







THE SIERRA LEONE REPORT

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By:

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For:

ISODEC

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ACRONYM

COSs - Civil Society Organisations

COVID-19 - Coronavirus Disease of 2019

DICOVERC - District Corona Virus Emergency Response Centre

DSTI - Directorate of Science Technology and Innovations

EPs - Electronic Pass

EVD - Ebola Virus Disease

FDI - Foreign Direct Investment

GDP - Gross Domestic Product

IFF - Illicit Financial Flow

IFIs - International Financial Institutions

ISODEC - Integrated Social Development Centre

MDAs - Ministries Department and Agencies

ML - Mining Lease

NaCOVERC - National Corona Virus Emergency Response Centre

NMJD - Network Movement for Justice and Development

PHM - Public Health Measures

POE - Point of Entry

PPEs - Personal Protective Equipment

PPP - Purchasing Power Parity

QAERP - Government's Quick Action Economic Response Programme

SAC - Socfin Agricultural Company

SLIEPA - Sierra Leone Investment and Export Promotion Agency

SMS - Short Message System

SUVs - State of Union Vehicles

USD - United States Dollars

WHO - World Health Organization

EXECUTIVE SUMMARY

The Coronavirus *disease struck* the world in the third quarter of 2019. Since then, there is a global assumption that the pandemic has, in one way or the other, impacted all sectors of governance. However, to what extent some sectors are impacted, still remains unclear for many countries. Many efforts have been employed by researchers to find out.

In similar regard, Ford Foundation, funded ISODEC in Ghana, to coordinate a regional COVID-19impact assessment study in the five Anglophone West African countries – Ghana, Nigeria, Liberia, The Gambia and Sierra Leone; to assess, to what extent the outbreak impacted particularly the extractive sector, but also looking at generally how the social and economic situations of these countries were affected by the same virus. NMJD is leading the assessment in Sierra Leone.

The scope of the study attempts to find out what has been the impact of the outbreak on the natural resource sector in terms of its direct and indirect impact on the macro-economy, labour market, governance, illicit financial flows in the mining sector, strategic policy implementation on the extractive sector, the impact on mining communities, the business environment as a whole, external development financing, potential impact on public financing in the near future, and an assessment of mitigation measures.

In Sierra Leone, the assessment targeted relevant ministries, departments and agencies at national level, and in five active mining districts of the regions (Kono, Tonkolili, Moyamba, Bonthe and Kenema), also targeting decentralized government MDAs, local authorities, large-and small-scale miners, other business activities in the natural resource sector – including timber logging, sand mining, quarrying and petroleum gas trade.

This assessment was commissioned at a time the Government had imposed a partial lockdown of the Western Area, which restricted movement from outside Freetown to the provinces. This caused delays with planning and conducting interviews. However, the lockdown was short-lived. The ban on travel outside Freetown was soon lifted after two weeks which enabled enumerators to go round the country on data collection.

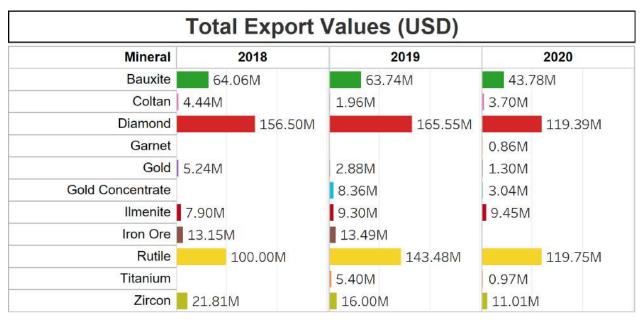
Overall, the findings have affirmed that public governance, private lives of people and the commercial sector were all directly or indirectly impacted by the pandemic. Most of these impacts are negative – including a drastic decline in public revenue, break in the supply chain of mining products, drop in market value of some mineral resources, rush for the extraction of some resources such as gold and timber due to hike in market prices, but that also brought along a serious environmental impact. There has been loss of jobs, especially in the mining, entertainment and tourism sectors. The public health sector has been badly exposed to public mistrust, thus giving rise to many Sierra Leoneans not preferring to go to public health facilities when sick.

Authorities in some mining communities reported acute increase in unemployment for the past year - 2020. There are also cases of delayed payment of subnational benefits such as surface rents and community development funds. This is exactly within the COVID-19 period, and representatives of mining companies interviewed blamed it on the difficult economic situation created by the COVID-19 pandemic. They however, indicated in their statements that those delays would only be temporal and that all legal payments would be made once situations get better.

Findings did not show any possible increase in illicit financial flow in the mining sector during this period. In fact, the ban on travel prevented the presence of many illegal investors, some of whom the community people do refer to as gem mafias. This directly affected the direct sale of precious minerals like diamonds and Gold in the black market. However, the increased, indiscriminate cutting down of timber for export, for which the government has demonstrated high financial interest by enforcing an export monopoly on, could be seen as a clear case of illicit business in the extractive sector that exacerbated during the pandemic. Similar cases are reported in the fishing sector where government and land owners are in conflict over a parcel of coastal land along the Freetown peninsula for the establishment of what the government calls a fishing harbor. The government has already received 55 million USD from the Chinese government in respect of that project. It is not clear what the money will be used for.

As a direct impact on the mining sector, the 2020 update from the mining sector of Sierra Leone indicates a surge in small-scale gold and mineral sand mining, while a significant increase in large-scale industrial mining. A continuous increase in the export of rutile is observed from 100 million USD in 2018, to 143.48 million and a sharp reduction to 119.79 million USD in 2020. There has been a gradual decline in the export of all other minerals from 2018 to 2020.

'It is anticipated that mineral export from Wongor Investment & Mining Corporation Limited (gold), Cheng Li Trading & Mining Company Limited (gold), Supreme Minerals Corporation (SL) Ltd (bauxite) and Kingho Mining Company Ltd (iron ore) will contribute significantly to the total mineral export values in 2021.' (Mineral sector, 2020)



(Source: NMA, 2020 update)

The challenges affecting the mining and extractive sector which the COVID-19 pandemic exacerbated, are largely guaranteed by the weak legislative status governing the sector. Therefore, in a way to contribute to supporting Sierra Leone's government and the affected mining communities, it is strongly recommended that CSOs strengthen their engagement with government on the legislative reform process, create the enabling platform for accountability and transparency in the management of subnational mining revenues, but also provide support to youth who have lost jobs during the pandemic.

1.0 INTRODUCTION

The Coronavirus, which reportedly originated in China, first spread through major countries in Europe, devastating large economies, then crossed to the United States and the Americas, Asia before reaching Africa.

The pandemic brought many anomalies including a total shut-down of essential economies of many countries for a prolonged period. In almost all the countries, all public gatherings and any activity – regardless of what benefit it brings to people or how important it was – once could lead to the gathering of people, were banned in many countries. Football and other sporting activities bring a huge chunk of resources to private people and governments. Some countries rely largely on tourism as their main source of national revenue. Others rely on trade, mining and export of raw materials to attract foreign goods in exchange. Regardless of what benefit each of these activities bring to some countries, many countries were forced at some point to shut down the whole country, restrict movement and expend huge resources in order to curtail the spread of the virus among people.

For countries such as Sierra Leone, which largely rely on the natural resource sector for revenue, the COVID-19 pandemic brought a wave of negative impact on the sector. It could be direct revenue loss due to closure of mining activities, a partial decline in production due to fall in the market price and the repealing effect of job loss and lack of essential services in mining communities. Some bad investors took advantage of the circumstance to shift production to other geographical locations.

Despite the direct economic loss, the pandemic brought to many countries, a notable anomaly is a fact that every country was required to face the virus heads-on, relying on its internal resources – help may have come later – but particularly poor and underdeveloped countries were all initially expected to use internal resources to face the virus.

Governments approached the Coronavirus pandemic with diverse macroeconomics and fiscal policies, leading to a budgetary shift from other essential development projects to public health emergency coffers in some countries, while denial and political tension was the case in other countries. It required – depending on how a country's public health system or emergency preparedness was equipped - in some cases overhauling of the entire health management strategy and resorting to new methods, while other countries were met relatively prepared with enabled structures to confront the virus.

The public health social measures instituted by many governments were not wholly based on scientific standards. Some – such as early closure of borders and national lockdown, closure of religious places or imposition of curfew – were based on political pressures from the opposite or the public. Therefore, Governments heeded to the call for sobriety in the fight against a strange strain of ailment that befell the world.

This study is commissioned to investigate what direct or indirect impact the COVID-19 has on Sierra Leoneans' public health, social and economic life. The impact on the country's macroeconomic and fiscal policies, as related to the extractive sector. To find out how Sierra Leone initially handled the virus – whether decisions were based on any scientific advice or ordinary political decision influenced by pressure from the public and opposition.

2.0 SIERRA LEONE

Sierra Leone is one of the few Anglophone countries, found on the west coast of Africa with a population estimated at 8,082,075 by the World Population Reviews in 2021. The country has a total landmass of 71,620 km² (27,653 sq mi) and water area of 120 km² (46 sq mi).

Agriculture, mining and trade are the key contributing economic sources of national revenue. Diamond, gold, iron ore, bauxite, rutile are the active minerals currently mined.

It is estimated that mining alone contributes about 20% of Sierra Leone's total GDP and same to government revenue and accounts for about 60% - 70% of export. The sector contributed about 91.1% to export in 2016 and created about 1.5% of jobs. (*Boas & Associates, SLEITI Report, 2018; Govt. of SL Minerals Policy, 2018 p.17*)

Unfortunately, Sierra Leone is among the world's poorest countries, with a GDP of 3.94 Billion USD in 2019 after a decline from 4.09 Billion in 2018, and a further expected decline to 3.8 billion in 2020 and lower than that in 2021. (World Back, 2020).

Rice is the staple food of the majority of Sierra Leoneans. The comprehensive food security vulnerability analyses done in 2020 indicate that the food insecurity in Sierra Leone has steadily increased from 34% to 47.7%. This implies that almost half of the population of Sierra Leone (3,921,752 worsened from 45% in 2010 to 53% in 2019, with 364,605 people severely food insecure. (Findings of Sierra Leone Food Security Monitoring - Jan 2020)

The Sahel Food and Nutrition Outlook, 2020, out of the 8.2 million people only 2.9 are in a minimal food insecurity situation. About 4.04 million people were already at stress level due to food insecurity, 1.23 million people are in a food insecurity crisis. 73.5 thousand people require emergency attention. (Sahel Food and Nutrition Outlook, 2020).

In the 2020 Global Hunger Index, Sierra Leone ranks 101st out of the 107th countries with sufficient data to calculate. With a score of 30.9, Sierra Leone has a level of hunger that is serious. Over 50% of the population is in extreme alarming hunger rate, with a 9.9% is in low hunger. 26.0% of the population is undernourished. 5.4% under-five children are wasted, 29.5% are stunted, 10.5% of children die before their 5th birthday. (*GHI*, 2020)

The Sahel Food and Nutrition Outlook, 2020 reports that, in 2020, out of the 8.2 million Sierra Leoneans, only 2.9 are in a minimal food insecurity situation. About 4.04 million people were already at stress level due to food insecurity, 1.23 million people are in a food insecurity crisis. 73.5 thousand people require emergency attention.

Sierra Leone has also witnessed a prolonged chain of perilous times since the last quarter of the nineteenth century to the start of the twentieth. This started with a national crisis in political governance leading to bad economic management that resulted in social and political instability in the late eighties leading to a national uneasiness that amounted to a civil war in 1990. The decade-long civil war was marred by bloodshed, destruction of precious property including burning of homes and

public buildings. The conflict was fermented and made to last long because of blood diamonds mined and exported into the wrong hands through illicit financial channels. The war era was a no-governance period during which heinous atrocities were committed against people that led to suffering beyond known estimates. In addition to houses being burnt, people were maimed and physically amputated, bellies of pregnant women cut open to settle common bets between bloody armed rebels. The war ended in 2000 with a peace deal signed between the rebel leaders and the Government.

Following, there was an urgent need for huge resources to disarm the armed forces, reintegrate families and communities, to rehabilitate and reconstruct roads and other infrastructure destroyed. There was also an urgent need for psychosocial support to many children, women and youth emerging from the bloody scene.

The country had emerged from the emergency era. Mining was boosting with a number of large-scale mining companies developing the kimberlite facility in Kono and Tongo, iron ore mining in the North, while rutile and bauxite mining were also doing well in the Southern part of the country. Unfortunately, there was a confirmed case of Ebola in neighbouring Guinea in December 2013, extending to Sierra Leone in 2014. In between 2014 to 2016. Sierra Leone and the two neighbouring countries - Liberia and Guinea experienced serious public health, social and economic challenges posed by Ebola.

A total of 28,616 cases of EVD and 11,310 deaths were reported in the region, with Sierra Leone alone recording a total of 8,706 cases with 3, 956 deaths. (CDC: 2014 – 2016 Ebola Outbreak in West Africa)

A year after the Ebola outbreak, - on the 14th August 2017, there was a devastating mudslide on the side of Mount Sugar Loaf found on the east end of Freetown, the country's capital. About 6,000 people of which 1,141 were declared dead or missing from the single-day long tragedy. The World Bank has estimated the total economic loss of this mudslide to be approximately 31.65 million USD. (SOURCE: World Bank Group: Sierra Leone - Rapid damage and loss assessment of August 14th, 2017 landslides and floods in the western area)

Many poor countries have poor public health infrastructure, so is Sierra Leone. By January, 2021 Sierra Leone has a total of 12,435 health workers in Human Resource record of the Ministry of Health and Sanitation (2021) for a population estimated at 8 million.

The decade-long civil war destroyed most of the health legacies and left the country challenged, needing to start all over with rebuilding the health system. Then the Ebola outbreak in 2014 and the COVID-19 in 2020, combined to expose the weak structure of Sierra Leone's public health system, reduced citizens' trust to a very lower level.

3.0 STUDY OBJECTIVE, METHODOLOGY

In the Terms of Reference, the assessment team was required to:

- i Generally, assess how the government of Sierra Leone and its mining companies are responding to COVID-19;
- ii Assess how the general business community is responding to and adapting to the new reality;
- iii Assess how households and communities hosting active mining activities are coping with COVID-19;
- iv Provide evidence for further advocacy towards a more equitable economy and equitable recovery where no one is left behind
- v Restart the ISODEC West African research networking and partnerships

To carry out the task, structured questionnaires were developed for various categories of respondents – key informant interview questionnaires one, two and three (KII 1, 2&3) for national-level policymakers of Government Ministries, Departments and Agencies (MDAs), a subnational level stakeholders and a third key informant interview questionnaire for focal persons of business entities in the extractive and natural resource business sector, including large-scale miners. The fourth tool was a focus group discussion questionnaire for opinion leaders in rural mining communities.

Given the context created by the COVID-19 outbreak when many people feared to be physically engaged, an alternative approach to interview some respondents virtually online was devised.

The report is also very largely relying on secondary third-party data from Government agencies, websites and reports of similar studies recently conducted.

4.0 KEY FINDINGS

The key findings of the assessment include:

(2) The government recognized the danger imposed by COVID-19 on time and took some measures at the time, relaxed them based on what it referred to as scientific evidence to protect citizens and the economy - A far majority – about 89% - of the respondents engaged in five separate focus group discussions agreed that the Government of Sierra Leone was quick to conjure the imminent threat posed by COVID-19 and was on time to implement the appropriate prevention and control measures through a plan it titled: Government's Quick Action Economic Response Programme (QAERP). However, when compared to few other countries like The Gambia which took only 71 days to have a national strategic plan for the COVID-19 response, the government is being criticized for taking a bit longer – about 261 days to come up0 with a strategy.

'It was noted that Sierra Leone took about 126 days, from the date of the announcement of the indexed case on 31st March 2020 to the production of a response plan on 5th August 2020. On the other hand, the small West African state of The Gambia was able to produce a similar strategy within 71 days of announcing its first case.' (Audit Service, Sierra Leone)

'The Strategic Leadership Team at the NaCOVERC comprised of 42 personnel in April, 77 in May and 61 in June 2020. Total allowances paid to this team as at 30th June 2020, was Le3,169,200,000 (316,000 USD). It was however noted that, up to this point in time, this team had not developed a well-focused and costed response strategy which would guide the response. It was not until 5th August, 2020 that a draft response was developed. This lack of a cohesive strategy may have resulted in decisions being made consistently on an ad hoc, uncoordinated and inconsistent manner; and may have also resulted in hampering the effectiveness and efficiency of the response, whereby leading to more infections and even possible loss of life.' (Audit Service, Sierra Leone)

- (3) Government built a cross-party response and made finances available for combating the COVID-19 without waiting for outside help, but its operations were later challenged by financial transparency and accountability issues Majority (68%) of the respondents agreed that Government approached the fight to contain Covid with a cross-party approach through a national budgetary shift through a supplementary budget which was tabled in parliament for debate and approval. However, many (83%) people also think and this is being corroborated by a special audit report that the management of COVID-19 funds was challenged by some serious accountability issues.
- (4) Funding supports from Government were timely, but not adequate and were granted to the health emergency but not at the productive sectors for combating COVID-19 Majority of the citizens interviewed; and audit findings in the contents of the special audit report of the Auditor General on the management of COVID-19 funds, indicate that the direct line health workers were not receiving the much needed resources including health PPEs and other medical equipment, regardless of the fact that a special budget was presented to parliament and was approved. Funds were even used to purchase non-COVID-19 related gadgets including 30 SUVs and ultrasound earphones by the Minister of Health.

'Funds allocated by government to fight the COVID-19 outbreak, were used by Ministry officials to procure personal high-end gadgets including an Apple Airpod, a JBL bluetooth speakers, and a headset Neck Bluetooth, which had no bearing on the response.' (Audit Service Sierra Leone, 2020).

- (5) Government's public health and social measures were underpinned by effective and comprehensive COVID-19 communications strategy including periodic presidential and daily briefings and public education messaging to build public support for lockdown and social distancing From the onset to date, Government has largely relied on scientific medical advice from the Ministry of Health and Sanitation. There is a daily public press briefing on COVID-19 situation update and there have also been periodic presidential addresses to the nation, including declaration of national lockdowns and when serious national measures are to be taken.
- (6) Although Government is said to be mindful of its underlying economic conditions and not worsening country debt stock by extensively borrowing under the cover of COVID-19 instead of seeking for debt cancelation working with AU, World Bank's economic update on Sierra Leone indicated that the pandemic will drive up public debt and threaten debt sustainability.

The report states: "Even before COVID-19, public debt had shot up. The ratio of government debt to GDP rose from 58.2 percent in 2018 to 66.9 percent in 2019, the largest increase since 2016; it was mainly the result of more domestic debt. While the ratio of external debt to GDP went up by 3 pp, the domestic debt ratio went up by 5 pp. In 2020 the government debt to GDP ratio is expected to move up 4.3 pp to 71 percent. With access to international markets limited, public debt will shift from external to domestic creditors. The external share of public debt in 2020 is projected at 70 percent, down 20.7 pp relative to 2019. Even in domestic financial markets, the adverse financial pressures will be severe. The average interest rate on external debt is projected to rise from 4.3 percent in 2019 to 7.6 percent in 2020 and on domestic debt is expected to increase by 12 pp." (World Bank Group, p 25. 2020)

- (7) However, the government made some frantic efforts to ensure that its public and health measures like testing, contact tracing, lockdowns, quarantine and treatment were sensitive to the local context and sensitive to particularly those in the informal sector including daily laborers who depend on daily earnings without safety nets - However, these efforts were sometimes undermined by several other factors such as deep-seated poverty in the lives of many citizens and political denial. Sierra Leone's Multidimensional Poverty Index 2019 states that Sierra Leone is on a development trajectory towards achieving middle-income status by 2035. The report however indicates that 64.8% of the population in Sierra Leone was multidimensionally poor in 2017. The report further analyses that the Southern and Northern regions had the highest poverty rates with 76.0% and 75.8% respectively, while the Western region had the lowest poverty rate of 36.2%. At the District level, Pujehun recorded the highest incidence of poverty. The profile also notes that female-headed households had higher multidimensional poverty rates (65.9%) compared to male-headed households (64.2%). In such a situation, even where the Government was cautious of imposing prolonged restrictions on movement and other economic activities, there were sporadic cases of confrontation between security forces and women who needed to fetch water from the next door or youth who survived from bubby jobs around their neighbourhoods. Citizen journalists shared videos of police beating people on the street and there were reported cases of some citizens disobeying lockdown rules.
- (8) International trade and financial flows, employment and income shortage are recorded as the most affected channels in Sierra Leone - Sierra Leone's economy is reliant on foreign aid and royalties received from the export of minerals, timber, fisheries, but also complemented by income taxes obtained from domestic workers. However, several reports including 2021 Budget Statement of the Ministry of Finance and the World Bank Economic Update on Sierra Leone (2020) agree that export reduced drastically.

The Budget speech in particular indicated that trade: "... trade deficit widened to US\$415 million in the first half of 2020 compared to US\$372.7 million in the same period in 2019. Despite this, gross international reserves increased to nearly 6 months of imports as at end September 2020. This is due to the disbursement of budgetary and balance of payments support by the IMF, World Bank, European Union, and the African Development Bank. The

official exchange rate of the Leone to the US dollar remained relatively stable." (GoSL Ministry of Finance 2021, P. 6)

Response from large-scale mining companies and communities during this study, also indicated that mineworkers were redundant due to the scaled-down production and loss of income during the COVID-19period. However, Koidu Limited for instance indicated that, at least 50% salary was paid to the 300 workers redundant because of COVID-19 imposed situation.

(9) Government response was such that there was not massive loss of employment and production and did not completely worsen existing situation or trigger new ones - The Government of Sierra Leone was aware of the serious employments implications facilitated by the COVID-19 outbreak, and therefore instituted some fiscal policies to minimize the level of inequality. For instance, the Ministry of Finance presented to parliament a Covid-19 (2020) supplementary. The Bank of Sierra Leone launched a US\$5 million Credit facility to support the production, importation and distribution of essential commodities at concessional interest rates. As at the 15th of July 2020, a total of about US\$28.7 million, representing 57.4 percent of the total facility of US\$50 million, was accessed by importers and manufacturers. (GoSL Ministry of Finance 2021, P. 38)

Government also launched a special fund called Munafa Fund – a National Micro-Finance Programme that will provide soft loans to smallholder commercial enterprises at concessionary 9% interest rates for SMEs. The 2021 Sierra Leone's national budget is set to target two main objectives:

- **a.** To continue to respond to the impact of the COVID-19 pandemic on the economy and livelihoods especially the hardest hit sectors and vulnerable groups; and
- **b.** To accelerate economic recovery in the context of the Medium-Term National Development Plan to boost resilience, create jobs and reduce poverty.

There are social media testimonies recorded by pro-government political campaigners of citizens appraising the government for the Munafa initiative. However, political opponents have criticized the move, saying it will only benefit pro-government supporters.

(10) Government built international solidarity for combating COVID-19 together, including WHO, ECOWAS, AU, EU, UK, North America, World Bank, China, IMF and has received substantive resources - The first deliberate step taken by the Government of Sierra Leone to build solidarity with international development partners was a high-level consultative meeting summoned by the President on the 25th March 2020. This was at the time Sierra Leone had not registered a confirmed case of the virus. In his Keynote Address, President Bio gave a rundown of his government's preparedness for the virus 'when' it would have entered Sierra Leone, and particularly called the international partners to support his agenda through medical aid and debt relief.

"I requested this meeting to discuss this raging global pandemic, Corona Virus (COVID-19). More now than ever, the Coronavirus reminds us of our inter-connectedness, our mutual dependency, and why partnerships among nations and institutions matter in resolving global issues whether they are related to health, gender, poverty and inequality, climate change, and more... In view of the situation, Government is seeking augmentation of our current allocation under the Extended Credit Facility Programme with the International Monetary Fund. Additionally, we are also seeking three key interventions:

- Debt relief from the IMF under the Containment Window of the Catastrophe Containment and Relief Trust.
- Debt relief from other Bilateral Partners and Multilateral Agencies;
- Additional grant resources from other Development Partners"

(President Bio 2020)

(11) A gradual decline in mineral production was observed for all the major minerals from 2018-2020 and some insignificant increase for Coltan, Zircum and Titanium— However, increased production is expected for Gold and Iron Ore, exploration for Gas expected to commence in 2021 - The table below is the most recent mineral sector update by the NMA:

Yearly	Minerals St	tatistics: Pro	duction		
License Holder	Mineral Mine	Production UoM	2018	2019	2020
Artisanal Coltan Exporters	Coltan	DMT	429	219	282
Artisanal Diamond Exporters	Diamond	Carats	180,929	168,013	83,039
Artisanal Gold Exporters	Gold	Grams	135,396	73,619	14,116
Artisanal Titanium Exporters	Titanium	DMT		560	3,245
Artisanal Zircon Exporters	Zircon	DMT	600	560	3,064
Dayu Mining Limited	Gold Concentrate	DMT		2,649	783
Forever Faith Enterprise (SL) Ltd	Ilmenite	DMT		2,080	
	Titanium	DMT	11,990		
	Zircon	DMT	11,990		
	Titanium	DMT			
Hong Peng Resources (SL) Mining Ltd	Zircon	DMT	1,		
	Coltan	DMT			106
Jingxiang Mining Company (SL) Ltd	Titanium	DMT			
Koidu Limited	Diamond	Carats	561,022	604,205	602,977
Metals & Minerals Trading (SL) Limited	Coltan	DMT			29
Meya Mining Limited	Diamond	Carats	17,811		
Sierra Mineral Holdings 1 Limited	Bauxite	DMT	2,034,355	2,017,606	1,441,982
	Ilmenite	DMT	54,645	59,246	45,822
Sierra Rutile Limited	Rutile	DMT	113,669	132,805	116,564
	Zircon	DMT	13,245	2,644	0
SL Mining Limited	Iron Ore	DMT		722,305	

(Source: NMA, Mineral Sector Update, 2020)

Some of these conditions were further affirmed by stakeholders of mining companies interviewed.

"The demand for bauxite scaled downwards, which in turn impacted on production and a drop in global commodity prices. This reduced export, negatively impacted revenue and hence tax payments to government." (Abdul Bangura, Sierra Mineral Holdings 1 Limited (Vimetco).

"The outbreak of the virus has reduced the number of Haulage and tons of rutile from 10,000 to 4,000 per months and presently the company is not in full operation. They are looking forward to resume work immediately". (Alpha Bangura, Site Admin, G M I Haulage Company)

There was no large-scale active gold mining in Sierra Leone prior to the pandemic. The first-ever large-scale gold mining company - *Wongor Investment And Mining Corporation Ltd (Reg No. ML 1/2019)*, was registered on the 23rd May, 2019. The second large-scale gold mining company, *Cheng Li Trading Mining Company Limited (Reg No. ML 2/2020)* was also registered on the 16th March, 2020. Both companies are from China.

(12) There was temporary closure of small-scale business and temporary closure of many large-scale business with workers redundant and many put on reduced wages –

Due to the impact of COVID-19 pandemic, some smallholder enterprises, especially those along the mineral supply chain and in the hospitality and entertainment sector, had to close down (some temporarily and others permanently) with workers entirely laid off or in some cases put on reduced wages. Sierra Leone's only large-scale iron mining, Kingho, was officially opened on the 20th Mach, 2021 by the Minister of Mines. Sierra Diamond in Tongo permanently laid off 55 workers. Koidu Limited in Kono put 300 workers down, reportedly paying them 50% salary; Sierra Leone Timber Dealers Association thinks about 500 workers have lost jobs due to reduced demand for timber and scaled-down production. (*National Minerals Agency (NMA), 2021*)

"The company (Koidu Limited) necessarily sent some workers due to COVID-19 preventive rules and regulations instructed by the government like social distancing and we were paying 50% of the salary of those workers at home. But they have been recalled." (Henry Vagg, Head of Department Community Development Department, Koidu Limited).

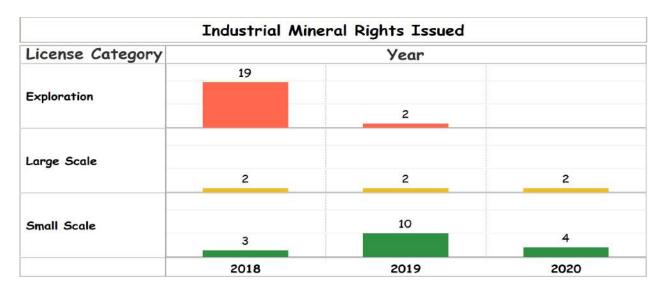
Overall government revenue is falling, there is an increase in external debt and resulting in debt distress, but a decline in domestic debt. Report by the Minister of Finance to Parliament, while laying the 2021 national budget for approval, indicate that COVID-19 pandemic has reversed most of the country's hard-won gains in recent years and that Sierra Leone was grappling with a weakened economy, which has translated into low revenues in the midst of higher needs for critical expenditures; low exports; high risk of debt distress; and increased youth unemployment. We must also continue to address the challenges of the infrastructure deficit, rising food insecurity and low human capital development as we continue to respond to the COVID-19 pandemic. World Bank update on Sierra Leone, 2020 corroborates this with more detail on falling revenue, debt distress and loss of export.

"Mr. Speaker, Honourable Members, as a result of the lull in economic activities and the need for balance of payments support to close the external financing gap engendered by COVID-19, the external debt stock is projected to increase to 78.9 percent of GDP in 2020 from 71.8 per cent in 2019. However, domestic debt is projected to decline to 23.9 percent of GDP in 2020 from 27.6 percent in 2019" (Gosl Ministry of Finance P. 6)

(13) There is no evidence that the COVID-19 put Government under pressure to revise contracts and agreements and new rights assignment of mining rights are open and transparent and existing contracts contain enough stabilizers to weather COVID-19 – The true situation found out is that, Government's urge to augment revenue through mining, necessitated an urge to review the agreement of some large-scale mining companies and sign new ones (see table below).

However, this didn't necessarily start during the COVID-19 period. There was a general election in 2018 which resulted in a change of government. The new minister of mines and mineral resources was poised to reform the mining sector, review all mining agreements, cancel bad agreements and sign new ones. However, this action conflicted with other interests – such as the interest to increase government's revenue from the extractive sector - also leading to some serious instability in the sector, to the extent that the minister was relieved. His successor moved with the same trend, leading to the cancellation of the mining rights of the only iron ore miners (Sierra Leone Mining Limited). The company had reported Sierra Leone to the International Chamber of Commerce which ruled against the Government of Sierra Leone. (Gosl Attorney General and Ministry of Justice, 2020)

Unfortunately, the second minister too, was relieved. The current Minister is seen moving in an opposite direction to his predecessors. His coming in has led to many new contracts, including reopening of the iron ore facility in Bumbuna, by a new Chinese Company, Kingho Mining Company Limited (Reg. No. ML 1/2020) on 7th January, 2020. (National Minerals Agency, 2021)



'In 2020, the two large-scale mineral rights were granted to Kingho Mining Company Limited to mine Iron Ore and Cheng Li Trading & Mining Company Limited to mine Gold. By the end of 2020, a total of 24 industrial mines (11 large-scale and 13 Small-scale) were either in mine development stage or production. A total of 9 Gold mines (6 small-scale and 3 large-scale), 4 large-scale Diamond mines, 2 large-scale Bauxite mines, 1 large-scale Iron Ore mine and 6 mineral sands mines (1 large-scale and 5 small-scale) have been established.'(Source: Mineral sector Update, 2020)

(14) Government is under pressure to lower taxes but not other standards to favour mining companies - There is evidence of business and investment companies, through the Sierra Leone Labour Congress, demanding tax waiver and tax reduction for certain categories of workers. (*The Calabash Newspaper: 2020*).

This call was heeded to in the Finance Act or 2021 which gives several waivers and tax consideration to certain categories of investments, including those in agriculture and those willing to establish in the provinces. Some large-scale companies were also negotiating for extension of payment bills. Government is yet to consider most of the specific requests by mining companies.

(15) Companies are shifting from one investment to the other, and in some cases moving from one jurisdiction to the other - this may not necessarily be done to take advantage of the Covd19 situation, but particularly to cope with the challenges posed by the pandemic, but most particularly to leverage political leadership of the current administration. May also be to leverage on the tax consideration recently announced by the Government. There are records of new companies emerging in the provinces and willing to set up a processing plant. For instance, Socfin Agricultural Company (SAC) in Pujehun District, has just completed and launched the largest palm oil processing plant in Africa. (Socfin Agricultural Company, 2021). SPIRE - Recently, a US-based investment entity called SPIRE initiated a large-scale land-based agribusiness investment in Kenema: the Aqua and Agri. Based Community Development Export (ABCDE) Project. The President of Sierra Leone has also officially launched the largest rice farming project in Tormabum, Bonthe District. 'This project directly benefits 7,000 women and youth farmers, along with 35,000 farming families who are growing rice on 35,000 hectares of farmlands in the project locations. I am informed that the beneficiary identification and selection process was above board and merit-based." (President Bio, 2021). A similar project was launched months earlier in Rhombe, Port-Loko by Elite Agro that is said to put 30,000 hectares under rice cultivation.

Wongor Mining Limited and Cheng Li have both announced plans to build gold processing plants in their respective mining communities. Previously, it was difficult seeing mining companies willing to add value to their products in the mining communities. (GoSL National Minerals Agency 2021)

(16) No evidence that companies are taking advantage of COVID-19 to reduce tax liabilities through cost escalation and rolling back gains made in local content, participation and building economic linkages between extractives and the national economy but are resorting to their traditional supply hubs and chains mostly with IFF implications - There is no evidence that the involvement of illicit financiers in the mining and extractive industry was influenced by COVID-19, or any data that COVID-19 as impacted illicit financing. However, all the stakeholders engaged in the policy level, have acknowledged that illicit financial flow is still a challenge in the mining sector of Sierra Leone. The review process of the Mines and Minerals Development Act 2021 and other natural resources laws, was done in a bid to correct most of these anomalies which to some extent stalled on account of the covid pandemic and now pursued at snail space.

- (17) Government's priority is still on EDUCATION, but has now included Health, agriculture/food security and the provision of essential services and social welfare and supporting small businesses and vulnerable households In the budget speech of the Minister of Finance, he outlined development goals achieved by Government in 2021 and further listed government's priority for 2021. Those priorities, some achieved on being implemented include:
 - i. Established and operationalized six labs for COVID-19 testing. Four of these labs are located in the Western Area, one in Kenema and one in Makeni.
 - ii. Established 21 Treatment and Care Centres across the country, with at least one in each district.
 - iii. Provided 1,000 beds dedicated to COVID-19 cases. With reported COVID-19 cases declining, these are now being scaled down to 500 beds.
 - iv. Trained 80 Field Health Personnel on contact tracing at the national and district levels including Points of Entry (POE).
 - v. Provided life insurance policy for 11,039 health care workers engaged in the fight against COVID-19.
 - vi. Constructed permanent structures for quarantine and isolation at Points of Entry.
- (18) Rolled out technology-based solutions developed under the leadership of the Directorate of Science, Technology, and Innovation (DSTI) that resulted in increased capacity for evidence-based decision making in our health response strategy. These solutions include the Electronic-Pass system

(E-Pass); drone surveillance of citizens' movement; an SMS platform where citizens can access real-time information on COVID-19, a Quarantine App and a web portal for the registration and payment for COVID-19 tests.

There are however some sentiments, expressed on the mainstream and social media by citizens that these are political declarations and that the reality may be different. This is also corroborated by the 2019 Audit Report which discovered a number of fiduciary lapses including bloated wage bills for government appointees and high travel expenditure for senior State officials including the President and the Chief Minister.

(19) There is no evidence that the Government is supporting the pharmaceutical industry to manufacture PPEs locally to harvest benefits for jobs - Sierra Leone has stayed exclusively as a donor-driven country in the entire COVID-19 period, relying on medical supplies from WHO and China. No evidence exists that the Government is thinking about supporting pharmaceutical industries to produce medical equipment. However, the Military of Sierra Leone and a private pharmaceutical industry with India background, had produced locally made hand sanitizer. There is no report that the government supported them to leverage on this knowledge.

(20) Mining communities continue to face rights abuses by mining companies and state security, and COVID-19 outbreak exacerbated the situation - Regardless of the many valuable minerals available and economic value and size of mining activities carried out, Sierra Leone is still among the world's five poorest countries and mining communities are relatively the most deprived and impoverished. Tension out of prolonged grief and contestation which most times lead to confrontation between state security defending mining companies and community youth, is characterising many large-scale mining operations in Sierra Leone. Responses from all the focus group discussions held indicated that mining companies are relatively less responsive to community needs. This is being guaranteed by the weak legislative environment that mining operations are carried out. The Mines and Minerals Act of 2009 provides that large-scale mining companies commit to community development a 0.001 percent of their annual turnover. However, there are common complaints from all mining communities about the lack of transparency in the computation of this figure, but more seriously, about the management and redistribution of the little amount that mining companies actually give. In the Sierra Leone diamond mining community of Tongo, landowners have summoned several meetings, complaining about the company and the Community Development Committee for their wrong handling of the said funds, which they believe has not been fully accounted for.

When asked what would be the possible impact of COVID-19 on the mining sector, the (now former) Minister of Mines and Minerals Resources, Foday Rado Yorkie said: "This means big trouble for Sierra Leone; we're praying that things start up again (in) the next few months because this is completely debilitating to our economy" (Reuters, 2020)

"Frustration is mounting in the community that hosts the mine, he added, with more than 300 local staff furloughed and its community development projects on hold. COVID-19 and a steep decline in diamond prices have caused investors to shy away from projects in Sierra Leone", (Ibrahim Sorie Kamara, co-founder of Trustco Holdings' diamond mining subsidiary Meya Mining. TTOJ.JTUC.NM.) (Reuters, 2020)

- (21) Working conditions of mine workers worsened during the COVID-19 period All the large-scale mining companies interviewed reported that they have retrenched above 30% of their staff. Workers interviewed during focus group discussion reported that most of the facilities they used to benefit from, have all been cut down. Those workers who were not entirely laid off, were placed on a 50% of their basic salaries. Overall, working conditions for most workers has deteriorated over the past one and a half year.
- (22) There is widespread support for government PHMs and this is regularly monitored for continued public support, adherence, but this is not used to ensure overall trust and confidence in the government response. Majority of respondents believe that there is widespread support for the Government's public health measures adopted to contain the coronavirus. However, it is difficult to determine whether this amounts to public confidence in the government's response actions. There is still some amount of public misconception that

the cases are only low because the actual coronavirus didn't reach Sierra Leone. The special audit report on the administration of COVID-19 which revealed some serious corruption allegations, has also affected public trust in the health administration.

- (23) Citizens have a clear perception of the risks associated with COVID-19 and have adequate information to protect themselves, families and businesses but do not have the incentive to support government PHMs Regardless of the denial syndrome in some people, majority of the citizens indicated that they have a clear understanding of the risk associated with COVID-19. They also have all the necessary information about prevention and control. What is not available is the resources to adequately adhere to all the medical advice. From other comments during the focus group discussion, some people still do not understand the true reason of less death in Sierra Leone, compared to developed countries.
- (24) The burden of COVID-19 is not evenly shared, health providers are not sacrificing other essential services in line with pre-COVID-19 disease burden and health care utilization patterns and citizens skipped services due to fears of contracting COVID-19 and due to inability to pay The Government of Sierra Leone, learning from the Ebola outbreak, had assigned special health facilities to handle COVID-19 cases. However, responses from some women interviewed in the Bonthe district and Bumbuna communities, indicated that health care workers at those designated centres did not sacrifice other essential services in line with pre-COVID-19. Most people who had the experience of being admitted at the treatment centres complained of not being cared for in the appropriate way and therefore, many other citizens had skipped treatment for fear of not contracting COVID-19. Some couldn't also go to health facilities for fear of not being able to pay the cost, which is the common case for many Sierra Leoneans, especially those in rural communities.

"Naturally, people fear going to the hospital during crisis. For instance, my mom doesn't like going to hospital during health crisis" (Ferrnando Mohamed Conteh, a Sierra Leonean, resident in Freetown)

(25) Government PHMs are not unduly disrupting livelihoods and access to markets and there is continuous monitoring of household economic burdens and food security to ensure easing of difficulty in accessing food due to high food prices and income losses - For the records, Sierra Leone – throughout the entire COVID-19 period – imposed only two separate 72hrs lockdowns in April and in May. However, several inter-districts and Western Area partial lockdowns were imposed; but for those travel-banned lockdowns, essential goods could be transported across districts. The most severe economic disruption was caused by the border closure with Guinea, which later got prolonged due to some political tensions between the two countries. Sierra Leone gets most of its essential goods through Guinea which has a free port.

5.0 COVID-19 AND GOVERNMENT'S INITIAL RESPONSE

The first case of the Coronavirus disease was confirmed in Sierra Leone on the 31st March, 2020. It was – as in many countries – an inbound traveler – from France who flew back to Sierra Leone on 16th March.

Official reports from the Government and WHO indicate that the person was put into a mandatory managed quarantine where he developed flu-like symptoms and was tested. However public opinion exists that he was released from quarantine and made to go home. He only later went to hospital when he became convinced that his health condition was abnormal and could be COVID positive.

Nonetheless – as stated earlier – Sierra Leone confirmed its index case at a time the deadliness of the virus was already visible in some countries like Italy, USA, UK and Germany. Sierra Leone's two neighbouring countries had already recorded double-digit cases. There was therefore no surprise that the virus was on its way to Sierra Leone. The President of Sierra Leone, while announcing the case sated:

"When I did my first coronavirus press conference, I said that it was not a matter of if, but when. Well, 'when' has come,"

Below, we try to explain the national-level actions initially instituted by the government of Sierra Leone to tackle the Coronavirus.

i. Government's Quick Action Economic Response Programme (QAERP)- This was a comprehensive national strategy for the economic response to COVID-19 in Sierra Leone.

Popularizing the plan to journalists, civil society and other development partners, the Minister of Finance, Jacob Jusu Saffa, called the plan a 'bread and butter' component, explained that the overall goal of the plan was to maintain macroeconomic and financial stability and mitigate the impact of the COVID-19 shock on businesses and households. Therefore, the plan had three strategic pillars: i) building and maintaining an adequate stock level of essential commodities at stable prices, (ii) providing support to the hardest-hit businesses to enable them to continue operations and avert lay-offs of employees, (iii) expand safety nets to vulnerable groups, (iv) Supporting labour-based public works and (v) providing assistance for the local production and processing of staple food items.

ii. Mandatory quarantine of all inbound passengers even before first case was announced and a total shut down of the airport to commercial planes by 22nd March, 2020 – The government of Sierra Leone, probably learning from the Ebola crisis, was prompt to take some tougher actions at a time many thought it was not right. First, the Government had to activate its Health Emergency Response System to level II (Enhanced Surveillance, Active Case Finding and robust Community Engagement).

Other actions included internal control on public gathering and public awareness about the danger of Coronavirus. As the situation worsened in the neighbouring countries and in many other countries, the Government announced orders that all passengers coming into the countries on flight would be required to undergo a mandatory 14 day quarantine. This was announced in January, and by the 22nd February, the situation became even more serious. Government had no choice but to close its borders to all visitors and closure of the Lungi International Airport to all commercial flights.

iii. Early Presidential declaration of a State of Public Health Emergency— Sierra Leone's president, HE Madaa Bio — Declared a State of Public Health Emergency on the 24th March, 2020. Though at that time Sierra Leone had not recorded any confirmed case, many stakeholders said it was an appropriate decision necessarily taken at that time to concentrate approval powers into the executive for the threat that had faced the country. In the statement, the president had said:

"The rapid global spread of the corona virus poses great risk to human life and can cause enormous socio-economic disruption in Sierra Leone. This situation, therefore, requires effective measures to prevent, protect, and curtail the spread of the corona virus diseases in Sierra Leone'.

The announcement further instructed the security forces – police and military to use all powers necessary to enforce other measures that the Government would take to prevent the possible entrance and spread of the virus.

There was already fear that certain people may take advantage of the situation and worsen the economic situation. Therefore, the President in the same announcement had warned:

"As I have stated before, I reaffirm the determination of my government to do everything necessary to protect the life of every Sierra Leonean. This is not a lockdown and nobody must use this as an excuse to hoard goods, hike prices, or engage in acts of lawlessness. This public emergency is not meant to make the lives of Sierra Leoneans difficult or unbearable. We will continue to deploy the armed forces and Police, as necessary, to enforce compliance with all public health directives. We believe that the actions that we take as a Government, will have an impact for the well-being of our beloved nation"

iv. Inclusive, Stakeholder Collaborative Approach – On the following day after the declaration of the State of Public Health Emergency, the President organized a consultative meeting with public health officials, CSOs, development partners and the media. In his statement, the President said he called the meeting to discuss the raging global pandemic (COVID-19). He called for solidarity, stating that:

"More now than ever, the Corona virus reminds us of our inter-connectedness, our mutual dependency, and why partnerships among nations and institutions matter in resolving global issues whether they are related to health, gender, poverty and inequality, climate change, and more".

Several other political, public health and safety measures were announced during the meeting. A detailed national strategy for the fight against COVID-19 was read out by the Chief Minister during the said engagement.

- v. A Decentralized COVID-19 Emergency Response Structures As part of government's initial COVID-19 containment plans, country-level operational centres were established in Freetown and all the districts. The Freetown Centre serving as a coordinating hub was called a National COVID-19 Emergency Response Centre (NaCOVERC), while the district level response centres were called District COVID-19 Emergency Response Centre (DiCOVERC). Those centres were empowered with human and material resources albeit inadequate to carry out all necessary plans and actions for the containment of the virus in their respective jurisdictions.
- vi. National Budgetary Shift a 2020 National Supplementary Budget as part of the medium-term response, the Government of Sierra Leone through the Finance Minister tabled for the ratification of parliament a budget with the theme "Saving Lives and Livelihoods". Presenting the budget to Parliament, the Minister of Finance, Jacob Jusu Saff read:

"Speaker, Honourable Members, this unprecedented pandemic is threatening to reverse our gains in stabilising the economy and hard-won economic recovery of the past twenty-four months. Like most countries in the world, the Government is trying to strike a delicate balance between saving lives and saving livelihoods. This Supplementary Budget seeks to achieve this objective; hence the theme "Saving Lives and Livelihoods".

The budget was approved without delay by Parliament.

vii. Procurement of essential health emergency response logistics — Using the approved 2020 National Supplementary Budget, Government through the NaCOVERC initiated the procurement of motorbikes, vehicles, computers and other gadgets for the COVID-19 prevention and control workers. However, many reports, including the Audit Report on the Management of COVID-19 Funds, indicated that some of the equipment and items bought had no direct bearing with the medical need in the fight against COVID-19, thus oppose that authorities put in charge of the COVID-19 resources should be held accountable for misappropriation of public funds.

5.1 Some Criticisms of Sierra Leone's initial response to the COVID-19

Regardless of the outlined actions planned and implemented, or yet to be implemented by the Government of Sierra Leone, citizens' expression during the focus group discussion, and on media, still believe that Government could have done more and that the much-needed resources were not impacting on the situation at the frontline. The Sierra Leone Auditor General's report of the COVID-19management also raised a number of issues relating to blatant bypass of procurement procedures and direct mismanagement of funds including the purchase of gadgets that could have no direct bearing on the COVID-19 prevention and control action plan.

The public, including prominent journalists and members of the opposition political parties, have opposed that the first case of the virus in Sierra Leone was enough to expose the country's farfetched unpreparedness for any health emergency.

Many spoke loud on social and mainstream media, condemning the government for its poor handling of the virus, and also not providing the most essential support needed at the frontline.

For instance, the BBC/Reuter for Sierra Leone, Umaru Fofanah posted a photo on his Facebook page showing the inside of a quarantine facility in Kenema with the following concern:

"Kenema is the most tried and tested town in Sierra Leone as far as viral diseases are concerned. From Lassa Fever which has seen many people come in from Nigeria and elsewhere to train, to Ebola when it served as the main battleground in the country in 2014/15. Right now I understand its isolation or treatment centre is ready, with four ventilators handy. So I CANNOT understand how the coronavirus response is seemingly in such disarray that people serving quarantine can be subjected to such squalid conditions. This is one of their rooms at the Ahmadiyya Islamic Secondary School in Kenema: classroom benches lined up as a bed and a local grass mattress laid on them. Some of the pictures are too disgraceful to show. Never mind not electrifying the place or providing proper sanitation, or the too many mosquitoes. People have been brought in, some from their own nice houses, to live here for at least two weeks. This is unacceptable! It only makes coronavirus suspects run away and spread the disease in the process.

We've had all the time in the world to have prepared for this. In remote areas maybe I'll understand. But in a provincial headquarter town, this is inexcusable!! They have to be moved to somewhere decent!"

(Source: Umaru Fofanah 2020)

However, although to some extent this was an isolated case in the eastern districts of Kenema, there were other cases that looked like this in other parts of the country the Government did improve on the situation, moving forward although slowly.

The findings of the Audit Service Sierra Leone also came with a shock in terms of the level of accountability issues identified. At some point, the Minister of Health was required to refund funds used to procure high-tech electronic gadgets for his zoom meetings, which the audit found out were not directly linked with the purpose of COVID-19 response.

The table shows a summary of these issues. However, some of those were minor management inactions, while others were grave accountable issues

Issues	Amount in Le.	Amount is USD
APPENDIX 17A- ITEMS RECEIVED BY A STAFF MEMBER FOR THE SUPPLY TO QUARANTINE HOMES NOT BROUGHT TO ACCOUNT	48,200,000	4,820
APPENDIX 18- ESTIMATE OF THE VALUE OF ITEMS DONATED IN APRIL 2020 BUT NOT TAKEN ON LEDGER CHARGE	2,516,740,000	251,674
APPENDIX 18A- ANALYSIS SHOWING BAGS OF RICE NOT BROUGHT TO ACCOUNT	204,750,000	20,475
APPENDIX 16 - LIST OF DONATED ASSETS NOT MADE AVAILABLE FOR PHYSICAL VERIFICATION	453,152,000	45,315
APPENDIX 14A – (discrepancy figures for) ASSETS PROCURED AT PRICES HIGHER THAN THE NPPA PRICE NORM	111,914,542	11,191
APPENDIX 14 - ASSETS PROCURED THROUGH BANK TRANSFERS WITHOUT EVIDENCE OF DETAILS AND DELIVERY	1,804,005,000	180,401
APPENDIX 12 - STAFF RECEIVING ALLOWANCES AT NACOVERC WITHOUT APPOINTMENT LETTERS (for May (Le.123,000,000) and June (141,400,000), 2020)	264,400,000	26,440
APPENDIX 11 - STAFF RECRUITED BY NaCOVERC NOT FOUND FOR PHYSICALVERIFICATION (May: Le. 109,000,000) (June: Le. 160,900,000)	269,900,000	26,990
APPENDIX 10 - GoSL STAFF AT NaCOVERC WITHOUT SECONDMENT LETTERS FROM THEIR MDAs OF ORIGIN (May: Le. 191,500,000) (June: Le. 217,000,000)	408,500,000	40,850
APPENDIX 9- ALLOWANCES PAID TO STAFF ON SECONDMENT WHO COULD NOT BE FOUND FOR PHYSICAL VERIFICATION (May: Le. 557,100,000) (June: Le. 585,100,000)	1,142,200,000	114,220
APPENDIX 8 – LIST OF SECONDED PUBLIC OFFICERS PAID IN EXCESS OF OVER 100% OF THEIR GOSL SALARY (Excess figures)	9,306,696	931
APPENDIX 7 - COMPARATIVE ANALYSIS BETWEEN THE BANK STATEMENTS AND THE PAYROLL SCHEDULES FOR BOTH STRATEGIC AND OPERATIONAL STAFF FOR THE MONTHS OF APRIL AND MAY 2020	61,300,000	6,130
APPENDIX 6 - PAYE AND WITHHOLDING TAXES NOT DEDUCTED FROM ALLOWANCES OF STAFF ON SECONDMENT,AND CONSULTANTS/PRIVATE STAFF AT NACOVERC, RESPECTIVELY (PAYE: Le. 1,580,755,000) (WHT: Le. 492,395,000)	2,073,150,000	207,315
APPENDIX 5- CHEQUE PAYMENTS MADE IN THE NAME OF STAFF INSTEAD OF SUPPLIERS	124,714,280	12,471
APPENDIX 4 – WITHHOLDING TAXES NOT DEDUCTED FROM PAYMENTS MADE	715,000	72
APPENDIX 3 – WITHHOLDING TAXES DEDUCTED BUT NOT PAID TO THE NRA	1,831,522,447	183,152
APPENDIX 2 – PAYMENTS WITHOUT ADEQUATE SUPPORTING DOCUMENTS	3,107,615,950	310,762
Total	Le. 14,432,085,915	\$ 1,443,209

6.0 COMPARING COVID-19 TO EBOLA

When asked to make a comparison between COVID-19 and EVD, all the respondents (100%) in the five groups of 10 people each, stated that EVD was more deadly and dangerous than COVID-19. They however referenced from the medics that COVID-19 has a very higher transmission rate than EVD.

Asked about the socioeconomic impact, about 90% of the respondents in the five focus group discussions unanimously agreed that COVID-19 has imposed more social and economic devastation than EVD, in the sense, EVD didn't affect all the countries in the world. Therefore, help was coming from many sources. COVID-19 on the other hand affected and devastated the economy of countries that were considered mightier and stronger, making them vulnerable as the poorer countries and not able to help enough. This has resulted in a direct socio-economic impact on communities, especially the vulnerable groups who rely on their daily labour for livelihood.

In the table below, we try to present a comparison on the infection rate as against the death rate of both EVD and COVID 19, as at 31st May, 2021.

(25) OUTBREAK	Total Infection	Total Death	Fatality Rate
EVD	8,706	3,956	45%
COVD19 (31 st May, 2021)	4,147	79	1.90%

(Source: CDC 2016; NaCOVERC, 2021)

7.0 COMMUNITY EFFORT TO CONTAIN COVID-19

Communities are aware of their civic role to cooperate with the government for the timely containment of the Corona virus in their communities. They were, therefore, able to identify that as their direct contribution to the government's effort. In some communities, bye-laws were formulated and enforced by the local authorities. Those bylaws sometimes require that people report to the chief any stranger passing the night in the village, or stipulate punishment for people who do not place hand-washing facilities at their door steps, or at public places.

There is also a ban on societal activities, and communities said they were abiding by that order.

In Kono district, the large-scale mining company, Koidu Limited reported that they are supporting the DiCOVEC and the city mayor for their COVID-19 work.

8.0 THE NATURAL RESOURCE SECTOR OF SIERRA LEONE

The Natural Resource Sector of Sierra Leone includes mining and extraction of solid minerals (diamond, bauxite, rutile, iron ore, gold, coltan) and fisheries and forestry, the exploration of oil and gas, the cultivation of cash crops such as oil palm, cocoa, coffee, piassava and cashew.

The Geo-Data Management Policy of 2018¹ affirms that the geology of Sierra Leone hosts diverse mineral resources that include diamonds, iron ore, gold, titanium ore (rutile), aluminum ore (bauxite) and chromite. Such resources, if of suitable size and location to make them economically viable for extraction with appropriate governance, could help drive long-term economic growth.

The mining and extractives sector is the most prominent in the natural resource sector. The Mines and Minerals Act of 2009 (which is now being reviewed), guarantees mineral rights under reconnaissance, exploration, large-scale, small-scale and artisanal.

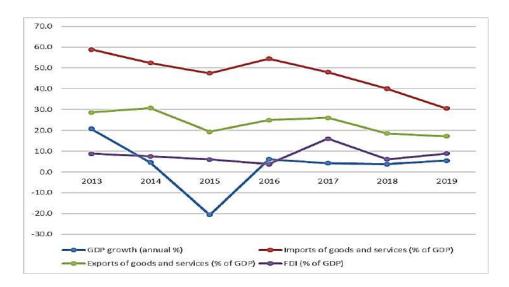
The mining and extractive sector alone contributes about 65% of Sierra Leone's export, accounting for 3% employment and 0.7% to GDP. (SLEITI, 2019)

9.0 SIERRA LEONE'S ECONOMY

"The Sierra Leone economy is small, open, and largely undiversified. Since the end of the conflict in 2002, the country has recorded progress on several fronts. Income poverty has declined from 66 percent in 2003 to 56.8 percent in 2018 and primary school enrollment increased by 57.7 percent from 2013 to 2018. From 2013 to 2019, Sierra Leone's GDP growth rate has been fluctuating largely as a result of the twin shocks of the fall in commodity prices and the Ebola outbreak in 2014 and 2015. Immediately after the war, the agricultural sector was the main driver of GDP growth providing a period of stable growth. The start of iron ore exports led to a boom in 2012-14. (UNDP, 2020)

The outbreak of Ebola in 2014 coincided with the slump in mineral prices including the drastic decline in prospecting for oil. By 2015, the economy virtually collapsed with a double-digit drop in GDP growth. Measurements of most metrics, except inflation, reflect this volatility and vulnerability.

¹ The Government of Sierra Leone carried out a country-level aerial geological survey to identify possible mineral spots. Following the report of the survey, a policy on the management of the Geo-Data information was formulated.



However, though short-lived, a recovery occurred in 2016 with a positive growth of 6.1 percent, but slowed down to 4.2 percent in 2017, and to 3.4 percent in 2018 as in previous years.

"The outbreak of the COVID-19 in early 2020 and measures adopted globally and locally to contain the spread of the disease weakened the growth prospects of the economy in 2020. The shock was perceived to disrupt key economic activities severely. As a result, the economy was initially projected to contract by 3.1 percent. The implementation of the QAERP combined with the relaxation of some of the COVID-19 containment measures mitigated the adverse impact of the disease in some sectors including agriculture, manufacturing, and construction. Based on preliminary data available for the first half of 2020, the economy is now projected to contract by 2.8 percent instead of 3.1 percent. Inflation has been on a downward trend since April 2020 reaching 13.7 percent in September 2020 from 15.6 percent in March. This is associated with the Special Credit Facility rolled out by the Bank of Sierra Leone, which ensured an affordable and steady supply of essential commodities in the market." (World Bank, 2020)

COVID-19 caused delays in the resumption of iron ore mining and disrupted the exportation of diamonds. As a result, the performance of the external sector was weak during the first half of 2020. Total exports for the period January to June 2020 amounted to US\$183.8 million, a 41.0 percent decline from US\$311.7 million recorded during the same period in 2019. Total imports amounted to US\$680.4 million, 9.7 percent lower than imports for the same period in 2019, mainly due to the decline in the import of machinery and transport equipment as Foreign Direct Investments (FDI) inflows into critical sectors were disrupted.

Consequently, the trade deficit widened to US\$415 million in the first half of 2020 compared to US\$372.7 million in the same period in 2019. Despite this, gross international reserves increased to nearly 6 months of imports as at end of September 2020. This is due to the disbursement of budgetary and balance of payments support by the IMF, World Bank, European Union, and the African Development Bank. The official exchange rate of the Leone to the US dollar remained relatively stable.

As a result of the lull in economic activities and the need for a balance of payments support to close the external financing gap engendered by COVID-19, the external debt stock is projected to increase

to 78.9 percent of GDP in 2020 from 71.8 percent in 2019. However, domestic debt is projected to decline to 23.9 percent of GDP in 2020 from 27.6 percent in 2019. (GoSL *Ministry of Finance, Bank of Sierra Leone, 2020*)

9.1 External Resources Support to Sierra Leone

This is evidenced by the amount of external resources mobilised since 2018. Total resources mobilised from International Financial Institutions (IFIs) increased from US\$46.3 million in 2018 to US\$438.4 million in 2019 and US\$380.7 million between January and October 2020. Overall, of the total resources mobilised between April 2018 and October 2020 amounting to US\$865.4 million, grants accounted for 66.1 percent. Additional grant resources amounting to US\$543 million were mobilised from bilateral partners and the UN agencies. An estimated US\$103 million was channelled through NGOs. (GoSL Ministry of Finance, 2021)

9.2 Budgetary Performance in 2020

"Domestic revenue collected from January to September 2020 amounted to USD410 million (9.9 percent of GDP) exceeding the revised target of USD 400 million by Le59.0 billion. However, compared to the pre-COVID target of USD470million, domestic revenue recorded a shortfall of USD69.87million. Of the amount collected, Income taxes contributed USD 147 million; Goods and Services Tax USD 73.26 million; Customs and Excise duties USD 90.51 million; Mineral revenue USD 17.27million; Royalty on fisheries USD 6.94million; TSA agencies USD 25.09 million; Timber Royalties Le 18.7 million; other MDAs USD 5.7million and Road User Charges USD 7.44 million. Domestic revenue is projected to reach USD 537 million for 2021 as a whole" (GoSL Ministry of Finance,p. 7, 2021)

ANNEX 1-BUDGET PROFILE FOR FY 2019-2023 Millions of Leones										
III Willions of Leones	FY2019	F3740.17		F242.422.0		FINANA	FY2022		F12/2023	rivo ca
	F12019	FY 2019 %of	FY2020	FY2020 %of	FY2021	FY2021 %of	F ¥ 2022	FY2022 %of	FY2023	FY2023 %of
Particulars	Actual Q1-4 Jan - Dec	GDP	Estimate Q1-4 Jan - Dec	GDP	Budget Q1-4 Jan - Dec	GDP	Indicative Q1-4 Jan - Dec	GDP	Indicative Q1-4 Jan - Dec	GDP
Total Revenue and Grants	6,666,166	18.0%	8,300,497	20.2%	8,138,031	17.1%	9,349,211	17.0%	10,577,252	16.8%
Domestic Revenue	5,417,105	14.6%	5,366,418	13.0%	6,416,195	13.5%	7,738,365	14.1%	9,173,542	14.6%
Income Tax Revenue	1,876,928	5.1%	2,044,852	5.0%	2,405,901	5.1%	2,910,105	5.3%	3,418,921	5.4%
Corporate Tax	538,093	1.5%	327,752	0.8%	398,651	0.8%	526,528	1.0%	670,494	1.196
Personal Income Tax - incl. Govt PAYE	1,327,986	3.6%	1,717,101	4.2%	2,007,249	4.2%	2,383,577	4.396	2,748,428	4.4%
Other Taxes	9,949	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Goods and Services Tax	1,030,686	2.8%	1,011,036	2.5%	1,218,064	2.6%	1,511,095	2.796	1,856,792	3.0%
Import GST	444,961	1.2%	423,082	1.0%	516,413	1.1%	636,812	1.296	781,602	1.2%
Domestic GST	585,725	1.6%	587,954	1.4%	701,651	1.5%	874,283	1.6%	1,075,190	1.796
Customs and Excise Department	1,313,905	3.5%	1,193,862	2.9%	1,450,563	3.0%	1,753,093	3.2%	2,088,547	3.3%
Import Duties	711,075	1.9%	619,119	1.5%	757,968	1.6%	945,958	1.7%	1,167,139	1.996
Excise Duties on Petroleum Products	567,476	1.5%	522,000	1.3%	619,435	1.3%	728.044	1.3%	823.143	1.396
Other Excise Duties	35,354	0.1%	52,743	0.196	73,160	0.2%	79,091	0.1%	98,264	0.2%
Mines Department	233,408	0.6%	221,251	0.5%	275,448	0.6%	314,072	0.6%	300,282	0.5%
Royalty on Rutile	70,076	0.2%	73,336	0.2%	76,182	0.2%	82.071	0.1%	73,619	0.1%
Royalty on Bauxite	10,805	0.0%	14,133	0.0%	16,943	0.0%	19,969	0.0%	16,028	0.0%
Royalties on Diamond and Gold	77,638	0.2%	27,274	9.1%	36,592	0.196	52,288	0.1%	46,069	0.1%
Royalty on Iron Ore	3,453	0.0%	16,357	0.0%	33,492	0.1%	46,373	0.1%	52,415	0.196
Licences(Including Petroleum Revenue)	71,436	0.2%	90,151	0.2%	112,239	0.2%	113,372	0.296	112,150	0.296
Other Departments	856,791	2.3%	791,256	1.9%	941,272	2.0%	1,115,566	2.0%	1,346,088	2.196
Royalties etc. on Fisheries	108,016	0.3%	90,622	0.2%	116,996	0.2%	143,094	0.3%	173,405	0.3%
Parastatals	87,801	0.2%	69,435	0.2%	88,500	0.2%	116,738	0.2%	141,467	0.2%
Other Revenues	660,974	1.8%	631,198	1.5%	735,776	1.5%	855,734	1.6%	1,031,216	1.6%
Other MDAs	83,843	0.2%	72,769	0.2%	90,653	0.2%	114,751	0.2%	139,058	0.2%
Timber	222,550	0.6%	177,378	0.4%	229,668	0.5%	264,858	0.5%	320,963	0.5%
TSA	354,581	1.0%	381,052	0.9%	415,455	0.9%	476,125	0.9%	571,195	0.996
Road User Charges & Vehicle Licences	106,286	0.3%	104,160	0.3%	124,947	0.3%	134,434	0.2%	162,912	0.3%
Grants	1,249,061	3.4%	2,934,080	7.1%	1,721,837	3.6%	1,610,846	2.996	1,403,710	2.296
Programme	751,851	2.0%	2,112,128	5.1%	1,153,803	2.4%	1,033,539	1.9%	818,368	1.3%
o/w Debt Relief Assistance	6,994	0.0%	355,188	0.9%	331,000	0.7%	208,000	0.496	0	0.0%
o/w HIPC - \$* m	80.76		\$0.47		\$0.00		\$0.00		\$0.00	
o/w CCRT Debt Relief	80.00	0.0%	\$35.61	0.0%	\$30.17	0.0%	\$17.36	0.0%	\$0.00	0.026
o/w External Donors Budgetary Support /4	744,857	2.0%	1,756,940	4.3%	822,803	1.7%	825,539	1.596	818,368	1.396
o/w EU - S' m	520.94		\$27.68		\$0.00		\$20.96		\$19.66	
o/w World Bank - \$' m	539.67		\$126.56		\$75.00		\$40.00		\$39.46	
o/w African Dev. Bank - \$' m	520.70		524.23		\$0.00		\$7.94		\$3.95	
Project - Other Projects	497,210	1.3%	821,952	2.0%	568,034	1.2%	577,307	1.0%	585,342	0.996
Total Expenditure and Lending minus Repsyments	7,748,939	20.9%	10,291,022	25.0%	10,261,723	21.5%	10,915,761	19.8%	12,225,639	19.5%
Recurrent Expenditure	5,653,305	15.3%	6,886,056	16.7%	7,230,233	15.2%	7,589,761	13.8%	8,457,189	13.5%
Wages & Salaries	2,576,026	7.0%	3,338,817	8.1%	3,510,274	7.4%	3,664,805	6.7%	3,883,000	6.2%
o/w: Pensions, Gratuities and Other Allowances	213,137	0.6%	308,011	0.7%	290,433	0.6%	303,219	0.6%	321,272	0.5%
o/w: Contributions to Social Security	184,056	0.5%	82,103	0.2%	250,805	0.5%	261,846	0.5%	277,436	0.496
Non-Salary, Non-Interest Recurrent Expenditure	2,091,689	5.2%	2,286,709	4.4%	2,442,349	5.1%	2,622,095	4.8%	2,965,091	4.7%
Goods and Services	1,180,116	3.2%	1,031,950	2.5%	1,164,192	2.4%	1,380,467	2.5%	1,544,544	2.5%
o/w Social and Economic	546.382	1.5%	394.433	1.0%	464,805	1.0%	613.521	1.1%	745,086	1.2%

(Ministry of Finance, Bank of Sierra Leone, 2021)

9.3 Medium-Term Economic Outlook

The medium-term outlook for the Sierra Leone economy, like other economies in Sub-Sahara Africa and the rest of the world, hinges critically on the duration, spread and severity of the COVID-19 pandemic. Given these uncertainties, the Sierra Leone economy is expected to recover gradually over the medium-term. The economy is projected to recover by 3.3 percent in 2021 and grow further by an average of 3.9 percent during the period 2022 to 2023. The recovery will be driven by an increase in agricultural activities, resumption of iron ore mining, expansion in non-iron ore mining activities, and recovery of the manufacturing, construction, and tourism sectors. (Ministry of Finance, Bank of Sierra Leone, 2021.)

During the period 2021 to 2023, agriculture is expected to benefit from a policy shift towards increasing private sector participation in the procurement and distribution of agricultural inputs and management of machinery and equipment. This is expected to increase rice production. The fisheries sector is also expected to recover due to improved governance and sustainable fishing practices.

The mining sector is expected to recover following the resumption of iron ore mining at the Tonkolili Mines and expansion in rutile, diamond, and gold mining activities. The manufacturing sector is also expected to recover as the electricity supply is about to improve and supply chain disruptions minimise. The government promised to also provide the necessary incentives to support local manufacturing industries engaged in the production of essential items. The resumption of Government funded road construction activities is expected to boost economic growth.

The services sector, especially trade and tourism, is expected to recover following the resumption of international flights and relaxation of COVID-19 restrictions including the lifting of the night curfew and ban on inter-district travel. The Sierra Leone Economic Diversification Project, funded by the World Bank, will support the improvements of key tourist destinations in the country as well as the Government's efforts in rebranding Sierra Leone as an attractive tourist and investment destination.

Exports are projected to recover strongly in 2021 owing to the resumption of iron ore mining supported by the recovery of the Chinese economy. "Imports are expected to grow at an average of 5.5 percent in the medium term. The increase in exports, FDI inflows and disbursement of grants are expected to increase the foreign exchange reserves and stabilise the exchange rate". (UNDP, 2020)

	2019		2020	2021				2022		
		Initial	Base	Down	Initial	Base	Down	Initial	Base	Down
Real GDP growth	5.1	4.8	-2.3	-4.0	4.9	4.0	3.5	4.9	4.7	4.5
Inflation (average)	14.8	15.7	15.3	16.0	13.0	12.3	13.0	11.1	10.5	11.5
Fiscal deficit	-2.9	-3.4	-5.3	-8.6	-4.0	-5.4	-6.1	-3.6	-3.9	-4.5
Current account deficit	-14.0	-11.4	-14.2	-16.9	-10.1	-12.4	-14.4	-9.6	-11.6	-13.7

(Source: World Bank, Ministry of Finance, Bank of Sierra Leone, 2020)

10.0 IMPACT OF COVID-19 ON THE STRATEGIC POLICY OF EXTRACTIVES IN DEVELOPMENT

The Mining and extractive sector is the economic powerhouse of Sierra Leone. The World Bank Update on Sierra Leone, 2020_indicated that in 2020 the growth rate of industry decelerated from 7.6 to 4.5 percent, mainly because of disruptions in mining as the recession hobbles global demand for commodities. The report further states that, the "(mining) sector's post-COVID-19 recovery is expected to be slow because industrial activity is so capital-intensive, with growth in 2021– 22 averaging just 1.6 percent. Iron ore production is expected to remain depressed until those mining-government disagreements are resolved. However, the reallocation of the iron ore mine filed to a new company is expected to create a sharp economic reverse by the end of 2021. Also, after the pandemic, diamond, rutile and other mining are forecast to improve gradually. However, construction is expected to remain subdued due to depressed investment, both public and private". (Source: Page 38, World Bank Group, Sierra Leone Economic Update, 2020)

The report also states that "the COVID-19 pandemic and the outbreak in Sierra Leone have darkened the country's medium-term growth prospects." Previously, growth was projected to slow to 4.3 percent in 2020 and to average 4.8 percent through 2022). With the COVID-19 crisis and the related uncertainties, economic growth could be 2.3–4.0pp lower than the pre-COVID-19 forecast. (World Back p. 32, 2020, Page 32)

"The outlook is predicated on heightened downside risk, depending on the spread and duration of the pandemic globally and how they will affect the opening of borders and markets for Sierra Leone exports and essential imports, especially food. An extended crisis and limited inventories could both precipitate a food security crisis and cause major disruptions in services— trade, tourism, and transportation in particular—with substantial job losses and deeper poverty. Should these risks materialize amidst the deepest global recession since the Second World War, the medium-term growth prospects could be much worse, to the point of an extended recession through the medium

term. With quick resolution of the pandemic, economic growth is projected to rebound in 2021–22, averaging 4.1 to 4.3 percent, based on recovery in agriculture, services, construction and mining. With such a growth trajectory, GDP per capita would contract by 4.3–6.0 percent in 2020 but then go up by an average of 2.0–2.2 percent in 2021–22. Given the local COVID-19 outbreak, progress on poverty reduction is likely to be halted this year, with the proportion of poor households living below the international poverty line of US\$1.90/day (2011 PPP) staying flat at 39 percent through 2022".(World Bank 2020)

"The spread of COVID-19 has also adversely impacted the external sector of the economy with serious implications for the domestic exports. The lockdowns in China and Europe have weakened economic activity in those countries and disrupted global supply chains, which in turn has reduced the demand for exports whilst the closure of land borders and disruptions in shipping activities have also affected imports. Consequently, merchandise exports are projected to drop from the initial projection of US\$912 million to

US\$593 million in 2020. Imports will drop slightly from US\$1.3 billion to US\$1.2 billion As a result, the trade deficit will widen to US\$620.9 million from the initial projection of US\$406.3 million. The current account balance will widen to US\$611.2 million (15.8 percent of GDP) from the original projection of US\$466.9 million (11.3 percent of GDP)" (GoSL Minister of Finance, P. 1`12, 2021)

11.0 IMPACTS ON THE LABOUR MARKET

There has been tremendous job loss due to the collapse of businesses, closure of international borders, decline in international financial support to the mining sector and limitation in social interactions including tourism.

Responses from the extractive sector indicate that over 2000 jobs have been lost, including those declared redundant and put on half-pay².

Financial shortage has influenced a decline in investment in construction. A good number of skilled and unskilled in that sector have been made to sit down until work resumes. The transport sector has also been seriously affected with reduction in travels either due to restrictions or generally due to people's decision not to travel during a pandemic.

Commercial sex workers have on many public fora, expressed concerns over loss of customers due to the prolonged lockdowns and restriction on social activities, including a complete ban on night clubs.

The entertainment industry has also been seriously affected by a total ban on clubbing and social events.

² Questionnaires were administered to five large-scale mining companies (Koidu Limited, Sierra Rutile Limited, Sierra Minerals Holdings (Vimetco), Sierra Diamonds Ltd., and Koidu Limited). Each company confirmed that they redundant some workers during Covid19 period.

Quite recently, a popular hippo star, LAJ went live on social media accusing Government and the First Lady of discrimination of the entertainment industry. He compared events organized by the First Lady when she goes round to distribute free sanitary pads to school girls to a musical event that would have gathered a similar crowd.

12.0 IMPACTS ON THE GOVERNANCE OF THE SECTOR

Sierra Leone had a change of Government in 2018. The new Government won the election on the ticket to curb corruption, provide disciplined leadership and diversify the economy. There was a Governance Transition Report (2018) which raised alarm on many corruption issues in the past administration. That led to a setting up of a Commission of Inquiry into the activities of the previous administration. The report of the commissions of inquiry was responded to with a Government's White paper.

Progressing into 2019, the government was busy with serious legislative reform – reviewing the laws and legislating new ones. Review of the Mines and Minerals Act 2009 commenced in mid 2019, and still in progress with a draft Bill. The Anti-Corruption Act was reviewed to give more powers to the commissioner and the commission to prosecute accused persons. Attempt was also made by the government to set up a special anti-corruption court to hear cases of corruption reported by the ACC. New ministries were also set up, including a separate ministry of gender, environment and technical & higher education. A Directorate of Science & Technology (DSTI) was also established. A number of commissions were also established.

However, this progress in governance was disrupted with the advent of COVID-19 in 2020. A ban on public gatherings put public consultations on most of the reform processes on hold. Civil society had limited space to engage the government on issues of good governance and accountability. It seems many public officials took advantage of that situation to act contrary to the initial focus of the government.

The Audit Report on 2020 COVID-19 administration also indicated serious financial improprieties, including a recent sequential release of back statements of high-level government officials by a US based freelance media group, the Africanist Press , including bank statements of the First Lady and the Chief Minister.

The Anti-Corruption Commission is also actively investigating most of these cases and many public officials have been found guilty of corruption and are being made to pay back misappropriated funds.

13.0 IMPACTS ON ILLICIT FINANCIAL FLOWS (IFF)

The findings did not show any clear indication that the COVID-19 situation has influenced the flow of illicit finances in the mining sector. That notwithstanding, IFF has been a serious challenge impeding transparency in the mining sector.

In their input into the review process of the Mines and Minerals Act, both civil society and the EITI have recommended that the new law on mining categorically address issues of transfer pricing, beneficial ownership and overall, any form of illicit financing into the mining industry of Sierra Leone. These recommendations have been taken on board. There is hope that the new mining law will not only target illicit financiers but will deliberately give more direct benefit to government and mining communities through an increase in community development funds from 0.001% to 2.5% and a 10% undiluted share of the State into any large scale mining investment.

14.0 IMPACT ON RESOURCE-RICH COMMUNITIES AND THE ENVIRONMENT

Many citizens have argued that there is a resource curse on mining communities of Sierra Leone. A recent study carried out by the Kimberley Process Civil Society in Sierra Leone on the impact of mining on communities, disclosed that most mining companies had taken advantage of the COVID-19 situation to renege on their corporate obligations, including the payment of surface rents to land owners, payment of a minimum 0.001% of annual turnover to community development, agricultural development funds, crop compensation and the recruitment of local citizens, have all been stopped by many mining companies during the COVID-19 period. (NMJD,KPCS 2020)

The findings of this assessment further affirm that mining communities are still being impoverished, are deprived of basic amenities including public drinking water, health facilities and good roads. These challenges exist, usually on the fact that the government fears any permanent huge investment in those areas.

Large-scale mining particularly attracts people, especially job-seekers into the mining communities. Now that companies have declared a large number of youth redundant, they still hang around within the community, expecting to be called upon very soon. For the time being, high levels of social crimes are being reported due to the high levels of unemployment. However, some respondents also indicated that, as an alternative livelihood source, most of these youth are now engaged in what is locally termed as 'go show bone'. This is a daily manual labour service rendered within the community for survival. This could be with large-scale farmers, or with other small-scale miners who cannot employ the youth or construction workers permanently.

Acute water shortage is currently hitting the entire Tongo community, as was reported by respondents to this assessment. This is caused by deep kimberlite mining close to the dwelling houses. The community people pointed out water wells that were being drained and dried out. A similar situation exists in Koidu city, close to the Koidu Limited Kimbelite mining.

There are also serious accountability issues in the computation, management and redistribution of subnational mining revenues due mining communities. Regardless of efforts to have a separate community-level structure receiving and managing these finds, there are several reports of resource misappropriation or failure of companies to actually handover these funds to the community people, as in the case of Sierra Diamonds in Tongo.

Social issues also characterize many mining communities. Women accuse mine workers of influencing their daughters with affluence, taking advantage of their poverty and sexually exploiting them. Most of these girls have dropped out of school due to early unwanted pregnancies.

Issues of increased social delinquencies in mining communities as regards the traditional and cultural standards of the community people were also reported.

15.0 ADVENT OF COVID-19 VACCINE AND ROLL-OUT

At the time Sierra Leone had recorded 3,920 cases of coronavirus and 79 deaths, what many people considered a 'good news' came in that the Chinese government had donated 200,000 doses of SinoPharm COVID-19 Vaccine to the people of Sierra Leone. The consignment reached the airport of Sierra Leone on the 25th February, 2021.

About a week later, another 96,000 doses of AstraZeneca-Oxford COVID-19 vaccine shipped via the COVAX Facility, a partnership between the Government Sierra Leone, CEPI, Gavi, UNICEF and WHO, which arrived on Monday 8 March 2021.

According to a publication on the ReliefWeb website, the 96,000 dose of AstraZeneca-Oxford COVID-19 vaccine is a historic step towards our goal to ensure equitable distribution of COVID-19 vaccines globally, in what will be the largest vaccine procurement and supply operation in history. The delivery is part of a first wave of arrivals of an initial 528,000 doses that will continue till the end of May 2021. (*ReliefWeb 2021*)

Receiving the consignment, the Minister of Health and Sanitation, Dr. Austin Hinga Demby says: "Throughout 2020, our health facilities have been faced with the task of responding to the pandemic, while at the same time, working to sustain the regular essential services including providing maternal and child health services. The lifesaving vaccines which are now available for COVID-19, combined with the other important measures which we have adopted since the pandemic started, will afford us a good prospect to return to normalcy and to fulfil our obligations under the Universal Health Coverage programme".

In the week after the vaccine donation started coming in, a BBC report indicate that a certain poll carried out within Freetown showed that only 43% of people in Sierra Leone's capital are willing to take a COVID-19 jab. The report further states that even a lesser number were willing to receive the Chinese one, according to the research by SierraPoll. (*Umaru Fofanah, 2021*)

Following global safety concerns raised against the safety of the AstraZeneca vaccine, the Minister of Health and Sanitation sent out an official statement said that both the Sinopharm and AstraZeneca vaccines "had undergone many tests and (are) proven to be safe and effective," and that the batch of vaccines received in Sierra Leone did NOT include any of the batches whose safety concerns were raised. (*Govt. MoHS, 2021*)

WHO had released a similar official statement clarifying that symptoms about which concerns were raised, are normal. The statement says "Vaccination against COVID-19 will not reduce illness or

deaths from other causes. Thromboembolic events are known to occur frequently. Venous thromboembolism is the third most common cardiovascular disease globally. (WHO, 2021)

15.1 Second Wave and Government's Response

Just after the festive period in December, the case trend of the COVID-19 exponentially increased even more than it was when it started. The government was forced to heighten restrictions, including a two-week partial lockdown of the western area where more cases were being confirmed.

However, as cases continued to slow down again, the government didn't see a need to extend the partial lockdown beyond the initial two weeks.

Following easing of movement, the Government has also recently lifted the Public Health State Emergency which it had imposed in March, 2020. The President of Sierra Leone had declared a State of Public Health Emergency which could last for a maximum period of one year. The government, in a Press Statement issued on the 24th March 2020, lifted a ban on all movement, including the midnight to dawn curfew. Citizens can now move to any part of the country and at any time round the clock. There was also ease on the time frame for religious services. Public meetings can be held, once they are organized under strict COVID-19 prevention measures. (GoSL Nacoverc, 2021)

15.2 Vaccines and Rollout Plan

The government of Sierra Leone, in an effort to raise public confidence, started the vaccine rollout with the President, parliamentarians and other top government officials taking their first dose.

In his statement, the Vice President said, the president and top government officials first taking the vaccines was to tell the public that everyone should try to be vaccinated as and when the vaccines are available for everybody. "That is what leadership is about. We will give confidence to the rest of the population to receive their vaccines as and when it is available so that we can get rid of COVID and pay attention to development, which should really be our preoccupation," (All Africa News outlet 2021)

Following the maiden vaccination of the presidency and other top politicians, a release came out from the NaCOVERC which outlined the category of people who would be prioritized. While all health workers were entitled to be vaccinated, other public workers including social workers, public and civil servants would have to be above 40 years before they are entitled to the vaccine. All citizens above 70 years were also entitled to the first set vaccine.

There is no publicly available day-to-day data on how many people have been vaccinated, but most people believe there is less rush for the vaccine. However, public hospitals have made it mandatory on their health workers to be vaccinated.

16.0 POTENTIAL IMPACTS ON PUBLIC SERVICES THROUGH THE EXTRACTIVES IMPACTS

There is very little to show in terms of visible socioeconomic impact of the extractive sector on Sierra Leone. Mining communities are classed among the poorest, where vulnerable people are deprived of basic social amenities including lack of access to pure drinking water, adequate health facilities or land to farm on.

In the Tongo community for instance, an acute water crisis was reported during this assessment. A community-based activist, Umu Danema stated in her responses that the water crisis, especially during the dry season (October – May, was reported to the stakeholders who had interviewed them during the community development needs assessment study for the Sierra Diamond company. She said:

'We do not have any pipe borne water facility here. We rely on hand-dug wells, and these wells are quick to dry out in the dry season. What is even worse is the fact that, when the mining company has

dug deeper than our wells, the water drains into their deep mining pit and leaves our wells dried out. We are starved and made to go to nearby villages to fetch dirty stream water.' (Umu Danema, Community based Facilitator, Women on Mining and Extractive, Tongo community, Kenema District, eastern Sierra Leone)

The national perspective may be different from what actually entails in the typical mining communities. Sierra Leone government has projected a possible economic revamp with the commencement of iron ore mining and the establishment of other mining companies across the country. The projection is that the government will be able to attain 20% domestic national budgetary support by 2022, and the mining sector is the predominant source of income for this hope.

"Exports are projected to recover strongly in 2021 owing to the resumption of iron ore mining supported by the recovery of the Chinese economy... Mr. Speaker, Honourable Members, the mining sector is expected to recover following the resumption of iron ore mining at the Tonkolili Mines and expansion in rutile, diamond, and gold mining activities... "(GoSL Ministry of Finance, 2021, Paragraph 28, 30)

Regardless of these sentiments, a review process of the existing Mines and Minerals Act, 2009 is sending a promising ambiance on the mining and extractive sector. There are already provisions, though contentious, but strongly supported by the civil society, that will bring a great change to Sierra Leone. Key among these recommendations are for Sierra Leone to own a 10% undiluted share in all large-scale mining franchise and for the Community Development Funds support to crease from a minimum 0.01% to 2.5%.

17.0 THE OUT-OF COURT SETTLEMENT BETWEEN THE GOVERNMENT OF SIERRA LEONE AND THE FOREIGN (US-BASED) OWNED LARGE-SCALE IRON ORE MINING COMPANY

Sierra Leoneans, home and abroad, have all been very uncomfortable with the reality of mining activities not benefiting the country enough. Section 148 of the Mines and Minerals Act of 2009 stipulates that:

- (2) Royalty is payable pursuant to subsection (1) shall be the following percentages of market value as defined in subsection (3) below
 - a) 15% for special stones, defined as those precious stones whose market value is above five hundred thousand United States Dollars;
 - b) 6.5% for precious stones;
 - c) 5% for precious metals;
 - d) 3% for all other minerals.

This law was legislated in 2009. In 2018, there was a change of government. The new government won election on the ticket of transformation, transparency and disciplined leadership. Thus, as it came, there were many cases of license cancellations of many mining companies across the country.

The Sierra Minerals /Gerald Group is a wholly-owned subsidiary of Gerald International Limited, which is the holding company for all entities in Gerald Group. The Group is one of the world's leading commodity groups, and the oldest and largest employee-owned metals merchant in the world.

SL Mining gained a 25 year renewed mineral right over the northern Sierra Leone's Marampa blue iron ore field in March, 2017. The company mined till 2019 when the new government alleged that the company was not being transparent with its sale figures and beneficial ownership, accused the company of transfer pricing; thus had to cancel its mineral right. (*Reuters 2018*)

Meanwhile, Gerald Group/Sierra Minerals, took the matter to the UK International Chamber of Commerce for arbitration. The Government of Sierra Leone contested the matter, but two consecutive rulings rendered in 2020 obliged the government of Sierra Leone to overturn its decision and render the mining concession to Sierra Minerals. (*Reuters 2020*)

The government of Sierra Leone refused to heed to this order, and held on to its decision to not allow Sierra Minerals to continue with their mining activities.

However, after prolonged background engagement and negotiations, the matter was finally settled on the 10th May, 2021 when the two parties signed an 'out-of-court' settlement with a key decision for the matter to be amicably resolved, and as follows:

- i. All legal cases and /or allegations between the parties will be indefinitely withdrawn.
- ii. A new company ("NewCo") will be formed wherein Gerald Group will own 90 percent interest and the Government will own a 10 percent non-dilutable interest.
- iii. NewCo will take over all assets and rights of SL Mining, which include Marampa North,Marampa South, and all property plant and equipment.
- iv. Gerald has committed to increase materially the production of Marampa.
- v. NewCo to begin operations by 1st of June 2021.
- vi. Gerald will have the immediate right to ship the current stockpile, which is ~707 tons of iron ore. Gerald will pay a fixed sum of USD 20 million in two installments of USD 10 million prior to 31 December 2021.
- vii. Gerald / NewCo will negotiate during the course of May 2021 a new Mining Lease Agreement that will be a win-win for the Government and Gerald.

Majority of Sierra Leoneans and social commentators have described the action of the government of Sierra Leone as a bold step that has increased its share from 3% royalty to 10% undiluted share. (Sierra Mineral/Gerald Group 2021)

18.0 CHALLENGES, LESSONS LEARNT AND RECOMMENDATIONS

18.1 Challenges

This study has been conducted at a time when the government had imposed partial lockdown of the Western Area of Freetown and its environs. There are also restrictions on the number of visitors at public offices at a given time and many people are still averse to meeting strangers.

These conditions posed a serious challenge on the timely data collection and community-level engagements. Community expectation, amidst the economic situation posed by COVID-19, is also very critical. This became a challenge to have them in a group discussion. Many people expected a token for their time, which we provided, but was not adequate. Many companies used the COVID-19situation to hold on to information about their companies. That made it more difficult to access data from them.

Some public officials too were reluctant to give out information, given the recent media blackmailing on corruption issues by a bad press.

18.2 Lessons Learnt

The following lessons were noted during this assessment:

- Pre-existing cooperation between CSOs and government officials is a good mantra for trust in such assessment, otherwise, most government officials are always suspicious to talk to people about issues relating to economic performance etc.;
- ii Secondary data is very useful for providing facts and figures for this study. Therefore, for this study, we largely relied on government's official publications such as the 2021 budget statement and the World Bank's economic update on Sierra Leone for facts and figures;
- iii Studies on the economic assessment of countries should be best done in the first quarter of the year when new budget and financial statements of the previous year have been computed and are available;
- iv If communities are to be engaged in a focus group, it is strongly recommended that a reasonable incentive is provided for their time;
- Report of this assessment should lead to some community-level advocacy interventions, especially to promote transparency and accountability in the use of subnational mining revenues;

18.3 Recommendations

The following recommendations are made for the attention of government, CSOs and development partners

Government: Given the socioeconomic impact of COVID-19 on mining communities, the government of Sierra Leone restructured its incentive plans, so that vulnerable groups in affected mining communities benefit equitably. Mining laws should be timely reviewed to address the current bottlenecks between miners and communities, especially with regards to benefit sharing.

Government's health preparedness should be scaled-up and put on guard to maintain the decreased trend of confirmed COVID-19 cases. Government should also consider tax deferment for some large-scale and small-scale entities that can demonstrate their tax compliance before COVID-19.

A more pandemic/ or crisis sensitive strategy should be put in place for natural resource related work. This is so because, more and more we are experiencing pandemics and crises and without a strategy to deal with it, it will become difficult to function and be productive.

CSOs - Should intensify their advocacy for vulnerable people in affected mining communities, especially those seriously affected by the COVID-19. CSOs should support the government in raising citizens' confidence in the public health system, help to mainstream COVID-19 awareness messages, especially to support voluntary vaccine intake. CSOs should also scale up monitoring of investment companies, to be able to qualify and quantify claims of economic loss during COVID-19, prevent the inflow of illicit finance and provide a transparent lens on issues such as Beneficial Ownership, Transfer Pricing, Tax Waiver etc.

Development Partners - Should engage the corporate sector to provide the much-needed international support to government and CSOs in addressing the most pressing socioeconomic challenges exacerbated by the COVID-19 outbreak.

The following joint efforts should be considered:

- Engage government to consider special stimulus package for people directly affected by mining activities, and whose social and economic conditions have been worsened by the COVID-19outbreak;
- 2. Public health system should be strengthened, including community preparedness for a similar pandemic;
- 3. Government should rely on domestic behavioral change efforts, to inculcate a culture of community practice,
- 4. CSO and development partners should collaborate on joint endeavours to present proposals on behalf of the community people affected by mining activities;

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