DEPUTY PRIME MINISTER MINISTER OF FINANCE **AND TREASURY**



MINISTRY OF FINANCE AND TREASURY P.O BOX 26, HONIARA SOLOMON ISLANDS

SOLOMON ISLANDS GOVERNMENT

Ref:

462/8/6

Date: 25th June, 2018

Mr. Fredrik Reinfeldt Chair, Extractive Industries Transparency Initiative Board Ruselokkveien 26 0251 Oslo Norway

Dear Chair Honourable Fredrik Reinfeldt,

Formal Request for Voluntary Withdrawal.

As you are aware, the Solomon Islands has made meaningful progress in meeting some of the individual requirements of the Extractive Industries Transparency Initiative (EITI) since 2012, when the Government of the day announced that it would begin the multi-year process of becoming an EITI compliant country.

While the Solomon Islands Government remains committed to implementing EITI requirements in the extractive industries sector, it is now clear that, following the establishment of the SI EITI Secretariat Office in 2014, our domestic situation has changed and no longer fully accommodates the EITI principle. As you may be aware, the country's current mining activities are concentrating mainly on prospecting after the closer of the biggest and only mining operation at Gold Ridge Mine in 2014. Today, there is only one small bauxite mine in operation on one of the country's atoll islands chains.

Furthermore, I also wish to inform you that the current Government's policy direction for the mining sector is focused on reforming the existing Mines and Mineral Act, since the current legal regime is outdated. We envisage that this reform process will capture some of the requirements to implement EITI smoothly here in the Solomon Islands. We expect that the current review of the Mines and Mineral regime to conclude next year.

In these regards, I am writing to inform you of the decision of the Solomon Islands Government to voluntarily withdraw from implementing EITI. I can assure you that in the near future when we put in place our updated policies and legal framework that could accommodate EITI requirements, and when key mining operations in the country resume, we will consider reapplying for EITI candidacy.

I wish to make it clear that my request does not mean that EITI work here in the Solomon Islands will stop. The SI EITI Office will maintain the primary role within the Government for collecting

Telephone: (677) 21074/21075 Website: www.mof.gov.sb Facsimile: (677) 27855 Financial data related to the minerals sector. We will continue to unilaterally disclose revenue payments received for extractive operations in the country through our SI EITI Office, which is located in my Ministry, by producing annual reports and we will continue to improve our reporting as well. Furthermore, the SI EITI Office will continue to institutionalize EITI principles within Government Ministries and during the formulation of the new Mines and Mineral Regime. Finally, the SI EITI Office will continue its efforts to engage stakeholders in public conversation during the reform process.

In these regards, and notwithstanding that our current situation prevents us from meeting specific provisions of the EITI Standard, we look forward to continuing to work closely with the EITI International Secretariat Office and your support will be sought should the Solomon Islands Government wish to reapply as a candidate country in the near future. I look forward to receiving a formal recognition and acceptance of this request soon.

Yours sincerely,

Honourable Manasseh D Sogavare, MP

Deputy Prime Minister

Minister of Finance and Treasury

Cc: Jonas Moberg, Executive Director, Extractive Industries Transparency Initiative Board Cc: Hon. Ma Teresa Habitan, Assistant Secretary, Department of Finance, Philippines

Cc: Ms Marie Gay Alessandra Ordenes, Regional Director, EITI International Secretariat

Cc: Dyveke Rogan, EITI International