



SIERRA LEONE: KIMBERLEY PROCESS ANNUAL REPORT 2019

The Kimberley Process Annual Report is one of the requirements in the KP Administrative Document (AD), that requires all its members to prepare and forward to the Chair of the Working Group on Monitoring annually. This report encourages changes, updates or reviews to the existing systems in place under the following mentioned below:

PART A

INSTITUTIONAL FRAMEWORK:

The Ministry of Mines and Mineral Resources is the political authority and policy framers for the National Minerals Agency that is responsible for the implementation of the Kimberley Process Certification Scheme. The Ministry has the overall mandate to make policies in the Mines and mineral sector. Therefore, the Minister, Deputy and the Permanent Secretary are all signatories to the KP Certificate. This is to ensure that all diamonds leaving the shores of Sierra Leone are endorsed by the Political and Administrative authorities in the Ministry of Mines and Mineral Resources.

The NMA has the responsibility to implement policies adopted by the Ministry of Mines and Mineral Resources. The Directorate of Precious Minerals (PMT) within the National Minerals Agency (NMA) is the custodian of the KP Certificates. PMT is the diamond export office. Processes in the issuance of the KP Certificate starts at the PMT and later forwarded to the Directorate of Mines(NMA) for vetting, before it is finally sent to the Ministry of Mines and Mineral Resources for final signature. This is the first step towards transparency and accountability. The Directorate of Mines cross check and verifies what the PMT has done before it falls on the Minister's desk for final signature.

The Mines Monitoring officers (who are now referred to as Compliance Officers) that fall within the Directorate of Mines (NMA) are very crucial in supervising the process that leads to the issuance of the Kimberley Certificate. They are present at all levels in the diamond valuation process and at the export level at the International Airport. They are firmly involved in the traceability process as well.

The National Revenue Authority(NRA) the umbrella body for Customs Department is also another institution that is involved in the implementation of the Kimberley Process Certification Scheme. The assigned Custom Officer to Precious Minerals Trading Directorate within the NMA is one of the signatories to the KP Certificate. The Custom Officer is charged with the responsibility to observe the valuation process and report export duty collection information to the National Revenue Authority

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B: LEGAL FRAMEWORK:

The Mines and Minerals Act 2009, The National Minerals Agency Act 2012, and The Financial Act 2015 which has now become the SL Extractive Industry Act 2018 are all legal instruments that makes provision for the implementation of the Kimberley Process, tax collection and license fees.

The current Mines and Minerals Act 2009 and the National Minerals Agency Act 2012 are currently under review.

C: IMPORT AND EXPORT REGIME**EXPORT and Import Partners 2019**

Country	Trade with	Trade type	Date	H.S Code	Carats	Value USD
Sierra Leone	Switzerland	Export Q1	2019	7102.21	87452.76	552083.80
Sierra Leone	Switzerland	Export Q1	2019	7102.31	85984.56	27011635.47
Sierra Leone	European Union	Export Q1	2019	7102.21	12890.35	566840.48
Sierra Leone	European Union	Export Q1	2019	7102.31	20651.89	12449371.73
Sierra Leone	United Arab Emirates	Export Q1	2019	7102.21	3817.67	104109.33
Sierra Leone	United Arab Emirates	Export Q1	2019	7102.31	6330.44	1334351.42
Sierra Leone	China, People's Republic of	Export Q1	2019	7102.31	435.18	403195.04
Sierra Leone	Israel	Export Q1	2019	7102.31	102.58	198414.10
Sierra Leone	Lebanon	Export Q1	2019	7102.31	56.06	182195.00
Sierra Leone	Korea, Republic of	Export Q1	2019	7102.21	20.95	6450.00
Sierra Leone	Korea, Republic of	Export Q1	2019	7102.31	125.01	107710.00
Sierra Leone	United States of America	Export Q1	2019	7102.31	40.24	106000.00
Sierra Leone	Switzerland	Export Q2	2019	7102.31	64115.77	19411650.09
Sierra Leone	Switzerland	Export Q2	2019	7102.21	63249.01	243039.60
Sierra Leone	European Union	Export Q2	2019	7102.31	23595.40	14163126.87

Sierra Leone	European Union	Export Q2	2019	7102.21	14705.77	801933.64
Sierra Leone	United Arab Emirates	Export Q2	2019	7102.31	7353.97	1470226.76
Sierra Leone	United Arab Emirates	Export Q2	2019	7102.21	12241.48	260205.90
Sierra Leone	United States of America	Export Q2	2019	7102.31	236.33	454142.07
Sierra Leone	United States of America	Export Q2	2019	7102.21	57.84	4535.90
Sierra Leone	Israel	Export Q2	2019	7102.31	31.02	353735.00
Sierra Leone	Brazil	Export Q2	2019	7102.31	47.32	71029.16
Sierra Leone	Brazil	Export Q2	2019	7102.21	24.16	781.10
Sierra Leone	China, People's Republic of	Export Q2	2019	7102.31	96.65	22509.69
Sierra Leone	Switzerland	Export Q3	2019	7102.31	111609.13	31734209.51
Sierra Leone	Switzerland	Export Q3	2019	7102.21	77586.68	543174.17
Sierra Leone	European Union	Export Q3	2019	7102.31	15887.17	8187219.64
Sierra Leone	European Union	Export Q3	2019	7102.21	11236.08	814155.75
Sierra Leone	United Arab Emirates	Export Q3	2019	7102.31	2624.01	1021903.15
Sierra Leone	United Arab Emirates	Export Q3	2019	7102.21	1593.24	105846.30
Sierra Leone	United Arab Emirates	Export Q3	2019	7102.31	315.37	281331.68
Sierra Leone	United States of America	Export Q3	2019	7102.21	113.90	5152.85
Sierra Leone	China, People's Republic of	Export Q3	2019	7102.31	338.77	106547.60
Sierra Leone	China, People's Republic of	Export Q3	2019	7102.21	186.31	7452.40
Sierra Leone	Israel	Export Q3	2019	7102.31	34.91	97634.00
Sierra Leone	South Africa	Export Q3	2019	7102.31	91.34	96549.80
Sierra Leone	Brazil	Export Q3	2019	7102.31	23.55	55092.94

Sierra Leone	Lebanon	Export Q3	2019	7102.31	25.28	39174.80
Sierra Leone	Switzerland	Export Q4	2019	7102.31	89801.24	23746573.41
Sierra Leone	Switzerland	Export Q4	2019	7102.21	56721.68	179428.03
Sierra Leone	European Union	Export Q4	2019	7102.31	16184.22	18007604.85
Sierra Leone	European Union	Export Q4	2019	7102.21	17678.39	793953.73
Sierra Leone	United Arab Emirates	Export Q4	2019	7102.31	2997.99	943363.30
Sierra Leone	United Arab Emirates	Export Q4	2019	7102.21	2188.20	49759.75
Sierra Leone	Japan	Export Q4	2019	7102.31	66.52	204943.75
Sierra Leone	Japan	Export Q4	2019	7102.21	12.74	63.70
Sierra Leone	China, People's Republic	Export Q4	2019	7102.31	106.94	131642.90
Sierra Leone	United States of America	Export Q4	2019	7102.31	187.52	114771.02
Sierra Leone	United States of America	Export Q4	2019	7102.21	276.95	10105.20
Sierra Leone	India	Export Q4	2019	7102.31	42.45	75707.09

The Precious Minerals Trading (PMT) Directorate of the National Minerals Agency is the point of import and export of diamonds in Sierra Leone. All licensed diamond exporters are expected to give 24hrs notice to start his or her export process. The goods or diamonds are received at the PMT where it is verified and weighed before being distributed to the various sorters and valuers. The PMT has a three system approach for diamond valuation. The three values come from the licensed exporter, the Government and the independent valuer (at the moment the services of the IDV is on hold. The NMA has advertised and call for bids. The process was on going when covid19 struck.) The highest value of the three is accepted upon which the export duty and royalty are determined. The accepted value and carat is copied into the KP Certificate with other information like the consignee address, licensed no, date and time of expiration of certificate. The certificate is signed by the Customs Officer from the National Revenue Authority (NRA), the Director of Precious Minerals from the National Minerals Agency and the Minister of Mines and Mineral Resources or his/her representative.

After all necessary paper work, vetting and preparation of the KP Certificate, the certificate is sealed together with the diamond box in a transparent polythene bag bearing weight in grams, dimension in centimeters, random numbers and date of issuance. The export of diamonds with

KP certificate has only one exit point and that is the Freetown International Airport. Exports of diamonds must pass through the Office of the National Revenue Authority (Customs Dept.) and the Government Compliant Officers of the National Minerals Agency at the airport for final verification before boarding.

Imports are real, but if they do, it must come through Customs under the National Revenue Authority at the Freetown International Airport. The diamond must come from a country that is a member of the Kimberley Process Certificate and must be accompanied by their KP Certificate or a KP Technical Certificate. Most of the rough diamonds that come into Sierra Leone are goods that have been exported and brought back mainly as a result of poor marketing arrangements. Advance notification and confirmation documents are forwarded to final destinations through electronics mail.

INTERNAL CONTROL:

Internal control is one of the most important benchmarks in the KP guidelines. This is the traceability process from Mine to Export. In countries like ours with widespread artisanal mining, it is often very difficult to reconcile production figures as against the export figures. Internal control starts with issuance of licenses at all levels from miners to dealers and to exporters. Each of these players are provided with receipts and record books to register winnings at every level in the supply chain. Some of the players in the chain deliberately refuse to report their winnings for fear of financial harassments. This is one challenge in getting accurate figures at the production level. Another challenge is that; Some Compliant Officers are often compromised because of poor conditions of service. In such a situation it is difficult to get accurate production figures from the artisanal mining sector. Unlike the artisanal mines, the industrial sector records are well in place and it is easier to reconcile production figures with export figures.

However, it could safely be said that there is a system in place to capture all diamonds mined within Sierra Leone, that is, one must be a licensed holder (Miner, Dealer, Exporter) supplied with records and receipts books to store information. Compliant Officers are employed to inspect, verify and collect information from the record and receipt books provided. This is to ensure that diamonds exported with KP Certificates are fully compliant. However, we do have challenges which is the effective and efficient implementation of the traceability process. At export level record and receipt books are checked, bank statements are required, taxes are paid before the KP Certificate is issued. The reason for the demand of the bank statement is to satisfy the Anti-Money Laundering Policy.

The National minerals Agency has now employed a sizeable number of competent and efficient Compliant Officers who were referred to as Mines Monitors. Some are University Graduates with degrees in Geology and Other disciplines. With this changes in the recruitment of former

Mines Monitors, now Compliant Officers, more value has been added to the traceability process.

We hope to continue with the KP Multi Stakeholder Taskforce after COVID 19. This is to sustain our sensitization drive in the mining districts and communities on the relevance of the Kimberley Process to the Diamond Industry.

STATISTICS:

TABLE-2: OVERVIEW OF KPC COUNT FOR IMPORT – EXPORT DURING 2019

Country	KPC COUNTS			
	Trade with	Type	Date	Count
Sierra Leone	Switzerland	Export Q1	2019	5
Sierra Leone	European Union	Export Q1	2019	22
Sierra Leone	United Arab Emirate	Export Q1	2019	3
Sierra Leone	China, People’s Republic of	Export Q1	2019	3
Sierra Leone	Israel	Export Q1	2019	2
Sierra Leone	Lebanon	Export Q1	2019	1
Sierra Leone	Korea , Republic of	Export Q1	2019	2
Sierra Leone	United States of America	Export Q1	2019	2
Sierra Leone	Switzerland	Export Q2	2019	4
Sierra Leone	European Union	Export Q2	2019	19
Sierra Leone	United Arab Emirates	Export Q2	2019	3
Sierra Leone	United States of America	Export Q2	2019	5
Sierra Leone	Israel	Export Q2	2019	1
Sierra Leone	Brazil	Export Q2	2019	1
Sierra Leone	China, People’s Republic of	Export Q2	2019	1
Sierra Leone	Switzerland	Export Q3	2019	3
Sierra Leone	European Union	Export Q3	2019	13
Sierra Leone	United Arab Emirates	Export Q3	2019	4
Sierra Leone	United States of America	Export Q3	2019	3
Sierra Leone	China, People’s Republic of	Export Q3	2019	2
Sierra Leone	Israel	Export Q3	2019	2
Sierra Leone	South Africa	Export Q3	2019	2
Sierra Leone	Brazil	Export Q3	2019	1
Sierra Leone	Lebanon	Export Q3	2019	1
Sierra Leone	Switzerland	Export Q4	2019	3
Sierra Leone	European Union	Export Q4	2019	26
Sierra Leone	United Arab Emirates	Export Q4	2019	7
Sierra Leone	Japan	Export Q4	2019	2
Sierra Leone	China, People’s Republic of	Export Q4	2019	3

Sierra Leone	United States Of America	Export Q4	2019	3
Sierra Leone	India	Export Q4	2019	1

MISCELLANEOUS: Sierra Leone has undertaken a geo-physical airborne geological survey. This is to assess the mineral potential of current day Sierra Leone. Sierra Leone has also undertaken the Review of the Mines and Minerals Act 2009 and the National Minerals Agency Act 2012. These two documents are now in their draft stages.

PART B:

KP REVIEW VISITS: Sierra Leone is due for a Review Visit November 2020 was the requested date... The last was in 2016. The report from the Review Team 2016 and recommendations came late. In spite of late delivery, we took note of our challenges and worked on them. We would like the KP to take a look at strides made since the last Review Visit of 2016.

DRAFT POLICIES: Sierra Leone has drafted a policy to create a new policy for the artisanal mining sector. It is awaiting cabinet and parliamentary approval

THE KIMBERLEY PROCESS REGIONAL APPROACH: This initiative started four years ago in the capital city of Abidjan where four countries in the Mano River Union that is; Sierra Leone, Guinea, Cote d'Ivoire and Liberia decided to come together and look at their common problems and challenges in the diamond industry through the Kimberley Process. This initiative seems to be very successful as other regions like the Central African countries want this idea to be replicated.

BEST PRACTICE

The NMA/ PMT hope to continue with its tripartite valuation system after COVID19 and an improvement in diamond export. As it stands now, the diamond industry is one of the hardest hit and Governments are not receiving revenue from this sector. This is not peculiar to Sierra Leone, but a worldwide problem. We hope it gets better.

Submitted by
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