

# **SLEITI ANNUAL PROGRESS REPORT 2017**



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ADF	-	Agricultural Development Fund
AFROSAI	-	African Organization of Supreme Audit Institutions
AM	-	Artisanal Mining
APR	-	Annual Progress Report
ASSL	-	Audit Service Sierra Leone
BO	-	Beneficial Ownership
CA	-	Chieftdom Administrator
CAC	-	Cooperate Affairs Commission
CDC	-	Community Development Committee
CRF	-	Consolidated Revenue Fund
CCSI	-	Columbia Center for Sustainable Investment
DACDF	-	Diamond Area Community Development Fund
DFID	-	Department for International Development
ECF	-	Extended Credit Facility
EIA	-	Environment Impact Assessment
EIR	-	Extractive Industries Revenues
EIRT	-	Extractive Industries Revenue Taskforce
EITI	-	Extractive Industries Transparency Initiative
EITAP	-	Extractive Industries Technical Assistance Project
EPA	-	Environment Protection Agency
EU	-	European Union
EVD	-	Ebola Virus Disease
GDP	-	Gross Domestic Product
Giz	-	Gesellschatfur Internationale Zusammenarbeit
GIMS	-	Geological Information Management System
GoSL	-	Government of Sierra Leone
IA	-	Independent Administrator
ICT	-	Information Communications & Technology
IEC	-	Information Education Communications
INTOSAI	-	International Organization of Supreme Audit Institutions
LEITI	-	Liberia Extractive Industries Transparency Initiative

MAB	-	Mineral Advisory Board
MDA	-	Ministry Department Agency
MLGRD	-	Ministry of Local Government & Rural Development
MMA	-	Mines and Minerals Act
MMMR	-	Ministry of Mines & Mineral Resources
MoFED	-	Ministry of Finance & Economic Development
MOU	-	Memorandum of Understanding
MP	-	Member of Parliament
MSG	-	Multi-stakeholder Group
NACE	-	National Advocacy Coalition on Extractives
NMA	-	National Minerals Agency
NRA	-	National Revenue Authority
NRGI	-	Natural Resource Governance Institute
OCOS	-	Office of the Chief of Staff
OR	-	Online Repository
PAYE	-	Pay As You Earn
PC	-	Paramount Chief
PD	-	Petroleum Directorate
PEPs	-	Politically Exposed Persons
PFM	-	Public Financial Management
PMT	-	Precious Minerals Agency
SAI	-	Supreme Audit Institution
SLEITI	-	Sierra Leone Extractive Industries Transparency Initiative
SLMP	-	Sierra Leone Minerals Policy
SOE	-	State Owned Enterprise
ToR	-	Terms of Reference
TV	-	Television
USD	-	United States Dollars
WOME	-	Women on Mining & Extractives

# **SLEITI 2017 ANNUAL PROGRESS REPORT**

## **A) GENERAL ASSESSMENT OF 2017**

### **Introduction**

The SLEITI 2017 Annual Progress Report was prepared shortly after the Sierra Leone's Presidential and Parliamentary elections and the inauguration of His Excellency President Maada Bio. The President in his statement at the State opening of the fifth Parliament of the Second Republic of Sierra Leone made a commitment to comply with the EITI Standard to ensure full transparency in the sector. In the light of this commitment, it is anticipated that the new Government use the SLEITI recommendations to inform reforms in the extractive sector.

For renewed commitment to towards the EITI process, SLEITI has been relocated to the Office of the Vice-President for closer supervision by the Presidency. The Vice President is now the new SLEITI Chair and Champion.

Sierra Leone joined the EITI in 2006 and became a Candidate country in 2008 and later became EITI Compliant in 2014. The country has produced 7 EITI reports covering 10 fiscal years and is in the process of producing its eighth report covering the 2016 fiscal years. The scope of the first report was made up of the mining sector only but the scope of subsequent reports was extended to cover the oil and gas sector.

### **Summary of Activities Undertaken in 2017**

In 2017 SLEITI moved beyond disclosure of mining revenues and uncovering unpaid revenues to informing reforms to participating in the review of the Sierra Leone's mining policies to ensure transparent practices along the entire extractive industries value chain.

Mainstreaming the EITI and project level reporting were discussed but one would hope that in this new dispensation the multi-stakeholder group will pay close attention to these areas for full implementation of the Standard. Sierra Leone took some steps towards disclosing the beneficial owners of companies and the MSG agreed on its own internal governance rules.

#### **i) STRENGTHENING BENEFICIAL OWNERSHIP DISCLOSURE IN SIERRA LEONE**

To address the beneficial ownership requirement, the EITI Secretariat hired a consultant with approval from the SLEITI multi-holder group and funding from DFID to: identify the current legal and regulatory framework and institutional practices related to company reporting on Beneficial Ownership information; assess the institutional capacity of government agencies currently collecting company data to facilitate beneficial ownership data collection and provide recommendations for legal and regulatory reforms, new or reformed institutional practices (e.g. Which institutions should collect beneficial ownership data, and how), and relevant institutional capacity strengthening measures that will be needed in order to implement the MSG and Government's Objectives related to beneficial ownership.



*Cross Section of SLEITI MSG and workshop participants*

The consultant worked alongside Herbert Smith Freehills to use the latter to inform the legal aspect of the consultancy.

On 30th March 2017, the consultant Alexandra Readhead presented the report's findings to SLEITI stakeholders with several recommendations. Based on the study, the MSG discussed the gaps identified in the mining and petroleum legislations and how the legal framework could be strengthened alongside the institutional frameworks. To access the full report go to [sleiti.gov.sl/index.php/documents](http://sleiti.gov.sl/index.php/documents).

## **ii) REVIEW OF THE SIERRA LEONE MINERALS POLICY**

The SLEITI multi-stakeholder group had the opportunity of participating in the review of the main law governing the mining sector that is, the Mineral and Mines Act 2009, after Cabinet's approval of the policies. Review of mining legislations will ensure transparency along the extractive industries value chain.



*SLEITI MSG and MMMR officials discussing the 2017 Minerals Policy*

On Thursday 18th May 2017, the SLEITI MSG attended a meeting with MMMR Permanent Secretary, Policy Adviser and other senior representatives from the Ministry to discuss and suggest revisions into the draft Minerals Policy with a view to strengthening the transparency and accountability provisions. According to the Ministry of Mines, the rationale behind the new policy is to more comprehensively reflect the role expected of the sector as driver of economic growth and to capture global and regional trends in the minerals sector.

It was noted that amendment to the existing Mines and Minerals Act 2009 will follow Cabinet approval of the policy. Some major suggestions made by the SLEITI MSG were: to include statement on contract transparency, beneficial ownership and PEPs disclosure, that Sierra Leone will uphold the spirit of the EITI, Sierra Leone's commitment to produce comprehensive and timely project level reporting on all parameters, greater coordination between SLEITI and relevant government institutions, mainstreaming and more.

### **iii) WORKSHOP ON GOOD FINANCIAL GOVERNANCE IN THE EXTRACTIVE SECTOR 10th - 14th July 2017**

Key practitioners from relevant units in public institutions of Sierra Leone and Liberia participated in a 5-day intensive training on management of extractive resources. The workshop was organized by Giz and aimed at fostering an in-depth dialogue and exchange of experiences; enhancing inter-institutional cooperation; ensuring that participants were

kept abreast on emerging thematic developments in natural resource governance and making newly gained expertise applicable for each participants' workplace.

Topics covered included private sector perspectives on extractive industries Investments; making the decision to extract, contract negotiations and legal frameworks; production monitoring and audits, revenue collection in extractive industries and allocation and use of revenues. It was noted that the economies of Liberia and Sierra Leone are dominated by the extractive sector. The knowledge gained has led to enhanced technical capability and greater collaboration with stakeholders across the sector.

The SLEITI National Coordinator and Communications Officer participated in the training and found the workshop very relevant for their jobs.

#### **iv) TRAINING ON BENEFICIAL OWNERSHIP DISCLOSURE**

The SLEITI Secretariat organized a half day familiarization workshop on 20th July 2017 for over 30 participants from extractive companies to provide them with guidance on disclosure of their beneficial owners. The National Coordinator delivered a presentation on the EITI beneficial ownership requirement 2.5 and its relevance for Sierra Leone and later guided the participants on how to complete the beneficial ownership reporting templates and other templates approved by the MSG for use during the 2015-2016 report. Beneficial ownership disclosure becomes a mandatory requirement in 2020. Companies were encouraged to disclose their beneficial owners in order to identify the challenges in reporting before the requirement becomes mandatory.

Representatives from the Audit Service Sierra Leone explained the processing of getting the companies templates certified by the companies' external auditors to give an assurance that the information reported is reliable and accurate.

#### **v) NRG I ANGLOPHONE AFRICA REGIONAL EXTRACTIVE HUB COURSE IN GHANA**

The Natural Resource Governance Institute (NRGI) in collaboration with GiZ organized a 2-weeks residential course from 4th – 15th September 2017 for Anglophone African countries on Oil, Gas, and Mining Governance in Accra, Ghana. At least 45 participants from about 12 African Countries attended the training. The residential course covered fundamental and intermediate governance issues in the extractive industry decision chain based on the NRGI decision chain.

The school facilitated a deep understanding of the challenges the African sub region extractive industries faced and discussed in detail different aspects of oversight and governance of the extractive sector. SLEITI Communications Officer benefitted from the training. Going forward, a WhatsApp group for NRGI 2017 Alumni was created for networking and information sharing.

#### **vi) EITI CONFERENCE ON BENEFICIAL OWNERSHIP TRANSPARENCY**



The Sierra Leone National Minerals Agency Director General, Sahr Wonday and Corporate Affairs Commission Chief Executive Officer, Michala Mackay participated in the EITI Conference on Beneficial Ownership Conference in Indonesia from the 23-24th October 2017. The conference discussed illicit financial flows and hidden ownership, the importance of beneficial ownership disclosure, doing due diligence before award licenses and contracts, regional and global efforts to improve collection and sharing, complex company structures, establishing legal and regulatory framework for BO disclosure, BO registers and other relevant matters.

#### **vii) CORPORATE AFFAIRS COMMISSION (CAC) WORKSHOP**

Following the drafting of Sierra Leone's National Corporate Governance Code, corporate entities and relevant government departments were invited to a presentation on the Code on 1<sup>st</sup> November 2017. After public feedback and validation, the Code will be adopted by Cabinet as a National Policy. The Code requires companies to report on beneficial ownership on a 'comply or explain' basis.

#### **viii) EITI PEER LEARNING WORKSHOP FOR ANGLOPHONE COUNTRIES HELD IN ZAMBIA 21-23 NOVEMBER 2017**

A three-man delegation from the SLEITI comprising a government multi-stakeholder group member, the National Coordinator and the Admin and Finance Manager joined their peers from nine other EITI Anglophone and Lusophone African Countries for a three-day peer learning and experience sharing in Lusaka, Zambia from 21-23 November 2017. The countries that participated were Ethiopia, Ghana, Liberia, Malawi, Mozambique, Nigeria, Sao Tome and Principe, Seychelles, Sierra Leone and Zambia.

The regional workshop was aimed at promoting dialogue and sharing experiences on EITI implementation in the different countries as a way of strengthening our practices.

The workshop discussed options for mainstreaming and strengthening of government systems, progress on beneficial ownership disclosure, Validation under the 2016 EITI Standard, implementing recommendations from EITI reports, using Validation to inform reforms, MSG governance, EITI funding and details presentations and discussions of all the EITI requirements etc. The SLEITI National Coordinator made a presentation on sub-national payments and transfers. Field trips to the Mining Cadastre and the Zambia Mineral Data Analysis Centre (MIDAC) were part of the closing events. Participants returned with a return to work assignment. The knowledge gained is leading to improved work performances.

#### **ix) MSG INTERNAL GOVERNANCE RULES**

The MSG adopted its own internal governance rules in December 2017 after a consultative and transparent process involving all stakeholders on the MSG and beyond the group. The rules clearly define the mandate of members, their rights, time limit, attending meetings and other good governance practices.

## **B. ASSESSMENT OF PERFORMANCE AGAINST TARGETS AND ACTIVITIES SET OUT IN THE 2017-2019 SLEITI WORK PLAN**

SLEITI updated its 2016-2018 work plan in the year under review to cover 2017-2019. This assessment is focused mainly on the 2017 activities and you will observe that some activities are ongoing covering the full span of the work plan.

### **SO1: Improved coordination among MDAs to achieve completeness of extractive industry revenue mapping and reporting**

*Outcome: More complete centralized and accessible data from extractive industry sector*

**Activity 1.1** - Study to assess and help develop NRA capacity to conduct project-level revenue reporting

**Progress:** This study has not yet been conducted. The Independent Administrator (IA) in the 2014 report made an observation that some subsidiary company payments bore the names of parent/holding companies thereby posing aggregation and disaggregation challenges. The report recommended that government agencies should ensure that payments are recorded bearing rightful mineral rights holders to assist with project level reporting however, it is yet to be acted upon by some government entities including the NRA. The IA made similar observation and recommendation in the 2015 report.

SLEITI noted that in the 2016 draft SLEITI report, that IA made a similar observation as above. Parliamentary ratification of the EIR Bill will address the problem associated with project level reporting.

**Activity 1.2** - Study and workshop to support NMA, NRA to integrate tax revenue reporting into existing online repository alongside non-tax revenue

**Progress** – The proposed study not yet undertaken. Activity 1.1 will have to be achieved to inform this activity. The NMA Online Repository was designed to only provide information at project level and holds verified non-tax payments.

**Activity 1.3** - Study workshop and capacity building to support Petroleum Directorate to integrate revenue reporting into the Online repository or through petroleum specific online database.

**Progress:** - According to the Directorate there are no structures in place for online reporting at the moment. Notwithstanding, the PD is moving towards developing a fully functional website and is in an advanced stage of deploying a human resource software online.

It is hoped that the existing official website, will in the future, serve as a platform to report all non-tax confidential oil/gas data including tax revenues. The PD is still to make a determination on whether their financial and data reporting should be a standalone platform or fully integrated in the official website.

**Activity 1.4** - Training of stakeholders on data processing and analysis (online repository and cadastre)

**Progress:** - In past years SLEITI conducted joint training with NMA on use of the Online repository. Civil society groups, the media and MDAs participated in the training. In May 2017 the NMA with support from the NRGI and CCSI provided training for extractive sector stakeholders on how to access general mining information online. Mining licenses and contracts details and mining revenues are some of the information that are publicly available. The portals can be accessed through the NMA website. In addition to taking participants through the upgraded user-friendly interface of the OR, the Resource Contracts- (resourcecontract.org) platform was introduced to stakeholders at the workshop. This searchable user friendly online platform publishes summaries of key social, environmental, fiscal and operational provisions of mining lease agreements for public consumption. The training was highly beneficial to all SLEITI stakeholders and more. A participant commented that if transparency was at this level some years prior the country would have had more infrastructure or other developments to show.

### **Activity 1.5 – Creation of template for periodic improved data collection from MDAs**

**Progress** - Not accomplished

**Activity 1.6 –** Compile and follow-up on recommendations from previous SLEITI reports including reconciliation and validation reports.

**Progress:** - Some of the valid recommendation are still pending. The valid recommendations are those that will lead to reforms in institutions such as the MMR, NRA, NMA, EPA, PD and at sub-national levels if implemented. The MSG technical committee was charged with the responsibility of overseeing implementation of the recommendations including outlining steps to implement them. The MSG itself briefly discussed the past recommendations and the Secretariat continues to share the recommendations for action by the respective MDAs. Progress on implementation of the recommendations can be found in section D of this report.

## **SO2 - Strengthened transparency and accountability provisions in the legal, policy and regulatory frameworks for governance of the extractive industries sector in Sierra Leone**

*Outcome: overlaps, gaps, and ambiguities in Sierra Leone’s relevant laws and policies steadily eliminated to enable SLEITI and sector agencies to meet the 2016 EITI Standard*

**Activity 2.1** - Review undertaken and submissions made by SLEITI to MMR/Cabinet on the draft new Minerals Policy to ensure it helps Sierra Leone meet/uphold the 2016 EITI Standard and Principles

**Progress** – During the drafting of the Sierra Leone Mineral’s Policy, the SLEITI MSG held a meeting with the MMR at which SLEITI suggested a number of revisions to the Policy to strengthen the EITI language around transparency and accountability

**Activity 2.2** - Review undertaken and submissions to MoFED/Cabinet on the draft new Extractive Industries Revenue (EIR) Bill to ensure it helps S/L meet the 2016 EITI Standard

**Progress** – *“The Extractive Industries Revenue Bill, 2017 provides for and coordinates various taxes and charges on extractive industries, the regulation of extractive industry agreements and other related matters. The Bill seeks to bring together the special rules that apply to mining and petroleum licence holders as regards the three main direct payments that are applicable to their activities, i.e. royalties, income tax and the new resource rent tax.”* (Extract from the EIR Bill, 2017)

Some SLEITI stakeholders such as the NRA, NMA, MMMR and mining companies were invited to participate in the review of the Bill and assured that the EITI principles and Standard would be reflected in the Bill. The final draft submitted to Parliament in 2017 lacks expressed provisions on transparency and accountability and is focused on maximizing revenue generation through the relevant government institutions.

The Bill was submitted to Parliament in 2017 and awaiting pre-legislative hearing. President Julius Maada Bio has made a commitment to ensure that the Bill is enacted.

**Activity 2.3** – Opportunities taken to review submissions made by SLEITI and any other draft amendments to existing mining, oil, and gas or revenue management legislation and any new sector legislation

**Progress** - This is an ongoing activity. There are no new opportunities within immediate sight. However, given His Excellency Maada Bio’s commitment of promoting good governance in the extractive sector, SLEITI intends to use this opportunity.

In 2017 SLEITI participated in the Artisanal Mining (AM) workshop to discuss the draft AM policy. Artisanal mining operations presently accounts for 100% of gold and coltan respectively and 50% of diamonds exported.

The Policy is expected to contribute to the formalization of the sector. The NMA has taken steps towards formalizing the sector by instituting a licensing process for artisanal mining. The rationale for the policy is to effectively harness the potential financial, livelihood and other gains of the artisanal mining in Sierra Leone. The policy is designed to complement the Minerals policy of Sierra Leone. Thousands of Sierra Leoneans depend on artisanal mining for their livelihood and this type of mining is exclusively for Sierra Leoneans yet the sector is marred by infiltration by foreigners, child labor, land, health and huge environmental concerns, cutthroat competitions etc. which make governance of the sector a top priority. At the workshop SLEITI representatives provided guidance in the areas of transparency and accountability provisions in the policy. SLEITI feels accomplished that the Artisanal policy notes that the lack of disclosure of AM beneficial owners creates opportunities for persons prohibited by law from investing in AM operations. The below is extract from the policy statement and implementation strategy on beneficial ownership:

***“As part of sector reform, legal requirements will be amended to address disclosure of beneficial ownership. AM rights holders will have the obligation to disclose all financiers of their operations and to report any change of beneficial interests. Government is committed to implementing the new EITI Standard which include ensuring the mandatory disclosure of beneficial ownership of all mineral rights - including artisanal in Sierra Leone by 2020. Government will work with all relevant stakeholders to prepare***

*investment guidelines that will include disclosure of beneficial ownership requirements and guidelines. ...”*

The policy further suggests using a simplified EITI monitoring mechanism for transparency and accountability in AM operations. Once the policy is ratified by Cabinet SLEITI will support review of the Mines and Minerals Act 2009 to ensure alignment between MMA and the policy’s commitment its application of the EITI Standard to guarantee transparency and accountability throughout the artisanal mining value chain.

**Activity 2.4** - If all transparency and accountability goals and full requirements of the EITI Standard cannot be met through advocacy on and insertions to ‘mainstream’ policies and legislations above, then development of and lobbying for a supplementary extractive industries transparency and law.

**Progress** - This activity as implied will depend on whether SLEITI fails to achieve its goal of having the EITI principles and Standard reflected in the different policies and laws that govern the extractive sector. It is an ongoing activity and too early to insinuate lobbying for a supplementary extractive industries law.

**Activity 2.5** - Study undertaken to review and make recommendations on capacity of key institutions to oversee company disclosure of BO, and to make recommendations on required changes to the laws of Sierra Leone to enable this.

**Progress** – With support from the EITI Secretariat and funding provided by DFID, a consultant was hired in 2017 to determine if Sierra Leone has policies, laws and institutions in place to support collection and disclosure of beneficial ownership as required by the EITI Standard. The Legal expertise required for the study was provided pro bono by Herbert Smith Freehills.

The MSG adopted the study’s recommendation that beneficial ownership disclosure should apply to all companies established for business purposes in Sierra Leone and that the Corporate Affairs Commission (CAC) should take the lead by amending the Companies Act (2009) to include beneficial ownership disclosure requirements among others. The CAC’s first step towards BO disclosure is the incorporation of BO provisions into its draft Corporate Governance Code which seeks to promote corporate governance in the country.

The Code seeks to set out certain basic disclosure and reporting requirements for all companies operating in Sierra Leone though applicable on a “comply or explain” basis. The amended Companies Act will require a higher level of compliance for all corporate entities.

The Code contains a section (Appendix 7: *Beneficial Ownership Background & Context*) which sets out definitions of declarable ultimate beneficial owners, Politically Exposed Persons and State Entities as adopted by the SLEITI multi-stakeholder group.

The SLEITI inter-agency committee on BO is expected to meet to discuss ongoing implementation of the BO roadmap and funding for consultancy to amend the Companies Act 2009.

### **SO 3 - Extension of the scope of SLEITI**

***Outcome: improved transparency in all-natural resources governance and revenue management through the introduction of fisheries and forestry to the SLEITI Process***

**Activity 3.1** Scoping study of forestry and fisheries sectors undertaken to assess their scale and revenue streams, and identify potential reporting channels and challenges

**Progress** - Not yet accomplished.

The National Advocacy Coalition on Extractives (NACE) which is an umbrella organisation that represents CSOs on the MSG had expressed interest in undertaking this activity but still looking out for funding to do so. The Secretariat has been raising the issue of funding of this activity with potential donors and hopes to succeed.

**Activity 3.2** - Partnerships established with relevant MDAs and companies on the introduction of EITI for transparency in their respective MOUs established

**Progress** - SLEITI already has a relationship with relevant MDAs especially by virtue of their representation on the SLEITI oversight Board. However, some representatives on the MSG are not able to support some of the Boards decisions without reference to their superiors. For this reason, the MoU would be necessary for more collaborative results, greater dynamics and to achieve efficiency within the initiative. The EIRT as a body had attempted to get its partners mainly revenue generating MDAs to sign the MoU to facilitate free flow of information but some MDAs were unwilling to commit to the free exchange of information in a bid to protect taxpayer information etc. With over 300 mineral rights holders in the country, it will be difficult to maintain a close relationship with all of them at the same time. SLEITI on one hand seeks to maintain strong relationships with the companies that meet the Materiality threshold for reporting on an annual basis and relies on the Chamber of Mines and companies representatives on the MSG to keep this large group abreast with SLEITI implementation.

**Activity 3.3** - Reporting templates and sector-specific guidance developed for new sectors.

**Progress** - The scope of SLEITI reporting still covers only the Mining and oil/gas. The MSG had anticipated that the scoping studies for the forestry and fisheries sectors would have been done to inform the drafting of the sector-specific templates but since this has not happened yet the above activity will be postponed to a later date.

#### **SO 4: Engagement with and training for reporting entities**

***Outcome: increase stakeholder understanding of the EITI Processes to foster better coordination and improved collaboration leading to greater transparency***

**Activity 4.1** Engagement with and training for MPs, PCs, CAs, on revenue reporting (refresher training) and expenditure accountability (which is to be newly introduced)

**Progress** -

- a) SLEITI organized a one-day training for extractive companies on Beneficial Ownership reporting on 20th July 2017. The training was limited to the companies

that met the 2015 and 2016 Materiality threshold. The full account of training is provided under Key Activities in Section A of this report.

- b) Engagement with Members of Parliament - On several occasions during the course of 2017 SLEITI engaged the leadership of Parliament mainly the Clerk of Parliament, Deputy Speaker and the Majority and Minority leaders to bring their attention to the low level of compliance demonstrated by the MPs who were to complete the SLEITI reporting templates. The leadership of the Parliamentary Committee on Mines and Mineral resources was regularly reminded of SLEITI's role in ensuring that the country's minerals wealth are used for sustainable development. Being a body that is supposed to oversee the extractive sector, the general participation of Parliament on the SLEITI process was perceived as poor during the period under review. Trainings were conducted specifically on reporting for the EITI report in 2016 but in 2017 most of the MPs were not available for trainings on more than one occasion. Notwithstanding, the Secretariat provided guidance to the available MPs on the EITI reporting process and gave ad hoc training on completion of their reporting templates.
- c) SLEITI used opportunities such as invitations to town hall meetings for surface rent disbursements and other kinds of meetings to engage PCs, Chiefdom Administrators and District Councils Chairmen on the EITI reporting process.
- d) Although templates were distributed to the District Councils, Chiefdom Administrations and MPs to report on how the payments received in 2015 and 2016 for surface rent, ADF and DACDF were expended, they all could not report. Expenditure reporting is encouraged and not mandatory so no queries or penalties will arise however SLEITI will continue to encourage them to report. The former Chief of Staff, Saidu Conton Sesay noted that there are no proper guidelines in line on how these monies are to be used.

## **S0 5 - Enhancement of SLEITI's capacity to better achieve its objectives**

- ❖ Outcome: Improved delivery of SLEITI's goals and ambitions, leading to more pro-active sector engagement, and stronger results in sector governance

### **Activity 5.1: Restructuring of the MSG**

**Progress:** The SLEITI MSG governance rule are now in place and provide for refreshing of members after every three years with the possibility of re-appointment for a further three (3) years. Maximum duration for members on the MSG is two (2) terms i.e. six (6) years.

The MSG is yet to discuss its re-structuring in detail.

**Activity 5.2:** Development of a management and administrative manual for the effective operations of the National Secretariat.

**Progress:** The above manual was not developed as the Secretariat was advised to abide by the all policies, rules and regulations guiding the former office of the Chief of Staff at State House (OCOS). Up to May 2018, SLEITI was a unit under the OCOS.

**Activity 5.3:** Recruitment of a Research and Technical analyst

**Progress:** As a result of the EVD which caused the economy to slump in 2014, the Government placed a temporary moratorium on recruitment in 2016 which was in place up to May 2018. The MSG will look for opportunities to approach the new Government until this crucial position is filled.

**Activity 5.4:** Provision of Secretariat logistic needs- office rent, services and equipment, etc.

**Progress:** Office logistics are procured as and when necessary and line with the Procurement laws of Sierra Leone. The GoSL annual allocations were used to cover operational costs.

**Activity 5.5:** Support participation in EITI International Engagements

**Progress:** The NMA Director General and the Corporate Affairs Chief Executive Officer attended the Beneficial Ownership Conference held in Indonesia in October 2017. Their trips were funded by GIZ.

**Activity 5.6:** Implement at least 2 MSG retreat to discuss to discuss pertinent matters including review the SLEITI Programme.

**Progress:** The last MSG retreat was held in 2016. Funding was not available to undertake a retreat to review SLEITI programmes.

**Activity 5.7:** Development and publication of SLEITI Annual Progress Reports to reflect on impact and progress against objectives

**Progress:** Ongoing. The SLEITI MSG continues to publish its Annual Progress Reports in line with the EITI Standard. (Check SLEITI website: [www.sleiti.gov.sl](http://www.sleiti.gov.sl)) for past SLEITI APRs.

**Activity 5.8:** Reproduction of annual progress report for 2015, 2016, and 2017

**Progress:** Over one hundred (100) copies each of the SLEITI 2015 and 2016 APRs were printed and distributed to stakeholders.

**Activity 5.9:** Pre-validation assessment undertaken in 2017 in advance of 2018 validation exercise

**Progress:** A Pre-Validation workshop was undertaken in December 2017 to help the MSG identify and address gaps in SLEITI implementation ahead of the July 2018 Validation. Deputy EITI Executive Director and EITI Consultant Tove Strauss co-facilitated the workshop. The LEITI Deputy Head of Secretariat, Myers Saye shared his Validation experience under the 2016 Standard. According to SLEITI's assessment Sierra Leone showed satisfactory progress in some areas, meaningful progress in some other areas and no progress in a few other areas. The pre-Validation assessment can be found on the SLEITI website [sleiti.gov.sl/index.php/documents](http://sleiti.gov.sl/index.php/documents) .



**Activity 5:10:** Experience sharing and peer learning in two countries to improve the capacities of MSG and staff of the secretariat

**Progress:** Ongoing. SLEITI could not secure fund to sponsor a peer learning trip. However, through external funding SLEITI MSG and staff benefitted from some peer learning events.

- In July 2017 the SLEITI National Coordinator and Communications Officer along with extractive Sector stakeholder both locally and from Liberia attended a one-week training (10<sup>th</sup> – 14<sup>th</sup> July 2018) on Good Governance in the Extractive Sector sponsored by GIZ
- The SLEITI Communications Officer received a two-week peer learning training in Ghana, sponsored by the Natural Resource Governance Institute (NRGI) with over 45 extractive sector stakeholders from 12 African countries in attendance from 4<sup>th</sup> to 15<sup>th</sup> September 2017.
- The SLEITI National Coordinator and Finance and Administrative Manager attended a peer learning workshop in Lusaka, Zambia in November 2017. SLEITI MSG representatives, heads of Secretariat and staff benefitted from 21<sup>st</sup> to 23<sup>rd</sup> November 2017.

*(See Key Activities under Section one of this report for more details on the above events)*

**Activity 5:11:** Enhance Secretariat’s staff capacity through formal training courses and on – the –job trainings

**Progress:** The training attended by the Secretariat’s professional staff have all contributed to building of their capacities and administrative staff in unit received on the job training. Other than that, there have been no formalized trainings. The Secretariat will continue seeking for formal training opportunities for its staff.

**Activity 5.12:** Undergo validation exercise

**Progress:** SLEITI has commenced preparation for its next validation scheduled to commence on 1<sup>st</sup> July, 2018. The weaknesses in implementation identified during the pre-validation assessment are currently being addressed and can be accessed here: [sleiti.gov.sl/index.php/documents](http://sleiti.gov.sl/index.php/documents) .

**Activity 5.13:** Print 2018 Validation Report

**Progress:** To be done after the Validation report is published. But this will depend on the volume of document. If voluminous all stakeholders will be encouraged to access it online and/or an abridged version could be produced.

**SO6 - Enhanced Public education and improved access to information on extractives sector revenues and broader resource governance matters to enhance citizens’ ownership of the EITI Process**

*Improved citizens’ participation, and ability to participate in all aspect of the EITI Process to hold their government to account and increase citizens demand for better natural resource governance*

**Activity 6.1:** Development of a new SLEITI Communications Strategy

**Progress:** Not achieved due to lack of funding.

**Activity 6.2:** Improved website design and restored online including access to all key documents, as well as accessible guides, explainers and infographics

**Progress:** The SLEITI website was upgraded to meet international standard by the ICT unit of the former Office of the Chief of Staff. Key SLEITI documents are accessible through the website.

**Activity 6.3:** Infographics and comprehensible fact-sheet in EITI Reports, which can be used for websites, printed handout and posters

**Progress:** Not yet accomplished. The only form of visual representation of SLEITI data are the different types of charts found in the SLEITI reports. The Secretariat is passionate about using infographics to make the complex revenue and payments recorded in SLEITI reports easy to understand but lacks capacity to do so at the moment. Fact-sheets will be prepared in due course.

**Activity 6.4:** Media engagement relating to 2015-2018 Reports following completion of each SLEITI Report

**Progress:** Following the publication of the 2015 EITI Report, the web link was shared with several media houses and institutions. An exclusive interview on the findings and recommendations of the 2015 Reports was done by Radio Democracy FM 98.1 and other radio networks. SLEITI is planning a bigger media engagement shortly after the 2016 report is subject to the availability of funding.

**Activity 6.5:** Information and knowledge – building workshops with journalists following completion of each SLEITI Report

**Progress:** Information and knowledge building workshops were not held during the period under review to familiarize journalists with SLEITI reporting. Notwithstanding, the National Broadcasting Corporation and a popular privately-owned broadcasting station invited SLEITI representatives to provide highlights of the 2015 SLEITI report which was published in February 2018. It is easy to conclude, by the nature of interviews, that the journalists' knowledge on the EITI is growing. Formal trainings will be provided in the future with availability of resources.

**Activity 6.7:** Production of 2015, 2016, 2017, 2018 EITI Reports, including steadily increasing assessment of expenditures as well revenues

**Progress:** SLEITI published its 2015 EITI Report in February 2017. The 2016 report writing is ongoing to be completed before July 2018. The MSG has already agreed to produce a 2017-2018 report in 2019.

**Activity 6.8:** Launch SLEITI 2015, 2016 and 2017 reports

**Progress:** Launching of the 2015 and 2016 reports will be considered following publication of the 2016 report.

**Activity 6.9:** Conclude production of SLEITI 2012 Report

**Progress:** The 2012 report has been published but submission of the EITI data summary template is still pending.

**Activity 6.10:** Publication of findings and recommendations of EITI Reports in local newspapers

**Progress:** Not achieved. Recommendations were not published on the local papers but regularly disseminated to all SLEITI stakeholders with advice to act on them or explain why they cannot be addressed. Another reason for sending out the recommendations to a wide range of stakeholders was to encourage them to use the recommendations and the reports as a whole was to inform their dialogue on the sector's management.

**Activity 6.11:** Accessible radio programme created and broadcast/re-broadcast to increase citizens' understanding of the extractives sector value chain, revenues and their distribution, Sierra Leone resource governance institutions, the role of SLEITI, and latest sector developments. Jingles recorded in at least three local languages

**Progress:** Due to limited funding SLEITI was unable to pay for regular programs on TV and radio or pay for jingles and had to rely on invitations to these stations or take advantage of free slots on any network. SLEITI has good relationships with the National TV broadcasting Corporation, the privately owned African Young Voices TV station and some radio networks which help with our publicity. These TV, radio and newspaper networks are regularly invited to SLEITI programs where they receive up to date information on SLEITI implementation. Draft and final reports are discussed on these fora as part of the general discussions on the extractive sector governance. TV and radio programs following the dissemination of SLEITI reports are all platforms through which the public gains understanding on extractive sector governance. SLEITI's efforts towards increasing citizen's understanding of the sector's value chain are complemented by the work of the NMA, MMR, CSOs, and mining companies.

**Activity 6.12:** Production and dissemination of quarterly SLEITI newsletters

**Progress:** Not achieved due to inadequate manpower to develop the newsletters and limited funding for printing in large quantities for distribution.

**Activity 6.13:** Produce IEC Materials

**Progress:** Some IEC materials including pen drives and t-shirts are still store. No new materials produced.

**Activity 6.14:** Establish dialogue forums at provincial level

**Progress:** Not accomplished.

**Activity 6.15:** Engagement with women to discuss their role in the mining sector and who they are affected by mining activities.

**Progress:** SLEITI is working on maintaining a close relationship with a women-led organization called Women on Mining and Extractives (WOME). They work with mining

communities to improve the lives of women and advocate for women's inclusion in decision making in the interest of their communities. WOME has presence around the country and contributing to reduce economic and gender inequality, they support women in income generating activities, improve the level of literacy amongst women, reduce gender-based violence and help give women a platform. WOME representatives form part of SLEITI's core stakeholder groups outside the MSG and are regularly invited to workshops and engaged on other issues. SLEITI will strive to main this relationship. With funding, SLEITI could partner with them in the future to undertake some important activities of beneficial nature.

**Activity 6.16:** Establish High school clubs to raise awareness on the management of Sierra Leone's natural resource

**Progress:** A 2018 activity

**Activity 6.17:** Facilitate public debates on EITI to collect feedback to inform policy

**Progress:** The frequently used platform for public debates has been town hall meetings organized in different districts nationwide for dissemination of SLEITI reports. The Secretariat discussed hosting of public debates in the form of public lectures in the different universities but the lack of funding hindered the process.

## **B) Assessment of Performance against the 2016 EITI Requirements –**

The assessment of performance against the 2016 Requirements is based on the 2016 report.

### **1.1 Government Engagement**

SLEITI is hosted by the Office of the Vice-President. The Vice-President is the MSG Chair and Champion. The Government representatives on the MSG are actively engaged. The institutions represented include: the Ministry of Mines and Mineral Resources, National Minerals Agency, National Revenue Authority, the former Ministry of Finance and Economic Development, Environmental Protection Agency, Ministry of Agriculture, Forestry, Ministry of Fisheries & Marine Resources, Petroleum Directorate, Audit Service Sierra Leone, Sierra Leone Parliament and the Ministry of Local Government & Rural Development.

### **1.2 Company Engagement**

Mining and oil/gas companies have not been fully represented on the MSG. The MSG had relied on the Chamber of Mines to nominate representative that would act as liaison between mining companies and the MSG to ensure that the views of the companies were reflected in the decisions of the group. The Chamber helps to protect the mining sector's interest and supports transformation of the country's economy. There is only one active mining company representative on the MSG. There are ongoing discussions to reactivate the Chamber.

In the case of the oil/gas companies there is only one company operating at the moment and Petroleum Directorate plans to engage them on their participation.

Other than a defunct Chamber of Mines, there was no obstacles created by the Government to mining companies' participation.

### **1.3 Civil Society Engagement**

Civil Society participation is restricted to National Advocacy Coalition on Extractives (NACE) members only. NACE is the umbrella organization for over 20 civil society organizations around the country.

CSOs have five (5) seats on the MSG as at now.

There is no restriction to CSO participation by the Government or any other body. CSOs have been free to express their views without any restraint and the views respected by the rest of the MSG. The Government has created an enabling environment for full, active and effective CSO engagement on the EITI. CSOs were fully engaged in the drafting of the current work plan, implementation and monitoring of the EITI process. However, we have no records of their evaluation of SLEITI.

### **1.4 Multi-Stakeholder group**

The MSG recently endorsed its internal governance rules making invitation to participate in the group open and transparent.

The MSG agreed to equal numerical representation although the EITI Secretariat advised that it was more important to get adequate representation instead.

The Multi-stakeholder serves as the governing body for the EITI Process in Sierra Leone and is made up of relevant government institutions that are engaged in the management of the sector. In recent times the MSG extended an invitation to the Corporate Affairs Commission to join the MSG for effective implementation of the beneficial ownership requirement. The Vice-President is the SLEITI Chair and Champion. NACE continue to serve as the CSO constituency on the SLEITI MSG. The MSG formed 3 Standing committees namely the Technical Committee, Finance and Management and Communications & Outreach to achieve its objectives. The Finance and Administrative committee advises the MSG on financial and administrative matter; the Technical reviews draft work plans, terms of references for consultancies, SLEITI draft reports and more and Communications and Outreach is responsible for handling matters on media, dissemination, outreaches and review of the communications strategy. As part of its terms of reference, the MSG is responsible to create an enabling environment for the EITI process.

Secretariat continues to provide technical backstop to the MSG and worked effectively in implementing the MSG's decisions in 2017. The MSG members are competent to carry out their duties the only challenge in the case of some members lacking the mandate to take

decisions on behalf of their institutions. On some occasions full members send a staff member to represent them without proper briefing.

CSOs have been using their voice to promote SLEITI implementation and constantly seeks funding for dissemination of SLEITI reports or to cover cost of retreats and other related activities. The MSG, Secretariat and CSOs worked together on outreaches. The media was the most commonly used form of channel used to communicate the Government's commitment and CSOs role. Companies' participation has been low with only one active mining companies representative. There were no oil company representatives in 2017.

The SLEITI 2017 -2019 fully costed work plan was approved by the MSG. The terms of reference for production of the 2015-2016 SLEITI report was approved by the MSG and the group later nominated a few members to join the EITAP team for evaluations of the technical and financial proposals of the firms that bided for the report's production. Boas and Associates, a Ghanaian firm won the bid and was approved by the MSG to produce the report. The 2015 report was reviewed by the MSG at different stages of its production and the final report endorsed. The draft and final 2016 report was equally reviewed by the group. The MSG oversees implementation and the Secretariat does not take actions on its own without the group's approval.

**Internal Governance Rules** – The MSG has adopted its own internal rules guided by the EITI Standard. The rules make provision for members to be treated equally and with respect, decision making procedures, changing of membership, disclosure of per diem practice, timely notice for meetings and circulation of documents and record keeping.

## **1.5 Work plan**

SLEITI's 2017-2019 work plan is align with national priorities and total cost of implementing the projects and activities on the plan is USD \$1,817,430.46. The current work plan is the revised version of the 2016-2018 work plan which was reviewed at a stakeholders workshop in 2016 and later endorsed by the MSG. The work plan provides for capacity building for SLEITI stakeholders to for effective implementation and progress in areas recorded in section B of this report. It addresses the following areas: technical aspects of reporting; reporting and validation timelines, legal and regulatory obstacles to EITI implementation; for instance, a legal and institutional review was conducted to identify potential obstacles to implementation of the EITI and plans for implementation of recommendations from EITI reporting. The work plan does not include a strategy to source funding for its implementation.

### **Requirement 2 – Legal and Institutional Framework, including allocation of contracts and licenses**

*The assessment made under Requirement 2 is based on the 2016 draft report.*

#### **2.1 Legal framework and fiscal regime**

- a) The 2016 draft report provides detailed description of the legal and fiscal regimes covering the mining and oil/gas sectors. The report provides a list of the laws and regulations governing the mining and petroleum sector. The two main fiscal tools in the mining and oil/gas sector are described. The local government regulations which explains the devolution process is explained and an overview is provided of the relevant law and regulations and information on the roles and responsibilities of the relevant government agencies is provided in the draft report.
- b) The report in section 3.1.3 mentions the ongoing reforms taking place. The draft Minerals Policy has been submitted to Cabinet following a review by SLEITI to strength the language on transparency and accountability in line with the EITI Standard and draft Artisanal Mining Policy awaiting Cabinet's approval was reviewed by SLEITI along with other stakeholders.

## **2.2 License allocations**

- i) The 2016 report provides an overview of the license allocation.  
The report provides an impressive overview of the oil/gas license allocation process.
- ii) The technical and financial criteria used in the award of licenses for the 2016 fiscal year are explained in the report with details provided on how the Mines Directorate of NMA carries out the technical and financial assessments. In the case of the oil/gas sector the last award of license took place in 2012 however the report still explains the technical and financial criteria for the 2012 bidding rounds for the oil blocks.
- iii) The report provides a table on the status of licenses applications for mining, exploration, large scale, small scale, number of licenses granted, diamond dealers, gold dealers, industrial and sand-based exporters, number of license transferred and number of mining concessions cancelled in 2016. The data provided in the report goes beyond the companies covered in the SLEITI report for 2016 to include all companies below the materiality threshold. Summary of the status of license application in 2016 is found in table 3.6 table 3.7 shows list of exploration license applications and table 3.8 the list of licenses granted. Table 3.8 provides very detailed information on the licenses granted in 2016. The application and license dates, application date, start, end and expiry dates, owner, TIN etc. The licensing process is outlined based on section 119 of the MMA 2009. Although the OR does not provide information on license transfers, the information sourced from the NMA indicates that in 2016 only one license was transferred. The report mentions that no licenses were awarded or amended in 2016 for the oil/gas companies and provides a table showing the Sierra Leone petroleum licensing update. The details include the block numbers, commodity, awarded groups/company, application date, acreage, status as at December 2016 etc.
- iv) The report reveals that there were indeed deviations from the applicable legal and regulatory framework in the award of license as CSOs in mining are complaining that lacked information flow and they had no representative on the Minerals Advisory Board (MAB). The MAB is responsible to consider applications and either

certify approval to the Minister or to reject and advise the NMA. The report states that in 2016 there were no deviations from the MMA 2009 to prevent companies from making full disclosure of their activities.

- b) The report informs that the companies covered in the 2016 report obtained their licenses prior to the period under review the information in the 2016 report provides details on license allocation process, the technical and financial criteria used, information about the license holders etc.
- c) Information on licenses awarded through a bidding process for the 2016 fiscal year is provided for oil/gas companies. Members of the oil/gas Bid Assessment Committee that did the assessment are listed in the report and the officials that were engaged in the negotiations are also listed in the report. The link to above information is included. There was no bidding process in 2016 for the mining companies.
- d) The report provides a link to the MMA 2009 (See <http://www.sierra-leone.org/Laws/2009-12.pdf>) and makes reference to Part III: Administration of the Act which provides information on requirement 2.2 (a-c) i.e. the transferring or awarding of license process, the technical and financial criteria, recipients of all types of licenses and status of licences which displays information on license payments and some other non-confidential information.
- e) No adverse views were expressed by the MSG on the effectiveness and efficiency of licenses procedure for mining and oil/gas.

2.3b The report refers readers to section 40 of the MMA 2009 which provides for the establishment of a minerals cadaster office in creating a register of mineral rights, mineral rights applications and cadastral survey map of mineral rights and mineral rights applications for the mining sector only. It explains that the MCAS provides enough information to guarantee transparency in the management of mineral rights. The information includes details of license holders, coordinates, application date, license duration and commodity being produced. The OR information covers all registered companies. A link is provided to the OR and report states that there are no legal barriers to the comprehensive disclosure of information on the register. Section 49 is referenced to inform that the public has unrestricted access to information on any license and that the register of mineral rights applications is open to the public for inspection. The report provides comment on gap in the register, that is OR lacks information on contracts and agreements. The Geological Information Management System (GIMS) is mentioned i.e. it is up and running with an online portal but does not have geological data on display.

## 2.4 Contracts

The report informs that the government of Sierra Leone does not have a contract disclosure policy for mining and oil/gas and provides a table with the list of large scale mining contracts that are available on the link provided. In the case of oil/gas companies readers are referred to the PEPA 2011 which provides for publication in the Gazette each Petroleum License and any accompanying agreement between the state and licensee, providing details on the license conditions attached to the license. The report includes a table on the thirteen contracts including EIAs and model contracts publicly displayed as contained on the NMA website.



## 2.5 Beneficial Ownership

- a) The 2016 report describes progress made by the Government towards implementation of beneficial ownership roadmap to achieve compliance with this requirement by 2020. The progress includes study undertaken by an international consultant to assess the legal and institutional capacity of relevant MDAs to implement the BO requirement against the 2020 deadline, the MSG's decision to amend the Companies Act 2009 to mandate companies to disclose their beneficial owners, training organized to aid companies in their BO reporting and pilot BO reporting undertaken.

The report does not provide information on the Government's policy but informs that the MSG agreed that:

- i) The CAC should serve as focal point for BO collection ii) the MSG tasked the SLEITI secretariat to liaise with CAC to finalise the Corporate Governance Code to ensure its alignment with the EITI BO requirement. In this regard, the Secretariat provided the CAC with the BO terminologies and definitions of Ultimate Beneficial Owners, PEPs and State Entity and this information was included in the Corporate Governance Code.
- ii) The report informs that Sierra Leone published its roadmap for disclosing BO information in accordance with clauses c-f under requirement 2.5. But no further information provided on the content of the roadmap i.e. the milestones and deadlines set. Notwithstanding, the roadmap does contain milestones and deadlines and the Secretariat is showing updates on the roadmap.

The report mentions the name of the only one company being Koidu Ltd that disclosed the company's legal owners as well as beneficial owners but company did not report on the percentage holdings of the beneficial owners.

- b) All details on BO as indicated in the Standard form part of the BO and PEPs definition.

The MSG agreed that the BO declaration forms should be certified by the companies' external auditor as is the case with the companies' payments templates.

- c) The MSG agreed on the definition of beneficial ownership for natural persons, Politically Exposed Persons (PEPs) and State Entities. The SLEITI Roadmap can be accessed here: <http://sleiti.gov.sl/index.php/documents> .

## 2.6 State Participation

The report explains that a company called Mining and General Services Ltd (MAGS) is reported as the only SOE in the mining sector but with no active mining engagement at the moment. The Government of Sierra Leone is reported to have 10% carried free interest on the port and rail infrastructure owned by Shandong Steel Ltd. Also mentioned is the 10% carried interest the GoSL will acquire in all concessions (with an additional 5% option) with interest held by the national oil company when eventually formed.

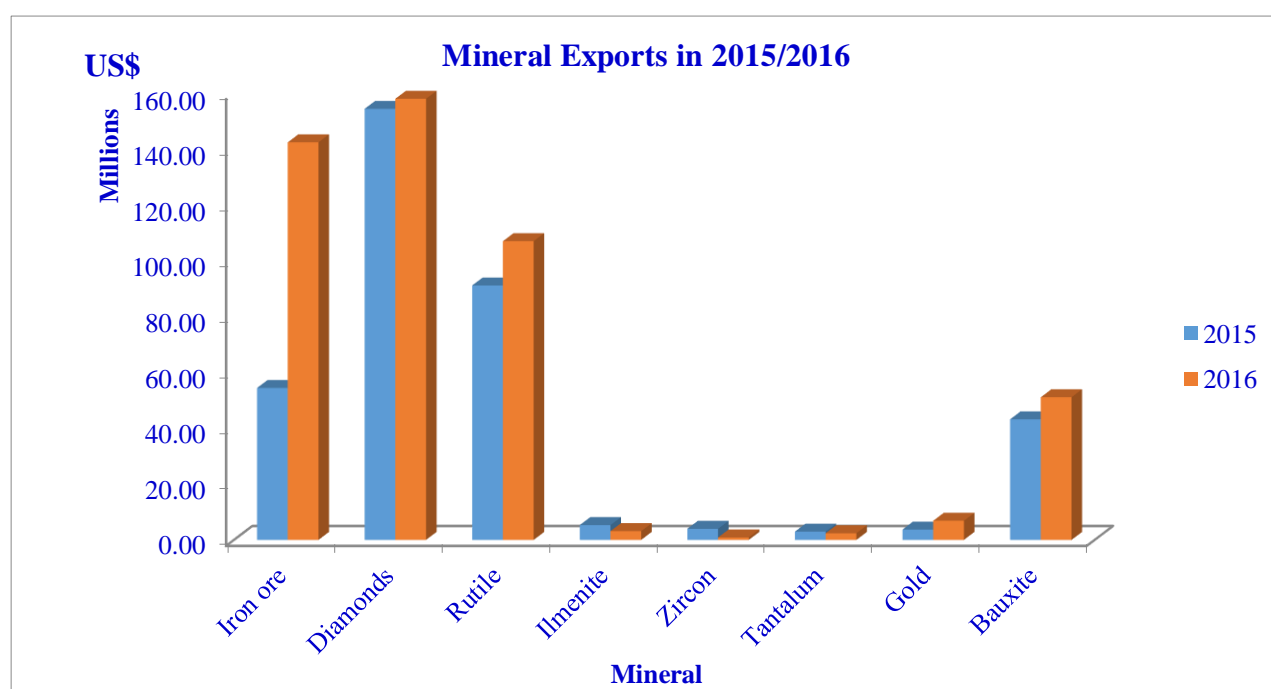
### 3. Exploration and Production

#### 3.1 Exploration

The report discloses an overview of the mining and oil/gas sector and provides a full updates on exploration activities in both mining and oil /gas.

#### 3.2 & 3.3 Production / Exports

The report provides a table with information on minerals produced and export values by four (4) large-scale companies: Tonkolili Iron Ore, Koidu Ltd, Sierra Rutile Ltd and Sierra Mineral Holdings. Production and export values from artisanal mining is also provided. The table informs that Timis Mining did not produce or exported minerals during the course of 2016. The report reveals there were increases in the production of iron ore, diamonds and rutile between 2015 and 2016. The total value of minerals exported increased from US\$358,863,680 to US\$471,531,832 however, minerals exported accounted for 91% of exports in 2016 compared to 95% in 2015. With no oil/gas production there is no information on production and export values to report on.



### 4. Revenue Collection

#### 4.1 Comprehensive disclosure of taxes and revenues

- a) The MSG established a materiality threshold of USD170,000 for the mining sector and zero (0) threshold for the oil/gas sector. Based on the materiality threshold twelve (12) mining companies. There was on exploration or production activities in

the oil/gas sector hence no company was requested to report. The payments made by the 12 companies represent 89% of total preliminary receipts.

- b) The list containing 11 material revenue streams that was agreed by the MSG following a scoping study and they are described in report. The materiality of the revenue stream was determined in relation to total revenues. The list of revenue streams can be found in the 2016 report.  
Indirect taxes such as PAYE, withholding, payroll taxes and import duties were excluded from the reconciliation were unilaterally reported on by companies as the NRA could not report on them.
- c) The report shows a reconciliation between the material companies and the MDAs that received the payments. The IA ended up with ten (10) mining companies instead of twelve (12) because SD Steel is a parent company and African railway and ports a transportation company that is a subsidiary to SD steel. The reconciliation was between ten (10) mining companies and government. The Petroleum Directorate reported they did not receive any payment from oil/gas companies which meant no reconciliation for this sector. The table below provides reasons why four companies could not report.

**List of companies that did not report**

Company Name /type	Reason
Sierra Rutile Ltd	Sierra Rutile was constrained to inform SLEITI Secretariat of the company was undergoing critical processes including internal audits that will hinder them from providing an accurate record on the company's payments for the 2016 fiscal year.
Sierra mining Bauxite Ltd	Contact person out of country until July 2018 and no other personnel available to complete the reporting template.
AMR Gold SL Ltd	Office close and no personnel to approach.
Allotropes Diamond Ltd	No response in spite of several follow ups visits and reminders sent by email.

All relevant MDAs reported. A discrepancy of USD 114,792 resulted from the reconciliation out of which USD 113,691 is payment as Community Development Fund (CDF) by Sierra Mineral Holdings with no corresponding reporting by the recipient. USD 114,792 represents 0.67% of government receipts obtained at reconciliation. The CDF was paid directly into a Community Development Account.

**4.2 Sale of the state's share of production or other revenues collected in-kind**

The report informs that there was no production share or other revenues collected in-kind for the State in the mining sector by GoSL.

### **4.3 Infrastructure provisions and barter arrangements**

### **4.4 Transportation revenues & 4.5 Transactions related to state-owned enterprises**

Not applicable to Sierra Leone

### **4.5. Sub-national payments**

The MSG determined that all large-scale mining companies should report on their surface rent payments and corresponding receiving entities report for reconciliation purposes. The report notes that District councils, Chiefdoms and MPs should report whilst landowners and paramount chiefs should not be considered to report. The reasons given was that Paramount Chiefs are like royals and should not be requested to report. Reconciliation between companies and individual landowners will be an herculean task and for that reason landowners did not report for the 2016 fiscal year.

### **4.6. Level of disaggregation**

The report contains disaggregated revenue streams but companies payments were not reported at project level due to how the data was presented for the reconciliation.

### **4.7. Data timeliness**

SLEITI is working within the reporting timeframe. The 2016 report will be published before the 31<sup>st</sup> December 2018 The MSG approved the terms of reference for this study which showed the accounting year for which the report was to be produced. This 2016 report is on time if published before the end of two years i.e. before 31<sup>st</sup> December 2018.

The MSG set off to produce a 2-year report covering 2015 -2016 to have a one year led term but delays experienced during procurement of the IA and collection of templates.

### **4.8. Data Quality and Assurance**

The 2016 report catalogs the quality assurance procedures to ensure maximum data credibility for both mining companies and government entities.

## **5. Revenue allocations**

### **5.1 Distribution of extractive industry revenues**

- a) All tax and non-tax payments are paid into the consolidated revenue fund (CRF) and all revenues are in cash. The report shows how revenues are recorded in the State Budget otherwise known as the Consolidated Revenue Fund. The NRA collects all taxes on mining, in cash. Other payments from the mining sector are made to sub national entities. The oil/gas revenues were being paid to the Petroleum Directorate but under the new SLPP administration all revenues are paid into the CRF. Section 54(2b) of the Government Budgeting and Accountability Act 2005 provides for the publication of a Statement of Receipts into and the Payments out of the Consolidated Fund for the year.

- b) Under the European Union state building consultant has done extensive work on GFS implementation and hopefully by 2019 the Ministry will be able to fully utilize GFS in the budget process.

## **5.2 Subnational transfers**

- a) The 2016 report explains that national government does not transfer extractive revenues to sub-national entities and therefore sub-national payments are not recorded in the national budget. Rather, local entities receive various payments directly from large scale mining companies in the form of surface rent, Community Development Fund and diamond area community development fund (DADCF). More details on these sub-national transfers can be found under section 9.0 of the 2016 report.

It was an MSG decision that all sub-national transfers are disclosed, through the annual SLEITI reports, irrespective of quantum, to be updated on all transfers and for monitoring purposes. It was also agreed that only District Council, Chiefdoms and Members of Parliament that should report. Paramount Chiefs are treated as royalties and should not be held accountable and as such they excluded from the reporting.

All surface rent payments, DADCF and CDF are subject to reconciliation. The report shows reconciliation of the payments between companies and subnational entities. Sierra Minerals Ltd was the only company that paid the CDF but there was no reconciliation because the fund was paid into a CDC account. The reporting templates for the CDF revenue stream and expenditure will be designed and approved by the MSG in due course.

Apart from the sub-national transfers mentioned above there were no ad hoc or material discretionary transfers made in 2016 to account for in the report.

- b) The MSG is committed to implementing the Standard and will ensure that any material discretionary or ad hoc transfers are disclosed and reconciled where possible. There were no ad hoc transfers in 2016.

## **5.3 Revenue Management and Distribution**

- a) The 2016 report indicates that Sierra Leone's extractive revenues are all paid into the consolidated accounts and so lose their identity at that point. As such, for now, these are not earmarked for specific projects.
- b) SLEITI reports including the 2016 report contain a wide range of information to further public understanding and debate. The report has detailed background information on the laws governing the extractive sector, description of the MDAs involved in the reporting process, the relative contribution of mining and oil/gas payments to the economy, actual payments from material companies and government receipts and the result of the reconciliation between the two entities etc. lists of all extractive revenues in the mining and oil/gas sector and brief definitions. The list of material revenues are found in SLEITI reports. The list of companies that did not meet the \$170,000 threshold are listed in Appendix 4 of the 2016 report and the immaterial revenue streams for 2016, which were not reconciled, are found in

7.3.5 of the report. Any revenue stream of less than 1% of total revenue was considered immaterial and there were no exceptional reasons given by the MSG which led to inclusion of a revenue stream of less than above value. The report informs that Environmental monitoring fees had a value of less than 1% but was reconciled due to the importance attached to environmental monitoring. The non-material revenue streams under revenues collected by the NRA are gold dealers license (0.63%); gold exporters license (0.01) and diamond dealers license (0.86) and of those collected by NMA (PMT) are export duty on gold (0.80%) and 2.5% consolidated revenue (0.66) and 0.5% GGDO valuation (0.13). All of these revenues amounted to 3.09%.

Table 8.5 of the report shows the budget profile for 2015 to 2019 with details of mining royalties and licenses collections.

### **6.1 Social Expenditures**

- a) In Sierra Leone Community Development Agreements form part of the contracts of mining companies. Companies are mandated by law to make a payment of **1% of 1%** to Chiefdom for development of their communities.
- b) There has been material transfers over the years including 2016, which are referred to as Corporate Social payments. Templates were issued to companies to disclose the beneficiaries, amounts, whether in cash or kind etc. but they did not disclose any cooperate in this area. Because corporate social payments are disclosure is discretionary and companies are not penalized for failing to report. The MSG will continue to request companies to report.

### **6.2 Quasi-Fiscal expenditures**

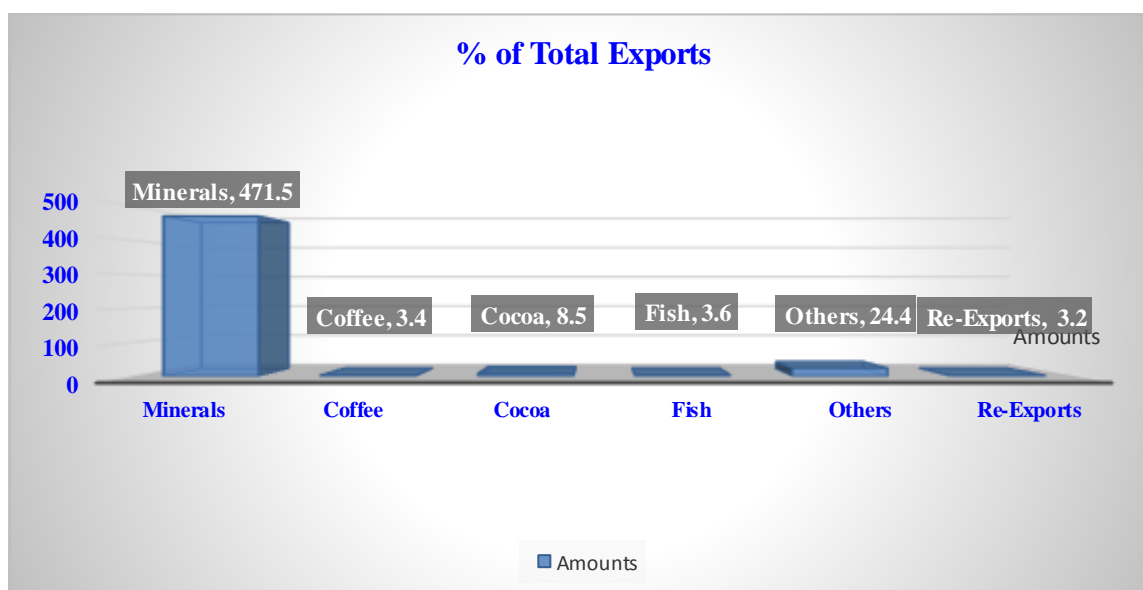
Sierra Leone does not participate in the extractive industries.

### **6.3 The contribution of the extractive sector to the economy**

The Report informs that contributions of Mining sector to GDP in 2016: 2.7% and 0% from the oil/gas sector.

- a) According to the 2016 report Contribution of Mining sector to GDP in 2016 is 2.7% and in absolute terms Le M 612,630. IMF sources reveal that real GDP recovered from -21.1% in 2015 to 4.3% in 2016 and fiscal revenues peaked at about 8 percent of GDP in 2016.  
The value of artisanal mining for gold, diamond, tantalum and zircon was 87,214,073. Diamond artisanal diamonds alone contributed **78, 400,000,**
- b) Total government revenue from mineral resources was 25.1 M (Section 8.1 of APR) <http://www.mofed.gov.sl/index.php/development/fiscal-publications>
- c) Exports – Information on exports is produced in report. The absolute value of EI exports in 2016 was **471,531,832 and** 91% in percentage terms.

### Total Exports 2015



#### d) Employment

The last census conducted was in 2015 and so the report provided the 2015 employment figures. According to the census mining and quarrying attracted 3% of the Sierra Leonean workforce which is 82,255 in absolute terms.

#### Employment Details 2015

Description	National	Mining & Quarrying
<b>Total Employment</b>	2,758,872	82,255
<b>o/w Males</b>	1,400,361	63,583
<b>o/w Female</b>	1,358,511	18,669
<b>Paid Employees</b>	275,454	10,301
<b>o/w Males</b>	200,679	9,081
<b>o/w Females</b>	74,775	1,220
<b>Self –Employment</b>	2,137,791	60,615
<b>o/w Self Employment with Employees (Employer)</b>	121,740	5,461
<b>Unpaid Family worker</b>	146,775	1,861
<b>Paid Apprentice</b>	16,553	1,329
<b>Unpaid Apprentice</b>	38,650	1,066
<b>Worked Before but currently looking for work</b>	21,909	1,619

## **7 Outcomes and Impact**

### **7.1 Public debate**

- a) SLEITI continues to print its annual reports and has always ensured even distribution across districts and regions. SLEITI reports are readily accessible on the SLEITI website – [www.sleiti.gov.sl](http://www.sleiti.gov.sl). The final 2016 report will be published on the SLEITI website as soon as endorsed by the multi-stakeholder group and as in case of past reports, it will be published on other websites such as that of the Vice President’s Office, Office of the Chief Minister, NMA, MoFED and so on.

The SLEITI WhatsApp group - ‘Support EITI-SL’ is being used to keep debates on natural resource governance alive. All SLEITI stakeholders beyond the MSG are members of this forum.

- b) In 2016 SLEITI published its Open Data policy for free use and re-use of the data by anyone, anywhere and at any time. This novel development was communicated with all stakeholders and published on the SLEITI website: [www.sleiti.gov.sl/index.php/documents](http://www.sleiti.gov.sl/index.php/documents).
- c) All reports are available in open data format. Any report found to be in pdf format will be taken down and unlocked.
- d) No doubt all SLEITI reports have been comprehensible, easy to read and in appropriate language.
- e) The SLEITI MSG has never lost sight on their mission to spread awareness of and facilitate dialogue through SLEITI reports across the country. The only threat to outreaches is funding. CSOs do source for funds to conduct outreaches. The 2014 report was disseminated at district level with leaders from the chiefdoms that were charged to see that communities understand the content of the report and are free to provide their opinions which are then collated and channeled to the appropriate authorities. The 2015 and 2016 reports will be disseminated jointly.

### **7.2 Data Accessibility**

- a) Quality summary reports were prepared for past and the Secretariat is expected to do same for the 2015 and 2016. For all past reports the IA has always been the author of the entire report which means all SLEITI reports have a single author for now. Any change to use multiple authors to write different parts of the report will be communicated.
- b) Each revenue stream is compared to the total amount of revenue that accrues to each respective level of government. In fact comparing each revenue stream to the total revenue for all levels of government combined is what establishes the materiality of the revenues (The 2016 final report will be published on the SLEITI website [sleiti.gov.sl](http://sleiti.gov.sl) and the link provided.).
- c) The Sierra Leone’s Online repository publishes non tax revenues and non - confidential information of companies that is accessible to the public. The tax revenues are still not publicly accessible due to confidentiality clause in the Income Tax Act that prohibits the release of tax payers information to the public. Nonetheless, the tax information of material companies are normally accessible



through the SLEITI reports which are all on the SLEITI website. Sierra Leone is heading in the direction of mainstreaming the EITI therefore extractive related processes are being followed up on to ensure their alignment with the EITI Standard.

- d) SLEITI continues to undertake capacity building efforts to the extent that its resources permit. NACE is sometimes successful in reaching out to other NGOs or donors for support to undertake sensitization and capacity building programs but all of these programs are not sustainable as sources of funding are not regular. SLEITI continues to take advantage of radio and TV programs to increase understanding of the data on EITI report. There is a lot more that could be done if funding is available. SLEITI has been looking at minimizing the cost of outreaches and capacity building programs etc but sometimes some goals are just not achievable in the absence of funds. It is quite true that public demand for information is on the rise as the country advances in democracy, which makes the EITI a go to source for reliable information on the extractives.

### **7.3 Discrepancies and recommendations from EITI Reports**

Some recommendations have also not received the level of attention deserved. The 2016 discrepancies from reconciliation was 0.67% of government receipts, the sum of \$114,792 in absolute terms. The reports provides source of the discrepancy.

**D: OVERVIEW OF THE MULTI-STAKEHOLDER GROUP’S RESPONSES TO THE RECOMMENDATIONS FROM RECONCILIATION**

**Finding/Observation & Recommendation from the 2008-2010 Reconciliation Report**

No.	Findings/Observations	Recommendations	Responsibility	Comments
1.	<p><b><i>Lack of Supporting Documents:</i></b>                      Most of the extractive companies and Revenue Agencies completed the templates as expected however there were some material amounts that were not supported with documentation. For example, the MMMR could not support the reported receipt of US\$1,000,000 as mining licence from African Minerals Ltd in 2010 with any documentation. Some Chiefdom Administrations and District Councils had templates that were incomplete i.e. not properly authenticated, and amounts received by chiefdoms were generally without supporting documentation. For example, some District and Chiefdoms received payments from companies as surface rent but failed to indicate receipts provided in return for these payments. In some instances companies were unable to provide receipts or evidence of payment. While they at times supply photocopies of cheques used for payment, these contained only names of the institutions that received them. The reason why the payments were made was not easily discerned.</p>	<p><b><i>Payments made by extractive industries should be properly accounted for by the Chiefdom Administrations and District councils.</i></b></p> <p><b><i>Companies should endeavour to file away evidence of material payments.</i></b></p>	<p align="center">MMMR / NMA</p> <p align="center">NMA / EPA / PD / Mining Companies</p>	<p>The NMA and NRA are working collaboratively to ensure that all tax and non-tax payments are thoroughly assessed and orders to pay issued prior to making payment.</p> <p>As a way of improving transparency, the NMA and MMMR have ensured that all surface rent payment ceremonies are now witnessed by the media and civil society groups. The NMA has drafted a surface rent payment policy that will address payment</p>

				procedure and records management going forward to ensure the proper filing of material payments.
2.	<p><b><i>Appropriateness of supporting documents:</i></b></p> <p>a) One major challenge in data reliability check was detected in the area of relevance of supporting documentations provided for data on the templates. There were instances that figures on templates differed from those on supporting documentation, thus creating a mismatch. Dates on which some payments were made were not indicated thereby making it impossible to detect accrual accounting. For example Sierra Minerals reported US\$634,043 as payment for royalty in 2009, but the actual payment was US\$548,889.78.</p> <p>b) In some instances, payments through wire transfers and bank drafts had no attached receipts from either the companies or from state agencies. Coupled with this was the fact that wire transfers SLEITI second reconciliation report 50 captured as bulk payment was not matched to specific revenue streams. Also, such payments sometimes straddle over different periods but these are not indicated on the templates.</p>	<p><b><i>Even though there were indications that MSG has organized training for reporting officers on template completion, there is still room for continuous training especially on cash accounting policy of EITI which is critical for template completion. Company Officials making any form of payment to any state agencies officials should insist on the issuance of receipt. It should also be made mandatory for any state agency receiving payment of any kind from any entity to issue receipt to cover such payment whether cash, cheque, wire transfer or bank draft. Proper system of recording and record keeping should be instituted on the part of state agencies without</i></b></p>	NRA/MMMR/NMA	<p>Prior to the establishment of the NMA, there was no standard payment procedure in place for non-tax revenue. With the collaboration of NRA and the Bank of Sierra Leone, the NMA developed a standard payment procedure for non-tax revenue. The procedure is now being implemented effectively. Also in collaboration with the NMA and NRA, the consultant-Revenue Development Foundation (RDF) have developed a Non-Tax Revenue</p>

		<i>delay. The system should be automated, to ensure transparency in all transactional dealings with third parties. Reporting officers from participating agencies would require some training in the processes involved in the mining and petroleum industries. This will improve their understanding of licencing regime and its relevance to revenue streams. Holding companies with subsidiaries should be indicated before the commencement of the process to ensure effective reconciliation.</i>		System (NTRS) which ensures that all payments are captured electronically between the NRA and NMA. Both NRA and NMA staff have been trained in the use of the NTRS and effective monthly reconciliation of payments made is being done
3.	<b>Duplication in reporting:</b> Both NRA and the Ministry of Mines and Mineral Resources (MMMR) reported on mineral right licences receipts and mineral royalty. It was observed that whereas MMMR reported in US dollars, the NRA reported in Leones. This situation presents potential for duplication, and indeed some repetitive reporting were observed. For example in 2008, Koidu Holdings paid US\$400,000 as mining lease (see Appendices 5 and 6). This payment was reported by MMMR as US\$ 400,000	<i>To avoid duplications as indicated above, future reconciliations should provide guidance on the revenue streams to be reported by each agency. It is recommended that mineral right licences be reported by the MMMR. The MMMR would be able to provide more details on the basis for</i>	NRA/NMA	All mining and exploration companies are now compliant with the payment procedure set by the NMA, NRA and BSL. According to the procedure, it is required that all foreign currency payments to

	<p>whereas NRA captured it as Le 1,500,446,353.98. It is expected that where an NRA office is stationed in a Ministry or Agency to collect revenue the reporting may encounter such challenge.</p>	<p><i>collection. Mineral royalty may be reported by the NRA with some assistance from the MMMR. Such a directive coupled with the requirement that amounts collected or paid should be reported in the currency of the transaction, without any conversion will ensure that duplication is eliminated.</i></p>		<p>Government be made through a commercial bank and transferred to the BSL. There has been no discrepancy in reporting government revenue since the implementation of this payment procedure.</p>
<p>4.</p>	<p><b>Mineral Royalty Payment:</b> The time for payment of royalty differs for different minerals. The regulations stipulate that for precious and special stones, royalty payments are made after valuation prior to shipment. Payment of royalty shall be made on inventory of precious minerals (such as gold and silver) not sold after one month. Holders of mineral rights for bulk minerals are required to pay royalty after the conclusion of transactions. In practice companies have royalty payment arrangements stipulated in their contracts. This makes checking the payment of royalty challenging, especially in situations where one is not privy to the contracts.</p>	<p><i>To ensure transparency, it is suggested that mineral right holders should be made to pay royalty on regular basis, making it easier to know if payment has been made or not. If a company does not engage in any production and or sale then it must be declared as such. For example it may be indicated that royalty is paid monthly and that companies have fifteen days after the expiry of the month to pay. For production made in January, a company may have up till 15th February to pay.</i></p>	<p>NMA/ NRA</p>	<p>This recommendation is practically impossible to implement. There is a fundamental difference between the valuation of bulk and precious minerals. The latter is done by the NMA prior to export whereas the former is done through pre-shipment inspection on which provisional invoices are based. It is therefore impracticable to have</p>

				<p>a uniform royalty payment pattern. Most important is the fact that all the five operating companies have Mining Lease Agreements with the GoSL which specifies royalty payment arrangements e.g. Sierra Mineral Holdings is required to make royalty payment on a quarterly basis (90 days after every shipment). Timis Mining Company, Sierra Rutile Limited and Tonkolili Iron Ore are required to make royalty payments 45 days after shipment.</p>
5.	<p><b><i>Inter sectoral collaboration/Royalty payment:</i></b> It appears royalty payments to the NRA were not accompanied with details of production. Royalty payment is based on the value of mineral produced. By applying the appropriate rate of royalty payment to the gross value of</p>	<p><b><i>There should be an inter sectoral collaboration between the Customs Division, the Non Tax Revenue and the MMMR in the payment of</i></b></p>	<p>NRA / NMA / MMMR</p>	<p>-</p>

	minerals won, the appropriate royalty rate is computed. As the NRA assesses the payment of royalty without details of mineral production, there could be challenges in ensuring that the appropriate figures are paid.	<i>mineral royalty. The MMMR and the Customs division of the NRA should assist the Non Tax Division by providing details of mineral production.</i>		
6.	<p><b>Surface Rent:</b> The Mines and Minerals Act, 2009 (MMA2009) section 35 stipulates the payment of compensation or surface rent to owner of the land: Presently the amounts payable are determined by negotiations between the landowner and the company concerned. Reconciliation is challenging as records are not properly kept by the District Councils and Chiefdom Administrations and payments are sometimes made in cash.</p>	<i>Payment and collection may be streamlined to ensure standardization and transparency. The cost per square kilometre may be indicated in the mining lease agreements and paid to a single source. This will apply to community owned lands e.g. chiefdoms. For example an outfit within the District Council may be tasked to receive payment from the companies. This will enhance transparency and accountability. To ensure that payments in real terms stay constant, cost per square kilometre may be indexed to inflation.</i>	MMMR/ NMA	-
7.	<p><b>Capital Gains Tax:</b> It was observed that several concessions or oil blocks had changed ownership during the period under consideration, however capital</p>	<i>Steps should be taken to ensure that the capital gains made as mineral rights/oil</i>	MMMR/ NMA/NRA/PD	-

	<p>gains tax was not reported as one of the revenue streams.</p>	<p><i>blocks change ownership are taxed. Regulation 6(2) of MMA 2009, enjoins the holder of a mineral right to inform the Director of Mines through the cadastre office of any change in respect of his mineral right including change of names, addresses, contact persons and other pertinent issues. This requirement includes information on change in ownership. This information shall be shared with the NRA which shall ensure that the necessary taxes are imposed. SLEITI second reconciliation report 53 The ownership change is only then completed with the submission of evidence of tax payment.</i></p>		
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**Finding/Observation & Recommendation from the 2011 Reconciliation Report**

No.	Findings/Observations	Recommendations	Responsibility	Comments
1.	<p><b><i>Lack of EITI Database:</i></b>            It appeared that to date the SLEITI Secretariat still does not have a comprehensive database of all extractive companies operating in the extractive sector. This is due to the lack of a formal procedure of communication between the Secretariat and Government Agencies with regard to active extractive companies.</p> <p>Accordingly, SLEITI did not have the list of active companies along with their TIN, activity status (exploration or production stage), active licenses and the type of minerals extracted.</p> <p>Although we obtained most of the information from Government Agencies during our fieldwork, other key information such as activity status and minerals extracted were still missing.</p>	<p><b><i>We recommend that, in the first instance, the Secretariat should create and maintain its database following this reconciliation exercise. The Secretariat should then liaise with the Government Agencies to ensure it obtains adequate information in real time and updates the database regularly. To this end, we believe it is vital that any new entrants to the extractive sector are registered with the EITI Secretariat as part of the process before or at the same time as they obtain their operating licence. A quarterly review with the Government Agencies of the list of extractive companies licenced to operate in the sector is also recommended.</i></b></p>	<p>MSG / NMA / Secretariat</p>	<p>With the setting up of the Online Repository for non-tax payments and the likelihood of the disclosure of tax revenues either through the OR or the NRA website, there is no need to duplicate these efforts by creating a database for the Secretariat.</p>

<p>2.</p>	<p><b>Timing of the reconciliation work:</b> The reconciliation work started in November 2013 and the report has to be prepared by the administrator and approved by MSG in December 2013. The duration between the beginning of the reconciliation works and the submission of the draft report only lasted one (1) month.</p> <p>Although we noted that EITI stakeholders were committed to meet the deadlines, some information was not prepared in time due to the tight timeframe. Accordingly, some templates remained uncertified and some discrepancies remained unresolved. Had MSG allowed more time for the reconciliation, these discrepancies could have been resolved.</p>	<p><i>We recommend for the future that the timing of the reconciliation exercise is better planned in the year in order to allow for more time for resolving discrepancies and the preparation of the Reconcilor’s report.</i></p>	<p>MSG</p>	<p>It appears that reporting timelines cannot be properly planned the reason being funding are externally sourced and the procurement processes of the funder has to be adhered to. At the same time, failure by the MSG to meet and review the reports affect the timelines.</p>
<p>3.</p>	<p><b>Weaknesses in the scoping study:</b> We noted several weaknesses in the scoping study as follows:</p> <p><b><u>Reporting Entities</u></b></p> <ul style="list-style-type: none"> <li>- The Environment Protection Agency Act (EPA Act) defines the projects requiring environmental impact assessment licences. Section 24 of the EPA Act states that “a licence is required for the projects whose activities involve or include extractive activities such as mining, quarrying, and extraction of sand, gravel, salt, peat, <u>oil and gas.</u>”</li> </ul>	<p><i>We recommend for the future, that the Petroleum Directorate is consulted when preparing the scoping study in order to ensure the completeness of the list of oil companies which were active during the period covered by the reconciliation.</i></p>	<p>MSG</p>	<p>This recommendation has been acted upon. The Directorate is now being consulted during the scoping study phase of every report writing.</p>

<ul style="list-style-type: none"> <li>- The granting of an environment license involves the payment of two taxes to the Environmental Protection Agency (EPA). These taxes are the Environmental Impact Assessment Licence and the Environmental Impact Assessment Monitoring Fee.</li> <li>- We noted that while the scoping study included the EPA as a reporting entity for the mining sector, it omitted to consider it for the oil Sector.</li> <li>- As a consequence, neither oil companies nor the EPA were initially required to report on Environmental taxes.</li> <li>- For the current reconciliation, we note that the aforementioned taxes were included in the reconciliation exercise following our recommendation, although not recommended by the scoping study.</li> <li>- Furthermore, we noted that, with regard to reporting companies, the initial scoping study did not include an oil company which was Talisman Sierra Leone BV/Prontinal, as the latter was no longer active in 2013. This company was subsequently identified and included within the reconciliation scope.</li> </ul> <p><b><u>Revenue streams</u></b> The scoping study included a payment relating to the oil sector called “sale of Geophysical data”.</p>			
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<p>appropriate to incorporate all taxes in one reporting template. The companies and Government Agencies will only report on their specific payment/revenues.</p> <p>The reporting entities did not submit detailed schedules along with their reports as they were not instructed to do so. They only declared annual figures for each tax. Some companies have submitted copies of flag receipts along with their templates.</p> <p>Details of payments are vital documents for completion of the reconciliation exercise. All companies and Government Agencies should be instructed to send their detailed schedules after the start of the reconciliation exercise. It would have been more efficient and would have saved time if all reporting entities were requested to send details of their payments along with their reporting templates.</p> <p>In addition, we noted that templates were lacking information necessary for the reconciliation exercise such as production data and the breakdown of surface rentals.</p> <p>Finally, we note that we, as reconcilers, we did not have the opportunity to examine the templates before they were sent to the reporting entities. As a result, we were unable to address flaws in these templates.</p>	<p><b><i>and approved by MSG. In this respect, the decision-making process should be documented and substantiated by signed minutes. The approved template should be annexed to the minutes of approval. In addition, detailed schedules should be requested with the templates. Finally, instructions for filling in the templates should be prepared and sent along with the templates. For a better efficiency of the process, SLEITI could arrange for a workshop where all stakeholders are invited in order that the reconcilers are able to explain the contents of the templates, provide them with the instructions and explain their expectations.</i></b></p>	<p>templates after the scoping study and submits to the MSG for approval. Guidelines for completion are also prepared.</p> <p>In 2017 training was provided for mainly companies on completion of the SLEITI reporting templates. As part of the training the new EITI Beneficial ownership requirement was introduced after which training was provided on completing all SLEITI templates including the BO templates. The current focal persons from the government MDAs are now</p>
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				familiar with the reporting process and the Secretariat is always available to provide further guidance where required.
4.	<p><b><i>Weaknesses in the taxation framework:</i></b> The legal and taxation framework in Sierra Leone suffers from several limitations. We set out below the major weaknesses and limitations that the GOSL should address in order to improve the legal and taxation environment in the country and consequently improve the traceability and transparency of income.</p> <p><b><u><i>Inconsistent payment system with regard to surface rentals</i></u></b> Payments of Surface rentals are made by mining companies to 5 different entities as follows:</p> <ul style="list-style-type: none"> <li>- District Council 15%</li> <li>- Chiefdom Administration 10%</li> <li>- Paramount Chief 15%</li> <li>- Constituency Development Fund 10%</li> <li>- Land owners 50%</li> </ul> <p>We noted that whilst most of the payments were made to each of the 5 entities mentioned above, payments done by Koidu Holdings S.A were made to the Local Government and Community Development (LGCD).</p>	<p><b><i>We recommend, wherever possible, to centralise all payments relating to surface rentals with a single Government Agency and that such Government Agency proceeds with the sharing of surface rentals.</i></b></p>	<p>MMMR / NMA</p> <p>NRA</p> <p>PD</p> <p>BSL EPA</p>	<p>The MMR should respond.</p>

<p>Decentralised payments and inconsistent payment procedures render the reconciliation of surface rentals difficult and undermine the traceability of the income flows paid by mining companies.</p> <p><b><u>Lack of reconciliations between the Consolidated Fund and the Petroleum Directorate</u></b></p> <p>In addition, there was an oil signature bonus declared during 2011 by Lukoil Petroleum which was not declared by the Petroleum Directorate. It appeared that the payment was received directly in the Consolidated Fund (CRF), and this receipt was confirmed by the Accountant General.</p> <p>We note, however, that no reconciliation had been performed between PD and CRF. As a consequence, the aforementioned payment was not traced in PD's books despite the signature bonus relating to the oil sector.</p> <p><b><u>Weaknesses in the collection of Environment taxes</u></b></p> <p>Finally, in accordance with Section 30 of the EPA Act, an Environmental Impact Assessment Licence issued under this Act shall (a) be in the prescribed form; (b) authorise the licensee to undertake such activity as may be specified in it; (c) be valid for twelve months from the date of issue or such period as the Executive Director may determine; and (d) contain such conditions as may be necessary for the protection of the</p>	<p><i>We recommend that all oil payments are reconciled between CRF and PD and that any future payments made to CRF is accounted for within PD's books.</i></p> <p><i>A review of the tax collection system in Sierra Leone is indispensable in order to improve controls over extractive sector revenues, improve transparency and traceability of income. In addition, taxes due could be</i></p>		<p>MoFED to respond</p> <p>A review of the tax laws will follow Cabinet approval of the Sierra Minerals Policy. Under</p>
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	<p>environment.</p> <p>Accordingly, it appears that companies could not operate without such a license. However, we found that several companies did not report any payment with regards to this tax, thereby implying that they were not issued with such license.</p> <p>This situation may cause a shortfall to the State's revenue. Additionally, such infringements can remain undetected by the reconciliation exercise, which by nature, only covers amounts paid.</p>	<p><i>included in future reconciliations exercises in order to uncover any tax violations.</i></p>		<p>President Bio's administration the EPA will become an arm of the Ministry of Lands implying that the Ministry will in the near future advise the MSG on amendments to the EPA Act.</p>
5.	<p><b>Communication enhancement:</b></p> <p>We noted that the data and information available on the EITI Sierra Leone website is not systematically updated with laws and regulations, summary of EITI reports.</p>	<p><i>We recommend that the SLEITI website includes a portal in which all data and documents are published in order to enable better dissemination and to a wider audience.</i></p>	MSG/Secretariat	<p>Done</p> <p>The SLEITI website has been upgraded and all documents can be found online.</p>
	<p><b>Clarification of the SLEITI Legal status:</b></p> <p>SLEITI was created by a Memorandum of Understanding (MoU) between the Government, Civil Society Organisations, and the Extractive Industries. We note that the MoU did not include any rule of quorum or voting procedures (to approve work plans reports etc.) by MSG.</p> <p>This situation creates ambiguities as to the legal status of SLEITI and might be open to interpretations by the different stakeholder</p>	<p><i>We recommend the acceleration of the creation of the SLEITI Act, which would define all basic rules and regulations for the future.</i></p>	MSG	<p>The SLEITI MSG decided to rather review the extractive sector policies and laws and may decide to develop it's own Act if the suggestions</p>



	groups.			included in other Acts are not enough to achieve its overall goal of increasing revenue transparency to enhance development for improved standard of living.
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**Finds/Observations & Recommendations from the December 2012 SLEITI Validation Report**

No.	Finds/Observations	Recommendations	Responsibility	Comments
1.	<p><b><i>Enrich the minutes of the SLEITI MSG meetings with the content of the discussions:</i></b>  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.</p>	<p><b><i>We, therefore, recommend the SLEITI MSG detailing the minutes of the meetings with the content of the discussions.</i></b></p>	MSG/SLEITI Secretariat	Action taken
2.	<p><b><i>Sign and record the minutes of the SLEITI MSG meetings with their attachments:</i></b>  We have encountered difficulties in accessing reliable and formal information, as well as important decisions taken by the SLEITI MSG.</p>	<p><b><i>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.</i></b></p>	SLEITI Secretariat	Action taken

<p><b>3.</b></p>	<p><b><i>Urge the SLEITI Secretariat to develop an accessible and updated database on the EITI and the extractive sector</i></b>  Many actions have been undertaken since 2008 through the implementation of the SLEITI.</p> <p>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.</p>	<p><b><i>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.</i></b></p>	<p>MSG / SLEITI Secretariat</p>	<p>This recommendation is no longer relevant otherwise there would be a duplication of efforts.</p>
<p><b>4.</b></p>	<p><b><i>Conclude the full implementation of the SLEITI work plan</i></b>  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</p>	<p><b><i>We recommend the SLEITI MSG conclude the full implementation of the SLEITI work plan, with a prioritised focus on the core activities for the</i></b></p>	<p>MSG / SLEITI Secretariat</p>	<p>Action taken</p>

	therefore be completed rapidly (1.b, 2.b, 2.c, 3.b, 3.c, 5.a).	<i>implementation of the EITI.</i>		
<b>5.</b>	<p><b><i>Ensure a regular and sustainable funding for the SLEITI</i></b></p> <p>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.</p>	<p><b><i>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.</i></b></p>	MSG	<p>Funding for SLEITI continues to be a challenge. The initiative is not fully funded by the Government and donor support is not predictable. For instance, the 2013 report was funded by the AfDB, the 2014 funded by the GoSL, the 2015 &amp; 2016 reports by the World Bank. SLEITI will have to approach potential donors to fund the 2017 report.</p>
<b>6.</b>	<p><b><i>Achieve the drafting and proceed rapidly to the adoption of the SLEITI Bill</i></b></p> <p>The SLEITI work plan proposes, in its Objective 1.d, the “<i>enactment of SLEITI law</i>”. 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,</p>	<p><b><i>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</i></b></p>	MSG	<p>Drafting of SLEITI Bill put on hold</p>

	we understand that the procedure of drafting the SLEITI Bill is stalled.	<i>text.</i>		
7.	<p><b><i>Initiate a scoping study for the selection of revenue streams to include in future SLEITI reconciliation reports</i></b></p> <p>The scope of revenue streams supporting the SLEITI 2nd 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.</p>	<p><i>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.</i></p>	MSG	Action taken
8.	<p><b><i>Initiate a scoping study for the selection of extractive companies to include in future SLEITI reconciliation reports</i></b></p> <p>The scope of companies included in the SLEITI 2nd 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:</p> <ul style="list-style-type: none"> <li>- 2 large scale mining companies are not included in the scope of report =&gt; Mile Stone Trading</li> </ul>	<p><i>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</i></p>	MSG	Action taken

	<p>Ltd. and Lion Mining Company Ltd.</p> <ul style="list-style-type: none"> <li>- More than 50 small scale mining companies are not included in the scope of report</li> <li>- 3 oil companies are not included in the scope =&gt; European Hydrocarbon, TGS Nopec and Young Energy Prize</li> </ul>	<p><i>extractive companies to include in future SLEITI reconciliation reports.</i></p>		
9.	<p><b><i>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</i></b></p> <p>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 2nd reconciliation report.</p>	<p><i>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.</i></p>	MSG	Action taken
10.	<p><b><i>Ensure that all companies provide certified reporting templates</i></b></p> <p>In the context of the SLEITI 2nd 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.</p>	<p><i>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.</i></p> <p><i>We understand that the</i></p>	MSG	Action taken

		<i>companies are not opposed to such a procedure.</i>		
<b>11.</b>	<p><b><i>Add an "Other significant payments/revenues" category to the reporting templates of future SLEITI reconciliation reports</i></b></p> <p>As shown in the analysis detailed in Requirements No.9 and 14, the exhaustive census of significant revenue streams is a complex issue.</p>	<p><b><i>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.</i></b></p>	MSG	Action taken
<b>12.</b>	<p><b><i>Ensure that EITI reports do not offset positive and negative discrepancies</i></b></p> <p>The SLEITI 2nd reconciliation report presents discrepancies that appear insignificant, since positive discrepancies have been offset with negative discrepancies.</p>	<p><b><i>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.</i></b></p>	MSG	Action taken
<b>13.</b>	<p><b><i>Ensure that the independent reconciler verifies the accuracy of the scope and materiality threshold, as defined by the SLEITI MSG</i></b></p> <p>The reconciliation exercise conducted for</p>	<p><b><i>We, therefore, recommend the SLEITI MSG ensure that the reconciler verifies the accuracy of the scope and</i></b></p>	MSG	Action taken

	the SLEITI 2nd reconciliation report was based on a weak and poorly justified scope, thus limiting the quality of the overall process.	<i>materiality threshold, as defined by the SLEITI MSG.</i>		
14.	<b><i>Continue the dissemination of the revised version of the SLEITI 2nd reconciliation Report</i></b>	<b><i>We recommend the SLEITI MSG to continue the dissemination the amended version of the Report to a wide audience.</i></b>	MSG	Action taken

**Finding/Observation & Recommendation from the 2012 SLEITI Report**

<b>No.</b>	<b>Findings/Observations</b>	<b>Recommendations</b>	<b>Responsibility</b>	<b>Comments</b>
1.	<b><i>COMPANIES NOT SUBMITTING THEIR REPORTING TEMPLATES:</i></b> The most significant cause for the overall variance can be traced to the non-reporting of six (6) oil and gas companies and six (6) mining companies notably Timis Mining (London Mining). This is shown in detail in Section 4.2. The MSG has made several efforts with the related government entities to obtain their responses. However it appears all of these companies have ceased operations in Sierra Leone	<b><i>Even though these companies have ceased operations or/and have their licences expired to date, it is critical MSG and the Petroleum Directorate ensure these mining areas or oil blocks are closely monitored for unauthorised activities.</i></b>	MMMR PD NMA MSG	The MMMR is working with the NMA (especially the Monitoring and Compliance Unit) to ensuring that illegal activities are not carried out within these canceled areas.

2.	<p><b>SURFACE RENT:</b> We noted that there were great difficulties in reconciling surface rent paid by companies to various government entities due to the different mode of payments permissible by the MMMR Act of 2009. Companies made payments directly to land owners in some cases and to Local Councils and other government entities in other instances. Admittedly some of the Landowners and Chiefdom Administrations do not maintain proper accounting records for audit purposes and accountability and transparency.</p>	<p><i>We recommend that the mode of payment should be streamlined and ensure companies make payments to the Local Councils / Local Government Ministry and subsequently transferred to the Landowners and Chiefdom Administrations to ensure accountability and transparency.</i></p>	<p>MMMR NMA MLGRD</p>	<p>A Surface rent policy that addresses surface rent payment issues has been drafted and once approved will be fully implemented.</p>									
3.	<p><b>AGRICULTURE DEVELOPMENT FUND AND DIAMOND AREA DEVELOPMENT FUND:</b> These discrepancies relate to the taxes reported by the companies and not confirmed by the Government Agencies.</p> <p>We set out below the detail of these discrepancies by tax:</p> <table border="1" data-bbox="205 993 890 1393"> <thead> <tr> <th>Government Agency</th> <th>Taxes not confirmed by government</th> <th>Value US \$</th> </tr> </thead> <tbody> <tr> <td><b>Koidu Limited</b></td> <td>Surface rent and mining licence</td> <td>42,955.30</td> </tr> <tr> <td><b>Vimetco (Sierra Minerals Holdings)</b></td> <td>Surface rent and agricultural development</td> <td>120,553.92</td> </tr> </tbody> </table>	Government Agency	Taxes not confirmed by government	Value US \$	<b>Koidu Limited</b>	Surface rent and mining licence	42,955.30	<b>Vimetco (Sierra Minerals Holdings)</b>	Surface rent and agricultural development	120,553.92	<p><i>We note this is a critical area which focuses on the development of these communities which have poor implementation and accounting for such funds have been utilized properly and we recommend the MSG ensure these funds are properly accounted for and utilized properly within the stipulated time frame.</i></p>	<p>MMMR NMA MSG MLGRD</p>	<p>The MMMR takes this recommendation into consideration and will ensure proper implementation and accounting of all funds disbursed.</p>
Government Agency	Taxes not confirmed by government	Value US \$											
<b>Koidu Limited</b>	Surface rent and mining licence	42,955.30											
<b>Vimetco (Sierra Minerals Holdings)</b>	Surface rent and agricultural development	120,553.92											



	fund			
	Surface rent and agricultural development fund			
<b>Sierra Rutile</b>	fund	124,464.42		
	Surface rent and diamond area community development fund			
<b>African Minerals</b>	fund	495,260.95		
<p>Of the companies above, Koidu Limited, Sierra Rutile and African Minerals did not respond to further enquiries and the discrepancies remained unresolved.</p>				

**Finding/Observation & Recommendation from the 2013 SLEITI Report**

<b>No.</b>	<b>Findings/Observations</b>	<b>Recommendations</b>	<b>Responsibility</b>	<b>Comments</b>
<b>1.</b>	<p><b><i>EXTRACTIVE SECTOR PAYMENTS AND NOMENCLATURE:</i></b>  It was observed that in the making of extractive payments the names of companies reported are sometimes different from those maintained by the NMA. There were instances when holding</p>	<p><b><i>In order to correctly associate payments to actual mineral right holders, government Agencies should ensure that the</i></b></p>	<p>NRA / EPA</p>	<p>All Non-tax payments in the Mining Cadstre System are recorded against the names of</p>

	<p>companies names were captured as having made payments, without specifying which of the subsidiaries the payments were made for. For example both EPA and NRA captured payments made by Cape Lambert Ltd.</p> <p>Meanwhile Cape Lambert Ltd is not a mineral right holder in Sierra Leone.</p>	<p><i>payments are recorded against such names and not holding companies.</i></p> <p><i>This can also assist in project level reporting.</i></p>		<p>Mineral Right Holders and their unique Tax Identification Numbers (TIN). The NRA and EPA should do the same (referencing the TIN) for all other payments other than Non-tax.</p>
<p>2.</p>	<p><b><i>RING FENCING BY MINING LEASE:</i></b>  Observation: Section 155(1) of MMA, 2009 provides for separate accounting for all large-scale mining licenses. However, section 155(4) of MMA,2009 also stipulates that the ‘holder of a large scale mining license may, with the Minister’s approval, deduct exploration expenditure in determining chargeable income attributable to any large scale mining license provided the expenditures were incurred by the license holder on reconnaissance and exploration licenses within Sierra Leone’.</p> <p>Whilst this may have been intended to encourage and promote exploration, it has the potential of delaying corporate tax payment or reducing the quantum of payment significantly. As companies engage in mineral production,</p>	<p><i>The MMMR/NMA should make a policy determination as to the state of exploration and reconnaissance in the country. Thus, if the MMMR considers that there still exists significant green fields, then section 155(4) of MMA,2009 on reconnaissance and exploration may be maintained.</i></p> <p><i>However, if it considers that there are enough brownfields and that corporate tax receipts are needed for development, then section 155(4) of MMA, 2009 may be replaced by a</i></p>	<p>MMMR / NMA /NRA</p>	<p>Exploration assets in Sierra Leone are mostly greenfield. We therefore recommend that section 155(4) of MMA, 2009 on reconnaissance and exploration may be maintained. However, a successful completion of the proposed</p>

	<p>corporate tax payment can become a significant revenue stream for government. Again it also will grant undue advantage to existing companies with mining licenses.</p>	<p><i>section capitalizing all reconnaissance and exploration costs.</i></p> <p><i>Some guidelines or rules should be developed in order to apply ring fencing for corporate tax purposes, before the expiration of initial investment recovery periods.</i></p>		<p>National Aeromagnetic Survey and follow up sampling of potential anomalies could increase the number of brownfields</p>
3.	<p><b><i>SURFACE RENT:</i></b></p> <p>The Mines and Minerals Act, 2009 (MMA2009) section 35 stipulates the payment of compensation or surface rent to owner of the land: Presently the amounts payable are determined by negotiations between the landowner and the company concerned.</p> <p>Whilst some companies make payments to District Councils and the Ministry of Local Government and Rural Development with cheques for onward distribution to recipients, however others also pay directly to chiefdoms, individuals, paramount chiefs and members of parliament. Reconciliation of payments made directly to Chiefdoms and District councils is often very challenging.</p>	<p><i>Payment and collection may be streamlined to ensure standardization and transparency.</i></p> <p><i>For payments made in cash, bodies with functional accounting units such as district councils may receive payments from the companies. They will in turn pay the chiefdoms and other recipients and properly keep the accounting records.</i></p> <p><i>This will enhance transparency and accountability.</i></p>	MMMR / NMA	<p>Section 35 of the Mines and Minerals stipulates the distribution of surface rent payment only. The recommendation for the cost per square kilometer to be indicated in Mining Lease Agreement is in place. This recommendation will be taken into consideration in the current review of the</p>

				Core Minerals Policy and the Model Mine Development Agreement.
4.	<p><b>ROYALTY FROM BULK MINERAL PRODUCERS:</b></p> <p>Payment of royalty is based on the revenues obtained from sales of minerals. For minerals such as gold the market prices can easily be obtained. For example the price of gold is quoted by the London Metal Exchange on AM and PM basis.</p> <p>However this is not the same for bulk minerals, the regulations to MMA, 2009 prescribe that for bulk minerals namely, bauxite, rutile and iron ore, they are valued as the realized gross price for sale FOB in arm's length sale or equivalent. Royalty payable for the bulk minerals is at the conclusion of the transaction". This may mean the after the conclusion of sales and settlement.</p> <p>The value of sales and therefore royalty can be affected if there is any transfer mispricing. Again there could be unnecessary delays in the payment of royalties due to 'the conclusion of transaction'.</p>	<p><i>In order to check transfer mispricing the NRA should work out a system of approving contracts that bulk mineral exporters have with their buyers. Build capacity to deal with valuation of bulk minerals and probably employ advanced pricing agreements where appropriate.</i></p> <p><i>Dates for payment of royalty should also be firmly stipulated. Some of the Agreements however stipulate quarterly payments. This should probably be adopted for the general law. If companies have not made any sale by that period they will need to indicate same to the NRA.</i></p>	NRA / MMMR/ NMA	<p>The NMA has put modalities in place to address issues relating to bulk minerals export. Some of these include; hiring a contractor to carry out pre-shipment inspection (to verify quantity of ore exported), carrying in-depth revenue audit of companies, cost analysis and price outlook of bulk minerals and accessing off take Agreements entered into by</p>

				mining companies
5.	<p><b>FISCAL TERMS AND STABILITY:</b> All the agreements reviewed had some stability clauses especially regarding royalty and corporate income tax rates and differ between companies.</p>	<p><i>The MMMR/NMA should endeavour to establish fiscal terms and legislation that will be applicable to all future mining contracts. In particular fiscal terms as they relate to mineral royalty and corporate tax should be made uniform for all contracts.</i></p>	MMMR / NMA / Mining Negotiating team	<p>The SPU is leading the development of a Model Mine Development Agreement. Once this model is approved, all fiscal terms relating to mineral royalty, corporate income tax etc. will be made uniform</p>
6.	<p><b>DIAMOND AREA COMMUNITY DEVELOPMENT FUND:</b> It appears the 2008 Guidelines developed by the World Bank in consultation with Network Movement for Justice and Development of Sierra Leone has not seen any implementation by the Government since its development.</p>	<p><i>The MMMR should declare its position on the proposed 2008 guidelines to actualize the implementation of the proposal to enhance its benefit to the mining communities.</i></p>	MMMR	<p>The MMMR notes this recommendation and will implement the contents of the 2008 World Bank Guidelines on the disbursement of the funds</p>

**Finding/Observation & Recommendation from the 2014 SLEITI Report**

No.	Findings/Observations	Recommendations	Responsibility	Comments
1.	<p><b><i>APROPRIATE NARRATION FOR EXTRACTIVE SECTOR PAYMENTS:</i></b>            Payments for some mining benefits were made out in the names of other affiliated legal entities i.e. Subsidiary company payments bore names of parent/holding companies thereby posing aggregation and disaggregation challenges.</p>	<p><i>To aid in assigning payments to actual mineral right holders, receipting government Agencies should ensure that the payments are recorded bearing rightful mineral right holders in Sierra Leone. Undoubtedly this can assist in project level reporting.</i></p>	<p>NRA NMA EPA MMMR MLGRD</p>	<p>The NMA has taken this recommendation into consideration by ensuring that payments made by parent companies for subsidiary companies operating in Sierra Leone are recorded and receipts issued out in the name of the registered entity operating in Sierra Leone.</p>
2.	<p><b><i>RING FENCING BY MINING LEASE:</i></b>            Mines and Minerals Act 2009 Section 155(1) provides for separate accounting for all large-scale mining licenses. However, section 155(4) of the Act, counters with stipulations for deductible exploration expenses in determining chargeable incomes. Provisions might protract corporate tax payments and have the tendency of reducing the realizable corporate taxes. As</p>	<p><i>MMMR/NMA needs to formulate policies to ring fence mining leases in the country. If the MMMR considers significant tenements/concessions as green fields, then section 155(4) of MMA, 2009 may be relevant and beneficial. However, if it considers sizeable</i></p>	<p>MMMR/NMA/ NRA</p>	<p>Exploration assets in Sierra Leone are mostly greenfield. We therefore recommend that section 155(4) of MMA, 2009</p>

	<p>mining companies scale up to production phase, corporate tax payments can assume high prominence in government benefits. Again it also will grant undue advantage to existing companies with mining licenses.</p>	<p><i>concessions as brownfields for which significant corporate tax could be realised, then section 155(4) of MMA, 2009 may be replaced with capitalization clauses on reconnaissance and exploration costs. Definitely some guidelines need to be developed in order to apply ring fencing for corporate tax purposes, before the expiration of initial investment recovery periods.</i></p>	<p>on reconnaissance and exploration may be maintained. However, a successful completion of the proposed National Aeromagnetic Survey and follow up sampling of potential anomalies could increase the number of brownfields.</p>
<p><b>3.</b></p>	<p><b><i>SURFACE RENT:</i></b> The Mines and Minerals Act, 2009 (MMA2009) section 35 stipulates the payment of surface rent to owners of the land: Surface rents are negotiated between the landowner and the mining company. Secondly, some companies make payments to District Councils and the Ministry of Local Government and Rural Development for disbursement, whilst others pay directly to chiefdoms, individuals, paramount chiefs and</p>	<p><i>Payment of surface rentals needs to be streamlined to ensure standardization and transparency. For cash payments, bodies with functional accounting units and good bookkeeping practices such as district councils are recommended as recipients. This measure will enhance transparency and accountability.</i></p>	<p>MMMR Section 35 of the Mines and Minerals stipulates the distribution of surface rent payment only. The recommendation for the cost per square kilometer to be indicated</p>

	<p>members of parliament. Reconciliation of payments made directly to Chiefdoms and District councils is oftentimes challenging.</p>			<p>in Mining Lease Agreement is in place. The NMA has recently drafted a Surface Rent Payment Policy and once approved it will address all outstanding issues relating to Surface Rent Payment.</p>
<p>4.</p>	<p><b>DIAMOND AREA COMMUNITY DEVELOPMENT (DACD) FUND:</b> Guidelines developed by the World Bank for the disbursement of DACD need to be implemented.</p>	<p><i>The MMMR should follow through on the implementation of guidelines to maximize benefits to host mining communities.</i></p>	<p>MMMR</p>	<p>The MMMR in collaboration with the NMA has started using the World Bank Guidelines of 2008 for the implementation and disbursement of the DACD (even though there are few challenges with regards the implementation of projects).</p>



5.	<p><b><i>DELAYS IN DISBURSEMENT OF AGRICULTURAL FUND:</i></b>          Finding: Sierra Rutile paid an amount of Le 534,190,671 towards the agricultural development fund on 25<sup>th</sup> June 2014 to the MMMR. However the amount was disbursed in February 28<sup>th</sup> 2015.</p>	<p><i>In order to facilitate and improve upon development outcomes from extractive sector payments, disbursements to communities should done on a timely manner.</i></p>	<p>MMMR</p>	<p>The MMMR has taken this recommendation into consideration and will ensure that all the processes that precede the actual payment are speedily expedited to ensure prompt payment as required.</p>
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**Finding/Observation & Recommendation from the 2015 SLEITI Report**

No.	Findings/Observations	Recommendations	Responsibility	Comments
1.	<p><b><i>TIMELY COMPLETION OF TEMPLATES:</i></b>            The NRA could not provide its templates within the stipulated time. Templates were delivered just some few days to the publication of this Report.</p>	<p><i>The NRA is strategically important for the reconciliation process. The major revenue streams including mineral royalty, corporate tax, diamond exporters license fees, mining and exploration licenses are all collected by that Agency. It is therefore very important that its completed template reaches the Independent Administrator in good time to facilitate the</i></p>	<p>NRA</p>	<p><i>Noted            The NRA submitted their 2016 templates against the deadline</i></p>

		<i>reconciliation exercise.</i>		
2.	<p><b>UNIFORM FISCAL TERMS:</b></p> <p>Most mining contracts stabilize the corporate income tax (CIT) rate at 30%. However, for African Minerals Ltd the income tax rate is fixed at 25% or the prevailing rate in the income tax Act 2000.</p> <p>London Mining Ltd has CIT rate of 6% for the first three years, 25% for the 4th to the 10th year and thereafter reverting to whatever pertains in law but not to exceed 30%.</p> <p>Koidu Holdings has CIT rate of 35%.</p>	<p><i>Practicably, in view of dwindling extractive revenues, the MMMR/NMA should endeavor to establish uniform fiscal terms for all mining and petroleum contracts. This should hold especially for the high income earners such as corporate tax and royalty as any tinkering with them could potentially affect extractive revenues. Stabilization clauses could be maintained to the extent that they are hinged on massive investments to the sector.</i></p>	<p><b>MMMR, NMA, NRA, MoFED</b></p>	<p>MoFED to respond</p>
3.	<p><b>EXTRACTIVE PAYMENTS MADE ON BEHALF OF PARENT COMPANIES:</b></p> <p>It was observed that some extractive payments were made under different names i.e. Parent company, group of companies, subsidiary companies. Shandong Steel Ltd, made payments in the name of Tonkolili (Iron Ore) Ltd or African Railways and Ports</p>	<p><i>Payments made on behalf of mineral right holders should be recorded properly against the names of such companies and not the parent/holding companies. Correct company narration aids in the assessment of future project level reporting for extractive companies in Sierra Leone.</i></p>	<p><b>NRA</b></p>	<p>-</p>

	Services Ltd, both being subsidiaries of Shandong Steel Ltd.			
4.	<p><b>APPROPRIATE PAYMENT NARRATION:</b></p> <p>Payments for some mining benefits were made out in the names of different benefit streams. A case in point is the recording of US\$ 18,249,395.02 as payroll tax in 2015. This figure appears too colossal to be realized as taxes on minority foreign employees. PAYE payments could probably have been categorized as Payroll tax.</p>	<p><i>Strict categorization of payroll tax, PAYE and other payments need to be ensured to facilitate the determination of materiality threshold for extractive companies.</i></p>	NRA	-
5.	<p><b>ESTABLISHMENT OF MINERAL WEALTH FUND:</b></p> <p>Mineral royalty receipts slumped from US\$30,424,895 in 2014 to a paltry US\$9,225,535 in 2015. This was largely due to the fall in the price of iron ore and significant decrease in the volumes of minerals produced. (See Section 4 on production). This accounted for the reduction in exports from US\$1.25bn in 2014 to \$536m in 2015, thus collapsing total extractive revenues to \$11.7m in 2015.</p>	<p><i>With collapsing revenues from Iron Ore impacting heavily on the nations' extractive incomes, it is recommended that Sierra Leone establishes a Mineral Wealth Fund with possible inputs from revenues accruing during periods of windfall gains. This would undoubtedly provide national budgetary support during times of depressed mineral revenues.</i></p>	MoFED, MMMR, NRA, NMA, PD, BSL	-

	Similarly, mineral royalties dropped in 2014 compared with 2013 receipts.			
6.	<p><b>CAPITAL GAINS TAX</b></p> <p>A number of high value mining deals have been made in recent years for which possible capital gains taxes could be exacted.</p> <p>1. West African Minerals Corporation completed the sale of its entire interest (5licenses) in Ferrous Africa Ltd. The buyer Sierra Resources Ltd was to be responsible for any liabilities including rehabilitation and wind-up costs.</p> <p>2. Shandong Iron and Steel Ltd acquired the remaining 75% stake of the Tonkolili Iron Ore mine from African Minerals in April 2015 for US\$170M. It now owns 100% equity in Tonkolili Mine.</p> <p>3. Cape Lambert is expected to receive a royalty of US\$2 per tonne of iron concentrate (Royalty) exported from the Timis Marampa Iron Ore Mine (Mine), which is payable on a</p>	<p><i>It is recommended that NMA and NRA assess these aforementioned transactions meticulously both offshore and in Sierra Leone for possible capital gains taxes for the state.</i></p>	<p><b>MMMR, NMA, MoFED, NRA</b></p>	-

	<p>quarterly basis on production of 24mt from the Mine. There has not been any development as the end of December 2016.</p> <p>4. Stellar Diamonds plc, the London quoted diamond company announced that it has signed a legally binding conditional Tribute Mining Agreement and Revenue Share Agreement with Ocea Mining Limited. 10% share of gross revenues (after deduction of Government royalty) is payable to Ocea once Stellar has recouped an amount equal to its CAPEX investment and Ocea has received an initial revenue share payment of US\$5 million. Stellar's has invested US\$7.2 million to date on establishing resources at Tongo diamond deposit.</p> <p>5. Iluka Resources Limited (Iluka) has announced it completed its statutory merger with Sierra Rutile Ltd in December 2016. The total transaction cost of A\$393</p>			
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	<p>million, includes the final consideration for SRL equity of A\$375 million (£215 million) and A\$18 million of transaction costs. Payment was made on 7 December 2016. Iluka has assumed SRL's net debt of approximately US\$59 million, (A\$80 million).</p>			
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**E: STRENGTHS AND WEAKNESSES IDENTIFIED IN THE EITI PROCESS**  
**(Opportunities and Challenges)**

**Strengths (Opportunities)**

1. **Information on the Sector** - The SLEITI reports are able to provide comprehensive information that is readily available to the public.
2. **MSG Internal Rules** – The availability of an MSG internal rules to ensure effective multi-stakeholder engagement and an efficient decision-making process.
3. **Dissemination of SLEITI reports** -Town hall meetings organized to discuss SLEITI reports with mining and other communities giving them the opportunity to discuss and share their views on the costs and benefits of mining operations in their communities and at national level.
4. **Civil Society engagement** - Civil society has freedom to hold the government to account. There are no elements of being stifled by government.
5. **Functioning of the National Secretariat** - The national Secretariat is adequately able to implement the decisions of the MSG.
6. **Quality Assurance of Data** - The Audit Service Sierra Leone takes the process seriously and always endeavor to certify the MDAs reporting templates to quality assure the data provided.

**Weaknesses (Challenges)**

1. **SLEITI Recommendations** – The SLEITI recommendations provide useful guidance for reforming the legal and regulatory framework but stakeholders have not openly discussed the recommendations creating concerns on whether the process is being taken seriously by some MDAs and likely stifling reformation of the sector.
2. **Industry Participation on the MSG** - Inadequate extractive companies representation on the multi-stakeholder group.
3. **Engagement of the Legislature** - Lack of commitment by the past members of Parliament in the SLEITI process.
4. **Funding** – Prior to the New Direction, there has been inadequate funding to fully accomplish the SLEITI work program and high dependence on donor support to fund the EITI reports to the extent that the timing to commence with the exercise of procuring the IA or to undertake some other form of consultancy work is sometimes compromised. The allocations made to SLEITI in 2017 was to cover operational costs only.
5. **Production of SLEITI reports** - EITI reports have a two-year time. However, the more recent the report the better use it will serve in provoking debate and dialogue on the management of the sector. SLEITI reports still has a two-year lead time

which the public continues to complain about. The public is demanding for more current reports.

6. **Lack of adequate staffing** – The position of the Research and Technical Analyst in the Secretariat was approved by the MSG but the ban on recruitment between 2016 -2017 left such a key position vacant. This needs to be addressed for a balanced workload among staff.
7. **Collaboration** - Limited collaboration between MDAs. On most occasions SLEITI is not updated on developments taking place especially in areas that have bearing on the sector's management.
8. **Delays in reporting** – Some MDAs did not fully cooperate with the reporting deadlines as they were extremely late in submitting reporting templates. This affected the reporting timelines and created some inconveniences for the IA and SLEITI Secretariat.
9. **MSG meetings** - Meetings have had to be postponed over and over as most members absent themselves without notice.
10. **MSG tenure** – The MSG has not been refreshed in the past.

#### **F: EFFORTS MADE SO FAR TO STRENGTHEN SLEITI IMPLEMENTATION**

- i) **MSG internal rules developed** – Through the MSG internal rules the MSG now has an updated terms of reference and tenure of office specified.
- ii) **Move of SLEITI** - The transfer of SLEITI to the Vice President's Office will ensure political leadership and sustainability for the initiative.
- iii) **The formation of Standing Committees** – The objectives of SLEITI are achieved through the work of the Standing committees. Members attach themselves to the various committees based on their qualifications and experiences.

#### **G: IMPACT OF SLEITI IMPLEMENTATION**

- i) **Dissemination activities** – Sharing the SLEITI reports and using them to provoke dialogue and debate on the management of the extractive sector is one of the most significant impacts of SLEITI. The dissemination of reports mostly done through town hall meetings bring together hundreds of local community members and stakeholders where they receive firsthand information on the payments made by companies and the revenues recorded by government. Presenting the findings and recommendations are part of the dissemination. The transparency fostered by the EITI through public disclosure of revenues and payments is contributing to trust building between the Government and the public. Transparency and trust building has also led to reduced incidence of violence in some mining communities.



The EITI provides a platform for the ordinary Sierra Leonean to share their views on the governance of the sector and all of these views and opinions are heard by or reach the relevant government bodies for consideration.

Although the town hall meetings are not designed to be used to seek redress, many locals cannot help but use the meetings to seek redress in a non-confrontational and take the opportunity to bring the attention of companies and government officials. The matters may pertain to land occupation by companies, environmental, educational or compliance with the local content issues. For example, school authorities may complain that teachers are leaving the classrooms in favor of better paying jobs, or locals may complain about contaminated water or express concerns that companies are using foreigners for menial jobs that should be reserved for community members etc. Although problems of this nature are not the reasons for the meetings, the government or company representatives provide quick responses and then continue with the main subject. Interestingly, the audience and SLEITI becomes witnesses for the person, family or group seeking redress. We encourage that complains that require more time to address are dealt with bilaterally, at a local date.

- ii) **Collaboration with the Anti-Corruption Commission (ACC)** – The fight against corruption is a common ground for SLEITI and the ACC and as such SLEITI has maintained a close relation with this body. SLEITI reports are shared with the ACC not only to provide an opinion but to also enable them to use the report to seek out issues that may interest them in execution of their mandate. During constitution of the Beneficial Ownership inter-agency committee the ACC accepted the invitation to become part of the committee.
- iii) **Discrepancies from reconciliation** – The discrepancies in between companies' payments and government receipts has declined significantly giving time to stakeholders to focus on matters pertaining to reforms of the sector.
- iv) **Reforms in the Sector** – The role of SLEITI is being recognized by the Ministry of Mines & Mineral Resources. SLEITI made some revisions to the Sierra Leone Minerals Policy and the Artisanal Minerals Policy following an invitation by the Ministry to review these policies. The next steps regarding the review of the legal and regulatory framework of the sector following Cabinet approval of these policies.
- v) **EITI Transparency and Accountability Agenda** – Apart from using the EITI to fight corruption, the EITI agenda is a model that is seen as best practice in governmental institutional arrangements. SLEITI receives numerous invitations every year to participate in meetings, trainings and conferences organized by various stakeholders including civil society groups. SLEITI is driving government

institutions such as the National Revenue Authority to improve on their revenue recording practices.

## H. TOTAL COST OF IMPLEMENTATION

<b>SLEITI Financial Report for the Period ended 1st January -31st December 2017</b>		
<b>INCOME</b>	<b>SL Leones</b>	<b>Comments</b>
Opening Bank Statement Balance 1st January 2017	164,376,224.91	
Government Allocation for January - December 2017 and payment for 2014 SLEITI Report	465,523,690.00	
Support from EITI International Secretariat	7,832,160.00	Support was for Beneficial Ownership workshop
Support from mining companies for BO Workshop	8,620,000.00	Beneficial Ownership familiarization workshop
<b>TOTAL INCOME</b>	<b><u>646,352,074.91</u></b>	
<b>Salaries</b>	<b><u>916,065,864.00</u></b>	
<b>EXPENDITURE</b>	<b>Total</b>	
MSG Meeting	7,027,000.00	
Dissemination of reports	45,666,260.00	Meetings & workshops on SLEITI reports
Consultancy - SLEITI Report	264,250,000.00	Payment to Independent Administrator for production of 2014 SLEITI Report
Local consultancy	400,000.00	
Rent	67,500,000.00	Yearly rent payment made
Motor vehicle repairs	6,889,000.00	
Generator Repairs	1,741,600.00	

Vehicle Insurance	1,280,250.00	
Withholding Tax	11,911,962.50	
Utilities internet	27,499,500.00	Payment to Afcom after which a one time was made to SALCAB
Utilities Website	8,404,080.00	
Utilities - Phone Top-up Cards	14,550,000.00	
Utilities - Electricity	3,000,000.00	
Utilities Modem	6,400,000.00	
Office Supplies and sundries	17,389,775.00	Purchase of office stationeries, papers, ink for printers & photocopier, cleaning items
Fuel consumption	23,067,936.80	
Local Travel	8,300,000.00	
International Travel	22,670,000.00	Trips by NC & FM to Lusaka, Communication officer to Ghana
Petty Cash	14,459,500.00	
Bank charges	450,259.13	
Beneficial Ownership Trainings	13,280,000.00	
<b>Totals</b>	<u>566,137,123.43</u>	
<b>Balance as per Cash Book 31st December,2017</b>	<b>80,214,951.48</b>	

**I. HAS THIS ACTIVITY REPORT BEEN DISCUSSED BEYOND THE MSG**

The draft APR was widely shared with all stakeholders as a basis for discussions on the impact of SLEITI implementation and assessment of progress. MDAs and CSOs outside the MSG and development partners acknowledged receipt of the report without actual responses.

*Table 1. Details of Membership of the SLEITI MSG 2017*

<u>No.</u>	<u>Constituency</u>	<u>Institution (S)</u>	<u>Names</u>	<u>Mobile Nos.</u>	<u>Email</u>
1	Office of the Chief of Staff	SLEITI Champion	Dr. Saidu Conton Sesay	076 653285	<a href="mailto:sc_sesay@yahoo.co.uk">sc_sesay@yahoo.co.uk</a>
2		AGI	Harry Bradwell	099-901711	<a href="mailto:hary-bradwell@tb-agi.org">hary-bradwell@tb-agi.org</a>
3	<b>G O V E R N M E N T</b>	Audit Service Sierra Leone	Abdul Aziz	076-611813	<a href="mailto:abdul.aziz@auditservice.gov.sl">abdul.aziz@auditservice.gov.sl</a>
4			Sinneh Kargbo	076-691011	<a href="mailto:sinbeekay@yahoo.com">sinbeekay@yahoo.com</a> / <a href="mailto:sinneh.kargbo@auditservice.gov.sl">sinneh.kargbo@auditservice.gov.sl</a>
5		Parliament	Hon. Sidie M. Tunis	076-620101	<a href="mailto:sidietunis@yahoo.co.uk">sidietunis@yahoo.co.uk</a>
6		National Revenue Authority (NRA)	Ibrahim Sorie Kamara	076-619073	<a href="mailto:isklinks@gmail.com">isklinks@gmail.com</a>
7			Abu B. Tarawalie	076-371645	<a href="mailto:abtarwalie@gmail.com">abtarwalie@gmail.com</a>
8			Donald Williams	078-300855	<a href="mailto:dondeewilliams@yahoo.com">dondeewilliams@yahoo.com</a>
9		Ministry of Finance & Economic Development (MoFED)	Mohamed Amara Salisu	076-784057 / 077-269609	<a href="mailto:masalisu1965@gmail.com">masalisu1965@gmail.com</a>
10			Naim Merimeche	078-370808	<a href="mailto:merimeche.mofed@gmail.com">merimeche.mofed@gmail.com</a>
11		Petroleum Directorate	Amadu Mansaray	076-604026	<a href="mailto:amans212@hotmail.com">amans212@hotmail.com</a>
12			Sabieu Conteh	076-447338	<a href="mailto:ss_3conteh@yahoo.com">ss_3conteh@yahoo.com</a>
13		Environmental Protection Agency (EPA)	Paul Lamin Veronika Koroma	078-699316	<a href="mailto:paul.lamin@epa-sl.org">paul.lamin@epa-sl.org</a>
14		Ministry of Fisheries & Marine Resources	Mohamed Jalloh	078-979418	<a href="mailto:omamsjal@yahoo.com">omamsjal@yahoo.com</a>
15			Sheku Sei	078-111077	<a href="mailto:seisheku@yahoo.com">seisheku@yahoo.com</a>
16		MMMR	Martin Jimmy	076-687292	<a href="mailto:majimmy2@yahoo.co.uk">majimmy2@yahoo.co.uk</a>
17			Theresa Williams	076-877313	<a href="mailto:theresa851090@gmail.com">theresa851090@gmail.com</a>
18		National Minerals Agency(NMA)/Precious	Peter Bangura	079-252454	<a href="mailto:pbangura@nma.gov.sl">pbangura@nma.gov.sl</a>
19			Konstantin Born	030-198298	<a href="mailto:kborn@nma.gov.sl">kborn@nma.gov.sl</a>

20		Minerals Trading (PMT)	Mohamed Sallieu Bah	076-803088 / 088-350308	<a href="mailto:msbah@nmagov.sl">msbah@nmagov.sl</a> / <a href="mailto:sulbaah@yahoo.co.uk">sulbaah@yahoo.co.uk</a>	
21		Office of National Security (ONS)	Isatu Konneh	076-231451 / 079-045067	<a href="mailto:devotedtomyking@yahoo.com">devotedtomyking@yahoo.com</a>	
22	<b>Civil Society</b>	Sierra Leone Association of Journalists (SLAJ)	Moses Kargbo	076-345930	<a href="mailto:moseskargbo@yahoo.com">moseskargbo@yahoo.com</a>	
23			Ahmed S. Naseralla	076-470288	<a href="mailto:asnasralla@gmail.com">asnasralla@gmail.com</a>	
24		National Advocacy Coalition on Extractives (NACE)	Abu Brima	076-645314	<a href="mailto:abubrima@yahoo.com">abubrima@yahoo.com</a> / <a href="mailto:abuabrima@gmail.com">abuabrima@gmail.com</a> / <a href="mailto:abrima@nmjd.org">abrima@nmjd.org</a>	
25			Joseph Rahall	076-601979	<a href="mailto:jorahall@yahoo.com">jorahall@yahoo.com</a> / <a href="mailto:josephrahall@gmail.com">josephrahall@gmail.com</a>	
26			Kadi Jumu	076-605579	<a href="mailto:julashki@yahoo.com">julashki@yahoo.com</a>	
27			Mustapha O. Thomas (Dr)	076-619988	<a href="mailto:olajiday@yahoo.com">olajiday@yahoo.com</a>	
28			Cecilia C. Mattia	076-602470	<a href="mailto:cecimatt101@gmail.com">cecimatt101@gmail.com</a>	
29					<a href="mailto:mamaacee2000@yahoo.com">mamaacee2000@yahoo.com</a>	
30		<b>Mining Company</b>	Shan Steel Mining Limited	Neima Macfoy	078-224092	<a href="mailto:neima.macfoy@shansteelsl.com">neima.macfoy@shansteelsl.com</a>
31			Sierra Rutile	Aminata Kamara	078-444072	<a href="mailto:aminatab.kamara@sierra-rutile.com">aminatab.kamara@sierra-rutile.com</a>

*Table 2. Details of SLEITI Secretariat Staff*

<b>No.</b>	<b><u>Names of Staff</u></b>	<b><u>Designation</u></b>	<b><u>Phone No</u></b>	<b><u>Email</u></b>
1	Mina Horace	National Coordinator	078-664550	<a href="mailto:cheche_mama@yahoo.co.uk">cheche_mama@yahoo.co.uk</a>
2	Annie Lansana	Finance & Admin Manager	076-291055	<a href="mailto:simkwayea@gmail.com">simkwayea@gmail.com</a>
3	Mohamed Fernando Conteh	Communications Officer	079-759547	<a href="mailto:malikiya.imc01@gmail.com">malikiya.imc01@gmail.com</a>
4	Deborah Dixon-Massaquoi	Secretary	078-214612	<a href="mailto:deborahdixon13@yahoo.com">deborahdixon13@yahoo.com</a>
5	Marian R. Koroma	Admin Support Staff	076-339099	<a href="mailto:marian.koroma@yahoo.com">marian.koroma@yahoo.com</a>
6	Alie Brima Kamara	Office Assistance	076-577329	<a href="mailto:alibrimakamara@yahoo.com">alibrimakamara@yahoo.com</a>
7	Abdulia Sesay	Driver	078-426721	-
8	Joseph Moigua	Support Staff	076-223299	<a href="mailto:josephmoigua1990@yahoo.com">josephmoigua1990@yahoo.com</a>

**Table 3. MSG Meetings Attendance Record 2017 by Institution**

Organisation	Feb.		May		Jun.		Aug.	Nov.	Composition of MSG	Total
	1st (3rd)	2nd (16th)	3rd (9th)	4th (18th)	5th (9th)	6th (29th)	7th (11th)	8th (14th)		
Office of the Chief of Staff										4
Audit Service, S/L										2
Parliament										1
MMMR										4
National Revenue Authority/ EIRU										7
Ministry of Finance & Economic Development										6
Petroleum Directorate										6
Environmental Protection Agency - SL										4
Ministry of Fisheries & Marine Resources										3
Ministry of Agriculture, Forestry & Food Security										0
National Minerals Agency / PMT										6
Office of National Security										0
Local Council Association, S/L										0
National Advocacy Coalition on Extractives										7
Sierra Leone Association of Journalists										5
Mining Companies										7



**Table 4. MSG Meetings Attendance Record 2017 by Individual**

Organisation	Name	Feb.		May		Jun.		Aug.	Nov.	Composition of MSG	Total
		1st (3rd)	2nd (16th)	3rd (9th)	4th (18th)	5th (9th)	6th (29th)	7th (11th)	8th (14th)		
Office of the Chief of Staff	Saidu Conton Sesay										2
	Harry Bradwell										4
Audit Service, S/L	Aziz Turay										0
	Sinne Kargbo										2
	Aruna Abu										1
Parliament	Hon. Sidie M. Tunis										1
MMMR	Dorcas H. King										1
	Theresa Williams										4
National Revenue Authority/ EIRU	Abu B. Tarawalie										3
	Donald S. Williams										2
	Alhaji S. Kamara										3
	Mohamed Jalloh										1
	Edna Kanu										1
	Beatrice Momodu										2
	Naim Merimeche										4
Ministry of Finance & Economic Development	Mohamed A. Salisu										1
	Peter J. Bangura										1
	Adama Hawa Bah										2
	Haja Aminata Daramy										2
	Amadu Mansary										6
Petroleum Directorate	Amadu Mansary									6	
Environmemtal	Paul A. Lamin										1

Protection Agency - SL	Veronica Koroma									3
Ministry of Fisheries & Marine Resources	Mohamed Jalloh									2
	Patrick S. Sundifu									1
National Minerals Agency / PMT	Arnold W. Nohdje									1
	Peter Bangura									0
	Mohamed Sallieu Bah									5
	Konstantin Born									2
Office of National Security	Isatu A. Konneh									0
Local Council Association, S/L	Sadiq Silla									0
National Advocacy Coalition on Extractives	Kadi Jumu									1
	Joseph Rahall									5
	Abu Brima									2
	Cecilia Mattia									3
	Dr. Mustapha O. Thomas									2
Sierra Leone Association of Journalists	Moses Kargbo									4
	Ahmed Nasralla									2
Mining Companies	Neima Macfoy									7
	Aminata Kamara									2

**Key:**  
**Ab-Absent**  
**N/A - Not Applicable**  
**Shaded Box- Present**