



## **TRANSPARENCY INTERNATIONAL SIERRA LEONE**

### **MINING PERMIT, LICENSE AND CONTRACT AWARD STAKEHOLDER ANALYSIS**

#### **BACKGROUND**

For the success of the Mining for development Program both at national and international levels, it will be key to know the actors in the process of giving mining permits, licenses and contracts to potential mining companies. What their role is and their level of influence and responsibility to have a license permit and contract serving the public good/interest rather than certain vested interest. This information should help to design an effective approach with the stakeholders and target those that can make a difference in promoting changes in policy as well as in the behavior and practice at the national level aimed at reducing the risk of corruption.

#### **OBJECTIVE**

To identify the key stakeholders at the different stages of the award of licenses, permits and contracts and assess their roles, motivations and level of influence

#### **SCOPE/TARGET**

Key stakeholders in mining license contract and permit award processes in Sierra Leone

#### **METHODOLOGY**

- Stakeholders Interactive Session
- Desk review
- Key informant interview

**MINING LICENSE AWARD STAKEHOLDER ANALYSIS TABLE**

**STAGE 1: APPLICATION**

<b>STAKEHOLDER NAME</b>	<b>ROLE</b>	<b>LEVEL OF INFLUENCE</b>	<b>INTERESTS</b>	<b>MOTIVATIONS</b>	<b>COLLABORATION</b>
<b>Mining Company</b>	Lodges new Application with Mining Cadastre Office with all relevant attachments  Pays application fee to bank	High	To get license at all cost in order to commence mining operations	Has the incentive or potential to be corrupt to enter into mining operations	The possibility for collaboration will be low as they are mostly suspicious of the activities of civil society especially when it comes to divulging information
<b>Mining Cadastre Office</b>	Registers application in the Mining Cadastre System  Creates application Number  Issues application confirmation	High	To ensure that they deliver quality services in line with laid down laws and regulations	Highly professional people with wealth of experience	The possibility of collaboration will be high as they are willing to work with civil society to promote integrity, transparency and accountability in their work
<b>National Minerals Agency</b>	Issues receipt after inspecting bank payment slip	Low	Ensure that bank payment slips are authentic	Highly professional people with wealth of experience	The possibility of collaboration will be high as they are willing to divulge information and work with civil society
<b>Chiefdom Mining Allocation</b>	Gives consent for mining (small scale)	Medium	Give consent to provide land for	Supposed to seek the interest of the land	The possibility of collaboration might be

<b>Committee (Community Leaders)</b>			small scale mining activities	owning families and the community as whole when giving such consent	low as these community leaders most of the time seek the interest of the mining companies rather than the people they represent because of selfish reasons
<b>Environment Protection Agency</b>	Gives Environmental Impact Assessment License to Applicants as one of the application criteria	Medium	Ensures that the work of potential mining companies does not have negative impact on the environment	Highly professional people with wealth of experience	The possibility of collaboration is high because they value working with civil society in the discharge of their mandate
<b>Corporate Affairs Commission</b>	Provides business registration certificate for mining company	Low	Ensure that the right business operate in the country	Highly professional people with wealth of experience	The possibility of collaboration is high because they focus on delivering their services with integrity, transparency and accountability

**STAGE 2: VALIDATION**

<b>STAKEHOLDER NAME</b>	<b>ROLE</b>	<b>LEVEL OF INFLUENCE</b>	<b>INTERESTS</b>	<b>MOTIVATIONS</b>	<b>COLLABORATION</b>
<b>Mining Cadastre Office</b>	Validates application by checking availability using GPS coordinates submitted by applicant (mining company). Application area can be available,	High	To ensure that they deliver quality services in line with laid down laws and regulations	Highly professional people with wealth of experience	The possibility of collaboration will be high as they are willing to work with civil society to promote integrity, transparency and accountability in

	adjusted or not-available if not available the application would be rejected				their work
	Validate result registered in Cadastre system				

**STAGE 3: APPROVAL**

STAKEHOLDER NAME	ROLE	LEVEL OF INFLUENCE	INTERESTS	MOTIVATIONS	COLLABORATION
<b>Mining Cadastre Office</b>	Forwards Application and Validation results to the approving body (Minerals Approving Board)  Informs Applicant of the decision on the Minerals Advisory Board	Medium	To ensure that they deliver quality services in line with laid down laws and regulations	Highly professional people with wealth of experience	The possibility of collaboration will be high as they are willing to work with civil society to promote integrity, transparency and accountability in their work
<b>Minerals Advisory Board</b>	Takes decision on Application and informs the Mining Cadastre Office  Incorporates decision into the Cadastre System	High	Ensure that they award license to mining companies that fully meet the laid down criteria	Highly professional and experienced people with a mandate to add value to the entire process	The possibility of collaboration will be high as they are willing to work with civil society to promote integrity, transparency and accountability in their work

**STAGE 4: PAYMENT**

STAKEHOLDER NAME	ROLE	LEVEL OF INFLUENCE	INTERESTS	MOTIVATIONS	COLLABORATION
<b>Mining Cadastre Office</b>	Issues order to Applicant to pay License Fees to the bank  Produces license	High	Ensure that they deliver quality services in line with laid down laws and regulations	Highly professional people with the required wealth of experience	The possibility of collaboration will be high as they are willing to work with civil society to promote integrity, transparency and accountability in their work
<b>National Revenue Authority</b>	Issues receipt stating the Application Number to the Applicant (mining company)	Medium	Ensure that they maximize revenue collection in line with laid down laws and regulations	Highly professional staff with the required wealth of experience	The possibility of collaboration will be low as the authority is not very open to civil society

#### STAGE 5: SIGNING AND ISSUEANCE OF LICENCE

STAKEHOLDER NAME	ROLE	LEVEL OF INFLUENCE	INTERESTS	MOTIVATIONS	COLLABORATION
<b>The Minister of Mines and Mineral Resources</b>	Signs, Seals and issue license to Applicant	High	Licenses are awarded to companies that will operate in line with the national mining laws and policies	Very much committed to promote and protect the image of his political party (the ruling APC party)	The possibility of collaborating is likely despite the fact that politicians are sometime jittery when dealing with civil society for obvious reasons
<b>Mining Company (Applicant)</b>	Registers License document with the Registrar General's Office	High	To get license at all cost in order to commence mining operations	Has the incentive or potential to be corrupt to enter into mining operations	The possibility for collaboration will be low as they are mostly suspicious of the

					activities of civil society especially when it comes to divulging information
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**Stage 6: CONTRACT NEGOTIATIONS**

STAKEHOLDER NAME	ROLE	LEVEL OF INFLUENCE	INTERESTS	MOTIVATIONS	COLLABORATION
<b>Contract Negotiating Team</b> (Ministry of Finance, Ministry of Mineral Resources, National Minerals Agency, National Revenue Authority, Environment Protection Agency, Attorney General's Office, etc.)	Negotiate contract with mining company if and when the need arises	High	To negotiate viable mining contracts that will be of benefit to the government and people of Sierra Leone	Has the incentive or potential to be corrupt as mining companies would want contracts that mostly benefit them	The possibility for collaboration and cooperation will be low as public officials are mostly suspicious and most of the negotiation processes lack transparency and citizens' participation

**STAGE 7: CONTRACT RATIFICATION**

STAKEHOLDER NAME	ROLE	LEVEL OF INFLUENCE	INTERESTS	MOTIVATIONS	COLLABORATION
<b>Parliament</b>	Ratify mining contracts for them to become operational	High	To debate and ratify mining contract that represents the best interest on the government and people of	Has the incentive or potential to be corrupt as mining companies would want to ratify contract even if they do not have the	The possibility for collaboration and cooperation will be low as Parliament is not open up to civil society as they are mostly suspicious of their

			Sierra Leone	potential to benefit the government and people of Sierra Leone	activities
<b>Parliamentary Committee on Mining &amp; Extractives</b>	Hold preliminary discussions on mining contracts and other mining related issues	High	To critically look into provisions in mining contract before they are tabled in Parliament for discussion and ratification	Has the incentive or potential to be corrupt as mining companies would want no objections to contracts in their favour	The possibility for collaboration and cooperation will be low as Parliament is not open up to civil society as they are mostly suspicious of their activities

## **MINING APPLICATION REQUIREMENTS FOR BOTH SMALL AND LARGE SCALE MINING**

### **SMALL- SCALE MINING LICENSE**

**Maximum Area:** 100 hectares (1 square kilometer)

**Duration:** 3 years renewable for another three year period

**Operation:** Mechanized operations not exceeding twenty meters in depth or involving the sinking of shafts, driving of audits, or other various underground openings

### **APPLICATION REQUIREMENTS**

1. Completed application form ( forms B1, B3, B15, B18)
2. Copy of certificate of incorporation, certificate of Business Registration and certified copy of memorandum and articles of association
3. If an exploration license exists of which applicant is not the license holder, please provide full details of the financial and technical resources available
4. Copies of qualifications of the proposed Mine Manager

5. Map of proposed Small Scale Mining area
6. Description of the area applied for an total area sign (maximum 100 ha)
7. Evidence of technical and financial resources available to applicant
8. Technical report, summarizing the geology and mineralization sufficient to demonstrate that an economic mineral deposit exists
9. Evidence that consent has been obtained from the Chiefdom Mining Allocation Committee
10. Proposed program of mining operations must be provided which addresses each of the following
  - A technical report on the mining and treatment methods to be employed
  - An environmental impact assessment
  - An environmental management program
  - Proposed marketing arrangements for the scale of minerals mined
  - Goods and services to be obtained from within Sierra Leone
  - Proposals with respect to employment of Sierra Leone citizens
  - Details of insurance including life and health cover for employees
  - Proposals for any anticipated infrastructure requirements
  - A financial plan for the proposed mine detailing capital investment, operating costs
11. Environmental Impact Assessment (EIA) license from the Environment Protection Agency
12. A Community Development Agreement (CDA)
13. Tax clearance certificate
14. Tax Identification Number (TIN) Certificate
15. Any other additional information
16. A non-refundable application fee as required



## **LARGE-SCALE MINING LICENSE**

**Maximum Area:** 125 Square Kilometers

**Duration:** 25 years renewable for another 15 year period

**Operation:** Any safe and approved method

### **APPLICATION REQUIREMENTS**

1. Completed application form ( forms B1, B3, B15, B18)
2. Copy of certificate of incorporation, certificate of Business Registration and certified copy of memorandum and articles of association
3. Company profile including number of employees (technical, administration and others), and capitalization
4. Certified copy of audited accounts for the year immediately preceding (where applicable)
5. Map/plan of proposed Large Scale Mining area
6. A detailed proposal for the employment of Sierra Leone citizens
7. Full feasibility study including a detailed report on the geology and mineralization, mining and treatment options, a financial/business plan and marketing
8. Environmental Impact Assessment (EIA) License from the Environment protection Agency indicating detailed studies of any significant adverse effects that the program is likely to have on the environment or on any monument or relic, together with an estimated cost of combating such adverse effect
9. A proposed Environmental Management Program
10. Mine plan including a proposed program of mining operations and infrastructure
11. Tax clearance certificate
12. Tax Identification Number (TIN) Certificate
13. Any other additional information
14. A non-refundable application fee as required