SLEITI Sierra Leone Extractive Industries Transparency Initiative
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OFFICE OF THE VICE PRESIDENT

Minutes of SLEITI Multi-stakeholders Group to discuss and approve the inception report for the 2017 – 2018 report production held on Wednesday 4th November 2019 in the Office of the Vice President

Attendance:

Government:	**CSO:**
Mohamed A. Salisu - MoF, Chair Amadu Mansaray – PD Alhaji M.B. Bah - ASSL Mohamed Salieu Bah - NMA	Cecilia C. Mattia - NACE Kadi Jumu-Peters -NACE
Company : Aminata Kamara-SRL	**SLEITI Secretariat** : Mina Horace Annie Lansana Mohamed F. Conteh

Apologies: Yusuf Suma-NMA, Joe Rahall- Green Scenery, Ramatu Massaquoi, Abu Tarawalie NRA,

Agenda:

1. Prayers
2. Welcome and opening Remarks
3. Review and approval of the 2017-2018 inception report
4. To discuss status of mining companies and participation of companies on the SLEITI MSG
5. Closing

1. Prayers:

The Chair, Mohamed Amara Salisu called the meeting to order following a moment of silence prayers.

Following a request to adopt the agenda, it was observed that draft minutes of the MSG meeting of 19th November 2019 were included in the working documents shared, however, it was not provided for as agenda item. In response, the Chair informed that the focus of the meeting was to discuss the inception report; however, the minutes in question were included in the working documents for ease

of reference during deliberations. The agenda was adopted without amendment and the motion for adoption was moved by Amadu Mansaray, seconded by Kadi Jumu.

2. **Welcome and opening remarks** :

In his opening remarks, the Chair welcomed all and thanked members for their continued support and participation. Though at very short notice, he said, the meeting was convened to discuss the 2017-2018 inception report.

Prior to reviewing the inception report, Aminata Kamara informed that the Company's (Sierra Rutile) Tax expert and team have reviewed the entire inception report and provided comment and asked the MSG to consider the comment in order to speed up the review process. She said the comments and issues raised covered every aspect of the inception report. Going forward, the meeting resolved to proceed with the review on a page-by-page, noting that Aminata drew their attention to the specific areas from their company's internal review.

3. Review and Approval of the 2017 – 2018 SLEITI Inception Report

The chair presented the report for the MSG's review and approval. The 48 pages document was titled "Inception Report for the Preparation of the SLEITI 2017-2018 Report" and covered the following:

1. Introduction
2. Overview of the Extractive Sector
3. Exploration, Production and export
4. Revenue Collection
5. Revenue Allocation
6. Social and Economic Spending
7. EITI Implementation
8. Note on Terms of Reference
9. Start-up Activities
10. Decisions by the MSG
11. Approach and Methodology
12. Revised work plan

During the review process of the inception report, the following were issues were raised:

i. On P4, line 3: under overview of the Extractive Sector, the MSG agreed that the IA should provide reference for the statement that reads "the sector provides direct and indirect employment to over 30,000 people".

ii. P5, paragraph 4, the MSG said the statement alluding to NRA and PD being the principal government agencies responsible for revenue collection from the sector was incorrect. Rather, the sentence should read as (the National Revenue Authority is the principal government agency responsible for revenue collection from the extractive sector).

iii. P9, under Chiefdoms and District Councils, the MSG observed that the statement was too broad and somehow ambiguous. And therefore, it should be clarified. The MSG attempted to draft the sentence to read as "... several chiefdoms have been constituted to CDCs. It was also observed that either the IA mentioned all the mining chiefdoms and district or at least does not mentioned any. Where possible, the IA should contact the NMA to provide him with the listing of the mining chiefdoms and districts

iv. On P9 also (2.1.3) under Fiscal Regime of Mining Industry, the MSG agreed that the IA should spell out the full names of the abbreviations

v. (MMA 2009, ITA 2000) and to also include the EIRA of 2018 to the sentence.

vi. On P9 also, under table 2.1: Royalty rates applicable in the mining sector, a member said the 15% rate on all Special Stones needed to be looked into as PMT have been using 8% very recently.

vii. On p10 under Corporate Income Tax, the meeting discussed the rates and agreed that the statement was correct , however, the IA should corroborate the information with the NRA

viii. P10 under "other Taxes" the meeting clarified that the information presented should as "other significant taxes levied on consumption are value –added taxes and personal income taxes.

ix. P10, under Ring Fencing: the meeting resolved that the IA should read corroborate his information with the EIRA 2018 as section 1555(1) has been repealed and addressed accordingly in the EIRA 2018.

x. P11, under Capital Gains Tax, the meeting tasked that IA rewrite the sentence accordingly

xi. P12 line 1, the meeting resolved that the sentence should read as "the Extractive Industry Revenue Act 2018 regulates revenue sources from mining, oil, and gas. The word 'exploration' should be deleted.

xii. P12 also, under (2.2.2) – Institutions : the meeting resolved that the IA should include other government revenue collection MDAs such as EPA, and NMA

xiii. P17 under oil & gas Sector, the meeting discussed the manner in which the IA presented the licenses system noting that it will be misconstrued by someone was not familiar with licenses

allocation systems. Therefore, Mr. Amadu Mansaray should work with the IA to draw his attention to the differences between reconnaissance and production licenses, in addition to the section dealing with **abandonment and decommissioning.**

xiv. P18, under 2.5 (Contract Disclosure), the MSG was concerned that the IA should be moderate in his choice of words, and that the manner in which they presented could be misunderstood by many. At the same time, it was agreed that Sierra Leone was yet to have a policy on Contract disclosure in line with the EITI requirement despite most of the contract and agreement of companies could be found on NMA's website among others.

xv. P18, under 2.6 (Beneficial Ownership) the NC informed that the narrative will be updated after discussion with MOS and the BO committee.

xvi. P19, under exploration, Production, and export, the NC reported that NMA did not submit the data and updated inception report will address it.

xvii. P20, under item (e) mentioned that "...only Sierra Rutile had arrangements involving the ADF and made payments towards the fund" following deliberation, it was agreed that the IA contact Vimetco for comments while at the same time Mina was tasked to follow up with the companies to verify the statement.

xviii. The NC informed that the companies were requested to report their payment for **a) revenue and b) expenditure**. However, Audit service agreed to certify revenue templates, and on the other hand, refused to certify the expenditure templates on the grounds that they were yet to audit the expenditure aspect of the CDCs.

xix. It was also agreed that Geo physical data under the auspices of the Oil and gas sector should not be reconciled as it will pose a major challenge to get companies to report owing to the fact that they are outside the jurisdiction of Sierra Leone.

xx. P31, under reporting payments for reconciliation, the meeting observed that Diamond Exporters license was duplicated. Therefore, the IA should delete either No 6, or 16.

Conclusion:

Following deliberations on whether to approve the inception report based on concerns raised by members that the IA was yet to send the final scoping report reviewed by the MSG, and that most of the issues raised and addressed appeared in the inception report, meeting gave conditional approval to the inception report subject :

a) Production of the final version of the scoping and inception reports
b) Acting on the inputs and correction of the MSG

4. Status of mining companies and participation on the MSG

The NC informed that the NMA was concerned that SL Mining was still serving on the MSG even though they no longer have the locus - standing to attend. Following deliberation, the meeting resolved that they should henceforth deleted from the MSG WhatsApp group and be excluded from all email circulars.

5. Closing

There being no other business to discuss, the meeting was brought to close. The motion for adjournment of the meeting was moved by Aminata Kamara, seconded by Mohamed Salieu Bah.

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Signature of Chair

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Signature of Secretary