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Assessment of the Impact of EITI and Socioeconomic Benefits Derived from Subnational Extractive Revenues by Mining Communities

MINISTRY OF MINES AND MINERAL RESOURCES
EXTRACTIVE INDUSTRIES TECHNICAL ASSISTANCE PROJECT – PHASE 2

FINAL REPORT

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EXECUTIVE SUMMARY

Mining has been a major contributor to the Sierra Leonean economy since gaining independence in 1961. The economy of Sierra Leone is primarily based on agriculture and mining. Historically the mining sector has accounted for over 80% of its export revenues and hence foreign exchange earnings. The mining sector now contributes significantly to Sierra Leone's economy, accounting for 65% of the country's export, 0.7% of its GDP and 3% of employment. The prospects for oil and gas exploitation are also promising, although the sector is still at a nascent exploration stage.

This study was commissioned by the Ministry of Mines and Mineral Resources (MMMR) and the Sierra Leone Extractive Industry Initiative (SLEITI). Drawing on qualitative data, the study explores the socioeconomic impact of mining on host communities in Sierra Leone and the role of SLEITI in promoting the benefits of mining for local communities. It is largely through sub-national revenues that local governments, chiefdoms and communities, which are affected by mining activities, benefit directly from the extractive sector. Sub-national revenues are payments from mining operations made to district/local councils, communities and land-owning families.

There is clear evidence that the Government of Sierra Leone (GoSL) considers this sector to be important and successive governments have made commendable efforts to bring about institutional and legislative reform in the sector. This sustained effort is based on the realisation that there is yet a long way to go before Sierra Leone can begin to realise optimum economic and developmental benefits from the extractive industry and that challenges remain around a fair distribution of the wealth which accrues from the mining industry – to the benefit of the citizenry especially local populations affected by mining activities. In addition to policy formulation the GoSL has made several laws relevant to the extractive industry, making sure they are fit for purpose and reflect, modern trends and international standards.. Evidence of the degree of seriousness which the current Government attaches to the EITI lies in the decision to position the Multi-stakeholder Group (MSG) in the Office of the Vice President and make his Minister of State its Chair.

The SLEITI/MSG has been pivotal in ongoing effort to reform the mining sector in Sierra Leone by collaborating with the MMMR, NMA, MoF and other MDAs, mining companies and civil society to promote transparency and accountability in the sector. SLEITI/MSG has, in particular, been supporting and complementing national efforts around enhancing the extractives industry's value chain - publishing and sharing of relevant information and records relating to the extractive sector, including national and sub-national payments made by corporate mining companies.

There is also a collective drive to enhance the benefits from the extractive industry not only for the national economy but also for the host communities. The study has however found several gaps in existing laws and policies.

The findings from this study have revealed that while subnational payments (in the form of surface rent, CDA, DACDF, crop compensation and other fees) are being made by large-scale, small-scale mining companies to host communities and land-owning families, the positive social impacts of these payments are limited.

There are serious concerns about the adverse environmental health effects of mining on host communities, challenging relationships between corporate mining companies and host communities and lofty expectations of host community members of mining companies which many companies find difficult to manage, not least meet. Crucially, there is often tension brewing underneath the difficult relationships, which if not managed well could escalate into serious conflict.

The study has found that despite the effort of SLEITI to disseminate vital information, citizens of mining communities have limited knowledge about relevant laws and provisions relating to the mining industry. The knowledge of community members seems to be limited to the fees and payments which are made directly to individuals; and the majority of study participants are unaware about the role of SLEITI.

Among other things the study calls for collective effort led by MMMR and SELITI/MSG to address the issues raised with a focus on: wider consultation/engagement with community members; investing more in information dissemination and awareness raising; greater oversight of the Community Development Agreement/Fund (CDA/CDF) and DACDF to ensure greater transparency and accountability; enforcement of regulations around the mitigation of adverse environmental health effects from mining operations.

The following are key recommendations emerging from this study:

- In making key decisions around the mining industry, there needs to be a framework for tripartite consultations, negotiations, and mediation among the main parties affected by natural resources exploitation — communities, local and national governments, and mining companies.

- There is a need to strengthen transparency and expand the system and scale up the effort around communication and dissemination of information relating to the extractives sector down to the community level.

- It is necessary that disclosures on social expenditure be relayed to stakeholders who should also be apprised of the impact of mining on the local and national economy. Successful revenue distribution relies on public administrative systems that are effective and minimise the risks of misappropriation.

- There is a need to set up in every mining community a system/mechanism for dispute/conflict mitigation and resolution.

- Study participants have called for Government to ensure that the management of CDF is driven by and based on a community needs assessment, to ensure that the funds are utilised in the felt needs of mining communities. Equally, there is a call for GoSL to work with local government and key stakeholders to ensure that measures are devised to enhance transparency and accountability in the operations of CDC and the management of CDF.

- A major failing of companies is the ability to convey highly technical information to a large audience in an unintimidating manner. Companies should therefore invest more time and resources in this area and support communities to enhance their capacity for understanding these issues properly..

- Dispute resolution is often a problem and local communities are usually at a disadvantage in disputes. Mining companies must do more to build and consolidate healthy relationships with host communities through proactive measures including:

    - Mitigating, minimizing or addressing adverse environmental health effects of their operations
    - Being accessible, engaging, honest and transparent about their CSR capabilities and commitments making sure that they manage the expectations of community members and deliver on promises
    - Willingness to listen to concerns from community members and manage or pre-empt conflict

1.0 INTRODUCTION

1.1 Background and Context

Sierra Leone is a former British colony situated in West Africa. The country's population was recorded by the latest national population and housing census in 2015 as 7,092,113 **[8]**. Two decades on, following the end of the civil war, Sierra Leone continues to be characterised as a fragile state **[9]** and has struggled to recover from the trappings of underdevelopment and widespread poverty and inequality. According to the 2019-2023 national medium-term development plan, 57% of the Sierra Leonean population lives in poverty with 11% categorised as extremely poor; and there is distinct inequality in poverty levels between rural (72%) and urban (28%) settings **[10]**. Sierra Leone's economy is far from diversified, with more than half of the population engaged in subsistence farming while mining (of iron ore, rutile, diamond and gold) is the main source of foreign exchange earnings **[10; 11]**. Real gross domestic product (GDP) in the decade following the end of the war (2003- 2012) reflected relative growth in economic performance at an average of 6.9 %. GDP rose to 12.2% in 2012 and then accelerated to 20.7% in 2013 **[12]**, largely due to the iron ore boom. However, a sudden crash in the global price of iron ore saw a dramatic fall in the GDP rate to 4.6 in 2014 and -20.5 in 2015 **[11; 12; 13].** Since 2015, the GDP has surged again to 3.8 in 2017 and 5.4 in 2019 **[11]**.

Mining has been a major contributor to the Sierra Leonean economy since gaining independence in 1961. The economy of Sierra Leone is primarily based on agriculture and mining. Historically the mining sector has accounted for over 80% of its export revenues and hence foreign exchange earnings. The sector has been the second largest employer in the country. Prior to the civil war, Sierra Leone had established an active mining sector built upon significant exports of diamonds, rutile and bauxite. Although relatively modest by global standards, the sector was significant in terms of the country's population and GDP. It underpinned much of the country's formal economic activity, contributing 20% of GDP, as much as 15% of fiscal revenues, and accounting for over 80% of exports. Mining employed about 14% of the total direct and indirect labour force. After the 2007 election, the mining sector in the country was reformed with new legislative and administrative policies. The country experienced a great "economic boom" between 2010 – 2014, from investments in the mining sector, especially with the establishment of new iron ore mines. The mining sector provides employment and livelihood to over 400,000 workers, the overwhelming majority of whom are engaged in artisanal, small-scale mining operations. The mining sector now contributes significantly to Sierra Leone's economy, accounting for 65% of the country's export, 0.7% of its GDP and 3% of employment. With vast reserves of petroleum, mainly offshore, the prospects

for oil and gas exploitation are also promising, although the sector is still at a nascent exploration stage[4].

While the mining sector remains critical to national development and represents the primary source of foreign exchange earnings, its potential as a driver of sustainable development remains far from being realised. The country's appalling history of violent conflict (1991-2002) has been linked to its endowment in diamonds – feeding into the resource curse theory [2]. Decades of post-independence mis-governance has been a key underlying factor, reflecting in mismanagement of the sector and a palpable lack of transparency [3].

The country's primary mineral resources are diamonds, rutile, bauxite, gold and iron ore. Mining, particularly of diamonds, gold, rutile and bauxite and iron ore, has a proven track record of viability in Sierra Leone. Other known mineral deposits include platinum, chromite, lignite and base metals (copper, nickel, molybdenum, lead and zinc). The mineral sector in Sierra Leone is made up of three sub-sectors; the large-scale production of non-precious minerals such as rutile, bauxite and more recently iron ore, large scale production of precious minerals, particularly diamonds and artisanal and small-scale production of precious minerals, mainly diamonds, and to a much lesser extent, gold. The industry comprises a combination of a few large operations, a dwindling number of small-sized companies and a very large number of artisanal mines.

Exploration and development opportunities exist for petroleum and there are several newly demarcated blocks as well as relinquished areas. Oil block ownership has changed over the years and there were a number of consortia engaged in active exploration. The Government of Sierra Leone recently had a successful petroleum bid round for the award of open offshore petroleum exploration block permits.

The goal of reforming the mining sector so that it delivers optimum economic and developmental benefits for the country and, in particular, guarantees host communities their fair share of the benefits, remains challenging. Attempts to diversify the economy and create an equitable system of wealth distribution and poverty alleviation have proved difficult with a heavy dependence on the extractives sector [2].

Since the end of the civil war in 2002, Sierra Leone has taken major steps to reform the extractive industry sector in a bid to optimise its benefits for the entire population; in the main, these include:

- Formulation of laws to govern and regulate the sector, notably the Mines and Minerals Act 2009, the National Minerals Agency Act, 2012, the Environmental Protection Act 2008, the Environmental Regulations for the Mining Sector 2013 and the Operational Regulations for the Mining Sector

2013. The Minerals Policy, Artisanal Mining Policy and Geodata management policy are new policies that are now in force.

- Becoming EITI compliant (officially part of the global standard for promoting transparency and accountability in the extractive sector); and setting up the Sierra Leone Extractive Industry Initiative (SLEITI) with the Multi-stakeholder Group (MSG) to oversee the implementation of the EITI, under the auspices of the Vice President with the Minister of State in the Office of the Vice President serving as Chair. **[14]**.

- Putting in place relevant and appropriate institutional/governance arrangements, for example the creation of the National Minerals Agency (NMA), the EPA and the Petroleum Directorate

Efforts of successive governments in post-war Sierra Leone have seen a growing inclination to introduce reform and promote a level of transparency in the extractives industry within both the legislative framework and governance systems. A major development in this regard was when Sierra Leone embraced the Extractive Industries Transparency Initiative (EITI) in 2008; and has done well to be currently characterised as having made 'meaningful progress' in the implementation of the standard **[4]**. EITI is a global standard for promoting transparency and accountability in the extractives sector. Nevertheless, the country has a long way to go as there is evidence that the benefits from the extractives industry are yet far from being shared judiciously, much to the disadvantage of the mining communities **[1]**. Further, there have been isolated incidents of localised conflict associated with mining **[5]**; and there is usually tension in various mining communities with a risk that conflict may break out at any time **[6]**.

1.2 Objectives of this Study

This study was commissioned by the Ministry of Mines and Mineral Resources (MMMR) and the Sierra Leone Extractive Industry Initiative (SLEITI) and was undertaken in the months of January to July 2021. Drawing on qualitative data, the study explores the socioeconomic impact of mining on host communities in Sierra Leone and the role of SLEITI in promoting the benefits of mining for local communities.

SLEITI, led by the MSG, has been pivotal in Sierra Leone's effort to promote transparency and accountability in the extractive sector and maximize its benefits for the entire population. While SLEITI has done well to ensure that Sierra Leone meets the EITI standards, there is room for improvement especially in the area of documentation and information sharing. Importantly, what are the social, health, economic and environmental impacts of mining on host communities from their perspectives and based on empirical evidence? What is the role of SELITI in the

national effort to optimize the benefits of mining for host communities? These are the key questions that this study has attempted to answer.

It is largely through sub-national revenues that local governments, chiefdoms and communities, which are affected by mining activities, benefit directly from the extractive sector. Sub-national revenues are payments from mining operations made to district/local councils, communities and land-owning families.

The specific objectives of the study include to:

a) Assess the legal frameworks and existing laws governing the mining sector and the operations of mining entities in respect of the rights/protection of communities and citizens and identify any gaps therein and how to address them.

b) Assess the socioeconomic and health impact of large-scale mining on communities

c) Assess the utilization and impact of surface rent, community development fund (CDF) and Diamond Area Community Development Fund (DACDF).

d) Provide a solid understanding of the various ways EITI has influenced governance and reforms along the extractive industry value chain, and how these reforms have in turn influenced the governance and information system in promoting citizens understanding of the extractive sector.

e) Provide actionable recommendations that will respect and protect the rights of communities affected by mining operations.

2.0 METHODOLOGY

2.1 Study Design

The study has employed mainly qualitative research methods comprising desk research and primary data collection through key informant interviews (KIIs) and focus group discussions (FGDs). The approach was participatory and collaborative in nature involving regular meetings between members of the research team and relevant stakeholders. This included a briefing meeting with the Minister of State, Office of the Vice President, who is chair of the MSG. Based on this approach the research team held regular collaborative meetings with officials of the SLEITI/MSG and the MMMR to discuss and finalise study instruments and data collection process/procedure, list of potential respondents, facilitate contact with key informants, review progress and address and resolve any emerging issues. The participatory research (PR) approach has gained increasing prominence as a method

within qualitative social research [25]. Consistent with this approach, the researchers served mainly as facilitators during data collection allowing study participants to freely express themselves in responding to the research questions. Again, the study results may be fed back to stakeholders in a format that they can appreciate and understand, to confirm that the outputs truly reflect their inputs and to fulfil the notion of joint ownership of the study and the emerging recommendations.

The team used electronic recording devices to record interviews and discussions; and due to sensitivities around the COVID-19 pandemic – where informants had the means and were willing to respond in this manner – some of the interviews were conducted virtually using the Zoom Meeting platform.

The participatory study design would ensure that key findings are presented to the MSG and other stakeholders in a validation workshop. This would be done at the same time as the disclosure for the Mainstreaming Feasibility study which is also being carried out by CEMMATS and Moore-SL.

2.2 Identification of Stakeholders and Study Locations

The study involved holding interviews and discussions with key stakeholders in the extractive industry at national and community levels including representatives of relevant ministries, departments and agencies (MDAs), civil society, mining companies, members of parliament and chiefdom authorities/paramount chiefs, members of the MSG and citizens in mining communities (See Tables 1 and 2 below). At subnational level study participants were targeted in communities in five mining districts as follows:

1. Kono District in the East, prominent for diamond mining and to a lesser extent gold (both corporate and artisanal)
2. Tonkolili District in the North, known for gold mining in artisanal and corporate forms
3. Port Loko District, also in the North, in which largescale/corporate iron ore mining takes place and
4. Moyamba District (notable for rutile and bauxite mining).

Justification of study sites: The study districts and locations were carefully selected for the following reasons:

a) Ensuring that at least a district in each of the three regions (East, North and South) where mining activities (both large scale and artisanal) are taking place in the country were represented in the study
b) Targeting districts in the various regions where corporate companies are currently operating and mining the major minerals which the extractive industry in Sierra Leone depends on, namely diamond, iron ore, rutile, bauxite and gold.

c) In each of the districts, communities directly affected by either large scale or artisanal mining (host communities) were selected for the purpose of FGD s and some KIIs.

d) As well as the selected districts, key informants were purposively targeted in Freetown, the capital, with the help of the MSG Secretariat because this is where those individuals with a stake in the extractive industry are based.

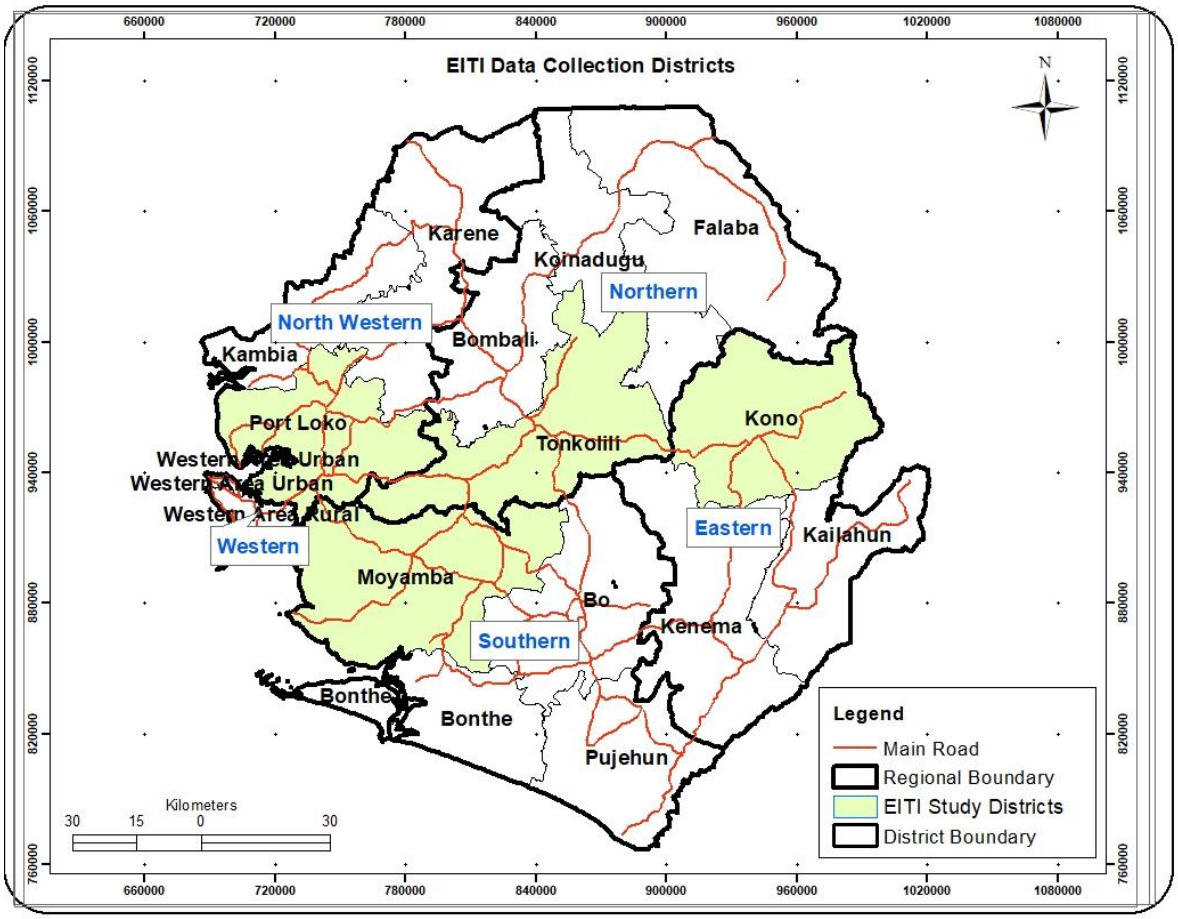


Figure 2.1: EITI Data Collection Districts

2.3 Methods

Desk research involved review of the literature and relevant documents through online searches, including published and unpublished research papers, reports from the grey literature and relevant annual reports, SLEITI work plan and reports, statutory and other legal documents relating to the extractive industry.

Key Informant (KI) interviews and Focus Group Discussions (FGDs) format and procedure: Data collection in the form of KIIs and FGDs were conducted between mid-June and end of July 2021.

Table 1 provides detailed information on key informants while not divulging the

Organization/MDA	Number	Location	Mode
SLEITI/MSG Office (Secretariat)	1	Freetown	Zoom
MMMR	1	Freetown	Zoom
National Minerals Agency	1	Freetown	Zoom
Ministry of Finance	1		Face to face
Ministry of Local Government and Rural Development (MLGRD)	1	Freetown	Face to face
Sierra Leone Petroleum Directorate	2	Freetown	Zoom
Environmental Protection Agency	1	Freetown	Zoom
National Revenue Authority	1	Freetown	Face to face
World Bank	1	Freetown	Face to face
Civil Society Organisations (CSOs)	3	Freetown	Face to face
Community-based CSO	2	Provinces	Face to face
Member of Parliament	1	Freetown	Face to face
Largescale mining companies	3	Provinces	Face to face
Paramount chief/Chiefdom speaker	4	Provinces	Face to face
District council chairman	3	Provinces	Face to face
Diamond/gold dealer	2	Provinces	Face to face
Total	30		

names or particulars of informants for ethical reasons (adherence to the principles of confidentiality and anonymity).

Table 1: Key informants by organisation and location

A total of 12 FGDs were conducted in the four districts following the matrix in Table 2, below. Each FGD comprised of 8 to 12 participants, allowing for well-focused and detailed discussions.

Table 2: Categories of FGD participants by district

District	Land owning families	Youth groups	Adult community members	Women's group	Artisanal miners	District total
Kono	1	1			1	3
Tonkolili	1	1	1		1	4
Port Loko	1	1				2
Moyamba	1	1	1	1		3
Total						12

In each district, the FGD participants were targeted purposively with the help of some local authorities. The selection criteria were two-fold; first the individual had to fit into the group's category and second the individual had to be willing/consent to take part in the study.

The researchers provided all key informants with participant information sheet (see Appendix 1) or read it to them in the few cases where they could not read or write. The researchers would read the information on the participant's information sheet to

all FGD participants. In all cases consent was taken verbally following the information about the study being shared and participants informed about their rights and privileges including the right to choose not to participate and assurance of confidentiality and anonymity. A topic guide was used, customised for the different categories of informants and another for the FGDs (see Appendix 2). The interviews and FGDs were conducted in a flexible manner and relaxed atmosphere with respondents encouraged to share their thoughts freely. All interviews/discussions were digitally recorded while one of the researchers would also take notes. The majority of the KIIs were conducted in English while the rest (some community-based informants) and all FGDs were done in Krio.

2.4 Data Analysis

Experienced Transcribers were hired to transcribe the audio files. Two members of the research team scrutinized a sample of the transcripts for quality control, by listening to the audio files while carefully reading through the submitted transcripts.

Materials from the literature/reports were carefully read by team members using content analysis with a focus on information and evidence relevant to the research subject. The team applied content and thematic analysis in analysing the transcripts from KI interviews and FGDs. MS Word was used to highlight and extract texts (quotes from respondents) and explore patterns in the data, bringing out convergence and divergence of perspectives and views of study participants relating to study objectives.

2.5 Assumptions and Limitations

The team originally proposed a mixed methods research and wanted to conduct a household survey in a random sample of mining communities which would have supplemented the qualitative data (from KIIs and FGDs). However, due to budgetary constraints, a household survey was precluded from the study. The team also sent out a short questionnaire (form) to a few/major mining companies, requesting them to complete and return the form electronically (via email). The idea was to collect supplementary quantitative data about these companies, their activities and impact on the communities. None of the companies responded to the online survey.

Another limitation had to do with difficulty in obtaining documents and records from line agencies and mining companies and delays in arranging meetings with some of the potential respondents.

The above constraints have limited the study to data derived from KIIs and FGDs and material from the available/accessible literature reports.

Greater emphasis has been put on the mining sector over the petroleum sector as the former is much more developed and pervasive. Given the different nature of the

sectors and their financial flows, differences do exist in the scope of EITI programs adopted for these sectors. Mining operations often have a far greater immediate and visible impact on communities as users of infrastructure (roads, railways, ports) compared to typical oil operations (which is offshore). Thus, mining companies often make very significant payments to subnational levels of government, or a proportion of mining revenues are redistributed by central governments to mining districts. The petroleum sector is also however covered as best as possible.

3.0 RESULTS OF LITERATURE REVIEW

In many low-income countries (including Sierra Leone), attempts to diversify the economy and create a system which allows wealth to be distributed and poverty and social inequalities reduced, have proved difficult, the worst-case scenario being violent conflict and civil war, as witnessed in Sierra Leone and Liberia (West Africa) over an entire decade (in the 1990s **[2]**. The extractive industry, if judiciously managed, provides a direct avenue for resource rich countries to escape poverty **[2; 15]**. However, the natural wealth of many low-income countries (including Sierra Leone) has proven to be more of a curse than a blessing **[2; 3]**; and inadequate institutional arrangements, bad governance coupled with corruption and a tendency for rent-seeking on the part of the political elite have been highlighted among the major reasons for this **[2; 16; 17]**.

The EITI emerged in 2002 out of the joint efforts of global civil society bodies (most notably Global Witness) the Natural Resources Governance Institute (NRGI) and industry bodies (most notably the International Council on Mining and Metals (ICMM)) to derive better and more equitable outcomes from the extractives sector **[2]**. At the heart of the EITI initiative is a need to create a set of effective and accountable institutions to manage the extractives sector and maximize its potential for national (inclusive) development, including a fairer distribution of the revenues derived from the sector with the benefits extended to mining communities **[2; 4]**.

The sudden and dramatic decline in the country's GDP coinciding with the collapse in commodity price during the Ebola crisis underscores the importance of the extractive sector to Sierra Leone's economy **[11; 13]**. There is evidence to suggest that any boost in Sierra Leone's economy, or in revenues accruing to the state, from the mining sector has hardly reflected in the living conditions of ordinary citizens, not least the mining communities **[3; 16; 17]**

The case of Marampa, Port Loko District, provides a good example as a community with a long history, and variable experiences, of corporate mining activities along with their socioeconomic and environmental effects, citizens' expectations, and the dynamic and fluid nature of relationships between a mining company and host community.

In an open letter to London Mining (signed by prominent indigenes of Lunsar along with the author) following the company's commencement of operations on the Marampa mine in 2011, which the Sierra Leone Mining Company (DELCO) had shut down in 1975, Sheikh Umar Kamara laid bare the grievances, expectations and hope of the host community. Urging the new company to step up to its corporate social responsibility (CSR) and make a difference to the lives of the local population, the letter noted that DELCO had left behind a ghost community without "a single investment in healthcare, education or infrastructure". It added that the hope of the community, especially the older population, for a brighter future with the advent of London Mining was already being dashed amidst fears that the historical neglect, exploitation and environmental degradation of the DELCO years, might play out all over again **[18]**.

In contrast to the mood expressed in Sheikh Umar Kamara's open letter, a study by Robert Pijpers reported how elderly residents, who wanted London Mining to emulate the positive impact of its predecessor, had only positive recollections about DELCO – reflecting on the creation of employment opportunities and health and education amenities etc. **[19]** Apparently such positive reminiscence about the DELCO years (whether accurate or embellished) were the community elders' own way of establishing their expectations of the new company. Importantly, it emerged that by 2013 Lunsar and its environs, in Marampa Chiefdom, were now enjoying relative socioeconomic advancement as a result of London Mining's operations, notably employment to more than 300 citizens, solar streetlights, and water supply. On the other hand, a few adverse effects of large-scale mining by London Mining in Marampa were beginning to emerge: increased demand for housing and pressure on land (including encroachment from construction of dwellings); frustration/tension emanating from resettlement of communities, closure of roads; damage to farms and houses caused by flooding; and local resentment from the fact that many of the better paid jobs went to individuals (with good educational background) from outside of the chiefdom **[19]**. A key message in Pjippers' study is the importance of infusing experiences from the past into current and future considerations with respect to large-scale mining operations and their effects on host communities **[19]**. These considerations must relate to how a mining company manages the expectations of host communities in meeting its CSR and how to mitigate the negative effects of large-scale mining, minimize tension and conflict and maintain a harmonious relationship with host communities. –

A study by Network Movement for Justice and Development (NMJD) and IBIS provides additional evidence on the impacts of large-scale mining on host communities. The study was conducted following the crash in iron ore price and suspension of mining operations by London Mining in Port Loko District and

African Minerals Limited in Tonkolili district[1]. It documented among other things **[20]:** a) high expectations of citizens of host communities, especially relating to employment into highly paid/skilled positions, which the mining companies could not meet b) a boost in business, banking, telephone and medical services, whereas many female petty traders, such as in vegetable business felt disadvantaged because the companies were importing such produce from Makeni c) a boom in the housing market along with a spike in house rents d) complaints about adverse environmental and health effects relating to noise, air and water pollution, as well as physical damage to the land, including farmlands e) worsening gender inequality as women felt excluded from the available job opportunities f) increase in crime rate. In addition, the study reported that members of the local population were not adequately informed or sensitized about mining operations and mining laws. There was a widespread feeling that payments for surface rent to host communities and crop compensation to land-owning families were inadequate and concerns remained around lack of provision for alternative means of livelihood and clear-cut arrangements around land reclamation. All of the above concerns, suggest significant negative effects of large-scale mining from the perspective of the local population and less than cordial relationships between host communities and the two major companies in Port Loko and Tonkolili districts**[20].**

Relationships between mining companies and local communities can break down from time to time due largely to disaffection on the part of community members. Underlying tension, or simmering grievances, if not addressed early (or nipped in the bud) can sometimes escalate into serious conflict and lead to losses for all parties – the mining company, government and local communities **[6].** Violent conflicts have actually occurred on a few occasions in mining communities in Sierra Leone and on rare occasions resulted in loss of life. A case in point is that of a local community in Northern Sierra Leone, recently seeking legal redress from alleged human rights abuses against a UK firm during its operations between 2010 and 2012 **[5]**.

If properly formulated and well executed, community development agreements (CDAs) could be instrumental in preventing conflict between corporate mining entities and host communities. CDAs have emerged in resource-rich developing countries, including Africa, as the generic term for all forms of formal agreement between mining companies and local host communities around local developmental arrangements **[6; 21]**. In Sierra Leone, the CDA is statutorily provided for in the Mines and Minerals Act 2009(sections 138 to 141.). The entire process of formulating the CDA starts with the formation of the Community Development Committee (CDC) which, in principle, should be consultative (i.e., ensure community-wide engagement and participation). The CDC manages and drives the community development agenda, processes and programmes. Questions have been raised around the inclusiveness of the CDC and level of transparency around the

[1] Both companies were subsequently bought over by Times Corporation and Shandong Steel and Iron Group

implementation of the CDA, especially where benefits for the community are concerned [6]. The principal role of the CDC is to manage the Community Development Fund (CDF). This is a stipulated percentage of the revenues from mining activities which mining companies must pay, as mandated by the Mines and Minerals Act 2009 (MMA) (Part VXI, 139 (4)). It has been reported that the CDF has not always been prudently managed in the best interest of host communities [6; 22]. The NMJD has reported that some communities affected by bauxite and rutile mining have called for the Anti-Corruption Commission to investigate the management of their CDF [6].

As part of the Ministry of Mineral Resources' post-war reform programme for the diamond sector in December 2001, the GoSL formally introduced the DACDF. This brought into law the allocation of a proportion of 3% of export tax from diamond to the development of mining communities [17; 22]. The goal was to minimize social inequities, particularly disparities between the rural and urban communities, through resource re-distribution. The rationale was two-fold: a) give back some of the money government gets from the sale of diamonds to chiefdoms in diamond mining areas to carry out development projects in their communities and b) as an incentive for local authorities in mining chiefdoms to help curb illegal mining activities. There is evidence to suggest that some chiefdoms and local communities have been using the funds judiciously to finance infrastructure and social services such as education, health care and water supply [17], and yet others have not been managing the funds prudently [20; 22].

Large-scale and small-scale mining are not the only areas of concern regarding the socioeconomic impact of the extractive industry on mining communities in Sierra Leone. Artisanal mining constitutes an integral component of the mining sector, accounting for 40% of all diamond exports and 100% of gold mining; yet, its full benefits are not being realised especially by the rural population and mining communities, whose livelihood could be enhanced by the sector [23]. It is estimated that up to 300,000 Sierra Leoneans engage in artisanal mining as the main source of livelihood, essentially as self-employed residents who lack any formal training in mining and do not benefit from modern methods or technology. Previously artisanal mining focus was mainly on diamonds; however, with alluvial diamond deposits being depleted, gold exploitation has in recent period assumed increased importance among artisanal miners who tend to be self-employed and lacking in formal education and make limited use of modern techniques, tools or methods of mining [23].

There is a realisation, even on the part of Government, that the artisanal mining sector so far lacks adequate regulatory oversight, its benefits for the local/rural population – who continuously grapple with abject poverty – are limited and its adverse environmental impacts have so not received much attention [23]. However, there is a genuine desire by the Ministry of Mines and Mineral Resources (MMMR) to address the major challenges and inadequacies which characterise the artisanal

mining sector as part of the general effort to reform the extractive industry sector **[7; 23].**

GoSL's desire to reform the mining sector and optimise its benefits for the country's population is evident in its efforts to formulate and review relevant policies and enact laws and Acts relating to the sector **[4; 7; 22].** Among major statutory instruments relevant to the mining sector are the Mines and Minerals Act 2009, the Income Tax Act 2000 (which covers mining taxes) and more recently the Artisanal Mining Policy (2018) and the Sierra Leone Minerals Policy (2018) **[4; 7; 22; 23]**.

Equally the GoSL has set up and equipped relevant institutions/agencies to function in collaboration with the Ministry of Mines and Mineral Resources in overseeing and regulating the extractive industry, for example the National Minerals Agency (NMA), the National Petroleum Directorate, and the Environmental Protection Agency (EPA) **[22]** among others. By joining the EITI process, becoming compliant by 2014 and setting up the relevant structures, including the SLEITI and MSG, at the highest level of Government (office of the Vice President), Sierra Leone further demonstrated its willingness to promote transparency and accountability in the extractive sector, in line with international standards **[4; 22]**. Despite the remarkable effort, a situational report in 2016 highlighted a host of issues relating to governance, coordination and allocation of revenues to host communities **[22]**. While the majority of those issues have apparently been addressed, some are still lingering. For example, among other things the 2017-2018 SLEITI report suggests inadequate documentation on Exporter License and Agent fees and that there were "no uniform statutory rates or cost per area established for mining companies" with respect to "surface rents". There may also be some way to go with respect to the legal and regulatory framework/instruments which may affect the effectiveness of the initiative governing the extractive industries. Specifically, according to the latest Validation report, Sierra Leone has only met 12 of the EITI requirements and failed to satisfactorily meet 14 (including inadequate progress on six and meaningful progress on eight) **[24]**. The report identified remedial actions through SLEITI/MSG relating to the requirements in question, as follows:

- Industry engagement (#1.2)
- Civil society engagement (#1.3)
- MSG governance (#1.4)
- Work plans (#1.5)
- License allocations (#2.2)
- State participation (#2.6)
- Production data (#3.2)
- Comprehensiveness (#4.1)
- Barter agreements (#4.3)
- Direct subnational payments (#4.6)

- Data quality (#4.9)
- Subnational transfers (#5.2)
- Mandatory social expenditures (#6.1)
- Public debate (#7.1).

The report also includes strategic recommendations to improve other EITI requirements **[24]**. A number of the EITI requirements and processes directly impinge on the relationships and interactions between SLEITI and the public and the socioeconomic benefits of extractives industries to mining communities – an area in which there is limited research evidence.

4.0 KEY FINDINGS

As stated above, the study findings draw largely on data from KIIs and FGDs and relevant available reports and the literature on the extractive industry in Sierra Leone. In line with the study objectives the key findings relate to a) the legal framework and laws on the mining sector as they impact on communities, including gaps in policy/law b) the socioeconomic effects of mining on host communities and c) the role and influence of EITI/SLEITI in the governance of the extractive sector including national efforts to reform and regulate the industry and enhance its benefits for the wider society.

4.1 Assessment of Relevant Laws Governing the Mining Sector

4.1.1 Main Laws and Laws Relating to Subnational Payments

The laws governing the mining sector with regards the study objectives are assessed in this section. In particular, it also assesses these laws with respect of the rights/protection of communities and citizens, identifies gaps and makes suggestions on how to address them.

The GoSL has been promoting reforms by formulating and updating major policies and laws and creating/strengthening institutions, mostly since the end of the civil war in 2002, to guide, streamline and regulate the governance of the mining sector. Notable among the reform measures include the recent policies on the Mining sector which include the National Minerals Policy, Artisanal Mining Policy and the Geodata Policy, the enactment of the Mines and Minerals Act (MMA) 2009, the National Minerals Agency Act 2012 that led to the creation of the National Minerals Agency (NMA) and the Environmental Protection Agency Act 2008 that led to the establishment of the Environmental Protection Agency (EPA) **[22; 26]**. Below is a list of the major statutory instruments, which the GoSL has formulated in the last two decades that relate directly (indirectly) to the extractives industry:

- The Income Tax Act 2000
- The Local Government Act, 2004
- The Anti–money Laundering Act, 2005
- The Environmental Protection Agency Act 2008
- The Mines and Minerals Act, 2009
- The Company's Act, 2009
- The Petroleum (Exploration and Production) Act, 2011
- The Environmental and Social Regulations for the Minerals Sector 2012
- The Operational regulations for the mining sector 2012
- The Public Financial Management Act 2016
- The Finance Act (FA) 2017
- The Sierra Leone Minerals Policy, 2018

- Artisanal Minerals Policy, 2018
- The Extractive Industries Revenue Act (EIRA) 2018
- The National Policy for Development-Induced Resettlement, 2021

Laws related to mining are dispersed in several Acts

There are no restrictions on public disclosure of policies and legislation pertaining to the mining sector. All government legislation is available at www.sierra-leone.org/laws. Government policies and laws specific to the mining sector are public documents and are available either online at www.slminerals.org and www.nma.gov.sl, or at the Sierra Leone Government Bookshop. However, these laws are not readily available in print, or other means (such as public library and bookshops), nor are they available in a format in which the average citizen in the district or local community in which mining is prevalent can access them.

There is no consolidated document that provides a summary of the fiscal regime, including the level of fiscal devolution, an overview of relevant laws and regulations, a description of the different types of contracts and licences that govern the exploration and exploitation of oil, gas and minerals, and the roles and responsibilities of the relevant government agencies. Mining companies and civil society groups interviewed would greatly appreciate such a document (Interviews, 2021).

There is no single document that attempts to summarise mining sector laws governing the sector and where they can be found. The MMA 2009 has only scanty details of the fiscal regime related to the sector, as an example and one would need to refer to the Extractive Industries Revenue Act for such details. Though some contracts and licenses required by the sector are referenced in the MMA, 2009, there are others that are not properly referenced. The roles and responsibilities of various MDAs as related to the mining sector are not described in any consolidated document.

The Petroleum sector is guided by the Petroleum Exploration Act, 2011. Agreements awarded to petroleum companies are not publicly available. As is the case for mining, these agreements are ratified by Parliament, are published in the Gazette and therefore should be available to the public in the Government Bookshop. However, this is not the case in practice.

The main company payments to subnational government entities entail payments made for community obligations. These include payments into the CDF Surface Rent, DACDF and Agricultural Development Fund. Some of these are paid directly by mining companies to various designated community groupings as required by legislation. In the case of the DACDF this is not collected from companies. It is

extracted from Diamond exporter's fees, a proportion of which is apportioned for these funds.

CDAs are established to promote sustainable development and to improve the collective welfare and quality of life of host communities. Under the MMA (Sec. 138-141), mining companies which match the criteria (determined on the basis of production figures or number of employees), are required to work with their primary host community to develop a contract, laying out a range of development interventions. Legislation makes it clear that companies should contribute no less than 0.01 percent of their gross revenue amount earned in the previous year towards the CDA, although it is worth noting in practice that some companies like Sierra Rutile Ltd. and Koidu Ltd. actually have social spending clauses in their Mining Lease Agreements (MLAs) that require a much higher level of social spending, usually as much as 1% of gross revenue. Some companies incorporate this social spending under the plans laid out in the CDA, while others treat this spending differently. Once agreed by the community and the company the CDA must be signed off by Minister of Mines (see MMA, Sec. 138-141 for details).

Section 139(4) of the MMA 2009 states that the amount earmarked as community development fund by extractive entities to implement the community development agreement and breakdown of expenditures shall be reported to the Minister annually. The MMMR should publish the names of all the extractive entities with community development agreements and the utilization of such funds as stipulated by the MMA 2009. The MSG should ensure that beneficiary communities also submit reporting templates during reconciliation exercises. The CDCs oversees disbursement of CDF paid by companies.

The DACDF is a mechanism designed to return a small portion of the government's three per cent diamond export tax to diamondiferous communities. Set up in 2001, money put into the fund is distributed to District Councils; including City Councils where applicable; Chiefdom Councils; and Chiefdom Councils Based on Artisanal Mining Licenses. Government collects 3 percent of the total value of diamonds exported as royalties from all diamond exporters, save for large-scale mining companies. Of the 3 percent, 25 percent is put into the DACDF.

Mining law requires that before the initiation of any mining activity regulated under the MMA 2009 and these Regulations, the applicant for a mining right must obtain consent to use the surface land on the licence area for exploration or mining purposes. Consent must be obtained from the Chiefdom Mining Allocation Committee or its rightful occupiers or owners and must be supported by documentary evidence. There is a Standard form on the status of consent for the use of land for mining.

The surface rent is agreed between mining companies and landowners and forms part of the agreement between the government and the mining companies. The disbursement of the surface rent is guided by the Government. The companies pay directly to the Paramount Chiefs in a ceremony witnessed by the Ministry of Mines and Mineral Resources and the Ministry of Local Government and Rural Development. The total amount paid to each Chiefdom is agreed by the company and the landowners based on the total amount of land area occupied by the company. The money is distributed as follows: Landowners 50 percent; Paramount Chief 15 percent; District Council 15 percent; Chiefdom Administration 10 percent; Constituency Development Fund 10 percent.

CDA payments are calculated using the formula stated in the Mining agreement and the CDA document and the quantum of payment is well documented and disclosed.

4.1.2 Fiscal Regime

The fiscal regime applicable to all mineral rights is contained in the MMA of 2009, the Investment Act 2004, the Income Tax Act 2000 as amended, and the latest Public Financial Management Act of 2016. Currently these consist of: Royalties, Income tax, Withholding tax, Mineral rights fees, surface rent, community development contributions, customs and excise and fees for public services applicable to all companies. In addition, for large scale minerals rights holders, Government may enter into a mineral development agreement (MDA) that amalgamates the respective fiscal and other obligations of the two parties and includes obligations to communities as well as wider policy objectives of Government. All MDAs must be approved by Parliament.

4.1.3 The Artisanal Sector

The MMA 2009 makes scant reference to the artisanal mining sector. The 2018 Artisanal Mining Policy if the first serious attempt on the part of GoSL to fill this gap. There is a need for Government to do more in this area, including ensuring that clearly defined regulations, accompanying the main mining Act are drawn up for the artisanal mining sector.

4.1.4 Land and Crop Compensation and Relocation

The MMA 2009 stipulates that the holder of mineral right should pay the owner or lawful occupier fair and reasonable compensation for any disturbance of the rights of such owner or occupier and for any damage to the surface of the land by his operations. However: 1) payment of rent shall be deemed to be adequate and equate to compensation for deprivation; and 2) for compensation for damage to land, only present market value is taken into consideration and not enhanced value of the land.

While the MMA 2009 allows for relocation, there are no formal procedures, and it is normally left with the company and affected parties to decide on the best mode. The MLGCD and MWHI are involved in the exercise, the latter particularly in the valuation exercise. The capacity of various Ministry staff is severely limited. The participation of affected people has however improved considerably as the EPA now requires a comprehensive Resettlement Action Plan to be drawn up as part of the ESIA studies done by mining companies. Stakeholders are now actively involved in the discussions. There is now a national policy on resettlement, but it is early days yet to determine its effectiveness.

4.1.5 Local Content

There is a new Local Content Policy and a Local Content Act that also stipulate giving priority to Sierra Leoneans for employment and actually legislating targets for jobs at various levels by sector. Although this has been a welcome move by the Labour Ministry, the implementation still leaves a lot to be desired. A new Local content unit has been set up within the Ministry of Trade and Industry. The National Minerals Agency has also shown considerable interest in this issue and keeps employment statistics.

There are many things that could be done to address some of the issues dealing with local content. Gearing procurement procedures towards giving priority to local quality goods that are within acceptable pricing levels, invoking clauses in procurement procedures of International bodies that make provisions for higher scores for acceptable locally produced goods and requiring certain specified goods like furniture to be bought locally will undoubtedly spur local businesses. Companies should consider local participation as advantageous to them. Unfortunately, many do not. The country's history is replete with companies (mining companies and business enterprises) giving a leg up to local companies to be able to provide goods and services for their operations. It happened in the past voluntarily but does not seem to be happening now. Some companies advertise vacancies locally first before placing them externally. Training of staff can also help them geared up to carry out jobs that are normally reserved for expatriates.

There needs to be more constructive engagement between mining companies and the private sector. Foreign companies and concerns should realize that assistance provided to local groups will be mutually beneficial to both the external group and local group and will result in sustaining a good investment climate. Helping local groups forge direct links with competent external groups and providing assistance to local professional organizations will be extremely beneficial in this respect.

4.1.6 Provision of Infrastructure

Mining companies are not required by law to provide infrastructural services in their vicinity, although it is implied that this is desirable. A large-scale mine usually makes provision of some basic infrastructure as part of its Community Development Action Plan (CDAP). There could also be support for infrastructure programmes in the CDA as stipulated in the MMA, 2009.

Some Large-scale mining companies have commented that they are often unaware of some of these laws. In particular, they also complain about regulations and fiscal imposts imposed by newly created agencies, some of which duplicate mining and environmental regulations. One such agency cited is the new Water Resources Management Agency (Interviews, 2021).

4.1.7 Environmental Requirements

The Environmental Protection Act, 2008 requires all large- and small-scale mining companies to have an Environmental Impact Assessment (EIA) licence after carrying out the necessary Environmental and Social Impact Assessment (ESIA) studies.

A reformed Ministry of Mines and Mineral Resources (MMMR) has primary responsibility for legislation and policy formulation and oversight. The ministry coordinates and works with line ministries and supervises the National Minerals Agency (NMA) - the principal point of contact for the general public in all matters to do with mineral rights; and the Petroleum Directorate.

4.1.8 Reservations and Possible Gaps in the Laws

Some key informants suggested that there are gaps in the law relating to the mining industry, or certain provisions within the law are inadequate. For example, the Honourable Member of Parliament interviewed (who chairs the Parliamentary Committee for the Mining) reflected that the law governing artisanal mining was long overdue. While he applauded Government for developing and launching the artisanal mining policy in 2018 he stressed that the policy should be passed into law through an act of

> *The all-encompassing Mines and Minerals Act only spoke scantly about artisanal miners, when in fact they are in the majority. I think I told you earlier that there are 190 chiefdoms in this country and half of that number are involved in artisanal mining, yet they do not have a law that governs them. The government has tried, at least in promulgating an artisanal mining policy, but what I really want is an artisanal mining act…*
>
> *Even though there is an artisanal mining policy, which is a big leap forward, what we actually need is an artisanal mining act. You would also be surprised to know the bulk of the environmental damage caused to the land is being occasioned by artisanal miners.* **[MP: Chair, Parliamentary Oversight Committee for Mining]**

Parliament without delay. This issue has however been broached before and abandoned because it may involve having too many laws for the mining sector. It may be more prudent to address salient issues by having new all- encompassing regulations drawn up for the artisanal mining sector.

Even Government has come to the realisation that the existing legislative provisions relating to artisanal mining are inadequate and there are less clear guidelines and procedures around 'pre-licensing and licensing, including fees' **[23]**. A District Council chairman suggested that the law should be very clear about which local authority mining companies should register with, and because of the lack of clarity, companies would often bypass the District Council in their operations. A CSO mining advocate for the mining sector in Tonkolili District suggested that while the law permits mining companies to relocate communities, there were no comprehensive regulations about the resettlement of people. There was a consensus among study participants (district/local authorities interviewed as key informants and FGD participants) that the provisions in the law around subnational payments (rates) by mining companies are inadequate and leave host communities and land-owning families disadvantaged.

> *The central government and the ministry that gives license to companies should instruct these mining companies to go and register with the local councils. In most cases about 9 out of 10 companies go straight to the chiefdoms without going through the councils for registration and it is very difficult to get them to register again with the council.* **[District Council Chairman_1]**

At the time of data collection, the MMA 2009 was being reviewed. A key provision in the law, which some key informants commented on as being a focus of the review is the amount which large scale mining companies are required to pay into the Community Development Fund; apparently there is a move by Government, in consultation with stakeholders, (including the Chamber of Mines, civil society, MPs and host community representatives) to increase the current rate, which is 1%. While the idea was welcomed by key informants affiliated with mining communities, informants from Sierra Minerals Holdings Limited (Sierra Mines or VIMETCO for short) and Meya Group raised some concerns about the move. The former suggested that frequent reviews of the law are unhelpful for mining companies who prefer "to operate in an industry that has a stable fiscal regime." While the informants were happy with the process of engagement and consultation, they were concerned that Government might have taken a final position especially regarding the rate as the reviewed document was soon to be ratified by Parliament and there was nothing more they (mining companies) could do about its contents.

While Corporate Social Responsibility (CSR) remains voluntary, Community Development Agreement (CDA) and Community Development Fund (CDF) are provided for in the MMA 2009. In discussing both their CSR and the mandatory CDA/CDF the official of VIMETCO viewed the scenario as a catch 22 situation, or a 'double whammy', because of which mining companies might be reluctant to make any serious investment into CSR. However, one of the officials interviewed from the Meya group reflected that their company was desirous to provide essential social amenities as part of its CSR if only because it carries a 'good will' factor which is absent in the CDA/CDF. He added that the Meya group (which mines diamonds in Kono District) found its CSR to be pivotal to maintaining an excellent relationship with host communities.

> *This is one particular area that we have a problem with the system. You ask the companies that quite apart from the taxes they are paying, they must pay 1% of their revenues toward community development projects, which in itself is significant. In addition, you also expect them to commit to SCR. So, what is happening is that, these mining companies, because the amount involved is significantly high, I can tell you for sure, that these companies do not have the urge to undertake major CSR activities* **[Key Informant VIMETCO]**
>
> *For the companies to get what we call the social licenses to operate and to ensure that you have a cordial relationship with the community, for them to embrace you and welcome you, and help you to succeed you will want to embark on cooperate social responsibilities*. **[Key Informant Meya Group_1]**

Some study participants also expressed concerns about the application of the law, or compliance with the law, relating to the mining industry. For example, the Honourable MP commended Sierra Rutile and Vimetco (SMHL) Mines for publishing information about their accounts and condemned others who failed to do likewise.

> *It is said that the mining is one of the sectors where revenues can be shared with the chiefdoms, but majority of the mining companies go straight into the chiefdoms and give monies to chiefs. The chiefs do not share these monies with the councils or even disclose the amount they received…* **[Key Informant Tonkolili District Council Chairman]**
>
> *Even though the laws are not enough, if we have utilized the available laws fully, that would have taken us to another level; but even the implementation of the available laws is a challenge*. **[CSO Informant Tonkolili District]**
>
> *Regulations. Even if it would mean using the act as a way of getting the mining companies to publicly publish their accounts. Sierra Rutile does comply to a certain extent as seen on their website; and the same goes for Vimetco. But Koidu Holdings hardly ever publish their accounts to the public.* **[MP: Chair, Parliamentary Oversight Committee for Mining]**

It is worth noting that even GoSL has acknowledged that there are issues with the legislation governing the mining sector, including regulations around the application and enforcement of the law, which need to be addressed. To this end, the following texts from the Sierra Leone Minerals Policy 2018 are instructive: "Despite significant improvements in the legislative regime guiding minerals sector development, considerable governance overlaps, loopholes in legislative documents, inconsistencies and conflicting provisions in some cases, remain. Together, these challenges result in

implementation and enforcement difficulties. Further, there is often limited public understanding of legislation" [7, p21].

In terms of knowledge/awareness about the laws relating to the mining sector, this varied among informants. The majority of key informants who have a stake in the mining sector were aware about the major statutory instruments whereas most study participants from the communities, more so FGD participants, were largely oblivious about the legal instruments. (Interviews, 2021). Some large-scale mining companies have commented that they are often unaware of some of these laws. In particular, they also complain about regulations and fiscal requirements imposed by newly created agencies, some of which duplicate mining and environmental regulations. One such agency cited is the new Water Resources Management Agency (Interviews, 2021).

Links to and actual scanned copies of signed Mining Lease Agreements (MLAs) currently in force are normally published on the NMA website http://www.nma.gov.sl/mining-agreements. A list of the Mining Lease Agreements is also available on the MMMR website as well as on the government's online repository at https://www.slminerals.org/contracts/ and https://sierraleone.revenuesystems.org/license respectively. ResourceContracts.org which is a repository of publicly available oil, gas, and mining contracts in machine-readable, searchable, open data format also houses most of the Sierra Leone MLAs (https://resourcecontracts.org/countries/sl). As the MLAs are ratified by parliament, these should be available to the public in the Government Bookshop and online repository but are usually not.

Many stakeholders interviewed were of the view that many laws related to sub-national payments should be made clearer especially with regards to payments made and distribution of funds. (Interviews, 2021).

Agreements awarded to petroleum companies are not publicly available. As is the case for mining, these agreements are ratified by Parliament, are published in the Gazette and therefore should be available to the public in the Government Bookshop and online repositories. However, this is not the case in practice. It is the view of the Petroleum Directorate that the EITI requirement for making a comprehensive and systematic disclosure/publication of the extractive sector agreements poses a challenge to the sector which is still at an embryonic stage (Interviews, 2021). This, according to the Petroleum Directorate requires some flexibility on the side of the government. As a result, petroleum agreements are not yet standardised and are largely dependent on several market factors.

There is evidence to suggest - drawing from available legal and other relevant documents and KI interviews in this study – that Sierra Leone has made remarkable progress and is on a sound footing with respect to the policy and legislative

framework and governance and institutional mechanism around the extractives industry. However, while there is an acknowledgement and effort along this line, there is room for improvement. Crucially, challenges remain with regard the enforcement of policy and laws to ensure not only that the revenues and developmental benefits are maximised from the extractive sector, but that such benefits are fairly distributed to the benefit of the population, especially the host communities.

4.2 Environmental, health and social impacts of mining on host communities in Sierra Leone

According to the recent State of the Environment Report (2016) the mining sector faces a number of challenges in terms of environmental, health and safety, and human rights issues. Mining affects Sierra Leone's rich and diverse environment in a number of ways:

- Water quality is a problem in most mining areas as discharged and untreated waste creates localized water pollution. Groundwater quantity and quality may also be affected.

- Land degradation: There are very few reclamation processes in place. The problem is further aggravated by floods.

- Deforestation: The main source of energy for 80–90 per cent of the population (both urban and rural) is biomass (in the form of wood fuel and charcoal). Thus deforestation, which is a generic environmental problem in Sierra Leone, is a particularly a serious problem in mining areas. Deforestation occurs mainly from mining operations resulting in extensive clearance of the vegetation cover and/or excavation of the natural terrain, with limited or no attempts at re-afforestation or land reclamation.

- Effect on biodiversity: Coastal areas are also under threat from extensive impacts of mining, thus affecting their biodiversity.

- Effect on wetlands: Wetlands cover about 4,837 square kilometres of the land area of the country, comprising fresh water and riparian forests and mangroves. These rich ecosystems are destroyed through mining operations.

- Overpopulation in mining areas: Due to a lack of job opportunities in other sectors, mining becomes a magnet attracting many unemployed young people to mining areas. Migration to mining areas has resulted in unplanned settlements characterized by poor housing facilities, poor water quality and poor waste management and sanitation.

- Poor Health conditions: Health conditions are poor in many mining communities as a result of poor sanitation compounded by open defecation resulting in infectious diseases. Due to the high density of housing, HIV is also prevalent.

- Air pollution: Air pollution is a major problem due to vehicular emissions and dust from haulage trucks.

- Noise pollution: Noise pollution sources in mining areas include traffic, road construction, plant operations and generators.
- Waste management: Waste from mining operations is not well managed in terms of collection, sorting, treatment and disposal.

These are however general observations and some effects may not apply equally to all types of operations.

Large scale mining operations should ensure that environmental safeguards to mitigate the impacts of mining operations on the physical environment and communities are established and mechanisms to monitor compliance with environmental obligations strengthened. This is however not often the case. Communities usually find it difficult to constructively engage with mineral rights holders in environmental protection, mitigation and development efforts. There are often environmental problems related to all of the factors listed above.

Mining operations pose significant health and safety hazards to mine workers and mining communities. Some operations pose risks to persons, livestock, and flora from exposure to mine related health and safety hazards. The use of explosives and hazardous materials also pose problems. Well regulated large scale and small-scale mining companies however carry out ESIA studies and obtain an EIA license. Environmental and social problems are severely minimised if they operate within the guidelines prescribed by their Environmental and social management plans. Such mines are periodically monitored by the EPA.

Legacy effects of lack of mine rehabilitation and closure practices have resulted in large swathes of churned up and abandoned mined-out lands scattered throughout communities across Sierra Leone. In addition to disturbing the physical environment and undermining the potential for agricultural development and expansion, these abandoned mined out lands have posed serious health and safety risks to affected communities. The existing mining and environmental laws cover Mine Reclamation and closure. They are however silent on legacy issues. New mines have been understandably very reluctant in carrying out rehabilitation in legacy areas that have existed for a very long time. This is an issue that needs extensive consultation to arrive at a solution, probably involving carrying out strategic environmental assessments and identifying and remediating the most dangerous areas.

There are unique vulnerabilities brought about by mining operations in mineral-rich communities. Social support services and delivery systems in mineral-rich areas are overwhelmed and cannot sometimes cope with the demands of growing populations and increased health and safety risks. Internal migration of workers as well as increased foreign participation has occurred in minerals development throughout Sierra Leone: social, cultural and religious impacts transpire because of these. Risks

and vulnerabilities associated with mining are linked to sanitation problems and include spread of STIs, prostitution, high levels of teenage pregnancies, drug abuse, school dropouts and crime rates.

From a livelihood perspective artisanal mining often provides the only source of income and is consequently very important. Levin (2005: 131) notes that families often follow a financial strategy that consists of some members being engaged in farming, which brings in a small regular income, and other family members undertaking mining, which brings in an irregular but occasionally relatively large (windfall) amount. The legacy of artisanal diamond mining includes widespread environmental degradation and numerous social problems. The main environmental and social impacts from artisanal mining in Sierra Leone are similar to those in other low-income countries. These include (PREM, 2004: 16):

- Land and soil degradation as a result of rudimentary and inefficient mining and processing methods, including effects of uncontrolled pit-digging with no routine backfilling; destruction of vegetation and topsoil removal;
- Riverbank erosion affecting gravel and soils, with adverse downstream impacts on health as well as agriculture;
- Deterioration of water and breeding of mosquitoes and micro-organisms through disruption of natural drainage and silting of drainage courses;
- Discharge from machines, including seepage and pollution of residual oils to water and soil;
- Creation of irregular spoil heaps and generally uncontrolled disposal of waste.
- Use of child labour and resultant lost opportunities for schooling;
- Erosion of traditions and indigenous cultures;
- Drug addiction;
- Overcrowding in mining areas, intensifying health problems and creating an insecure environment for the young;
- The haphazard development of ‘boom towns’; and
- High expectations from mining leading individuals to ignore the potential from agriculture and other activities.

The problems are not helped by the fact that artisanal miners though required by law to undertake land reclamation, they have an option of paying a reclamation fee (Section 86, sub-section 2b of the MMA2009) which is mostly preferred and collected by government, and so very few Artisanal miners make any effort – largely half-hearted - at voluntarily reclaiming their mining sites. Crucially, even though in principle Government should invest the reclamation fee paid by miners (section 4.6 of the 2018 Artisanal Mining Policy) in land reclamation there appears to be less accountability for these funds or nor any evidence that they are used for the intended purpose. There is little accountability for these funds. This is an issue that needs to be seriously and urgently addressed. Women, children and youth, who are large

vulnerable groups in Sierra Leone are also disadvantaged in the artisanal mining sector.

In some instances, women are involved in diamond mining. In fact some women own licenses and have men miners mining for them. Notwithstanding this, there is gender discrimination in the sector. Adult males are involved in all stages of operation while women are mostly involved in farming and washing gold, which is a by-product of the diamond mining operation. The new Minerals Policy fully recognises this and has outlined the following strategies to address this issue:

- *Government will ensure that all policies within the sector fully incorporate strategies and actions that enhance gender equality.*
- *Government will facilitate approaches that enhance equal opportunities for mine-related employment for men and women and especially ensure that the unique health and safety concerns of women are addressed. Healthcare and other social or administrative entitlements for mine employees that discriminate against women will not be tolerated.*
- *Government will work with traditional leaders to identify and address customary and cultural barriers that undermine equal opportunities for men and women to fairly compete and benefit from mineral development. Gender equality efforts will be conducted through gender mainstreaming activities by government and mineral rights holders.*

When it came to discussing the environmental and health effects of large scale and artisanal mining on the various mining communities in Sierra Leone, a significant number of study participants felt that the impact has been nothing but negative. Some even suggested that the negative impact of mining on their environment, health and wellbeing far outweigh any benefits. It emerged from the interviews and FGDs,

> *Getting a livelihood has been hard for us. Since we were relocated from our locality and brought to this new settlement as a result of mining work going on there, we have not been able to adjust to life… In addition, their presence here has had a destructive outcome on our roads due to the heavy duty trucks and machineries which they ply the road with, thus causing it to suffer wear and tear….* **[P3: Artisanal Miners FGD, Tankoro, Kono District]**
>
> *I used to own plantain and cocoa plantations, but this company settled here, all that has been destroyed. In fact, the mercury content in the residue from their activities that is dumped on the stream renders it unfit for agricultural purposes like irrigation. It even makes the soil become toxic, thus leading to poor yield*. **[P4: Youth FGD, Kumoro, Kono District]**
>
> *What we now experience is drought. Even our plantations, shrines and graves have not been spared the impact of the mining operations, which makes the cultural entomology of the people no longer interesting…* **[MP: Chair, Parliamentary Oversight Committee for Mining]**

that having to relocate from their original settlements, in which many rural residents would have been embedded with strong traditional and emotional ties/ attachment, in addition to the challenge of starting life afresh in the new locations, has been a source of much stress for mining communities.

> *Their work has affected us greatly. We do not catch fresh fish wash or launder our clothes from these rivers anymore, because they've being polluted by these companies.* **[P4: Youth FGD, Malone, Tonkolili District]**
>
> *The stream from which we used to fetch water has been polluted by residues dumped into it by the company, hence making it unfit for drinking or other domestic purposes….In the aspect of health, their activities have had a serious toll on our wellbeing, especially as regards the blasting they undertake at their site, which leads to the release of the harmful chemical called mercury. For instance, I am still nursing wounds from injuries caused to my feet by the mercury, which I came in contact with a week ago.* **[P3: Youth FGD, Kumoro, Kono District]**

Many FGD participants complained about the adverse environmental and health effects of mining activities on their locality. The effects, as described by study participants, range from exposure to chemicals (mercury), to pollution of drinking water sources and exposure to dust (and the risk of respiratory tract infections). There were concerns raised that mining companies (both large-scale and artisanal) were not doing enough to mitigate these undesirable consequences of their operations, say through refilling of excavated sites and providing communities with alternative (safe) drinking water facilities such as boreholes. There were isolated accounts by individuals about personal injuries being sustained as a consequence of mining activities.

Apart from a very few suggestions about benefits to individuals (landowning families) who receive crop compensation, and the local authorities (Paramount Chiefs) who mainly receive/control surface rents, the reflections of study participants from the host communities, about the direct benefits of mining to citizens were mostly negative. Some study participants, however, acknowledged one or two social benefits coming from large scale mining companies to their communities through CSR endeavours and the rare occasions when funds from the CDA/CDF were put to good use.

> *Well, I can say there is some amount of transparency because whenever those funds are available, they make it known to the community…Thankfully, we have been seeing an efficient utilization of those funds quite recently, especially in the last two years. In fact, we have also encouraged the committee to start providing support to the women's group so we can help in our own little way to promote development in our community.* **[P3 Artisanal Miners FGD Tankoro, Kono District]**
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> *I think last year the Paramount Chief bought motorcycles, handed it over to some youth to be run on a commercial basis as a way of employment creation. I understand that the monies used were monies paid by the companies to the Community Development Fund.* **[P6 Youth FGD Moriba Town, Moyamba**

There appeared to be a narrow outlook of some study participants about the behaviour and operations of different mining companies, seemingly based on their depth of understanding/knowledge. For example, one of the CSO informants interviewed in Freetown suggested that among the large-scale mining companies active in the country only VIMETCO was consistently paying into the CDF. However, a FGD participant, while acknowledging the CSR effort of VIMETCO, affirmed that Sierra Rutile has also been undertaking CSR endeavours. On the other hand, some youths in an FGD held in a diamond mining community in Kono District bemoaned the fact that a particular mining company before commencing operations few years ago, promised to construct a health centre in the community, but has so far failed to deliver. The youth stated how "grateful" they were "to Partners in Health, (an international NGO) who usually undertake house-to-house visitations to provide medical services free of charge to anyone found to be unwell". The Local content policy is one of the things GoSL has been trying to promote with corporate mining companies to enhance a fairer distribution of the economic gains from the extractives industry. The employment of Sierra Leoneans is a key ingredient of the local content policy. There was an acknowledgment by some study participants that many local residents have been directly employed by some companies. However, the majority of FGD participants, especially the youth, expressed disaffection for two reasons; a) they have been left unemployed and b) people were recruited from outside of the mining area/district into higher paid posts while the locals served mostly in lowly paid (menial) jobs.

> *In terms of positive impact, Vimetco, for instance, constructed a multi-purpose community centre at Mo-Senesie. Sierra Rutile, on the other hand, has been giving scholarships to deserving students as support for them to further their education. In addition, Sierra Rutile have also constructed a school, market, and toilet facility for the community people.* **[P3 Youth FGD Moriba Town, Moyamba District]**
>
> *The previous company was far more generous in terms of the assistance they rendered to us compared to this Chinese company. My younger brother was even a beneficiary of the previous company's generosity through a scholarship he awarded to pursue his studies in Kenema.* **[P4 Youth FGD, Kumoro, Kono District]**

There is evidence from the interviews and FGDs that apart from being directly involved in artisanal gold mining, women are most disadvantaged and tend to be at the periphery of decisions and distribution of the direct benefits from large scale mining, including employment. Ironically, all the participants of a Women's FGD have only positive things to say about the impact of mining on their community and their livelihood, especially their petty trading efforts.

It emerged from the interviews that given the land tenure system (communal ownership of land whereby a whole clan can own a piece of land, once the 50% surface rent is shared among the landowning family(ies) or clan members, individuals end up receiving small amounts of money with which they can hardly do anything meaningful. Loss of farmlands to mining, for which many respondents felt

community members could never be adequately compensated, emerged as the biggest negative effect of mining on host communities, given that farming is the primary source of livelihood for the rural population in Sierra Leone. Negative environmental and health effects of mining also featured highly in KIIs and FGDs, as discussed below.

> *The operations of the mining companies have affected livelihoods in that they have forced the community people to switch to cassava farming from the rice farming they used to practice. This reason also is that the top soil which enhanced rice farming has been destroyed and they could only now manage to cultivate cassava.* **[P3: Youth FGD, Moriba Town, Moyamba District]**

4.2.1 Effects on Businesses

Large-scale mining generally reflects positively on local and national businesses and can help boost the economy at both local and national levels. This is because the mining companies and their staff use a portion of their capital and earnings to purchase goods and services. Even where companies import capital equipment and bulk items from abroad, they are bound to pay import taxes (or custom duties) to the National Revenue Authority. This notwithstanding, there was a divergence of perspectives from FGD participants in the mining communities about the impact of mining on businesses.

> *Yes, mining activities have promoted businesses for our women and sisters, especially those who prepare foodstuff. They have more sales when mining activities are going on and this helps them to support their husbands.* **[P4: Youth FGD, Kumoro, Kono District]**
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> *A positive impact on businesses here is that it helps boost big business owners, especially when they are contracted by the Sierra Rutile to supply them with certain goods like building materials, and commodities such as rice.* **[P5: Youth FGD, Moriba Town, Moyamba District]**
>
> *The other impact Sierra Rutile has had on businesses here is that they have been very vital in boosting the hospitality industry. For instance, most of their guests are lodged in guesthouses within this community, thus helping create revenue for the guesthouse owners.* **[P5: Youth 3FGD, Moriba Town, Moyamba District]**
>
> *Yes, mining activities have promoted businesses for our women and sisters, especially those who prepare foodstuff. They have more sales when mining activities are going on and this helps them to support their husbands.* **[P1: Youth FGD, Malone, Tonkolili District]**
>
> *The mining operations ongoing here have a positive impact on our livelihood. The reason for this is that the workers are our sole customers as they buy almost everything they need from us, and it is from the proceeds of those sales that we eke out a livelihood.* **[P5:**

Some study participants suggested that mining has boosted business in their community, with one participant noting that mining activities have promoted competition among local business owners and led to a range of goods being available on the local market. FGD participants from different communities described the ways in which the presence of a corporate mining entity had boosted local business and the local economy, including a boost in the hospitality industry. From the FGD's it emerged that mining has particularly had a positive effect on women's businesses and enhanced their living conditions and that of their close family members, given the fact that they could readily sell their goods to the company's workforce.

> *The establishment of this company has been of no benefit to this community. Before now, we used to experience a boom in sales as at that time, artisanal mining which enhanced local small-scale businesses had not been declared illegal.* **[P7: Youth FGD, Kumoro, Kono District]**
>
> *In as much as it being our sole means of livelihood, I would say artisanal mining has also negatively affected business. This is because most of the people who would engage in small-scale businesses are also into artisanal mining and once their mining activity ceases to bring them revenue, the business collapses.* **[P7: Youth FGD, Kumoro, Kono District]**

However, some study participants provided a less favourable perspective about the impact of mining on their communities. In one FGD (held in Kholifa Rowala Chiefdom, Koinadugu District) some participants suggested that large-scale mining was far from helpful to local business in their communities, because they would usually buy foodstuff and other necessities like fuel products from the cities, especially Freetown. One of them noted that by contrast, "artisanal miners purchase all their items and food stuff within the communities or chiefdoms where they mine." In another FGD, in Kono district, mining was described as negatively impacting on small-scale enterprises. This was because, the advent of a large-scale mining company leading to a reduction in, or closure of, artisanal mining has driven local businesses (which were directly linked to artisanal mining) out of business.

4.2.2 Relationships Between Corporate Mining Companies and Host Communities

From the KIIs with representatives of mining companies, there was an acknowledgment that a healthy relationship, devoid of conflict, should exist for the company to operate smoothly and for all parties, company, government and host community to benefit. It is also germane to note that tension is minimized, and conflict is avoided. As noted earlier, not only have there been episodes of conflict between a host community and a corporate mining company in the past, but sometimes violent conflict has erupted **[5]**. To this end, it is worth reporting that many FGD participants and one or two key informants described the relationship between the host community and a large-scale mining company to be frosty or less than cordial. Such negative perspective about relationships emerged with an expression of disaffection linked to many of the issues described above mainly revolving around unmet expectations, unequal power dynamics, and a feeling that the host community was being disadvantaged and/or benefiting less from the mining activities. There is a need to set up in every mining community a system/mechanism for dispute/conflict mitigation and resolution. SLEITI should invest more in regularly gauging/assessing the nature

> *The existing relationship between us and Koidu Holdings Limited has been much cordial and devoid of disputes that used to break out between us previously, especially since they started paying the Community Development Fund. Moreover, there is youth representation now in the Chiefdom Development Committee, which was not the case before. In addition, they even now honour our invitations to attend meetings we convene, which was also unusual back then.* **[P3: Artisanal Miners FGD, Tankoro, Kono District]**
>
> *Our relationship with them is not cordial. This is because they are not sincere with themselves and the promises they make. Before they earned the licence to commence exploration here, we used to control the mining sites which they now own, but upon them taking over, they promised us job opportunities at the company since their activities would mean taking us out of our occupation as artisanal miners, thus stripping us of our only means of livelihood. However, it would surprise you to know that they did not fulfil their promise to us.* **[P4: Youth FGD, Kumoro, Kono District]**
>
> *It is a frosted relationship. The people are not happy because the sole objective of the mining companies is to just mine and later leave at the expiration of their mining contract, with the people left to suffer the brunt of the damage caused by their operations.* **[MP: Chair, Parliamentary Oversight Committee for Mining]**

and dynamics of relationships between corporate mining companies and their host communities and leveraging on the promotion of peaceful relationships and prevention of conflict. There was only one exception in the entire study where, in an FGD, the relationship between the host community and a particular mining company was described as cordial. It was apparent that the relationship between Koidu Ltd., a diamond mining company in Kono, and the host community was previously limited, bordering on tension and conflict. However, a lot of effort, led by the executive/senior management of the company itself, has gone into repairing and improving the relationship. In all other instances study participants described their relationship with the mining company as frosty. It emerged also that promoting broad consultation, involving the youth, ensuring that CDF funds are utilised judiciously and undertaking CSR programmes are all essential in building positive relationships and maintaining peace between host communities and mining companies. Notwithstanding this, there is an existing court case brought by some community groupings against Koidu limited which is the subject of a court case that is currently in train.

Interviews with senior management staff of large-scale mining companies indicated that many mining companies felt they were doing well for communities but were not adequately appreciated for their efforts. They lamented the fact that many of these mines are located in remote poverty-stricken environments with low socio-economic indices and little in terms of infrastructure; communities expected the mine to solve all of their problems. They claimed that through obligatory community development initiatives and their own CSR they were doing their best in the circumstances. In their view the GoSL should also use mining revenues from taxes to help develop these areas. They also claimed that they were doing their utmost to meet Environmental and social obligations imposed by the MMMR and EPA, (Interview, 2021).

4.3 Assessment of Utilization of Subnational Payments

Sierra Leone's suspension from the EITI process in 2013 resulted in large part from poor reporting of surface rent payments. Similarly, the 2013 Revenue Governance Index described the management of the DACDF as 'opaque' and found little information on the CDF (Revenue Watch Institute 2013, p.2).

There has since then been relative success in the payment of surface rent, CDF and DACDF from the mining sector by government due to improvements in transparency in the sector as a result of several/sustained interventions by civil society, EITI, World Bank/other donors etc There has been some success in the handling and accounting for sub national payments since then. A lot more mining companies have signed off on their Community Development Agreements. Some community Development Committees have been set up and started operating and implementing projects. Civil society organisations are now a lot more active in providing oversight for the distribution of surface rent funds. There is greater openness with the

publishing of details and distribution of DACDF funds. The GOSL has adopted a new National Resettlement Policy and there is greater transparency with compensation payments.

Despite these improvements, sub national payments still remain problematic. In general, there is no medium through which subnational payments are displayed on a country wide basis. Although the situation has improved considerably over the years, there is still room for improvement in data quality and assurance.

Challenges relating to CDA implementation include the limited negotiating capacity of host communities, which often lack the expertise, power and access to resources that operators typically have. A second challenge relates to the potential overlaps and inconsistencies with Community Development Action Plans (CDAPs), which are stipulated by the Environment Protection (Mines and Minerals) Regulations 2013. CDAPs are linked to the EIA process. CDAPs list and cost all community development needs identified by the EIA. While CDAPs and CDAs often contain many of the same activities, they are monitored by different bodies - CDAs are monitored by the NMA, while CDAPs are monitored by the EPA. There are plans to address potential conflicts between the two processes with the review of 2009 MMA.

The disbursement of the surface rent is guided by the Government. The companies pay directly to the Paramount Chiefs in a ceremony witnessed by the Ministry of Mines and Mineral Resources and the Ministry of Local Government and Rural Development. The total amount paid to each Chiefdom is agreed by the company and the landowners based on the total amount of land area occupied by the company. The money is distributed as follows: Landowners 50 percent; Paramount Chief 15 percent; District Council 15 percent; Chiefdom Administration 10 percent; Constituency Development Fund 10 percent. There are often complaints about the ability of Local Chiefs to negotiate surface rent payments and about the vast variation in levels of payment for various mining companies. The distribution of the funds as per the set formula is also often problematic as some stakeholders complain about not receiving their full allotted share.

There have been complaints that DACDP payment details are usually not provided to recipient chiefdoms and that there are so many variations to the lodging of funds for disbursements. Some civil society groups have complained that the payments are sometimes politicised with the MMMR giving the impression that they are the ones influencing the disbursement of funds (Interview, 2021).

There seems to be problems with the DACDF disbursement. An article (Government Pays Le 2.6 Billion to Diamond Mining Communities for Development by Jariatu Samura in Awoko newspaper of July, 2016) states thus:

“The Ministry of Mines and Mineral Resources (MMMR) and the National Minerals Agency (NMA), together with other stakeholders, including the Ministry of Local Government and Rural Development (MLGRD), have paid a total of Le. 2.6 billion to various mining chiefdoms across the country as Diamond Area Community

Development Fund (DACDF). The payments were made on 24th and 25th June 2016, in Bo, Kenema, Makeni and Kono, by two teams led by the MMMR, the NMA and the MLGRD. Handing over the cheques to beneficiary chiefdoms in Makeni and Kono, the Permanent Secretary of MMMR explained to the people that the DACDF is an initiative of Government to ensure that people living in diamond producing areas share the benefits of proceeds from diamonds."

Some reports have indicated that when well implemented, the DACDF does result in good projects that are beneficial to mining communities. They however lament the fact that DACDF funds have been withheld by the MMMR for a few years. According to an article by Mabinty M. Kamara (https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwjf7oek9PbyAhXB7eAKHcEfDMU4HhAWegQIBRAB&url=https%3A%2F%2Fpoliticosl.com%2Farticles%2Fcso-calls-gov%25E2%2580%2599t-honour-dacdf&usg=AOvVaw2EsQ3Bp1CUJO1hlRhGrj0T), the Civil Society Coalition on Mining and Extractive (CSCME), an advocacy group, in a position paper called on the government of Sierra Leone to honour the payment of the Diamond Area Community Development Fund (DACDF).

"The DACDF embraces community led decision making as a means of ensuring that mineral benefits go back to impoverished and vulnerable mining communities to help address key social challenges which include water, feeder roads, schools, markets, scholarship opportunities and many other projects like youths and women empowerment in the form of support towards agriculture, skills and small scale businesses in the form of micro credits. According to a statement from CSCME, these structures and benefits have over the years been realised in the case of Kono District until three years ago when such financial commitment had stopped going to mining communities across the country."

The CSCME is quoted as saying:

"It is now nearly three years ago when we last saw the payment of this fund to the mining districts and chiefdoms in the country, we are gravely concerned about this as there is a likelihood of a return to over centralization as this may undermine the sustainable development, the aspirations of the most deprived communities of their endowments as based on the Truth and Reconciliation Commission report."

In an interview with Alex K. Fomba, National Coordinator for the Youth Empowerment for Advocacy Human Rights and Development Sierra Leone, he is quoted as saying:

"In the Kono context, through the DACDF funds, schools have been built, roads have been constructed, people were given scholarship opportunities to universities and have come back to give to their communities, and women have been empowered through micro credit facilities and some for agricultural purposes. So the people benefitted immensely from those funds but now it has forestalled development in these communities. Of late it was decided that this money should be sent to the chiefdom committees instead of the paramount chiefs."

It is necessary that disclosures on subnational transfers be relayed to stakeholders who should also be apprised of the impact of mining on the local and national economy. Successful revenue distribution relies on public administrative systems that are effective and minimise the risks of misappropriation. The capacity of subnational government to whom revenue is distributed is however severely limited.

There were challenges with accountability for these funds from the various recipients. Poor accountability by the recipient entities caused delays in payment of these funds by the Mines Ministry, and this in turn affects the delivery of community projects. There were usually discrepancies between revenues paid by the NMA to the MMMR and the amount disbursed to the affected mining community.

There are several concerns about the determination of the level of surface rent payments and the distribution. There is no consistency in the payment rates for surface rents. Rates depend on negotiating abilities of host communities. Most communities are vulnerable and are desperate to host companies for jobs and other opportunities that may come along and can easily given in to unrealistically low rates. There is need for regulations to standardise surface rent negotiation procedure. The distribution is also done as per a set formula between the Chief, landowners and council. There have been concerns raised about the unfairness of the distribution and the transparency of payments to the sub national groupings.

The District Councils, landowners and paramount chiefs do not fully disclose or report funding for community development activities. A major question usually is who is responsible for reporting. Reporting of funds received for development projects has been difficult.

The conflicts over surface rents that large mining companies must pay in advance each year have as much or more to do with their distribution as size. While stakeholders generally clamour for the rate of surface rent payments to be increased, some stakeholders believe that surface rents are disproportionately distributed amongst the different stakeholder groups. Some argue that the percentage for the Paramount Chiefs is too large; others believe Local Councils are getting the lion's share. Some stakeholders would like the involvement of all stakeholders in deciding the level of surface rent payments.

> *If I could remember, at the time the company commenced with the destruction of plantations, the Town Chief of this community went to see them in order to prevail on them to spare a few tracts of land for farming purposes, but, in fact, the action resulted in the chief getting suspended from his capacity as Town Chief. So, in terms of decision making, I do not think our stakeholders here have a say.* **[P2 Youth FGD Kumoro, Kono District]**
>
> *I know of crop compensation, but not everyone that was entitled to it benefited. For instance, I used to own a banana plantation for which I was not eligible for compensation. However, my mother received compensation for the portion of her plantation that was destroyed. My only dissatisfaction is the undervaluation by the company of the sums each affected farmer was entitled to...* **[P4 Youth FGD Kumoro, Kono District]**

> *The company revealed that they pay Five Hundred Million Leones (Le500,000,000) as surface rent, a pronouncement to which the chiefs did not object, but not even a dime of that sum has reflected in the lives of community members.* **[P4: Youth FGD Kumoro, Kono District]]**
>
> *The process and management of said funds is poor. At times, it appears as if those funds mostly end in the pocket of individuals because it has not been of any benefit to us or the community.* **[P6: Youth FGD Moriba Town, Moyamba District]**

Many more study participants shared the view that even where companies were paying into the CDF, in line with the CDA, their community was not benefiting much in terms of the management of the funds. Some suggested that the funds have not been put into any developmental projects or social services or facilities, which the entire community could benefit from. Thus, serious questions were raised by few study participants around transparency and accountability in the management of the CDF. Equally, some youth FGD members expressed dissatisfaction about not being consulted or represented in the decision making relating to the management of the CDF. This meant that even where there were some youths serving on the Community Development Associations (CDA), there was no system through which they could provide feedback to or consult with the rest of their peers in the community.

Some study participants were in agreement about the direct financial benefit from large-scale mining, which some community members enjoy. A CSO informant in one of the mining districts confirmed that many individuals (from land-owning families) have been directly benefiting from the surface rents and crop compensation fees, which the mining companies pay, noting that few individuals use the money wisely by building houses and investing in children's education while some spend the money on personal social needs, such as marriage. Others indicated that they were not directly benefiting from the activities of the mining company and that only very few people were benefiting, for example landowning families and the paramount chief.

There were a few concerns from study participants, especially host community members, about the determination of surface rent and crop compensation payments and the distribution. It appears that rates, particularly for compensation to land-owning families for their crops and other assets affected by mining activities, are a function of the negotiating abilities of host communities versus company officials. There is a sense of a power play at work – as suggested by a FGD participant from Kumoro community in Kono District and another from Moriba Town in Moyamba District. Apparently, community members, or groups, had limited agency (i.e., not capable to adequately represent their interest) whereas corporate entities, often with the help of influential actors (government functionaries and/or local authorities) would wield undue influence.

> *The people who normally undertake this assessment are the Community Affairs unit at the mining company. However, since most of the plantation owners are not educated, they usually get cheated by those Community Affairs workers.* **[P6 Youth FGD Moriba Town, Moyamba District]]**

Thus, there was a convergence of views among study participants from the mining communities that landowners find themselves at the receiving end of low rates. Some study participants from the community, as well as the MP interviewed, suggested that the crop compensation which landowners, including farmers, were being paid fell far short of the true worth of their crops and other assets, which they forfeit to mining activities. Two of the Civil Society (CSO) representatives interviewed, one of whom is a member of the MSG, also agreed that the surface rents and compensation fees, which companies were paying to landowning families were 'unfair', noting that community members have often expressed their disaffection about this. There was also a perception that many landowners were disadvantaged and prone to being exploited by mining companies due to illiteracy or lack of formal education. For example, one of the CSO informants interviewed suggested, "in most cases the community people lack the know how or ability to tell the actual size of the land they own, which is subject to a mining concession and so are left at the mercy of the stakeholders and the companies to decide on what amount to pay them as surface rent." This view was shared by at least two FGD informants. Such perspectives, whatever their merit or veracity, do suggest a degree of mistrust, or fears, on the part of community members, which some mining companies might not be doing enough to mitigate.

4.4 Effect of EITI on Governance And Reform in the Extractive Sector

EITI has influenced governance and reforms along the extractive industry value chain. These reforms which have in turn influenced the governance and information system in promoting citizens understanding of the extractive sector are discussed in this section.

Generally, there is now more information sharing between MDAs on mining revenue issues. There has also been a greater spotlight put on sub national revenue issues. There is greater emphasis now on the timeliness of disseminating information and a greater awareness of mining laws.

The legal framework at the level of individual mining projects in Sierra Leone is set out in individual contracts negotiated on a case-by-case basis with mining companies. Mining Lease Agreements, known as MLAs, are signed between the Minister of Mines and the mining companies. MLAs are now made available online by the MMMR and the National Minerals Agency.

4.4.1 Information sharing and Linkages

Though not sufficient, some linkages exist between various sectoral data systems. For example, the NTR System in which the NRA Officers record tax payment is integrated in MCAS which shares the information with the NMA portal depending

on the configuration set up. NMA and NRA have signed an MOU to formalize sharing of data by connecting MCAS to the taxpayer register.

4.4.2 MSG/SLEITI Governance and EITI commitments

The essence of the MSG and SLEITI first and foremost is to promote transparency and accountability in the extractives industry sector. Evidence from KI interviews and documents reviewed in this study can confirm that Sierra Leone has been doing well on this front. For example, mining contracts and information on licenses are now publicly available and, on the Sierra Leone, Online Repository. Nearly all key informants in the study provided a positive assessment about the influence of EITI in Sierra Leone and the work of SLEITI/MSG in promoting transparency and accountability in the extractives sector. Re-negotiated mining lease agreements relating to operating mining companies have now been made available online by the MMMR and the NMA (www.slminerals.org). The online repository, managed by the NMA, contains data on most mineral rights, statuses and payments. The repository is also accessible to the public on www.slminerals.org. SLEITI already publishes information (data) through the EITI Reports. SLEITI intends to move towards adopting a special policy for open data and is especially mindful of the Open Government Partnership National Action Plan (2014), the GoSL Document Adopting the Open Data Charter (2016) and the Right to Access Information Act (2013).

> *I think the EITI is a wonderful initiative especially for companies here operating in a situation where there are all sort of doubts about how genuine these companies are… It helps to have an entity that seeks to ensure accountability and transparency in the sector. This is very important and this is why from day one mining companies have committed themselves to the process.* **[Key Informant: Mining Company B]**

The MSG official interviewed confirmed that from the latest validation in 2018 Sierra Leone was officially said to be "making meaningful progress" with respect to the EITI standards, noting that there were "14 corrective actions" that needed to be addressed in time for the next SELITI validation at the end of 2020. However, due to the global COVID-19 pandemic the EITI Secretariat has pushed the date back - initially to June and more recently to October 2021. The MSG official noted that they were doing their best "to adjust to the new validation module, which the EITI had introduced." However, due to continuous COVID related challenges, which affected some of their activities including the need for face-to-face stakeholder engagement, the Secretariat had asked the MSG to seek further extension (by another six months) from the EITI Secretariat. As the COVID-19 pandemic drags on, the SLEITI/MSG may well benefit from a further validation extension to April 2022.

The MSG Secretariat official confirmed that the 2021 work plan has been prepared and was in the process of being implemented. For example, the MSG needed to refresh its membership with new members coming in from among MDAs and CSOs

effort was underway to provide orientation for the new members on the EITI/SLEITI processes and activities. He confirmed that while the MSG has always managed to develop the yearly work plan "being able to implement all of the activities, outlined in the work plan is a different ball game."

In terms of overall influence of the EITI process in promoting transparency in the extractives sector, with the support of civil society, the World Bank and other agencies, Sierra Leone has witnessed considerable progress in the payment of surface rent, CDF, and other fees from the mining sector. It emerged from the interviews that the platform created for CSO advocacy and engagement on Sierra Leone's extractives has been very helpful in the effort to promote consciousness around the extractive industry at both national and sub national levels. However, as reported above, challenges remain with the management of and accountability for these funds, especially in ensuring a fair distribution of the benefits and utilising the projects and social services which bring benefit to the entire population of mining communities.

Despite the acknowledgement that the EITI has a valuable/necessary role to play in Sierra Leone, the officials interviewed from the Petroleum Directorate expressed some reservations regarding the EITI requirement for Government to publish all agreements including fees agreed upon with companies. According to them, this would disadvantage the Petroleum Directorate by weakening their bargaining power with other companies in the near future. Another informant (a CSO leader), who was a little critical about the EITI process, noted that EITI reports tend to focus more on the disclosure of revenue with less focus on monitoring of the use of funds received for development projects. He questioned the influence of EITI or whether SELITI did anything about: a) the fact that CDCs were not presenting any work plans; b) there was a lack of project management strategy or expertise to ensure a proper implementation of community development schemes and; c) no proper system to address fund allocation to development projects or assess the capacity of management of funds.

4.4.3 Key Challenges

From KI interviews, it emerged that the main challenge facing the MSG and SLEITI is funding, as government's support is limited and the MSG depends largely on donor support (with the World Bank, UNDP and GIZ being its main sponsors). Another serious challenge as noted by a senior official of the SLEITI Secretariat interviewed (a view that was shared by other key informants) is limited commitment from many MSG members as reflected in inconsistent attendance at meetings. In addition, the SLEITI Secretariat was described as having capacity/personnel challenges with only three key staff members who do all of the work, including reviewing and finalizing documents even when MSG members fail to make inputs. The informant from the SLEITI Secretariat further noted that they were having challenges with getting timely cooperation from some of the stakeholder MDAs,

whose attendance at MSG meetings is valued very highly as the MSG needs their inputs into critical decisions and their cooperation in sharing relevant documents. However, it emerged that the MSG sometimes leverages on the office of the Vice President, whose Minister of State is Chair of the MSG, to get the cooperation of MDAs in critical moments.

So far, as noted above, there appears to be capacity issues affecting the ability of the MSG and SLETI to take practical steps in promoting transparency and accountability in the distribution and management of revenues at community level. This is an area in which more effort and resources may need to be invested. There continues to be poor oversight/monitoring of the operations of the CDA and management of CDF funds, with serious issues emerging relating to transparency and accountability. There was a consensus among key informants from the MDAs and mining companies that monies received by the CDCs hardly followed proper accounting procedures, nor a system where records were prepared and kept for auditing purposes.

Currently there is a challenge regarding 'beneficial ownership' reporting. Some companies have stated outright that they will not be divulging certain information, which they consider sensitive, unless they are required by law to do so. Such a legal instrument is currently absent, and it takes a lot of time for a legislative instrument to be enacted.

It is necessary that disclosures on social expenditure be relayed to stakeholders who should also be apprised of the impact of mining on the local and national economy. Successful revenue distribution relies on public administrative systems that are effective and minimise the risks of misappropriation. The capacity of subnational government to whom revenue is distributed is however severely limited.

4.4.4 EITI-Relevant Communication, Extractive Industry Value Chain and Information Dissemination

There is a need to promote transparency and access to information at all levels, including national and sub-national levels. GoSL now has a Freedom of Information (FOI) Act. The MMMR has implemented the Mining Cadastre Administration System (MCAS) which facilitates data management and transparency. The Ministry of Finance (MoF) publishes mining revenue data. Since 2004, the implementation of development plans is monitored by the Comprehensive Local Government Programme Assessment System (CLoGOAS), which also provides a ranking of local councils by performance. There is however, generally, a lack of effective communication channels and trust between the State, the mining companies and host communities.

The MSG/SELITI have been making commendable effort to engage the public and disseminate information about the extractive industries sector and matters relating to legislation, transparency, and accountability in the industry. Some of the key informants were complimentary about such effort. For example, senior management officials from the Petroleum Directorate who were interviewed commended the effort in disseminating and sharing information down to the community level and getting relevant feedback from communities. Communication channels used by SLETI include SLETI WhatsApp group, Radio and Television, Mobile phones, Media engagement, Newspapers, town hall meetings. Some district-based key informants, for example a Paramount Chief (PC) in Tonkolili District and a CSO advocate in the same district were very much aware about the SELITI outreach effort and have been involved in some community awareness raising programmes and forums. In his interview, the PC twice mentioned "Engineer Keili" (a member of this research team) as having served as a resource person in some of those meetings.

An article "Mining Communities Call for Greater Transparency from MPs and Chiefs" in October,2020 (https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwj6lIm9zfbyAhUP8hQKHVZIC7c4UBAWegQIBRAB&url=https%3A%2F%2Fwww.sleiti.gov.sl%2Findex.php%2Fcomponent%2Fcontent%2Farticle%2F26-main%2Fnews%2F46-mining-communities-call-for-greater-transparency-from-mps-and-chiefs%3FItemid%3D101&usg=AOvVaw0LlREvneIcapW-YudvUw1Z-) indicates that SLEITI held meetings with stakeholders in a dissemination and sensitisation programme dubbed "Maximizing the benefits of mining to local communities" to inform and sensitise stakeholders on the Sierra Leone Extractive Industries Transparency Initiative (SLEITI) 2017-2018 EITI report. In Lunsar where the dissemination started, stakeholders were concerned that their elected representatives hardly inform them of revenues received on behalf of the community, as well as development activities undertaken out of these revenues. In Kono, Diamond Area Community Development Fund (DACDF) and Surface rent payments stood out clearly among several issues raised.

Notwithstanding the positive feedback from some key informants, the impact of SLEITI"s outreach and information dissemination effort, especially from the perspective of host community members, so far might be limited. Most local residents lack access to all of the above channels, with the exception of town hall meetings. However, even these meetings, as noted by some informants, including the MSG official, tend to be very selective (in terms of locations) due to resource constraints. It is important to note that corporate mining companies are also not doing much in terms of organizing forums in host communities and transmitting technical and complex information to residents.

Evidence from the KIIs and FGDs suggests that citizens, especially in mining communities, to start with are hardly aware about SLEITI. Even some CSO members are not exempted from this lack of awareness about EITI or SELITI. For example, a community based CSO informant interviewed reflected that this was the first time he had to discuss EITI issues. While he was aware about SLEITI – having listened to a jingle on SLEITI quite a while ago – his knowledge was vague and limited to the message that was being aired at the time i.e., the "roles and responsibilities of mining companies in the communities". He could not tell who and who constituted the SLEITI.

It may also be of interest to the MSG that many study participants from the mining communities lacked knowledge about the laws governing the mining industry. In an FGD of ten artisanal miners, in Kholifa Rowala Chiefdom Tonkolili District, only two raised their hands to indicate awareness of some mining law(s). When asked to describe the laws the two participants could only mention 'surface rents' and 'artisanal mining law'. They could not elaborate much on what the laws entailed. Knowledge about artisanal mining laws was limited to the legal requirement for every artisanal miner to procure a license through payment of a fee, before being allowed to operate. In another FGD comprising 12 youths in Lunsar, Port Loko District, only one participant indicated awareness of any mining laws, making mention of the Mines and Minerals Act and the EPA Act. In a third FGD, involving youth at Malone community, Tonkolili District 3 people out of 15 raised their hands indicating awareness of mining laws, but could only mention surface rent and crop compensation to demonstrate their knowledge. One of the participants noted that before now, the laws governing artisanal mining were very simple and the artisanal miners had no conflict with Government. A Chiefdom Speaker interviewed from a large-scale mining chiefdom in Port Loko District was oblivious about the CDA noting that very few people, mostly the landowners, MP and Paramount Chief, were informed about this. In all the FGDs, no participant was knowledgeable about the 'formula' used to distribute surface rent.

> *The one major difficulty we encounter here is understanding the content of the mining act. I think the authorities in charge have not done much in terms of popularizing the act and also enlightening us on its content.* **[P2: Artisanal Miners FGD Tankoro, Kono District]**
>
> *We do not know how the formula of payments is set or how the amounts are determined. They would only tell us that government has instructed that the said amount should be made to the different community people.* **[P8: Youth FGD Lunsar, Port Loko District]**
>
> *I don't know and I believe all of us present here can testify that we don't know how the formula used to distribute this fee-- maybe the PC can say more about it.* **[P4: Youth FGD Malone, Tonkolili District]**

Thus, in spite of ongoing effort on the part SELITI, it is obvious from these findings that there is yet a long way to go in terms of the dissemination of relevant mining-related information and education of citizens, especially local residents of mining communities.

4.5 Protecting the Rights of Mining Communities

Minerals are part of a national heritage and to have them exploited by foreigners may seem a betrayal of this heritage in the eyes of the people. Although the economic benefits of large-scale mining are apparent, there is need for the mining industry to take a realistic approach towards the interests and ambitions of host communities and countries. Striking a careful balance between letting the investor obtain a reasonable return on his investment and at the same time allowing the country to benefit fairly from the exploitation of its resources is however not an easy task.

Large scale mining companies are regulated by government. They are required by the mining agreements with the government to meet certain local obligations. Working conditions of Junior workers are usually good in relation to artisanal miners as they are negotiated with the Mine Workers' Union. Such companies have however faced considerable problems with local communities. This is in spite of the fact that each mine is required to prepare and implement a sustainable development plan for its areas of operation which would normally cover health, agriculture, educational and other aspects of the social life of the indigenous populace. Artisanal miners, who constitute by far the largest proportion of miners, are virtually left to their own devices. Their earnings are not consistent, and they depend mainly on the support given them by buyers and dealers. These resources are usually meager and consist of basic food and medicine. People who flock to mining areas continue to be in virtual penury and health and environmental problems abound in these areas.

Communities bear the overwhelming social, cultural, economic and environmental impacts of mining. In the past, local communities got very little direct benefits from mining revenue earned by central government. They were often pitched in direct conflict with mining companies, demanding solutions to environmental and development issues. Such circumstances created a seedbed for several problems including human rights abuses. There was often no consensus on what reasonable expectations should be in relation to the mitigation of adverse economic and social impacts, local economic and social development around the minerals project or in assuring that these benefits can be sustained post mining. Artisanal operations have in the recent past been accompanied by the use of child labour, use of revenue to finance conflicts, social disruption and conflicts caused by "rush" operations and high incidences of prostitution and the spread of HIV/AIDS.

Civil Society has complemented the government's effort in addressing some of the problems in the industry. These include organisations like NMJD and NACE. Local groups have created alliances with international organizations and were instrumental in focusing international attention on the issue of conflict diamonds. They have also collaborated with international groups to participate in the development of the Kimberley Process. They have collaborated with government in the establishment of the Diamond Area Community Development Fund, helping to have mechanisms in place that ensure that the process of distributing and using such funds is participatory, transparent, and accountable.

Other organizations like USAID and DFID have also been instrumental in addressing industry problems. Various programmes have been set in train to equip local people, including women and youth, with the information and skills they need to participate in decision-making, tackle corruption and contain human rights abuses. The efforts by government and civil society are bearing fruit in certain ways. A lot of mistrust has however been brought about by the poor communications between various stakeholders.

A balance needs to be struck between local community aspirations, national economic development aspirations and economic aspirations of the company. An all-views encompassing approach devoid of melodrama is required. Government should also be willing to enforce regulations especially those facilitating operations and enforcing environmental compliance. Companies should also realize that dialogue is a continuous process during the lifetime of mining. There is also a need to manage local expectations on the development potential of mining communities hosting large scale mines.

A typical human rights problem in a mining community involving a mining company is cited from the SESA 2016 report. This report is coming eight years after Government's White paper of the Commission of Inquiry in 2008 on involving Koidu Limited, committing to deal with such issues. Such Human Rights Violations have seen Affected Community members seek redress in Court-Affected Property Owners Association in Kono have taken Koidu Limited to Court for a series of violations and also taken the Govt. of Sierra Leone to the ECOWAS community Court of Justice.

Box 4: **Sierra Leone: Mining Boom Brings Rights Abuses**

(Freetown) – The government of Sierra Leone and a mining company that is the country's largest private employer have undermined villagers' access to food and prevented workers from challenging abusive practices, Human Rights Watch said in a report released today. The government should ensure that economic development projects in the booming post conflict nation do not come at the expense of the human rights of local populations.

The 96-page report, "Whose Development?: Human Rights Abuses in Sierra Leone's Mining Boom," documents how the government and London-based African Minerals Limited forcibly relocated hundreds of families from verdant slopes to a flat, arid area in Tonkolili District. As a result, residents lost their ability to cultivate crops and engage in income generating activities that once sustained them. Police carried out a bloody crackdown in the town of Bumbuna in April 2012 to quell a protest by workers who went on strike after being barred from forming a union of their own choosing. The Sierra Leonean government, while promoting the company's operations as essential to Sierra Leone's economic development, permitted corporate actions that violated the rights of Tonkolili's residents, Human Rights Watch found. For example, the government failed to provide adequate oversight of the company's consultations with local communities or respond to repeated complaints about the forced relocation of residents. Both the government and the company misled villagers about what would happen once they were moved to the new site. The government also did not take action in response to apparent African Minerals Limited violations of Sierra Leone labor laws concerning employment, termination, and benefits for its workers. The government's narrow reading of national labor law as well as political wrangling denied the company's workers the ability to form a union of their choosing, rather than belong to an established union that the workers regarded as ineffectual. Human Rights Watch recommendations to the government include to:

- Provide sufficient resources for the Labor Ministry to oversee and inspect labor conditions throughout the country and allow multiple unions within the same industry;
- Put into effect Sierra Leone's new law on access to information and publicize all mining contracts;
- Clarify the role of paramount chiefs in questions of land administration and ensure that the pending land law is transparent and equitable; and
- Provide immediate relief to the people who have been forcibly relocated by large-scale land investments, and put in place long-term measures to remedy negative human rights impacts of relocation, particularly concerning access to food, water, and livelihoods.
- The government should ensure that state land is allocated transparently and in accordance with the rights of its occupants, and allow residents to obtain accurate information – without fear of reprisal – on the deployment of the country's resources, Human Rights Watch said.

www.reuters.com/article/us-sierra-leone-mining-landrights-idUSKBN1811FY

Reuters 6th May 2017

https://www.hrw.org/news/2014/02/.../sierra-leone-mining-boom-brings-rights-abuses

The following recommendations are made:

1. Mining companies need to be more proactive by being more open and by consulting various stakeholders in communities about environment and community development issues at various stages in the development of the mine. It is generally acknowledged that companies that do practice the principles of corporate social responsibility are better able to respond to the social and environmental concerns of communities and enjoy a healthier (more harmonious) relationship with their host community.

2. It is necessary for stakeholders in the community to have a comprehensive understanding of the economic, social and environmental consequences of development of a mine. Assistance should be given to communities to enhance their capacity for understanding these issues properly; and the SLEITI should invest more effort and resources in this area. Building up the institutional capacity of Ministries dealing with such issues and strengthening of civil society organizations will be of immense help.

3. Government should ensure that policies in the areas of the environment and sustainable development are fair especially to the host communities and should be in a position to ensure rigorous compliance of all stakeholders to regulations emanating from such policies.

4. There is need for the Ministry of Mines and Mineral Resources to be better placed to provide technical information and services to miners. Serious consideration should be given to the issue of new licenses especially for virgin areas. The areas classed by the Mineral Resources Ministry as Alluvial Diamond Mining areas cover over 80 chiefdoms in eleven of the twelve districts of Sierra Leone. This may be a recipe for the wanton environmental destruction of these areas, considering the problems of lack of adequate information and difficulties in monitoring of mining operations.

5. There are often various competing uses of land. Other land use options should be carefully perused to ensure that small scale and artisanal mining with all their attendant problems are justified. The relevant government departments should be in a position to make such judgments objectively.

6. The need to utilize mining prudently for national development cannot be overstated. An effort should be made at economic diversification so that other sectors are developed to augment the income from the mining sector and provide a revenue base when the mining sector runs out of steam. The linkages between mining and other sectors should be explored as well as the issue of value addition to Sierra Leone's minerals.

4.6 Press Coverage on SLEITI and the EITI Programme in Sierra Leone

SLEITI actually does a fairly good job of ensuring that its various activities are covered by the print media.

A perusal of the local press (online platforms websites and webpages, printed newspapers, radio and television) reveals that there is regular coverage of SLEITI programmes and media campaigns which seek to inform the public and various extractive stakeholders about the activities and objectives of the EITI effort in Sierra Leone. The national broadcaster the Sierra Leone Broadcasting Corporation (SLBC) which has radio, television and social media platforms reports on activities of SLEITI and MDAs relevant to EITI and also carries jingles, and skits which have been developed to convey relevant messaging aimed at relevant stakeholders. Local newspapers such as Awoko, Awareness Times and Standard Times have also over the years since the inception of the EITI process in the country, carried reports, on SLEITI activities. Most of this coverage seems restricted to ad hoc workshops, media releases and sensitization drives by the SLEITI, MSG and related MDAs.

The following are examples of various newspaper reports of its activities over the past few years:

- SLEITI held an MSG orientation and refreshers workshop on the EITI process in Sierra Leone at the Palace Multi-Purpose Complex Wellington Street in Freetown that attracted key stakeholders from Civil Society, government and mining companies. The Minister of State, Office of the Vice President Francess Alghali was in attendance. (SLEITI orientates MSG members. Awoko, 10th August, 2021).

- The Chairperson of SLEITI in a stakeholders' meeting on implementing the EITI in Sierra Leone at the SLEITI Office on 9th July, 2020, reaffirmed the role of civil society, stating that "Not everybody will be on the MSG, but the role of those CSOs on the MSG as well as other members of the MSG to enable CSOs participation in the EITI through engagements, dissemination of information to the broader civil society on the EITI is very important". (There is need for civil society engagement to implement SLEITI in SL-Minister of State. Awoko,11th July,2020).

- The office of the Vice President Republic of Sierra Leone organized a two day multi stakeholder's group retreat with the theme: Strengthening Extractives Industries, Transparency initiatives processes in Sierra Leone in Kenema. The

- retreat among other things, developed and adopted a work program that charted out activities and related implementation schedule for 2020 and beyond. (EITI retreat ends in Kenema. Awoko, 25th March,2020).

- During a meeting conducted by the SLEITI for the dissemination of the 2015 and 2016 report held at the Buxton Memorial Hall on Thursday, 16 May 2019, the Minister of State who also doubles as Chair of the SLEITI multi stakeholders group, Francess Alghali, urged ministries, departments and agencies to produce extractive revenues on time. This will allow for the production of the 2018/19 report and to allow for proper management of the sector. (SLEITI urges MDAs to produce extractive revenues on time. Awoko, May 20, 2019)

A positive aspect of these various meetings is the perennial involvement of the SLEITI champion, the Minister of State in the Vice President's office.

However, comments from a few of the stakeholders in the mining communities during the KIIs and FGDs indicate that some of them had either never heard about EITI or, even if they had, did not quite understood what this was all about. Also, there is a need for disseminating information in a manner that can be more easily assimilated by various stakeholders. SLETI itself needs to fully understand some issues which are still marred with confusion e.g. handling of subnational payments. There is also the added problem of having a budget sufficient enough for nationwide sensitisation.

SLEITI would also need to handle the matter of who does the sensitisation, how it can be done and funding sources.

4.7 Environmental Reclamation and Rehabilitation Legacies

The current laws and policies governing the Extractive Sector make provision for environmental protection and management of impacts including rehabilitation of lands and habitats which may be disturbed during the operations of extractive sector actors. There have been various issues with regard to the compliance with the law especially in the mining sector but both the NMA and EPA are continuously working with the industry players to improve compliance and enhance the relevant policies, laws and regulations with a view to removing ambiguity and jurisdictional uncertainty.

4.7 Recommendations

The following are key recommendations emerging from this study based on the KIIs and FGDs:

- In making key decisions around the mining industry, there needs to be a framework for tripartite consultations, negotiations, and mediation among the main parties affected by natural resources operation—communities, local and national governments, and mining companies.

- There is a need to strengthen transparency and expand the system and scale up the effort around communication and dissemination of information relating to the extractives sector down to the community level.

- There is equally a major failing of companies in the ability to convey highly technical information to a large audience in an unintimidating manner. Companies should therefore invest more time and resources in this area, including in enhancing the capacity communities to understanding the important issues. Consideration should also be given to simplifying ESHIA Reports,

Environmental & Social management Plans and dissemination of reports and documents in the local languages of the people.

- It is necessary that disclosures on social expenditure be relayed to stakeholders who should also be apprised of the impact of mining on the local and national economy. Successful revenue distribution relies on public administrative systems that are effective and minimise the risks of misappropriation.

- There is a need to set up in every mining community a system/mechanism for dispute/conflict mitigation and resolution. SLEITI should invest more in regularly gauging/assessing the nature and dynamics of relationships between corporate mining companies and their host communities and leveraging on the promotion of peaceful relationships and prevention of conflict.

- SLEITI should leverage more in discussions around review of policies such as the review of the MMA 2009 (which was ongoing while this was being conducted). The idea is to make sure that the voices of all the stakeholders, or their representatives, including mining companies, civil society and mining communities, are heard and all parties remain fully engaged and kept abreast of any decisions taken.

- Study participants have called for Government to ensure that the management of CDF is driven by and based on a community needs assessment, and a participatory planning process to ensure that the funds are utilised in the felt needs of mining communities. Equally, there is a call for GoSL to work with local government and key stakeholders to ensure that measures are devised to enhance transparency and accountability in the operations of CDC and the management of CDF.

- A major failing of companies is the inability to convey highly technical information to a large audience in an unintimidating manner. Assistance should therefore be given to communities to enhance their capacity for understanding these issues properly. Dispute resolution is often a problem and local communities are usually at a disadvantage in disputes

- Mining companies must do more to build and consolidate healthy relationships with host communities through proactive measures such including:

    - Mitigating, minimizing or addressing adverse environmental health effects of their operations
    - Being accessible, engaging, honest and transparent about their CSR capabilities and commitments making sure that they manage the expectations of community members and deliver on promises

- Willingness to listen to concerns from community members and manage or pre-empt conflict

- SLEITI to re-examine and/or redesign their media and educational campaigns to ensure that perceived gaps in knowledge and understanding of the EITI process and how it impacts mining communities and the citizens in general is better disseminated and understood. On another note, it has been suggested in conversation with CSOs that there should be a more intensive drive by SLEITI to encourage students engaged in various fields of undergraduate and post-graduate study to participate in surveys and research projects which are related to EITI, subnational transfers of mining payments to communities, impacts on livelihoods, etc. with a view to increasing general knowledge and access to information and data about the extractive sector.
  All this would involve funding of SLEITI programmes and more effort would have to be made to generate funds from International NGOs and other partners to help implement relevant programmes.

- On the question of legacy issues for lands which may have been exploited several years ago at a time when the current laws, regulations and prescriptions were either absent or ignored, a more comprehensive approach to the investigations and potential solutions is recommended. This could be more apparent for previously worked areas in the Marampa (ex Delco) concessions, SLST/NDMC concessions in the Kono District plus various smaller scale alluvial workings, Gbangbama, Banta and Imperri Chiefdoms mined out areas of Sherbro Minerals and previous Sierra Rutile managements, Mokanji and Gbonje Hills mined out areas of Sieromco/Alusuisse, etc.

  In all of these highlighted areas of the country, there are large swathes of previously worked/mined out land which needs some rehabilitation and reclamation to either restore them as close as possible to baseline or creation of alternative use opportunities. While in some of these cases, there may be room for negotiation to get the current operators/rights holders or license holders to carry out remedial work, there is quite a significant footprint which is now largely abandoned and previous license owners have abandoned their licenses or had them terminated by government. In such cases, it may be difficult to ask new operators to assume the liabilities created by previous owners even if they are related depending on the legal interpretation of previous and current agreements. It is therefore recommended that a more focused and informed effort be launched to thoroughly assess and analyze the different situations with a view to coming up with a path forward that would address the issues involved in rehabilitation and reclamation resulting in a win-win situation for the communities, landowners, government and the current and future license owners.

- Stakeholder Training and Sensitisation - SLEITI should set up a more comprehensive programme to address gaps in Stakeholder knowledge and confidence about surface rules and regulations, payment rates and distribution methods and how to utilise the monies received from mining companies in a more

sustainable and beneficial manner. Formal training programmes for communities affected by large and small-scale mining activities should be organized and implemented in a more systematic manner with support from donor agencies, consultants and other agencies equipped to carry this out.

- Mineral Royalty Payments - Allocation to Communities - The current mining law under review is proposing for 20% of mineral royalties to be given back to the mining communities. In as much as it is a good idea to increase mineral benefits to the host communities, this is going to add to the existing community accountability and EITI reporting challenge. The bill proposes that this fund should be handled by MDAs but does not quite seem to spell out how. The bill has not yet become law and some aspects might change during parliamentary deliberations. SLEITI should however be on the look out for this as it would introduce a totally new dimension to subnational payments.

5.0 CONCLUSIONS

The extractive industry, particularly the mining sector, remains vitally important to national development in Sierra Leone. It is a primary source of foreign exchange earnings, a major contributor the country's GDP, and an important source of employment and an industry which could be critical in the country's quest for sustainable development. There is clear evidence that the GoSL considers this sector to be important and successive governments have made commendable efforts to bring about institutional and legislative reform in the sector. This sustained effort is based on the realisation that there is yet a long way to go before Sierra Leone can begin to realise optimum economic and developmental benefits from the extractive industry and that challenges remain around a fair distribution of the wealth which accrues from the mining industry – to the benefit of the citizenry especially local populations affected by mining activities. In addition to policy formulation, enactment of laws and review and updating of policies and laws relevant to the extractive industry, to make sure they are fit for purpose, reflect, modern trends and international standards, GoSL has also fully embraced the EITI initiative (global standard for promoting transparency and accountability in the mining sector).

Evidence of the degree of seriousness which the current Government attaches to the EITI lies in the decision to position the MSG in the Office of the Vice President and make his Minister of State its Chair. Further, this study has established that Sierra Leone has officially been "making meaningful progress" with respect to the EITI standards. However, "14 corrective actions" need to be addressed in time for the next EITI validation and among the challenges facing the MSG is limited funding from central government and over-reliance on donor support. The SLEITI/MSG has been pivotal in ongoing effort to reform the mining sector in Sierra Leone by collaborating with the MMMR, NMA, MoF and other MDAs, mining companies and civil society to promote transparency and accountability in the sector. SLEITI/MSG has, in particular, been supporting and complementing national efforts around enhancing the extractives industry's value chain - publishing and sharing of relevant information and records relating to the extractive sector, including national and sub-national payments made by corporate mining companies. There is also a collective drive to enhance the benefits from the extractive industry not only for the national economy but also for the host communities. The study has found gaps in existing laws and policies with a keen desire, backed by effort, on the part of Government to address the gaps.

The findings from this study have revealed that while subnational payments (in the form of surface rent, CDA, DACDF, crop compensation and other fees) are being made by large-scale, small-scale mining companies to host communities and land-owning families, the positive social impacts of these payments are limited. There are particular concerns regarding the role of the various CDCs in ensuring transparency

and accountability in the management of CDA/CDF. On the other hand, there are serious concerns about the adverse environmental health effects of mining on host communities, challenging relationships between corporate mining companies and host communities and lofty expectations of host community members of mining companies which many companies find difficult to manage, not least meet. Crucially, there is often tension brewing underneath the difficult relationships, which if not managed well could escalate into serious conflict. The study has found that despite the effort of SLEITI to disseminate vital information, citizens of mining communities have limited knowledge about relevant laws and provisions relating to the mining industry. The knowledge of community members seems to be limited to the fees and payments which are made directly to individuals; and the majority of study participants are unaware about the role of SLEITI.

Among other things the study calls for collective effort led by MMMR and SELITI/MSG to address the issues raised with a focus on: wider consultation/engagement with community members; investing more in information dissemination and awareness raising; greater oversight of the CDA/CDG and DACDF to ensure greater transparency and accountability; enforcement of regulations around the mitigation of adverse environmental health effects from mining operations.

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APPENDICES

APPENDIX 1

PEOPLE MET, MEETINGS

Institution	Contact	Meeting Date and Time	Meeting Type	Meeting Participants
National Revenue Authority (NRA)	**Abu B. Tarawalie** Head, EIR Unit abtarawalie@nra.gov.sl 232-76-371645	Thursday April 22 @3pm.	Face to Face	**EIRU:** Abu B. Tarawalli, Festus Thompson- Audit Mgr, M. Jalloh - Compliance, **CEMMATS:** Desmond Alie, Desmond G-Williams, **More-SL:** Mohamed Mansaray, Haji Sowa, Nadia Kamara, Sheku Saccoh
Ministry of Finance (MoF)	**Mohamed Amara Salisu** Deputy Director, Revenue & Tax mohamedamarasalisu@yahoo.com 076-784057 / 077-269608	April 21. 10am	Face to Face	**MoF:** Mohammed Salisu, Peter Bangura, **Moore-SL:** DO Carew, Mohamed Mansaray, Haji Sowa, **CEMMATS:** Desmond Alie, Desmond G-Williams, **CMDA-SL:** Nadia Kamara, Sheku Saccoh
Petroleum Directorate	**Amadu Mansaray** Senior Administrative Manager amadu.mansaray@pd.gov.sl 076-604026 / 077-738427	April 23 @ 10 am Zoom Call.	Online Zoom call	**PD:** Foday Mansaray, DG and Amadu Mansaray Deputy D-G, **Moore-SL:** Mohamed Mansaray, Haji Sowa, **CEMMATS:** Desmond Alie, Desmond G-Williams, **CMDA-SL:** Fred Conteh
Environmental Protection Agency (EPA)	**Ramatu B. Massaquoi** - Deputy Director - Natural Resources Management - rambmass@yahoo.com / ramatu.massaquoi@epa.gov.sl +232-76-710381	April 23 @ 2pm	Face to Face	**EPA:** Ramatu Massaquoi - Deputy Director, Joe Saponka Turay - Asst. Director, Tamba Samba - Asst. Director, Aiah Wurie- Asst. Director, **CEMMATS:** Desmond G-Williams, **Moore-SL:** Mohamed Mansaray, Haji Sowa, **CMDA:** Nadia Kamara, Sheku Saccoh
Ministry of Mines and Mineral Resources	**Daniel Gbondo Esq.** Minerals Policy Advisor dgbondo@gmail.com +232 76 536367	May 4, 2021 @ 10am	Face to Face	**MMMR:** D. Gbonda, **CEMMATS:** Desmond Alie, Desmond G-Williams, **More-SL:** Mohamed Mansaray, Haji Sowa, Nadia Kamara, Sheku Saccoh
National Minerals Agency	**Julius Mattai** Director General jmattai@nma.gov.sl	April 28 @ 4pm	Face to Face	**NMA:** Yusuf Dauda Suma Large Scale Compliance Manager Mohamed Bah Compliance Manager Prince Cuffey Geological Surveys **Moore-SL**: Mohamed Mansaray, Haji Sowa, **CEMMATS**: Desmond Alie, Desmond G-Williams, **CMDA-SL:**
Natural Resource Governance and Economic Justice Network (NaRGEJ)	**Abu Brima** abu.brima@nmjdsl.org 076-645314	Wednesday April 21 @ 1pm, 22 Collegiate School Road	**Face to Face**	**NMJD**: Berns Komba Lebbie, Emmanuel Bundu, Edran ??, **CEMMATS:** Desmond Gordon-Williams, Desmond Allie, **CMDA-SL**: Bartholomew Bockarie, **Moore-SL:** Mohammed Mansaray,

				Haji Sowa
Department of Geology, FBC, former MSG member	**Dr. Mustapha Thomas** olajiday@yahoo.com 076619988 Past MSG member (Civil Society)	April 20 @ 10am	**Face to Face**	Dr. Mustapha Thomas **CEMMATS**: Desmond Gordon-Williams, Desmond Allie, **CMDA-SL:** Bartholomew Bockarie **Moore-SL:** Mohammed Mansaray, Haji Sowa
Green Scenery 412 Charles St. near Buxton Church	**Joe Rahall** **josephrahall@gmail.com** 076601979 Past MSG member (Civil society**)**	April 21 @ 3pm.	**Face to Face**	**Green Scenery**: Joseph Rahall, **CEMMATS**: Desmond Gordon-Williams, Desmond Allie, **CMDA-SL:** Bartholomew Bockarie, **Moore-SL:** Mohammed Mansaray, Haji Sowa
National Minerals Agency	**Yusuf D Suma** Large Scale Mining and Compliance Manager	June 18 @ 11pm	Face to face	Desmond Alie, Yusuf D Suma
National Minerals Agency	**Julius Mattai** Director General jmattai@nma.gov.sl	August 9 @ 10am	Face to Face	**NMA:** Peter K. Bangura, Director of Mines, Yusuf Dauda Suma Large Scale Compliance Manager Mohamed Bah Compliance Manager Norman **CEMMATS**: Desmond Alie, Desmond G-Williams
Vimetco	**Abdul Bangura** Chief Finance Officer		Online Zoom call	**Vimetco:** Abdul Bangura, CFO **CEMMATS**: Desmond Alie, Desmond G-Williams, **CMDA-SL:** Fred Conteh **Moore-SL:** Mohammed Mansaray
Meya Mining	**Ibrahim Sorie Kamara** Director of Meya Mining MSG Member (Mining company)		Online Zoom call	**Meya:** Ibrahim Kamara, Sangetha Bala **CEMMATS**: Desmond Alie, Desmond G-Williams, **CMDA-SL:** Fred Conteh **Moore-SL:** Mohammed Mansaray
BSL	**Crispin Denison-George** Assistant Director, Currency Management.	**July 26 @ 10 am**	Online Zoom call	**BSL:** C. Dennison-George, Morlai Bangura, H. Jarrett, A.B. Collier **CEMMATS:** Desmond Alie, Desmond G-Williams, A.K. Keili **CMDA-SL:** Fred Conteh
SLEITI	**Mohamed Baimba Koroma** National Coordinator, Sierra Leone Extractive Industries Transparency Initiative	**July 12 @ 10 am**	Online Zoom call	**SLEITI:** Baimba Koroma, Mohamed Fernando Conteh, Annie Koroma **CEMMATS:** Desmond Alie, Desmond G-Williams, A.K. Keili **More-SL:** M. Mansaray, **CMDA-SL:** Fred Conteh
Parliament	**Hon. Emerson Lamina** Member of Sierra Leone Parliament	**June 28 @ 4 pm**	Face to Face	**Parliament:** Hon. Emerson Lamina **CEMMATS:** Desmond Alie, Desmond G-Williams, **CMDA-SL:** Bartholomew Bockarie

APPENDIX 2

QUESTIONNAIRES INFORMATION SHEET,

TOPIC GUIDES

Participant's Information sheet

PARTICIPANT INFORMATION SHEET

The Ministry of Mines and Mineral Resources/SLEITI have contracted CEMMATS and CMDA to conduct an assessment of the impact of the Extractive Industry Transparency Initiative (EITI) and the socio-economic benefits of revenues from the extractive industry, for mining communities.
You are being invited to take part in this study. It is important that you understand the purpose of this research and what is involved before you decide whether to take part. So, please take time to read the following information carefully and ask us if there is anything that is not clear or if you would like some more information.

What is the purpose of the study?

The purpose of this study is to investigate the impact of the implementation of EITI in Sierra Leone, especially on mining communities. Through semi-structured key informant interviews we wish to understand the role of EITI and the socio-economic benefits of subnational extractive revenues on mining communities in particular.

Why have you been chosen?

The research team has identified you as a stakeholder with an important perspective and/or experience in the extractive industry sector. This is for the following reasons:

You work in an organisation with a stake or interest in the extractive industry/mining sector in Sierra Leone; You have expert knowledge and/or experience in this subject/field; or You are a decision-maker/opinion leader in a community in which there are ongoing extractive industry/mining activities.

Do you have to take part?

It is up to you to decide whether to take part. If you decide to take part, we will discuss this information with you again, and ask you to sign a consent form to show you have agreed to take part. If you agree to take part but then decide that you do not want to, you can withdraw at any time but we will still use your data provided up to that point. If you wish to withdraw during or after the interview has taken place, we will still use your data collected up to that point.

What will happen if I take part?

We would like you to take part as an interviewee. This will involve a one-to-one meeting, or virtually (via telephone, or Zoom depending on your preference) in which a member of the research team will ask you questions about your perspectives on this topic. The interview will last for about 60 to 70 minutes and will take place at a time and place that is convenient for you. The interviews will be 'semi-structured' and you will therefore be able to raise any issues of importance to you, as well as addressing pre-set interview questions. With your permission, the researcher will audio-record the interview. The information will be stored anonymously and used purely for research purposes. The research team will be happy to share with you the draft findings from the study for your comment and feedback.

What are the possible benefits and risks of taking part?

While there are no immediate benefits for study participants, we hope to generate valuable information from this study that may inform decisions and policies on the extractive industry and the work of SLEITI, especially as they relate to the benefits citizens and communities derive from the sector.

Will my taking part in this study be kept confidential?

Each participant in the research will be assigned a unique ID number and their responses will be referred to by this number. In other words, the data will be anonymised. We shall treat details of all individual participants with the utmost confidentiality and these will be will be known only to the research team.

What will happen to the results of the research study?

The research will be written up as a final report for the MMMR and SLEITI and the funder.

What if something goes wrong?

This type of research is not considered to be harmful. However, if you have any concerns or complaints from taking part in this study you can contact the Team Lead Mr Desmond Gordon-Williams on 077706000 or desgordonw@gmail.com

What happens next?

If you would like to take part in the study or have any questions about the research, please contact Mr Desmond Gordon-Williams

Interview Consent form

Title of Project:

Assessment of the Impact of EITI and Socioeconomic Benefits from Sub-national Extractive Revenues from Mining Companies

Name of Lead Researcher: Desmond Gordon-Williams
Name of Researcher conducting interviews:

	Please initial box
1. I confirm that I have read and understand the information sheet for the above study. I have had the opportunity to consider the information, ask questions and have had satisfactory response.	☐
2. I understand that I am consenting to participate in an interview.	☐
3. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my professional or legal rights being affected.	☐
4. I understand that should I withdraw from the study any data already collected will be used.	☐
	☐

5. I give permission to be audio recorded for the purpose of this research.

6. I understand that all identifying information will be removed from my responses, making them anonymous before analysis. I give permission for members of the research team at CEMMTS and CMDA to have access to my anonymised responses. ☐

7. I understand that quotations of what I say may be used in the research report or other publications, after they have been anonymised. ☐

8. I agree to my anonymised data being used in related research in the future. ☐

9. I agree to take part in the above research project. ☐

_____	_____	_____
Name of interviewee	Date	Signature
_____	_____	_____
Name of Researcher	Date	Signature

For further information about the research, please contact Desmond Gordon-Williams
Email desgordonw@gmail.com or Tel: 077706000

KII Topic guides

Topic Guide for MDA/NGO

For all MDA/NGO informants

Introduction and opening courtesies. Researchers introduce themselves and the study – refer to the Participant's Information sheet.

Participant's Profile

Please tell me briefly about yourself: your organization, and role and responsibilities.

How does your role bear on the extractive industry (or mining sector) in Sierra Leone?

Legal framework and laws governing the mining sector

What are the main legal instruments in place for the mining sector in Sierra Leone that you're aware of?

From your perspective, how adequate are the policies and laws meant to regulate mining companies and activities and promote the interest and protection of communities and citizens?

> *Probe: What are your views about laws relating to surface rents and other fees from mining companies and activities?*
>
> *Probe (if necessary): Can you point out any gaps in these laws? If so what are the gaps in policies and laws relating to the extractive industry?*
>
> *Probe: How much has been done or could be done to address these gaps?*

Impact of large-scale mining on communities

From what you know how has large-scale mining affected the livelihood and living conditions of citizens (especially in mining communities)?

How has large-scale mining affected businesses in mining communities?

How has large-scale mining affected health, generally, in mining communities?

In your view, what more could be done to optimize the socioeconomic and health impact of largescale mining on communities in Sierra Leone?

What more could be done to mitigate adverse environmental and health effects of mining in Sierra Leone?

Utilisation and impact of fees/rent from mining

How adequate are the system and processes concerning the payment of funds from mining companies/activities, which mining chiefdoms and communities are entitled to, for example Diamond Area Community Development Fund (DACDF)?

> *Probe: Which ministries or agencies are responsible for channelling these funds to chiefdoms and communities?*

How adequate is the system, if one exists, to make sure that the local population fully benefit from funds allocated from mining levies?

What is the level of transparency around the management of these funds?

From what you know, how informed are citizens in mining communities about these funds?

From your perspective, how well are the funds actually being utilised to the benefit of communities?

Probe: how much difference have the use of these funds made so far to the lives of citizens in mining communities?

Probe: In your view, could these funds be making a bigger difference?

Influence of the EITI on governance and reform of the mining sector

Can you explain how the EITI has helped to shape governance and reforms of the mining industry and its value chain?

How have the reforms in turn influenced the governance system of the mining industry?

How have the reforms influenced the information system in promoting citizens' understanding of the mining industry sector?

SLEITI's stakeholder engagement and communication system/channels

How much has the SLEITI/MSG done over the past year to engage the mining industry or their representatives? What is the mechanism or mode of engagement?

How effective is the engagement of mining companies in EITI processes and decision-making?

Have civil society organisation (CSOs) been fully represented in the SLEITI or MSG?

Have CSOs been actively participating in the EITI processes and decision-making?

Probe: can you please illustrate?

From your perspective how robust, or effective, are the existing communication channels and messages, which the SLEITI uses to reach its stakeholders?

Probe: can you please elaborate?

Do you think the SLEITI could do better in terms of its communication channels and messages? How?

Additional MSG-focused questions [Only for informants connected with the SLEITI/MSG]

MSG governance

Can you describe the SLEITI MSG governance system?

How much is the system in line with the EITI international standards?

What major challenges or gaps have emerged since the inception of the SLETI?

How have these been addressed or mitigated, if at all?

SLEITI work plan and modus operandi

Has the SLEITI developed a comprehensive work plan? When? What are the main objectives of the work plan?

How much of the work plan objectives and activities were achieved in recent period (2019-2020)?

How adequate is the documentation on export licence?

How adequate is the documentation on agent fees?

How thorough is the documentation on surface rents?

Probe: How well is the document publicized?

Probe: How accessible is to members of the public?

For all MDA/NGO informants

Recommendations

What recommendations do you have on everything you have shared with me, with a focus on the role of SLEITI or MSG and the impact of the extractive industry on mining communities?

Is there anything else you would like to say?

THANK YOU VERY MUCH FOR YOUR HELP

Additional MSG-focused questions [Only for informants connected with the SLEITI/MSG]

MSG governance

Can you describe the SLEITI MSG governance system?

How much is the system in line with the EITI international standards?

What major challenges or gaps have emerged since the inception of the SLETI?

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For all MDA/NGO informants

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Is there anything else you would like to say?

THANK YOU VERY MUCH FOR YOUR HELP

Interview Consent form

Title of Project:

Assessment of the Impact of EITI and Socioeconomic Benefits from Sub-national Extractive Revenues from Mining Companies

Name of Lead Researcher: Desmond Gordon-Williams
Name of Researcher conducting interviews:

Please initial box

1. I confirm that I have read and understand the information sheet for the above study. I have had the opportunity to consider the information, ask questions and have had satisfactory response. ☐
2. I understand that I am consenting to participate in an interview. ☐
3. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason, without my professional or legal rights being affected. ☐
4. I understand that should I withdraw from the study any data already collected will be used. ☐
5. I give permission to be audio recorded for the purpose of this research. ☐
6. I understand that all identifying information will be removed from my responses, making them anonymous before analysis. I give permission for members of the research team at CEMMTS and CMDA to have access to my anonymised responses. ☐
7. I understand that quotations of what I say may be used in the research report or other publications, after they have been anonymised. ☐
8. I agree to my anonymised data being used in related research in the future. ☐
9. I agree to take part in the above research project. ☐

_____ _____ _____

Name of interviewee Date Signature

_____ _____ _____

Name of Researcher Date
Signature

For further information about the research, please contact Desmond Gordon-Williams

Email desgordonw@gmail.com or tel: 077706000

Topic Guide for Mining Companies

Introduction and opening courtesies. Researchers introduce themselves and the study – refer to the Participant's Information sheet.

Participant's Profile

Please tell me briefly about yourself: your organization and role and responsibilities.

Legal framework and laws governing the mining sector

From what you know, what are the main legal instruments in place for the mining sector in Sierra Leone?

How adequate are the policies and laws from the point of view of a mining company like yours?

How adequate are the policies and laws from the point of view of the interest and protection of communities and citizens from the operations of mining companies?

Probe: What are your views about laws relating to surface rents and other fees and rates from mining companies and activities?

Do you think the policies and laws relating to the extractive industry generally have gaps? What are the gaps?

If you say there are gaps how much do you think has been done, or could done, to address them?

Impact of large-scale mining on communities

How has the operations of your company affected the livelihood and living conditions of the local populations in the places that you operate?

How has your operations affected businesses in the communities that you operate?

How has the operations of your company affected the health the population in the communities that you operate?

Could you company be doing more to optimize the socioeconomic and health impact of your mining activities on the communities?

Could your company be doing more to mitigate adverse environmental and health effects of mining in those communities?

Utilisation and impact of fees/rent from mining

How adequate are the system and processes concerning the payment of fees and levies, such as surface rent, to the communities in which you operate?

Does your company have a record of such these payment that it has completed over the past year or two?

Does your company have anything to do regarding how (or whether) these funds are transmitted to the beneficiary communities?

From what you know, how informed are citizens in mining communities about these funds?

From your perspective, how well are the funds actually being utilised to the benefit of communities?

Probe: how much differences have the use of these funds made so far to the lives of citizens in mining communities?

Probe: In your view, could they be making a bigger difference?

Influence of the EITI on governance and reform of the mining sector

Can you explain how the EITI has helped to shape governance and reforms of the mining industry and its value chain?

How have the reforms in turn influenced the governance system of the mining industry?

How have the reforms influenced the information system in promoting citizens' understanding of the mining industry/sector?

SLEITI's stakeholder engagement and communication system/channels

Does your company have a representative at the SLEITI/MSG?

Would you describe the effort of the MSG so far to engage the mining industry, or reps of mining companies, including yours?

Probe: could you describe the mechanism that they use to engage with your industry?

Could you say how effective is the engagement of mining companies in EITI processes and decision-making?

In your view, how adequate is the documentation on export licence?

In your view, how adequate is the documentation on agent fees?

How thorough is the documentation on surface rents?

Probe: How well is the document publicized?

Probe: How accessible is the document to members of the public? How well informed is the public about the contents?

Recommendations

What recommendations do you have on everything you have shared with me, with a focus on the role of SLEITI or MSG and the impact of the extractive industry on mining communities?

Is there anything else you would like to say?

THANK YOU VERY MUCH FOR YOUR HELP

Topic Guide for local authorities

Introduction and opening courtesies. Researchers introduce themselves and the study – refer to the Participant's Information sheet.

Participant's Profile

Please tell me briefly about your title/designation and your institution.

How does your role have any bearing on the mining sector? Please explain how.

Legal framework and laws governing the mining sector

Do you know about any laws or policies relating to the mining sector or industry in Sierra Leone? Can you name or describe them?

Do you consider these laws sufficient in regulating the activities of mining companies and addressing the interest and protection of communities and citizens from the mining sector?

> *Probe [If 'No']: Why not?*
>
> *Probe: What are your views about laws relating to surface rents and other fees and rates from mining companies and activities?*
>
> *Probe: If you think there are gaps in the laws how much has been done to address the gaps? Could more be done in this regard?*

Do you know of other laws around company obligations relating to community development? Can you name or describe them?

To what extent does your Chiefdom/Local Development Plan reflect revenues coming out of the extractive industry and how?

Impact of large-scale mining on communities

From what you know how has large-scale mining affected the livelihood and living conditions of your community and your people?

How has a large-scale mining affected business in your community?

How has large-scale mining affected the health your people?

In your view could more be done for better livelihood and health conditions of people in your community as a result of large scale mining?

> *Probe: please explain*

Could more be done to reduce the adverse environmental and health effects of mining in your community?

> *Probe: please explain who should be doing what in that regard.*

Benefits and fees/rent from mining and the impact on communities

Do you know of any benefits or fees from mining companies or activities, which go to mining communities? Can you name or describe them?

Can you explain how these fees are determined (or set)? Who and who are involved in the decision-making?

How much knowledge or experience do you have about the following in terms of their link with mining companies or activities?

a) Community Development Fund [*Probe: please describe]*
b) Surface rent [*Probe: please describe]*
c) Community Development Fund [*Probe: please describe]*
d) Diamond Area Community Development Fund [*Probe: please describe]*
e) Crop compensation [*Probe: please describe]*
f) Any other type of fund for the community you're aware of that has to do with mining?

Could you describe the methods of assessment through which these fees are determined? How much are community members engaged or consulted in the assessment?

Could you describe the methods of payments used for the various funds?

Do you have knowledge about the formula used to distribute or allocate these funds? Can you explain?

How adequate are the system and processes of payment especially from large-scale mining companies?

> *Probe: Do you know which ministry, or ministries, are responsible for channelling these funds to chiefdoms and communities?*

Are you aware of the frequency of payment during the year? Can you explain?

How adequate is the system, if one exists, to make sure that the local population fully benefit from funds allocated from mining levies?

> *Probe: are you part of this system?*

What is the level of transparency around the management of these funds?

Can state, roughly, how much your community received during last calendar year, under any of the types of fees we have discussed, as coming from large-scale mining activity?

From what you know, how informed are people in your community about these funds?

How much are the people in your community actually benefiting from these funds?

> *Probe: how much differences have the use of these funds made so far to the lives of people in your community?*
>
> *Probe: In your view, could the funds be making a bigger difference?*

Knowledge about SLEITI and its role

DO you know about the SLEITI?

Probe [If Yes]: Can you explain or describe who make up the SLEITI and what they do?

How much are you aware about information coming from the SLEITI?

How much are ordinary citizens in your community aware about SLEITI

Through which channels do you receive information from (or regarding) SLEITI)

What kinds of information or communication, if any, have you accessed regarding the SLEITI?

Do you think the SLETI or the people behind it could be doing more to community with stakeholders like yourself?

Probe: please elaborate.

Relationship between large-scale mining companies and mining communities

Can you please describe the nature of relationship between the large-scale mining companies and the community people?

Probe: How cordial or healthy is the relationship?

How often does the senior management of the large-scale companies engage with community members around social and other issues of concern?

Recommendations

What recommendations do you have regarding how mining could better benefit the mining communities and citizens in these communities?

Is there anything else you would like to say?

THANK YOU VERY MUCH FOR YOUR HELP

FGD Topic guides

Topic Guide for FGD Participants

Introduction and opening courtesies. Researchers introduce themselves and the study – Read Participant's Information sheet to FGD participants.

Participant's Profile

Researchers to note down the following:

- Name of study Community/village, Chiefdom and District
- Date of FGD
- Name and gender of each participant
- Position/title (if any) held in the community
- Main means of livelihood (occupation) of each participant

Researchers discuss and agree with participants on ground rules (which everyone should adhere to during the discussion).

Researchers assign codes to all participants according to their sitting position (P1, P2, P3, P4 and so on)

Legal framework and laws governing the mining sector

With a show of hand, how many of you know about any laws relating to the mining sector/industry in Sierra Leone? **[Facilitator's assistant to note down the no of hands]**

Facilitator asks, starting with those who indicated knowledge (one after the other)

Can you name or describe at least one of the laws?

Do you consider these laws sufficient in regulating the activities of mining companies?

Do you consider these laws sufficient in seeking the interest and protection of communities and citizens from the mining sector?

Probe [If 'No']: Why not?

Probe: What are your views about laws relating to surface rents and other fees and rates from mining companies and activities? Are there gaps in them?

Probe: If you think there are gaps in the laws how much has been done to address the gaps? Could more be done in this regard?

Benefits and fees/rent from mining and the impact on communities

How has large-scale mining affected your livelihood and living conditions?

How has a large-scale mining affected business in your community?

How has large-scale mining affected everyone's health in your community?

How has small-scale and artisanal mining affected your livelihood and living conditions?

How has a small-scale and artisanal mining affected business in your community?

With a show of hand, who can tell us about any benefits or fees from mining companies/ activities, coming to your communities?

Facilitator asks those who raised their hand (one by one): Can you describe at least one type of mining fee, which you know about.

Who can explain how these fees are determined (or set)? Who and who are involved in the decision-making?

With a show of hand, how many of you have knowledge or experience about the following, in terms of their link with mining companies or activities? [Facilitator to discuss each type of fund separately: probe and ask anyone who raised their hand to please explain/describe]:

g) Community Development Fund
h) Surface rent
i) Community Development Fund
j) Diamond Area Community Development Fund
k) Crop compensation
l) Any other type of fund for the community you're aware of that has to do with mining?

Could anyone here describe the methods of payments used for the various funds?

Could anyone here describe the formula used to distribute or allocate these funds?

With a show of hand, how many of you directly benefit from artisanal mining?

Facilitator to probe with participants who raised their hand (one by one):

Please explain how you are directly benefiting from artisanal mining.

In your view, could large-scale mining do more to benefit the community people in terms of your livelihood and health?

Could artisanal mining do more to benefit the community people in terms of your livelihood and health?

Probe: please explain

Could more be done to reduce the adverse environmental effects of mining in your community?

Probe: please explain who should do what in that regard.

Utilisation and impact of fees/rent from mining

What can you say about the system and processes concerning the way funds from mining companies/activities, such as surface rents and other levies, are paid to your chiefdom and communities?

How satisfied or not satisfied are you with the existing system and processes?

Are community members, like yourselves, consulted? Or do you have people representing you in the decision-making who come back to report to you?

How informed are people like yourselves about these funds?

Can you describe the channels of information or communication? In other words how do y receive information about surface rents and other fees which mining companies pay to your chiefdom and community?

Do you have any views on whether or how the system and processes should improve?

Who can tell who and who are responsible for managing these funds?

How much transparency is there around the management of these funds?

How much is your entire community, including all of your households, actually benefiting from these funds?

Probe: how much differences have the use of these funds made to your lives?

Probe: In your view, what more could be done to make sure households in your community get the full benefits of these payments?

Knowledge about SLEITI and its role

With a show of hand, does anyone here know about the SLEITI?

Probe [If Yes]: Can you explain or describe who make up the SLEITI and what they do?

How much are you aware about information coming from the SLEITI?

What kinds of information or communication, if any, have you received regarding the SLEITI?

Do you think the SLETI or the people behind it could be doing more to get community members informed about the mining sector?

Probe: please elaborate.

Relationship between large-scale mining companies and mining communities

Can you please describe the nature of relationship between the large-scale mining companies and the community people?

How many think the relationship is good?

How many think the relationship is poor (or not so good)?

Can you explain or give reasons why think the relationship is good (or bad)?

How much does the senior management of the large-scale companies engage with community members? Do they regularly hold consultations with the community to discuss issues of concern to the people?

Recommendations

What recommendations do you have regarding how mining could better benefit mining communities like yours and the local population?

Does anyone have anything else to add to what we have discussed today?

THANK YOU VERY MUCH FOR YOUR HELP

APPENDIX 3

PHOTOS



Consultations at the Ministry of Mines



Consultations at the Environmental Protection Agency



Consultations at Ministry of Mines



Consultations at the EPA