

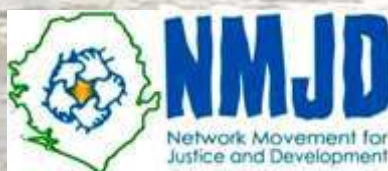


# WHAT BENEFIT COMES TO AFFECTED MINING COMMUNITIES

## CASE STUDY REPORT



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## 1. ABBREVIATIONS AND ACRONYMS

i.	CDA	–	Community Development Agreement
ii.	CDC	–	Community Development Committee
iii.	CDF	–	Chiefdom Development Fund
iv.	COVID 19	–	Corona Virus Disease 2019
v.	CSR	–	Corporate Social Responsibility
vi.	CSO	–	Civil Society Organization
vii.	DACDF	–	Diamond Area Community Development Fund
viii.	EPA	-	Environmental Protection Agency
ix.	FGD	–	Focus Group Discussion
x.	KP	–	Kimberley Process
xi.	KPCSC	–	Kimberley Process Civil Society Coalition
xii.	MOU	–	Memorandum of Understanding
xiii.	NDMC	-	National Diamond Mining Company
xiv.	NASSIT	-	National Social Security and Insurance Trust
xv.	PAYE	-	Pay As You Earn
xvi.	NGO	–	Non-Governmental Organization
xvii.	NMA	–	National Minerals Agency
xviii.	NMJD	–	Network Movement for Justice and Development
xix.	PC	–	Paramount Chiefs
xx.	SDO	–	Senior District Officer
xxi.	SLST	-	Sierra Leone Selection Trust

## 2. Foreword

Prior to COVID invasion in late 2019, there was already an existing contemplation on whether the natural endowments were a blessing or curse on local communities. Several studies conducted to measure the impact of mining on local communities, have all agreed on a common finding - that mining has taken away far more than it has benefitted the communities.

When the Coronavirus struck the world and subsequently entered Sierra Leone in March, 2020, it was already clear that vulnerable people in rural communities will be hard hit by the socio-economic consequences of the virus. This was expected, given the fact that those communities lack access to the fundamental social amenities needed to prevent spread of the virus. These communities also include -to a very large extent - the primary host communities affected by diamond mining in Sierra Leone.

Since when diamond mining started with the use of crude tools in 1930, to when the Sierra Leone Selection Trust (SLST) established and later replaced by the National Diamond Mining Company (NDMC), to date, the social and economic lives of people in those mining communities have constantly been plagued by misery, social and economic inadequacies and bloodbath conflict. This was very visible when Kono district and the Tongo mining fiends became the hotspots of the decade long civil war that plagued Sierra Leone since 1990 to the year 2000.

Just as before the war, the living conditions of people in mining communities are still not better – maybe even worse. Amongst the numerous effects, the main criticism against mining in Kono districts and Tongo, are the negative social, economic, cultural, environmental and personal human rights impact on the people and the communities.

UN definition of ‘blood diamonds’ was formulated during the 1990s, when brutal civil wars were being waged in parts of western and central Africa by rebel groups based in diamond-rich areas of their countries, including Sierra Leone. However, stepping into the year 2000, efforts started to emanate from the global perspective in order to remove violence from the mining of all minerals. Those efforts from the global perspective, have of recent been consolidated with local efforts of transparency campaign in the mining industry. The key players include government agencies and civil society organizations but also industry actors.

Section 138 of the Mines and Minerals Acts, 2009 makes it a corporate duty on large-scale and small-scale (depending on size and investment) mining companies to assist in the development of mining communities affected by their operations, to promote sustainable development, enhance the general welfare and the quality of life of the inhabitants, and also to recognize and respect the rights, customs, traditions and religion of local communities.

Regardless to this legal provision, a serious challenge campaigners for extractive justices are still battling with is how there can be maximum benefits, transparency and accountability in sub-national payments for these communities to realize real-time development benefits as they continue to experience social, economic and environmental discomfort brought upon them by the activities of miners dwelling in their communities.

It appears this appalling situation has been worsened by the outbreak of the coronavirus disease in those mining communities. Thus, this research answers the question of *‘To what extent has mining communities been affected by mining activities, especially during this COVID 19 pandemic?’*

**Abu A. Brima**

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### **3. About the KP-CSC**

The Kimberley Process Civil Society Coalition is the umbrella organization that acts as an observer of the Kimberley Process on behalf of civil society. Its industry counterpart in the KP is the World Diamond Council, which equally has observer status. Most coalition members come from Africa, the world's main diamond producing continent. Representing communities affected by diamond mining and trade, they strive to improve diamond sector governance in their home countries. Their local and regional expertise enables them to follow up on KP implementation on the ground and articulate a grassroots perspective on the diamond sector at the KP forum. The coalition includes representatives from Cameroon, Democratic Republic of Congo, Guinea, Ivory Coast, Liberia, Lesotho, Sierra Leone and Zimbabwe. One member is based in Belgium, which is the home country of the world's principal trading hub for rough diamonds.

The KP CSC implements its role as civil society observer to the KP and activists towards good governance in the diamond sector through various activities. The KP CSC publishes public statements and press releases regarding the various issues that we take real care for. Members participate actively in the Intercessional and Plenary meetings of the KP and in the various Working Groups. Further, In accordance with the KP tripartite nature, there is one member of the CS Coalition present on each KP review visit and mission. Finally, KP CS Coalition members provide updates related to monitoring activities in their country.

<https://www.kpcivilsociety.org/what-we-do/>

Network Movement for Justice and Development (NMJD) is the regional coordinating CSO for the Kimberley Process Civil Society Coalition in West Africa. NMJD has a long-standing thematic engagement on the extractive sector. Prior to Sierra Leone's ratification of the KP agreement, NMJD, in collaboration with other CSOs, has strategically engaged government on legislative reforms, which all contributed to the enactment of the Mines and Minerals Act, 2009. Further actions undertaken towards promoting transparency and responsible governance of the extractive sector include, but not limited to civil society strengthening, setting-up and empowerment of community structures in primary host communities, support to organized actions for social and economic justice.

On board the KPCSC, NMJD is contributing to the process of detailed problem study, problem analysis and evaluation. This has necessitated series of assessments and engagements carried out in, especially diamond mining communities of Sierra Leone.

<http://www.nmjdsi.org/>

## 4. Introduction

Previously, the KP's focus was largely on large scale mining companies engaged in industrial diamond mining. However, several studies have suggested that other forms of mining methods carried out either by small scale or artisanal miners, do also seriously affect communities. Though this has been a long-standing situation, there have also been some insinuations that the COVID 19 outbreak could possibly exacerbate the awful situation of local miners and ordinary residents in mining communities. To what extent or in what manner, is part of what necessitated this study.

This study is funded by the KP-CSC with funds from EU, to assess how communities are benefiting from diamond mining and the impact of COVID on mining communities in Sierra Leone. The study targeted three mining communities of two districts in Sierra Leone, focusing on community stakeholders, spokespersons of mining companies, representatives of the community structures – including community development committees, local miners and vulnerable women and youths as key respondents.

With this understanding that people's lives were threatened by the rapid spread of the coronavirus, part of the funds were used to provide veronica buckets and detergents to support communities prevent themselves from contracting the virus. The funds also provided food and non-food items for quarantine homes in the project communities.

The general objective is to assess the level of benefits diamond mining have contributed to the primary host communities and to explore the socio-economic and cultural effects of COVID-19 Pandemic on the lives of these same communities.

The specific objectives are:

- To reveal the degree to which diamond affected mining communities have socially and economically benefited from diamond mining in Sierra Leone.
- To assess the socio-economic and cultural effects of COVID–19 Pandemic on the lives of primary host communities of diamond mining in Sierra Leone.
- To provide concrete and actionable recommendations to improve the livelihoods of primary host communities affected by diamond mining.

## 5. Problem Statement and Research Question

This research was carried out to assess the social and economic impact of diamond mining activities on the primary host communities in Sierra Leone, especially during the COVID 19 pandemic.

Already, it has been indicated that mining communities in Sierra Leone are faced with a list of social, economic and environmental challenges either directly facilitated by the miners operating on their land, or usually due to the fact that government authorities do not transfer in commensurate terms development programmes compared to the destructions those communities face due to mining.

There is another understanding that rural communities are the worst hit when there is a global pandemic. Given that mining communities in Sierra Leone are among the most vulnerable communities, there is already an expectation that those communities are among the most suffering places on Earth during the Coronavirus pandemic.

As recorded in many studies – including NMJD’s Assessment of the Impact of Industrial Mining on Women in Mining Operational Areas Of Bo, Bonthe, Moyamba and Kono Districts, in Sierra Leone <http://www.nmjdsi.org/wp-content/uploads/2018/12/the-impact-of-industrial-mining-on-women-in-bo-bonthe-moyamba-and-kono-districts-final-04.12.18.pdf>, vulnerable groups such as women and youth, are the most affected by mining activities.

A report on ‘Diamond in War’ [https://www.eli.org/sites/default/files/121-145\\_kawamoto.pdf](https://www.eli.org/sites/default/files/121-145_kawamoto.pdf) by Kazumi Kawamoto, it cited that:

*‘Kimberlite mining is expected to play an important role in peace-building by increasing government revenues, attracting foreign investment, and creating employment. The government of Sierra Leone believes that kimberlite mining has the potential to produce up to 450,000 carats per year (M’cleod 2008)—a significant contribution, given that total exports in 2008 amounted to 40,399 carats (Government Gold and Diamond Office 2008). Nevertheless, kimberlite mining has not been without problems. Although the category of conflict most commonly associated with conflict diamonds is armed violence that is intended to undermine legitimate government, other types of conflict—of which the kimberlite riot is an example—can pose grave threats to mining communities.’*

Communities not benefiting from the minerals resources have also contributed to instability leading to confrontation between mining companies and (sometimes) workers or community youth. In 2007, communities affected by the mining operations of Koidu Limited felt extremely disadvantaged to the extent that they resorted to a ‘peaceful’ sit down demonstration, but which resulted to a confrontation with the police and led to loss of two lives, also leaving many wounded. A similar incident occurred in 2012 which also led to police firing of tear gas canisters, followed by live bullets – also killing two people and leaving few others badly wounded.

[https://www.icij.org/investigations/panama-papers/20160725\\_sierra-leone-diamonds](https://www.icij.org/investigations/panama-papers/20160725_sierra-leone-diamonds)



Grave of Aiah Momoh, one of the



Mining communities are generally regarded as dusty, chaotic and unsafe for women and girls. Social delinquencies are also usually high. Artisanal miners or male employees of large-scale mining companies easily go after school girls and get them pregnant. Most of these girls have dropped out of school.

These are not the full package of challenges facing mining communities in Sierra Leone. There are also a visible severe shortage of essential commodities such as foodstuff, including local agricultural products like vegetables or much needed foreign products from the markets. If ever they are available, sometimes they are far costly than in other places. Access to pure drinking water is also very difficult in mining communities. This can be caused either due to contamination of water basins or due to fall in capillary water table which makes domestic water wells dry out. Surrounding the mining pits, there are very visible signs of serious environmental degradations indicated by hills of rubbles and boulders excavated from the mining pits.

Maybe, corruption in the collection and utilization of sub-national mining revenues is the worst among the list of problems characterising mining communities. Although a good number of the miners are engaged in illicit mining, thus not letting government generate the full amount of taxes supposed to come from mining, it is also very true that Government is receiving a considerable amount of money from mining. Ranging from license fees to royalties, Government has set up several ways to plough back resources generated from mining communities. Arrant corruption is one of the main barriers stopping these resources from making meaningful impact on the lives of poor rural people living in mining communities.

## **6. Socioeconomic and Political Context – Sierra Leone**

Sierra Leone is one of the world's poorest countries with a GDP estimated in 2019 round 4.10 billion USD, according to official data from the World Bank and projections from Trading Economics. The GDP value of Sierra Leone represents less than 0.01 percent of the world economy.

2015 National Population and Housing Census estimated Sierra Leone's population at 7.2million people. Wordometer's population estimation webpage is suggesting that Sierra Leon's population could be around 8.1million people in 2020.

<https://www.worldometers.info/world-population/sierra-leone-population/>. 43.3 % of the population is urban (3,453,971 people in 2020).

Sierra Leone is politically divided into five regions – Northern, North-Western, Eastern, Southern and the Western area. There are 16 political districts – 14 in the rural provinces, with the Western area divided into urban Freetown and the rural municipality of Waterloo and environs. Mining, trade and agriculture are the mainstays of Sierra Leoneans. Diamond is one of the major minerals mined in Sierra Leone, which is mined on a larger scale in Kono and Kenema districts, with a small deposit of alluvial diamond along the Sewa river in the Southern district of Bo. Currently, there are two large scale mining companies mining diamond – Koidu Limited in Tankoro and Gbense chiefdoms of Kono, Meya Mining Ltd in Nimikoro and Tankoro, In the post-conflict period of the 2000s, the minerals sector regained its prominence in Sierra Leone, driving economic growth, accounting for most of the country's foreign exchange earnings and increasing revenues for government. Together, large-scale, small-scale and artisanal mining made significant contributions to the economy of Sierra Leone, surpassing 20% GDP at

the height of the commodities boom in 2012/3. <https://nma.gov.sl/wp-content/uploads/2019/05/The-Sierra-Leone-Minerals-Policy.pdf>

On 31 March 2020 - The Ministry of Health and Sanitation of the Republic of Sierra Leone reported the country's first case of COVID-19. As supposedly thought, the announcement warranted heightened restrictions on movement and some social and economic activities. There was a complete shutdown of the international routes leading into the country which meant that foreign investors, including those coming to buy diamond, were no longer able to visit the country. This already suggests that mining communities were to a very greater extent affected by this situation.

The World Bank's 2020 update indicates that; 'Sierra Leone, like many countries in the world, is now facing the dire human and economic impacts of the COVID-19 (Coronavirus) pandemic. Prior to the COVID-19 (Coronavirus) crisis, Sierra Leone was one of the fastest-growing countries in Africa. However, growth prospects have been severely undermined since the COVID-19 (Coronavirus) outbreak. The COVID-19 (Coronavirus) crisis, like the 2014–2015 Ebola epidemic, is likely to damage adolescent girls' education prospects and their human capital potentials as the prevalence of child marriage and early childbearing as well as the risk of girls dropping out of school are all exacerbated during crises. This update comprises the economic outlook for Sierra Leone and a special chapter on educating girls

First part discusses recent economic developments, the impact of COVID-19 (Coronavirus) on the economy and the growth prospects under different scenarios regarding the spread of COVID-19 (Coronavirus). It discusses the potential channels of transmission, provides estimates of spillovers, and emphasizes necessary policy responses.

The second part of this update highlights the economic gains that could be achieved from ending child marriage and promoting girls' education. It also discusses a range of measures that could be undertaken by the government following the recent decision to allow pregnant girls to stay in school or return to school.' <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/131511593700755950/sierra-leone-economic-update-2020-the-power-of-investing-in-girls>

## **7. Research Area, Methodology**

This research targeted Kono and Kenema districts which are two of the main three diamond mining districts on Sierra Leone. Interviews were conducted in four mining communities – Gbense, Tankoro and Nimikoro of Kono districts and Lower-Bambara in the Kenema districts. Five sets of Questionnaires were administered, targeting community stakeholders, mining company representatives, members of the community development fund management, chiefs and local politicians. Community representatives were engaged in focus group discussions. We used both primary data from the field, and secondary data obtained from desk review to compile this report. We also referenced some relevant reports on credible websites to corroborate some information.

## **8. Data**

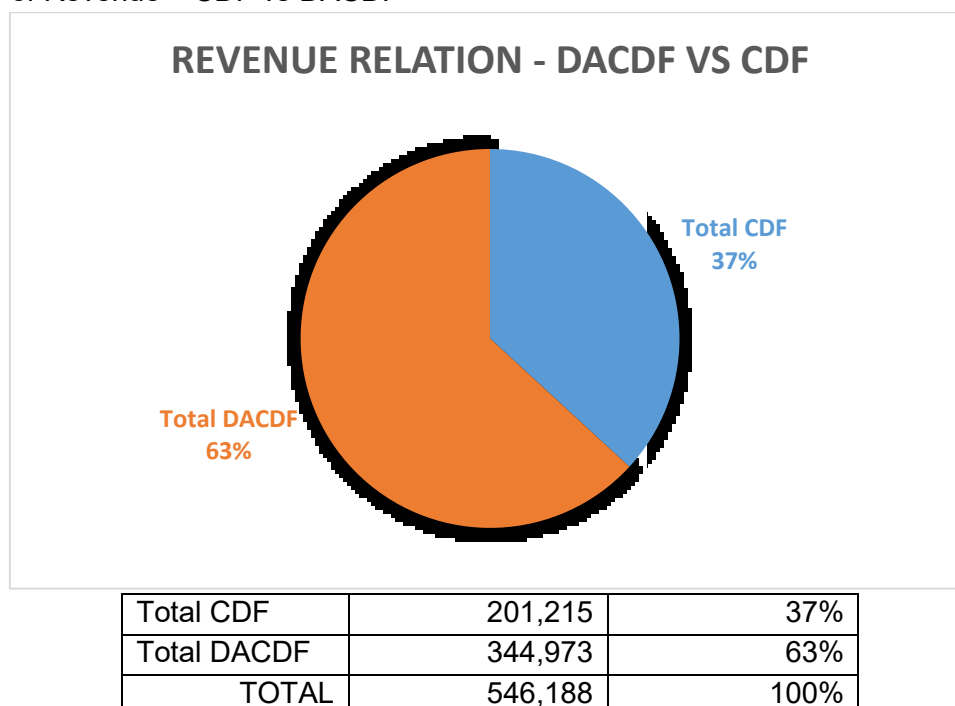
The following data are obtained from secondary desk review data. The field participants were either not in a position to give any data, or were reluctantly doing so for fear of divulging sensitive

information. And such secondary data were only available for the Kono district, in terms of total revenue repayment made to six diamond mining chiefdoms within the years 2016 – 2018. It is important to note that none of the company representatives was in the position to respond to our questions.

### 8.1. Total Extractive revenue for the year 2016 – 2018

Chiefdom/ Institution	Main Source	2016	2017	2018	Total
Sandor	DACDF	22,236	29,557	21,364	73,157
Nimiyama	DACDF	19,617	20,983	26,067	66,666
Nimikoro	DACDF	27,025	19,764	25,500	72,289
Kamara	DACDF	12,856	15,107	14,450	42,414
Tankoro	DACDF	14,024	12,689	16,554	43,266
Gbense	DACDF	18,256	22,560	6,366	47,181
CDC (Koidu Limited)	CDF	0	148,106	53,109	201,215
Grand Total	DACDF	114,013	268,765	163,409	546,188

Summary of Revenue – CDF vs DACDF



*(Data Sources: NMJD/OXFAM – Diamond Revenue Redistribution in Kono district)*

The above data was presented to give a quick relationship between the government's repayment to communities (DACDF) and companies' repayment (CDF). It can be seen that, the total company's direct repayment to a single chiefdom for just two years (USD 201,215), is almost equal to Government's repayment to six chiefdoms for three years (USD 344,973). This

tends to inform that, communities benefit more when companies are made to make direct repayment to them and such resources are used transparently.

## 9. Mining Benefits to Communities

Regardless of the common sentiment expressed by about eight out of ten respondents in each FGD that mining takes away more than it benefits the communities, there are however government's approved subnational payments and other forms of mining benefits that do come to mining communities directly. There are trending discussions on whether these payments are necessarily companies' contributions to community development or are due benefits that individuals are entitled to. There are also generally heightened concerns on accountability measures accompanying these payments. Some respondents alleged that most times, companies have used subnational payments as an atonement to community stakeholders so that they can continue to protect their interests when groups attempt to rise against them.

These subnational payments, as required of companies include:

### 9.1. Community Development Fund (CDF)

Section 138 of the Mines and Minerals Acts, 2009 reads:

*“The holder of a small-scale or large-scale mining licence shall assist in the development of mining communities affected by its operations to promote sustainable development, enhance the general welfare and the quality of life of the inhabitants, and shall recognize and respect the rights, customs, traditions and religion of local communities.”*

Section 139 qualifies that

*“... the holder of a small-scale or large-scale mining licence is required to have and implement a community development agreement with the primary host community if its approved mining operation...”*

Section 139 (4) states that

*“The holder of the small-scale or large-scale mining licence shall expend in every year that the community development agreement is in force no less than one percent of one percent of the gross revenue amount earned by the mining operations in the previous year to implement the agreement, and such amount and a breakdown of expenditures shall be reported to the Minister annually as may be prescribed.”*

In fulfillment of these criteria, three large scale mining companies in the research area – Koidu Limited and Meya mining Limited in Kono and Sierra Diamonds in Kenema – have signed CDA with their primary host communities.

There have been several contestations to these provisions since when the law was enacted in 2009. Some of the key points of contention are around the following doubts:

- a. **When are companies oblige to pay CDF?** Koidu Limited didn't pay CDF to its primary host communities until in 2016 when a CDA was signed. They argued that the Act stipulates that they should only pay when a CDA is in place. There is ambiguity as to whose responsibility it is to ensure that there is a CDA. The community hitherto lay claims of

backlog payment for five years i.e. 2010 – 2015. Neither NMA making any effort to force Koidu Limited to pay nor the company is making any effort to take responsibility for these claims.

- b. **What is the (100%) Denominator?** – Communities have argued that they do not trust whether the amount of money they do receive are fairly calculated since they do not even know what the 100% is. They have on many occasions demanded that a representative is involved when NMA and the companies are calculating the CDF. This is something the companies think they cannot do as they argue that all records are with NMA and it is the government’s responsibility to choose what information to give to communities and not.
- c. **Who decides what CDFs should be used for?** While mining companies have expressed concerns about fair use of CDFs, CDCs have expressed also concerns that companies are not giving them full autonomy to manage CDFs without interference. The normal practice recommended by civil society and NMA is for CDCs to conduct community needs assessments. Community needs are to be detailed in a community development plan that should guide the use of CDFs. In Kono district, NMJD supported six chiefdoms to have Chiefdom Development Plans which were developed through a participatory needs assessment conducted in all the sections of the chiefdoms. Funds for this activity were provided by OXFAM International.
- d. **Inconsistency in the percentile calculation of CDFs** – The provision in the law on CDF didn’t put any specific amount or percentage. It rather states that companies should pay “one percent of one percent of the gross revenue amount earned by the mining operations in the previous year”. This provision leaves companies with their conscience to agree on what percentage to pay which can be as low as 0.1% of annual earnings for the previous year. There is also no evidence that NMA or any government agency has helped to bargain fairly with companies on behalf of communities. For this legislative ambiguity, Koidu Limited for instance can only commit 0.25% of its annual income to community development, while Meya and Sierra Diamond are paying 1%. There have been increasing calls from communities for a change in this figure. In the recent review process of the Mines and Mineral Act, civil society has called for the floor value to be 5%, but NMA seems to be comfortable with 2.5%, a figure the mining companies still argue that is too high.

Since the respondents interviewed were not in the position to provide reliable data on amounts of money paid so far for the past three years. We relied on secondary data on subnational payments available for the period 2016-2018, as shown below.

NO	NAME OF COMPANY	2016 (USD)	2017 (USD)	2018 (USD)	2019 (USD)	TREMARKS
1	SIERRA RUTILE/ILUKA LIMITED	100,000	100,000	100,000	100,000	Project implementat
2	SIERRA MINERALS HOLDING LTD	510,771	602,779	674,128	637,432	Project implementat
3	KOIDU LIMITED	198,000	62,300	212,000	258,327	Project implementat
4	SIERRA DIAMONDS MINING LTD	never mined	never mined	100,000	100,000	Project implementat
5	MEYA MINING COMPANY	Never existed	Never mined	Never mined		
6	WONGOR MINING COMPANY	Never existed	Never existed	Never mined		

Source: Sierra Leone Extractive Industry Transparency Initiative (SLEITI) and Directorate of Community Affairs, communications and Public Relations, NMA 2020

## 9.2. Diamond Area Community Development Funds (DACDF)

DACDF are government's direct repayment to diamond mining communities out of artisanal mining activities carried out on their land.

The government of Sierra Leone established the Diamond Area Community Development Fund (DACDF) in 2001 to support development in mining communities (chiefdoms). Every year the Government of Sierra Leone levies a 3 % tax on the value of all diamonds mined by holders of artisanal mining licenses. 25 % of that 3% is what the government gives to the DACDF fund. In other words, the Government deposits 0.75 % of the total export value of artisanal diamonds in the DACDF account that is jointly operated by the Ministries of Mines and Local Government.

The amount of DACDF allocated to each chiefdom is based on the artisanal number of mining licenses in that chiefdom.

Districts and city councils benefit because their chiefdoms in their localities have diamonds and people have paid artisanal licenses.

Three institutions that benefit from the DACDF include:

- The District Councils
- The City Councils and
- The Chiefdom Councils

Government deposits 0.75% of the total export value of artisanal diamonds in the DACDF account. This amount is taken as 100% and shared as follows: (100%)

- District councils---15%
- City Councils receive--5%,
- Chiefdom councils — Total of 20% shared on a flat rate, and the
- Remaining 60% amount based on artisanal licenses from the chiefdom

Payment of DACDF is also characterized by some limitations, amongst which the notable ones include:

- Illicit Artisanal Mining** – DACDF is calculated against the number of valid artisanal diamond mining licenses obtained in the previous year from a chiefdom. Most communities where illicit mining is rampant, have benefited very less from DACDF regardless of the fact that mining is being carried out on their land and people are affected by those mining activities.
- DACDF has been perceived as a political settlement to chiefs and local council leaders** – There have been widespread criticisms on how the recipients of DACDF account for what they receive on behalf of the public. What is even more appalling is the fact that government has not set in place any serious effective monitoring system for the use of DACDF. There has never been a case where a Chief or local council has been probed on how they utilized DACDF. Most times, central government gets scared of not losing support among chiefs and local council leaders and therefore will not take any action even if the



evidences are glaring that DACDFs have been misused. Civil society call for transparency in the use of DACDFs have only fallen on deaf ears.

- c. **The payment of DACDF is guided by a policy and can stop at any point in time** – there is no legal provision that makes the payment of DACDF binding in government. The decision was reached from a policy implementation by the Ministry of Mines and Mineral Resources, and can be stopped by any other minister. This won't be the case if the mines and minerals act review makes DACDF lawful.

Below are DACDF paid to mining chiefdoms in 2017 and 2018.

### Diamond Area Community Development Fund

Period	Amount (SLE)	Status of disbursements
2012 (January – December)	544,554,447	Disbursed
2013 (January – December)	1,364,157,340	Disbursed
2014 (January – December)	3,587,235,848	Disbursed
2015 (January – December)	2,965,961,438	Disbursed
2016 (January – December)	3,587,235,848	Disbursed
2017 (January – December)	3,931,054,347	Disbursed
2018 (January – December)	3,815,394,712	Not disbursed
2019 (January – December)	4,193,894,119	Not disbursed
2020 (January – March)	486,521,772	Not disbursed

Source: Directorate of Finance and Administration and Directorate of Mines, National Minerals Agency, June 2020

### 9.3. Surface Rent

The Mines and Minerals Act, 2009 makes it mandatory for companies to pay surface rents for mining. But the law did not clearly guide further on how much to pay and who to pay to. This makes it very difficult to determine what companies pay for mining on a piece of land. The common practice has therefore been, mining companies can give any amount of money as surface rents to landowners. It will seem that this is done in consultation with NMA, but there is no reference value for a piece of land taken away from its owner for mining.

Usually, the total surface rents fees are divide among the landowning family, the paramount chiefs, the District Council and the Member of Parliament representing the constituency where the mining is conducted. Similar to all other subnational payments, there is very limited transparency and accountability in the payment and use of surface rents.

There have been increased criticisms against the redistribution of surface rents to chiefs and MPs. Civil society members have argued that surface rents are the bona fide property of landowners and should therefore not be distributed so that they only get 50%, especially when there are very little or no evidence that the remaining 50% given to the paramount chiefs, Local Councils and MPs are used for any community development purposes.

### 9.4. Blasting Compensation

Thought it is recommended that miners should fist resettle residents met within the mining concession before blasting, this has never been the practice anywhere in Sierra Leone. For the incontineny cause, Meya Mining and Sierra Diamond are on record distributing cups of rice and some money to households anytime they have to move them out for blasting. There is

however discontentment among many people who say the company is only paying this incentive to residents whose houses are within the concession and not necessarily all residents affected by the blasting. Most of these residents not paid for blasting disturbances have taken civil society round their houses to show cracks in the wall of their buildings. The companies have mostly argued that the houses had the cracks even before the blasting commenced.

### **9.5. Crop Compensation**

Landowners and land users who had economic trees on a piece of land used for mining should be compensated for economic loss. However, there is no law guiding how much should be paid for what. The common practice has been that companies hire the services of an external consultant to do an assessment and determine how much the crop owners should get for their crops in consultation with the Ministry of Agriculture. This method has received heightened criticism on the basis that the consultants have mostly served their masters and do not recommend fair fees for the crops. Crop owners have complained that one-off payment for their economic trees has made them stay in poverty for all the remaining years of their lives. They argue that their crops would support their livelihood for many years if they hadn't been cut down by miners.

### **9.6. Personnel Taxes**

Similar to surface rent, miners have on many occasions referenced personnel taxes as their contribution to national payments. On contrary, CSOs including the EITI, have opposed this sentiment on the basis that personnel taxes are the employees' direct contribution to national payment and not the company/employer. These payments including PAYE taxes, NASSIT, and other service taxes are deducted by mining companies and paid directly into the NRA accounts. They however come directly to the Central Government and are supposedly transformed into development programmes across the country.

### **9.7. Corporate Social Responsibility (CSR)**

It is a question of whether miners are doing anything extra to maintain good relationships within the community. Common sense can simply indicate that this is obvious, but there have been some heart-rending revelations that, in most cases, companies do not report any profit from their mining operations because all cost, including those considered as CSR are recorded as cost of production and are all contributing to increasing the deficit column of the balance sheet. There is another criticism that most times, companies have used their CSR as bribing tools to political leaders and local authorities who protect their interests.

Regardless of this misrepresentation, there are a good number of development projects undertaken by Meya Mining and Koidu Limited that are said to be part of their CSR.

## **10. Case Study and Key Findings**

The research targeted two large scale diamond mining districts of Sierra Leone – Kono and Kenema. In Kono district, two large scale mining companies are engaged in Kimberlite mining – Koidu limited in the Tankoro and Gbense chiefdoms and Meya mining across Nimikoro and Tankoro chiefdoms.

## 10.1. Case Study – Kono District



The 2015 national census estimated Kono population at 506 100 people – Male: 252, 751; Female: 253 349.

Kono district is known to be the home of the largest deposit of diamonds. In fact, many people believe all the diamond deposits in the Kenema and Bo districts are rooted in Kono. Seven out of the fourteen chiefdoms of Kono district have discovered diamonds. There are three Kimberlite pipes currently mined or explored in Kono district – Pipe one and two in Tankoro and Pipe three in Gbense chiefdom, respectively.

There are other large scale exploration companies, and a Chinese gold mining company operating partly in Nimikoro and Nimiyama chiefdoms. A very large number of local citizens are also engaged in artisanal diamond and gold mining in all the other mining communities of the district.

Interviews were conducted in three of the seven diamond mining chiefdoms. These three chiefdoms – Tankoro, Gbense and Nimikoro, are the primary host communities for the Kimberlite mining in the districts. Koidu Limited, Meya Mining are the two main large scale diamond mining companies operating in Kono in the three chiefdoms. Kono district is further divided in two local council administrations – the Koidu city council and the Kono district council. There are 27 local council wards administered by elected councillors. The city has 14 of the 27 councillors.

## 10.2. Case Study - Kenema District



Kenema district, with a population of 609 891, (Male: 301,104; Female: 308,787); is the second diamond mining district with Kimberlite deposits. Interviews were done in the Tongo community of the Lower-Bambara chiefdom.

Kenema is the regional headquarter for the eastern region. Like Kono, Kenema district is also sub-divided into two local council administrations – the Kenema city council and the Kenema district council.

Sierra Diamonds Limited is the only large scale diamond mining currently operating in the Tongo mining fields of Kenema district. There also are a large number of local Sierra Leoneans engaged in artisanal diamond mining in three other mining chiefdoms of the district.

## 10.3. Analysis of Key Findings

1. Low Economic Impact – As was visibly seen by the poor living conditions of people in the research area, nearly all the respondents agreed that mining activities carried out on their land benefited them very little. In commonality, key economic benefits identified are underpaid employment of few youth and a secondary school building under construction in districts. Key community leaders interview, including the CDC representative and the Member of Parliament, all agreed that the large scale mining companies have since 2017 been committed to payment of the agreed percentage of their annual turnover into the community development fund. However, local residents engaged in a focus group discussion could not agree that those payments were transformed into any tangible economic benefit, except the two school buildings. The respondents indicated that this

situation was worsened by the coronavirus outbreak as there have been delays in the remittance of payments due for 2019.

2. **Social Impact** – The respondents, especially women indicated that mining has contributed very less to social benefits of their community. Instead, they attributed the increased social delinquencies including gender-based violence on women and girls to the presence of miners of mix cultural background in their communities. They also reported that there have always been increased tension between State security and jobless youth as a result of discontentment with the activities of large scale mining companies operating in their community. During the coronavirus lockdowns, many youth who depend on mining for daily survival became defiant and had a sporadic confrontation with police – a situation, they said resulted in violence and instability for several days.
3. **Adverse Environmental Impact** – As visibly as it is, all respondents agreed that mining activities have been the main cause of the adverse environmental degradation in their communities. They particularly identified the abandoned mined-out pits from both artisanal and small scale miners and referred to them as breeding grounds for mosquitoes and other disease-causing pathogens. There is no evidence that the coronavirus outbreak had any added environmental impact. However, educated elites engaged pointed out that, though not visible to the human eyes, there were already understanding that certain environments were already contaminated by the coronavirus spread.
4. **Specific COVID-19 Related Impact on Mining** – When asked on how the coronavirus pandemic affected mining, many respondents stated that local dealers reduced the market price of diamond and gold, complaining that investors were no longer in the country to buy the minerals and that they were buying at their own risk. Youth and women present in focus group discussions also indicated that they were restricted from mining during heightened COVID 19 restrictions.

#### **10.4. Responsible factors for the negative impacts of mining on communities'**

The following factors were generally identified as the common causes for the adverse effect of mining on the primary host communities'

1. **Weak/inadequate laws** – When asked whether they have trust that mining laws were adequate to address the challenges reported on mining, nearly all respondents stated that the laws were not only inadequate to address those challenges but that even the existing laws were not being effectively implemented.
2. **Entrenched poverty** – Some respondents agreed that most miners take advantage of the poverty status of residents, especially land-owners, and decide to further exploit them. They cited the mining-supporter and license-owner relationship which they say has always been unfavourable for the local land-owners. They complained that most times, the wealthy foreign miners dupe local landowners when they jointly invest in the artisanal or small-scale mining business.
3. **Corruption** – It was a common perspective that corruption in the collection, management and redistribution of mining revenues, is the main cause of the poverty situation of mining communities. The local citizens engaged in a focus group discussion generally expressed

distrust in their local leaders who receive sub-national extractive revenues on their behalf. They also accused the large scale miners of colluding with chiefs and local politicians to defraud local communities.

### 10.5. Direct COVID 19 Imposed Challenges on Natural Resources Justice in Sierra Leone

The following impacts of the outbreak of COVID 19 on our extractive justice campaign in Sierra Leone, were indicated in our Interim report earlier submitted.

5. Socio-economic challenges due to restriction on movement (*Prices are high, poverty is further entrenched, we can do very little with limited resources*) - Foremost, roads in-between districts and regions were barricaded by police under the 'inter-district Lock-Down' order. In order to move about, one has to apply online for an electronic pass. The bureaucracies involved in securing a pass are as frustrating as staying in one district and bearing up with the consequences of not traveling. Rumours of police forces colluding with the military to exploit commercial drivers moving with goods, cannot be corroborated but were openly discussed. People who are really urgent to move for any reason would have to pay a five-times the normal transport fare for the same distance. Local food commodities rot in the hands of the farmers since the transport fare to cities could render those commodities worthless, or could even result in loss of money to an unlucky farmer. Thus it became a fruitless endeavour to transport (especially) perishable farm products to cities.

But it didn't stop there. There was an order for town-service public transports to not overcrowd passengers and pillions on-board. Emanating from an abysmal public transport situation, people find it very difficult to move even within cities. There is ALWAYS scramble over space once a tricycle or minibus stops with just space or two left to reach recommended capacity. Staff members who feel too decently dressed to compete are left to either pay double of the normal transport or walk to work if they are not living too far off their places of work.

Specifically for project planning, budgeting was a sort of difficult gymnastics at the Finance Department. We wanted to do more with the limited resources, but the given circumstance pressed the just too low to be able to achieve that.

6. Shift of priorities that exacerbating the uncomfortable status quo (*Now it is okay to not disturb government officers and mining entities for anything, including vital information. Even the all-important legislative reform process is being slowed down if not stalled*) - Where things were bad during normal times – governments and mining entities refusing to be influenced; the existing circumstance seemingly provided a safe-haven for these entities to intensify their usual tendencies. We could not easily access people in their offices when we needed some external information for planning. It is difficult now to demand increase community benefits since it is the understanding and common cry that businesses have gone bad – and have to accept to understand this. Government spending is claimed to have been shifted towards addressing pressing priorities, thus limiting community interventions. This is consistently endangering the lives of the vulnerable people, especially in the already impoverished mining communities.

7. Limited opportunity to learn *(Nothing new is said to be happening. Everything is revolving around Corona Virus or a stand-still)* – We could have used the project planning and implementation to have a wider scope of understanding of situations both in government offices and in the field of operations. But when the context has rudely changed, there has been room for excuse everything to appear as normal. Therefore, our indicators were based on desk data and certain assumptions.
8. High Expectation in project communities *(Because we have once been there to help them, many people think we should be there always to do that)* - In this crisis period, communities have been further impoverished by exacerbated economic hardship that is orchestrated by the COVID 19 outbreak. Therefore, worse than usual, they look forward to every source for help. When we went to the field on normal field visits, people thought we came to give them some hands outs. It could be embarrassing to move out without helping out with the material needs. This is the reality in all project communities, given the existing predicament.

### 10.6. Matrix of Responses - Existing Context (COVID-19)

QUESTION	RESPONSES FROM KONO DISTRICT	RESPONSES FROM KENEMA DISTRICTS
<p>1.1. What information do you know about the Corona Virus Disease – in terms of number of confirmed cases, the signs and symptoms and preventive measures?</p>	<p>The disease is deadly and very contagious. Signs and symptoms include coughing, difficult breathing, vomiting etc. Social distancing, use of facemask, and early reporting of sick are essential for the prevention of the disease. A thousand-plus people are affected in the country.</p>	<p>The group agreed that the number of confirmed cases could be 1,000 and above The following were the signs and symptoms of COVID-19 identified by the group.</p> <ul style="list-style-type: none"> <li>• Fever and flow</li> <li>• Difficulty in breathing</li> <li>• Sour throat</li> <li>• Serious headache</li> <li>• Weakness</li> </ul> <p>The following were identified as preventive measures:</p> <ul style="list-style-type: none"> <li>• frequent hand washing using soap and sanitizer</li> <li>• avoid touching of face and nose</li> <li>• bend face to the elbow when sneezing and coughing</li> <li>• wear a face mask and observe social distancing</li> <li>• Limited movement to other people and places</li> </ul>
<p>1.2. From what source do you normally get information about important</p>	<p>RADIO, AND TELEVISION</p>	<p>Sources of information include:</p> <ul style="list-style-type: none"> <li>• Community Radio (voice of Lower Bambara)</li> <li>• Text messages and ring back tone from Orange and Africell</li> </ul>



<p>issues including COVID-19?</p>		<ul style="list-style-type: none"> <li>• Person to person discussion</li> <li>• Internet browsing (Opera news and WHO website)</li> <li>• Sensitization from CSOs such as NMJD through community animators and women in mining and extractives, mining company and some individuals such as the MP</li> </ul>
<p>1.3. Do you have any case of Corona Virus disease here in this community?</p>	<p>Yes 43 Cases;</p>	<p>No A confirmed case is been reported from the company who according to information contracted COVID-19 while in Freetown and did not come back to the community</p>
<p>1.4. Has there been any violence as a result of Corona Virus restriction?</p>	<p>Yes, What kind of violence? -Pelting of stone against the police Who were involved? Quarantine inmates and the military, police, and medics What role did the police play? Quell down the situation How serious was the violence? somehow serious  Was any one arrested - Is anyone still in police cells or jail as a result of that violence?  Yes, but was later resolved but some accused on the run in Guinea</p>	<p>Yes If yes, please state: What kind of violence? Police were beating people when caught seated in veranda during curfew and for non-use of face mask and hand washing. There were cases of men beating their women because they refuse to have sex every day especially during the lockdown.  <b>Who were involved?</b> Police were mostly involved in beating people for hand wash and when caught in verandas. In terms of violence at home it involved husbands and their wives  <b>What role did the police play?</b> In the case where men were beating their women for sex, arrests were made by the police. However, nothing was done to the Police that were beating people.  <b>How serious was the violence?</b> It was serious because people were forced to enter their rooms so early without having to seat in their verandas and as such thieves started to break into market places and homes.  <b>Was anyone arrested? Is anyone still in police cells or jail as a result of that violence?</b> People were arrested especially those who beat their women for forced sex. They are</p>

		usually granted bail and as such none of them is in police detention.
<b>1.5. Please narrate what you think are the major impacts of the Corona Virus disease on people's social life in this community?</b>	Movement restrictions, curfew, harassment by law enforcement bodies, social activities banned.	People's social lives are adversely impacted within and around this community. For instance, congregational prayers which have been a source of inspiration has been stopped, sporting activities which is a source of excitement more especially for the youth is no longer taking place. Night clubs, cultural activities, marriages and funeral engagement have all been restricted.
<b>1.6. Please narrate what you think are the major impacts of the Corona Virus disease on people's economic life in this community?</b>	Low economic activities, loss of jobs, inflation and shortage of goods and service.	One of the major economic impacts of the COVID-19 is the closure of periodic markets (lumor). During the days of the period market, farmers bring in their produce for sale where they get money to take care of their families and other stuff. This is also where petty traders get their goods for sale in their villages without having to pay transport to go to bigger towns to buy. Traditional festivals for women where they use to converge and discuss issues that are pertinent in the society regarding income generation. Because of the restriction of movement, many businesses have lost their potential. Some business people are highly indebted because most of the business people are working on microcredit funds.
<b>1.7. In what specific ways can you say the Corona Virus outbreak has affected mining activities in this community?</b>	Redundancy of over 300 workers in Koidu limited	One of the biggest employers in this community is the mining company. Many of its workers have been laid off due to the COVID-19. Similarly in the small scale mining sector, many supporters have pulled out of support because diamond itself has very little value at the moment. This is because the production cost cannot be recovered at the end of the day.

## 10.7. Matrix of Responses – FGD on Mining and Community Perspective

QUESTION	RESPONSES FROM KONO DISTRICT	RESPONSES FROM KENEMA DISTRICTS
<p>1.8. What kind of mining is being conducted here? (Please indicate the mineral and category of mining)</p>	<p>Both large scale and artisanal mining for diamonds</p>	<p>There are mainly three types of mining in this community these include: large scale mining company, small scale mining company and artisanal mining involving the use of rudimentary instruments such as shovel, pick ask, shaker and the like.</p>
<p>1.9. What perspective do you hold about mining here in this community? Do you think mining is a good thing?</p>	<p>Mining is to a large extent beneficial and has created employment for many youths but the sector needs to be well managed by the government for more effectiveness</p>	<p>Generally, mining is associated with a lot of problems within our community. These include:</p> <ol style="list-style-type: none"> <li>i. Opencast mining</li> <li>ii. Destroys education more especially for girls</li> <li>iii. Mining, in general, does not develop where it is been done</li> <li>iv. It creates increase in price of commodities</li> <li>v. It destroys marriages</li> <li>vi. It also does not encourage agricultural activities or production</li> <li>vii. It makes people neglect their homes or places of birth</li> </ol>
<p>1.10. If mining is of any benefit to you, what can you count on as benefits of mining visible here in this community?</p>	<p>Creation of job opportunities for especially youth</p>	<p>Construction of six classroom secondary school and two primary schools</p> <ul style="list-style-type: none"> <li>• Road maintenance from Mano junction to Tongo</li> <li>• Casual employment of workers</li> </ul>
<p>1.11. What problems are generally associated with mining activities here in this community?</p>	<p>Pollution, uncovered pits, drowning, flooding etc.</p>	<ol style="list-style-type: none"> <li>i. Cracks in our buildings cause by blasting</li> <li>ii. Too many open pits cause by both large scale mining, small scale mining and artisanal mining which is a risk for them in the community</li> <li>iii. Increase heart pressure in people especially the aged caused by the blasting sound produced by the large scale mining.</li> </ol>

		<ul style="list-style-type: none"> <li>iv. Important places such as cemetery have been destroyed by the large scale mining.</li> <li>v. Large scale mining company has stopped people from farming within the five most affected communities of Bumpeh, Maavehun, Sandeyeima, Tokpombu and Kpandebu.</li> <li>vi. Community youths are not permanently employed in the company and that majority of the employees are from other places, which is a problem for the community.</li> <li>vii. Water wells dry up permanently and some with water are already contaminated by chemicals from the company.</li> </ul>
<p><b>1.12. What normally causes these problems? Please explain a bit about the specific factors that lead to these problems.</b></p>	<p>Lack of reclamation and closure of mine out pits, and use of heavy-duty machinery and chemicals. Safety and environmental protection measures are not fully adhered to.</p>	<p>The only specific factor that can be attributed to these problems is the government. This is because the government does not value the lives of the people and as such not defending at all. For example, all the problems stated were reported to the government representative, EPA, and NMA but all of them took no action instead they only work in the interest of the company. These government bodies never stop here to talk to us rather they go directly to the company's headquarters, discuss with them, and return to Kenema.</p>
<p><b>1.13. To what extent do you think the Mining Laws of Sierra Leone are helping to address those problems earlier mentioned?</b></p>	<p>Very little</p>	<p>Very little. The community feels that the laws have what it takes to solve their problems to some extent but the laws have not been enforced in the best interest of the people.</p>
<p><b>1.14. What form of mining (Large/Small Scale or Artisanal) can you say is seriously negatively</b></p>	<p>Large scale mining is posing more environmental hazards than the other forms of mining</p>	<p>The community feels that the large scale mining company is negatively affecting the community. This is because most of the problems highlighted such as cracking of houses, blasting sound that is creating more pressure for the aged, drying up of water wells and the removal of farmers is all caused by the large scale mining company and this is</p>

affecting your community? Please elaborate on why you say so		seriously affecting the livelihoods, health and economic life of the people.
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**10.8. Matrix of Responses – FGD on the Large Scale Mining Company and its Benefits to the Community**

QUESTIONS	RESPONSES FROM KONO DISTRICT	RESPONSES FROM KENEMA DISTRICTS
1.15. Do you have a large scale mining in this community?	Yes, Koidu Limited Diamond Mining Company	Yes, the company is called Sierra Diamonds Ltd The company engages in underground mining and blasting
1.16. What is your general perspective about this company as a community?	The company is cheating the people by causing division, violence, and damaging the environment. They are only using the locals as underpaid labourers, and refusing to improve the community	The company is up to no good in this community. Since their arrival, they continue to create a divide, tension and destruction of our community land of which we have had no benefit. For instance, they favour some people and use them to suffer others. They promise to create employment for youth but which have not been done. Those who they employ are on casual bases some times for only two or three months.
1.17. What benefits can you point at in this community which you now have as a result of the operations of this mining company? (for each of the benefits, please indicate who provided them and in which year)	Labourer jobs for community youth, 25 scholarships yearly since 2007, and supporting sports from 2009 (diamond stars football club)	They benefits are three schools. One secondary school with six class rooms located in Lowoma and two primary schools located in Landoma and Talama. The have also maintenance the road from Mano Junction to Tongo
1.18. Please compare the time before the mining company was established here and now that the	Before the company came, there was high benefit to the community from mining Before 2003, thousands of youth employed by the	Before the company came, there was high benefit to the community from mining The following are reasons for which the former company is preferred to the present company.  i. The former company use to employ workers, not on a casual basis

<p><b>company is in operation, what period can you say is more beneficial to the community?</b></p>	<p>company were working as miners and farmers, now, only a small number of people are having access and use of the land.</p>	<ul style="list-style-type: none"> <li>ii. They did not send away farmers and artisanal miners from the land</li> <li>iii. The former company was paying better salaries than the current one</li> <li>iv. The former used to consider the poor and aged and provide food for them</li> <li>v. The former company provided sand to those who wanted to build their houses.</li> </ul>
<p><b>1.19. Are there any specific negative things now happening in this community that you can blame this company for? Please state and elaborate. Try to identify social and economic impact of large scale mining.</b></p>	<ul style="list-style-type: none"> <li>a. Social impacts Moving urban communities to villages, no recreational facilities in resettlement</li> <li>b. Economic impacts Deprivation of farmers and artisanal mining, drop of income</li> <li>c. Environmental impacts Flooding, pollution, destruction of farmlands, and unclosed mined pits</li> </ul>	<ul style="list-style-type: none"> <li>a. Social impacts; One key social impact created by the company is the destruction of burial sites within the most affected communities of Sandeyeima, Maavehun and Kpandebu. Employment is a problem in the company even where they do is on causal bases which leads to more stress and outrage in the minds of young people. Blasting sound and fumes ejected from the company's operational site is also creating health hazards for the people.</li> <li>b. Economic impacts Swamp farming is one of the key income-generating activities within Kpandebu, Sandeyeima, Maavehun, Bumpeh and Tokpombu. The company has stopped all farmers from farming in all the swamps within those communities. Another key income-generating activity is artisanal mining which has been supporting most of the homes in the five most affected communities stated above. The company has also put a stop to that as well</li> <li>c. Environmental impacts There are major open pits within Tongo mentioned communities dug by the company. These pits have not been closed yet and it is seen as a death trap more especially for children.</li> </ul> <p>The company's mining activities have also resulted in water shortage within the said communities. Most dwelling houses in all the communities have had cracks on them as a result of blasting which is more dangerous to the lives of the people.</p>



<p><b>1.20. Who do you blame for these negatives things happening here which are caused by the mining activities of the company you mentioned? Why?</b></p>	<p>The mining company, local chiefs, and the government</p>	<p>The government is to be blamed for lack of enforcement of mining laws when it's come to the multinational company</p>
<p><b>1.21. What recommendations do you have in mind please share with us?</b></p>	<ul style="list-style-type: none"> <li>i. Central government to force the mining company to:</li> <li>ii. Develop the community roads</li> <li>iii. Provide water facility and build recreational centres in the affected mining communities</li> <li>iv. Provide loan facilities for deprived and poor women</li> <li>v. Establish a training school for the youth to be empowered</li> <li>vi. Support farmers in the resettlement communities</li> </ul>	<ul style="list-style-type: none"> <li>i. The community recommend that measures be taken in favour of all the houses that have cracked as a result of blasting done by the company</li> <li>ii. The company should relocate the people if they should continue blasting because majority of the houses in all five communities (Bumpeh, Sandeyeima, Tokpombu and Kpandebu) are cracked because of the blasting.</li> <li>iii. The company is not employing more of the citizens in this community. The few who are employed are on casual bases which means they can sack them at any time. The community wants more of their youth to be employed.</li> <li>iv. They want the landowners to be co-owners of the company. The reason is that companies have come and gone. But each time another company comes they sell our land to them without them knowing and keeps deteriorating and suffering from the same effects.</li> </ul>

**10.9. Response Matrix - Response a CDC representative**

<p><b>QUESTIONS</b></p>	<p><b>RESPONSES FROM KONO DISTRICT</b></p>	<p><b>RESPONSES FROM KENEMA DISTRICTS</b></p>
<p><b>1.22. What is the history behind the formation of your CDC?</b></p>	<p>There was a need for community people to be involved in development activities which means that some people among the community should be appointed to undertake development activities on behalf of the entire community.</p>	<p>The CDC was formed out of the cry of the people in not benefiting from mining in their communities. As such, the CDC was established to manage revenues out of the annual company proceeds and set aside a percentage for the people to be used</p>

	<p>There was also a need for who will advocate for youth employment, scholarship, support for women and to liaise between the company and the landowners as well. For all this to be done some people were selected from amongst the people for the CDC whose primary functions will be dedicated to issues stated above.</p>	<p>by a body of persons in consultation with communities affected by mining and others undertake development projects and activities that shall help improve the lives of the people and bring about development in the mining communities.</p>																											
<p><b>1.23. What is the composition of the CDC?</b></p>	<ul style="list-style-type: none"> <li>i. Chieftdom Council Rep</li> <li>ii. Local Council Rep</li> <li>iii. Company Rep</li> <li>iv. NMA</li> <li>v. CSO</li> <li>vi. Youth Rep</li> <li>vii. Landowners,</li> <li>viii. women leader,</li> <li>ix. Religious leaders</li> <li>x. Gender Ration: Men 24 and Women 5</li> </ul>	<p>No information (not in a position to give a correct answer)</p>																											
<p><b>1.24. What are the sub-national payments that the company is paying to this community?</b></p>	<table border="1" data-bbox="486 987 954 1413"> <thead> <tr> <th>Payments</th> <th>Koidu Limited</th> <th>Meya Mining</th> </tr> </thead> <tbody> <tr> <td>CDF -</td> <td>YES</td> <td>YES</td> </tr> <tr> <td>Surface Rent</td> <td>YES</td> <td>YES</td> </tr> <tr> <td>crop compensation</td> <td>YES</td> <td>YES</td> </tr> <tr> <td>blasting consolation</td> <td>NO</td> <td>NO</td> </tr> <tr> <td>CSR</td> <td>YES</td> <td>YES</td> </tr> <tr> <td>scholarship scheme</td> <td>YES</td> <td>NO</td> </tr> <tr> <td>Agricultural Development support - NO</td> <td>NO</td> <td>YES</td> </tr> <tr> <td>Resettlement package</td> <td>NO</td> <td>NO</td> </tr> </tbody> </table>	Payments	Koidu Limited	Meya Mining	CDF -	YES	YES	Surface Rent	YES	YES	crop compensation	YES	YES	blasting consolation	NO	NO	CSR	YES	YES	scholarship scheme	YES	NO	Agricultural Development support - NO	NO	YES	Resettlement package	NO	NO	<p>No information (not in a position to give a correct answer)</p>
Payments	Koidu Limited	Meya Mining																											
CDF -	YES	YES																											
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CSR	YES	YES																											
scholarship scheme	YES	NO																											
Agricultural Development support - NO	NO	YES																											
Resettlement package	NO	NO																											
<p><b>1.25. Kindly help us with information on direct transfers made to your institution as mining revenues for the past 3 years and this year (Enumerators should make</b></p>	<p>No information (not in a position to give a correct answer)</p>	<p>No information (not in a position to give a correct answer)</p>																											

<p><i>sure that these figures are copied from a reliable document)</i></p>		
<p><b>1.26. What transparency measures you have in place to ensure judicious use of the money?</b></p>	<p>In the first place the CDC must first prepare and activity plan and its budget. This then took to the community affairs manager for clarification and approval. Once this is done, the money is disbursed in the presence of members of the steering committee. The money will be used and retirement made after the activity is accomplished.</p>	<p>Procurement process is transparent and open to the public All contracts awarded are open and communicated to the public always Tax policy is always followed in all our activities</p>
<p><b>1.27. What is the payment process to you by the company?</b></p>	<p>Based on the amount of money needed, the company prepares a cheque and the signatories to sign to it. Thereafter, the cheque is handed over to the CDC for use by land-owning families</p>	<p>The company pays through NMA as a government entity and later payment is made to the CDC</p>
<p><b>1.28. Is the company in any arrear?</b></p>	<p>No</p>	<p>Yes No payment for 2016, and 2019 There is no clear idea as to why the payment for the two years mentioned is delaying</p>
<p><b>1.29. Does the company pay on time?</b></p>	<p>No The company also have their sponsors out of this country. So in most cases, they are the ones that cause the delay according to them.</p>	<p>No The representatives always give an excuse of delay in processing cash transfers and no proper cooperation to mitigate the issue</p>
<p><b>1.30. What is the approval process within the CDC? - Who are the signatories and how are payments done?</b></p>	<p>The signatories include the Community Affairs manager, the Paramount Chief and the CDC chairperson. A request is first made to the company if it is approved, the check will be made and signed by the above signatories</p>	<p>The signatories include the chairman, the treasurer-finance officer, and the company's finance person.</p>

<p><b>1.31. Do you think the company is transparent with you in the calculation of the percentage that you receive?</b></p>	<p>NO</p> <p>We do not know what amount is the total and what percentage exactly is coming to us.</p>	<p>No</p> <p>We are not being involved directly or indirectly in the calculation of their project and actual percentage division. We are only presented with a percentage and financial equivalent.</p>
<p><b>1.32. What are the development programmes you have implemented so far since you have been receiving payments?</b></p>	<p>Currently implementing the construction of boreholes and road maintenance</p>	<p>Built a 3 classroom school building in Yardu Gbense Koidu Constructed 6 classroom building at Kono Model Academy in Koaquima Constructed a youth centre in Koaquima</p>
<p><b>1.33. What are the challenges you are dealing with as you continue to exist as a team?</b></p>	<p>The only challenge is the COVID-19</p>	<p>Delay in payment from Koidu Limited to the CDC thereby affecting our development plans The COVID-19 is another notable challenge to our work</p>
<p><b>1.34. How do you ensure that the needs you provide are in line with community expectations?</b></p>	<p>Community assessment is done and the projects are implemented based on immediate needs Sensitization was also done After the needs assessment many needs were identified and because of that people balloted/voted before those projects were selected.</p>	<p>In all our development activities, a comprehensive needs assessment is usually done before embarking on any project in any community</p>
<p><b>1.35. What are the concerns you normally want the public to understand, but that which is difficult to communicate?</b></p>	<p>That the company had not paid Royalty the surface rent on time.</p>	<p>The CDC has been receiving plethora of projects from people which they at all cost need finance and some of these projects are not viable, as such, eyebrows are usually raised against us. Even though we try to let the people know that projects can only be funded if it has a clearly stated goal that has impacts on the communities, but they see things from another lens</p>

		(wrong priorities by project applicants).
<b>1.36. What can you say are the challenges that the CDC is faced with, and in what ways are you supporting the CDC to address these challenges</b>	<p>We want to have independence over the development funds. In effect, it should be in the CDC account and so that the CDC can have control over it.</p> <p>We have filed a note to the company in that respect but has not been completed until COVID19 came</p>	<p>There is too much interference by key traditional authorities like the paramount chief in the work of the CDC thus hindering effectiveness in our work (imposition of projects on the CDC to be swiftly approved by the orders of the PC) Therefore, the CDC should be independent</p>
<b>1.37. Is there any question or concern you want to share with us?</b>	<p>The company employs on causal bases and also bring in workers from other district or far areas. We want this to stop</p>	No question

## 11. Recommendations based on key findings

From the perspective of the research and as was identified by the respondents, the following are recommended:

- 1. Urgent need for legislative reform of mining laws** – It was discovered miners are taking advantage of the weak/inadequate extractive laws in Sierra Leone. It is observed that when the laws are good to promote community beneficiation from diamonds, and if enforced they can easily apply. There is therefore eminent need for a speedy review of the Mines and Minerals Act, 2009 so that provisions for maximizing community benefits and beneficiation from extractive revenues can be strengthened and implemented.
- 2. Increased advocacy for extractive revenue transparency (with a keen focus on subnational payments)** – It was discovered that, amidst the inadequacies, even the meagre resources coming to mining communities were not used to address public interest needs, and where they were used to do so, there was very little transparency and accountability. There tends to be a collusion between mining companies and some community stakeholders to defraud the affected people in mining communities.
- 3. Extractive revenues to be used for the Empowerment of the most vulnerable people (Women and youth)** – Among the suffering masses, women and youth are the most vulnerable in all affected mining communities – and they are in the majority. It is therefore recommended that government and mining companies pay special attention to ensuring that extractive resources are redistributed equitably so that the most affected and most vulnerable benefit adequately.

4. **Increased direct repayment of extractive taxes/benefits to communities as against subnational transfers from Central Government** - The report discovered communities receive more when they deal directly with mining companies (as in the case of CDF), rather than when Government receives all mining revenues and later re-transfer a designated portion (as in the case of DACDF). This is true, as seen from the data because usually, sub-national transfer channels from Central Government are long and usually disrupted by unnecessary barriers, corruption and bureaucracies.
5. **Community Involvement in the calculation of subnational extractive revenue taxes** – Communities complained that they were not aware of the primary denominators from which they receive their quotas. They, therefore, recommended that they are involved directly in the calculation of extractive taxes and benefits. This is strongly recommended.



## 12. References

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