholder assessments have been carried out	No
b) The invitation to participate in the multi-stakeholder group is open and transparent	Yes
c) The stakeholders are adequately represented	Yes
d) The stakeholders feel that they are adequately represented	Yes
e) Stakeholders feel they can operate as part of the multi-stakeholder group	Yes
f) Civil society members of the multi-stakeholder group are independent	Yes
g) Where MSG members have changed, there has been suggestion of coercion	No
h) MSG members have sufficient capacity to carry out duties	Partial
i) The TORs give the multi-stakeholder group a say over the implementation of the EITI	Yes
j) These TORs include the endorsement of the EITI work plan	Yes
k) These TORs include the selection of an auditor to undertake audits where data submitted for reconciliation are not already based on data audited to international standards	Yes
l) These TORs include the selection of an organisation to undertake the reconciliation	Yes
m) These TORs include the oversight of other activities necessary to achieve compliance	Yes
n) These TORs include an assessment of whether senior government officials are adequately represented and participating in the work of the MSG	No

*See EITI Rules, 2011 edition, p. 16*

### The establishment of the SLEITI MSG has been formalised through an MoU

The MoU signed in July 2011 between the government of Sierra Leone, civil society and the extractive industries for the implementation of EITI, explicitly makes reference to the “*establishment of the MSG [which] shall comprise representatives from relevant government entities, civil society organisations and extractive industry enterprises as approved to execute to work plan*”<sup>37</sup>.

### The ToRs of the SLEITI MSG have been adopted and correctly detail the duties of the SLEITI MSG

The updated version of the Terms of Reference (ToRs) and Code of conduct of the SLEITI MSG was adopted in 2011. This document correctly details the duties of the SLEITI MSG, including : “(a) *build an enabling environment to carry out the independently verified reconciliation exercise of the extractive sector in Sierra Leone; (b) prepare, approve and review the work plan; (c) prepare and approve the budget of Sierra Leone; [...] (e) hire and approve the engagement of an independent reconciler and validator; [...] (g) approve and authorise the publication of the reconciliation exercise and the validation report; [...] (j) ensure and promote public dissemination of information as well as access of information regarding the progress and outcome of SLEITI*”<sup>38</sup>.

The SLEITI MSG is clearly endowed with the responsibility of supervising the implementation of the EITI. The minutes of the MSG meetings allow us to think that the group and its members

<sup>37</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011), p. 2

<sup>38</sup> Terms of Reference and Code of conduct of the SLEITI MSG (undated), § 2

are effectively and actively involved in the SLEITI implementation; the rich correspondence of the SLEITI MSG with various Ministers, Directors of State agencies, Heads of extractive companies, Chiefs of diplomatic missions or with the Chair of the EITI Board lead us to conclude that the SLEITI MSG also benefits from the independence and freedom necessary to oversee SLEITI implementation.

It is interesting to note that decisions within the SLEITI MSG must be taken by consensus and that the quorum of the SLEITI MSG shall be 7 members, which must include at least one representative from each stakeholder.

### The EITI stakeholders are adequately represented in the SLEITI MSG

The list of members of the SLEITI MSG, as available on the SLEITI's website ([www.sleiti.org](http://www.sleiti.org)), allows one to confirm that stakeholders are adequately represented, by relevant and well-known institutions.

As such, the Government holds 10 seats, drawn from the following institutions:

- Office of Chief of Staff (3 seats)
- Ministry of Mineral Resources and Political Affairs (1 seat)
- Ministry of Finance and Economic Development (1 seat)
- Ministry of Internal Affairs, Local Government and Rural Development (1 seat)
- National Revenue Authority (1 seat)
- Office of National Security (2 seats)
- Audit Services Sierra Leone (1 seat)

Civil society organisations hold 6 seats, shared by the following institutions:

- National Advocacy Coalition on Extractives (NACE – 3 seats)
- Sierra Leone Association of Journalists (2 seats)
- Sierra Leone Parliament (1 seat)

Lastly, extractive companies have 5 seats, attributed to:

- Sierra Rutile Limited
- African Minerals Limited
- London Mining Limited
- Koidu Holdings S.A.
- Volunteer Member

### The SLEITI MSG meets regularly, yet the minutes of the meetings do not reflect the content of the discussions

The minutes of the SLEITI MSG meetings illustrate the regularity of the group's gatherings. They furthermore confirm the regular participation of all stakeholders.

However, if these documents present the main decisions taken, they unfortunately do not reflect the content of the discussions and the viewpoints of the members of the SLEITI MSG. In addition, the documents we have had access to were not signed, nor did they have appendices, even though the text referred to attachments.

### The SLEITI Secretariat is not fully effective

The SLEITI Secretariat has been fully staffed since March 2012.

In this regard, we have noticed that it still faces challenges in its day-to-day duties. The access to basic information, such as the minutes of the SLEITI MSG meetings, is hindered by the absence of structured records and of an updated database. Many documents, for instance, have been transmitted to us in their original version; the financial figures of the SLEITI (budget requested, budget received, disbursements) were for a while unavailable; not to mention the

minimal information accessible on the extractive sector, such as the list of existing companies or the levels of production per mineral and per company.

These basic difficulties illustrate the striking lack of organisation of this very structure, possibly impeding the progress of the overall SLEITI process.

## ■ References

### No.

- 1-240 **MSG** – Letter from the Chief of Staff to government agencies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-250 **MSG** – Letter from the Chief of Staff to various extractive companies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-320 **EITI report** – Letter from the Chief of Staff to State agencies concerning the discrepancies identified in the draft SLEITI 2<sup>nd</sup> reconciliation report (13 September 2012)
- 1-350 **MSG** – Letter from the Chief of Staff to the Chinese Ambassador concerning the contribution of Chinese companies to the reconciliation process (16 August 2012)
- 1-340 **MSG** – Minutes of the SLEITI MSG meeting (23 August 2012)
- 1-355 **MSG** – Minutes of the SLEITI MSG meeting (2 August 2012)
- 1-380 **MSG** – Minutes of the SLEITI MSG meeting (26 July 2012)
- 1-530 **MSG** – Minutes of the SLEITI MSG meeting (17 May 2012)
- 1-501 **EITI report** – Letter sent to various State agencies concerning the submission of reporting templates and relevant financial documents under the SLEITI (6 June 2012)
- 1-520 **MSG** – Letter from the SLEITI Champion to the Country director of the UNDP to support the SLEITI Secretariat (21 May 2012)
- 1-650 **EITI report** – Letter to the Ministry of Local Government concerning the mock exercise (26 March 2012)
- 1-680 **MSG** – Minutes of the SLEITI MSG meeting (19 April 2012)
- 1-700 **MSG** – Letter from the SLEITI Champion to Clare Short on the update on EITI implementation in Sierra Leone (14 March 2012)
- 1-715 **MSG** – Terms of Reference and Code of conduct of the SLEITI MSG (undated)
- 1-820 **MSG** – Minutes of the SLEITI MSG meeting (10 February 2012)
- 1-960 **MSG** – Minutes of the SLEITI MSG meeting (17 January 2012)
- 2-210 **MSG** – Minutes of the SLEITI MSG meeting (6 December 2011)
- 2-280 **MSG** – Minutes of the SLEITI MSG meeting (22 September 2011)
- 2-450 **Laws and MoUs** – MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)
- 2-540 **MSG** – Minutes of the SLEITI MSG meeting (30 June 2011)
- 2-560 **MSG** – Minutes of the SLEITI MSG meeting (9 June 2011)
- 2-600 **MSG** – Minutes of the SLEITI MSG meeting (24 May 2011)
- 2-650 **MSG** – Minutes of the SLEITI MSG retreat (28 January 2011)
- 2-660 **MSG** – Minutes of the SLEITI MSG meeting (20 January 2011)

## ■ Stakeholder views

The stakeholders confirm this analysis.

## ■ Recommendation from the validator

- R1 - Enrich the minutes of the SLEITI MSG meetings with the content of the discussions
- R2 - Sign and record the minutes of the SLEITI MSG meetings with their attachments
- R3 - Urge the SLEITI Secretariat to develop an accessible and updated database on the EITI and the extractive sector

## ■ Conclusion

The MoU signed in July 2011 between the government of Sierra Leone, civil society and the extractive industries for the implementation of EITI and the ToRs detailing its duties, set the institutional framework of the EITI in Sierra Leone. We have further noticed that stakeholders are adequately represented in this structure and that members participate and express their opinion freely. For these reasons, we consider that this Requirement is met.

Requirement No.4 is met



## Requirement No.5

*The multi-stakeholder group, in consultation with key EITI stakeholders, should agree and publish a fully costed work plan, containing measurable targets and a timetable for implementation and incorporating an assessment of capacity constraints*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) The EITI Work plan contains measurable targets	Yes
b) The EITI Work plan contains a timetable for implementation	Yes
c) The EITI Work plan contains an assessment of potential capacity constraints	Yes
d) The EITI Work plan contains actions to ensure the multi-stakeholder nature of EITI	Yes
e) The EITI Work plan contains a timetable for Validation	Yes

See EITI Rules, 2011 edition, p. 44

The approved SLEITI work plan is fully costed, contains measurable targets and a timetable for implementation

The SLEITI work plan has been approved at the end of a SLEITI MSG retreat, organised to this end in January 2011<sup>39</sup>. It presents 7 main objectives, divided into specific activities:

- Objective 1: establish commitment to implement EITI
  - 1.a Unequivocal public statement of intention to implement EITI
  - 1.b Establishment of a fully staffed Secretariat
  - 1.c Government commits to work with stakeholders
  - 1.d Enactment of the SLEITI Bill
- Objective 2: establish a multi-stakeholder group, develop and publish SLEITI work plan
  - 2.a Re-establish the SLEITI MSG
  - 2.b Develop and publish the SLEITI work plan and implementation schedule
  - 2.c Identify sustainable sources of funding for the SLEITI implementation
- Objective 3: remove obstacles to implement SLEITI/capacity building
  - 3.a Enforce Mines and Minerals Act, 2009 (section 159 and 160), for the time being, until a separate tax is drafted that will require regular disclosure of revenues from the extractive sector
  - 3.b Conduct training needs assessment
    - 3.b.i Capacity building/training for the SLEITI MSG, civil society, government ministries, departments and agencies, District and Chiefdom councils, companies and the media
    - 3.b.ii Capacity building of parliamentarians
    - 3.b.iii Peer learning visits in the regions (Ghana, Liberia, Nigeria etc.)
  - 3.c Outreach activities
    - 3.c.i Organise TV and radio discussions and jingles
    - 3.c.ii Newspaper publication
    - 3.c.iii Press releases
    - 3.c.iv Website
    - 3.c.v Billboards
    - 3.c.vi Posters and stickers

<sup>39</sup> Minutes of the SLEITI MSG retreat (28 January 2011)

- Objective 4: implementation of recommendations in the first reconciliation report
  - 4.a Improve rate of participation from ministries, departments and agencies in addressing the recommendations in the report
  - 4.b Address unresolved reconciliation discrepancies in the report
  - 4.c Address gaps in companies/ministries departments and agencies business process
  - 4.d Ensure that the NRA and ministries, departments and agencies implement sound accounting practices
  - 4.e Ensure that the Ministry of Mineral resources fully implements the cadastre system so it can be used as the foundation for SLEITI reporting
  - 4.f Ensure government's accounting system or special funds arrangements clearly identify all government resource revenue receipts to enable the issuance of timely, comprehensive and regular reports to the public
- Objective 5: commission a study on the oil/gas sector for inclusion in the SLEITI 2<sup>nd</sup> reconciliation report
  - 5.a Recruit an international expert in oil/gas to produce a report that will be validated by stakeholders
- Objective 6: conduct a second reconciliation exercise
  - 6.a Recruit a reconciler to carry out a reconciliation exercise for the period 2008, 2009 and 2010
  - 6.b Conduct second reconciliation exercise for 2008, 2009 and 2010
  - 6.c Produce, launch and disseminate the report across the country
- Objective 7: conduct a validation exercise
  - 7.a Recruit a validator to independently validate the EITI process in Sierra Leone
  - 7.b Produce and launch validation report

Each action is endowed with a completion date, an estimated cost and source of funding, an expected outcome and an identified person in charge of its implementation.

We further highlight that the amounts presented in this version of the SLEITI work plan (1.005.000 USD) present clerical mistakes<sup>40</sup>. We also record the absence of a budget devoted to the functioning of the SLEITI Secretariat, therefore restraining any activity of this essential structure for the implementation of the National Initiative.

This initial work plan has been updated in June 2011<sup>41</sup>, due to the delays accumulated in its implementation and the time schedule remaining before Validation<sup>42</sup>. This work plan is relatively similar to the initial one. Changes noted include:

- The deletion of "Objective 5: commission a study on the oil/gas sector for inclusion in the SLEITI 2nd reconciliation report" and its associated specific activity 5.a "Recruit an international expert in oil/gas to produce a report that will be validated by stakeholders"
- The adjustment of specific completion dates
- The modification of the global budget (695.000 USD), here again presenting clerical mistakes<sup>43</sup>

<sup>40</sup> Indeed, according to our calculations, the total budget of the work plan amounts to 605.000 USD and not 1.005.000 USD

<sup>41</sup> The SLEITI work plan (June 2011)

<sup>42</sup> This updated the SLEITI work plan in available in Appendix II

<sup>43</sup> According to our calculations, the total budget of the work plan amounts to 905.000 USD and not 695.000 USD



### The implementation to date of the SLEITI work plan is incomplete

To the date of publication of this Validation report, the implementation of the SLEITI work plan is not yet complete or presents delays in its implementation. The SLEITI MSG has assessed the implementation of the work plan, and confirms that the following actions still need to be fully carried out<sup>44</sup>:

- 1.b Establishment of a fully staffed Secretariat (important delays in staffing the structure, not yet fully functioning)
- 1.d Enactment of the SLEITI Bill (implementation delayed after the reception of Expressions of Interest in June 2012, percentage of completion = 20-30%)
- 2.b Develop and publish the SLEITI work plan and implementation schedule (available online, percentage of completion = 100%)
- 2.c Identify sustainable sources of funding for SLEITI implementation (only 2/3 of funds effectively received, percentage of completion = 100%)
- 3.b Conduct training needs assessment, *i.e.* the capacity constraints study (not performed, percentage of completion = 0%)
- 3.c Outreach activities, *i.e.* the launch of a new website (in progress, percentage of completion = 90%)
- 4.a Improve rate of participation from ministries, departments and agencies in addressing the recommendations in the report (percentage of completion = 75%<sup>45</sup>)
- 4.b Address unresolved reconciliation discrepancies in the report<sup>46</sup> (percentage of completion = 60-75%<sup>47</sup>)
- 4.c Address gaps in ministries departments (NRA) business process (percentage of completion = 85%<sup>48</sup>)
- 4.d Ensure that the NRA and Ministries, departments and agencies implement sound accounting practices (percentage of completion = 80%<sup>49</sup>)
- 4.f Ensure government's accounting system or special funds arrangements clearly identify all government resource revenue receipts to enable the issuance of timely, comprehensive and regular reports to the public (percentage of completion = 75-80%<sup>50</sup>)

Some of these activities are ambitious, and can present challenges in their implementation with such close delays (4.b, 4.c, 4.d, 4.f). Others, however, are less complicated and could have been fulfilled (1.b, 3.b, 3.c).

### The SLEITI work plan has been publicly presented and is available online

The SLEITI work plan has been publicly presented during an official and open ceremony held on 20 July 2011<sup>51</sup>, print copies were made available and is available on the National Initiative's website [www.sleiti.gov.sl](http://www.sleiti.gov.sl)

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<sup>44</sup> Percentage of implementation of the SLEITI work plan (undated)

<sup>45</sup> According to the SLEITI Secretariat

<sup>46</sup> Concerns the SLEITI 1<sup>st</sup> reconciliation report

<sup>47</sup> According to the SLEITI Secretariat

<sup>48</sup> Id.

<sup>49</sup> Id.

<sup>50</sup> Id.

<sup>51</sup> Press article: "State House Chief unveils EITI work plan" (21 July 2011), Press article: "SLEITI work plan launched" (21 July 2011), Press article: "Chief of Staff unveils SLEITI work plan" (21 July 2011)



The funding of the Initiative has been irregular and lower than expected

The funding of the SLEITI, as shown in the table below, has been irregular since 2010<sup>52</sup>:

Financial resources of the SLEITI	Source					USD Total	Use			
	State	WB	ADB	GIZ	Mng C <sup>ies</sup>		a	b	c	d
Year 2008						0				
Year 2009						0				
Year 2010		224 594		57 251		281 845		204 594	77 251	
Year 2011	38 072	41 827	61 276			141 175	18 333		79 770	43 072
End September 2012	334 480		81 707	4 160	14 614	434 961		275 202	92 922	66 837
<b>Total</b>	<b>372 553</b>	<b>266 421</b>	<b>142 983</b>	<b>61 411</b>	<b>14 614</b>	<b>857 982</b>	<b>18 333</b>	<b>479 796</b>	<b>249 942</b>	<b>109 910</b>
%	43%	31%	17%	7%	2%	100%	2%	56%	29%	13%

a: acquisition of capital assets

b: studies and EITI reports

c: training and communication

d: operating costs

Financial resources of SLEITI

On average, the SLEITI has received annually around 170.000<sup>53</sup> USD for the implementation of its work plan; and yet, the 2011-2012 SLEITI work plan had scheduled a budget of 695.000 USD, excluding operating costs, compared to 466.235 USD<sup>54</sup> obtained (67%<sup>55</sup>). On a cash basis, the SLEITI has also received irregular envelopes, mainly devoted to the elaboration of the reconciliation reports and studies (56%), to training and communication activities (29%) and to operating costs (13%). We once again highlight the absence of a budget devoted to the functioning of the SLEITI Secretariat, therefore restraining any activity of this essential structure for the implementation of the National Initiative. We understand that the main contributors to this overall budget are the GoSL (43%) and the World Bank (31%).

These financial challenges can explain, in part only, the partial implementation of the SLEITI work plan. They can certainly, however, justify the fact that the main activities financed on the SLEITI budget have been focused on the sole elaboration and publication of EITI reconciliation reports.

As a result of the challenges faced by the SLEITI Secretariat, presented previously<sup>56</sup>, and in addition to the clerical mistakes detailed in the first paragraph, we would like to stress the difficulties encountered in obtaining reliable financial figures, as presented in the above table, such as the sponsors of the SLEITI's budget or the effective disbursements for the implementation of the SLEITI work plan. These observations allow us to suggest that progress could be made, within the SLEITI Secretariat, on the financial monitoring of the Initiative.

## ■ References

**No.**

- 1-011 **Validation** – African Minerals self-assessment form (5 November 2012)
- 1-012 **Validation** – Koidu Holdings S.A. self-assessment form (5 November 2012)
- 1-021 **Validation** – Anadarko self-assessment form (5 November 2012)
- 1-023 **Validation** – Oranto Petroleum self-assessment form (5 November 2012)
- 1-050 **MSG** – Funds received for the implementation of the SLEITI work plan (undated)
- 1-060 **MSG** – Percentage of implementation of the SLEITI work plan (undated)

<sup>52</sup> Funds received for the implementation of the SLEITI work plan (undated)

<sup>53</sup> 171.596 USD = 857.982 USD / 5 years

<sup>54</sup> 466.235 USD = 141.175 USD + 434.961 USD - 109.910 USD (operating costs)

<sup>55</sup> 67% = 466.235 USD / 695.000 USD

<sup>56</sup> See Requirement No.4, p. 26 for further details

- 2-400 **Dissemination** – Press article: “State House Chief unveils EITI work plan” (21 July 2011)
- 2-420 **Dissemination** – Press article: “SLEITI work plan launched” (21 July 2011)
- 2-430 **Dissemination** – Press article: “Chief of Staff unveils SLEITI work plan” (21 July 2011)
- 2-590 **MSG** – The SLEITI work plan (June 2011)
- 2-650 **MSG** – Minutes of the SLEITI MSG retreat (28 January 2011)

## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>57</sup>:

- *"The MSG agrees that some of the activities in the work plan were ambitious which led to some delays but that the unaccomplished tasks were not critical to EITI Implementation.*
- *Since the work plan is required to set out future steps to improve and sustain the initiative, the unaccomplished activities will be rolled into the new work plan.*
- *With regards funding of the initiative, the MSG would wish to state that there is a progressive increase in Government commitment in advancing the SLEITI agenda since 2011. Government committed Le 300,000,000 in 2012 and this will more than triple in 2013 .*
- *With increase in Government financial support, the MSG will continue to approach donors for technical and financial support in order to sustain the initiative. SLEITI is due to receive a grant of US \$310 000 from the World Bank Multi-Donor Trust Fund (MDTF) - Phase 2, following approval of our proposal. The African Development Bank (AfDB) has approved a little over US \$ 500,000 to cover part of the 2012-2013 activities and GIZ has indicated supporting the implementation of EITI communication strategy following their January 2013 strategic meeting.*

*In view of the above, the MSG believes it accomplished most of the activities in the Work Plan despite the financial constraint".*

The companies, in particular, have stressed the fact that the elaboration of the SLEITI work plan had been the result of an intense consultative process. African Minerals Ltd. highlights, in its self-assessment form<sup>58</sup>, that the “work plan was developed with input from all MSG members”<sup>59</sup>. Koidu Holdings S.A. notes that it “represents the views of the MSG members and most importantly the expectations of the EITI process”<sup>60</sup>. Oranto Petroleum affirms, on its side, that the work plan “will undoubtedly contribute to transparency”<sup>61</sup>.

## ■ Recommendation from the validator

**R4 - Conclude the full implementation of the SLEITI work plan**

**R5 - Ensure a regular and sustainable funding to the SLEITI**

## ■ Conclusion

The SLEITI MSG has adopted a valid work plan, available online, supported by all stakeholders.

However, its funding is irregular and lower than expected (average funding of 170.000 USD since Candidate status and 67% of the 2011-2012 revised budget was obtained) and its implementation is found to be incomplete or presenting important delays (e.g. the

<sup>57</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 1-2

<sup>58</sup> Self-assessment forms of companies are available in Appendix III

<sup>59</sup> African Minerals self-assessment form (5 November 2012)

<sup>60</sup> Koidu Holdings S.A. self-assessment form (5 November 2012)

<sup>61</sup> Oranto Petroleum self-assessment form (5 November 2012)

establishment of a fully staffed Secretariat led to important delays which means it is not yet fully functioning and the capacity constraints study has not been performed).

However, the MSG has confirmed that Government financial support to EITI "will more than triple in 2013 " and MSG will continue to approach donors for technical and financial support in order to sustain the initiative. Others issues do not contravene the minimum obligations of this Requirement.

For these reasons, we consider that this Requirement is met.

Requirement No.5 is met



## Requirement No.6

*The government is required to ensure that civil society is fully, independently, actively and effectively engaged in the process*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Effective outreach activities have been conducted by the MSG to wider civil society groups	Yes
b) Civil society representatives on the MSG feel they are given sufficient advance notice of meetings	Yes
c) Actions to address potential capacity constraints affecting civil society participation have been undertaken	Partial
d) The government has taken effective actions to remove obstacles affecting civil society	Yes
e) Civil society groups involved in the EITI as members of the MSG must be independent of government and/or the companies	Yes
f) Civil society groups involved in EITI are free to express opinions on EITI without undue restraint or coercion	Yes
g) Civil society groups involved in EITI are free to engage in wider public debates on EITI	Yes
h) Policies, practices and actions do not infringe the fundamental rights of civil society representatives involved in EITI	No

See EITI Rules, 2011 edition, p. 45

#### An institutional framework favourable to the effective engagement of civil society

The MoU signed in July 2011 between the government of Sierra Leone, civil society and the extractive industries for the implementation of EITI explicitly entails that “*civil society representatives shall be selected from the National Advocacy Coalition on Extractives (NACE)*”<sup>62</sup>.

In fact, civil society organisations hold 6 seats on the SLEITI MSG, shared by the following institutions<sup>63</sup>:

- National Advocacy Coalition on Extractives (NACE – 3 seats)
- Sierra Leone Association of Journalists (2 seats)
- Sierra Leone Parliament (1 seat)

#### A regular participation in the SLEITI MSG meetings

The minutes of the SLEITI MSG meetings confirm the regular participation of civil society members in these sessions. These documents do not reflect, however, the content of the discussions and the positions taken by representatives of civil society vis-à-vis other stakeholders<sup>64</sup>.

#### An independence confirmed by a freedom of speech

Civil society members have, on various occasions, expressed their criticism openly to the GoSL towards the implementation of the National Initiative, confirming their freedom of speech in the performance of their duties. An example of this may be seen in the letter dated 6 September 2011 from NACE, conveying explicit concerns about the slow pace of EITI

<sup>62</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)

<sup>63</sup> [www.sleiti.org](http://www.sleiti.org)

<sup>64</sup> For more details, see Requirement No. 4

implementation: “we however recognised that the deadline for the completion of the second validation exercise is fast approaching and there are concerns that outstanding issues relating to the effective functioning of an independent Secretariat, among others, are not being given the attention they deserve. The recruitment of personnel to man the Secretariat is still pending and the procedure adopted by the interim Secretariat did not have the endorsement of the MSG and therefore rejected by civil society”. The letter concludes: “civil society remains a key player in the EITI process in Sierra Leone [...]. Transparency, probity, and accountability in the extractive sector are not negotiable and we will do everything humanly possible to ensure that there is no more ‘business as usual’. We reaffirm our commitment to the EITI process and we will not rest until all obstacles in the way of progress are removed”<sup>65</sup>.

A meeting between the SLEITI Champion and representative of NACE in November, as a consequence of the above letter, also confirms the independence of civil society members. Indeed, the minutes of the meeting relate the “strong disapproval for the advertisement of position for the Secretariat without [civil society] participation and also for the position of a National Coordinator being unadvertised”. The document concludes: “the Champion made commitment that hence forth procedures will be followed especially the element of consultation with CSOs”<sup>66</sup>.

We further note the publication of various documents and analyses of the extractive sector, including ‘Cost-benefit review of London mining Company Agreement’ and ‘Cost-benefit review of African minerals limited mining lease Agreement’, both published in 2011, as well as ‘Focus on mining companies: diamonds, blood and tears, the relationship between Koidu Holdings Ltd. and the affected property owners of Kono – Network Movement for Justice and Development’ and ‘The citizens and the Mines and Mineral Act – Network Movement for Justice and Development’, both published in 2010.

### An active role in training and dissemination activities

Representatives from civil society have taken, since the first Validation report, an active part in various training and communication events in Sierra Leone, at an international level, as the following examples illustrate<sup>67</sup>:

- The launching ceremony of the 2nd SLEITI reconciliation report, organised in Freetown on 24 September 2012
- The training workshop on implementation of the EITI in Sierra Leone, organised in Freetown on 5 May 2012
- The 2 days workshop on the new EITI Rules, 2011 edition, in January 2012
- The launching ceremony of the SLEITI work plan, organised in Freetown on 20 July 2011
- The 5<sup>th</sup> EITI Global Conference, held in Paris the 2 and 3 March 2011
- The organisation of a consultative workshop on the EITI in Makeni, on 4 July 2010

## ■ References

### No.

- 1-260 Dissemination** – Press article: “2<sup>nd</sup> SLEITI reconciliation report launched” (27 September 2012)
- 1-265 Dissemination** – Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (24 September 2012)
- 1-270 Dissemination** - Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-280 Dissemination** – Invitation to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17

<sup>65</sup> Letter from NACE to the SLEITI Champion to convey concerns about the slow pace of implementation of the SLEITI (6 September 2011)

<sup>66</sup> Minutes of the meeting held between the SLEITI Champion and the NACE (15 November 2011)

<sup>67</sup> List of activities undertaken by civil society organisations in the implementation of the SLEITI (undated)

September 2012)

- 1-208** **MSG** – List of activities undertaken by civil society organisations in the implementation of the SLEITI (undated)
- 1-590** **Capacity Building** – Training workshop on implementation of the EITI in Sierra Leone (5 May 2012)
- 2-110** **Civil society** – Cost-benefit review of London mining Company Agreement (2011)
- 2-120** **Civil society** – Cost-benefit review of African minerals limited mining lease Agreement (2011)
- 2-240** **MSG** – Minutes of the meeting held between the SLEITI Champion and the NACE (15 November 2011)
- 2-450** **Laws and MoUs** – MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)
- 2-460** **MSG** – List of authorised representatives to attend the launching of the SLEITI work plan at State House (20 July 2011)
- 2-290** **Civil society** – Letter from NACE to the SLEITI Champion to convey concerns about the slow pace of implementation of the SLEITI (6 September 2011)
- 2-630** **MSG** – Report on Sierra Leone’s participation at the 5<sup>th</sup> EITI Global Conference in Paris (3 March 2011)
- 3-310** **Dissemination** – Press article: “CDHR holds extractive initiative workshop” (5 July 2010)
- 3-330** **Civil society** – Focus on mining companies: dancing with the Chameleon, mining communities in Sierra Leone and the many faces of Frank Timis – Network Movement for Justice and Development (June 2010)
- 3-370** **Civil society** – The citizens and the Mines and Mineral Act – Network Movement for Justice and Development (April 2010)
- 3-380** **Civil society** – Focus on mining companies: diamonds, blood and tears, the relationship between Koidu Holdings Ltd. and the affected property owners of Kono – Network Movement for Justice and Development (April 2010)

## ■ Stakeholder views

Civil society members confirm their freedom of speech and perfect independence vis-à-vis the GoSL and the extractive companies operating in Sierra Leone.

## ■ Conclusion

We understand that the institutional framework is favourable to the effective engagement of civil society in the implementation of the EITI in Sierra Leone. Furthermore, we have observed regular participation of civil society representatives in the SLEITI MSG meetings, a freedom of speech and an active role in training and dissemination activities. For these reasons, we consider that this Requirement is met.

Requirement No.6 is met



## Requirement No.7

*The government is required to engage companies in the implementation of the EITI*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Outreach activities by the MSG have been undertaken to oil, gas and mining companies	Yes
b) Actions to address capacity constraints affecting companies have been undertaken	Yes

See EITI Rules, 2011 edition, p. 46

#### An institutional framework favourable to the effective engagement of extractive companies

The MoU signed in July 2011 between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI explicitly entails that “*Representatives from the extractive industry enterprises shall be selected but not limited to the following:*

- *Koidu Holdings S.A.*
- *Sierra Rutile Limited*
- *Sierra Minerals Limited*
- *African Minerals*
- *London Mining Limited*
- *Cluff Gold, Sierra Leone*
- *Diamond dealers/Exporters association*<sup>68</sup>

In fact, extractive companies hold 5 seats on the SLEITI MSG, shared by the following institutions<sup>69</sup>:

- Sierra Rutile Limited
- African Minerals Limited
- African Minerals Limited
- Koidu Holdings S.A.
- Volunteer Member

#### A continuous and positive dialogue between the GoSL and the extractive companies for the implementation of the EITI

The regular and diverse correspondence between the GoSL and the various extractive companies operating in Sierra Leone that we have had access to allows us to conclude that a continuous and positive dialogue exists between these stakeholders. We furthermore note that these communications are essentially focused on the companies’ contribution to the EITI, illustrating the commitment of the authorities to engage companies in the implementation of the National Initiative.

#### A regular participation in the SLEITI MSG meetings

The minutes of the SLEITI MSG meetings confirm the regular participation of extractive company members in these sessions. These documents do not reflect, however, the content

<sup>68</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)

<sup>69</sup> [www.sleiti.org](http://www.sleiti.org)



of the discussions and the positions taken by representatives of extractive companies vis-à-vis the other stakeholders<sup>70</sup>.

### An active role in training and dissemination activities

Representatives from extractive companies have taken, since the first Validation report, an active part in various training and communication events in Sierra Leone, at an international level, as the following examples illustrate<sup>71</sup>:

- The launching ceremony of the 2nd SLEITI reconciliation report, organised in Freetown on 24 September 2012
- The launching ceremony of the SLEITI work plan, organised in Freetown on 20 July 2011
- The 5<sup>th</sup> EITI Global Conference, held in Paris the 2 and 3 March 2011
- The organisation of a consultative workshop on the EITI in Mankeni, on 4 July 2010

We further note that extractive companies have financed the perception survey of the EITI implementation in Sierra Leone and the dissemination activities of the 2<sup>nd</sup> SLEITI reconciliation report.

## ■ References

### No.

- 1-012 Validation** – Koidu Holdings S.A. self-assessment form (5 November 2012)
- 1-024 Validation** – HM Diamonds self-assessment form (5 November 2012)
- 1-209 MSG** – List of activities undertaken by companies in the implementation of the SLEITI (undated)
- 1-240 MSG** – Letter from Chief of Staff to government agencies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-250 MSG** – Letter from Chief of Staff to various extractive companies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-260 Dissemination** – Press article: “2<sup>nd</sup> SLEITI reconciliation report launched” (27 September 2012)
- 1-265 Dissemination** – Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (24 September 2012)
- 1-270 Dissemination** - Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-280 Dissemination** – Invitation to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-330 EITI report** – Letter from the Ambassador of China to the Chief of Staff relative to the contribution of Chinese companies to the reconciliation process (6 September 2012)
- 1-350 MSG** – Letter from the Chief of Staff to the Chinese Ambassador concerning the contribution of Chinese companies to the reconciliation process (16 August 2012)
- 1-410 MSG** – Letter to the Director of Prontinal Ltd. for the submission of SLEITI reporting templates (20 July 2012)
- 1-420 EITI report** – Email from Prontinal Ltd. concerning completing information for the 2<sup>nd</sup> SLEITI reconciliation report (19 July 2012)
- 1-460 EITI report** – Letter from Prontinal Ltd. to the National Coordinator asking for a formal and official procedure regarding the information requested for the 2<sup>nd</sup> SLEITI report (9 July 2012)
- 1-470 EITI report** – Letter from Prontinal Ltd. to the Petroleum Directorate asking for a confirmation that disclosure of information from Prontinal will not constitute a breach of the Petroleum Agreement (9 July 2012)
- 1-480 EITI report** – Letter from the Country Manager of Talisman Energy to Prontinal Ltd. conveying concerns on the absence of contribution from Prontinal in the 2<sup>nd</sup> SLEITI reconciliation process (5 July 2012)
- 1-490 EITI report** – Letter to Talisman concerning the absence of participation of Prontinal Ltd. to the 2<sup>nd</sup> reconciliation process (22 June 2012)

<sup>70</sup> For more details, see Requirement No. 4

<sup>71</sup> List of activities undertaken by companies in the implementation of the SLEITI (undated)



- 1-690 EITI report** – Letter from Koidu Holdings transmitting contact details on the company’s auditors (15 March 2012)
- 1-760 MSG** – Letter from London Mining concerning the late notification of the MSG meeting (1 March 2012)
- 1-850 EITI report** – Letter from Sierra Rutile Ltd. asking for the relevant reporting templates to be used for the 2<sup>nd</sup> SLEITI reconciliation report
- 1-900 EITI report** – Letter from Anadarko transmitting contact details on the company’s auditors (undated)
- 1-910 EITI report** – Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies’ respective auditors (31 January 2012)
- 2-450 Laws and MoUs** – MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)
- 2-460 MSG** – List of authorised representatives to attend the launching of the SLEITI work plan at State House (20 July 2011)
- 2-630 MSG** – Report on Sierras Leone’s participation at the 5th EITI Global Conference in Paris (3 March 2011)

## ■ Stakeholder views

Companies confirm this analysis. Koidu, in particular, confirms in its self-assessment form, that “*discussions are very open and objective*”<sup>72</sup>. H.M Diamonds further confirms that EITI “*has created a level playfield for all stakeholders*”<sup>73</sup>.

## ■ Conclusion

We understand that the institutional framework is favourable to the effective engagement of extractive companies in the implementation of the EITI in Sierra Leone. Furthermore, we have observed regular participation of extractive companies’ representatives in the SLEITI MSG meetings, a continuous and positive dialogue with the GoSL and an active role in training and dissemination activities. 12 out of the 15 companies included in the scope of the SLEITI 2<sup>nd</sup> reconciliation report, have furthermore participated in the self-assessment assignment. For these reasons, we consider that this Requirement is met.

Requirement No.7 is met



<sup>72</sup> Koidu Holdings S.A. self-assessment form (5 November 2012)

<sup>73</sup> HM Diamonds self-assessment form (5 November 2012)

## Requirement No.8

*The government is required to remove obstacles to the implementation of the EITI*

### Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) A review of the legal framework has been undertaken	Yes
b) A review of the regulatory framework has been undertaken	Ongoing
c) An assessment of obstacles in the legal and regulatory framework that may affect implementation of the EITI has been undertaken	N/A
d) Proposed or enacted legal or regulatory changes designed to enable transparency have been undertaken	Yes
e) Waiver of confidentiality clauses in contracts between the government and companies to permit the disclosure of revenues have been adopted	N/A
f) Direct communications with, e.g., companies, allowing greater transparency have been adopted	Yes
g) MoUs setting out agreed transparency standards and expectations between government and companies have been adopted	Yes

See EITI Rules, 2011 edition, p. 46

#### An institutional framework favourable to the implementation of the EITI

The MoU signed in July 2011 between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI explicitly entails that *“the vision of the SLEITI is to ensure that the natural resources wealth becomes an engine for sustainable development and poverty eradication in Sierra Leone through transparent, accountable and effective management of revenues generated, controlled and utilised for the benefit and satisfaction of Sierra Leoneans”*<sup>74</sup>.

#### A transparency procedure enshrined in law, possibly leading to a SLEITI Bill

As presented in § 1.2, Sierra Leone adopted a Mines and Minerals Act in 2009. Its Article 159 explicitly compels the Minister in charge of Mines to *“(a) develop a framework for transparency in the reporting and disclosure by persons engaged in the extractive industry, of revenue due to or paid to government; (b) request [...] an accurate record of the cost of production and volume of sale of minerals extracted by such person at any period; (c) request [...] an accurate account of money paid by and received from such person at any period, as revenue accruing to the government for that period; (d) ensure that all payments due to the government [...] are duly made; and (e) disseminate by way of publication or otherwise, records, reports or any information concerning the revenue of the government from the extractive industry, at least annually”*<sup>75</sup>.

The Article 160 of the above Act further presses *“a person engaged in the extractive industry shall submit to the Minister not later than fifteen calendar days after the end of each quarter of a year (a) a general report on his activities and revenue payments made to the government, including taxes, royalties, dividends, bonuses, penalties, levies and such like for that period; and (b) a report on payments made to landowners, lawful occupiers, paramount chiefs or*

<sup>74</sup> MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011), § 2

<sup>75</sup> Mines and Minerals Act (2009), pp. 106-107

*chiefdom committees, including surface rents, development project contributions, material contributions towards vehicles, buildings or other civil works*<sup>76</sup>.

This legislation is a significant step in the promotion of transparency in the extractive sector. If it most surely develops a favourable environment for the implementation of the EITI, one could regret the absence of explicit reference to the EITI reconciliation process and, for instance, to the respect of pre-defined EITI reporting templates. For that matter, the first Validation report did stress the fact that “*section 159 and 160 of the Mines and Minerals Act 2009 do not make explicit reference to EITI criteria, therefore SLEITI has no legal mandate to ensure its relevance in the long term*”.

On the basis of these recommendations, the SLEITI work plan proposes, in its Objective 1.d, the “*enactment of SLEITI law*”<sup>77</sup>. The SLEITI MSG has put in place a specific Bill Review Committee<sup>78</sup>, and the hiring of a consultant to draft the SLEITI Bill<sup>79</sup> through a Request for Expression of Interest that has been launched on 14 June 2012; however, to the date of this report’s publication, we understand that the procedure of drafting the SLEITI Bill is delayed.

### An original and innovative mock reconciliation exercise

The SLEITI MSG decided to conduct a mock reconciliation exercise in March 2012 “*to prepare government entities and companies for the actual reconciliation exercise and to identify discrepancies in order to take remedial actions before the arrival of the reconciler*”<sup>80</sup>. This original and innovative procedure was based on simplified reporting templates that were sent to “*the companies based on the list provided by the Cadastre system [...]. A total of 30 templates were sent to companies and government entities, [...], eight (8) Districts councils and nineteen (19) Chiefdoms were covered*”<sup>81</sup>.

We understand that out of the 24 companies contacted, only 9 effectively contributed to the mock reconciliation process. The 6 contacted state agencies and the 19 Chiefdoms returned their reporting templates; only 1 District did not participate.

The efforts deployed by all the stakeholders for this mock reconciliation process must be commended, along with the organisation ensured by the SLEITI Secretariat, which has recruited 12 interns for the occasion. In addition, the SLEITI MSG concludes: “*the exercise was fruitful as companies and government entities now know what to expect during the actual reconciliation process and are therefore preparing themselves. Additionally, the Secretariat is in a better position to determine the companies that will report and to whom and where to direct communications. The overall cooperation by companies was worth the effort*”<sup>82</sup>.

### A preliminary contact to sensitise declaring parties on the reconciliation process

The SLEITI Champion has contacted, in January 2012, public offices<sup>83</sup> and extractive companies<sup>84</sup> so as to sensitise and therefore mobilise them for the reconciliation process.

Public offices were informed that the reconciliation report would “*require government entities including local councils to disclose revenues received from extractive companies and the latter to disclose evidence of payments. However, disclosure of revenue and payments largely*

<sup>76</sup> Mines and Minerals Act (2009), p. 107

<sup>77</sup> The SLEITI work plan (June 2011)

<sup>78</sup> Minutes of the SLEITI MSG meeting (6 December 2011), p. 1

<sup>79</sup> ToRs for a short term consultancy to the SLEITI for drafting the SLEITI Bill (undated)

<sup>80</sup> Report on mock reconciliation exercise: March-April 201 (undated), p. 1

<sup>81</sup> Id.

<sup>82</sup> Id.

<sup>83</sup> Letter to various State agencies asking for details on the revenue streams collected from extractive companies (27 January 2012)

<sup>84</sup> Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies’ respective auditors (31 January 2012)

*depend on prior identification of revenue streams that are mandates by law [...]. You are kindly requested to forward to the SLEITI Secretariat [...] the list of revenue streams by which mining and oil/gas companies pay to your institution”.*

Extractive companies received, on their side, the following demand: *“in order to ensure that Sierra Leone meets this Requirement (EITI Requirement 12), each company is therefore requested to inform their external auditor to get ready as early as possible the relevant information before the exercise commences”.*

### A funding of the Initiative lower than expected, allowing little activity other than the reconciliation reports

The detailed analysis of the funding of the SLEITI is available in Requirement No.5.

On average, the SLEITI approximately has received, annually, 170.000<sup>85</sup> USD for the implementation of its work plan; and yet, the 2011-2012 SLEITI work plan had scheduled a budget of 695.000 USD, excluding operating costs, compared to 466.235 USD<sup>86</sup> obtained (67%<sup>87</sup>). On a cash basis, the SLEITI has also received irregular envelopes, mainly devoted to the elaboration of the reconciliation reports and studies (56%), to training and communication activities (29%) and to operating costs (13%). We once again highlight the absence of a budget devoted to the functioning of the SLEITI Secretariat, therefore restraining any activity of this essential structure for the implementation of the National Initiative. We understand that the main contributors to this overall budget are the GoSL (43%) and the World Bank (31%).

These financial challenges can explain, in part only, the incomplete implementation of the SLEITI work plan. They can certainly, however, justify the fact that the main activities financed on the SLEITI budget have been concentrated on the elaboration and publication of the EITI reconciliation reports.

## ■ References

### No.

- 1-050** **MSG** – Funds received for the implementation of the SLEITI work plan (undated)
- 1-357** **Laws and MoUs** – Report on the evaluation of expressions of interest for the drafting of the SLEITI Bill (30 July 2012)
- 1-358** **Laws and MoUs** – ToRs for a short term consultancy to the SLEITI for drafting the SLEITI Bill (undated)
- 1-630** **EITI report** – Press release on the SLEITI reconciliation mock exercise (23 April 2012)
- 1-635** **EITI report** – Report on mock reconciliation exercise: March-April 201 (undated)
- 1-910** **EITI report** – Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies' respective auditors (31 January 2012)
- 1-930** **EITI report** – Letter to various State agencies asking for details on the revenue streams collected from extractive companies (27 January 2012)
- 2-210** **MSG** – Minutes of the SLEITI MSG meeting (6 December 2011)
- 2-450** **Laws and MoUs** – MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)
- 2-590** **MSG** – The SLEITI work plan (June 2011)
- 4-090** **Laws and MoUs** – Mines and Minerals Act (2009)

<sup>85</sup> 171.596 USD = 857.982 USD / 5 years

<sup>86</sup> 466.235 USD = 141.175 USD + 434.961 USD - 109.910 USD (operating costs)

<sup>87</sup> 67% = 466.235 USD / 695.000 USD

## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>88</sup>:

- "Government has shown its commitment to the initiative by ensuring public disclosure of revenues and receipts by companies and Government entities, respectively consistent with the EITI Principles and Criteria. Relevant correspondences were made available to the Reconciler and Validator.
- EITI implementation has been sustainable by the fact that the Government of Sierra Leone has already published two Reconciliation and two Validation Reports. This is a proof of Government's commitment to the process and there are virtually no obstacles left.
- The Mines & Minerals Act 2009: Sections 159 &160 and also section105 of the Petroleum Exploration & Production Act, 2011 provide a legal basis for the EITI. As such, the absence of an EITI law will not hinder the initiative even though the MSG believes a consolidation of our legal requirements into a single document will strengthen the process. Progress has been made in drafting the Bill. Expressions of Interest for Recruitment of a Consultant have been received from five firms and the Request for Proposal has been developed for the next level of the procurement process. It should be noted also that development partners procurement system may not necessarily respect local time lines and can be bureaucratic The MSG believes that as soon as the new Parliament is convened the Bill will be passed into Law.
- (...)"
- "With regards funding of the initiative, the MSG would wish to state that there is a progressive increase in Government commitment in advancing the SLEITI agenda since 2011. Government committed Le 300,000,000 in 2012 and this will more than triple in 2013 .
- With increase in Government financial support, the MSG will continue to approach donors for technical and financial support in order to sustain the initiative. SLEITI is due to receive a grant of US \$310 000 from the World Bank Multi-Donor Trust Fund (MDTF) - Phase 2, following approval of our proposal. The African Development Bank (AfDB) has approved a little over US \$ 500,000 to cover part of the 2012-2013 activities and GIZ has indicated supporting the implementation of EITI communication strategy following their January 2013 strategic meeting".

## ■ Recommendation from the validator

**R5 - Ensure a regular and sustainable funding to the SLEITI**

**R6 - Achieve the drafting and proceed to the adoption of the SLEITI Bill in close delays**

## ■ Conclusion

We note a favourable institutional framework and the conduct of an innovative and successful mock reconciliation exercise. However, the funding of the Initiative is lower than expected, allowing little activity other than the reconciliation reports, but considering that the MSG has confirmed that Government financial support to EITI "will more than triple in 2013 " and MSG will continue to approach donors for technical and financial support in order to sustain the initiative, for these reasons, we consider that this Requirement is met.

Requirement No.8 is met



<sup>88</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 1-3

## Requirement No.9

*The multi-stakeholder group is required to agree a definition of materiality and of the reporting templates*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Draft templates have been provided to the MSG	Yes
b) MSG minutes relate template discussions	Yes
c) Communications have been undertaken to wider stakeholders regarding the design of templates	Yes
d) Arrangement have been taken to enable stakeholders to understand the issues involved	Yes
e) A statement by the MSG enacts that they agreed the templates	Partial

*See EITI Rules, 2011 edition, p. 46-47*

Considering that the first Validation report analysed thoroughly the SLEITI 1<sup>st</sup> reconciliation report, our current analysis focuses exclusively on the SLEITI 2<sup>nd</sup> reconciliation report.

The scope and materiality for the SLEITI 2<sup>nd</sup> reconciliation report as defined by the SLEITI MSG

The scope and materiality for the SLEITI 2<sup>nd</sup> reconciliation report, covering the years 2008, 2009 and 2010, have been formalised in a document, produced by the SLEITI MSG and adopted on March 2012. This is called "*Defining materiality, threshold/cutoff point*"<sup>89</sup>. This document considers that "*any extractive industry within the following categories below will be classified as material [...]:*

- 3% of each revenue stream to the NRA that are above Le 30 m
- 6 large companies
- 3 oil companies
- 4 small scale companies making payments of \$ 4 000 and above to MMR
- District councils and Chieftom administration with \$10.000 or Le 10 m and above<sup>90</sup>

For us, this classification is unclear, particularly for the selection of the large scale companies and oil companies, for which no threshold has been defined. In the absence of such information, we presume that the threshold used for the selection of extractive companies is 4.000 USD<sup>91</sup>.

The document then lists the entities that should report:

- 6 large scale companies<sup>92</sup>:
  - African Minerals Ltd. (including Marampa Iron Ore, Sierra Leone Gold, Sierra Leone Hard Rock and Tonkolili Iron Ore Ltd.)
  - Koidu Holdings S.A.
  - London Mining Co Ltd.
  - Sierra Minerals Holdings
  - Cluff Gold Resources (including Baomahun Gold Ltd.)
  - Sierra Rutile Ltd.

<sup>89</sup> Defining materiality, threshold/cutoff point (2011)

<sup>90</sup> Id., pp. 1-2

<sup>91</sup> Corresponds to the small scale companies threshold

<sup>92</sup> Id., p. 3



- 4 small scale mining companies<sup>93</sup>:
  - Nimini Mining Ltd.
  - Kingho Investment Co Ltd.
  - Chang Feng Co Ltd.
  - West African Zircon Ltd.
- 3 oil companies<sup>94</sup>:
  - Anardako Petroleum Ltd.
  - Oranto Ltd.
  - Prontinal Ltd.
- 2 diamond exporters/dealers<sup>95</sup>:
  - HM Diamonds
  - Kasim Basma
- 7 District councils<sup>96</sup>:
  - Bonthe DC
  - Kono DC
  - Tonkolili DC
  - Moyamba DC
  - Koinadugu DC
  - Port Loko DC
  - Bo DC
- 12 Chiefdom administrations<sup>97</sup>:
  - Kamara Chiefdom
  - Marampa Chiefdom
  - Nimiyama Chiefdom
  - Nimikoro Chiefdom
  - Sandor Chiefdom
  - Tankoro Chiefdom
  - Bagruwa Chiefdom
  - Banta Mokele Chiefdom
  - Valunia Chiefdom
  - Kafe Simiria Chiefdom
  - Imperri Chiefdom
  - Jong Chiefdom
- 4 Ministries and public offices<sup>98</sup>:
  - Government Gold and Diamond Office (GGDO)
  - Ministry of Mines and Mineral Resources (MMMR)
  - National Revenue Authority (NRA)
  - Petroleum Directorate

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<sup>93</sup> Defining materiality, threshold/cutoff point (2011), p. 3

<sup>94</sup> Id.

<sup>95</sup> Id.

<sup>96</sup> Id.

<sup>97</sup> Id.

<sup>98</sup> Id., p. 4

The 13 identified revenue streams are<sup>99</sup>:

- Mining lease
- Exploration licence
- Royalty
- Surface rent
- Agricultural development fund
- Corporate tax
- Reconnaissance licence
- Alluvial diamond exporter's agent
- Diamond exporter's agent (standard assessment tax)
- Training fund (oil/gas)
- Sale of geophysical data (oil/gas)
- Primary application fee
- Payment for oil block

The disaggregated reporting templates have been prepared by the SLEITI MSG and completed by the reconciler

The EITI reporting templates have been discussed and prepared by the SLEITI MSG. These reporting templates have been revised and completed by the reconciler. They allow a disaggregated reporting of payments, necessary for a detailed reconciliation. The final version of the reporting templates have not, however, been formally approved by the SLEITI MSG.

Whereas no scope study is available, the scope of revenue streams do not present a lack of comprehensiveness

To our understanding, no scope study is available explaining the selection of revenue streams adopted for the report and the comprehensive fiscal revenues listed in the Mines and Minerals Act (2009), the Mines and Minerals regulations (2009), the Petroleum Exploration and Production Act (2001 and 2011) and the Income Tax act (2000).

If we understand that 51 potential revenue streams<sup>100</sup> have been originally considered by the SLEITI MSG, according to the above mentioned criteria, "3% of each revenue stream to the NRA that are above Le 30 m"<sup>101</sup>, no document allows us to comprehend the rationale of finally excluding 38<sup>102</sup> revenue streams out of the 51 initially identified. As it stands, we therefore cannot guarantee that all of the significant taxes potentially paid by extractive companies in Sierra Leone have effectively been included into the scope of the SLEITI 2<sup>nd</sup> reconciliation report.

If we proceed to the comparison of the revenue streams selected for the SLEITI 2<sup>nd</sup> reconciliation report with the list provided by Requirement No. 9 in the EITI Rules, 2011 edition<sup>103</sup>, we obtain the following:

- "Host government's production entitlement, e.g., profit oil" => not applicable in Sierra Leone<sup>104</sup>, in the absence of oil production from 2008 to 2010
- "National state-owned company production entitlement" => not applicable in Sierra Leone<sup>105</sup>, in the absence of oil production and of state owned companies from 2008 to 2010
- "Profit taxes" => included in the scope as "Corporate tax"<sup>106</sup>

<sup>99</sup> Defining materiality, threshold/cutoff point (2011), p. 5

<sup>100</sup> Report on the 2 day workshop on the new EITI Rules, 2011 edition (25 January 2012), p. 7 § 3.2

<sup>101</sup> Defining materiality, threshold/cutoff point (2011), p. 2

<sup>102</sup> 51 potential revenue streams - 13 adopted revenue streams = 48 excluded revenue streams

<sup>103</sup> EITI Rules, 2011 edition, p. 21

<sup>104</sup> According to the SLEITI Secretariat

<sup>105</sup> Id.



- "Royalties" => included in the scope as "*Royalty*"<sup>107</sup>
- "*Dividends*" => not applicable<sup>108</sup> in Sierra Leone, in the absence of shares owned by the GoSL in extractive companies
- "*Bonuses (such as signature, discovery, production)*" => not in the scope
- "*Licence fees, rental fees, entry fees and other considerations for licences and/or concessions; and other significant benefits to government as agreed by the multi-stakeholder group*" => included in the scope as "*Reconnaissance licence, Exploration licence, Mining lease, Surface rent, Agricultural development fund, Alluvial diamond exporter's agent, Diamond exporter's agent (standard assessment tax), Training fund (oil/gas), Sale of geophysical data (oil/gas), Primary application fee, Payment for oil block*"<sup>109</sup>

This comparative analysis with Requirement No.9 of the EITI Rules, 2011 edition, shows that all common revenue streams have been included in the scope of the SLEITI 2<sup>nd</sup> reconciliation report, with the exception of bonuses. This unjustified absence is all the more unclear when we notice that bonuses are listed in the Mines and Minerals Act, in Articles 159 (d) and 160 (a). Moreover, the reconciler states that "*to improve the overall revenue in the sector it is important to examine other areas such as capital gains tax*"<sup>110</sup>.

However, the NRA has "*confirm[ed]*"<sup>111</sup> that for the period 2008 to 2010 no signature bonus was collected".

According to the above analysis, we consider that the scope of revenue streams do not present a lack of comprehensiveness.

### The scope of companies is incomplete

The scope of companies included in the SLEITI 2<sup>nd</sup> reconciliation report is incomplete.

Indeed, if 15 companies have been selected for this report (6 large scale companies, 4 small scale companies, 3 oil companies and 2 diamond exporters/dealers), there is no evidence that all the companies having made significant payments to the GoSL have been considered for the report.

According to the "*complete list of mining companies (2008-2010)*" provided by the MMR<sup>112</sup>, we understand that:

- 2 large scale mining companies are not included in the scope of the report => Mile Stone Trading Ltd. and Lion Mining Company Ltd.
- 3 oil companies are not included in the scope => European Hydrocarbon, TGS Nopec and Young Energy Prize
- More than 50 small scale mining companies are not included in the scope of the report
- The comprehensiveness of the dealers is unclear as the complete list of dealers for period 2008-2010 includes more than 20 diamond exporters and 30 gold exporters.

Based on the literature transmitted to us for the present Validation report, the exclusion of these companies is unclear.

<sup>106</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 6

<sup>107</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 6

<sup>108</sup> According to the SLEITI Secretariat

<sup>109</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 6

<sup>110</sup> Id., p. 53

<sup>111</sup> Confirmation of non collection of signature bonus for 2008-2010, NRA (8 December 2012)

<sup>112</sup> Letter from the National Coordinator providing information for the Validation report (2 November 2012)

Moreover, we understand, according to the materiality threshold defined by the SLEITI MSG, that all companies making payments above 4.000 should be included in the scope of the report<sup>113</sup>. However, the analysis of the online Sierra Leone Cadastre system<sup>114</sup> shows that 27 other companies made payments above 4.000 USD to the GoSL in 2010, for a total close to 572.000 USD.

7 companies made payments above 20.000 USD to the GoSL in 2010, for a total close to 366.000 USD:

- Kripto International Mining Company (SL) paid 81.100 USD of taxes (mainly October 2010)
- GMC Global (SL) Ltd. paid 67.870 USD of taxes (mainly on December 2010)
- Sierra Leone Exploration & Mining Company Ltd. paid 66.680 USD of taxes (28 June 2010)
- Venus Ores (SL) Ltd. paid 50.973 USD of taxes (mainly on October 2010)
- Universal Gold Mining and Exploration (SL) Ltd. paid 41.500 USD (mainly on December 2010)
- Transcend International Resources (SL) Ltd. paid 37.101 USD of taxes (mainly on November 2010)
- Taia (SL) Ltd. paid 21.100 USD of taxes (mainly on July 2010)

20 other companies made payments under 20.000 USD but above 4.000 USD to the GoSL in 2010, for a total close to 206.000 USD.

### The materiality thresholds are unclear

The various materiality thresholds used for the SLEITI 2<sup>nd</sup> reconciliation report have been formalised in the SLEITI MSG document "*Defining materiality, threshold/cutoff point*"<sup>115</sup>. These thresholds have been respectively set at:

- *3% of each revenue stream to the NRA that are above Le 30 m*
- *[...]*
- *4 small scale companies making payments of \$ 4 000 and above to MMR*
- *District councils and Chiefdom administration with \$10.000 or Le 10 m and above*<sup>116</sup>

These thresholds allow the selection of revenue streams, the companies, the District councils and the Chiefdom administrations to be included in the report; however, no document helps us understand how these thresholds have been defined, nor justifies the amounts chosen.

The justified definition of a materiality threshold for total omissions, below which all undeclared payments would not affect the total of payments as disclosed in the EITI report, would have certainly been a pragmatic and efficient approach to address the issue of materiality. This threshold is usually determined on the basis of the total extractive tax revenues, as reported by the authorities in documents such as the reviews conducted by the International Monetary Fund (IMF); we consider that a materiality threshold of cumulative omissions of 3-5% of the total extractive tax revenues would be realistic.

In this context, and on the basis of the declarations of "*Mining royalties and license*", as outlined in the latest IMF review for Sierra Leone<sup>117</sup>, the materiality threshold for total omissions would range between 180.000 and 300.000 USD<sup>118</sup>.

Finally, we have found no reference to the materiality threshold for discrepancies, which would have allowed the determination of an amount above which the discrepancies between figures declared by the GoSL and the extractive companies are considered significant.

<sup>113</sup> Defining materiality, threshold/cutoff point (2011), p. 2

<sup>114</sup> <http://sierraleone.revenuesystems.org>

<sup>115</sup> Defining materiality, threshold/cutoff point (2011)

<sup>116</sup> Id., pp. 1-2

<sup>117</sup> Fourth review under the three-year arrangement under the extended credit facility, IMF (5 September 2012), p. 22

<sup>118</sup> = 3-5% of the 6 MUSD of "Mining royalties and license"

## ■ References

### No.

- 1-026**    **Validation** – Letter from the National Coordinator providing information for the Validation report (2 November 2012)
- 1-290**    **EITI report** – The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012)
- 1-335**    **Validation report** – Fourth review under the three-year arrangement under the extended credit facility, IMF (5 September 2012)
- 1-610**    **EITI report** – Form contract for consultant services for the production of the SLEITI 2<sup>nd</sup> reconciliation report (30 April 2012)
- 1-720**    **MSG** – Minutes of the SLEITI MSG meeting (6 March 2012)
- 1-940**    **MSG** – Report on the 2 day workshop on the new EITI Rules, 2011 edition (25 January 2012)
- 1-950**    **MSG** – Summary report on the 2 day workshop on the new EITI Rules, 2011 edition (25 January 2012)
- 1-960**    **MSG** – Minutes of the SLEITI MSG meeting (17 January 2012)
- 2-130**    **EITI report** – Defining materiality, threshold/cutoff point (2011)

## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>119</sup>:

- *"The Strategy & Policy Unit of the Office of the President and Audit Service Sierra Leone provided technical support to the MSG in defining materiality. Judgment on materiality was based on the data provided by the Ministry Mines & Mineral Resources (MMMR) and the National Revenue Authority (NRA) at the time. The Mock Reconciliation Exercise was held to identify challenges and set the tone for our preparedness. The list of companies provided by MMMR & NRA was verified through the Mock Exercise which ascertained the quantum of payments made by those companies, their locations and contact persons. The outcome of the exercise informed that some companies, especially unsuccessful small-scale ones had ceased operations and no longer exist. The MMMR is in the process of updating its system. The newly established National Minerals Agency (NMA) among other objectives will administer the sector such that compliance from mining companies is enhanced. This exercise will be facilitated through a strengthened Cadastre system.*
- *With respect to the oil companies, SLEITI was informed by the Petroleum Directorate that TGS Nopec is a data holding company based in the UK. The MSG will capture all the companies in the next reconciliation exercise through the web based reporting system to be installed soon.*
- *Establishment of a database on SLEITI activities for use by the Secretariat was part of the web developer's Terms of Reference. The website has been developed and we are now populating it.*
- *The reporting templates were endorsed by the MSG including Civil Society. It was also endorsed at the Stakeholder's consultative meeting held in May, 2012 before the commencement of the reconciliation exercise.*
- *Bonuses – Though section 159 of the Mines & Minerals Act, 2009 makes reference to it, no such revenue has been collected so far by the MMMR because according to the Director of Mines, the Ministry will first need to expand its database before it can be included as a revenue stream. In respect of the oil sector, bonuses were not collected during the period under review until recently in 2012. This will be included in the next reconciliation exercise.*
- *Capital Gains Tax - The National Revenue Authority has not commenced collection of this tax. The MSG as part of its strengthened approach to EITI process will advise the NRA and relevant bodies as it considers this to be included in the next reconciliation exercise as recommended by the Reconciler.*

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<sup>119</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 3-5

- A scoping exercise to guide selection of revenue streams and selection of extractive companies will be carried out as part of the next reconciliation exercise with the maximum use of the Government of Sierra Leone on-line repository.
- Materiality threshold to cover differences between payment and revenue during the reconciliation exercise will be set after the scoping.
- Milestone – Based on information provided by the Director of Mines, the company was under care and maintenance 2008-2009 and their licenses were cancelled for which they could not have been included in the reconciliation exercise.
- Lion Mining Company – Though it is captured in the Cadastre system, it is not in production and is one of the companies the MMR has considered de-listing.
- Small-scale mining companies – In as much as information on these companies were captured in the Cadastre system, 90% were not operational during the period under review as stated by the Director of Mines. We have advised the MMR to update the Cadastre system.
- In addition to the aforementioned, the MSG is of the view that it is within its mandate to define materiality and it strongly believes that this requirement is met".

The MSG<sup>120</sup> stands "we strongly take the view that we acted in accordance with requirement N°9 by defining materiality and adopting reporting templates through a mock exercise which the validator endorsed to be "innovative and successful exercise". We regret therefore that this successful mechanism through which a 3 year reconciliation and validation exercise were guided could be deemed inadequate. We consider this requirement as met".

## ■ Recommendations from the validator

- R3 - Urge the SLEITI Secretariat to develop an accessible and updated database on the EITI and the extractive sector**
- R7 - Initiate a scoping study for the selection of revenue streams to include in future SLEITI reconciliation reports**
- R8 - Initiate a scoping study for the selection of extractive companies to include in future SLEITI reconciliation reports**

## ■ Conclusion

Although the materiality thresholds, scopes and templates have been defined by the SLEITI MSG, the materiality thresholds remain unclear (no justification of the amounts chosen).

According to the above analysis, we consider that the scope of revenue streams do not present a lack of comprehensiveness.

However, the scope of companies' comprehensiveness is unclear (exclusion of 2 large scale mining companies, exclusion of 3 oil companies, exclusion of more than 50 small scale mining companies, exclusion of dealers).

The MSG has indicated (see above MSG comments) that the exclusion of 2 large scale mining companies and 1 oil company is justified as they did not pay significant payments during years 2008 to 2010. The MSG has also indicated<sup>121</sup> that the exclusion of the 2 other oil companies and the other dealers is justified as they did not pay significant payments during years 2008 to 2010.

<sup>120</sup> MSG meeting (8 December 2012)

<sup>121</sup> MSG meeting (7 December 2012)

However, we understand, according to the online Sierra Leone Cadastre system<sup>122</sup>, that 27 small scale companies made payments above 4.000 USD to the GoSL in 2010, for a total close to 572.000 USD (7 companies made payments above 20.000 USD for a total close to 366.000 USD and 20 companies made payments under 20.000 USD but above 4.000 USD for a total close to 206.000 USD).

As this amount of 572.000 USD is above the total omissions range, estimated between 180.000 and 300.000 USD<sup>123</sup>, we consider that the scope of companies is incomplete.

For this reason, we consider that this Requirement is unmet.

Requirement No.9 is unmet



<sup>122</sup> <http://sierraleone.revenuesystems.org>

<sup>123</sup> = 3-5% of the 6 MUSD of "Mining royalties and license"

## Requirement No.10

*The organisation appointed to produce the EITI Reconciliation report must be perceived by the multi-stakeholder group as credible, trustworthy and technically competent*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) TORs have been agreed by the MSG	Partial
b) Transparent liaison has been developed with the EITI International Secretariat and Board to identify potential reconcilers	Yes
c) Agreement by the MSG enacts the final choice of organisation	Partial

*See EITI Rules, 2011 edition, p. 47*

### The ToRs of the SLEITI 2<sup>nd</sup> reconciliation report do not seem to have formally been validated by the SLEITI MSG

We have not, with reference to the literature transmitted to us for the present Validation report, been able to find a document supporting that the SLEITI MSG has formally validated the ToRs relative to the conduct of the SLEITI's 2<sup>nd</sup> reconciliation report. However, the SLEITI MSG has confirmed that the elaboration and validation of the ToRs had been a collective decision from all stakeholders sitting on the SLEITI MSG.

### A limited schedule that has led to the direct recruitment of BOAS and Associates

We understand that the SLEITI MSG, taking into account the limited time schedule to conduct a full reconciliation process, has decided to proceed to a direct recruitment of a reconciler<sup>124</sup>.

After unfruitful negotiations with Verdi Consulting, Sierra Leone's previous reconciler, the SLEITI MSG decided to proceed to the direct recruitment of BOAS and Associates, with reference to the work accomplished by this consultant previously in Ghana. This approach has been validated formally by the National Public Procurement Authority (NPPA), by a letter signed by its Chief Executive, confirming that "*NPPA approves the use of sole proceedings in accordance with Section 46 (1) (d) of the Public Procurement Act 2004*"<sup>125</sup>.

No document allows us, though, to conclude the agreement by the SLEITI MSG of a final choice for a reconciler. However, the SLEITI MSG has confirmed that the choice of a reconciler has been a collective decision from all the stakeholders sitting on the SLEITI MSG.

### ■ References

**No.**

- 1-730** EITI report – Letter from the NPPA approving the recruitment of Boas and Associates as a reconciler for the SLEITI 2<sup>nd</sup> reconciliation report (6 March 2012)
- 1-960** MSG – Minutes of the SLEITI MSG meeting (17 January 2012)

<sup>124</sup> Minutes of the SLEITI MSG meeting (17 January 2012)

<sup>125</sup> Letter from the NPPA approving the recruitment of Boas and Associates as a reconciler for the 2<sup>nd</sup> SLEITI reconciliation report (6 March 2012)

## ■ Stakeholder views

The stakeholders confirmed that the choice of a reconciler has been a collective decision from all stakeholders sitting on the SLEITI MSG. They reaffirmed that this choice had been motivated by the Ghanaian experience and that the organisation appointed was perceived as credible and technically competent.

## ■ Recommendation from the validator

**R9 - Formalise every important decision, such as the approval of the ToRs or the recruitment of a reconciler, in the minutes of the SLEITI MSG meetings**

## ■ Conclusion

Although all of the decisions of the SLEITI MSG have not been formalised, stakeholders have confirmed that the choice of the reconciler was collective and that the organisation appointed was perceived as credible and technically competent. For these reasons, we consider that this Requirement is met.

Requirement No.10 is met





## Requirement No.11

*The government is required to ensure that all relevant companies and government entities report*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Introduced legislation making it mandatory to report as per the EITI has been adopted	Ongoing
b) Introduced/amended relevant regulations making it mandatory to report as per the EITI has been adopted	Partial
c) Negotiated agreements with companies have been adopted to ensure reporting as per the EITI	Yes
d) Where companies are not participating, the government is taking generally recognised steps	Yes

See EITI Rules, 2011 edition, p. 47

#### A mining law requiring extractive companies to observe transparency procedures

As presented in § 1.2, Sierra Leone adopted a Mines and Minerals Act in 2009. Its Article 159 explicitly compels the Minister in charge of Mines to “(a) develop a framework for transparency in the reporting and disclosure by persons engaged in the extractive industry, of revenue due to or paid to government; (b) request [...] an accurate record of the cost of production and volume of sale of minerals extracted by such person at any period; (c) request [...] an accurate account of money paid by and received from such person at any period, as revenue accruing to the government for that period; (d) ensure that all payments due to the government [...] are duly made; and (e) disseminate by way or publication of otherwise, records, reports or any information concerning the revenue of the government from the extractive industry, at least annually”<sup>126</sup>.

The Article 160 of the above Act further presses “a person engaged in the extractive industry shall submit to the Minister not later than fifteen calendar days after the end of each quarter of a year (a) a general report on his activities and revenue payments made to the government, including taxes, royalties, dividends, bonuses, penalties, levies and such like for that period; and (b) a report on payments made to landowners, lawful occupiers, paramount chiefs or chieftain committees, including surface rents, development project contributions, material contributions towards vehicles, buildings or other civil works”<sup>127</sup>.

This legislation is a significant step in the promotion of transparency in the extractive sector. It most surely develops a favourable environment for the implementation of the EITI by ensuring that all extractive companies observe transparency procedures.

#### An original and innovative mock reconciliation exercise

The SLEITI MSG has decided to conduct a mock reconciliation exercise in March 2012 “to prepare government entities and companies for the actual reconciliation exercise and to identify discrepancies in order to take remedial actions before the arrival of the reconciler”<sup>128</sup>. As presented in Requirement No. 8, this mock exercise allowed sensitising the declaring parties to the challenges of a qualitative reconciliation process.

<sup>126</sup> Mines and Minerals Act (2009), pp. 106-107

<sup>127</sup> Mines and Minerals Act (2009), p. 107

<sup>128</sup> Report on mock reconciliation exercise: March-April 2012 (undated), p. 1



Despite the disappointing participation of only 9 out of 24 companies, “*the exercise was fruitful as companies and government entities now know what to expect during the actual reconciliation process and are therefore preparing themselves*”.

### An informative letter to companies reminding the need to disclose attested data

The National Coordinator sent, on 31 January 2012, a letter to 7 out of the 15 companies selected in the scope of the SLEITI’s 2<sup>nd</sup> reconciliation report, reminding that “*external auditor for each company operating in the mineral and oil/gas sector will be required to provide opinion on the information that will be submitted to the reconciler, stating that they are consistent/or are not consistent with the auditor’s financial statements. [...] In order to ensure that Sierra Leone meets this Requirement (EITI Requirement 12), each company is therefore requested to inform their external auditor to get ready as early as possible the relevant information before the exercise commences*”<sup>129</sup>.

We have also observed regular and diverse correspondence between the GoSL and the extractive companies operating in Sierra Leone. These communications are essentially focused on the companies’ contribution to the EITI, illustrating the commitment of the authorities to ensure that companies participate in the reconciliation process.

## ■ References

- 1-240 **MSG** – Letter from Chief of Staff to government agencies on findings and recommendations of the second SLEITI report (3 October 2012)
- 1-250 **MSG** – Letter from Chief of Staff to various extractive companies on findings and recommendations of the second SLEITI report (3 October 2012)
- 1-330 **EITI report** – Letter from the Ambassador of China to the Chief of Staff relative to the contribution of Chinese companies to the reconciliation process (6 September 2012)
- 1-350 **MSG** – Letter from Chief of Staff to the Chinese Ambassador concerning the contribution of Chinese companies to the reconciliation process (16 August 2012)
- 1-410 **MSG** – Letter to the Director of Prontinal Ltd. for the submission of SLEITI reporting templates (20 July 2012)
- 1-420 **EITI report** – Email from Prontinal Ltd. concerning completing information for the 2<sup>nd</sup> SLEITI reconciliation report (19 July 2012)
- 1-460 **EITI report** – Letter from Prontinal Ltd. to the National Coordinator asking for a formal and official procedure regarding the information requested for the 2<sup>nd</sup> SLEITI report (9 July 2012)
- 1-470 **EITI report** – Letter from Prontinal Ltd. to the Petroleum Directorate asking for a confirmation that disclosure of information from Prontinal will not constitute a breach of the Petroleum Agreement (9 July 2012)
- 1-480 **EITI report** – Letter from the Country Manager of Talisman Energy to Prontinal Ltd. conveying concerns on the absence of contribution from Prontinal in the 2<sup>nd</sup> SLEITI reconciliation process (5 July 2012)
- 1-490 **EITI report** – Letter to Talisman concerning the absence of participation of Prontinal Ltd. to the 2<sup>nd</sup> reconciliation process (22 June 2012)
- 1-630 **EITI report** – Press release on the SLEITI reconciliation mock exercise (23 April 2012)
- 1-635 **EITI report** – Report on mock reconciliation exercise: March-April 201 (undated)
- 1-690 **EITI report** – Letter from Koidu Holdings transmitting contact details on the company’s auditors (15 March 2012)
- 1-760 **MSG** – Letter from London Mining concerning the late notification of the MSG meeting (1 March 2012)
- 1-850 **EITI report** – Letter from Sierra Rutile Ltd. asking for the relevant reporting templates to be used for the 2<sup>nd</sup> SLEITI reconciliation report
- 1-900 **EITI report** – Letter from Anadarko transmitting contact details on the company’s auditors (undated)

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<sup>129</sup> Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies’ respective auditors (31 January 2012)

- 1-910 **EITI report** – Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies' respective auditors (31 January 2012)
- 4-090 **Laws and MoUs** – Mines and Minerals Act (2009)

## ■ Stakeholder views

The stakeholders confirm that the government has ensured that state agencies and extractive companies report.

## ■ Conclusion

The Mines and Minerals Act promotes transparent procedures compliant with the EITI reconciliation process. In addition to this favourable context, the government has proceeded to a mock reconciliation exercise to sensitise the declaring parties to the EITI and has, furthermore, contacted the extractive companies to remind them of the need to disclose attested data for the EITI.

Therefore, subject to the limitation regarding the comprehensiveness of the scope of companies considered in Requirement N°9, we consider that this Requirement is met.

Requirement No.11 is met



## Requirement No.12

*The government is required to ensure that company reports are based on accounts audited to international standards*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Government has passed legislation requiring figures to be audited to international standards	No
b) Government has amended existing audit standards to ensure that they are to international standards	No
c) Government has adopted an MoU with companies whereby they agree to submit figures audited to international standards	No
d) Companies have voluntarily committed to submit figures audited to international standards	Yes
e) The government has agreed a plan with the company that were not submitting figures audited to international standards	No
f) Where figures are not to audited standards, the MSG is content	Yes

See EITI Rules, 2011 edition, p. 47-48

### Extractive companies are required by law to disclose their payments to the GoSL

The legislation of Sierra Leone compels the extractive companies to have their financial statements audited annually, according to international standards. Indeed, the Sierra Leone Companies Act declares, in its Article 288, that *"the directors of every company shall in respect of each financial year of the company, prepare financial statements for the year which shall comply with International Financial Reporting Standards"*<sup>130</sup>.

Furthermore, the Mines and Mineral Act requires, in its Article 160, that *"a person engaged in the extractive industry shall submit to the Minister not later than fifteen calendar days after the end of each quarter of a year (a) a general report on his activities and revenue payments made to the Government, including taxes, royalties, dividends, bonuses, penalties, levies and such like for that period"*<sup>131</sup>.

However, the extractives companies have no legal obligation to provide the EITI reconciler with reporting templates audited by an independent auditor.

### Extractive companies have been required by the SLEITI MSG to submit certified reporting templates

Requirement No.12 seeks to guarantee the quality of the data used by the reconciler. It is of course, important for the quality of the data that companies' financial statements be audited to international standards. Such a requirement does not prevent, however, the reporting template from containing errors or from being incomplete. It is, therefore, crucial to have reporting templates certified by an independent auditor, as recommended in the Suggested action No. 18 of the Source Book, as it confirms that the quality of the data disclosed is reliable and exhaustive.

As stated in the ToRs for the recruitment of the reconciler, *"the report of each company shall be duly [...] attested by the company's external auditor"*<sup>132</sup>. To encourage companies to comply with this obligation, the SLEITI National Coordinator sent, on 31 January 2012, a letter to 7 out

<sup>130</sup> The companies Act (2009), p. 215

<sup>131</sup> Mines and Minerals Act (2009), p. 106

<sup>132</sup> ToRs for recruitment of the reconciler (undated), p. 2

of the 15 companies selected in the scope of the SLEITI 2<sup>nd</sup> reconciliation report reminding that the “external auditor for each company operating in the mineral and oil/gas sector will be required to provide opinion on the information that will be submitted to the reconciler, stating that they are consistent/or are not consistent with the auditor’s financial statements. [...] In order to ensure that Sierra Leone meets this Requirement (EITI Requirement 12), each company is therefore requested to inform their external auditor to get ready as early as possible the relevant information before the exercise commences”<sup>133</sup>.

The instructions for the reconciliation process of the SLEITI 2<sup>nd</sup> reconciliation report are also clear on this point, as they demand each auditor to fill in the following report<sup>134</sup>:

<b>Auditor's report</b>	
We have examined the SLEITI Reporting Template (s) from _____ and have:	
(a)	Tested the extraction of payment data in the Reporting Template(s), and
(b)	Reviewed that the _____ has reconciled the cash-based payment details included in the Reporting Template(s) to the accrual-based financial statements.
Based on this examination, we report that nothing has come to our attention that would lead us to believe that the information disclosed in the Reporting Template (s) does/do not represent a fair and accurate summary of payments made to the _____ in accordance with the instruction in the Reporting Template(s).	
Name and Address of Auditor: _____	
Name of authorizing Auditor: _____	Position/Title: _____
Signature: _____	Contact number: _____
E-mail address: _____	

Instructions for the reconciliation process of the SLEITI 2<sup>nd</sup> reconciliation report

Despite this favourable context, 3 major companies did not certify their reporting templates

According to the “details on participants reporting templates” provided by the reconciler<sup>135</sup>:

- 4 companies out of 15 submitted certified reporting templates (Koidu Holdings Ltd., Cluff Gold Resources, HM Diamonds and Kasim Masma)
- 5 companies joined their financial statements to their reporting templates (African Minerals Ltd., London Mining Co Ltd., Sierra Minerals Ltd., Sierra Rutile Ltd. and Anadarko)
- 5 companies remitted their sole reporting templates (Nimini Mining Ltd., Kingho Investments Co Ltd., West African Zircon Ltd., Prontinal Ltd. and Oranto Ltd.)
- 1 company did not present any reporting template (Chang Feng)

Furthermore, since the publication of the SLEITI 2<sup>nd</sup> reconciliation report, we have received Anadarko’s, African Minerals Ltd., Sierra Minerals Ltd. and Sierra Rutile Ltd.’s certification, produced by their external auditors<sup>136</sup>.

Additionally, London Mining Co Ltd., Sierra Minerals Ltd., Sierra Rutile Ltd. and Oranto Ltd. have declared in their self-assessment forms<sup>137</sup> that their financial statements were audited to international standards.

In this context, we understand that:

- 8 companies out of 15 submitted certified reporting templates (Koidu Holdings Ltd., Cluff Gold Resources, HM Diamonds, Kasim Basma, Anadarko, Sierra Minerals Ltd., Sierra Rutile Ltd. and African Minerals Ltd.)

<sup>133</sup> Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies’ respective auditors (31 January 2012)

<sup>134</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 68

<sup>135</sup> Id., p. 75

<sup>136</sup> Anadarko certification report, KPMG (1 November 2012) - Tonkolili certification report, Bertin & Bertin (November 2012) - Sierra Minerals Ltd. certification report, KPMG (November 2012) - Sierra Rutile Ltd. certification report, KPMG (November 2012)

<sup>137</sup> Refer to Requirement N°9 and Appendix III

- 2 companies joined their financial statements to their reporting templates (London Mining Co Ltd. and Oranto Ltd.)
- 4 companies remitted their sole reporting templates (Nimini Mining Ltd., Kingho Investments Co Ltd., West African Zircon Ltd. and Prontinal Ltd.)
- 1 company did not present any reporting template (Chang Feng)

We understand that the 7 above extractive companies which did not certify their reporting templates haven't declared significant payments in 2010.

## ■ References

### No.

- 1-011 Validation** – African Minerals self-assessment form (5 November 2012)
- 1-012 Validation** – Koidu Holdings S.A. self-assessment form (5 November 2012)
- 1-013 Validation** – London Mining Company self-assessment form (5 November 2012)
- 1-014 Validation** – Sierra Minerals Holdings Ltd. self-assessment form (5 November 2012)
- 1-015 Validation** – Sierra Rutile self-assessment form (5 November 2012)
- 1-016 Validation** – Cluff Gold self-assessment form (5 November 2012)
- 1-018 Validation** – Kingho Investment Company Ltd. self-assessment form (5 November 2012)
- 1-020 Validation** – West Africa Zircon Mining Company Ltd. self-assessment form (5 November 2012)
- 1-021 Validation** – Anadarko self-assessment form (5 November 2012)
- 1-023 Validation** – Oranto Petroleum self-assessment form (5 November 2012)
- 1-024 Validation** – HM Diamonds self-assessment form (5 November 2012)
- 1-025 Validation** – Kassim M. Basma self-assessment form (5 November 2012)
- 1-027 EITI report** – Anadarko certification report, KPMG (1 November 2012)
- 1-290 EITI report** – The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012)
- 1-990 EITI report** – ToRs for recruitment of the reconciler (undated)
- 1-910 EITI report** – Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies' respective auditors (31 January 2012)
- 4-090 Laws and MoUs** – Mines and Minerals Act (2009)
- 4-145 Laws and MoUs** – The companies Act (2009)

## ■ Stakeholder views

Civil society members have emphasised the importance of obtaining certified reporting templates, in order to guarantee the reliability and credibility of the SLEITI process.

Companies have confirmed being unopposed to having their EITI reporting templates certified by their external auditor.

## ■ Recommendation from validator

### R10 - Ensure that all companies provide certified reporting templates

## ■ Conclusion

Despite a favourable institutional context and regardless of explicit reconciliation instructions, we understand that 7 extractive companies did not certify their reporting templates. However, we consider that these omissions are not significant as they haven't declared significant payments in 2010.

As the 8 most important companies (Koidu Holdings Ltd., Cluff Gold Resources, HM Diamonds, Kasim Masma, Anadarko, Sierra Minerals Ltd., Sierra Rutile Ltd. and African Minerals Ltd.) submitted certified reporting templates, we consider that this Requirement is met.

**Requirement No.12 is met**



## Requirement No.13

*The government is required to ensure that government reports are based on accounts audited to international standards*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Government has passed a legislation requiring figures to be audited to international standards	No
b) Government has amended existing audit standards to ensure they are to international standards	No
c) Where figures submitted for reconciliation are not to audited standards, the MSG is content	Yes

See EITI Rules, 2011 edition, p. 48

#### Public offices are required to be audited annually by the Office of the Auditor-General

All public offices are required to have their accounts audited annually by the Auditor General, according to Article 119 of the Constitution of Sierra Leone, which states *"the public accounts of Sierra Leone and all public offices, including the Courts, the accounts of the central and local government administrations, of the Universities and public institutions of like nature, any statutory corporation, company or other body or organisation established by an Act of Parliament or statutory instrument or otherwise set up partly or wholly out of Public Funds, shall be audited and reported on by or on behalf of the Auditor-General, and for that purpose the Auditor-General shall have access to all books, records, returns and other documents relating or relevant to those accounts"*<sup>138</sup>. However, the consistency with international audit standards is unclear and public offices have no legal obligation to provide the reconciler with reporting templates audited by an independent auditor.

#### Public offices have been required by the SLEITI MSG to submit certified reporting templates

As stated in the ToRs for recruitment of the reconciler, *"the reporting templates of the government entities shall be [...] attested by the Auditor-General"*<sup>139</sup>.

#### Main public offices have remitted reporting templates certified or endorsed by the Auditor General

We understand that<sup>140</sup>:

- The NRA submitted reporting templates *"certified"*<sup>141</sup> by the Auditor General
- The MMR submitted reporting templates *"endorsed"*<sup>142</sup> by the Auditor General
- The Petroleum Directorate submitted reporting templates *"endorsed"*<sup>143</sup> by the Auditor General
- The GGDO submitted reporting templates *"endorsed"*<sup>144</sup> by the Auditor General
- District councils did not submit certified reporting templates
- Chiefdom administration did not submit certified reporting templates

<sup>138</sup> The constitution of Sierra Leone (1991), p. 52

<sup>139</sup> ToRs for recruitment of the reconciler (undated), pp. 2-3

<sup>140</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 76

<sup>141</sup> Certificate of reporting template, Audit Service Sierra Leone (8 December 2012), indicates that "the figures in the Supplementary SLEITI Reconciliation Report covering the period of 2008 to 2010 were certified by me"

<sup>142</sup> Id.

<sup>143</sup> Id.

<sup>144</sup> Id.



The terminology used above ("*certified*" and "*endorsed*") is extracted from the SLEITI 2<sup>nd</sup> reconciliation report. We understand these two formulations are equivalent.

### The District councils and Chiefdom administrations did not provide certified reporting templates

The declarations of surface tax rent from extractive companies to District councils and Chiefdom administrations amount to 611 986 USD and 2.886 M Le (approx. 636 K USD<sup>145</sup>) in 2010<sup>146</sup>. We understand that the it was a challenge for the NRA which could not "audit all these institution at the same time"<sup>147</sup>.

We understand that the NRA will be able to carry out such audit for next reconciliation exercise<sup>148</sup>.

## ■ References

### No.

- 1-290** EITI report – The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012)
- 1-990** EITI report – ToRs for recruitment of the reconciler (undated)
- 10-100** Laws and MoUs – The constitution of Sierra Leone (1991)

## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>149</sup>:

- *"The Audit Service Sierra Leone has the statutory responsibility to audit all government entities and has lived up to this expectation. The ongoing reform taking place within the Audit Service is a pointer that Government is trying to ensure that Government reports are based on international auditing standards. In doing so however, there are challenges especially at the sub regional level of governance namely Districts Councils and Chiefdom Administrations. In spite of these challenges, the MSG was obliged to include District Councils and Chiefdom Administrations where large-scale companies operate pursuant to the recommendation from the first Reconciliation Report as well as to deepen the process.*
- *The NRA revised reporting templates which led to the preparation of the Supplementary Reconciliation Report have been verified by the Auditor-General ...".*

The SLEITI MSG members are aware of the difficulties of complying with this Requirement. They believe that the controls performed by the Auditor General are sufficient to warrant the quality of the data declared by the GoSL.

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<sup>145</sup> 636 K USD = 2.886 M Le / 4.500

<sup>146</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 38

<sup>147</sup> Certificate of reporting template, Audit Service Sierra Leone (8 December 2012)

<sup>148</sup> Id.

<sup>149</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 5-6



## ■ Conclusion

The most important public offices such as the NRA, the MMR, the Petroleum Directorate and the GGDO have submitted reporting templates endorsed by the Auditor General for the SLEITI 2<sup>nd</sup> reconciliation report. For the supplementary report to SLEITI 2<sup>nd</sup> reconciliation report, the NRA has submitted new reporting templates, also endorsed by the Auditor General.

Therefore, even though, the District councils and Chiefdom administration did not provide certified reporting templates, as most important public offices did so, we consider that this Requirement is met.

Requirement No.13 is met



## Requirement No.14

*Companies comprehensively disclose all material payments in accordance with the agreed reporting templates*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Companies have made a comprehensive declaration of payments made	Partial

See EITI Rules, 2011 edition, p. 26

#### Most of the companies have provided reporting templates

14 out of the 15 companies included in the scope of the SLEITI 2<sup>nd</sup> reconciliation report have submitted their reporting templates. Only Chang Feng failed to submit data<sup>150</sup>.

We understand that Chang Feng was included in the scope as the company participated to the mock reconciliation exercise in March-April 2012. However, the company has left the country by the time of the 2nd reconciliation exercise. The absence of data disclosure from Chang Feng can be considered as not significant as Chang Feng is a small scale mining company, which had no production activities in Sierra Leone in 2008, 2009 and 2010. According to the SLEITI MSG, Chang Feng did not make any significant payments to GoSL during that period.

#### Most of the companies have confirmed having disclosed all significant payments to the reconciler

12 out of the 15 companies included in the scope of the SLEITI 2<sup>nd</sup> reconciliation report have provided self-assessment forms during the validation process<sup>151</sup>. Of this number, 11<sup>152</sup> have confirmed having disclosed all significant payments in the reporting templates sent to the reconciler<sup>153</sup>.

#### However, as described in Requirement N°9, the scope of companies and scope of revenues for the SLEITI 2nd reconciliation report, do not present full guarantee of comprehensiveness

According to the "*complete list of mining companies (2008-2010)*" provided by the MMR<sup>154</sup>, we understand that:

- 2 large scale mining companies are not included in the scope of the report => Mile Stone Trading Ltd. and Lion Mining Company Ltd.
- More than 50 small scale mining companies are not included in the scope of the report
- 3 oil companies are not included in the scope => European Hydrocarbon, TGS Nopec and Young Energy Prize

In addition, the analysis of the online Sierra Leone Cadastre system<sup>155</sup> shows that at least 6 companies excluded from the scope of the SLEITI 2<sup>nd</sup> reconciliation report, made payments to the GoSL in 2010, for a total close to 230.000 USD.

<sup>150</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 20 § 5.1.1

<sup>151</sup> See Requirement No.19 for further details. All received assessment forms are available in Appendix III

<sup>152</sup> Kingho Investments Co Ltd answered "N/A"

<sup>153</sup> The exact question is "*Have all the significant payments your company has made to the State been submitted to the organisation(s) contracted to reconcile figures and produce EITI Reports, according to the agreed-upon EITI reporting templates and schedule?*"

<sup>154</sup> Letter from the National Coordinator providing information for the Validation report (2 November 2012)

Based on the literature transmitted to us for the present Validation report, the exclusion of two revenue streams (bonuses and capital gains tax) have not been justified.

## ■ References

### No.

- 1-290** EITI report – The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012)  
**1-990** EITI report – ToRs for recruitment of the reconciler (undated)

## ■ Stakeholder views

The stakeholders did not make specific comments on this Requirement.

## ■ Recommendation from the validator

- R7 - Initiate a scoping study for the selection of revenue streams to include in future SLEITI reconciliation reports**  
**R8 - Initiate a scoping study for the selection of extractive companies to include in future SLEITI reconciliation reports**  
**R11 - Add an "Other significant payments/revenues" category to the reporting templates of future SLEITI reconciliation reports**

## ■ Conclusion

We understand that:

- Most of the 15 companies within the scope have provided reporting templates (the missing company is not significant)
- Most of the 15 companies within the scope have provided self-assessment forms and confirmed having disclosed all significant payments to the reconciler
- The SLEITI 2<sup>nd</sup> reconciliation report does not express any material limitation to the comprehensiveness declaration of the 15 companies within the scope

Therefore, subject to the limitation regarding the comprehensiveness of the scope of companies considered in Requirement N°9, we consider that this Requirement is met.

Requirement No.14 is met



<sup>155</sup> <http://sierraleone.revenuesystems.org>

## Requirement No.15

*Government agencies comprehensively disclose all material revenues in accordance with the agreed reporting templates*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Government agencies have made a comprehensive declaration of revenues received	Partial

See EITI Rules, 2011 edition, p.26

### 3 District councils and 6 Chiefdom administrations did not provide reporting templates for the SLEITI 2<sup>nd</sup> reconciliation process

The reported payments by companies related to District councils and Chiefdom administrations amount to 611 986 USD and 2.886 M Le (approx. 36 K USD<sup>156</sup>) in 2010<sup>157</sup>. These payments are significant as they represent 8%<sup>158</sup> of payments in USD and 80%<sup>159</sup> of payments in Leones.

The following 3 District councils out of 7 did not submit templates<sup>160</sup> to the reconciler:

- Kono DC
- Tonkolili DC
- Koinadugu DC

The following 6 Chiefdom administrations<sup>161</sup> out of 12 did not submit templates to the reconciler:

- Kamara Chiefdom
- Marampa Chiefdom
- Sandor Chiefdom
- Tankoro Chiefdom
- Valunia Chiefdom
- Kafe Simiria Chiefdom

[A supplementary report to the SLEITI 2nd reconciliation report addresses important discrepancies, however, according to remaining discrepancies, all material revenues were not disclosed to the reconciler](#)

A supplementary report<sup>162</sup> to the SLEITI 2nd reconciliation report, dated November 2012, addresses important discrepancies<sup>163</sup> due to NRA incorrect declarations. However, for the year 2010, the remaining positive discrepancies amount to 7%<sup>164</sup> of the USD declarations (+533.930 USD) and positive discrepancies amount to 78%<sup>165</sup> of the Leones declarations (+2.860 M Le).

<sup>156</sup> 636 K USD = 2.886 M Le / 4.500

<sup>157</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 38

<sup>158</sup> 8% = 611 986 USD / 7.591.762 USD

<sup>159</sup> 80% = 2.886 M Le / 3.628 M Le

<sup>160</sup> The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012), p. 20

<sup>161</sup> Id.

<sup>162</sup> The supplementary report to the SLEITI 2nd reconciliation report, BOAS & Associates (November 2012)

<sup>163</sup> Refer to Requirement N°17 for comments

<sup>164</sup> Id.

<sup>165</sup> Id.

Therefore, we understand that all material revenues were not disclosed to the reconciler.

Moreover, as described in Requirement N°9, the scope of companies and scope of revenues for the SLEITI 2nd reconciliation report, do not present full guarantee of comprehensiveness

According to the "complete list of mining companies (2008-2010)" provided by the MMR<sup>166</sup>, we understand that:

- 2 large scale mining companies are not included in the scope of the report => Mile Stone Trading Ltd. and Lion Mining Company Ltd.
- More than 50 small scale mining companies are not included in the scope of the report
- 3 oil companies are not included in the scope => European Hydrocarbon, TGS Nopec and Young Energy Prize

In addition, the analysis of the online Sierra Leone Cadastre system<sup>167</sup> shows that at least 6 companies excluded from the scope of the SLEITI 2<sup>nd</sup> reconciliation report, made payments to the GoSL in 2010, for a total close to 230.000 USD.

Based on the literature transmitted to us for the present Validation report, the exclusion of two revenue streams (bonuses and capital gains tax) have not been justified.

## ■ References

No.

- 1-290 EITI report – The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012)
- 1-990 EITI report – ToRs for recruitment of the reconciler (undated)

## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>168</sup>:

- *"In accordance with the agreed reporting templates, only majority of District Councils and Chiefdom Administrations failed to disclose material revenues (surface rent) due to administrative and financial challenges. The Ministry of Local Government and the Decentralization Secretariat have been informed accordingly so that EITI reporting becomes an oversight activity for 2013 onwards.*
- *Government has prepared the Extractive Revenue Bill which will harmonise taxes from mining and oil sectors. This will help the MSG in further determining the revenue streams from both sectors.*
- *As part of its strengthened approach to EITI, the MSG has plans to establish regional offices to improve on the rate of participation by the District Councils and Chiefdom Administrations.*
- *With regards NRA, substantial disclosure of revenues, including supporting documents, have been made and is evidenced in the Supplementary Report.*
- *With plans to conduct thorough scoping studies on the revenue streams, all relevant revenue streams will be reported on in accordance with the agreed reporting templates. The MSG will include bonuses from mining and oil/ gas companies and capital gains tax when records are provided on them."*

<sup>166</sup> Letter from the National Coordinator providing information for the Validation report (2 November 2012)

<sup>167</sup> <http://sierraleone.revenuesystems.org>

<sup>168</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 6-7

## ■ Conclusion

As described in Requirement N°9, the scope of companies for the SLEITI 2nd reconciliation report do not present full guarantee of comprehensiveness.

According to the lack of reporting templates from 3 District councils and 7 Chiefdom administrations and the significant remaining discrepancies, we understand that all material revenues were not disclosed to the reconciler.

Therefore, we consider that this Requirement is unmet.

Requirement No.15 is unmet



## Requirement No.16

*The multi-stakeholder group must be content that the organisation contracted to reconcile the company and government figures did so satisfactorily*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Formal approval of the report has been taken by the MSG	Partial
b) Other evidence (minutes from MSG meetings...) has been transmitted	Yes

See EITI Rules, 2011 edition, p.48

### The stakeholders are satisfied with the work carried out for the SLEITI 2nd reconciliation report

There is no written evidence that the MSG is satisfied with the work performed by the independent reconciler and the SLEITI 2<sup>nd</sup> reconciliation report has not been approved formally by the MSG. The SLEITI MSG members have, however, confirmed, during the various meetings held in Freetown and through the self-assessment forms, their satisfaction with the work performed by the reconciler.

The 12 companies which provided self assessment forms during the Validation process<sup>169</sup> have confirmed that they were "satisfied with the selection and the work performed by the organisation(s) contracted to reconcile figures and prepare EITI reports"<sup>170</sup>.

### ■ References

**No.**

- 1-011 **Validation** – African Minerals self-assessment form (5 November 2012)
- 1-012 **Validation** – Koidu Holdings S.A. self-assessment form (5 November 2012)
- 1-013 **Validation** – London Mining Company self-assessment form (5 November 2012)
- 1-014 **Validation** – Sierra Minerals Holdings Ltd. self-assessment form (5 November 2012)
- 1-015 **Validation** – Sierra Rutile self-assessment form (5 November 2012)
- 1-016 **Validation** – Cluff Gold self-assessment form (5 November 2012)
- 1-018 **Validation** – Kingho Investment Company Ltd. self-assessment form (5 November 2012)
- 1-020 **Validation** – West Africa Zircon Mining Company Ltd. self-assessment form (5 November 2012)
- 1-021 **Validation** – Anadarko self-assessment form (5 November 2012)
- 1-023 **Validation** – Oranto Petroleum self-assessment form (5 November 2012)
- 1-024 **Validation** – HM Diamonds self-assessment form (5 November 2012)
- 1-025 **Validation** – Kassim M. Basma self-assessment form (5 November 2012)

### ■ Stakeholder views

See above for stakeholders' views.

<sup>169</sup> See Question No.14 as detailed in Requirement N°19. All 12 self-assessment forms are also available in Appendix III

<sup>170</sup> According to Question N°14 of the self assessment forms - Refer to Requirement N°19 for detailed explanation

## ■ Conclusion

The reconciliation work and report present weaknesses explained mainly in Requirement N°9 and N°17. However, based on discussions with the SLEITI MSG members and the self-assessment forms provided by companies, we understand that most SLEITI MSG members are satisfied with the work performed by the reconciler. For this reason, we consider that this Requirement is met.

Requirement No. 16 is met





# Requirement No.17

The reconciler must ensure that the EITI report is comprehensive, identifies all discrepancies, where possible explains those discrepancies, and where necessary makes recommendations for remedial actions to be taken

## Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) MSG has formulated remedial actions in response to the reconciler's recommendations	Yes

See EITI Rules, 2011 edition, p. 48

### The SLEITI 2<sup>nd</sup> reconciliation report presents the discrepancies

The SLEITI 2nd reconciliation report presents the discrepancies detailed revenue stream-by-revenue stream (ex. p. 41 for year 2010)

	Company		Government		Discrepancy		Resolved		Unresolved	
	US\$	LE	US\$	LE	US\$	LE	US\$	LE	US\$	LE
Reconnaissance Licence									0	0
Exploration Licence	347,272	-	387,515	56,452,415	(40,243)	(56,452,415)			(40,243)	(56,452,415)
Mining Lease	1,883,887	-	1,917,002	2,606,980,790	(33,115)	(2,606,980,790)			(33,115)	(2,606,980,790)
Surface Rent	611,986	2,886,579,200	625,053	401,843,326	(13,067)	2,484,735,874			(13,067)	2,484,735,874
Mineral Royalty	2,395,997	-	203,370	8,049,502,094	2,192,628	(8,049,502,094)	120,518,735		2,192,628	(7,928,983,359)
Corporate tax	25,892	727,275,156	147,097	126,688,224	(121,205)	600,586,932			(121,205)	600,586,932
Agri Dev Fund	109,900	-	-	-	109,900	-			109,900	-
Training fund	625,000	-	624,970	-	30	-			30	-
Sal e/geophys data	-	-	-	-	-	-			-	-
Petroleum(Explo)Licence	-	-	-	-	-	-			-	-
Diamond Exporter's licence	73,000	-	-	-	73,000	-			73,000	-
Diamond Exporters' Agent fe	-	14,400,000	-	-	-	14,400,000			-	14,400,000
Royalty(Diamond Exporter)	1,518,828	-	1,518,828	270,442,200	-	(270,442,200)			-	(270,442,200)
<b>Total</b>	<b>7,591,762</b>	<b>3,628,254,356</b>	<b>5,423,835</b>	<b>11,511,909,049</b>	<b>2,167,928</b>	<b>(7,883,654,693)</b>	<b>-</b>	<b>120,518,735</b>	<b>2,167,928</b>	<b>(7,763,135,958)</b>

SOURCE: Templates from Extractive companies/Government Agencies-compilation by Boas & Associates.

### The SLEITI 2nd reconciliation report, p. 41

The SLEITI 2nd reconciliation report presents also discrepancy analysis and comments (ex. pp. 42-43 for year 2010):

	Discrepancy		Details of Discrepancy	Resolved		Unresolved	
	(Total company reported payment-Total Government)			US\$	LE	US\$	LE
	US\$	LE		US\$	LE	US\$	LE
Reconnaissance Licence							
Exploration Licence	(40,243)	(56,452,415)	Discrepancy resulted from differences between reported payment and government receipts in respect of Koidu Holdings Ltd,London Mining Ltd,Cluff Resources Ltd,Nimini Mining Ltd and Alpha Investments Ltd.			(40,243)	56,452,415
Mining Lease	(33,115)	2,606,980,790	1. For the US dollars discrepancy resulted from the following. The MMRM reported US\$1,025,000, on mining lease while African Minerals Limited reported US\$1,000,000. However there wasn't any supporting document for the payment or receipt. Other companies which reported and government receipts are shown below:Koidu Holdings US\$400,000; London Mining US\$50,000; Sierra Minerals Ltd US\$63,882; Sierra Rutile Ltd US\$149,525 and Cluff Gold Resources US\$220,500 summing up to US\$1,883,887. MMRM/NRA receipts summed up to US\$1,917,002 resulting in discrepancy of US\$(1,883,667-1917002)=US\$(33,115). 2. The discrepancy in Leones appears to be the result of converting US\$ into Leones. However without knowing the exact conversion rate or the dollar denominated amount there can be no resolution.			(33,115)	2,606,980,790

### The SLEITI 2<sup>nd</sup> reconciliation report, p. 42

A supplementary report to the SLEITI 2<sup>nd</sup> reconciliation report, dated November 2012, addresses important discrepancies due to NRA incorrect declarations

"The supplementary reconciliation exercise had, as its main objective, the resolution of the unresolved discrepancies of the second reconciliation report. (...) Supporting documents provided by the NRA were thoroughly checked. (...) Only discrepancies involving revenue streams collected by the National Revenue Authority (NRA) were considered, namely mineral royalty, mining licence, exploration licence and corporate tax. Due to time constraints, only Sierra Rutile Ltd, Sierra Minerals Holding Ltd, African Minerals Ltd and Koidu Holdings Ltd had their discrepancies examined. These companies had relatively larger discrepancies associated with their payments and receipts in the second SLEITI report"<sup>171</sup>.

"SLEITI requested Messrs Boas and Associates to verify and produce a supplementary reconciliation report based on the supporting evidence by the NRA. This supplementary report is a presentation of the resolution of discrepancies achieved so far, in view of the provision of documentary evidence by the National Revenue Authority (NRA). It should be read in conjunction with the second SLEITI reconciliation report"<sup>172</sup>.

The final discrepancies are as follows:

	Company		Government		Discrepancy		Resolved		Unresolved		
	US\$	LE	US\$	LE	US\$	LE	US\$	LE	US\$	LE	
Reconnaissance Licence										0	0
Exploration Licence	347,272	0	387,515	56,452,415	(40,243)	(56,452,415)	-14,500	56,452,415	(54,743)		0
Mining Lease	1,883,887	0	1,917,002	2,606,980,790	(33,115)	(2,606,980,790)		2,606,980,790	(33,115)		0
Surface Rent	611,986	2,886,579,200	625,053	401,843,326	(13,067)	2,484,735,874			(13,067)		2,484,735,874
Mineral Royalty	2,395,997	-	203,370	8,049,502,094	2,192,628	(8,049,502,094)	(1,841,628)	8,049,502,094	351,000		0
Corporate tax	25,892	727,275,156	147,097	126,688,224	(121,205)	600,586,932	0	(238,756,077)	(121,205)		361,830,855
Agri Dev Fund	109,900	0	0	0	109,900	0	0	0	109,900		0
Training fund	625,000	0	624,970	0	30	0	0	0	30		0
Sale/geophysics data	0	0	0	0	0	0	0	0	0		0
Petroleum(Explo)Licence	0	0	0	0	0	0	0	0	0		0
Diamond Exporter's licence	73,000	0	0	0	73,000	0	0	0	73,000		0
Diamond Exporters' Agentfe	0	14,400,000	0	0	0	14,400,000	0	0	0		14,400,000
Royalty(Diamond Exporter)	1,518,828	0	1,518,828	270,442,200	0	(270,442,200)	0	0	0		(270,442,200)
<b>Total</b>	<b>7,591,762</b>	<b>3,628,254,356</b>	<b>5,423,835</b>	<b>11,511,909,049</b>	<b>2,167,928</b>	<b>(7,883,654,693)</b>	<b>(1,856,128.00)</b>	<b>10,474,179,222</b>	<b>311,800</b>		<b>2,590,524,529</b>

Source: Templates from Extractive companies/Government Agencies- compilation by Boas & Associates.

*The supplementary report, p. 9*

One may regret that the supplementary report to the SLEITI 2nd reconciliation report does not present analysis and comments on the remaining discrepancies.

The SLEITI 2nd reconciliation report presents recommendations for remedial actions to be taken

The SLEITI 2<sup>nd</sup> reconciliation report presents seven recommendations<sup>173</sup>:

- "Lack of supporting documents"
- "Appropriateness of supporting documents"
- "Duplication in reporting"

<sup>171</sup> The supplementary report to the SLEITI 2nd reconciliation report, BOAS & Associates (November 2012), p. 2 § 3.0

<sup>172</sup> Id. p.1 § 1.0

<sup>173</sup> The SLEITI 2nd reconciliation report, BOAS & Associates (September 2012), p. 49-52

- "Mineral royalty payment"
- "Intersectoral collaboration/Royalty payment"
- "Surface rent"
- "Capital gains tax"

With regards to the Note of the EITI International Secretariat "Good Practices of the EITI 1: How to improve EITI reports", we can analyse in which way the SLEITI 2<sup>nd</sup> reconciliation report (in conjunction with the supplementary report) is comprehensive

**i. The report presents formal limitations**

- The report has no header and no footer
- The list of revenue streams is not always presented in the same order and/or same wording (pp. iii, 6 vs p. 59)
- The list of declaring companies is not always presented in the same order (pp. ii, 12 and 58)
- Tables on pp. 38 and 39 present declarations in USD and in Leones, and are difficult to understand (as for 2008 and 2009)
- The report presents a clerical mistake on p. 35, column n°9 (no total amount)

**ii. In order to present a fair view of the reconciliation work, the positive and negative discrepancies should not be offset**

The positive discrepancies amount to 7%<sup>174</sup> of the USD declarations and 78%<sup>175</sup> of the Leones declarations.

According to the supplementary report, the discrepancies for year 2010 are as follows:

	Company		Government		Discrepancy		Resolved		Unresolved		
	US\$	LE	US\$	LE	US\$	LE	US\$	LE	US\$	LE	
Reconnaissance Licence										0	0
Exploration Licence	347,272	0	387,515	56,452,415	(40,243)	(56,452,415)	-14,500	56,452,415	(54,743)		0
Mining Lease	1,883,887	0	1,917,002	2,606,980,790	(33,115)	(2,606,980,790)		2,606,980,790	(33,115)		0
Surface Rent	611,986	2,886,579,200	625,053	401,843,326	(13,067)	2,484,735,874			(13,067)		2,484,735,874
Mineral Royalty	2,395,997	-	203,370	8,049,502,094	2,192,628	(8,049,502,094)	(1,841,628)	8,049,502,094	351,000		0
Corporate tax	25,892	727,275,156	147,097	126,688,224	(121,205)	600,586,932	0	(238,756,077)	(121,205)		361,830,855
Agri Dev Fund	109,900	0	0	0	109,900	0	0	0	109,900		0
Training fund	625,000	0	624,970	0	30	0	0	0	30		0
Sale/geophysics data	0	0	0	0	0	0	0	0	0		0
Petroleum(Explo)Licence	0	0	0	0	0	0	0	0	0		0
Diamond Exporter's licence	73,000	0	0	0	73,000	0	0	0	73,000		0
Diamond Exporters' Agentfe	0	14,400,000	0	0	0	14,400,000	0	0	0		14,400,000
Royalty(Diamond Exporter)	1,518,828	0	1,518,828	270,442,200	0	(270,442,200)	0	0	0		(270,442,200)
<b>Total</b>	<b>7,591,762</b>	<b>3,628,254,356</b>	<b>5,423,835</b>	<b>11,511,909,049</b>	<b>2,167,928</b>	<b>(7,883,654,693)</b>	<b>(1,856,128.00)</b>	<b>10,474,179,222</b>	<b>311,800</b>		<b>2,590,524,529</b>

Source: Templates from Extractive companies/Government Agencies-compilation by Boas & Associates.

The supplementary report, p. 9

According to the payments declared in USD, the discrepancies amount to 311.800 USD.

According to the payments declared in Leones, the discrepancies amount to 2.590 M Le.

<sup>174</sup> +533.930 USD / 7.591.762 USD

<sup>175</sup> +2.860 M Le / 3.628 M Le

- **Positive and negative discrepancies should not be offset**

The report offsets the positive discrepancies relative to a specific revenue stream with the negative discrepancies coming from another revenue stream. Such a computation is incorrect and does not present a fair view of the reconciliation work.

According to p. 9 of the supplementary report, the calculation of the discrepancies for the payments declared in USD is as follows:

	Year 2010
Positive discrepancies amount to	+533.930 USD
Negative discrepancies amount to	(222.130) USD
	<hr/>
Unresolved discrepancies amount to	311.800 USD

According to p. 9 of the supplementary report, the calculation of the discrepancies for the payments declared in Leones is as follows:

	Year 2010
Positive discrepancies amount to	+2.860 M Le
Negative discrepancies amount to	(270) M Le
	<hr/>
Unresolved discrepancies amount to	2.590 M Le

- For the year 2010, the positive discrepancies amount to 7% of the USD declarations (+533.930 USD / 7.591.762 USD)

	Year 2010
Payments by companies	7.591.762 USD
Revenues from government agencies	(5.423.835) USD
Resolved discrepancies amount to	1.856.128 USD
	<hr/>
Unresolved discrepancies amount to	311.800 USD
	<hr/>
Positive discrepancies amount to	+533.930 USD
Negative discrepancies amount to	(222.130) USD

- For the year 2010, the positive discrepancies amount to 78% of the Leones declarations (+2.860 M Le / 3.628 M Le)

	Year 2010
Payments by companies	3.628 M Le
Revenues from government agencies	(11.511) M Le
Resolved discrepancies amount to	10.474 M Le
	<hr/>
Unresolved discrepancies amount to	2.590 M Le
	<hr/>
Positive discrepancies amount to	+2.860 M Le
Negative discrepancies amount to	(270) M Le

iii. The incorrect declarations should be restated within the resolved discrepancies

The reconciliation between the companies and the state agencies' declarations led to resolved and unresolved discrepancies. In order to present a fair view of the reconciliation work, the incorrect declarations should be restated within the resolved discrepancies, as shown in the table below .

Table 4.3.1: 2010 Company reported Payments / Government Receipts / Discrepancies / supplementary report

	Company		Government		Discrepancy		Resolved		Unresolved		
	US\$	LE	US\$	LE	US\$	LE	US\$	LE	US\$	LE	
Reconnaissance Licence										0	0
Exploration Licence	347,272	0	387,515	56,452,415	(40,243)	(56,452,415)	-14,500	56,452,415	(54,743)	0	
Mining Lease	1,883,887	0	1,917,002	2,606,980,790	(33,115)	(2,606,980,790)	2,606,980,790		(33,115)	0	
Surface Rent	611,986	2,886,579,200	625,053	401,843,326	(13,067)	2,484,735,874			(13,067)	2,484,735,874	
Mineral Royalty	2,395,997	-	203,370	8,049,502,094	2,192,628	(8,049,502,094)	(1,841,628)	8,049,502,094	351,000	0	
Corporate tax	25,892	727,275,156	147,097	126,688,224	(121,205)	600,586,932	0	(238,756,077)	(121,205)	361,830,855	
Agri Dev Fund	109,900	0	0	0	109,900	0	0	0	109,900	0	
Training fund	625,000	0	624,970	0	30	0	0	0	30	0	
Sale/geophysics data	0	0	0	0	0	0	0	0	0	0	
Petroleum(Explo)Licence	0	0	0	0	0	0	0	0	0	0	
Diamond Exporter's Licence	73,000	0	0	0	73,000	0	0	0	73,000	0	
Diamond Exporters' Agent fee	0	14,400,000	0	0	0	14,400,000	0	0	0	14,400,000	
Royalty(Diamond Exporter)	1,518,828	0	1,518,828	270,442,200	0	(270,442,200)	0	0	0	(270,442,200)	
<b>Total</b>	<b>7,591,762</b>	<b>3,628,254,356</b>	<b>5,423,835</b>	<b>11,511,909,049</b>	<b>2,167,928</b>	<b>(7,883,654,639)</b>	<b>(1,856,128.00)</b>	<b>10,474,179,222</b>	<b>311,800</b>	<b>2,530,524,529</b>	

Source: Templates from Extractive company/Government Agencies compilation by Boas & Associates.

The supplementary report, p. 9 - The incorrect declarations should be restated within the resolved discrepancies

iv. The report does not compare the result of the reconciliation process with other published revenue data

The report does not compare the result of the reconciliation process with the official Government's total revenues (Government's financial operations table, as produced for the IMF).

v. The report summary can be improved

The report summary<sup>176</sup>, p. iv, presents weaknesses:

- The report summary does not present the final version of the declarations restated within the resolved discrepancies (see explanations above in paragraph iii)
- The report summary offset positive and negative discrepancies which does not present a fair view of the reconciliation work (see explanations above in paragraph ii)
- The report summary is too synthetic. For a better understanding, the synthesis should indicate a subtotal for each sector concerned with the reconciliation, *i.e.* for the oil sector, mining sector and diamond dealers.

■ References

N°

1-009 EITI report – The supplementary report to SLEITI 2nd reconciliation report, BOAS & Associates (November 2012)

1-290 EITI report – 2nd reconciliation report, BOAS & Associates (September 2012)

<sup>176</sup> The supplementary report to the SLEITI 2nd reconciliation report, BOAS & Associates (November 2012), presents synthesis information, pp. 3 and 11, but no proper summary such as in p. iv of the EITI report



## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>177</sup>:

- *"The MSG believes that the Report is comprehensive, identifies all discrepancies of the companies and Government agencies selected for reconciliation exercise and the Reconciler's report also made the necessary recommendations for action. This led to the MSG taking actions to resolve the discrepancies captured in the 2nd Reconciliation and later a Supplementary Report provided.*
- (...)".

## ■ Recommendation from the validator

**R12 - Ensure that EITI reports do not offset positive and negative discrepancies**

**R13 - Ensure that the independent reconciler verifies the accuracy of the scope and materiality threshold, as defined by the SLEITI MSG**

## ■ Conclusion

The SLEITI 2nd reconciliation report presents the discrepancies and a discrepancy analysis. The supplementary report addresses important discrepancies due to NRA incorrect declarations and present remaining discrepancies.

The analyse of SLEITI 2nd reconciliation report (in conjunction with the supplementary report) according to Secretariat "Good Practices of the EITI 1: How to improve EITI reports" shows that the quality of the report and reconciliation process can be improved (the positive discrepancies amount to 7%<sup>178</sup> of the USD declarations and 78%<sup>179</sup> of the Leones declarations).

However, we understand that these weaknesses do not contravene this Requirement.

For these reasons, we consider that this Requirement is met.

Requirement No.17 is met



<sup>177</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 7

<sup>178</sup> +533.930 USD / 7.591.762 USD

<sup>179</sup> +2.860 M Le / 3.628 M Le

## Requirement No.18

*The government and multi-stakeholder group must ensure that the EITI report is comprehensible and publicly accessible in such a way as to encourage that its findings contribute to public debate*

### ■ Evidence

Evidence stated in the EITI Rules, 2011 edition	Finding
a) Paper copies of the EITI Report are available and have been distributed to a wide range of key stakeholders	Yes
b) The EITI Report is available on-line	Yes
c) The EITI Report is comprehensive and addresses recommendations	Partial
d) The EITI Report is comprehensible, written in a clear, accessible style and appropriate languages	Partial
e) Outreach events are undertaken to spread awareness of the EITI Report	Yes

*See EITI Rules, 2011 edition, p.48-49*

#### An interesting and original perception survey

In March 2012, the SLEITI MSG decided to conduct a “*perception survey on the EITI implementation in Sierra Leone*”<sup>180</sup>. The rationale of this survey was to “*provide basic information on the perception, knowledge and awareness of mining communities and stakeholders about the existence of the EITI Office in the country as well as the mandate of the organisation*”<sup>181</sup>. The objectives of this survey were to “*assess the awareness level of communities about the payment and uses of mining revenues paid to the communities*” and “*identify the main source of information available to communities*”<sup>182</sup>.

We understand that this survey covered 11 Districts out of the 14 existing in Sierra Leone. We find such an assessment interesting and original, with comparison to the various studies and analyses conducted in other countries we have worked in. Indeed, if the survey highlights that communities are, in majority, aware of mining activities and of mining payments made by companies to the local authorities, close to 80% of respondents had never heard about the EITI and nearly 99% had never seen an EITI report. We note that these conclusions have been used for the design of a communication strategy<sup>183</sup>.

#### An official ceremony has launched the SLEITI 2<sup>nd</sup> reconciliation report

A launching ceremony has been organised to present and distribute the SLEITI 2<sup>nd</sup> reconciliation report. The ceremony was chaired by the President, Dr. Ernest Bai Koroma.

We note that following this ceremony, a letter from the SLEITI Champion, listing all of the recommendations proposed by the reconciler, had been sent to all the declaring parties, reminding that “*now that the report has been published, we need to step up our efforts to address the issues*”<sup>184</sup>.

<sup>180</sup> Draft report of the perception survey of the EITI implementation in Sierra Leone (April 2012)

<sup>181</sup> Id., § 1.2

<sup>182</sup> Id.

<sup>183</sup> Communication work plan (April 2012)

<sup>184</sup> Letter from Chief of Staff to government agencies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012) and Letter from Chief of Staff to various extractive companies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)



### Sensitisation and dissemination activities have been developed nationwide

A nationwide program of sensitisation and dissemination activities has been implemented in September and October<sup>185</sup>. Although no report of mission is yet available, we understand from the itinerary available, that this program includes discussions on TV and radio, as well as workshops and seminars in various towns across the country.

### These outreach activities have disseminated, however, unreliable information

One could regret that these dynamic and widespread outreach activities (launching ceremony, nationwide workshops and seminars) have led to the dissemination of an inaccurate reconciliation report, presenting levels of discrepancies of 28%<sup>186</sup> in USD and over 200%<sup>187</sup> in Leones, which should have, in our opinion, been revised before being distributed to a wide audience. We understand, however, that the time constraints relative to the present Validation report have encouraged the SLEITI MSG to proceed in such a manner.

### A supplementary report to the 2nd reconciliation report has been prepared and a press release has been issued

A press release has been issued<sup>188</sup> for the attention of the general public, informing that a supplementary report to the 2nd reconciliation report has been prepared based on new supporting evidence provided by the NRA and that the EITI report presents the resolution of discrepancies achieved so far.

### The reconciliation report is available online, but not the supplementary report

To the date of this Validation report's publication, the SLEITI 2<sup>nd</sup> reconciliation report is available online, on the SLEITI's website [www.sleiti.gov.sl](http://www.sleiti.gov.sl).

The supplementary report to the 2<sup>nd</sup> reconciliation report is not yet available on line.

## ■ References

### No.

- 1-030** **Dissemination** – Itinerary for nationwide sensitisation and dissemination of the 2<sup>nd</sup> SLEITI reconciliation report (undated)
- 1-240** **MSG** – Letter from Chief of Staff to government agencies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-250** **MSG** – Letter from Chief of Staff to various extractive companies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-270** **Dissemination** - Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-280** **Dissemination** – Invitation to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-595** **Dissemination** – Communication work plan (April 2012)
- 1-600** **Dissemination** – Draft report of the perception survey of the EITI implementation in Sierra Leone (April 2012)

<sup>185</sup> Itinerary for nationwide sensitisation and dissemination of the 2<sup>nd</sup> SLEITI reconciliation report (undated)

<sup>186</sup> 28% = 2.167 K USD / 7.591 K USD - The SLEITI 2nd reconciliation report, BOAS & Associates (September 2012), p. 41

<sup>187</sup> 213% = 7.763 M Le / 3.628 M Le - The SLEITI 2nd reconciliation report, BOAS & Associates (September 2012), p. 41

<sup>188</sup> Press release - Government of Sierra Leone Office of the Chief of Staff, State House (November 28 2012)

## ■ Stakeholder views

The MSG position on this Requirement is the following<sup>189</sup>:

- "(...) The report was also made comprehensible by developing a Braille report for the blind and visually impaired. This approach is a little beyond what compliant countries are doing.
- The Supplementary Report has been adopted by the MSG.
- Dissemination of the Report is ongoing and the summary report has been produced. The MSG takes on board the recommendation that the 2nd SLEITI report should be read in conjunction with the Supplementary Report.
- (...)"

## ■ Recommendation from the validator

**R14 - Continue the dissemination of the revised version of the SLEITI 2<sup>nd</sup> reconciliation report**

## ■ Conclusion

Dissemination activities have been organised and the 2nd reconciliation report is available online.

For these reasons, we consider that this Requirement is met.

Requirement No. 18 is met



<sup>189</sup> The SLEITI MSG response to the " unmet requirements " (30 November 2012), pp. 6-7

# Requirement No.19

*Oil, gas and mining companies must support EITI implementation*

## ■ Evidence

Name of company	Question														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 African Minerals	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	N/A
2 Koidu Holdings SA	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
3 London Mining Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	N/A
4 Sierra Minerals Holdings Ltd.	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
5 Sierra Rutile	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
6 Cluff Gold	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	N/A
7 Nimini Mining	<i>No form received to the date of publication of this Validation report</i>														
8 Kingho Investment Company Ltd.	Yes	Yes	Yes	Yes	Yes	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes	Yes	N/A
9 Chang Feng	<i>No form received to the date of publication of this Validation report</i>														
10 West Africa Zircon Mining Company Ltd.	Yes	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
11 Anadarko	N/A	Yes	Yes	N/A	N/A	Yes	N/A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
12 Prontinal	<i>No form received to the date of publication of this Validation report</i>														
13 Oranto Petroleum	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	N/A
14 HMDiamonds	N/A	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
15 Kassim M. Basma	N/A	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A

*Answers submitted in the self-assessment forms*

The involvement of the mining companies in the SLEITI MSG is described in Requirements No.2 and 7.

Participation of 12 mining companies in the self-assessment assignment out of the 15 selected in the scope of the SLEITI 2<sup>nd</sup> reconciliation report

In accordance with the new EITI Rules, 2011 edition, we have conducted a self-assessment assignment with the companies included in the scope of the SLEITI 2<sup>nd</sup> reconciliation report, in order to complete the Validation process.

Our self-assessment forms have been designed on the basis of the recommendations of the EITI Source Book. They include 15 key questions and have been provided to the 15 companies of the scope of the SLEITI 2<sup>nd</sup> reconciliation report.

Of the 15 companies contacted, 3 have not as yet returned to us their form. The questions and answers submitted by the companies are detailed below. The self-assessment forms are available in Appendix III.

Companies are satisfied with the SLEITI, which they see as a growing and progressive process

The content of the self-assessment forms, along with the meetings held in Freetown, confirm that the companies involved in the SLEITI process and in the SLEITI MSG are satisfied with the overall work achieved for the past year.

We have, however, perceived from our various conversations that companies see the SLEITI as a young and, therefore, growing enterprise, *i.e.* what can be asked of a mature initiative cannot yet be demanded of the SLEITI. African Minerals, for instance, noticed that “*there is always room for improvement on an initiative like this and I believe we are all learning from the*

challenges we've overcome and managed as a group". It also made a reference to the "country's position in the process" and its ability "to bite as much as it can chew"<sup>190</sup>. Koidu also mentioned the "intention to continually increase the scope of the process"<sup>191</sup>.

### Companies seem, however, keen on seeing communication being strengthened

If all concerned companies have praised the quality and regularity of the dialogue among the members of the SLEITI MSG, they have also pointed out the lack of structuring and organisation of this dialogue.

Kingho Investment Company Ltd., for example, notes that the dialogue on the initiative could be improved through "further efforts [...] to create an interactive forum and constant update of all EITI company activity"<sup>192</sup>. Anadarko, on the other hand, wishes for "more advance warning of submission deadlines", as "requests for submissions have been made with very little notice e.g., the final corrected form for our submission as sent the day of the deadline for completion"<sup>193</sup>. This company, moreover, suggests that "a much more realistic timetable should be planned and distributed to stakeholder companies, well in advance of deadlines for future submissions. Email distribution could possibly help in this regard"<sup>194</sup>.

### Questions asked and answers submitted

The questions in the forms of self-evaluation are:

1. Has your company made public statements supporting the EITI process in Sierra Leone?
2. Has the dialogue on the initiative been constructive and can it be improved?
3. Has your company faced obstacles in the implementation of the EITI?  
If yes, how could these be addressed so as to strengthen the national process?
4. Is your company satisfied with the EITI national work plan (as approved by the multi-stakeholder group)?
5. Has your company committed to support and contribute to the implementation of the EITI national work plan (as approved by the multi-stakeholder group), including abiding by government EITI-related rules (e.g. laws and MoUs) and, where appropriate, meeting with the stakeholders?
6. Has the data your company has submitted to the organisation(s) contracted to reconcile figures and produce EITI reports been drawn from accounts audited to international standards?
7. Has the EITI data your company has submitted to the organisation(s) contracted to reconcile figures and produce EITI reports been certified by an independent auditor, according to international standards?
8. What is the name and contact of the independent auditor of your company in Sierra Leone? At a headquarters' level?
9. Have all the significant payments your company has made to the State been submitted to the organisation(s) contracted to reconcile figures and produce EITI reports, according to the agreed-upon EITI reporting templates and schedule?
10. Has your company answered to all the requests of the organisation(s) contracted to reconcile figures and produce EITI reports, so as to facilitate the reconciliation of declared payments and revenues, according to the EITI reporting templates?
11. In your company's opinion, does the scope of companies and benefit streams, as defined for the EITI reports in Sierra Leone, correspond to the goals of the EITI, notably in terms of materiality?
12. Is your company satisfied with the reporting templates submitted by the organisation(s) contracted to reconcile figures and produce the EITI reports?
13. Are the discrepancies identified by the organisation(s) contracted to reconcile figures and produce EITI reports acceptable?
14. Is your company satisfied with the selection and the work performed by the organisation(s) contracted to reconcile figures and prepare EITI reports?
15. How has your company supported EITI implementation in Sierra Leone?

<sup>190</sup> African Minerals self-assessment form (5 November 2012)

<sup>191</sup> Koidu Holdings S.A. self-assessment form (5 November 2012)

<sup>192</sup> Kingho Investment Company Ltd. self-assessment form (5 November 2012)

<sup>193</sup> Anadarko self-assessment form (5 November 2012)

<sup>194</sup> Id.

## ■ References

**No.**

- 1-011**     **Validation** – African Minerals self-assessment form (5 November 2012)
- 1-012**     **Validation** – Koidu Holdings S.A. self-assessment form (5 November 2012)
- 1-013**     **Validation** – London Mining Company self-assessment form (5 November 2012)
- 1-014**     **Validation** – Sierra Minerals Holdings Ltd. self-assessment form (5 November 2012)
- 1-015**     **Validation** – Sierra Rutile self-assessment form (5 November 2012)
- 1-016**     **Validation** – Cluff Gold self-assessment form (5 November 2012)
- 1-018**     **Validation** – Kingho Investment Company Ltd. self-assessment form (5 November 2012)
- 1-020**     **Validation** – West Africa Zircon Mining Company Ltd. self-assessment form (5 November 2012)
- 1-021**     **Validation** – Anadarko self-assessment form (5 November 2012)
- 1-023**     **Validation** – Oranto Petroleum self-assessment form (5 November 2012)
- 1-024**     **Validation** – HM Diamonds self-assessment form (5 November 2012)
- 1-025**     **Validation** – Kassim M. Bassma self-assessment form (5 November 2012)

## ■ Stakeholder views

The stakeholders did not make specific comments on this Requirement.

## ■ Comments from the validator

Despite being a candidate country for more than 4 years, the SLEITI is, undeniably, a young Initiative, as most activities have been implemented since July 2011.

As outlined in Requirements No. 4 and 5, companies have also emphasised the difficulties encountered with the structuring and organisation of the SLEITI dialogue. In acknowledging these challenges, it is our recommendation that the SLEITI MSG pay special attention to the needs of the SLEITI Secretariat, which has only been fully staffed since March 2012 and is, therefore, not yet a fully effective, organised and operative structure. This institution is essential to the efficient, qualitative and progressive implementation of the EITI in Sierra Leone. For this reason, it should be sufficiently endowed with financial resources and special attention should be paid to the potential capacity for building activities, if considered necessary by the current team in place.

## Requirement No.20

*The government and multi-stakeholder group must take steps to act on lessons learnt, address discrepancies and ensure that EITI implementation is sustainable. Implementing countries are required to submit Validation reports in accordance with the deadlines established by the Board*

### ■ Evidence

The SLEITI has positively evolved by adopting a formal and solid institutional structure

The first Validation report stated: “*although the MSG has been formed and has adequate representation, the lack of ToRs is a significant shortcoming. [...] The MSG is not focused on major strategic issues and is easily distracted by minor operational issues. The lack of clear governance structures for the SLEITI is a hindrance to effectively implementing EITI in Sierra Leone. There is a strategic deficit at the core of the MSG’s function at present*”<sup>195</sup>.

The situation has positively evolved and it is our opinion that these difficulties have today largely been addressed:

- The MoU signed in July 2011, between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI, sets the institutional framework of the SLEITI
- The updated version of the Terms of Reference (ToRs) and Code of conduct of the SLEITI MSG, adopted in June 2011, give to the structure all necessary formal governance guidance
- The nomination of the SLEITI Champion in August 2010 has materialised and formalised the SLEITI’s leadership
- The creation and recent staffing of a SLEITI Secretariat is now giving the SLEITI the necessary span to focus on strategic issues

These lessons learnt have allowed the SLEITI to benefit from a formal and solid institutional structure, therefore guaranteeing the sustainability of the National Initiative.

A favourable institutional structure, which will be consolidated if the SLEITI Bill is adopted

The MoU signed in July 2011 between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI, sets, to date, the institutional structure of the SLEITI.

This document is consolidated, for the implementation of the EITI, by the Mines and Minerals Act, which, through its Articles 159 and 160, promotes transparency of revenues yielded by the extractive sector. However, as detailed in Requirement No. . 8, if this legislation most surely develops a favourable environment for the implementation of the EITI, the absence of explicit reference to the EITI is regrettable.

The inclusion of a specific activity devoted to the “*enactment of SLEITI law*”<sup>196</sup> has led, as we have seen, to the creation of a Bill Review Committee<sup>197</sup> and to the launching of the recruitment of a consultant to draft the SLEITI Bill<sup>198</sup>. This process appears as a genuine intention to allow the SLEITI to become a sustainable process. One could consequently regret that the ongoing recruitment process has been stalled and, therefore, we encourage that it be resumed.

<sup>195</sup> Validation report – Adam Smith International (July 2010), p. 15

<sup>196</sup> The SLEITI work plan (June 2011)

<sup>197</sup> Minutes of the SLEITI MSG meeting (6 December 2011), p. 1

<sup>198</sup> ToRs for a short term consultancy to the SLEITI for drafting the SLEITI Bill (undated)

### An emerging process, which needs more regular and sustainable funding

As presented in Requirement No.5, the overall funding of the Initiative has been irregular and much lower than expected. On an annual average, the SLEITI has received less than 286.000 USD<sup>199</sup>; while the 2011-2012 SLEITI work plan had scheduled receiving more than 452.000 USD<sup>200</sup>.

If we acknowledge that the main contributor to this overall budget is the Government of Sierra Leone (43%), we remind ourselves that these financial challenges constitute a fundamental impediment to the full implementation of the SLEITI work plan. In order to become a mature and safeguarded Initiative, the SLEITI will need more regular and sustainable funding.

### A growing Initiative, which will gain in coverage with a wider scope for its reconciliation reports

As presented in Requirement No.9, the scope of the SLEITI 2<sup>nd</sup> reconciliation report is incomplete (for the companies and for the revenue streams selected). In this context, the coverage of the report is deficient and the conclusions one could draw on the contribution of the extractive sector to the country's economy or development, are obviously impaired.

The SLEITI will most surely gain in coverage if a wider, stronger, justified and reliable scope is adopted. Moreover, in maximising the coverage of the reports, the National Initiative will reinforce its credibility and, hence, its sustainability.

## ■ References

See Requirements No.2, 4, 9, 16 and 17.

## ■ Stakeholder views

The stakeholders did not make specific comments on this Requirement.

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<sup>199</sup> Funds received for the implementation of the SLEITI work plan (undated)

<sup>200</sup> The absence of a budget devoted to the functioning of the SLEITI Secretariat, therefore restraining any activity of this yet essential structure for the implementation of the National Initiative, has also been detailed



# 4 OTHER CONSIDERATIONS

- 4.1** The impact of the EITI
- 4.2** The sustainability of the EITI process
- 4.3** Beyond EITI

## 4.1 The impact of the EITI

The “*perception survey on the EITI implementation in Sierra Leone*”<sup>201</sup> we have referred to in Requirement No.18, clearly presented that, in April 2012, close to 80% of respondents had never heard about the EITI and nearly 99% had never seen an EITI report. On this basis, we can only encourage the SLEITI MSG to quickly implement its communication strategy<sup>202</sup>, in order to familiarise the population with the EITI and strengthen the impact of the Initiative with regards to the public debate it can generate.

We further note that the implementation of the EITI has, positively, allowed strengthening the public governance of the extractive sector, via the following measures:

- A Mining Cadastre System has been put in place and is now accessible online (<http://sierraleone.revenuesystems.org>)
- A National Minerals Agency has been put in place through the adoption of the National Minerals Agency Act (March 2012)
- The NRA is currently “re-engineering the entire business process in the Domestic Tax Department. A Domestic Tax Information System has been developed and will commence soon”<sup>203</sup>
- An “Extractive Industries Revenue Tax Force and the Mining Revenue Forecasting Unit have been established to share information, identify challenges to maximise revenue collection in the sector”<sup>204</sup>. We understand that these structures will soon be operational
- The GoSL has “established a Corporate Affairs Commission for companies to comply with the companies act”<sup>205</sup>. We understand that this structure will soon be operational
- An “accounting package [...] has been approved by the NRA Board for effective financial management as part of the NRA modernisation programme”<sup>206</sup>. We understand that this package is yet to be put in place
- A “Tax Identification Number” is under approval at the NRA<sup>207</sup>

## 4.2 The sustainability of the SLEITI process

As detailed in Requirement No. 20, the SLEITI has positively evolved by adopting a formal and solid institutional structure. It seems that the “*wake-up call’ for all stakeholders to take the development of an institutional framework that will enable a more transparent and accountable governance of natural resources in Sierra Leone more seriously*”<sup>208</sup>, set by the first Validation report, has clearly been heard. The next step for ensuring the absolute sustainability of the SLEITI process is the adoption of the SLEITI Bill, that will enshrine EITI in the Sierra Leonean law and complement the current Mines and Minerals Act.

The full viability of the EITI process will, however, not be attained without a regular and sustainable funding, be it for the implementation of the SLEITI work plan, or for the functioning of the SLEITI Secretariat. The GoSL, which is already the main contributor to the SLEITI budget, could reinforce its contribution and, furthermore, support the SLEITI MSG in finding sustainable funding sources among the donor community.

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<sup>201</sup> Draft report of the perception survey of the EITI implementation in Sierra Leone (April 2012)

<sup>202</sup> Communication work plan (April 2012)

<sup>203</sup> According to the SLEITI Secretariat and the document Percentage of implementation of the SLEITI work plan (undated)

<sup>204</sup> Id.

<sup>205</sup> Id.

<sup>206</sup> Id.

<sup>207</sup> Id.

<sup>208</sup> Validation report – Adam Smith International (July 2010), p. 32

### 4.3 Beyond EITI

We have seen the SLEITI 2<sup>nd</sup> reconciliation report, including the oil and gas sector, which was not covered by the 1<sup>st</sup> report. This progress is relevant, with regards to the evolutions of the extractive sector in Sierra Leone, as well as with respect to the progress gained by the National Initiative after the publication of the SLEITI 1<sup>st</sup> reconciliation report and its first Validation report.

Considering the path taken, and the remaining challenges which need to be addressed in the implementation of the SLEITI work plan, we would suggest the SLEITI MSG to retain, at least in the next reconciliation report, its conventional coverage (oil, gas and mining) before widening its scope to other sectors. Indeed, we indeed believe that the current reconciliation process needs to be strengthened (stronger scope, more reliable data etc.) before considering going beyond the EITI usual sectors.

The extension to other sectors could include fisheries or forestry (more challenging). Such an extension would, in any case, need to be informed by a sector-wide analysis, so as to evaluate the opportunity of an inclusion in the scope of the SLEITI reconciliation reports.

# 5 RECOMMENDATIONS

### **Recommendation No.1**

#### *Enrich the minutes of the SLEITI MSG meetings with the content of the discussions*

The minutes of the SLEITI MSG meetings do not present the content of the discussions, which limits the understanding of the viewpoints of each stakeholder.

We, therefore, recommend the SLEITI MSG detailing the minutes of the meetings with the content of the discussions.

### **Recommendation No.2**

#### *Sign and record the minutes of the SLEITI MSG meetings with their attachments*

We have encountered difficulties in accessing reliable and formal information, as well as important decisions taken by the SLEITI MSG.

In order to facilitate the access to formal and reliable information, we suggest the SLEITI MSG systematically sign and record the minutes of its meetings, with their attachments.

### **Recommendation No.3**

#### *Urge the SLEITI Secretariat to develop an accessible and updated database on the EITI and the extractive sector*

Many actions have been undertaken since 2008 through the implementation of the SLEITI. The lack of systematic monitoring hinders the efficient promotion of these activities. The comparison in time and the renewal of SLEITI activities is, furthermore, limited. These shortcomings lead to the challenging access to reliable and formal information, as presented in Recommendation No.2.

We, therefore, recommend the SLEITI MSG to urge the SLEITI Secretariat to develop an accessible and updated database, centralising all existing materials relative to the implementation of the SLEITI (memberships, laws, MoUs, minutes of meetings, presentations etc.). In addition, this database could usefully record information on legal, fiscal, social, economic and financial information on the extractive sector of Sierra Leone. This database could be complemented by documents from other extractive countries, serving as benchmarks for the National Initiative.

### **Recommendation No.4**

#### *Conclude the full implementation of the SLEITI work plan*

The EITI work plans have been unevenly implemented: some ambitious activities are yet to be completed in medium term delays (4.b, 4.c, 4.d, 4.f), while others should have been fulfilled a while ago and should therefore be completed rapidly (1.b, 2.b, 2.c, 3.b, 3.c, 5.a).

We recommend the SLEITI MSG conclude the full implementation of the SLEITI work plan, with a prioritised focus on the core activities for the implementation of the EITI.

### **Recommendation No.5**

#### *Ensure a regular and sustainable funding for the SLEITI*

Since 2010, the SLEITI has received irregular and lower than expected funding. These financial challenges can explain, in part only, the partial implementation of the SLEITI work plan and can justify the fact that the major focus of the National Initiative has been on the elaboration and the publication of EITI reconciliation reports.

In order to allow a complete implementation of the SLEITI work plan, and therefore a true diversification of the National Initiative, we recommend the SLEITI MSG ensure regular and sustainable funding to the SLEITI.

### **Recommendation No.6**

#### *Achieve the drafting and proceed rapidly to the adoption of the SLEITI Bill*

The SLEITI work plan proposes, in its Objective 1.d, the “*enactment of SLEITI law*”. The SLEITI MSG has put in place a specific Bill Review Committee, and the hiring of a consultant to draft the SLEITI Bill through a Request for Expression of Interest that has been launched. However, we understand that the procedure of drafting the SLEITI Bill is stalled.

The adoption of a SLEITI Bill should guarantee the sustainability of the SLEITI. For this reason, we recommend the SLEITI MSG to achieve the drafting of the SLEITI Bill, so as to allow for the rapid adoption of this text..

### **Recommendation No.7**

#### *Initiate a scoping study for the selection of revenue streams to include in future SLEITI reconciliation reports*

The scope of revenue streams supporting the SLEITI 2<sup>nd</sup> reconciliation report does not present full guarantee of comprehensiveness. It does not make any reference to the national legislation (Mines and Minerals Act, Mines and Minerals regulations, Petroleum Exploration and Production Act, Income Tax Act) and does not provide any rationale for the final list of selected benefit streams.

In order to strengthen the quality of future reconciliation processes and to maximise the coverage of future SLEITI reconciliation reports (*i.e.* include bonuses and capital gains tax), we recommend the SLEITI MSG initiate a scoping study that will enable the selection of revenue streams to include in future SLEITI reconciliation reports.

### **Recommendation No.8**

#### *Initiate a scoping study for the selection of extractive companies to include in future SLEITI reconciliation reports*

The scope of companies included in the SLEITI 2<sup>nd</sup> reconciliation report is incomplete. Indeed, there is no evidence that all the companies having made significant payments to the GoSL have been considered for the report. On the other hand, we understand that the following companies have been excluded of the SLEITI scope, without clear justification:

- 2 large scale mining companies are not included in the scope of report => Mile Stone Trading Ltd. and Lion Mining Company Ltd.
- More than 50 small scale mining companies are not included in the scope of report
- 3 oil companies are not included in the scope => European Hydrocarbon, TGS Nopec and Young Energy Prize

In order to strengthen the quality of future reconciliation processes and to maximise the coverage of future SLEITI reconciliation reports (*i.e.* include all extractive companies in production, at least all large industrial companies in exploration and the main dealers/exporter), we recommend the SLEITI MSG initiating a scoping study that will enable the selection of extractive companies to include in future SLEITI reconciliation reports.

### **Recommendation No.9**

*Formalise every important decision, such as the approval of the ToRs or the recruitment of a reconciler, in the minutes of the SLEITI MSG meetings*

We have noticed that important decisions for the SLEITI MSG were not formally documented, such as the approval of the ToRs and the reconciler, the approval of the final reporting templates as well as the approval of the final version of the SLEITI 2<sup>nd</sup> reconciliation report.

In order to facilitate the access to formal and reliable information, and together with Recommendation No.2, we suggest the SLEITI MSG formalise every important decision in the minutes of its meetings.

### **Recommendation No.10**

*Ensure that all companies provide certified reporting templates*

In the context of the SLEITI 2<sup>nd</sup> reconciliation report, we understand that 7 out of 15 companies based their declarations on data audited to international standards, but that only 8 out of 15 submitted certified reporting templates.

We, therefore, recommend the SLEITI MSG ensure that all extractive companies included in the scope of future SLEITI reconciliation reports submit reporting templates certified by their external auditors, in accordance with Suggested action No.18 of the EITI Source Book.

We understand that the companies are not opposed to such a procedure.

### **Recommendation No.11**

*Add an "Other significant payments/revenues" category to the reporting templates of future SLEITI reconciliation reports*

As shown in the analysis detailed in Requirements No.9 and 14, the exhaustive census of significant revenue streams is a complex issue.

In order to enhance the coverage without compromising the quality of the reconciliation process, we recommend the SLEITI MSG add an "Other significant payments" category to the reporting templates of future SLEITI reconciliation reports.

### **Recommendation No.12**

*Ensure that EITI reports do not offset positive and negative discrepancies*

The SLEITI 2<sup>nd</sup> reconciliation report presents discrepancies that appear insignificant, since positive discrepancies have been offset with negative discrepancies.

These discrepancies correspond to various companies and benefit streams. We, therefore, recommend the SLEITI MSG ensure that EITI reports do not present, in their final reconciliation tables, aggregated data where significant positive and negative discrepancies have been offset.

### **Recommendation No.13**

*Ensure that the independent reconciler verifies the accuracy of the scope and materiality threshold, as defined by the SLEITI MSG*

The reconciliation exercise conducted for the SLEITI 2<sup>nd</sup> reconciliation report was based on a weak and poorly justified scope, thus limiting the quality of the overall process.



We, therefore, recommend the SLEITI MSG ensure that the reconciler verifies the accuracy of the scope and materiality threshold, as defined by the SLEITI MSG.

### **Recommendation No.14**

*Continue the dissemination of the revised version of the SLEITI 2<sup>nd</sup> reconciliation report*

We recommend the SLEITI MSG to continue the dissemination the amended version of the Report to a wide audience.

# A APPENDICES

# Appendix I: References

## 2012

- 1-009** – **EITI report** – The supplementary report to SLEITI 2nd reconciliation report, BOAS & Associates (November 2012)
- 1-010** – **MSG** – Activities undertaken by the multi-stakeholder group 2007-2012 (7 November 2012)
- 1-011** – **Validation** – African Minerals self-assessment form (5 November 2012)
- 1-012** – **Validation** – Koidu Holdings SA self-assessment form (5 November 2012)
- 1-013** – **Validation** – London Mining Company self-assessment form (5 November 2012)
- 1-014** – **Validation** – Sierra Minerals Holdings Ltd. self-assessment form (5 November 2012)
- 1-015** – **Validation** – Sierra Rutile self-assessment form (5 November 2012)
- 1-016** – **Validation** – Cluff Gold self-assessment form (5 November 2012)
- 1-018** – **Validation** – Kingho Investment Company Ltd. self-assessment form (5 November 2012)
- 1-020** – **Validation** – West Africa Zircon Mining Company Ltd. self-assessment form (5 November 2012)
- 1-021** – **Validation** – Anadarko self-assessment form (5 November 2012)
- 1-023** – **Validation** – Oranto Petroleum self-assessment form (5 November 2012)
- 1-024** – **Validation** – HM Diamonds self-assessment form (5 November 2012)
- 1-025** – **Validation** – Kassim M. Basma self-assessment form (5 November 2012)
- 1-026** – **Validation** – Letter from the National Coordinator providing information for the Validation report (2 November 2012)
- 1-027** – **EITI report** – Anadarko certification report, KPMG (1 November 2012)
- 1-030** – **Dissemination** – Itinerary for nationwide sensitization and dissemination of the SLEITI 2<sup>nd</sup> reconciliation report (undated)
- 1-040** – **Extractive sector** – List of large scale mining companies (undated)
- 1-050** – **MSG** – Funds received for the implementation of the SLEITI work plan (undated)
- 1-060** – **MSG** – Percentage of implementation of the SLEITI work plan (undated)
- 1-100** – **MSG** – Brief update on the SLEITI implementation (undated)
- 1-110** – **MSG** – Brief update on the SLEITI implementation (undated)
- 1-140** – **MSG** – Update on the SLEITI activities in Sierra Leone (undated)
- 1-160** – **MSG** – EITI implementation in Sierra Leone – Presentation by Kenei Lamin (undated)
- 1-170** – **MSG** – The SLEITI 2<sup>nd</sup> reconciliation report - Presentation by Kenei Lamin (undated)
- 1-180** – **MSG** – Achieving compliance: the challenges – Presentation by Kenei Lamin (undated)
- 1-190** – **MSG** – Photographs of some MSG members during a training session (undated)
- 1-200** – **MSG** – Meeting with the GIZ (undated)
- 1-208** – **MSG** – List of activities undertaken by civil society organisations in the implementation of the SLEITI (undated)
- 1-209** – **MSG** – List of activities undertaken by companies in the implementation of the SLEITI (undated)
- 1-210** – **Dissemination** – The SLEITI – Join the effort to enforce transparency in the extractive sector (undated)
- 1-211** – **Validation** – Letter of the National Coordinator to the Director of the GGDO on the commencement of the Validation process (24 October 2012)
- 1-212** – **Validation** – Letter of the National Coordinator to the Petroleum Directorate on the commencement of the Validation process (24 October 2012)
- 1-213** – **Validation** – Letter of the National Coordinator to the Ministry of Mines on the commencement of the Validation process (24 October 2012)
- 1-214** – **MSG** – Letter from the National Coordinator to the EITI International Secretariat relative to the update of EITI implementation (23 October 2012)

- 1-220 – Dissemination** – Press article: “In Kabala, paramount chief okay SLEITI” (4 October 2012)
- 1-240 – MSG** – Letter from Chief of Staff to government agencies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-250 – MSG** – Letter from Chief of Staff to various extractive companies on findings and recommendations of the SLEITI 2<sup>nd</sup> reconciliation report (3 October 2012)
- 1-255 – Dissemination** – Calendar of events for the SLEITI (undated)
- 1-260 – Dissemination** – Press article: “2<sup>nd</sup> SLEITI reconciliation report launched” (27 September 2012)
- 1-264 – Dissemination** – Press release on the launching of the SLEITI 2<sup>nd</sup> reconciliation report (undated)
- 1-265 – Dissemination** – Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (24 September 2012)
- 1-270 – Dissemination** – Invitations to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-280 – Dissemination** – Invitation to the launching ceremony of the 2<sup>nd</sup> SLEITI reconciliation report (17 September 2012)
- 1-290 – EITI report** – The SLEITI 2<sup>nd</sup> reconciliation report, BOAS & Associates (September 2012)
- 1-320 – EITI report** – Letter from the Chief of Staff to State agencies concerning the discrepancies identified in the draft SLEITI 2<sup>nd</sup> reconciliation report (13 September 2012)
- 1-330 – EITI report** – Letter from the Ambassador of China to the Chief of Staff relative to the contribution of Chinese companies to the reconciliation process (6 September 2012)
- 1-335 – Validation report** – Fourth review under the three-year arrangement under the extended credit facility, IMF (5 September 2012)
- 1-340 – MSG** – Minutes of the SLEITI MSG meeting (23 August 2012)
- 1-350 – MSG** – Letter from the Chief of Staff to the Chinese Ambassador concerning the contribution of Chinese companies to the reconciliation process (16 August 2012)
- 1-355 – MSG** – Minutes of the SLEITI MSG meeting (2 August 2012)
- 1-356 – MSG** – Letter from the ACC to the National Coordinator concerning the refusal of the ACC to share ongoing steps on the investigations relative to the discrepancies reported in the SLEITI 1<sup>st</sup> reconciliation report (31 July 2012)
- 1-357 – Laws and MoUs** – Report on the evaluation of expressions of interest for the drafting of the SLEITI Bill (30 July 2012)
- 1-358 – Laws and MoUs** – ToRs for a short term consultancy to the SLEITI for drafting the SLEITI Bill (undated)
- 1-360 – MSG** – Minutes of the meeting between the Director, Strategy and Policy unit and development partners (27 July 2012)
- 1-380 – MSG** – Minutes of the SLEITI MSG meeting (26 July 2012)
- 1-390 – MSG** – Invitation to the SLEITI – Development partners briefing (23 July 2012)
- 1-400 – MSG** – Letter from the National Coordinator to the Commissioner of the ACC to share ongoing steps on the investigations relative to the discrepancies reported in the SLEITI 1<sup>st</sup> reconciliation report (20 July 2012)
- 1-410 – MSG** – Letter to the Director of Prontinal Ltd. for the submission of the SLEITI reporting templates (20 July 2012)
- 1-420 – EITI report** – Email from Prontinal Ltd. concerning completing information for the 2<sup>nd</sup> SLEITI reconciliation report (19 July 2012)
- 1-430 – EITI report** – Email from the reconciler to the NRA concerning completing information for the SLEITI 2<sup>nd</sup> reconciliation report (18 July 2012)
- 1-435 – Validation** – Email to MSG members for the confirmation of the funding of the Validation report (24 July 2012)
- 1-440 – MSG** – Email sharing an update on the SLEITI implementation (10 July 2012)
- 1-460 – EITI report** – Letter from Prontinal Ltd. to the National Coordinator asking for a formal and official procedure regarding the information requested for the SLEITI 2<sup>nd</sup> reconciliation report (9 July 2012)

- 1-470** – **EITI report** – Letter from Prontinal Ltd. to the Petroleum Directorate asking for a confirmation that disclosure of information from Prontinal will not constitute a breach of the Petroleum Agreement (9 July 2012)
- 1-480** – **EITI report** – Letter from the Country Manager of Talisman Energy to Prontinal Ltd. Conveying concerns on the absence of contribution from Pontinal in the 2<sup>nd</sup> SLEITI reconciliation process (5 July 2012)
- 1-490** – **EITI report** – Letter to Talisman concerning the absence of participation of Prontinal Ltd. to the 2<sup>nd</sup> reconciliation process (22 June 2012)
- 1-500** – **MSG** - Letters sent to various Liberian newspapers so as to publish the Expression of Interest for Consultancy for the Drafting of the SLEITI Bill (14 June 2012)
- 1-501** – **EITI report** – Letter sent to various State agencies concerning the submission of reporting templates and relevant financial documents under the SLEITI (6 June 2012)
- 1-505** – **EITI report** – Inception report the SLEITI 2<sup>nd</sup> reconciliation report (May 2012)
- 1-510** – **Dissemination** – Status of EITI implementation in Sierra Leone (May 2012)
- 1-520** – **MSG** – Letter to the Country director of the UNDP to support the SLEITI Secretariat (21 May 2012)
- 1-530** – **MSG** – Minutes of the SLEITI MSG meeting (17 May 2012)
- 1-540** – **MSG** – Letter to the Ministry of Finance concerning the recruitment of a reconciler for the production of the 2<sup>nd</sup> SLEITI reconciliation report
- 1-550** – **EITI report** – The SLEITI consultative meeting report (7 May 2012)
- 1-560** – **EITI report** – The SLEITI consultative meeting, presentation by BOAS and Associates (7 May 2012)
- 1-570** – **EITI report** – Keynote address delivered by Kaifala Marah, the SLEITI Champion at the SLEITI Consultative meeting (7 May 2012)
- 1-580** – **Civil society** – The role of the media in the implementation of the EITI in Sierra Leone (5 May 2012)
- 1-590** – **Capacity Building** – Training workshop on implementation of the EITI in Sierra Leone (5 May 2012)
- 1-595** – **Dissemination** – Communication work plan (April 2012)
- 1-600** – **Dissemination** – Draft report of the perception survey of the EITI implementation in Sierra Leone (April 2012)
- 1-610** – **EITI report** – Form contract for consultant services for the production of the SLEITI 2<sup>nd</sup> reconciliation report (30 April 2012)
- 1-620** – **EITI report** – Invitation to the SLEITI consultative meeting (24 April 2012)
- 1-630** – **EITI report** – Press release on the SLEITI reconciliation mock exercise (23 April 2012)
- 1-635** – **EITI report** – Report on mock reconciliation exercise: March-April 2011 (undated)
- 1-640** – **EITI report** – Pass letter for the collection of the SLEITI reporting templates from State agencies in respect of the mock exercise (28 March 2012)
- 1-650** – **EITI report** – Letter to the Ministry of Local Government concerning the mock exercise (26 March 2012)
- 1-680** – **MSG** – Minutes of the SLEITI MSG meeting (19 April 2012)
- 1-690** – **EITI report** – Letter from Koidu Holdings transmitting contact details on the company's auditors (15 March 2012)
- 1-695** – **MSG** – Press release on the SLEITI implementation (undated)
- 1-700** – **MSG** – Letter to Clare Short on the update on EITI implementation in Sierra Leone (14 March 2012)
- 1-710** – **EITI report** – Letter to the NPPA asking for the assignment of a Procurement officer to provide technical support to the SLEITI Secretariat (7 March 2012)
- 1-715** – **MSG** – ToRs and Code of conduct of the SLEITI MSG (undated)
- 1-720** – **MSG** – Minutes of the SLEITI MSG meeting (6 March 2012)
- 1-730** – **EITI report** – Letter from the NPPA approving the recruitment of Boas and Associates as a reconciler for the SLEITI 2<sup>nd</sup> reconciliation report (6 March 2012)

- 1-740** – **EITI report** – Letter from GGDO transmitting information of the collection of taxes and continued support to the SLEITI implementation (5 March 2012)
- 1-750** – **EITI report** – Letter from MSG requesting NPPA's approval to recruit BOAS and Associates as reconciler for the SLEITI 2<sup>nd</sup> reconciliation report (2 March 2012)
- 1-755** – **EITI report** – Letter from Verdi Consulting rejecting the SLEITI MSG's price offer (undated)
- 1-760** – **MSG** – Letter from London Mining concerning the late notification of the MSG meeting (1 March 2012)
- 1-770** – **MSG** – Minute paper, Update on EITI implementation (1 March 2012)
- 1-780** – **MSG** – Letter to the Auditor General relative to the EITI Rules, 2011 edition (27 February 2012)
- 1-790** – **MSG** – Minutes of the SLEITI MSG meeting (21 February 2012)
- 1-800** – **MSG** – Letter to the Project Director of the GIZ concerning the request for a technical assistance for the drafting of the EITI Law (16 February 2012)
- 1-810** – **MSG** – Letter to the Country Manager of the World Bank concerning the request for a technical assistance for the drafting of the SLEITI Bill (16 February 2012)
- 1-820** – **MSG** – Minutes of the SLEITI MSG meeting (10 February 2012)
- 1-830** – **EITI report** – Verdi Consulting response to the ToRs for the SLEITI 2<sup>nd</sup> reconciliation report (8 February 2012)
- 1-840** – **EITI report** – Submission from Verdi Consulting of a revised price quotation for the SLEITI 2<sup>nd</sup> reconciliation report (8 February 2012)
- 1-850** – **EITI report** – Letter from Sierra Rutile Ltd. asking for the relevant reporting templates to be used for the SLEITI 2<sup>nd</sup> reconciliation report
- 1-870** – **MSG** – Letter to Clare Short sharing latest updates on EITI implementation (2 February 2012)
- 1-880** – **EITI report** – Press release on the recruitment of a reconciler for the SLEITI 2<sup>nd</sup> reconciliation report (2 February 2012)
- 1-890** – **MSG** – Report on EITI implementation (January 2012)
- 1-900** – **EITI report** – Letter from Anadarko transmitting contact details on the company's auditors (undated)
- 1-910** – **EITI Report** – Letter to various extractive companies informing on Requirement 12 and asking for contact details on the companies' respective auditors (31 January 2012)
- 1-930** – **EITI report** – Letter to various State agencies asking for details on the revenue streams collected from extractive companies (27 January 2012)
- 1-940** – **MSG** – Report on the 2 days workshop on the new EITI Rules, 2011 edition (25 January 2012)
- 1-950** – **MSG** – Summary report on the 2 days workshop on the new EITI Rules, 2011 edition (25 January 2012)
- 1-960** – **MSG** – Minutes of the SLEITI MSG meeting (17 January 2012)
- 1-970** – **Extractive sector** – Invitation to the launch of the GoSL online repository and cadastre system (13 January 2012)
- 1-980** – **MSG** – Email relative to the implementation of the SLEITI Communication strategy (13 January 2012)
- 1-990** – **EITI report** – ToRs for recruitment of the reconciler (undated)

## 2011

- 2-100** – **Dissemination** – Sierra Leone report, Tax Justice Report Series (2011)
- 2-110** – **Civil society** – Cost-benefit review of London mining Company Agreement (2011)
- 2-120** – **Civil society** – Cost-benefit review of African minerals limited mining lease Agreement (2011)
- 2-130** – **EITI report** – Defining materiality, threshold/cutoff point (2011)
- 2-150** – **MSG** – Letter to Clare Short about the progress made by the Sierra Leone to be validated (no date)
- 2-160** – **MSG** – Letter to Clare Short confirming the Government's acceptance of the Board's changes of the EITI Rules and Validation deadline (20 December 2011)

- 2-170** – **MSG**- Letter to the Minister of Mines requesting for the list of Districts and Chiefdoms where the large scale companies operate (20 December 2011)
- 2-180** – **MSG** – Letter from the Anti-Corruption Commission nominating its member on the SLEITI draft Bill Review Committee (14 December 2011)
- 2-190** – **MSG** – Letters of the National Coordinator for the nomination of the members of the SLEITI draft Bill Review Committee (13 December 2011)
- 2-200** – **MSG** – Email submitting the draft EITI Bill (7 December 2011)
- 2-210** – **MSG** – Minutes of the SLEITI MSG meeting (6 December 2011)
- 2-220** – **MSG** – Letter from Clare Short conveying concerns on the lack of progress made by the national initiative (29 November 2011)
- 2-230** – **Extractive sector** – Letter of the Chief of Staff to the CEO of African Minerals Ltd. To re-negotiate mining agreements (16 November 2011)
- 2-240** – **MSG** – Minutes of the meeting held between the SLEITI Champion and the NACE (15 November 2011)
- 2-250** – **MSG** – Letter to the Permanent Secretaries of the Ministry of Fisheries and to the Ministry of Agriculture to nominate a member on the MSG (3 November 2011)
- 2-255** – **Civil society** – Not sharing the loot (October 2011)
- 2-260** – **Dissemination** – Letter from the Anti-Corruption Commission to the National Coordinator to make a presentation on the status of the SLEITI process (20 October 2011)
- 2-270** – **MSG** – Letter from the Chief of Staff for the funding of the second EITI report (5 October 2011)
- 2-280** – **MSG** – Minutes of the SLEITI MSG meeting (22 September 2011)
- 2-290** – **Civil society** – Letter from NACE to the SLEITI Champion to convey concerns about the slow pace of implementation of the SLEITI (6 September 2011)
- 2-300** – **Capacity Building** - Letter to the Financial Secretary concerning the participation of the National Coordinator to a Seminar on the new EITI Rules (5 September 2011)
- 2-310** – **Extractive sector** – 2010 Minerals Yearbook Sierra Leone, USGS (September 2011)
- 2-320** – **Extractive sector** – Press release from the Ministry of finance and from the Ministry of Mines compelling mining companies to pay their annual renewal license and submit an operational report (22 August 2011)
- 2-330** – **MSG** – Letter to various stakeholders for the nomination of a member on the MSG (9 August 2011)
- 2-350** – **Dissemination** – Publicised vacancy for a program officer at the SLEITI Secretariat (3 August 2011)
- 2-360** – **Dissemination** – Publicised vacancy for a secretary at the SLEITI Secretariat (3 August 2011)
- 2-370** – **Dissemination** – Publicised vacancy for a program officer at the SLEITI Secretariat (26 July 2011)
- 2-380** – **Dissemination** – Publicised vacancy for a secretary at the SLEITI Secretariat (27 July 2011)
- 2-390** – **MSG** – Letter of invitation to a meeting with all mining and exploration companies (22 July 2011)
- 2-400** – **Dissemination** – Press article: “State House Chief unveils EITI work plan” (21 July 2011)
- 2-420** – **Dissemination** – Press article: “SLEITI work plan launched” (21 July 2011)
- 2-430** – **Dissemination** – Press article: “Chief of Staff unveils SLEITI work plan” (21 July 2011)
- 2-240** – **Dissemination** – Press article:”Government to review contracts for EITI compliance” (21 July 2011)
- 2-450** – **Laws and MoUs** – MoU signed between the Government of Sierra Leone, civil society and extractive industries for the implementation of EITI (20 July 2011)
- 2-460** – **MSG** – List of authorised representatives to attend the launching of the SLEITI work plan at State House (20 July 2011)
- 2-455** – **Validation** – Minutes of the 17<sup>th</sup> EITI Board meeting (20 July 2011)
- 2-470** – **MSG** – CD Rom on the launching of the SLEITI work plan at State House (20 July 2011)
- 2-480** – **MSG** – Invitation to the launching of the SLEITI work plan at State House (13 July 2011)



- 2-500 – MSG** – Letter from Chief of Staff to the Minister of Finance for the recruitment of personnel for the LSIEIT Secretariat (7 July 2011)
- 2-510 – MSG** – Letter from the Chief of Staff to the Commissioner of the ACC to investigate on the discrepancies reported in the SLEITI reconciliation report 2010 (7 July 2011)
- 2-520 – Civil society** – Letter of invitation to the launching ceremony of the cost-benefit analyses of London Mining and African Minerals mining companies agreements in Sierra Leone (5 July 2012)
- 2-530 – MSG** – Letter of the Chief of Staff to the Minister of Mines to implement recommendations drawn from the SLEITI 1<sup>st</sup> reconciliation report (4 July 2011)
- 2-540 – MSG** – Minutes of the SLEITI MSG meeting (30 June 2011)
- 2-560 – MSG** – Minutes of the SLEITI MSG meeting (9 June 2011)
- 2-580 – Dissemination** – Report on the workshop on the role of parliament in the oversight of strategic management of extractive industry revenues and in preventing and fighting corruption (2 June 2011)
- 2-590 – MSG** – The SLEITI work plan (June 2011)
- 2-600 – MSG** – Minutes of the SLEITI MSG meeting (24 May 2011)
- 2-610 – MSG** – Letter to EITI International Secretariat for the renewal of the SLEITI's candidate status (8 March 2011)
- 2-620 – Dissemination** – Invitation from the ACC to the Chairman of the SLEITI MSG to the launching of the ACC's advisory opinion on the SLEITI 1<sup>st</sup> reconciliation report (8 March 2011)
- 2-630 – MSG** – Report on Sierras Leone's participation at the 5<sup>th</sup> EITI Global Conference in Paris (3 March 2011)
- 2-640 – Dissemination** – Statement delivered by Dr. Kaifala Marah, the SLEITI Champion, at the 5<sup>th</sup> EITI Global Conference (3 March 2011)
- 2-650 – MSG** – Minutes of the SLEITI MSG retreat (28 January 2011)
- 2-660 – MSG** – Minutes of the SLEITI MSG meeting (20 January 2011)
- 2-670 – Validation** – Minutes of the 14<sup>th</sup> Board meeting (11 January 2011)

## 2010

- 3-100 – MSG** – Report about the SLEITI Secretariat (2010)
- 3-110 – MSG** – Justification for having EITI in the Office of the President (2010)
- 3-120 – Laws and MOUs** – Sierra Leone Extractive Industry Transparency Initiative Act (2010)
- 3-130 – Validation** – EITI Board decision on Sierra Leone (16 December 2010)
- 3-140 – Dissemination** – Dissemination of the SLEITI reconciliation report (13 December 2010)
- 3-170 – EITI report** – Establishment of an advisory committee on the SLEITI 1<sup>st</sup> reconciliation report (1 November 2010)
- 3-180 – MSG** – Minutes of the SLEITI MSG meeting on the submission of the Validation report (21 October 2010)
- 3-190 – Dissemination** – Implementation of the SLEITI communication strategy (September 2010)
- 3-200 – Dissemination** – Invitation to the 5th EITI Global Conference in Paris 2-3 March 2011 (9 September 2010)
- 3-210 – MSG** – Appointment of the SLEITI Champion (24 August 2010)
- 3-220 – Dissemination** – Request for the participation in NACE EITI southern region sensitization (23 August 2010)
- 3-230 – MSG** – Letter of the President of Sierra Leone to the EITI International Board chairman about the appointment of the Champion of Sierra Leone (18 August 2010)
- 3-240 – MSG** – Advisory note about the status of the SLEITI implementation (10 August 2010)
- 3-250 – Validation** – Submission of Validation report (6 August 2010)
- 3-260 – Validation** – Validation report – Adam Smith International (July 2010)
- 3-270 – Companies** – Submission of company forms (27 July 2010)
- 3-280 – MSG** – Assumption of duty of Dr. Kelfala Marah as Chief of Staff (19 July 2010)

- 3-290 – MSG** – Minutes of the SLEITI MSG meeting about the Validation report (15 July 2010)
- 3-300 – Dissemination** – Dissemination of the EITI reconciliation report (6 July 2010)
- 3-310 – Dissemination** – Press article: “CDHR holds extractive initiative workshop” (5 July 2010)
- 3-330 – Civil society** – Focus on mining companies: dancing with the Chameleon, mining communities in Sierra Leone and the many faces of Frank Timis – Network Movement for Justice and Development (June 2010)
- 3-340 – MSG** – Invitation of the Deputy Head and Regional Director for Anglophone Africa & Middle East to Sierra Leone before the Validation process (27 May 2010)
- 3-350 – Validation** – Contract between the Ministry of Presidential Affairs and Adam Smith International for the Validation report (21 May 2010)
- 3-360 – MSG** – Government of Sierra Leone’s acceptance of the Board’s decision for extension of validation deadline (3 May 2010)
- 3-370 – Civil society** – The citizens and the Mines and Mineral Act – Network Movement for Justice and Development (April 2010)
- 3-380 – Civil society** – Focus on mining companies: diamonds, blood and tears, the relationship between Koidu Holdings Ltd. And the affected property owners of Kono – Network Movement for Justice and Development (April 2010)
- 3-390 – MSG** – Letter of the chairman of the EITI Board about the decision to grant an extension to Sierra Leone for Validation (29 April 2010)
- 3-400 – MSG** – Nomination of a member of Parliament to the SLEITI MSG (26 April 2010)
- 3-410 – EITI report** – Request for the production or abridged version of the SLEITI 1<sup>st</sup> reconciliation report (23 April 2011)
- 3-420 – MSG** – Minutes of the SLEITI MSG meeting (20 April 2010)
- 3-430 – MSG** – Mail of EITI International Secretariat on the decision to grant an extension for the completion of the EITI Validation (17 April 2010)
- 3-440 – MSG** – Minutes of the SLEITI MSG meeting on the Memorandum of Understanding and the pre-validation workshop (15 April 2010)
- 3-450 – Dissemination** – Press article: “SLEITI report exposes SLPP” (29 March 2010)
- 3-455 – Dissemination** – Communicating the EITI, technical seminar (29 March 2010)
- 3-460 – Dissemination** – Press article: “President Koroma launches SLEITI report” (26 March 2010)
- 3-470 – MOU’s** – Memorandum of understanding between UNDP and the Ministry of Presidential and Public Affairs (4 March 2010)
- 3-480 – Civil society** – Statement by the civil society at the launching ceremony of the SLEITI 1<sup>st</sup> reconciliation report (25 March 2010)
- 3-490 – Dissemination** – Keynote address delivered by the President of Sierra Leone at the launching ceremony of the SLEITI 1<sup>st</sup> reconciliation report (25 March 2010)
- 3-500 – Dissemination** – Press article: “Karefa Kargbo hands over 1<sup>st</sup> Salone EITI report” (12 Mars 2010)
- 3-515 – Dissemination** – Media release from NACE on Dangerous mining contract about to be enacted (4 March 2010)
- 3-520 – EITI report** – The SLEITI 1<sup>st</sup> reconciliation report – Verdi Consulting (8 March 2010)
- 3-521 – Dissemination** – Press release on the reconciliation process (26 February 2010)
- 3-525 – Dissemination** – Press release on the production of the SLEITI 1<sup>st</sup> reconciliation report (January 2010)
- 3-530 – Dissemination** – Press release on the reconciler for the SLEITI 1<sup>st</sup> reconciliation report (January 2010)
- 3-540 – MSG** – Implementation of EITI in Sierra Leone, the commencement of the reconciliation exercise (January 2010)
- 3-550 – Validation** – Request to the United Nations Development Programme for a financial support to the EITI Validation exercise (27 January 2010)
- 3-560 – MSG** – Follow-up meeting with Verdi Consulting (18 January 2010)
- 3-580 – Dissemination** – Press article: “SLEITI to prepare first reconciliation report” (8 January 2010)

**3-590 – Dissemination** – Report of the reconciliation process workshop (7 January 2010)

## 2009

**4-090 – Laws and MoUs** – Mines and Minerals Act (2009)

**4-100 – EITI report** – Letter of invitation of the MSG's representatives to a session on the data gathering process for the SLEITI 1<sup>st</sup> reconciliation report (16 December 2009)

**4-110 – MSG** – Extracts from the conclusions of the national coordinating meeting (19 November 2008)

**4-120 – MSG** – Request for funding to the African Development Bank (22 October 2009)

**4-130 – MSG** – Letter of the President of Sierra Leone to the EITI International Board chairman concerning on EITI implementation in Sierra Leone (20 October 2009)

**4-140 – MSG** – Minutes of the SLEITI Steering Committee on the scope the SLEITI 1<sup>st</sup> reconciliation report (25 August 2009)

**4-145 – Laws and MoUs** – The companies Act (2009)

**4-150 – MSG** – Minutes of negotiations for the preparation of the SLEITI 1<sup>st</sup> reconciliation report (14 July 2009)

**4-160 – MSG** – Minutes of the SLEITI Steering Committee with a presentation by a member of the EITI Secretariat (20 April 2009)

**4-170 – MSG** – Minutes of the SLEITI Steering Committee on the reconciliation process (7 April 2009)

**4-180 – Civil society** – Sierra Leone at the crossroads: Seizing the chance to benefit from mining – National Advocacy Coalition on Extractives (March 2009)

**4-190 – Dissemination** – Procurement notice (2 February 2009)

**4-200 – MSG** – Minutes of the meeting held between the SLEITI Steering Committee and the missions from AfDB and GTZ (27 January 2009)

**4-210 – MSG** – Minutes of the SLEITI Steering Committee on the hiring of a reconciler for the SLEITI 1<sup>st</sup> reconciliation report (19 January 2009)

## 2008

**5-100 – MSG** – Request for training seminar (1 December 2008)

**5-110 – MSG** – Minutes of the SLEITI Steering Committee (26 November 2008)

**5-115 – MSG** – EITI national co-coordinating meeting (19 November 2008)

**5-120 – MSG** – Letter of the SLEITI Champion about the invitation to the 4th EITI Conference in February 2009 in Doha (20 October 2008)

**5-130 – MSG** – Minutes of the SLEITI Steering Committee (3 October 2008)

**5-140 – MSG** – Letter of invitation from the EITI Chairman to the Minister of Presidential Affairs for the 4th International Conference of EITI (15 September 2008)

**5-150 – MSG** – Minutes of the SLEITI Steering Committee (23 April 2008)

**5-160 – MSG** – Letter of the anti-corruption commission to the SLEITI Champion about the organisation of a meeting of the steering committee (10 April 2008)

**5-170 – MSG** – Letter from Peter Eigen to the President, Dr. Ernest Bai Koroma (26 February 2008)

## 2007

**6-100 – MSG** – Statement by the Ministry of Presidential and Public Affairs during the meeting of the EITI steering committee (18 December 2007)

**6-105 – MSG** – Letter from the Minister of Presidential and Public Affairs to Peter Eigen (17 December 2007)

**6-110 – MSG** – Memorandum by the Minister of Presidential and Public Affairs on the implementation of EITI in Sierra Leone (November 2007)

**6-115 – MSG** – Letter of Peter Eigen to the the President, Dr. Ernest Bai Koroma (12 October 2007)

- 6-120 – Dissemination** – Report on the working session to finalise and adopt the EITI memorandum of understanding, implementation framework and the national strategic action plan (29 August 2007)
- 6-130 – Dissemination** – Keynote statement of the President Alhaji Dr Ahmad Tejan Kabbah on the launching of the EITI (28 June 2007)
- 6-140 – Dissemination** – Programme for launch and working session of the SLEITI (28 June 2007)
- 6-150 – Dissemination** – Speech by Alfred Carrew, chair of the national advocacy coalition on extractives on the launching of the EITI (28 June 2007)
- 6-160 – Dissemination** – Statement by the Minister of Finance on the occasion of the launching of the SLEITI (28 June 2007)
- 6-170 – Dissemination** – Report on the launching of the SLEITI (28 June 2007)
- 6-180 – MSG** – Minutes of the SLEITI Steering Committee meeting on the programme for the launching of the SLEITI (18 June 2007)

## 2006

- 7-100 – Dissemination** – Statement by the Minister for Presidential Affairs at the 3th International Conference on the EITI, Oslo (16-17 October 2006)
- 7-105 – MSG** – Conclusions of the 17<sup>th</sup> meeting of cabinet held in the cabinet room (27 September 2006)
- 7-110 – MSG** – Memorandum by the Minister for Presidential Affairs (25 September 2006)

## 1991

- 10-100 – Laws and MoUs** – The constitution of Sierra Leone (1991)

## Appendix II: The SLEITI work plan

*See separate file*

## Appendix III: Self-assessment forms

*See separate file*



## Appendix IV: Certificate of payment

CAC 75 ✓

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### TO WHOM IT MAY CONCERN

I undersigned, Hugues Renaux, Managing Partner of CAC 75,  
certify that the fees and expenses in relation to the Validation report on Extractive  
Industries Transparency Initiative (EITI) in Republic of Sierra Leone have been fully paid.

Paris, \_\_\_\_\_ 2012

Hugues Renaux  
Partner

Société de Commissaires aux Comptes membre de la Compagnie Régionale de Paris - Ile de France  
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