SLEITI
Extractive Industries
Transparency Initiative
Sierra Leone
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Freetown, Sierra Leone
Website: www.sleiti.gov.sl

OFFICE OF THE VICE PRESIDENT

Minutes of SLEITI MSG Emergency Meeting with the Independent Administrator (IA) – BDO UK on the 2019 SLEITI Report held on Friday 24th September 2021 at the SLEITI Secretariat

Attendance

Government	**CSO**
Francess Piagie Alghali - Chair, OVP Morie Lansana - ASSL Aruna Abu - ASSL Amadu Mansaray – PD Ramamtu B. Massaquoi –EPA Festus Thompson - NRA S. Mansi Mansaray - ONS Lamin Manley - MMMR Yusuf Dauda Suma - NMA Mohamed Sallieu Bah - NMA/PMT Peter J. Bangura - MoF Mohamed A. Salisu - MoF	Solomon Moses Sogbandi - HRDN-SL Alphonsus B.M. Gbanie - HRDN-SL Dauda Massaquoi - WoME Iyesha Josiah Kamara - WoNES George Mustapha - SDI Gibril Massie Bah - NACE Steven B. Mansaray - SLAJ Cecilia Mattia - NACE/CSO
	SLEITI Secretariat Mohamed Baimba Koroma - NC Mohamed Fernando Conteh - PM
Company Tommy Kaiza Koker – Sierra Diamonds Ltd	**Independent Administrator** Maher Kabsi - BDO LLP Hedi Zaghouani - BDO LLP

Apologies: Prince B. Williams - CAC, Daniel Gbondo - MMMR, Abu Tarawallie - NRA, Abu Brima - NaGERJ,

Agenda:

1. Prayer
2. Welcome remarks
3. 2019 SLEITI Report Production
   - *Presentation by the Independent Administrator (BDO-UK)*
4. Comments /Contribution
5. Closing

1. Prayer

The Chair, Madam Francess Paigie Alghali declared the meeting opened following a moment of individual silence prayers. Some members observed that in case the meeting extends into the time for 'Juma' prayers, they may have to leave early.

2. Welcome Remarks

In her welcome remarks, the Chair informed the group that the 2019 SLEITI Report production has long commenced following the MSG's approval of the ToR for the Independent Administrator (IA) and the subsequent hiring of BDO-UK to produce the report for the Government of Sierra Leone. She said members will recall that the MSG approved the 2019 SLEITI Scoping Reports, and the reporting templates for data collection from government entities and mining companies. She stated that the IA has been working remotely to prepare the Report, adding that the in-country mission/field visit was undertaken to meet with the relevant stakeholders to iron out issues of concern about the Report and to collect any outstanding data.

She confirmed that the IA has paid her a courtesy call on their arrival including visits to relevant ministries/agencies and mining companies listed on their itinerary. Madam Francess Alghali further stated that the IA was working on behalf of the SLEITI MSG and the Government of Sierra Leone adding that the meeting was meant to interact with the MSG following their engagements with the relevant stakeholders and to share their initial findings with them. She called on members to take ownership of the Report as she put it "*the Report is ours, not BDO's*", adding that the box stops with the MSG to determine what goes into the Report after in-depth consultations with the IA.

In addition to statement made by the MSG Chair, the National Coordinator Mohamed Baimba Koroma explained the processes involved in the report production. He informed the group that the IA had been working remotely with the SLEITI Secretariat to prepare the report taking into consideration the Scoping Reports and the various Technical Committee and MSG meetings that followed. He said the IA effectively commenced their field visits on Monday 20th September 2021 with a courtesy call on the MSG Chair and Minister of State, Office of the Vice President to update her on the purpose of the mission.

Mr. Koroma stated that the data collection phase involves distribution of reporting templates to reporting entities to be filled out and returned to the IA against a specific deadline, adding that the in-country mission by the IA was meant to meet with these entities to address any gap in their completed templates, and further abreast them with the reporting instructions including the objectives of the Report. He said throughout the four days mission to Sierra Leone, the IA met with all the targeted entities adding that he was

particularly impressed with the level of cooperation by these entities to honour the meeting schedules and the high level of engagement and interaction with the IA. He singled out a number of entities who were proactive in contributing to the data collection process. He said despite this, there were at least 5% of data to be collected by the IA. He thanked all those who in diverse ways spared some time out to compile the necessary data and submit their reporting templates.

3. 2019 Report Production

- **Presentation by the Independent Administrator (IA) BDO-UK**

Hedi Zaghouani, Senior Manager, and Maher Kabsi, Manager led members through the state of the 2019 SLEITI Report preparation. The team commenced by stating the scope and objective of the EITI; noting that the initiative is being implemented by 55 countries, half of which are in Africa. Mr. Zaghouani stated that the EITI implementation process seeks to promote open and accountable management of natural resources, and that the SLEITI Report include financial and non-financial information.

He told members that in as much as the Standard is evolving, implementing countries have maintained the status and momentum of EITI reporting to the extent that Validation assessment shows 9 out of 55 countries have achieved "Satisfactory Progress" including Senegal and Nigeria, while majority continue to make "Meaningful Progress" overall. He continued that the EITI Board has now introduced a Validation model which focuses on the progress made in implementing the Standard and is based on a point/scoring system; ranging from 1 to 100%. He said the Validation team will double-check each individual requirement and give a score against it.

While highlighting the progress made so far with respect to the 2019 SLEITI Report preparation, the team informed that the process involves four (4) stages ranging from "General awareness and planning, Scoping Study, Data Collection, Completion and reporting". The team further pointed out that they have completed two phases and have now commenced the "Data Collection" phase, which they described as crucial. They said, at the end of the data collection phase, the team will submit the initial draft Report to the MSG by 15th October 2021 for their input by 29th October 2021 where the MSG is expected to review the Report and submit any comment. He stated that comments from MSG will be incorporated and a Pre-final SLEITI Report will be produced by 5th November, and a final Report by 12th November 2021. The Data Summary Template will be completed by 16th November 2021, the team added. They emphasized that they were delighted to have met most of the SLEITI stakeholders; an activity they described as good exercise, otherwise, it could have been difficult to precede one hundred percent remotely. They said in the course of the mission, they were able to clarify some of the initial issues in the reporting process as email circular alone would not have sufficed. The team

confirmed that they were pleased with the engagement and participation by all the stakeholders.

On Requirement 2.2 - Contract and License Allocation, the team reiterated the MSG's consent to verify the steps involved in the award process and to evaluate whether the four companies they selected as sample were awarded mining licenses in accordance with the statutory procedures. The objective was to ensure that the license award process including assessment of specific technical and financial criteria, and all applicable legal and regulatory frameworks were correctly followed.

The team further discussed **Requirement 2.6 regarding state participation** in the extractive sector. They were of the view that the requirement was not applicable to Sierra Leone. However, they emphasized that there has to be substantive information to justify that the requirement is not applicable or an endorsement by the MSG that it is not applicable. Following deliberations, ***the MSG resolved that for the period under review, there was no SOE in the mining sector, no State legal ownership in mining companies, and no state participation in the mining contracts***. The MSG was of the view that, in subsequent reporting, Requirement 2.6 may be applicable to Sierra Leone base on the revised Mines and Minerals Development Act.

Furthermore, the team projected the export and production figures received from companies as provided for in Requirement 3. The figures were disaggregated by volume, unit, and value. The team stated that where necessary, it would have been prudent to further disaggregate the export data by destination; even though this is not a requirement in the Standard. Following deliberations and having cited examples of how disaggregation by destination has promoted debate about origin of export and actual destination, the National Minerals Agency Precious Minerals Trading Unit promised to provide the data to the IA in order to enrich the Report, but will need to be verified with government data on destination of mineral export.

The deliberation took cognizance of Requirements **4.2, 4.3 and 4.4 - Sale of states share of production or other revenues collected in kind, Infrastructure provision and barter arrangements, and Transportation revenues respectively**. The MSG critically discussed these requirements taking into consideration their applicability in Sierra Leone. For the period under review, it was concluded that apart from its regulatory roles and other processes therein, the Government is not involved in any of the requirements. Therefore, the MSG unanimously agreed that these requirements were not applicable to Sierra Leone. They called the attention of the IA to take note of the MSG's position on these requirements.

With regard to the requirement on **Subnational payments (Requirement 4.6),**it was stated that substantial data have been received from the relevant reporting entities including mining companies, Members of Parliament, District Councils, and Chiefdom Councils. The IA's initial data showed that that the Diamond Area Community Development Fund (DACDF) is the only subnational transfer in Sierra Leone in 2019. However, the IA said the Ministry of Mines and Mineral Resources (MMMR) was yet to provide them with details of disbursements made from DACDF to Communities in 2019 and the closing bank balance at the end of December 2019.

The contribution of the extractive sector to the economy is found in Requirement 6.3. The IA informed the MSG that data related to contribution of the extractive sector to GDP, employment, total government revenue generated, and total export from the extractive sector in 2019 will be sourced from the Ministry of Finance and the Bank of Sierra Leone (BSL). However, the MSG informed the IA to reach out to the Ministry of Labour and Statistics Sierra Leone for employment data. It was agreed that the SLEITI Secretariat should formerly request from the Ministry of Labour and Statistics Sierra Leone to provide employment figures for 2019; where possible, disaggregated by sector and gender.

In their presentation, the IA shared with the MSG a picture of the status of reporting by MDAs and companies. The data showed that out of seven reporting MDAs, the Ministry of Mines and Mineral Resources (MMMR) was yet to submit its reporting templates. When asked, a representative from MMMR informed the MSG that the Ministry was working hard to complete the templates. He apologized for the delay and promised that in future the Ministry will endeavour to report in time. To hasten the process, the MSG asked the SLEITI Secretariat to address a letter to the Minister of Mines and Mineral Resources to abreast him with his Ministry's reporting status. At this point, the National Coordinator (NC) updated Members on the engagements the Secretariat has had with the Ministry in supporting them complete the reporting templates. He assured Members that the Secretariat will continue to engage the Permanent Secretariat and the MMMR representative on the MSG to get the required information submitted to the IA.

As part of the reporting process, the IA stated that **Requirement 4.9** focuses on data quality and assurance, and they have commenced assessing the quality of the data received from reporting entities. They gave update of their meeting with Audit Service Sierra Leone. The IA informed that the meeting discussed key parameters involved in certifying reporting templates. The IA thanked MDAs who have already submitted their reporting templates. However, they expressed concerns that they have still not received certified templates from the National Revenue Authority (NRA).The NC explained the processes involved for certifying the reporting templates. He zeroed in on NRA and informed Members that their reporting templates were rejected by the Audit Service

Sierra Leone for lack of authentic BSL logos on the bank statements provided as supporting documents. The IA told Members that the excel data reported by NRA will not be considered credible until they are verified and certified by Audit Service. The NC said that the SLEITI Secretariat has written a letter to the Commissioner General of NRA; copying in the Bank Governor, MSG Chair and other stakeholders about the rejected templates. He furthered that efforts were been made by the NRA to obtain the original bank statements from BSL.

Similar update was provided with respect to companies. The IA pointed out that 11 out of 14 Mining companies have submitted their reporting templates. For the remaining companies, different accounts were given for their lack of cooperation. A representative from the National Minerals Agency (NMA) pointed out that some were no longer in operation. With regard to Sierramin Bauxite, the NMA reported that the company's license was cancelled in August 2019. Despites this, he stated that the Director General of NMA has asked the Director of Mines to impress on the company to report. Following deliberations, the MSG asked the SLEITI Secretariat to draft a letter to the NMA Director General which the Vice President will sign in his capacity as Champion of EITI in Sierra Leone. This was also a way of demonstrating the Government involvement and commitments to the SLEITI reporting process.

4. Comments / Contributions

At the end of the IA's presentation, the MSG asked the IA to ensure that the report addresses the validation corrective actions. Other issues raised are as follows:

i. To include a timeline for the completion of the excel Summary Data Templates on his work schedule. In this regard, the IA agreed to complete it by 12th November 2021 following the completion of the final report.
ii. The IA to produce a concise Summary Report of the 2019 report for ease of dissemination.
iii. The IA to immediately share an update of the progress made in addressing the 2018 Validation Corrective Actions.

The IA agreed to include these information in the revised timelines and committed to sharing an updated version of progress made in addressing the 2018 Validation Corrective Actions.

- **Announcement by the SLEITI NC and the NACE National Coordinator**

NACE National Coordinator, Madam Cecilia Mattia informed the MSG that her organization was part of several institutions invited by the NMA to support its effort in rolling out the findings of the Geophysical Survey Data. She reported that despite the

MSG's initial participation during the launch of the Geophysical Report, NACE is considering holding a one day session with the MSG to abreast members with the findings. She said the event might be held in the month of October upon availability of fund. The MSG welcomed her announcement and promised to fully participate.

The SLEITI National Coordinator gave a status update on the three Reports commissioned by the MSG. The NC said the final BO Report has been released by the Consultant (BDO-UK) to the SLEITI Secretariat, which he promised to share with MSG Members and the BO Technical Working Group immediately the meeting ended. He said CEMMATS has submitted two draft final Reports for the MSG to review and comment. They include Feasibility study on Mainstreaming EITI Reporting in Sierra Leone and the Assessment of the impact of EITI and Socio-economic benefits derived from subnational extractive revenues by mining communities. He encouraged the group to endeavour to provide feedback to the Secretariat by Monday, 27th September 2021 in order to get back to CEMMATs on time.

5. Closing

The Chair thanked the IA for working on the SLEITI Report; noting that the enthusiasm demonstrated by the team was exemplary. She also thanked MSG members for attending the meeting at a very short notice and called on all to support the reporting process.

Madam Francess Paigie Alghali

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Signature of Chair

Mohamed Baimba Koroma

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Signature of Secretary