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

Minutes of SLEITI MSG Meeting to Presents the 2022 Validation Assessment Report held on Tuesday, 8th November 2022 at 10:00am

Venue - Conference Room, Office of the Vice President Office, Freetown

Attendance:

Government: Mrs. Francess Piagie Alghali – OVP - Chair Aruna Abu - Audit Service Sierra Leone Mohamed A. Salisu - MoF Sarah Kosseh - MLGRD Amadu Mansaray – PD Mabinty Sesay - MMMR	**CSO:** Esther Finda Kandeh - WoME Cecilia Mattia-NACE Dauda Massaquoi -WoME Solomon Sogbandi - HRDN-SL George Mustapha – SDI
Company: Kumba S. Feika - Koidu Ltd	**SLEITI Secretariat:** Mohamed Baimba Koroma - Secretary Mohamed Fernando Conteh Alie Brima Kamara Marian Turay

Apologies: Abu Brima- NMJD; Aminata Kamara – Sierra Rutile Limited

Agenda:

1. Prayer
2. Opening
3. Presentation of 2022 Validation Assessment Report
4. Comments/Discussion/ Action Points
5. Production of 2022 & 2021 Report
6. Any Other Business
7. Adjournment

1. **Prayer:** The Minister of State, Office of the Vice President and MSG Chair, Mrs. Francess Piagie Alghali called the meeting to order followed by individual silence prayers.

2. **Opening:** The Chair- Mrs. Alghali informed the group that the meeting of 8th November 2022 was the first since the completion of the 2022 validation exercise. She said the MSG and Secretariat worked hard to meet the deadline of submission set

out by the EITI Board for receipt of completed Validation templates and other necessary dossier. Mrs. Alghali used the occasion to update members of events and activities from the previous MSG meeting. She said a few of those activities were attended by some MSG members and the SLEITI Secretariat. They include the following:

a) **The Africa Oil Week**: The Africa Oil Week 2022 was held in Cape Town, South Africa from 3rd – 7thOctober 2022. She stated that discussion at the Africa Oil Week was mainly around Energy Transition and how African countries can move away from exploration and exploitation of fossil fuel to use of a cleaner energy. She stated that Under Chatham House Rules, she co-facilitated a closed, invitation-only round table session that was organized by the EITI International Secretariat for Ministers and VIPs. She said the meeting was a follow-up to similar session that was organized by the EITI at the Africa Oil Week that was held in Dubai in November 2021, which was co-facilitated by her and the Deputy Executive Director of EITI (Mr. Bady Balde). She said implementing countries in Africa are open to the idea of energy transition but still holds the view that access and security is very important. The conference was also attended by the SLEITI National Coordinator Mr. Mohamed Baimba Koroma, the EITI International Secretariat Policy Director and Communications Director and representatives from the Petroleum Directorate-Sierra Leone.
b) **National Coordinators and EITI Board Meetings**: The Chair informed members that the EITI National Coordinators Meeting took place in Oslo, Norway from 10th – 12thOctober 2022 followed by the 54th EITI Board meeting 12th – 13th October 2022. She stated that the events were the first in-person sessions held by the EITI Board since the Corona Virus Outbreak in 2019. She said she was joined by the National Coordinator- Mohamed Baimba Koroma, Mrs. Annie Lansana and Mr. Yusuf D. Suma. She told members that the National Minerals Agency supported the participation of Mrs. Annie Lansana and Mr. Yusuf D. Suma; adding that such meetings created learning and networking opportunities. Mrs. Alghali called on the Chamber of Mines and other MDAs to emulate NMA's support and to endeavour to attend the 55thEITI Board Meeting to be held in Argentina in February 2023. She said she will be pleased to facilitate the participation of members by ensuring that EITI International Secretariat provides the necessary documents to help with visa application and processing.

Giving an account of what happened at the EITI Board Meeting, the Chair said she excuse herself from one of the meetings because Sierra Leone was on the agenda along with other countries. She said as a member of the Validation and Finance Committees, it was ideal to be absent in order to create a level playing ground and not to indirectly

influence the decision of the Board. She said that she was only called back into the meeting room after the Board had reached a decision on Sierra Leone. Surprisingly, it was announced that Sierra Leone had achieved an overall high score of 87.5.

As part of the update, the Chair further stated that Sierra Leone was one of the leading countries among the countries on the agenda of the EITI Board session on Validation. Mrs. Alghali said Sierra Leone was commended for making significant progress since the previous validation in 2018. As a result of this, Mrs. Alghali said the EITI Board Chair-Hon. Helen Clark addressed a letter to H.E. President Maada Bio to congratulate him on the impressive performance of Sierra Leone and to formally convey the EITI Board's decision. The content of the letter was read out by the Chair for the attention of members. Going forward, the Chair was of the opinion that SLEITI should cease this opportunity to maintain its achievement noting that concerted effort should be made by stakeholders to act on the validation corrective actions and strategic recommendations; otherwise, Sierra Leone risked being suspended should no significant progress is made in the next Validation commencing in January 2025.

By way of conclusion, the Chair expressed gratitude to President Maada Bio and the Vice President Dr. Mohamed Juldeh Jalloh for their political leadership and commitment to the EITI process and for the unflinching funding support for implementation of workplan activities. She also thanked development partners including World Bank, UNDP and GIZ for their timely support to SLEITI implementation. She also thanked MSG members for their professional input into the SLEITI process and for supporting the SLEITI Secretariat. Comments by the group were centered on maintaining the progress and mapping out approaches to address the Validation corrective actions.

3-4 : Presentation of Sierra Leone 2022 Validation Report and Comments by MSG Members

The National Coordinator (NC) Mohamed Baimba Koroma led members through the 2022 Validation Assessment Report. Presenting the report, the NC informed that the Validation process was extremely rigorous owing to the processes involved in completing the Validation Templates. He said the initial Validation score of 78 was increased to 87.5 following additional disclosures of key information by the MSG in its response to the draft Validation report.

The NC explained the three components which constitute the overall score noting that both stakeholder engagement and Outcomes and impact scored "very high" and Transparency scored "moderate". He said more work was required in order to get it right especially in areas where low grades were recorded. The NC ran through the 'Score card' and explained key areas of concern including license details; production and export details, data disaggregation related to project level reporting; transport revenue seemingly managed by MAGs, and among others. Beneficial Ownership disclosure also stood out clearly as it scored the lowest.

However, members were of the opinion that with the passing of the Mines and Minerals Development Act 2022, transparency related issues may be addressed. Again, the group observed that much was yet to be done on BO Disclosure. Following deliberations, members agreed to request the BO Committee to meet and to map out strategies that will enhance BO Disclosure and reporting. Setting up of the BO register was an issue the group thoroughly discussed. They stated that studies on BO had already identified CAC as the fit institution to host the register.

Regarding export and production data, members said it was a concern for sector regulatory institutions. They hold the view that what companies produce is not what they end up exporting and or reporting to government agencies. Until this is fixed, otherwise the EITI will continue to pick it up. Members were of view that due to the informal set-up of the ASM sector, there will always be challenges in getting accurate production data. They agreed that it is easier to get export figures from the ASM sector through the PMT department.

With regards revenue management, members pointed out that the Pubic Financial Management (PFM) Act is explicit on utilization and disbursement of revenues. However, revenues from the extractive sector are paid into the Government's Treasury Single Account (TSA) making it difficult to identify use of extractive sector revenues. The need to create stabilization and intergenerational funds is also well explained in the PFM Act. However, the establishment of these accounts is seemingly far-fetched due to the ongoing global financial crisis and international public health crisis. Once the extractive industry is stabilized and enough revenue was generated, the savings accounts will be established in accordance with the PMF Act.

Payment related to subnational transfer was deemed to be problematic owing to several issues including transparency, reporting gaps and more. During deliberations, Audit Service informed that it had commissioned a study to look into the management of the said revenue. He said the study recommended that the Ministry of Local Government and Community Affairs was the best fit to oversee its management. Going forward, members resolved as follows:

- Develop a tracker to assess the implementation of the validation corrective actions. The tracker should clearly outline the corrective action in question, responsible agency and output.
- NMA and NRA to enforce project level reporting as defined by the EIR Act in order to meet EITI's expectations
- Follow up on the draft SLEITI Bill copied the EITI International Secretariat for comments and input
- Finally, organize stakeholder engagement on the report after it had been presented to H.E. President Bio coupled with media engagement.

5. Production of 2020-2021 Report

The National Coordinator gave an account of the processes involved and the progress made so far. He said the previous IA-BDO UK was hired to produce the report using the flexible approach methodology. He said the inception report submitted was more or less a 'carbon copy' of the 2019 report adding that we will risk missing the deadline for submission if the IA was asked to present a version with little or no lifting from the previous report. The NC further informed that few institutions- NMA and NRA were yet to submit their data set for consideration by the IA. This followed a presentation of the draft templates for reporting entities. The templates were addressed to companies, MDAs, District Councils and MPs. The templates were reviewed and approved by the MSG pending the Technical Committees planned meeting to review the Inception Report and templates.

Owing to the workload involved and progress recorded against the limited time left to submit the final report to the EITI Board, the MSG was of the view that an alternative approach should be adopted, if SLEITI was to produce a quality report. Following deliberations, the group unanimously agreed to request a three months extension of deadline from 31st December 2022, to March 31st 2023 detailing definitive reasons why an extension was deemed ideal. The committee mentioned a few pointers including the August 10th protracted strike actions, the destruction of internet services by the torrential rains, and more.

6. Any Business

- As part of the accolades received following the high overall score achieved by SLEITI, it was reported that African Centre on Energy Policy (ACEP) was delighted to have contributed to the success. This was reported by MSG members who attended the ACEP led two-day stakeholder meeting in Accra on Domestic Revenue Mobilization. The Accra meeting was attended by top government officials and CSO groups from the sub region and Sierra Leone's delegation comprised NMA, NRA, MoF, and SLEITI. In response, the group observed that the energy transition was topical and effort should be made to engage ACEP for funding and technical support in order to initiate stakeholder discussion on Energy Transition in Sierra Leone. It was agreed that consultations on the matter should first commence with the Ministry of Environment.

- The NC reported that the EITAP Coordinator had informed him that the approved funding for dissemination of the SLEITI 2020-21 report should be used by 31st December 2022, otherwise SLEITI will forfeit the sum to the Ministry of Finance. This decision came following World Bank's directives to close the EITAP project by 31st December 2022. He said all pending activities including the 2020-21 report must be delivered by 31st and that no extension will be considered. After deliberations, members agreed to approach the EITAP Coordinator to reallocate the approved funding for dissemination of the 2020 SLEITI Validation report.

7. Adjournment

There being no other business to discus, the meeting was brought to a close. The motion for adjournment of the meeting was moved by Solomon Sogbandi, seconded by Cecilia Mattia.

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Signature of Chair

24/11/2022

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Signature of Secretary

24/11/2022

Action Points

Issue/Item	Action Points	Update
Beneficial Ownership Disclosure	BO Committee to meet and to map out strategies that will enhance BO Disclosure and reporting	This meeting was overtaken by events including dissemination of the Validation report and December breaks.
ASM Data	To work with BSL and NMA/PMT to look into ASM production data	The Secretariat has initiated discussions with PMT and BSL on disclosure and access of ASM Production data. Follow up on this will commence again.
Validation Corrective Actions	To develop a tracker that will evaluate progress in addressing the corrective actions	A draft has been developed. A final version will be circulated to the MSG soonest.
SLEITI Draft Bill	To liaise with the EITI International Secretariat on the draft SLEITI Bill shared for their review and share draft with MSG members	Achieved
Stakeholder engagement on the Validation report	To organize meetings with key stakeholders to present the Validation report	Achieved
Technical Committee Meeting	The Committee to meet to review the 2020/2021 Inception report	Achieved
Extension to Reporting deadline	To request a three-month extension to publication of the 2020/2021 report deadline.	Achieved