SLEITI
Extractive Industries
Transparency Initiative
Sierra Leone

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OFFICE OF THE VICE PRESIDENT

Minutes of SLEITI MSG Meeting Held on Tuesday, 23rd August, 2022 at 10:00am in the Conference Room – Office of the Vice President

Purpose - To review progress in addressing corrective actions and recommendations of the Draft EITI Validation Assessment Report

ATTENDANCE:

Government:	Civil Society:	Chamber:	Secretariat
Mohamed Salisu – MOF – Chair; Ramatu B. Massaquoi – EPA SL; Sarah Kosseh- MLGRD; Yusuf Dauda Suma- NMA; Abu Tarawalie- NRA; Mohamed Jalloh- NRA;	Cecilia Mattia – NACE Iyesha Kamara – WoNES Solomon M. Sogbandi- HRDN-SL Alphonsus B. M Gbanie- HRDN-SL Dauda Massaquoi- WoME-SL	Aminata Kamara – Sierra Rutile Limited	Mohamed B. Koroma Annie Lansana Alie Brima Amadu Rogers Marian Turay

Apology – Mrs. Francess Piagie Alghali - OVP, Amadu Mansaray - PD, Easter Kandeh - WoME, Abu Brima – NMJD, Gertrude Karimu – WoNES, Prince Williams – CAC.

Agenda:

1. Prayer
2. Opening
3. Reading of minutes of meeting of 16th August, 2022
4. Matters Arising from minutes of 16th August, 2022
5. Update on addressing corrective actions
6. Update on addressing questions in the Transparency template
7. Any Other Business

8. Adjournment

1. Prayer

In the absence of the MSG Chair Mrs. Francess Piagie Alghali, Mr. Mohamed Amara Salisu was asked by the group to Chair the meeting. This was followed by a moment of individual silence prayers.

2. Opening

In his opening remark, Mr. Salisu welcomed all MSG members and thanked them for attending the meeting during a heavy torrential rainfall. He said this showed their level of commitments to the SLEITI process to ensuring that Sierra Leone increased its score from 82% to a much higher score. Mr. Salisu said the MSG Chair has led the group effectively and her absence at the meeting has coincided with the state funeral of police personnel who died in active service during the 10th August 2022 demonstration.

The Chair requested MSG members to review the agenda for any rearrangement or additions. The National Coordinator (NC) suggested three items to be added to the agenda and discussed under AOB. These were: ***a)*** *The efficiency of license and contracting systems in the oil & gas sector;* ***b)*** *Transactions related to state owned enterprises (Requirement 4.5); and* ***C)*** *Safeguarding of confidential information (Requirement 4.9).* His suggestion was unanimously adopted for the meeting. Mr. Solomon Sogbandi moved the motion for the adoption of the amended agenda; seconded by Mr. Yusuf Suma.

3. Reading of minutes of meeting of 16th August, 2022

The Chair led members through reading of minutes of the meeting on 16th August, 2022. The spelling *"ascend"* was changed to *"Assent" as most appropriate word for the context.* The motion to adopt the minutes of meeting of 16th August, following the correction above was moved by Mrs. Ramatu Massaquoi, seconded by Madam Cecilia Mattia.

4. Matters arising from minutes of 16th August 2022

I. EPA to liaise with the EPA legal team on questions relating to compliance and legal issues

Update- The task was completed. The template has been updated accordingly.

ii. SLEITI to contact the Ministry of Mines to check whether there is a policy which obligates the ministry to have interactions with the Chamber of Mines.

At the previous meeting, the MSG recommended that the Ministry of Mines and Mineral Resources should monitor the functioning of the Chamber of Mines so it can be fully functional and effective.

Update- In Progress and follow ups were being made with the Ministry of Mines. The NC further explained that a letter will be written to the Minister of Mines as part of the follow ups approaches through which the MSG's intervention could be solicited.

iii. SLEITI to engage the IA following comments and concerns raised by the Validation team bordering on: materiality threshold in the 2019 reporting; comprehensiveness of BO disclosures by companies in and out of scope, production and export details.

Update- The Secretariat reported that the 2019 IA was informed and has agreed to provide responses even though they may not be actionable until the next reporting rounds.

iv. The comments raised by the Validation team on production and export data in the 2019 report were discussed by the MSG. The BSL data and those by NMA could have been reconciled or synchronized for reporting purposes. Despites this oversight, the MSG agreed to review the data from these institutions as corrective action.

Update- The NC explained that the 2019 report included data on the ASM; however, issues raised by the Validation team could not be easily fixed. During deliberations, the NMA representative and most of the MSG members raised doubt about the credibility of artisanal data from other sources. They said that it is difficult to collect data from the ASM sector; especially on production considering the informal set-up and activities. They stated that some of the sources that reported artisanal data on production were more or less an estimate of export data. However, it was pointed out that not everything that is produced is exported, and production and export data could never be the same, because not everything produced in a year is exported in the same year. It was agreed by members that the NMA is the primary source for all production and export data as the NMA has a department (Precious Minerals Trading) at the BSL that handles export data on diamond, gold etc. It was also said that the BSL stated their data source as secondary. Also, members explained the strides and commitment Government is making to strengthen ASM regulations. In addition, members reconsidered inviting the BSL to sit on the MSG. The objective is to ensure that in the future, such matters can be addressed by the MSG in a timely manner. The group also resolved as follows:

a) ***Action Plan- Members agreed that the secretariat consult with the MSG Chair and consider writing to the BSL to have representation on the MSG.***

b) ***Action Plan- It was unanimously concluded by members that NMA & BSL meet to reconcile the data on ASM and to validate the credibility of the data in order to avoid future misunderstanding***

Members also discussed the possibility of having Ministry of Environment on the MSG. After deliberations, it was agreed that the MSG maintain the membership of EPA as the technical

wing of the Ministry of Environment and that the Ministry will be called upon and co-opted when necessary.

v. The secretariat to provide the minutes where the definition of Project Level Reporting was discussed.

Update- Completed.

vi. The secretariat to work closely with the responsible MDAs to address the new corrective actions and recommendations against the 7th September 2022 deadline.

Update- NC informed members that collaboration is ongoing. He said he was generally pleased with the level of cooperation with other MDAs; saved the MMMR as the only MDA that has not responded to any of the corrective actions or questions posed to the MSG relating to the Ministry. He noted that same was done during the 2019 SLEITI Report when the IA made a presentation to the MSG and noted that MMMR was the only MDA that missed the reporting deadline despite the follow-ups made by the SLEITI Secretariat. After deliberations, it was agreed that the MSG Chair reach out to the Minister of MMMR to inform him about the low response rate of the Ministry to the SLEITI process.

Action Plan- It was unanimously agreed by members that the MSG chair reach out to the Minister of Mines and Mineral Resources to inform him about the low level of progress from his ministry and to express the urgency of responding to the corrective actions.

vii. SLEITI Secretariat to send activity plan to different constituencies so each constituency can financially support and take the lead on some work plan activities.

Update- In progress

5. Update on Addressing Corrective Actions

The NC informed MSG members that the Validation team wants all EITI related data to be in an open format and machine-readable (e.g., Excel, Word etc.) He further stated that if a document has to be in a PDF format, it is best that it is in an editable PDF format which can be re-used.

The NC gave a detailed presentation on the progress made on addressing each of the corrective actions and responses to the questions posed to the MSG by the EITI Validation team. He urged members to continue making their input into the documents and use their sector experiences to strengthen the responses.

Industry engagement - The MSG agreed to follow up on the Ministry of Mines & Mineral resources to support the Chamber of Mines to be more effective and functional. Members

agreed that with the medium-term plan of registering the Chamber, it will help to include large-scale companies in addition to the ASM sector players.

Exploration - The Validation team recommend that a government website should carry an overview of the extractive sector that is similar to that in the 2019 SLEITI Report. Members discussed that the MMMR website should be reviewed as they believe it will host such information. The NMA was also considered to be capable to develop and host same as in the case of the Petroleum Directorate for having an overview of the oil & gas sector on their website.

Contracts - The NC informed members that even though most of the contracts were disclosed on the NMA online repository and ResourceContract.org websites, there is no policy in place to guide such disclosures. He stated the MSG should engage the Policy department of the MMMR to develop a policy on Contract disclosure.

Another issue under contract is the publication of contracts signed after January 2021. The NMA representative stated that they are currently in the process of publishing three contracts (Marampa Mines, Kingho Mining and African Rail and Port). Members were also optimistic that the recent enactment of the Mines & Minerals Development Act 2022 will further strengthen governance of the sector.

Regarding the matter between NMA and EPA over issuance of licenses, members observed that the reference made to the Auditor General's report were isolated and have been addressed. They reported that both parties have agreed to strengthen coordination and collaboration. In this regard, EIA licenses are now obtained from the EPA before the NMA issue a mining license to companies.

Action Plan- NMA & EPA should work as a team to ensure mining companies follow the proper processes involved in obtaining license.

Beneficial ownership - The NC informed members that the Validation team preferred that the BO templates were sent to all companies in the extractive sector, rather than sending BO templates to only in-scope companies. Members agreed that the EITI has a materiality threshold and to obtain data from non-in-scope companies could be difficult. Following deliberations, members observed that since it was the first time SLEITI was requesting BO data from all in-scope companies, it was deemed necessary to do so with companies that fell within the materiality threshold. Members noted that the enactment of the new Mines & Minerals Development Act 2022 will enable companies to get a better understanding of BO and mandate them to report. The MSG agreed that in the next reporting round, they will review the possibility of requesting BO data from all companies. The MSG further reiterated that the review of the Companies Act by the Corporate Affairs Commission will enhance mandatory BO reporting of companies seeking investment in the mining, oil, and gas sector.

Disaggregation of data - The MSG said that project level is defined as mining license. The

NRA representative confirmed that since Project level reporting was instituted, companies have always reported at project level. He noted that in cases where a company has more than one license, NRA is expecting the company to report on each license. However, the NMA representative stated that from their perspective, companies report to them at company level and not at project level. He noted an example where Sierra Rutile may hold two (2) mining licenses, the company would report on both licenses but at company level.

Data quality - The MSG agreed that it could have been an oversight by the IA not to have further explained that the Audit Service Sierra Leone is the supreme auditing institution of the Government and it is also an affiliate to several regional and international auditing institutions whose activities are guided by international auditing standards. The MSG referenced the 2017/18 report which they said was explicit.

Distribution of revenues - The NC informed the MSG that the Validation team wants to know the formula used to calculate subnational transfers and what policies are in place for such transfers. The MSG agreed that some of the revenues from subnational transfer are not deposited into the national treasury accounts. DACDF being the only subnational transfer is lodged into a special DACDF account which is managed by the MMMR for disbursement to communities based on a set formula. Members noted that disbursement is based on the number of licences from a particular chiefdom or district.

The Chair informed members that other transfers made to local councils from government are budgeted for in the annual national budget. However, monies made by councils are not deposited in the Government's TSA but used at local level. The MSG was also informed that the 2016 PFM Act made provision for the creation of an operational account called 'Transformational Development Fund" where all extractive industries should deposit their revenues. However, the Appropriation Act of 2019, 2020, and 2021 could be an easy route to access information on distribution of resources.

Members also agreed that surface rent payments to district and chiefdom councils are made directly to the respective councils and are not deposited into the TSA for onward transfers to the communities.

State participation - NC informed the MSG that there were no corrective actions on state participation as it was not applicable to Sierra Leone in the year under review. However, he noted that the Validation team wanted to know details of the 10% free carried interest in Marampa Mines and in any other extractive company. Members noted that Marampa is the only company they are aware of government participation.

6. `Update on addressing questions in the Transparency template

The NC led members through the questions posed to the MSG on the individual Requirements. Members were pleased that responses are provided to most of the questions and encouraged other sector players especially MMMR to provide responses as soon as

possible. The NC said that the secretariat adopted all the questions from the Transparency template to an excel spreadsheet to prevent delay in the process of providing data/ feedback by MDAs. Going forward, the NC asked the group to commit to the exercise and to work assiduously within their respective MDAs to ensure that the responses were adequate.

7. **Any Other Business**

The efficiency of license and contracting systems in the oil & gas sector- The MSG deliberated on the efficiency of license & contracting systems in the oil and gas sector. Annex 16 of the 2019 SLEITI Report was referenced in the deliberations noting that it contained explicit information about the eligibility of companies applying for licenses and the awarding process. Following deliberation, the group resolved that efficiency of the process is satisfactory.

Transactions related to state owned enterprises (Requirement 4.5) – The MSG discussed transactions relating to state owned enterprises and agreed that for the year under review, state owned enterprise was not applicable to Sierra Leone.

Safeguarding of confidential information (Requirement 4.9) - After discussions on safeguarding of confidential information, members agreed that this will be an item to consider in the review of the MSG MoU in 2024.

As part of the additions made under agenda item seven, a replacement notice of an MSG member was tabled for discussion. The MSG agreed to consider the notice.

Replacement of MSG Members - The NC informed members that the alternate member of the MLGRD Mattu Sam has been moved to another MDA. He said the new alternate to the MLGRD substantive member is Mrs. Sarah Kosseh. In response, members welcomed Sarah to the MSG noting that in future a formal letter should be addressed to the MSG through the Secretariat. The NC further explained that the MLGRD has already been notified of this and they promised to formally write to the MSG as protocol demands.

Action Plan- MLGRD to send a letter to inform MSG that Madam Sarah Kosseh is the new Alternate MSG member representing the MLGRD.

Cecilia Mattia informed members that invitation to the Dialogue Forum on Domestic Revenue Mobilization has been extended to other MSG institutions (NRA & NMA) to join participants from the SLEITI secretariat. The conference is organized by the Africa Centre for Energy Policy (ACEP), in Accra, Ghana commencing on 7th & 8th September 2022.

8. Adjournment

In the absence of any other matter, Mohamed Salisu moved to adjourn the meeting to Wednesday, 31st August 2022. This was seconded by Madam Iyesha Kamara.

Signature of chair

02/09/2022

Date

Signature of Secretary

2/9/2022

Date

Action Plan from minutes of meeting to review progress in addressing the corrective actions of the Draft EITI Validation Assessment Report- Meeting date - Tuesday, 23rd August 2022

No.	Action plan	Update
1	*Members agreed that the secretariat should follow up on the status of BSL membership on the MSG.*	*This should be in line with the MoU and number of government institutions. During reporting period, all institutions will be taken through orientation on the EITI Process*
2	*It was unanimously concluded by members that NMA & BSL meet to reconcile the data on ASM and to validate the credibility of the data in order to avoid future misunderstanding.*	*In progress*
3	*It was unanimously agreed by members that the MSG chair should reach out to Minister of Mines to inform him about the low level of progress from his ministry and to express the urgency of responding to these corrective actions.*	*Complete*
4	*NMA & EPA should work as a team to ensure mining companies follow the proper processes involved in obtaining license.*	*Complete – Executive Chair of EPA wrote a letter to the MSG Chair explaining the strengthened collaboration between the two institutions. The EPA Act 2008 as amended in 2010 & MMA 2009 also addresses the process in obtaining mining license.*
5	*MLGRD to send a letter to inform MSG that Madam Sarah Kosseh is the new MSG member representing the ministry.*	*In progress*