SIERRA LEONE EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE (SLEITI)

NATIONWIDE SENSITIZATION AND PUBLIC DISCLOSURE ON THE 2020 - 2021 SLEITI REPORT

Port Loko, Tonkolili, Kono, Kenema, Bo, Moyamba Districts and Western Area

16th - 26th October 2023

Theme: "Sustaining Gains in Community Participation in the Extractive Sector Reforms"

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SUMMARY NATIONWIDE DISSEMINATION REPORT OF SLEITI 2020-2021 REPORT

Background

The EITI was launched in Johannesburg, South Africa in June 2002, when over 140 delegates from governments, companies, industry groups, international organizations, civil society organizations and investors who agreed on the EITI Principles, establishing the EITI as a multi-stakeholder organization and underpinning its mission.

The momentum for the EITI came in part from a growing body of research, which described how the potential benefits of oil, gas and mining activity were not being realized and mapped their association with increased poverty, conflict and corruption. Transparency and public dialogue were identified as an important starting point for remedying this "resource curse".

Extractives governance was increasingly a matter of public interest in the years leading to the creation of the EITI. In 1999, the civil society organization, Global Witness, launched a report that examined the opaque mismanagement of oil in Angola and attracted considerable attention. Coining the slogan "publish what you pay," the report called on companies to adopt "a policy of full transparency in Angola and in other countries with similar problems of lack of transparency and government accountability". This led to the birth of Publish What You Pay (PWYP) in 2002, a civil society group that advocates for transparency in the extractive sector.

The UK government saw an opportunity to develop an initiative built on the notion of equal transparency from governments and companies. Prime Minister Tony Blair introduced the idea of the EITI in a statement intended for the World Summit on Sustainable Development in Johannesburg in September 2002. In 2003, the UK Department for International Development (DFID) convened a meeting of civil society, company and government representatives who agreed that a reporting standard should be developed.

It is the believe that a country's natural resources belong to its citizens-hence the commitment by EITI to promote understanding of natural resource management, strengthen public and corporate governance and accountability, and provide the data to inform policymaking and multi-stakeholder dialogue in the extractive sector.

By becoming a member of the Extractive Industries Transparency Initiative (EITI), countries commit to disclose information along the extractive industry value chain – from how extraction rights are awarded, to how revenues make their way through government and how they benefit the public (https://eiti.org/our-mission).

Since embracing the initiative as resource rich country, Sierra Leone has increasingly committed to implementing the involving standards. The office of the presidency under the supervision of the Office of the Vice President and the Minister of State in the Office of the Vice President provides political leadership and oversight, while its governing body, otherwise called multi-stakeholder group (MSG) steers its implementation. The MSG is comprised of civil society groups, industry, and government representatives. This approach has so far ushered improved sector governance know-how and build trust among citizens, government, and company.

With funding support received from the Government of Sierra Leone, the MSG on Monday, 16th October 2023 commenced a nationwide dissemination of its 2020-2021 EITI Report after it was published on 30th March 2023 in order to meet the EITI deadline. The report production was funded by the World Bank as part of their final support to SLEITI as the Extractive Industries Technical Assistance Project (EITAP), through which funding was provided came to an end. BDO-UK Ltd, an established auditing firm was commissioned by the MSG following a rigorous international bidding process to produce the report on behalf of the Government of Sierra Leone and the SLEITI Multi-stake holder group (MSG).

This is the tenth (10th) EITI report the SLEITI MSG has produced and the dissemination of its findings and recommendations remains an integral process of the modus operandi binding EITI implementing countries. Otherwise, the country will be scored zero in assessing the level of outreach undertaken with the EITI reports. Against this proem, the MSG led by the Minister of State, Vice President Office and Chair SLEITI MSG visited six district headquarters to engage stakeholders from across the various districts. The MSG went to Port Loko, Magburaka, Kono, Kenema, Bo and Moyamba districts. Each of these district areas is homed to specific natural resources and they are more or less deprived cosmopolitan communities. An initiative such as the EITI and its underlying principles remains an ideal way to reform the sector and strengthen government and company systems.

In the processes leading up to dissemination, the MSG agreed on an approach-that civil society groups on the MSG be given the mandate to coordinate implementation of the dissemination in locations where such CSOs have established a footprint. As mentioned above, the following CSO groups on the MSG led the dissemination in the areas listed below:

1. Port Loko District – National Advocacy Coalition on Extractives (NACE)
2. Tonkolili District- National Advocacy Coalition on Extractives (NACE

3. Kono District - Women on Mining and Extractives (WoME)
4. Kenema District - Network Movement for Justice and Development (NMJD)
5. Bo District - Women's Network on Environment Sustainability (WoNES)
6. Moyamba District- Human Rights Defenders Network (HRDN)

Regional Dissemination Agenda:

The MSG at its pre-dissemination meetings agreed on a simple approach to engage stakeholders on the 2020-2021 EITI report. The agenda below was adopted right through the regional disseminations, saved Western Area which was slightly tweaked.

1. Prayers: **Muslim & Christian**

2. Welcome Address

3. Introductions-**Local dignitaries, visiting delegation, Introduction of Chairperson**

4. Chairperson's Opening Remarks

5. Purpose of the Meeting – **MSG Member**

6. Statements:

· **Resident Member of Parliament/Senior Member of the Community**

· **Mining Company representative**

· **Civil Society Organization representative**

· **Government representative**

7. Presentation: Highlight of 2020-2021 SLEITI Report

8. Quick quiz on presentation of Report

9. Discussions /Q&A

10. Chairman's Closing Remarks

11. Vote of Thanks

The Freetown agenda was slightly tweaked to make room for the following to speak to the report in their remark following its presentation by the SLEITI National Coordinator:

a) Ministry of Mines and Mineral Resources
b) Deputy Minister of Foreign Affairs and International Cooperation

Dissemination Commencement/Approaches and Deliberations

In accordance with the dissemination agenda, all courtesies and pleasantries were observed in the opening ceremonies. This task is often done by the host CSO body in the regions including a member of the SLEITI Secretariat. The objective was to recognize local dignitaries and at the same to introduce the SLEITI delegation which often comprised representatives from the three MSG constituent groups and staff of the SLEITI Secretariat.



This aspect is often followed by remarks from key stakeholders from the mining communities. They included Paramount Chiefs, Members of Parliament, Chiefdom heads/speakers, Mami Queens/Women's group, youth groups, District Council representatives, government officials, security personnel, mining company representatives and civil society groups. SLEITI MSG representatives explained the purpose of the dissemination to the audience.

Key highlights of statements delivered by guest speakers

Several important statements were delivered by local government officials in the regions. In Port Loko District where the dissemination commenced as the first in a series of stakeholder meetings designed to discuss issues of natural resource management using the EITI framework as a tool, the meeting was attended by representatives from host mining communities including PC Bai Forki-Fainta II of Maforki Chiefdom, the Chiefdom Speakers of Marampa, Lokomasama, Bakeloko Chiefdoms, senior management staff of the Port Loko District Council, Regional manager of the National Minerals Agency and more.

PC Bai Forki-Fainta II in his remark welcomed SLEITI and thanked the MSG for engaging stakeholders in Port Loko on the EITI process. He said communities around the mining axis have had enough of the challenging issues associated with mining. He said he was concerned that if adequate measures were not taken to address such issues, his communities might end up being overwhelmed by air burned diseases, fatal accidents, water pollution, noise and more. He said the communities lacked adequate social amenities in addition to good roads. He called on the Government to work with companies to create employment opportunities for locals and prioritize sub-national transfers.

In Tonkolili District, the meeting brought together wide range of stakeholders from Kalasogoya, Samaiya Bendugu, Sambaya, Kolifa Rowala chiefdoms, and major towns such Bumbuna, Mabonto, Matotoka, and among others. The event was chaired by Abdul Smad and Co-Chaired by Cecilia Mattia. Key concerns raised by guest speakers revolved around water pollution by companies, teachers abandoning class rooms for mining purposes, child labour and revenue generation. The Tonkolili District Council Finance Officer Abdul Aziz was concerned that revenues from the sector allocated to the council were infinitesimal when compared to other councils in the southern and Eastern regions. He was also of the view that companies have been utterly refusing to pay property tax and among others. Other speakers mentioned that the Papana River and its estuaries have been polluted by gold mining companies and that aquatic creatures have been harmed while communities have faced severe shortage of clean water.

In Kono District, similar approach was adopted in identifying participants. The meeting brought together the RSLAF Brigade Commander in Kono, CDC Chair, Section chiefs and several women organizations. The statements delivered were more or less akin to those in other regions. Specific issues were documented which include long exploration licenses granted to companies, lack of transparency around CDC projects, delay is the disbursement of sub-national transfers, and capacity building for young people.



In Kenema District, the event attracted Chiefdom Speaker Small Bo- Chief Ishmail Koroma, Member of Parliament- Hon Musa P. Moigua, and Senior District Officer - Kenema District, Mr. William Ngegboi. In attendance also were Augustine Sandy- Paramount Chief Council Lower Bambara Chiefdom, PC Madam Sata Gendeh, and several Paramount Chiefs from Dama Sections. Although these stakeholders were drawn from different communities, their concerns were tied to the following:

- Discrimination in awarding artisanal licenses
- Inadequate sub-national transfers to communities' home to mining
- Poor land reclamation
- Allege denial by companies to share lease agreement with CDC members
- Poor road networks
- Climate change, and
- Indiscriminate illegal ASM mining

In Bo District, key stakeholders also attended the event. They included Hon. PC Desmond M. Kargbai of Salega Chiefdom, Mohamed Sama, Regent Chief Bompengao, Deputy Mayor of Bo City – Madam Hawa Campbell, and Deputy Chair Bo District council - Mrs. Alberta Kowa. Civil society groups and media institutions were also in attendance. On the side of Civil society groups, key issues raised focused on business and human rights, gender-based violence, and transparency around revenues collected from the sector. The Deputy Mayor Mrs. Kowa in her response said the SLEITI meeting was an eye opener which could be leverage on by the city. She was of the view that Corporate Social Responsibility by companies were hardly channeled through the Council, if any, and that efforts should be made to fix environmental issues that comes with the exploitation of minerals as it was not all cloudy for some host mining communities. Vulunia Chiefdom had a different story told to the audience, that a particular mining company had built first-class primary school for communities around Valunia. The facility was also developed alongside quarters for teachers. There was other project to be rolled by the company which was on the way.

Moyamba District was the penultimate dissemination undertaken in the regions. They keynote address was delivered by the Minister of State, Vice President Office and Chair, SLEITI MSG Mrs. Manty Tarawalli. Minister Tarawalli said that she was pleased that stakeholders used the platform provided by SLEITI to express their concerns regarding the operations and activities of mining companies in Moyamba District. She said that as important as the issues were, the Government will continue to review its policies governing the sector and will endeavour to address those concerns. Minister Tarawalli promised to work with relevant stakeholders to address these issues including commencing a joint monitoring with National Minerals Agency, Ministry of Mines, EPA and other stakeholders to mining companies' operational areas in order to fully understand the nature of their activities.

She said that prior to interacting with stakeholders in Moyamba; she was looking forward to meeting with companies only in Freetown; however, after hearing the issues raised, she said she has decided otherwise. Minster Tarawalli earlier highlighted the importance of EITI implementation, noting that it has contributed to attracting credible investors in the oil, gas and mining sectors in Sierra Leone. She was of the view that citizens and communities deserve to achieve the most from the proceeds of the sector and that the rights, customs, religion and tradition of communities must be respected by companies, despite any mineral rights or agreements they may have with the Government. Minister Tarawalli used the occasion to take responsibility on behalf of the

Government for gaps in the sector and promised to engage the relevant institutions to address them.

Earlier, statements were delivered by key stakeholders in the district. Their comments painted a clear picture of the status quo as regards the manner in which mining is, and what could be done to ameliorate the negative impacts of mining. Stakeholders repeatedly accused WGT mining company for being behind the water pollution in the Yambatui River and the company's refusal to meet with the District Security Committee to map out strategies to address such concern.

Other concerns were related to poor road networks, water pollution by companies, irresponsible behavior of some small-scale mining companies, disrespect for chiefs and community people by some companies and poor monitoring mechanisms by government. The event was attended by Hon Joseph Kendor, Deputy Chair, Moyamba District Council - Mrs. Hannah Makieu, PC Gulama, PC Bengeh, representatives from government agencies in Moyamba and other community stakeholders.

The formal launch of the report was held in Freetown following exhausting days in the regions. In Freetown, the formal launch attracted several important government personnel and development partners, including the Deputy Minister of Foreign Affairs and International Cooperation was formally launched the report.

The Deputy Director of National Minerals Agency, the Permanent Secretary Chief Minister's Office, large scale mining company representatives, the Governance Advisor-Office of the President were also in attendance. Statements delivered in Freetown were elaborate and sector specific. Key issues raised are listed below:



- That the MSG could undertake thematic reporting in addition to its annual EITI report;
- That the new EITI requirements on energy transition, anti-corruption, revenue mobilization, should be implemented alongside existing requirements;
- Reporting entities should adhere to the reporting timelines;

- That the EITI was a tool which will enhance progress in the sector and should not be considered as the way out to addressing sector challenges;
- The report is silence on human right issues;
- That resource rich countries have no reason to ask for support from development partners;
- That the report should be taken to communities and explain in local languages using community radio stations;

The reports by regions can be accessed as appendix to this report

About the 2020-2021 Report:

The Report was produced using the 'flexible' EITI reporting mechanism. The approach presupposes that the MSG may prepare EITI report based on information disclosed by government agencies and or companies subject to MSG endorsement. With Flexible reporting, implementing countries may deviate from the standard procedure for EITI reporting including reconciliation.

Considering the above, the SLEITI National Coordinator Mohamed Baimba Koroma said in 2020 and 2021 no new exploration licenses were granted owing to a government decision to put on hold the issuance process. He said the government has lifted the ban. For small scale mining licenses, three and eleven were issued in 2020 and 2021 respectively. In addition, he said the government issued 2 large scale mining licenses in 2020 and five in 2021. According to the report, artisanal licenses received the highest up to 1,276 in 2020 and 1,426 in 2021. Diamond exporters' license issued in 2020 and 2021 were seven and nine respectively. He further disclosed that gold exporters' license issued were thirty-nine and twenty-eight in 2020 and 2021 respectively. In a nutshell, the total number of licenses granted in the years under review amount to 1,347 in 2020 and 1,531 in 2021.

Mr. Koroma explained the requirement related to contract disclosure and informed his audience that there is "no clear government policy on the disclosure of mining contracts". Aside this, he said the report shows that mineral produced in 2020 amount to USD 395,914,389, and USD 673,284,593 IN 2021. Mineral export had a mixed but predictable footprint in the report with topmost performers being diamond, iron ore and rutile. In addition to others, the value of minerals exported in 2020 and 2021 amount to USD 316,509,645 and 576,616,581 respectively.

As part of his presentation, Mr. Koroma spoke of the reporting entities and how they were included in reporting process. He said that a threshold was designed for mineral

rights holders and for government entities which received revenues from mineral rights holders. Total revenues collected in 2020 and 2021 amount to 10% and 11% respectively with royalty, mining licence and PAYE being the highest contributors. Moreover, he drew his audience attention to additional details in the report noting that in 2020 the mineral sectors contributed to 0.5% of GDP, 61% of export, 1% employment and 10% of total revenues. In 2021 the report shows that the sector contributed to 1% GDP, and 11% of total revenues. Details of the full report can be accessed from the SLEITI platform www//sleiti.gov.sl.

The Role of the Media in the SLEITI Dissemination Exercise

The role of the media is linked to EITI requirement Seven (7) on Impact and Outcomes. The requirement states that data related to the EITI should be comprehensible, actively promoted, publically accessible, and contribute to public debate. In this regard, local and mainstream radio media institutions were utilized throughout the dissemination. Several media houses were contacted to provide timely reportage of the dissemination and to promote SLEITI visibility. Prominent among include AYV TV, SLBC Radio and TV, 98.1 FM, Kiss 104 FM, Media One Centre, and barrage of local tabloids.

Overall Objectives of the report dissemination:

The overall objective of the report is in two folds a) to compile and present the data provided extractive companies in comparison with the relevant data provided by the government agencies, and b) to assist the government of Sierra Leone the positive contribution that mineral resources make to the economic and social development of the country.

Specific objectives:

- To equipped stakeholders with the necessary information required to understand the potential of the sector
- To create a forum which allow dialogue about natural resource governance
- To gather feedback from stakeholders relating to the findings of the report
- To interact with media institutions nationwide with adequate information relating to the report publication

Next step:

- Address recommendations from the 2020-2021 EITI Report

- Address Corrective Actions and Strategic Recommendations from the 2022 EITI Validation Report
- Production of Sierra Leone's 2022-2023 EITI Report
- Stakeholder consultations and enactment of the Natural Resource Transparency Bill
- Development and implement of 2024 SLEITI Work plan