Minutes of Meeting of SLEITI MSG Meeting held on Thursday 28th June 2018 at the Office of the Vice-President, Tower Hill, Freetown

Attendance

Government: Francess P. Alghali, OVP/Chair Mohamed A. Salisu, MoFED Abu Tarawallie, NRA Peter J. Bangura, MoFED Amadu Mansaray, PD Dorcas Hassan-King, MMMR Paul A. Lamin, EPA Yusuf Dauda Suma, NMA Mohamed Jalloh, NRA Swahilu K. Jusu, OVP Sheku B. Samai, OVP	**Civil Society:** Mustapha O. Thomas
Mining Companies: NeimaMacfoy, SD Steel	**Secretariat:** Mina Horace Annie Lansana Mohamed F. Conteh

Apologies: KadieJumu, CSO; Abu Brima, CSO;Sallieu Bah, NMA

Agenda

1. Silent Prayers
2. Opening courtesies
3. Presentation on SLEITI Implementation
4. Request for extension of Sierra Leone's Validation , July 2018
5. Discuss and Recommend approval of the 2017 draft APR
   - *Strengths & Weaknesses identified in the EITI implementation*
   - *Efforts made so far to strengthen implementation*
   - *Impact of SLEITI implementation*
6. Review and recommend approval of SLEITI 2016 draft report
   - Consider EITI's feedback
   - request to MDAs for additional information by the IA , send out on the 14th June 2018
7. Coverage of SLEITI Next report
   - I.E fiscal year (s) & sectors to cover
   - drafting of the TOR& Funding
8. Brief update on BO Disclosure
9. Work plan –update
10. Reminders (reporting on Project level reporting, CDF)

11. SLEITI Funding –logistics, work plan implementation , International EITI Management
12. SLEITI Secretariat relocation
13. AOB
14. Closing

1. Opening

The Minister of State in the Office of the Vice-President, Madam Francess Alghali opened the meeting by welcoming all SLEITI multi-stakeholder members to the meeting, on behalf of the Chair, Vice-President Dr. Juldeh. This was the Group's first meeting since the assignment of supervisory/accountability responsibility of SLEITI to the Office of the Vice-President. The Chair briefly highlighted the background and rationale for this course of action necessitated by the on-going re-structuring. The meeting was reminded that the Vice-President is the new SLEITI Champion and Chair of the Multi-stakeholder Group, and added that the Vice-President has entrusted her with the day to day supervision of SLEITI and he would take appropriate action when necessary. Self-introductions were done. The Chair enquired about the number of civil society representatives on the MSG and whether they received notice of the meeting and requested the Secretariat to ensure they attend future meetings.

Although members said the agenda was too long, there was no change and the motion for adoption was moved by Mohamed Sallieu and seconded by Neima Macfoy.

2. Presentation on SLEITI Implementation

The National Coordinator delivered a presentation on the SLEITI process. She highlighted the benefits of implementing the EITI, the SLEITI mandate, strengths and weaknesses in implementation and more. Feedbacks provided by the Chair and other members were duly noted for future presentations.

3. Request for Extension of Validation

a) The meeting considered a letter from the EITI Secretariat notifying the MSG of the commencement of Sierra Leone's Validation on 1 July 2018. The MSG was reminded that in accordance with the EITI Standard, Sierra Leone may apply for an extension if it is not able to meet the original deadline for Validation.

The MSG decided to request the EITI Board to grant a six (6)- months extension of the Validation deadline. It was agreed that the Secretariat should immediately develop the requisite letterfor the attention of members before eventual submission.

The NC presented the pre-Validation remedial actions developed after the 12th December 2017 self-assessment workshop and informed members that although, the 2015 draft report was used for assessment against the EITI 2016 requirements, the IA was cautioned to address the applicable areas in preparing the 2016 report. After a lengthy discussion on the remedial actions the following was agreed:

a) **Government Engagement** –
The Minister of State will ensure that the SLEITI Champion make public statements on the EITI process as and when necessary and to take steps to link SLEITI to the wider government agenda and extractive sector reform.

b) **Industry Engagement** – With only one functioning company on the MSG, the MSG agreed that the Ministry of Mines & Mineral Resources will need to take the lead to re-activate the Chamber of Mines for adequate mining companies' representation on the SLEITI Board/MSG.

c) **Civil Society Engagement** – CSO participation needs to improve substantially. CSO membership on the MSG should expand beyond NACE.

d) **Multi-stakeholder group** – Even though most members of the MSG have served for roughly four (4) terms and therefore in line with the SLEITI Internal Governance rules, the changing of members should be gradual over a period of three (3) months and their replacements should be competent persons. The outgoing members should mentor their successors within the next 3 months ending September 2018. During this period the new members should go through orientation and attend meetings for a successful transition.

e) **Project level reporting** – According to the EITI Board project level reporting would apply to EITI reports covering fiscal years ending on or after 31st December 2018. The 2016 draft report identified the challenge Sierra Leone is faced with in reporting at project level as required by the EITI Standard. The current legislations governing the extractive sector do not contain an appropriate definition for the term 'project' that is consistent with the EITI requirement making it impossible, at the moment, to determine what constitutes a project. According to the MMR Act 2009, an exploration license area shall not exceed 250 sq km and in many instances, companies are granted different license(s) when their area of exploration exceeds the stipulated area of 250 sq km. The prevailing practice of issuing multiple license to a single company for operations that exceed the 250 sq km area is presently creating complications in recording expenditures and more. Mohamed Salisu informed that a 'project' has been addressed through the draft Extractive industry Revenue (EIR) Bill presently undergoing pre-legislative hearing. The review of the MMR Act 2009 will also include the definition of a project.

f) The NRA and NMA representatives are to provide additional information, based on request from the IA, against 2:00pm Friday, 29th June 2018 to strengthen the contextual data. (see attached matrix)

4. Discussion and Approval of the 2017 Draft Annual Progress Report (APR)

The NC presented the draft 2017 APR by highlighting the main headings of the report:

a) General assessment of 2017, assessment of performance against the work plan targets,

b) Assessment of performance against the EITI requirements;

c) Overview of the MSG's responses to the SLEITI recommendations;

d) Strengths and weaknesses identified in the EITI process;
e) efforts made so far to strengthen implementation;
f) Impacts of SLEITI implementation &;
g) total cost of implementation

The MSG's attention was drawn to the need for members to provide information on the impact of SLEITI implementation. Most members shared the view that the APR should have separate sections for Achievements and Challenges and for recommendations on how to improve on implementation. In finalising the report, members agreed to provide information on SLEITI impact. The APR was prepared using the recommended EITI format and since the strengths and weaknesses section in the report cannot be altered, the Secretariat should provide a preamble under the strengths and weaknesses section informing that the information provided under this section is based on the MSG's assessment of what the group described as opportunities and challenges. Other parts of the draft report were reviewed with minor corrections made.

Resolved:

a) The MSG approved the 2016 Report subject to the inclusion of additional information as requested by the MSG.
b) The Secretariat is to a) request the MSG, through an email to comment on the impact of SLEITI implementation by midday on 29 June 2018, b) provide a preamble to the Strengths and Weaknesses section of SLEITI implementation.

5. Discussion and Approval of the 2016 SLEITI report.

Based on the matrix that showed outstanding areas to be addressed for finalisation of the report, the MSG noted that the IA was still addressing the comments provided by the International Secretariat. Comments on the report were also provided by the SLEITI Secretariat and Dr Thomas. As requested by the IA, some MDAs had provided the full information while others still had some information outstanding. The Chair urged the MDAs to be mindful of the report's deadline of 1st July 2018 to avoid its production with incomplete information.

Agreed:

The Secretariat should re-send the matrix of action points to the respective MDAs for responses against 2:00pm on 29th June 2018 and the Chair of the technical committee, Dr. Thomas will collate all comments for Submission to the IA. The report was approved subject to incorporation of the outstanding information required by the IA.

6. Coverage of the Next SLEITI Report

The MSG discussed the scope of the next SLEITI report following production of the 2016 report and agreed that the group should produce a two-year report covering the mining and oil/gas sectors only for the 2017 and 2018 in 2019. Members noted that it would be too challenging to venture into fisheries and forestry sectors. In this regard, drafting of the terms of reference should commence and in so doing, the Secretariat

should take into consideration the comments made at this meeting, loopholes identified in previous reports and the pre-Validation comments. The draft is to be shared with the technical committee.

7. Brief Update on Beneficial Ownership Disclosure

The NMA representative explained that the Agency is doing some work around beneficial ownership disclosure. However without a law for beneficial ownership, the demand for beneficial ownership information will not be sustained.

The Chair advised the meeting that with the dissolution of the Corporate Affairs Commission further discussion on amendment to the Companies Act 2009 will have to be put on hold for the time being.

8. SLEITI Work Plan

In view of the June – December 2018 work plan, extracted from the 2017-2019 work plan and submitted to the Minister of State, the Chair informed the meeting that the Office of the Vice-President has not received 2018 allocation for MDAs. The MSG noted that some of the activities in the work plan could not be undertaken due to lack of funding. In response to enquiries on SLEITI funding arrangements in the past, the MSG was informed that GIZ and AfDB funded major SLEITI programs a few years ago but for now the World Bank is the only donor actively supporting SLEITI. Mining companies and the International Secretariat have both funded separate SLEITI programs.

Concerning updating of the work plan, the meeting agreed that the MSG should focus on the 2018 work plan and consider updating the 2019 work plan in the last quarter of 2018. If there is need for the 2019 work plan earlier than planned an emergency meeting will be summoned to discuss it. The Chair assured members that the SLEITI budget would be considered once a budget call is made for 2019.

9. Reminders (reporting on project level & community development fund (CDF))

Project level reporting has been addressed in number two above.

As required by the EITI Standard, as of the 2018 fiscal year companies will have to report on payments disbursed as CDF and the Community Development Committees to report on expenditure of this fund.

It was noted that all large scale companies have set up their Community Development Committees through which the Community development funds will be disbursed and Sierra Minerals reported on their CDF payment made in 2016. The next set of reporting templates for companies will include a template for CDF disbursement. The Secretariat will circulate the 6 month work plan.

10. SLEITI Funding

Concerning SLEITI's USD 10,000 annual contribution to the International EITI management, the Chair noted that Sierra Leone has not paid this amount for the past two years. The MSG agreed that the outstanding debt should be paid in full.

11. SLEITI Secretariat Relocation

About relocating the Secretariat to the OVP, the Chair reminded all that the transfer decision was made recently but assured members that they are working on it and that the current Landlord could be engaged to negotiate a short-term extended tenancy.

12. Any Other Business

a) The NC reported that a former staff, Felix Conteh in the former Office of the Chief of Staff is requesting her endorsement of a research proposal to undertake a study titled ' Corruption and Transparency: Assessing the Neopatrimonial Responses to Global Transparency Initiatives'. The work is related to the EITI and will contribute to national development.

b) The endorsement is to be communicated through a letter confirming support. The MSG agreed that a formal request should be made to the MSG.

c) Dr Thomas informed the MSG that he was resigning from the SLEITI process having served as a civil society member under NACE and pledged to be available when called upon. In the same token, Neima Macfoy said she was taking her exit from SLEITI by virtue of her decision to resign from Shandong Steel.

d) The Chair thanked both Dr. Thomas and Neima Macfoy, on behalf of the group, for their invaluable support and contributions towards SLEITI and wished them well in their future endeavours.

13. Closing

There being no other matter to discuss, the motion for adjournment of the meeting was moved by Peter Bangura seconded by Amadu Mansaray.

Alghali
Francess Alghali
MOS VP
3rd October 2018.

Mina Horace
Horace
8th October 2018