

# EITI

## Sierra Leone

- ✔ EITI Status **Yet to be assessed against the 2016 Standard**
- ✚ EITI Member Since **2008**
- ✚ Latest Data From **2013**
- 🔗 Website **EITI Sierra Leone** (<http://www.sleiti.gov.sl/index.php>)

### Introduction

Political stability has led to a revival of economic activity, including in the natural resource sector. The rise of mineral prices until 2011 resulted in a surge of new mining licenses and exploration. However, in recent years, falling commodity prices combined with the 2014 Ebola outbreak has had a considerable negative impact on [mining operations and economic growth](http://www.bloomberg.com/news/2014-06-03/london-mining-african-minerals-decline-on-ebola-in-sierra-leone.html). (<http://www.bloomberg.com/news/2014-06-03/london-mining-african-minerals-decline-on-ebola-in-sierra-leone.html>) Many of the mining companies have now ceased operations and left the country.

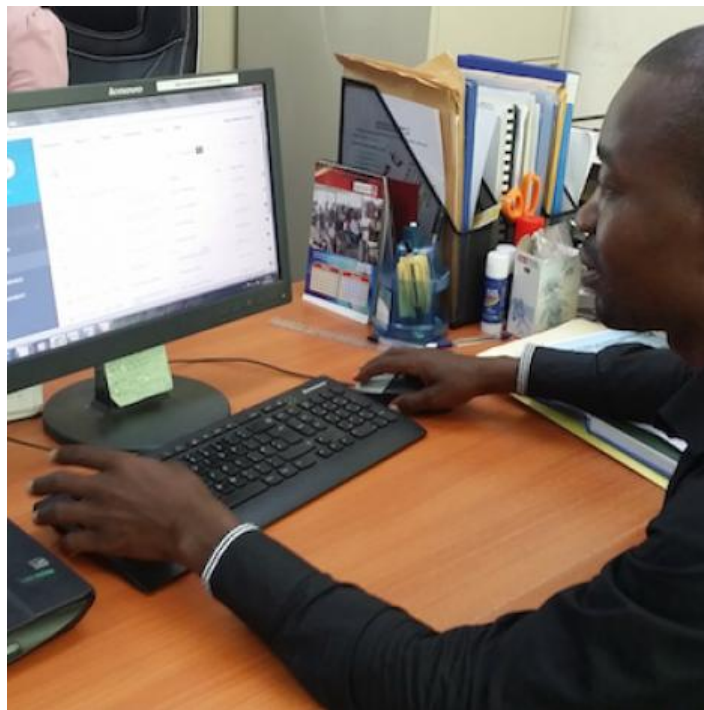
Prudent management of natural resources is a pillar of the national Agenda for Prosperity and there is strong commitment to align the EITI with these reforms. In 2012, Sierra Leone also launched an advanced online repository, making revenues generated from mining companies accessible to its citizens.

- [The Guardian: Ebola crisis could force Sierra Leone to diversify away from mining](http://www.theguardian.com/global-development/2015/mar/10/ebola-crisis-sierra-leone-diversify-mining-economy) (<http://www.theguardian.com/global-development/2015/mar/10/ebola-crisis-sierra-leone-diversify-mining-economy>)
- [GoSL Online Repository](http://sierraleone.revenuesystems.org/) (<http://sierraleone.revenuesystems.org/>)

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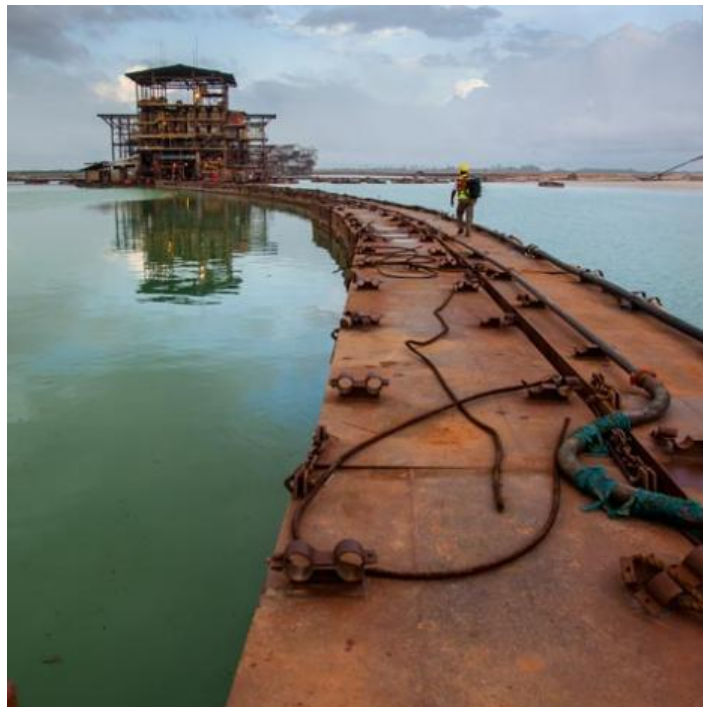
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### News, blogs and more



Blog

### **Mainstreaming transparency in Sierra Leone**



News

### **Can the extractives help Sierra Leone recover from a crisis?**

## **Tax and Legal Framework**

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The Mines and Mineral Act (MMA, 2009) governs the mining sector, whilst the petroleum sector is governed by the Oil/Gas-Petroleum Exploration and Production Act (2011). The fiscal regimes for the extractive sectors are incorporated in the Income Tax Act (2000) (ITA) and its amendments, as well as the Finance Act (2015). The main fiscal tools in the mining sector are corporate income tax and mineral royalty. The main fiscal instruments in the upstream oil and gas sector are royalty and corporate income tax.

### **Contracts**

The government of Sierra Leone does not have a contract disclosure policy. Information on companies' shareholding structures is now available in its on-line Mining Cadastre Administrative System (MCAS). There are currently no state owned companies in the extractive sector in Sierra Leone.

## Licences

Licenses are allocated on a first come first served for mining and competitive bidding/licensing rounds for oil/gas. The National Minerals Agency is the principal point of contact for the general public in all matters to do with mineral rights. Some of the top licences include: London Mining Co Ltd, Koidu Ltd, African Minerals Ltd, Sierra Rutile Ltd, Sierra Mineral Holdings Ltd, A-Z Petroleum, SL Exploration, Lukoil, and Anadarko.

Sierra Leone has one of the best web based cadastre systems in West Africa. The Mining Cadastre Administration System (MCAS) provides information on licence holders, coordinates, application dates, and duration of licence in support of the NMA in the management of mineral rights. In addition to the MCAS, an online repository also provides information on (licence) payments made during the year.

## Taxes, contracts and licences



### Tax code

**National Revenue Authority** (<http://nra.gov.sl>)



### Contracts

**National Minerals Agency** (<http://www.nma.gov.sl/home/mining-agreements/>)



### Sierra Leone Online Repository

**Sierra Leone Online Repository** (<http://sierraleone.revenuesystems.org/login/auth>)

## Beneficial ownership disclosure

Sierra Leone is collecting beneficial ownership information from the 20 largest extractive taxpayers. In addition, steps are being taken to support and improving the due diligence procedures employed by the National Minerals Agency and the Petroleum Directorate in order to make these government agencies better informed in their dealings with prospective commercial partners, and better equipped to lead to the systematic collection and recording of beneficial ownership data.

## Further information

► **Mainstreaming transparency in Sierra Leone** (<https://eiti.org/blog/mainstreaming-transparency-sierra-leone>)

"Becoming EITI compliant is one of the ways of ensuring greater transparency and improved governance of the sector...We are proud to engage with the EITI process that requires reporting on revenue streams from the extractives sector..." "The tremendous efforts that have been made by everyone in the production of this [SLEITI] report reflect our shared aspirations for transparency and accountability of the extractives sector, economic growth in Sierra Leone and prosperity for all Sierra Leoneans."

HE Dr Ernest Bai Koroma

## Production

Iron-ore projects are seen as key contributors to Sierra Leone's GDP growth with over US\$1bn in exports in 2013. Gold is mostly mined artisanally and presently production comes from alluvial deposits. Growth in diamond production were driven by improved world market prices of diamonds.

Mining leases have recently being granted to two large-scale gold producers and one iron-ore producer. Current exploration activity also indicates the potential for commercially viable and large scale exploitation of natural rutile.

Several offshore oil discoveries have also been announced since 2009. Development of these reserves, which could be significant, is, however, years away.

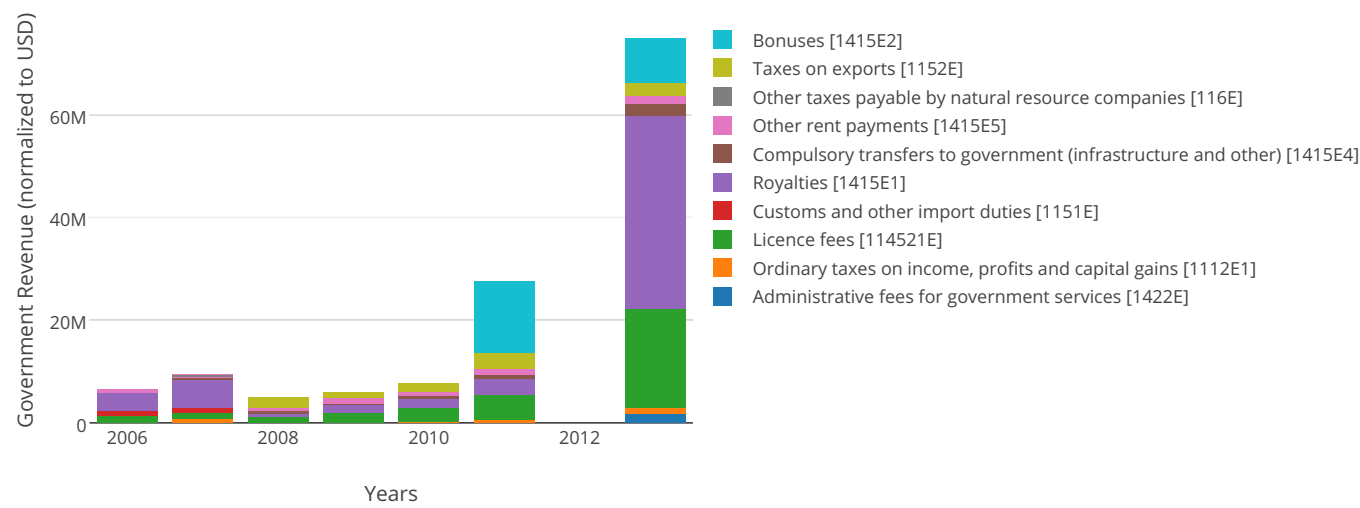
"In any of these [contract] negotiations, there is such an asymmetry in terms of capacity of negotiation ... the EITI is an important step and should be recognised"

Jeremy Allouche, Institute of Development Studies

Revenue collection

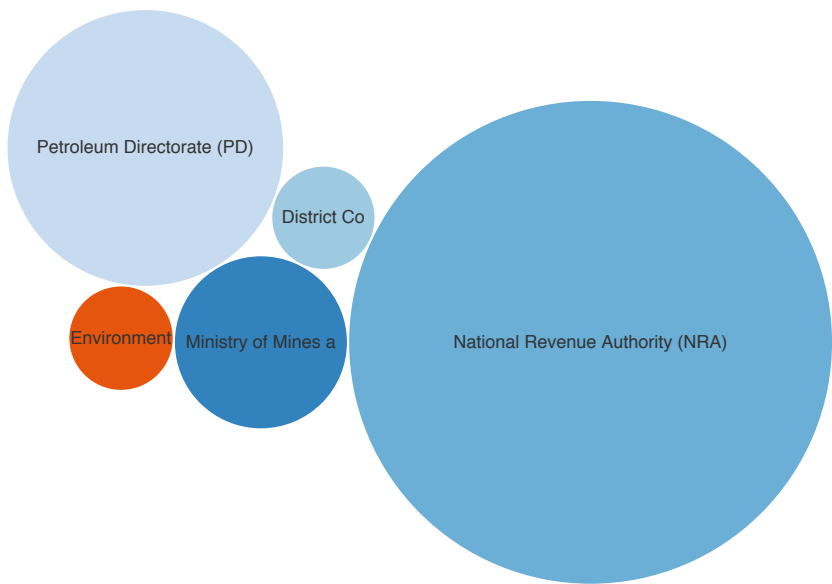
The latest EITI disclosures (draft 2013 report) show that Sierra Leone received USD 52 million in revenue from its extractive industry operations. Slightly more than three quarters of these revenues came from the mining sector, with the rest mainly stemming from exploration activities in the petroleum sector. Revenues were mainly collected through royalties (54%) and signature bonuses (15%).

Government Revenues

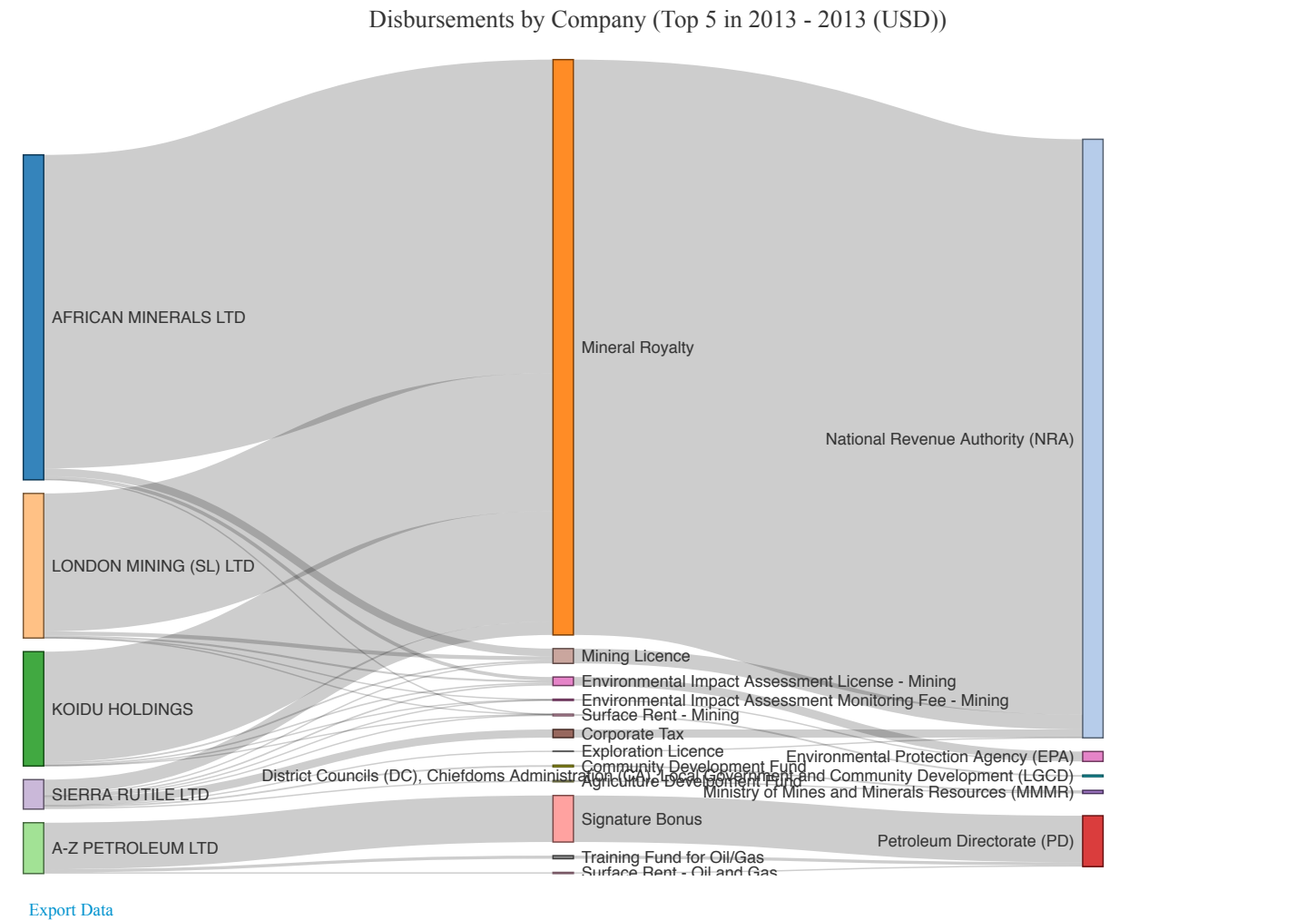


Export Data

Disbursed Revenue (2006 - 2013)



Export Data



## Revenue allocation

The National Revenue Authority (NRA) is mandated to collection all taxes on mining. In addition, other payments from the mining sector are made to local councils and Chiefdoms, where mining companies are based, to the Ministry of Mines and Mineral Development. In the case of petroleum revenues, payments are made to the Petroleum Directorate (PD).

Funds paid to the NRA and the PD are subsequently transferred to the Consolidated Fund/Treasury, and thereby lose their identity in the National Budget. Moreover, the budget does not show expenditure by geographical locations but rather by line ministry, which means it is difficult to track where money is actually spent on host mining communities. However, specific contributions, such as surface rent by mining companies, are allocated to certain district councils and chiefdoms for social development.

➔ [National Revenue Authority \(http://nra.gov.sl\)](http://nra.gov.sl)

## Implementation

Sierra Leone achieved EITI Compliance in 2014. The most recent EITI Report (covering 2011) was published in December 2013. On 15 September 2014, the EITI Board granted Sierra Leone an open-ended extension to the deadline for preparing the 2012 [EITI Report \(https://eiti.org/glossary#EITI\\_Report\)](https://eiti.org/glossary#EITI_Report) due to the Ebola outbreak. Due to the lingering effects of the Ebola outbreak, SLEITI has recently requested an extension for submitting the 2013 report.

Since achieving compliance, the MSG has been focused on making a greater contribution to informed debate about resource governance through the approval of a work plan and the publication of Annual Activity Reports. An assessment of the activities to make the best use of the EITI Standard and an initial assessment on Beneficial Ownership have been conducted. Through its [Online Repository \(http://sierraleone.revenuesystems.org/\)](http://sierraleone.revenuesystems.org/), hosted by the Revenue Development Foundation, Sierra Leone has made revenues generated from mining companies accessible to its citizens.

Learn more at <https://eiti.org/blog/setting-records-straight> (<https://eiti.org/blog/setting-records-straight>)

## Innovations

- Through its Online Repository (<http://sierraleone.revenuesystems.org/>) Sierra Leone has made revenues generated from mining companies accessible to its citizens. It contains all mining licenses and payments, published directly from the mining licensing system at the National Minerals (<https://eiti.org/glossary#Minerals>) Agency. This portal also includes data on licenses issued by the Forestry Department. It was launched in January 2012 and adopted by SLEITI in early 2014.
- The Minerals (<https://eiti.org/glossary#Minerals>) Cadastre (<https://eiti.org/glossary#Cadastre>) Administration System (MCAS) hosts fiscal information for all the large-scale mining companies. All fiscal terms in MCAS are copied directly from the companies' Mining Lease Agreements. Information on companies' shareholding structures is also available in MCAS.
- The 2011 report includes the license (<https://eiti.org/glossary#License>) register number of each company, information about the commodity explored/produced and details on equity ownership. Some companies have also reported on production.
- The communications team at SLEITI worked with a group of blind people to produce the 'SLEITI Song'.

## Governance

In 2011, an MOU was signed between the Government of Sierra Leone, civil society, and the extractive industries to implement the EITI. <http://www.sleiti.gov.sl/admin/images/news/SLEITI%20MOU0001.pdf> (<http://www.sleiti.gov.sl/admin/images/news/SLEITI%20MOU0001.pdf>)

An SLEITI Bill (<http://politicosl.com/2014/03/sleiti-bill-under-scrutiny/>) has been drafted but is yet to be passed.

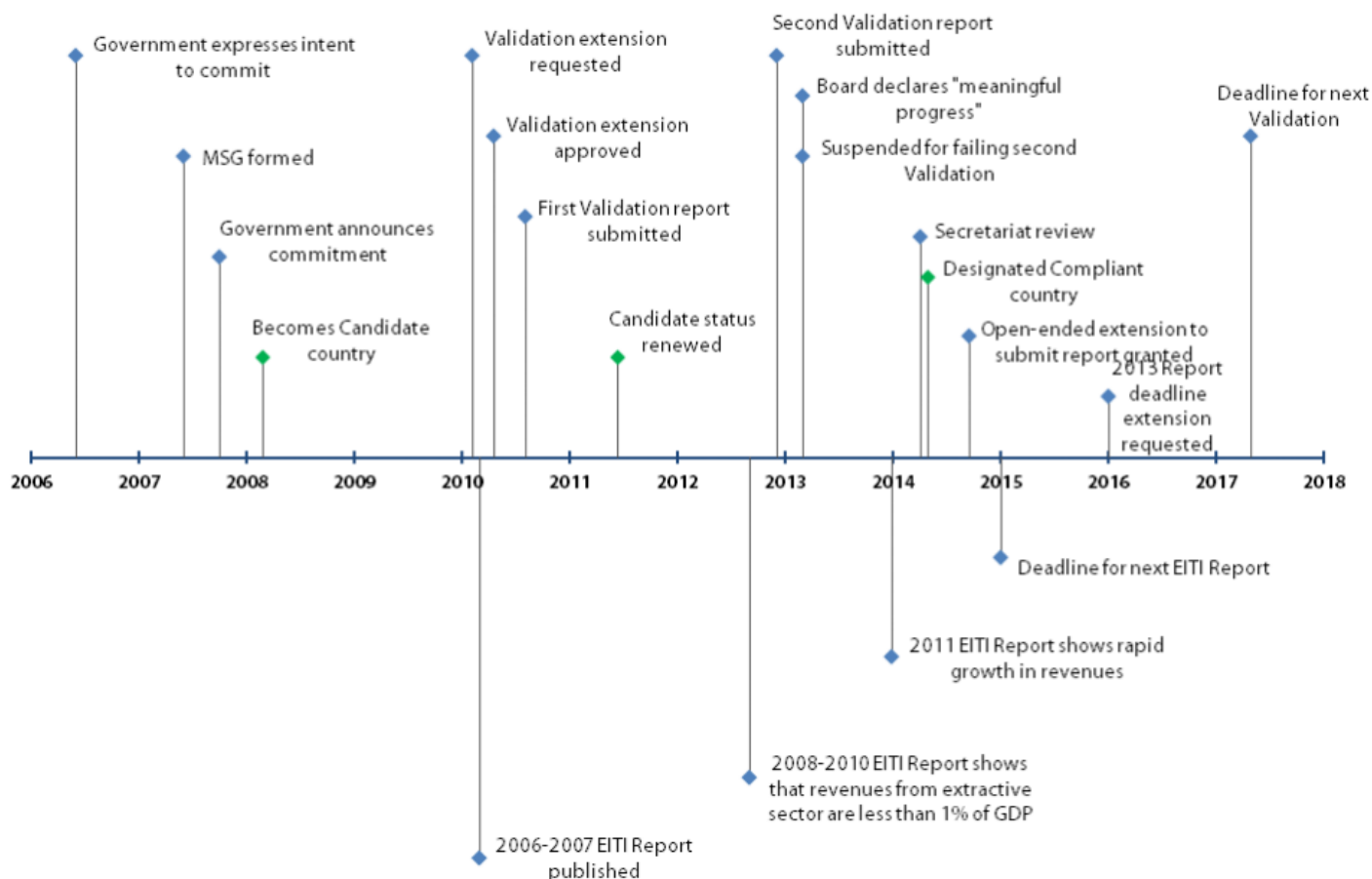
Part XVIII (§159 and 160) of the Mines and Mineral Act of 2009 (<http://www.sierra-leone.org/Laws/2009-12.pdf>) gives Minister of Mines and Minerals (<https://eiti.org/glossary#Minerals>) the responsibility of reporting, disclosing and request for information. §160 stipulates duty to report according to established deadline.

Section 105 under Part XII- FINANCIAL PROVISIONS of the Petroleum (Exploration & Production Act (<http://www.revenuewatch.org/sites/default/files/Sierra%20Leone%20Petroleum%20Act%202011b.pdf>)) 2011 states that "Payments made to the State under this Act shall be disclosed according to the terms and procedures of the Sierra Leone Extractive Industries ([https://eiti.org/glossary#Extractive\\_industries](https://eiti.org/glossary#Extractive_industries)) Transparency (<https://eiti.org/glossary#Transparency>) Initiative."

## Timeline

### Sierra Leone

Last updated January 2016



([https://eiti.org/sites/default/files/inline/timeline-sierraleone\\_0.png](https://eiti.org/sites/default/files/inline/timeline-sierraleone_0.png))

## Key documents

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### 2013 Sierra Leone EITI Report

**Published Date:** February, 2016

**Publisher:** Sierra Leone EITI

This EITI Report covers Sierra Leone's extractive sector in 2013. It was published in February 2016.

[Read more](#)



### Sierra Leone EITI 2014 Annual Progress Report

**Published Date:** June, 2015

**Publisher:** Sierra Leone EITI

This is the Sierra Leone EITI 2014 Annual Progress Report (in accordance with Requirements 7.4 and 8.4).

[Read more](#)



### 2012 Sierra Leone EITI Validation Report

**Published Date:** December, 2012

**Publisher:** Sierra Leone EITI

This Sierra Leone EITI Validation report was published in December 2012.

[Read more](#)

## Contacts

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Prior to joining the EITI he was Senior Advisor at the Council on Ethics for the Norwegian Government

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Promoting public awareness about how countries manage their oil, gas and mineral resources

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