SLEITI
Extractive Industries
Transparency Initiative
Sierra Leone

SLEITI MSG MEMORANDUM OF UNDERSTANDING (MoU)

This Memorandum of Understanding (MoU) dated this 25th day of ..March..... 2021.. supersede the Memorandum of Understanding dated 20th July 2011 and any other agreement signed between the stakeholders therein mentioned (unless expressly stated in writing). This Memorandum of Understanding is a tripartite agreement entered into by the Government of Sierra Leone, Civil Society Organizations jointly or severally, and mining companies operating in Sierra Leone in the oil, gas, and mineral sectors all of whom shall together continue to be known as the Multi Stakeholder Group (MSG). This MoU shall be in effect for three years from the date it is signed by all parties.

1. Preamble

In 2008 the Government of Sierra Leone joined the EITI and agreed to the criteria, principles, requirements, as well as implementation process of the Extractive Industries Transparency Initiative herein referred to Sierra Leone Extractive Industries Transparency Initiative (SLEITI).

A Multi Stakeholder Group (MSG) comprising representatives of the Government of Sierra Leone, civil society organizations and mining companies was established following which EITI work plans were developed (2007-2009, 2010, 2011-2012, 2013-2014, 2015, 2016-2018, draft 2017-2019,and 2020) all of which outlined activities for implementation during the period specified therein.

After Sierra Leone was accepted as an EITI candidate country, the MSG established the SLEITI Secretariat whose main function is to provide technical and administrative support to the MSG.

The MSG, in full support of the EITI global Standard shall under this MOU continue to build a culture of transparency and accountability in improving the extractive sector in Sierra.

The MSG shall continue to promote the use of natural resource wealth for sustainable growth and development in Sierra Leone through a transparent, accountable, and effective system of governance of the extractive sector.

*Annexes hereto attach form part and parcel of this MoU.

2. Scope

The SLEITI MSG shall continue to be the primary body responsible for overseeing and coordinating the implementation of the EITI standard in Sierra Leone.

The SLEITI MSG shall be the governing body of EITI activities in the country and will provide strategic direction, oversight and support in collaboration with key stakeholder groups to ensure successful implementation of the EITI in Sierra Leone.

The MSG will be responsible for reviewing and strengthening the framework to promote collaboration and consensus building in implementing the EITI principles and recommendation in accordance with the EITI requirements.

The MSG shall provide a balanced forum for dialogue, debate, and consensus building on EITI-specific issues relating to the extractive sector in Sierra Leone.

3. SLEITI MSG Mandate

The SLEITI MSG shall be responsible for the following:

a) Lead the EITI implementation in- country;
b) Support the development of SLEITI Annual Activity Reports;
c) Support the development of SLEITI Annual Work Plan
d) Seek and mobilize resources for implementation of programs and activities as listed in the SLEITI Work Plans;
e) Oversee the implementation of the SLEITI work plan and budget including funds allocated by government, grants from industry, donors and development partners;
f) Provide direction and oversight to the activities of the SLEITI Secretariat;
g) Work in a meaningful and constructive manner with representatives from all stakeholders including partner(s) that may from time to time be identified by the group for the purpose of implementing the SLEITI Work Plans and meet EITI requirements;
h) Publish timely EITI Report that contain a) Contextual information about the SLEITI, b) Comprehensive disclosure of the government's revenues from the extractive industry , c) Comprehensive disclosure of all material payments by oil, gas and mining companies in accordance with the agreed scope and materiality threshold. These reports should follow a credible assurance process applying international standards – the MSG shall define materiality threshold in fulfillment of this mandate;
i) Oversee the process of hiring and/approving Independent Administrator/ Validator in accordance with the National Public Procurement Act 2004 and the Commissioning of consultancies/studies;
j) Approve the publication of EITI reporting, Progress Report, and reports commissioned by the MSG;
k) Support the development of SLEITI Communications Strategy including maintaining an up to date website and other channels of communications;
l) Participate in EITI led activities such as outreach, workshops, dissemination, conferences, including various modes of mass communications;
m) Liaise with related Government MDAs in developing policies and procedures associated with or required for effective and transparent governance system of the extractive sector;
n) Evaluate EITI process in order to measure the outcomes and impact of EITI implementation in Sierra Leone;
o) Establish sub committees or technical working groups as and when required for the necessary implementation of the EITI Strategy and/work plan;

p) Solicit technical support/expertise and guidance from time to time required by any MDA, or private sector stakeholder in fulfillment of its obligations hereunder;
q) liaise with constituency groups and ensure that there is genuine representation of their interest within the SLEITI MSG;
r) Update and approve as needed the SLEITI MSG MoU after every three (3) years or as and when required;
s) Undertake any other activities deemed necessary for the improvement of natural resource governance;
t) The MSG is not limited to its mandate by the EITI Standard. It may innovate and expand its mandate beyond EITI Standards;
u) Any conflict of interest arising shall be expressly stated by the MSG member(s) and its proceedings recorded.

In the fulfillment of these responsibilities, representatives of their respective constituencies on the SLEITI MSG, simultaneously commit to working in partnership to enhance transparency and accountability and promote open dialogue.

4. MSG Structure

The SLEITI MSG shall consist of 3 member groups as follows;

a) The Government of Sierra Leone
b) The Civil Society Organizations
c) Oil, Gas, and Mining Companies through the Chamber of Mines.

Each member group shall consist of representatives as follows:

d) Government of Sierra Leone- up to 10 members or otherwise (each having an alternate)
e) The Civil Society Organizations up to 6 (each having an alternate)
f) Oil, Gas, and Mining Companies up to 4 (1 principal attendee, and 3 alternate from the Chamber of Mines)

Institutions, organization and companies serving as representative in any member group above are listed in ANNEX 1 hereto attached.

The Hon Vice President shall be the EITI Champion in Sierra Leone and the MSG shall be chaired by the Minister of State in the Office of the Vice President or a top Government Official so appointed and the Chair shall be assisted by any member appointed as Vice Chair each calendar year.

The SLEITI Secretariat shall advise the MSG in undertaking the activities and programs as directed by the MSG and as approved for implementation under any SLEITI Work Plan.

Changes in membership shall:

a) Be agreed upon by the MSG after scrutiny of the submission by a member
b) Not be shall as a result or any coercion or an attempt to include a member that would challenge the status quo.

c) Be carried out in accordance with Part 4 B ii stated below

The inclusion or removal of a member shall be reflected in the minutes of the meeting at which the same was agreed upon.

Annex 1 of this MoU shall thereafter be amended to reflect the change and the same shall be duly signed off by the Chairman of the MSG.

A. Representation

i. The selection of representatives of Government of Sierra Leone to the SLEITI MSG should be extended to institutions rather than individuals and it is the responsibility of the respective MDAs to decide on who will serve on the MSG. Alternate members are to demonstrate keen interest in the EITI process and are capable and qualified to make decisions.

ii. The representatives of the Chamber of Mines shall be selected through a democratic process based on agreed criteria adopted from best practices

iii. Civil Society members will be chosen in the same manner following a series of consultations between the national civil society organizations via a democratic process as agreed through selection criteria. The civil society representatives will be selected covering a wide range of activities and interests.

iv. Media representative(s) shall be selected or nominated from the Sierra Leone Association of Journalists (SLAJ).

Selection Criteria or relevant authorization for appointment as representative to a member group shall be submitted to the MSG no later than the 14th day of January in each calendar year (whether or not a representation is continuous). The SLEITI MSG Organizational Structure is depicted in Annex 2 hereto attached.

v. Each member group shall be represented on the SLEITI MSG and will maintain its own sector specific working group. They will be tasked with developing their respective inputs as well as with their education, awareness and liaison programmes with their constituencies.

vi. The Government of Sierra Leone will maintain the current arrangement whereby its activities will be coordinated and chaired by the Office of the Vice President through the Minister of State or its delegated authorities.

B. Terms of Appointment

i. Representatives of member groups of SLEITI MSG shall be appointed for an initial term of three (3) years with the possibility of reappointments consistent with practices adopted by the SLEITI MSG. No representative shall serve for a period of more than 2 terms under this or any other MoU.

ii. Whilst the tripartite nature of the group must be maintained at all times in accordance with the terms of this MoU, the SLEITI MSG group may agree at any point in time to change, add or reduce the number of Members, provided a balanced MSG representation is ensured.

iii. Each member group shall have the right to independently select and replace its members on the SLEITI MSG in accordance with selection criteria of the same group and as agreed upon at the MSG.

iv. Any representative that resigns or is removed from office ceases to represent that institution, organization, ministry, or department with immediate effect. However where such a representative becomes a member of another institution, agency or ministry with an EITI portfolio such a member may be appointed to represent that institution following its selection criteria and as agreed by the MSG.

v. Where representation is lost as a result of termination, resignation or by any other means the alternative is to immediately act as a full member until a final decision is taken.

5. Specific Responsibility for each member group

a) Government of Sierra Leone shall:

i. Lead the SLEITI implementation through the Chairman, the MSG Members and the SLEITI Secretariat and staff of the Secretariat;

ii. Ensure SLEITI implementation process are executed in accordance with national laws and regulations while securing the confidentiality of commercially sensitive information;

iii. Cooperate fully to achieve the success of EITI implementation;

iv. Provide adequate funding support and mobilize other resources including donor funding to support the SLEITI budget;

v. Commit to work with Audit Service Sierra Leone and respond diligently to requests made by the auditor and the SLEITI MSG;

vi. Ensure that its members use a fact based approach to engage in the SLEITI MSG and work with the industry and the CSOs to build awareness of revenue generated for the State through the extractive sector. The Government will be meaningfully engaged in monitoring the implementation of the SLEITI work plans and the overall implementation of the initiative;

vii. Ensure that State Owned Enterprises (SOEs) involved in EITI reporting including their revenues and/ or earnings along with receipts for such revenues and / or earnings in accordance with the SLEITI reporting guidelines and EITI requirements; and

viii. Provide assurance to the industry to disclose tax information and revenue data as part of the EITI Annual Report preparation process. Any tax waivers awarded and other details on internal control mechanisms are to be disclosed

ix. Fully support in such other activities as and when required through the SLEITI MSG level on EITI implementation in the country.

b) Oil, Gas, and Mining Companies (through the chamber of Mines) shall

i. Fully cooperate to achieve success in implementation of the EITI;

ii. Commit to supporting the operations of the SLEITI Secretariat and its work plans in order to meet the requirements of the EITI and its global standard;

iii. Respond diligently to requests made by the independent Validator and the SLEITI MSG by disclosing payment records and other information to the Government of Sierra Leone for the annual SLEITI Reports;

iv. Ensure that its members use a fact-based approach to engaging in the SLEITI MSG and to work with the Government of Sierra Leone and CSOs to build awareness of the EITI process and related revenues to the State and the overall implementation of the initiative;

v. Support and participate by teaming up with Government, CSOs and the Secretariat in all workshops, seminars, road shows, conferences, trainings or such other outreach and awareness programs on EITI implementation and informing the public on EITI report outcomes; and

vi. Fully support in such other activities as and when required through the SLEITI MSG level on EITI implementation in the country.

c) Civil Society Organizations shall:

i. Fully cooperate to achieve success in the implementation of the EITI;

ii. Commit to supporting the operations of the SLEITI Secretariat and its work plans in order to meet the EITI requirement

iii. Commit to taking roles in ensuring the EITI accountability function is exercised in a responsible and constructive manner in the implementation of the initiative;

iv. Ensure that its members use a fact-based approach to engaging in the SLEITI MSG, work with Government of Sierra Leone and the industry to build public awareness of the extractive sector and revenues generated to the State. This is to ensure the public is fully engaged in monitoring the implementation of the SLEITI work plans and overall implementation of the initiative at country level;

v. Support and participate by teaming up with Government, industry and the Secretariat in all workshops, seminars, roadshows, conferences or such other outreach and awareness programs on EITI implementation and informing the public on EITI report outcomes; and

vi. Fully support in such other activities as and when required through the SLEITI MSG level on EITI implementation in the country.

vii. Media shall support the work of the MSG as professional body including providing media coverage of the SLEITI process, and contributing to decisions.

6. Meetings

i. The SLEITI MSG shall determine the frequency of its meetings at such times and places as it deems necessary but shall endeavor to hold not less than four (4) meetings in a year.

ii. The SLEITI Secretariat, in consultation with the MSG Chair will determine the agenda for all MSG meetings. Notices in respect of meetings, agenda and meeting documents shall be circulated to MSG Members at least one (1) week in advance of the meeting date.

iii. The SLEITI Secretariat shall undertake all coordination and administrative functions necessary for MSG meetings to be conducted.

iv. Any urgent matters or issues to be discussed and that requires MSG members to meet should requires the National Secretariat to call for an extraordinary (special) meeting.

v. For purposes of expediency the MSG can by virtual means hold meetings when the circumstances so arise and any agreement so reached shall be signed off by way of circular resolution and endorsed by the Chairman.

vi. Minutes of meetings shall be signed by the Chairman and circulated to the SLEITI MSG and shall be made publicly available (unless where the same holds confidential information) after agreement among the members and signed off by the Chairman

vii. All SLEITI MSG members and observers shall respect and not discuss outside of MSG meetings any confidential, propriety or commercially sensitive information that may become available at any point in time, and will sign confidentiality agreements accordingly. All instances of failure to adhere with this confidentiality agreement would be reviewed by the MSG and may result in dismissal of a member from any further participation in the SLEITI MSG meetings.

viii. MSG meeting must have a quorum of at least three representatives from each member group

ix. Any member of the SLEITI MSG has the right to table an issue for discussion and deliberation;

x. In respect of any meeting where the attendance of relevant observer groups are required the Secretariat shall give at least one (1) week in advance of such meetings notify relevant observer groups of the meeting

xi. The place and venue for the MSG meetings should be determined by the Secretariat in consultation with the MSG Chair from time to time.

7. Decision making and voting

i. The SLEITI MSG will strive to make decisions on the basis of consensus and as stated in part 7 iii below.

ii. When a decision is to be made consideration shall be given to a) how members can be represented in the decision making process b) consensus requirements and b) abstentions

iii. SLEITI MSG is committed to operating in the true spirit of collaboration and cooperation with the aim of reaching general consensual agreement amongst all members on all decisions. However in any instance where a consensus has to be reached, a formal vote will be taken at the discretion of the Chairman at a meeting where All SLEITI members will be represented in decision making process.

iv. Consensus shall be achieved via a 3 tier hierarchy as follows:

a) The chairman will seek to achieve consensus for all decisions

b) If this is not achieved then absolute consensus will be sought – In this case a two thirds majority of exercised votes (i.e. minus abstentions) and

includes a minimum of 2 representatives from each constituency shall be obtained

c) If Consensus or Absolute Consensus is not achieved, a modified consensus shall be reached - a working group will be formed comprising equal representation from each constituency, to discuss and negotiate a recommendation to proceed to the SLEITI MSG. This may occur at the meeting or post meeting with the intention to provide a recommendation by the next SLEITI MSG meeting); or be considered out of session. Once the sub-group has provided its recommendation, the SLEITI MSG will seek to make a decision on the basis of consensus, absolute consensus or modified consensus.

8. Deadlock – casting vote

One vote will be recorded per member, and abstentions will be recorded. All SLEITI MSG members will be represented for each vote. The number of votes required to pass a motion will adjust according to any abstentions to maintain a two-thirds majority of participating votes.

9. Proxy

i. Where a member is unable to be present at a meeting, that member will appoint another person to act as proxy at that meeting, and advise the SLEITI Secretariat of the appointment in advance of the meeting.

ii. All proxy appointees will be required to sign confidentiality and conflict of interest forms where necessary.

iii. A SLEITI MSG member may appoint any other person that is a member of the MSG as their proxy for a specific meeting.

iv. No person may hold more than one proxy vote for an MSG member at a time with the exception of the Chair.

v. In exceptional circumstances and at the Chairman's discretion, when no advice on a proxy has been given and a member is absent from a meeting, the proxy will default to the chair. The Chairman may allocate the vote, abstain or use the vote as he/she sees fit

10. Effect of M.o.U

This Memorandum of Understanding comes effective the day it is signed by all parties to it. Any amendments proposed as a result of a review shall be incorporated upon agreement by the MSG in accordance with the terms of this MoU.

11. Executive Powers

- Chairperson may summon any MDA deemed necessary to attend a meeting or provide any information required for the implementation of EITI Standard
- Include provision for dispute / conflict resolution
- **Response to Electronic Correspondences:** all members are to respond to all emails and other electronic correspondences within ***1 week*** of receipt or depending on the timelines stipulated in the mail. Critical matters requiring

timely responses include but not limited to during production of SLEITI reports, annual progress reports etc. Non-receipt of response from any member group will constitute an agreement to the decisions/ activities - (No Objection)

- **Absence at Meetings**:
  Any member who cannot attend a meeting shall notify the Secretariat in advance providing valid reason(s). It is expected that the alternate shall attend meeting in absence of regular member. Where there is no alternate, the member shall name person attending meeting on his/her behalf.

  Designated alternates should be able to deliberate on issues with the authority of their institution, organization, ministry, and department/agency.

- **Replacement for persistent non-attendance:**
  As it is required that SLEITI MSG members should regularly attend meetings and participate in deliberations therein. If a member is absent from meetings for two (**2**) consecutive times within the same calendar year, the MSG shall write to inform the head of the institution concerned before making a final decision to terminate the membership of the defaulter.

- **MSG's Assessment**:
  The MSG shall be subject to an assessment by the government to review its objectives and responsibilities.

ANNEX 1

Government of Sierra Leone

- Office of the Vice President
- Audit Service Sierra Leone
- Parliament of Sierra Leone
- Ministry of Finance
- Corporate Affairs Commission
- National Revenue Authority
- National Minerals Agency
- Petroleum Directorate
- Environmental Protection Agency
- Ministry of Mines and Mineral Resource
- Office of National Security (ONS)
- Ministry of Local Government and Rural Development
- Ministry of Gender Affairs
- Bank of Sierra Leone

- **Mining Companies:**
  - Sierra Rutile Ltd
  - Koidu Holding Ltd
  - Sierra Diamond Ltd
  - Sierra Minerals Holdings Ltd
- **Civil Society Organization groups & Media:**
  - National Advocacy Coalition on Extractives (NACE)
  - Society for Democratic Initiatives-Sierra Leone (SDI)
  - Women's Network for Environmental Sustainability (WoNES)
  - Natural Resource Governance and Economic Justice Network (NaRGEJ)
  - Women on Mining & Extractives (WoME)
  - Human Rights Defenders Network (HRDN)
  - Sierra Leone Association of Journalists (SLAJ)

Government of Sierra Leone

Name: Frances Alghali Signed Alghali

Oil, Gas, & Mining Companies (Chamber of Mines)

Name: Tommy K. Koker Signed

Civil Society Organizations & Media

Name: Sibril Massie Bah Signed 25th March 2021