

World Bank Workshop - Washington, D.C., March 2008

Minister of Mineral Resources Alhaji Abubakarr Jalloh and Director of Mines A.R. Wurie attended the World Bank's workshop in Washington D.C. on dynamic mineral resource management and infrastructure development in an effort to sustainably exploit not only the country's mineral resources, but also agricultural resources and other related commodities. The workshop presented two papers on proposals for African regional infrastructure development in South, East, Central, North and West Africa, for the consideration of the World Bank in collaboration with ADB and NEPAD.

In order to meaningfully achieve sustainable infrastructure development on the African continent, African countries require sound resource policies to strengthen sector governance and enable economic growth by linking mining with infrastructure development. Establishing these policies requires an understanding of the quantity and quality of the region's minerals endowment, and expectations for future mineral production and its economic benefits.

The World Bank provides policy advice worldwide on the development and management of mineral resources. The Bank has approved a regional project for ECOWAS and in particular the Mano River Union States to engage governments, local communities, and extractive industry companies to study fiscal and regulatory regimes as well as mining infrastructure developments (i.e. railroads, energy) with a view to holistically manage mineral resource development and ensure sector governance that will considerably enhance growth and prosperity for the region, the respective countries, their peoples and local communities affected by mining activity.

Issues Raised by the Minister of Mineral Resources, Sierra Leone

The Minister gave a brief history of the NDMC and Delco operations and how after several years of profitable operations the affected communities and indeed the nation had nothing positive to show from this activity except deserted ghost towns and relics of infrastructure left in their wake, reiterating that this should not happen again. Although Sierra Leone is an active member of the Kimberley Process, the Minister strongly believes that a large number of developed country importers of Sierra Leone diamonds still buy uncertified diamonds from Sierra Leone, thereby creating and sustaining the incentive to smuggle. He appealed to the World Bank and the developing countries to be more vigilant in this trade in order to assist in combating this illicit trade so that the country can derive much more benefit from diamond exports.

The Minister also commented on equity participation by African countries in mining agreements, the evaluation of profits declared by extractive industry companies as a basis for determining the government's take, and the need for the Extractive Industries' Transparency Initiative (EITI, in which Sierra Leone is a member) to undertake effective audits and validate such declared company profits to ensure the country receives a fair share from the extractive industries. The Minister stated that

the Ministry is presently reviewing all existing mining agreements as well as the Mines and Minerals Acts with the view to addressing all aspects that will ensure the country benefits much more from our mining industry than presently, but also keeping in mind the interests of investors. The Minister therefore appealed for assistance in the formulation of effective fiscal regulatory regimes and the promotion of infrastructure development as part of mine development which is the new government's key policy in ensuring a sustainable infrastructure even after a mine closure. He informed participants that the government has recently appointed a consultant to undertake a feasibility study on the multiple use of infrastructure facilities at the defunct Marampa Mines and how different companies have been brought together to form a consortium to fund the studies that will take account of their respective interests and how they will contribute to the infrastructure development in the area.

Following the Minister's appeal, the World Bank made the decision to expedite the appointment of a mining legislation and financial expert to help the ministry in its present exercise of reviewing the mining agreements and the Mines and Minerals Acts.