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IMPLEMENTATION COMPLETION AND RESULTS REPORT

(IDA-H5320, IDA-Q5730, and IDA-H6680)

ON A

CREDIT

IN THE AMOUNT OF SDR7.7 MILLION

(US\$10.1 MILLION EQUIVALENT)

TO THE

REPUBLIC OF SIERRA LEONE

FOR A

MINERAL SECTOR TECHNICAL ASSISTANCE (P099357)

December 20, 2017

Energy & Extractives Global Practice
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective {Dec 20, 2017})

Currency Unit = SDR

1.41516 = US\$1

US\$ = 0.7066 SDR 1

FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

EI	Extractive Industries
EIA	Environmental Impact Assessment
EITAF	Extractive Industries Technical Advisory Facility
EITAP	Extractive Industries Technical Assistance Project
EITI	Extractive Industries Transparency Initiative
GIMS	Geological Information and Mapping System
GoSL	Government of Sierra Leone
GSD	Geological Survey Department
JSDF	Japanese Social Development Fund
LAD	Life after Diamonds
MFR	Management and Functional Review
MLA	Mineral Lease Agreements
MMMR	Ministry of Mines and Mineral Resources
MoFED	Ministry of Finance and Economic Development
NMA	National Minerals Agency
PAD	Project Appraisal Document
PIU	Project Implementation Unit
SESA	Strategic Environmental and Social Assessment
SIA	Social Impact Assessment
WAMSSA	West Africa Regional Mineral Sector Strategic Assessment

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DATA SHEET

BASIC INFORMATION

Product Information

Project ID	Project Name
P099357	MINERAL SECTOR TECHNICAL ASSISTANCE (P099357)
Country	Financing Instrument
Sierra Leone	Technical Assistance Loan
Original EA Category	Revised EA Category
Partial Assessment (B)	

Related Projects

Relationship	Project	Approval	Product Line
Additional Financing	P124633-Sierra Leone Extractive Industries Technical Assistance Project (EI-TAP) - Additional Financing	21-Apr-2011	IBRD/IDA

Organizations

Borrower	Implementing Agency
Ministry of Mines and Mineral Resources	Ministry of Mineral Resources and Political Affairs

Project Development Objective (PDO)

Original PDO

The objective of the Project is to build the Recipient's capacity to improve the management and regulation of the mining sector.



FINANCING			
	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
World Bank Financing			
IDA-H5320	4,000,000	3,633,098	3,644,880
IDA-H6680	4,000,000	3,872,920	3,734,182
TF-11786	1,691,780	2,677,909	3,096,782
Total	9,691,780	10,183,927	10,475,844
Non-World Bank Financing			
Borrower	0	0	0
Total	0	0	0
Total Project Cost	9,691,780	10,183,926	10,475,844

KEY DATES				
Approval	Effectiveness	MTR Review	Original Closing	Actual Closing
03-Dec-2009	15-Feb-2010	09-Sep-2013	31-Dec-2013	30-Dec-2016

RESTRUCTURING AND/OR ADDITIONAL FINANCING		
Date(s)	Amount Disbursed (US\$M)	Key Revisions
21-Apr-2011	1.24	Additional Financing

KEY RATINGS		
Outcome	Bank Performance	M&E Quality
Satisfactory	Satisfactory	Modest



RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	28-May-2010	Satisfactory	Satisfactory	.20
02	22-Dec-2010	Satisfactory	Satisfactory	.31
03	24-Sep-2011	Satisfactory	Satisfactory	.93
04	11-Jun-2012	Moderately Satisfactory	Moderately Satisfactory	1.73
05	25-Nov-2012	Moderately Satisfactory	Moderately Satisfactory	2.29
06	18-Jun-2013	Moderately Satisfactory	Satisfactory	3.26
07	22-Mar-2014	Satisfactory	Satisfactory	5.76
08	26-Nov-2014	Satisfactory	Moderately Unsatisfactory	6.21
09	13-May-2015	Satisfactory	Moderately Satisfactory	6.35
10	21-Dec-2015	Satisfactory	Satisfactory	6.74
11	08-Jul-2016	Satisfactory	Satisfactory	7.38

SECTORS AND THEMES

Sectors

Major Sector/Sector (%)

Energy and Extractives 100

Public Administration - Energy and Extractives 100

Themes

Major Theme/ Theme (Level 2)/ Theme (Level 3) (%)

Private Sector Development 2

Business Enabling Environment 2

Regulation and Competition Policy 2



Public Sector Management	22	
Public Finance Management	11	
Public Expenditure Management	11	
Public Administration	11	
Transparency, Accountability and Good Governance	11	
Environment and Natural Resource Management	78	
Environmental Health and Pollution Management	72	
Air quality management	24	
Water Pollution	24	
Soil Pollution	24	
Environmental policies and institutions	6	
ADM STAFF		
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I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

A. CONTEXT AT APPRAISAL

Context

1. Macroeconomic background. The preparation of the Extractive Industries Technical Assistance Project (EITAP)¹ took place within the overall framework of the Second Poverty Reduction Strategy Paper (PRSP II) for 2008-2012. The strategy was based on the premise that no country has reduced poverty for any length of time without sustained growth, and that Sierra Leone had “a lot of catching up to do” in this regard. In 2008, Sierra Leone, with a population of 6 million, ranked at the bottom on the Human Development Index—177th out of 177 countries. Also, a study showed Sierra Leone was one of nine African countries in which per capita income had fallen compared to 1960s levels.² At the same time, the PRSP pointed out that Sierra Leone had great, untapped resource potential that could substantially reduce poverty, and laid out an economic growth strategy targeting four main areas: (i) closing the existing infrastructure gap, (ii) enabling private sector development and ensuring returns to productive sectors, (iii) sustaining growth through stability and social service delivery, and (iv) managing natural resource wealth to help finance the transition to a more diverse economy.

2. Extractive industry background. The mining sector was the second most important sector in Sierra Leone, after agriculture and the largest source of export earnings. Mining accounted for 80 percent of the total value of domestic exports and an estimated 300,000 people were engaged in mining and quarrying. Sector revenues reported at the time of project appraisal (2009) were modest, at US\$ 10.5 million (2008), mostly from licensing fees but also including royalties and taxes. Corruption and the lack of transparency in the mineral sector, particularly diamond mining, were key elements in Sierra Leone’s civil war, resulting in diversion of the country’s finite natural resource wealth to personal fortunes rather than programs for economic development. Therefore, transparency in the sector and efficient revenue management were critical for Sierra Leone’s economic transformation toward more sustainable growth and development.

3. The mining sector consisted of three subsectors: large-scale production of precious and non-precious minerals—rutile³, bauxite⁴ and diamonds; mechanized small-scale mines, mostly producing diamonds; and artisanal production of precious minerals, primarily diamonds. According to a World Bank study on mining sector reform,⁵ by international standards, Sierra Leone’s mineral sector was not large but the country had some of the largest rutile reserves in the world and significant bauxite reserves. There were four, foreign-owned large-scale mining companies operating in Sierra Leone in 2009. Two companies, African Minerals and Koidu Holdings, were producing diamonds; Sierra Minerals, Ltd. was the only bauxite producer, and Sierra Rutile, Ltd. was the only rutile producer.

¹ The project’s original name, Mining Technical Assistance Project (MTAP) was changed to the Extractive Industries Technical Assistance Project (EITAP) in 2011 at the time of restructuring and provision of additional financing. For consistency and clarity, the ICR report will refer to the project under review as EITAP.

² Benno Nddulu (with Lopamudra Chakrabarti, Lebohong Lijane, Vijaya Ramachandran, and Jerome Wolgin) *Challenges to African Growth: Opportunities, Constraints, and Strategic Directions*, World Bank, 2007.

³ Rutile, a source of titanium, is a lightweight, noncorrosive metal used in aerospace, automobiles and the medical field. It also replaces lead in paint manufacture.

⁴ Bauxite is a rock formed from laterite soil that has been severely leached of silica and other soluble material and is the primary ore of aluminum.

⁵ World Bank, Sustainable Development Unit, West Africa and Environment Department, *Sierra Leone: Mining Sector Reform, a Strategic Environmental and Social Assessment*, July 2008.

4. **Sector organization and governance.** At the time of original project appraisal, governance of the mineral sector was spread among three agencies. The Ministry of Mineral Resources and Political Affairs (MMRPA) was responsible for policy, regulatory and technical management. However, it did not have the capacity to adequately execute all of these functions. In early 2011, the ministry changed its name to Ministry of Mines and Mineral Resources (MMMR). The Mining Advisory Board was responsible for approving mining licenses. The Strategy and Policy Unit (SPU) of the Office of the President was responsible for negotiating sector agreements.

5. In April 2009, the Government of Sierra Leone (GoSL) completed a Mineral Sector Development Framework consisting of reform activities and assistance requirements. The framework included the creation of the National Minerals Agency (NMA), which was to work alongside MMMR as a technical regulatory organization with the resources to attract qualified, senior professional staff.

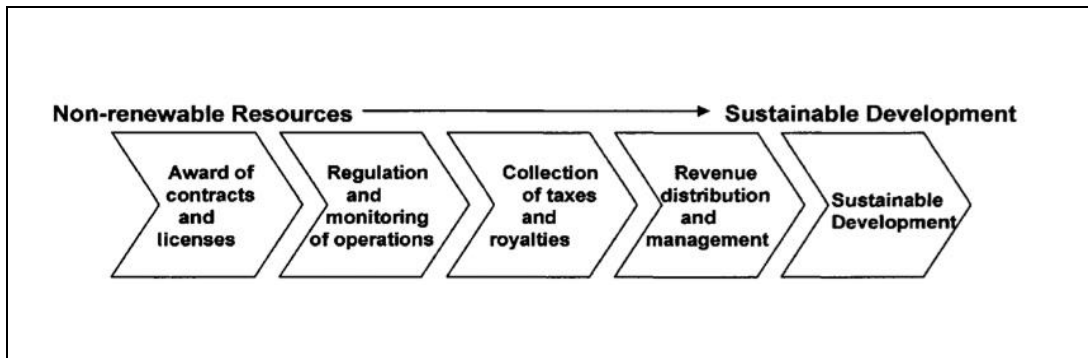
6. **Higher-level objectives supported.** EITAP supported higher objectives of the World Bank Group for Sierra Leone as well as regional programs focused on improved governance, particularly in the mining sector, viewed as the engine of growth for Sierra Leone. The table below demonstrates this:

Strategic Instrument and Objective	EITAP Support Toward Meeting the Objective
<i>Poverty Reduction Strategy Paper (2009):</i> priority development of the mining sector.	Strengthen the capacity of MMMR and NMA to manage the sector.
<i>Africa Action Plan:</i> increase growth by enhancing competitiveness, improving governance and reducing conflict	Promote more transparent sector management, improve the geological database to make Sierra Leone’s extractive industries more competitive and ensure community consultation and benefit-sharing in mineral resource development in order to reduce conflicts in mining areas.
<i>World Bank Country Assistance Strategy (CAS) for FY 2006-09:</i> improve governance and security.	Enhance GoSL’s ability to administer and monitor the mining sector underpinned by a transparent legal and regulatory framework.
<i>World Bank/IFC/AfDB Joint Assistance Strategy (FY 09-12):</i> improve Sierra Leone’s attractiveness as a business destination and achieve EITI validation.	Monitor the implementation of a transparent mining cadastre system.

7. **Key sector issues and rationale for Bank assistance.** Sierra Leone faced several issues in sector management that constrained revenues and limited the application of the Extractive Industries (EI) Value Chain (Figure 1). The EI Value Chain was developed to serve as a comprehensive, integrated approach to developing the extractive industries. The approach focuses on the key elements in managing the extractive industries for sustainable economic development that would help Sierra Leone’s economy grow and reduce poverty. The EI Value Chain recognizes that sustainable economic development and efficient management of non-renewable resources require a vision of the future, with a diversified and decentralized economy, with each link in the chain designed to strengthen mineral resource management to move a country closer to that vision. EITAP directly supported the first two links of the value chain (contracting/licensing, regulation/monitoring of mining operations). The direct strengthening of these links would ultimately impact the remaining three links of the chain by enhancing revenues, creating the economic linkages that will ultimately diversify the economy that, along with improved economic management, would use the country’s nonrenewable resources to generate growth and promote sustainable development.



Figure 1: The Extractive Industries Value Chain



8. The key issues identified by the EI Value Chain assessment of Sierra Leone’s mineral sector were: weak mineral development agreements that do not result in revenues that reflect the resource potential; insufficient geodata; inadequate license enforcement; lack of regulatory framework and capability for assessing the environmental and social impacts of mining; non-transparent tax system inconsistent with international best practices; limited impact on the country’s economic development; and lack of organization in artisanal mining focused on sustainable development of local communities. Given the World Bank’s technical expertise in the mining sector, the Government of Sierra Leone (GoSL) requested Bank assistance to build on progress made, with other donor assistance, towards reforms designed to implement the EI Value Chain in Sierra Leone.

9. The original PAD presented a framework of donor actions to address these issues and strengthen the EI value chain in Sierra Leone.⁶ The focus of EITAP within this framework was to assist in: (i) building technical and managerial capacity of NMA to manage the technical aspects of the sector; (ii) preparing environmental and social regulations for the extractive industries; and (iii) monitoring the outcomes of donor-assisted efforts to develop an internationally competitive fiscal regime and the application of the transparency principles of Extractive Industries Transparency Initiative (EITI).⁷ The Bank’s comparative advantage was its long-term engagement in and depth of knowledge of Sierra Leone’s mining sector. Also, through participation in the PRSP and engagement in public sector expenditure management, the Bank was well placed to integrate mining sector reform with broader macroeconomic and fiscal management.

10. In 2011, when the Bank prepared the project paper for additional financing and restructuring of EITAP, two major developments had taken place since the original PAD in 2009. First, in 2010, GoSL signed two large-scale mining agreements for iron ore development, with London Mining Plc. and African Minerals, Ltd. More companies had begun exploring the country and several investment projects were expected to materialize in the future, including a large gold mine. In addition, prospects for petroleum development had begun to look promising. An offshore well drilled by Anadarko Petroleum Corporation had confirmed the existence of an active petroleum system within the Sierra Leone-

⁶ The Department for International Development (DfID), of the United Kingdom, was assisting in a review of the legal/regulatory framework, the restructuring of the Ministry of Mines, Mineral Resources and Political Affairs (MMRPA) and creation of the National Minerals Agency (NMA). The Foreign Investment Advisory Service (FIAS) was assisting with application of transparency criteria to extractive industry operations. The International Monetary Fund (IMF) was assisting with the development of an internationally competitive fiscal regime The United Nations Development Programme (UNDP) was assisting with review of mining agreements, and their selected re-negotiation, establishment of a mining cadastre system, updating of Sierra Leone’s Core Mineral Policy

⁷ This initiative is a global standard to promote transparent, accountable management of oil, gas and mineral resources. Visit web-site eiti.org for more details on the EITI set up and status globally.



Liberia Basin. This discovery reduced exploratory risk in the area and therefore seemed likely to increase company interest in exploration. The 2009 Mines and Minerals Act and 2011 Petroleum Act provided legislative grounding for sector operations but both legislations were rife with inconsistencies leaving Government, license holders and citizens to rely on highly interpretive and often personalized agreements on operating terms.

Theory of Change (Results Chain)

11. The theory of change, identified in the EI Value Chain and underlying the project, designed to deal with deficiencies noted in para. 7, was that a combination of improvements in the legal and regulatory framework, technical assistance and training, enhanced equipment for surveying and instituting modern management practices was necessary to build the capacity required to manage the extractive industry sector for the benefit of the country.

Table 1: Theory of Change Embedded in EITAP’s Design

Activities/Outputs	Key Project Outcomes	Expected Long-Term Extractive Industry/Economy Outcomes
TA for developing the legal/regulatory framework for the mining and petroleum sectors and for establishing NMA.	All mining licenses issued in line with a transparent legal/regulatory framework and new petroleum exploration licenses issued according to the new Petroleum Law.	Transparency reduces investment risk, expands private sector investment reduces environmental degradation and avoids social conflicts.
TA and training for MMMR, the NMA, and Petroleum Directorate for improved technical and financial management.	NMA implements a human resource policy and trains/retains qualified staff.	NMA, after the project, remains a permanent professional agency managing licensing of mining areas for the long-term benefit of the country. The government negotiates mining agreements that maximize benefits from resources, investing revenues in the transformation of the country away from heavy dependence on mineral resources leading to boom and bust cycles to a diversified economy for sustainable economic development.
TA and equipment for developing a geodata base and modern management of the mining sector.	Geodata accessible on the web, for interested investors.	Accessible geodata will stimulate private sector investment in Sierra Leone’s extractive industries.

Project Development Objectives (PDOs)

12. The original PDO (2009) was: to build the Government’s capacity to improve the management and regulation of the mining sector.



Key Expected Outcomes and Outcome Indicators

13. The expected outcome was a fully operational technical agency, the National Minerals Agency (NMA), in charge of managing and regulating the mining sector with MMMR focused on policymaking. The key outcome indicators were: licenses issued in compliance with revised regulations adopted by MMMR (measured in percent), MMMR (and NMA, when it becomes operational) implement its human resource policy and retains staff (yes/no), and geodata are readily available and accessible through the web (yes/no).

14. The primary beneficiaries were: (i) the Government of Sierra Leone (GoSL), through increased revenues; (ii) MMMR; (iii) NMA; (iv) the Ministry of Land, Country Planning and the Environment, and the Environmental Protection Agency; and (v) other government entities involved in extractive industries sector administration and oversight, through institutional reform and capacity building.

15. The other beneficiaries were: the people of Sierra Leone and mining communities due to improved environmental protection, the mitigation of social impacts, and attention to the distribution of benefits from mining operations, including access to infrastructure and potential employment, and the international investment community, through improvements to the regulatory regime that enables foreign direct investment.

Components

16. **Component A: Overarching Regulatory Framework for the Mining Sector (US\$0.29 million).** This component consisted of financing to prepare: (i) environmental and social regulations related to the Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA) process; (ii) a mining sector code of practice, (iii) regulations for underground mining, and (iv) trading license regulations for precious minerals and diamonds.

17. **Component B: Institutional Strengthening (US\$2.85 million).** This component consisted of activities to ensure good governance guided by principles of transparent, non-discretionary and efficient mining sector administration. It had five subcomponents. The first consisted of technical assistance, equipment and training to MMMR and the NMA.⁸ The second subcomponent was temporary salary support to MMMR/NMA for additional staffing required, in line with NMA's Transformation Plan (two geologists, one information technology specialist, a data manager and an environmentalist). The third subcomponent was support for developing a post-mining rehabilitation program.⁹ The fourth subcomponent was for strengthening MMMR's technical capacity to manage donor-funded projects by building skills for procurement, financial management, project management and monitoring. The fifth subcomponent was assistance for working with other donors to monitor governance-related outcomes in the mining sector covering: transparency and licensing, implementation of a fiscal regime for mining, development of a monitoring and evaluation system and benchmarking progress over the life of the project.

18. **Component C: Project Management (US\$0.26 million).** This component was to support MMMR in implementing project activities in accordance with the Bank's fiduciary and other guidelines, including incremental operating costs, equipment for the project support team (PST), training and audits.

⁸ This consisted of: (i) technical assistance in geological survey, (ii) geochemical surveys for mapping and resource assessment in selected areas, (iii) building of the Government's capacity to run a modern mining agency by equipping NMA with vehicles and computers, as well as providing building refurbishment, (iv) and capacity building for investment promotion through training of officials for participation in promotion events and financing of the participation of government officials in international events for exploration and mining.

⁹ This consisted of geochemical surveying of 3-5 pilot areas requiring assessment before further decision to rehabilitate the land, associated technical studies of pilot areas, and identification of alternative livelihoods in pilot areas.



19. **Project Preparation Facility (PPF) Refinancing (US\$0.40 million).** The PPF supported the preparation of safeguards documents, the procurement of information technology (IT) and preparatory steps for project implementation, including the preparation of an operations manual, a work plan, and a budget for the first year of the project and initial procurement.

B. SIGNIFICANT CHANGES DURING IMPLEMENTATION (IF APPLICABLE)

Revised PDOs and Outcome Targets

20. The revised PDO (2011) was to build the government's capacity to manage and regulate the extractive industries sector. The three original PDO indicators remained after the additional financing and restructuring in 2011. One PDO indicator was added to take account of petroleum sector development activities to be financed under EITAP: "New petroleum exploration licenses issued in compliance with Petroleum Act and Supporting regulations." The project beneficiaries remained the same except for the addition of the Petroleum Directorate as a primary beneficiary.

Revised Components

21. Additional financing to EITAP in 2011 and a DfID co-financing grant of US\$4.0 million equivalent, more than doubled project funding, from US\$4.0 million at appraisal in 2009 to US\$11.35 million, of which institutional strengthening of MMMR, NMA, and the Petroleum Directorate accounted for 82 percent.

22. **Component A: Overarching Legal and Regulatory Framework for Extractive Industries Sector (US\$0.97 million).** This component included the original activities plus the following additional activities: (i) coverage of the cost overrun for the preparation of regulations under the original component; (ii) completion of the regulations or the Mines and Minerals Act; (iii) finalization of the enabling legal acts, regulations and operating guidelines for NMA; and (iv) support for updating petroleum laws and regulations, along with related consultations and policy dialogue.

23. **Component B: Institutional Strengthening for the Extractive Industries Sector (US\$9.32 million).** This component consisted of the original activities plus the following additional activities and coverage of the cost overrun in the original project. The institutional support had four subcomponents: technical assistance and equipment for MMMR,¹⁰ NMA, and the Petroleum Directorate;¹¹ temporary salary support to MMMR and subsequently to NMA once it became operational; and advisory support to MMMR in the daily management of donor assistance projects.

24. **Component C: Project Management (US\$0.46 million).** The only change to this component was the addition of funds for project management.

¹⁰ Until the formal establishment of NMA, assistance was to be provided to the respective departments of MMMR that were to move to NMA.

¹¹ This support consisted of: (i) provision of additional equipment and technical assistance to MMMR and, upon its establishment, NMA, for departments responsible for monitoring and inspection of mining operations and to the Geological Survey Department; (ii) Coverage of the cost overrun for geochemical surveying and surveying of up to three additional blocks, along with related capacity building of MMMR (NMA upon its establishment) in mineral resource assessment and mapping; (iii) provision of capacity building to MMMR, (and upon its establishment, NMA) the Ministry of Land, Country Planning and Environment, the Sierra Leone Environmental Protection Agency and Civil Society Organizations, on implementation of environmental and social regulations for the extractive industries sector, including monitoring and evaluation tools, reporting, and consultative processes; (iv) support to GoSL's Diamond Office, including training, advisory services, and capacity building; (v) The setting up of a secure management information system (linked with the mining cadastre system) in MMMR (to be transferred to NMA upon its establishment), including the development of web-based tools and promotional materials to make geodata available to investors; (vi) promotion of mineral and oil/gas potential at global events; (vii) capacity building of MMR, SPU and the GoSL's Negotiations Committee for extractive industry contract negotiations, including financial and economic modeling review of technical and feasibility reports; (viii) updating of model agreements for specific commodities and development of negotiation strategies; and provision of capacity building to the Petroleum Directorate through a variety of training, equipment and advisory services.



Other Changes

None.

Rationale for Changes and Their Implication on the Original Theory of Change

25. The restructuring to EITAP came only about a year after project effectiveness. The original theory of change remained the same. The slight change in PDO and an additional PDO indicator were necessary to include the petroleum sector in the capacity building under the project in response to the promising petroleum discovery that had reduced exploration risk.¹² Additional financing was required to support two activities¹³ that were over budget by about US\$1 million because the winning proposals in the competitive bidding process were considerably higher than expected. In addition to meeting the cost overrun, the Bank and GoSL decided to take the opportunity to scale up the project for expanded institutional development and geochemical surveying.¹⁴ This required restructuring of components as well as additional financing. EITAP's progress had been satisfactory, it had satisfactory financial management performance and unqualified audits and was compliant with all conditions for additional financing as per the Bank's guidelines.

II. OUTCOME

A. RELEVANCE OF PDOs

Assessment of Relevance of PDOs and Rating

26. **Rating: High.** The objective of building capacity for extractives sector management remains highly relevant given that the management of the sector figures prominently in the most recent World Bank Country Assistance Strategy (FY10-FY13) Progress Report for Sierra Leone (CASPR, 2012).

27. The overall formulation of the project development objective was clear, achievable and measurable. The project activities were clearly aimed at supporting the government in achieving the PDO on improving capacities to effectively regulate the sector. The PDO was highly relevant at the time of project preparation and continued to be so throughout the life of the project. This is evidenced by its relevance in the CASPR as noted above.

28. Improving the performance of the extractives sector is likely to continue as a priority given the importance of the sector to Sierra Leone's economic growth and the country's plan to attain middle-income country status. The CASPR proposed addressing five priority areas for smooth economic transition and risk management: (i) strengthening the regulatory and institutional capacity of the extractives sector; (ii) economic diversification through private sector development and establishment of growth poles; (iii) provision of reliable infrastructure for extractives sector development; (iv) transparency in revenue management and governance; and (v) effective use of revenues to deliver

¹² The addition of the petroleum sector in addition to the mining sector to the project resulted in changing the name from the Mining Technical Assistance Project (MTAP) to the Extractive Industries Technical Assistance Project (EITAP) .

¹³ A software system for MMR's financial management and accounting and equipment/vehicles for geochemical surveying.

¹⁴ The activities for scale up of technical assistance/ equipment were: (i) clarification of the responsibilities and structure of multiple mining sector institutions, (ii) support for establishing NMA and making it operational, (iii) geochemical surveying of at least two additional areas, (iv) establishment of a policy and strategy unit within MMR to provide technical advice for negotiation of agreements, (v) strengthening of the Petroleum Resources Unit (PRU), and review / strengthening of the GoSL's Diamond Office to ensure full compliance with the Kimberley Process, an international governmental certification process to prevent trade in diamonds that fund conflict.



results, providing technical assistance and knowledge work to help the Government prepare strong sector development plans. Taking these factors into account, ICR rates the relevance of the PDO as **High**.

B. ACHIEVEMENT OF PDOs (EFFICACY)

Assessment of Achievement of Each Objective/Outcome

29. EITAP had one objective: building the government’s capacity to manage and regulate the extractive industries sector. To evaluate such a general objective, the EITAP project team designated PDO indicators that showed evidence of improved transparency in licensing, sustainable institutional change in line with best practice in the mining sector, and data to help promote Sierra Leone’s resources to investors.

30. Two PDO indicators provided evidence of good practice in licensing: mining licenses issued by NMA in compliance with revised mining sector regulations adopted by MMMR, and new petroleum exploration licenses issued in compliance with the Petroleum Law and supporting regulations. The intermediate outcome indicators were the adoption of regulations for environmental and social assessment, underground mining, and precious minerals trading, as well as regulation for formalizing the functions and governance of the Petroleum Directorate, which EITAP achieved. The outputs leading to these intermediate outcomes were completed consulting services and training. The PDO level indicators included behavior change (not only adoption of new processes but also their application).

31. The key PDO indicator of institutional development for the mining sector was the adoption of a human resource management policy, specifying the relative functions of MMMR and NMA, indicating a commitment to sustainability. This was achieved, although with some delay due to initial disagreement about functions assigned to each entity. The policy states, “A highly qualified, trained, and well-informed staff will be maintained through a dedicated capacity building fund, to be resourced by the Government of Sierra Leone and other sources.” The intermediate outcome indicator that had a causal relationship to this PDO indicator was the adoption of the enabling act and regulations for NMA. Complementary to the human resource policy, which added to the achievement of the PDO, was the successful conclusion and adoption of a Management and Functional Review (MFR) of MMMR and NMA (February 2016). The MFR confirmed what was in the HR policy, providing clear guidance on the roles, responsibilities and capacities needed for both institutions. The MFR exercise was conducted by the Public-Sector Reform Unit (PSRU) based on a capacity needs report financed by EITAP. The MFR was a condition stipulated by the Task Team and World Bank management, for further support for the country in the extractives sector. This condition was communicated to MMMR and MoFED in mission aide memoires and through letters addressed to the Minister of Mines.

32. In terms of technical capacity to promote the sector to private investors, the key PDO indicator was the availability of geodata for Sierra Leone that potential investors could access on the Internet. This has been achieved. NMA’s website has a Geological Information and Mapping System (GIMS), which has been available since June 2016. Intermediate outcome indicators that had a causal effect on the development of this system were use of new equipment for fieldwork and geochemical surveying and mapping. The key project outputs supporting the intermediate outcomes were the provision of equipment and vehicles, technical assistance and training.



Justification of Overall Efficacy Rating

33. The project met all its PDO indicators despite some shortcomings in meeting some of the intermediate outcome indicators. The ICR rates the project's efficacy as **Substantial**.

C. EFFICIENCY

Assessment of Efficiency and Rating

34. As a technical assistance project, the appraisal of EITAP did not require the calculation of a net present value (NPV)/economic internal rate of return (EIRR) or a financial rate of return (FRR) so efficiency is hard to measure. However, the original PAD in 2009 and the Project Paper in 2011 estimated potential benefits indicating the efficiency of the assistance. Comparing the modest amount of IDA funds provided for the project (US\$11.35 million), and the incremental increase in mining sector revenues of US\$38.2 million in 2013 according to EITI data, it is clear that the cost of the outputs and time required to complete the project were modest compared to the achievements in terms of increased revenues from the mining sector.

35. Operating costs are another indicator of efficiency of implementation, particularly the ratio of actual operating cost to total actual Project cost, which, at first glance, seemed to amount to a very small 4 percent under this Project. This ratio is very low considering all the activities supported under the project and therefore it is an indication of project management efficiency.

36. The project followed the World Bank procurement and consultants' selection guidelines and awarded the majority of contracts on a competitive basis. Least cost principle was thus consistently applied to procurement of all goods, works and consultant's services as well as to small grants. **Given the significantly higher indicators of efficiency compared to the appraisal estimate, the ICR rates efficiency as High.**

D. JUSTIFICATION OF OVERALL OUTCOME RATING

37. EITAP is highly relevant to the current priority of the mining sector as the key driver for economic growth and transformation toward a more diverse economy. Also, the project's efficiency was high based on total project costs compared to the activities completed. The project achieved its PDO, meeting all PDO indicators but there were some shortcomings in meeting intermediate outcome indicators. **A mixture of high relevance and efficiency with minor shortcomings in meeting the intermediate outcome indicators, results in an overall outcome rating of Satisfactory.**

E. OTHER OUTCOMES AND IMPACTS (IF ANY)

Gender

38. The project had no component targeting gender issues.



Institutional Strengthening

39. EITAP has been a catalyst for major transformation and strengthening in the management of Sierra Leone’s extractive industries sector. It has brought best practice to the sector through separation of governance of the mining sector from operation of the mining sector. As a result, government revenues from extractive industries have increased substantially compared to before the project. The separation of policy formulation from operational management keeps staff from operating as both rule maker and enforcer. The NMA¹⁵ is a semi-autonomous, professional agency, outside the political sphere, applying a transparent regulatory regime, and is therefore better equipped to attract private sector investment than a government ministry.

40. Changes in the legal/regulatory framework and institutional development under EITAP likely have contributed to raising Sierra Leone’s world ranking as a place for doing business¹⁶ and should help attract more investment than in the past, when licenses were issued on a non-transparent, discretionary basis by a government ministry. While not directly related to EITAP, other related projects in Sierra Leone managed by the Bank, such as the US\$750,000 Extractive Industries Technical Advisory Facility (EITAF) grant TF071265, complimented the capacity building effort and successfully leveraged additional support. The advisory services provided under EITAF in parallel to EITAP helped build capacity for negotiating and renegotiating mining agreements. It also assisted with due diligence investigations of mining operations proposed by Cluff Gold, African Minerals, Ltd., Koidu Holdings, and Sunergy, Inc., along with support for creating a model mining agreement. These additional funds ran in parallel and complemented the support to the institutional capacity building efforts under the project. EITAF was a rapid-response facility, and support for negotiation of new mining agreements was mobilized fairly quickly to fill the gap at the time of project preparation.

Mobilizing Private Sector Financing

41. Although EITAP did not have a specific component for mobilizing private sector financing, one of EITAP’s important achievements was to foster new investments by reducing country risk with the improvement of governance and capacity of the sector’s main institutions. The original PAD in 2009 and the Project Paper in 2011 estimated potential benefits indicating the efficiency of the assistance. The original PAD (2009) estimated an annual increase in mining sector revenues of US\$10 million at the end of the project, initially scheduled to close in 2013, over the US\$10 million in revenue at the time of appraisal as a “feasible estimate” of EITAP’s measurable impact on revenues. Based on the report submitted for EITI validation covering 2013, mining sector revenues reported by GoSL, after reconciliation, were US\$48.2 million, an incremental increase of US\$38.2 million, more than triple what the PAD had estimated. The PAD made other estimates, more speculative and less meaningful because they depended on factors outside the control of sector management. For example, the PAD estimated that the value of mineral exports, given as US\$175 million in 2006, could be “as high as” US\$1.2 billion per year by 2020. As it turned out, this estimate was quite close. The December 2016 EITI report data for 2014 shows exports of large-scale mining companies at US\$1.0 billion, which indicates that Sierra Leone was already close to this level six years earlier than estimated.

¹⁵ NMA has four operational directorates. The Geological Survey facilitates and monitors exploration activities. The Precious Minerals Trading Directorate is responsible for ensuring Kimberley Process compliance, regarding all precious metals from mines and support of the National Revenue Authority by collecting taxes. The Community Affairs and PR Directorate protects and promotes the rights of communities as well as information sharing and dialogue among stakeholders in the minerals sector.

¹⁶ In 2008, before the project, out of 190 countries ranked, Sierra Leone ranked 156th. However, in 2016, when the project closed, the country’s rank had moved up to 148th <https://tradingeconomics.com/sierra-leone/ease-of-doing-business>



Poverty Reduction and Shared Prosperity

42. EITAP did not include components that directly measured poverty reduction and shared prosperity, as most of the project’s contributions to these goals were indirect. By attracting new mineral sector investments, that resulted in new exploration activities and construction and operation of new mines, the project indirectly contributed to the creation of new jobs and to the generation of new economic activities linked to these new investments and projects. With the construction and initial operation of new mines, Tonkolili and Marampa iron ore mines, the project indirectly contributed to the increase in government revenues allowing for further investments in public infrastructure and services.

43. In addition, EITAP leveraged other resources to improve the outcomes for the GoSL. The World Bank managed a trust fund for Life After Diamonds (LAD) project (July 2011 to July 2015), funded by the Japanese Social Development Fund (JSDF). This LAD project demonstrated a successful model for poverty reduction and shared prosperity in addressing the issue of dwindling alluvial diamond and gold mining, leading to unemployment, which was of concern in an area with a high presence of ex-combatants and susceptible to social instability. Moreover, mining had resulted in considerable environmental degradation in an area where most residents are poor and there is a lack of water, roads and electricity. The LAD Project’s objective was to develop sustainable livelihoods in six diamondiferous chiefdoms in the Kono district, the epicenter of Sierra Leone’s mining district. The project took place in 120 mining-affected communities benefitting 11,250 people.

Other Unintended Outcomes and Impacts

None.

III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

A. KEY FACTORS DURING PREPARATION

44. EITAP benefited from extensive Bank involvement in the mining sector in Sierra Leone as well as globally.¹⁷ The project was prepared in a post-conflict environment with very low capacity, with multiple demands on donor funding (including IDA). This resulted in the project having to set clear, achievable priorities that could produce tangible results quickly and remain within a modest financing envelope. The project was prepared during an upward trend in commodity prices and increasing investor interest in exploration which to some extent influenced its design with a focus on improving regulation and management. This resulted, as expected, in an increase in the number of inquiries to the mining authorities on available areas for exploration licenses. The reforms supported under the project aimed to provide the underpinning that would allow Sierra Leone to benefit from the mining boom. However, given that the mining boom would be short lived due to circumstances outside the control of the project, linking sector development as a direct effect can be misleading. What can be attributed to the project is a considerable improvement to sector governance hence de-risking the country from the private sector’s perspective.

¹⁷ A detailed sector assessment “Sierra Leone: Tapping the Mineral Wealth for Human Progress—A Break with the Past” was published by the Bank in 2005. Mining sector SESA (a pilot project by the Bank’s Environmental team in support of a then PRSC credit) was completed in 2007. During 2006 and 2007, the Bank monitored the mining sector triggers for two consecutive programmatic governance reform grants.



45. In 2006, Sierra Leone’s government indicated its intention to implement the Extractive Industries Transparency Initiative (EITI), but had not yet developed the institutional framework for preparing the necessary documentation. The EITI agenda was supported under parallel grants and remained mostly outside of the EITAP scope. However, discussions regarding Sierra Leone’s EITI validation were intertwined with the activities supported by the grants and the those financed under EITAP. They were complementary contributing to improving the overall transparency of the extractives sector in the country.

46. In 2008, the Bank had considered a regional mining technical assistance project, which did not materialize.¹⁸ Several important activities took place at the time of EITAP preparation to support regional dimensions of mining—such as comparison of fiscal regimes in the Mano River Union countries (Guinea, Liberia and Sierra Leone) and the West Africa Mineral Sector Strategic Assessment (WAMSSA).¹⁹ These parallel activities helped to narrow EITAP’s scope and manage expectations.

B. KEY FACTORS DURING IMPLEMENTATION

47. The early part of project implementation was smooth following national elections and transition to a new administration and project team. Government commitment to the project remained high and steps necessary to move the project forward took place as required. Until 2012, investor interest in Sierra Leone was growing and the sector was developing in large strides (including a major iron ore project at Tonkolili). Project implementation targets were being met. However, this situation reversed in the second half of the project’s implementation timeline due to factors outside of GoSL’s control as described below.

48. There were two factors outside the control of the Bank and GoSL that adversely affected the project: the Ebola Virus Disease (EVD) epidemic of 2014, and a major drop in iron ore prices starting in 2013.²⁰ The EVD epidemic caused all private sector activity to come to a halt as a state of national emergency was declared and reinforced by the World Health Organization’s declaration of a health emergency of international concern, which remained in place through the first quarter of 2016. Although production continued sporadically at some of the mines, the crisis created significant challenges for supply chains, including the declaration of force majeure by subcontractors and restrictions on air and sea transport access for needed imports. The project was scheduled to close in August 2016 but it became clear that continued input was required to ensure sustainable changes in the extractives sector. Many deliverables were stalled and international iron ore prices continued to fall resulting in the collapse of the two largest iron ore mining operators in the country. These issues were outside of the control of the project team and other partners. Therefore, to realign deliverables and outputs, the closing date was extended to December 31, 2016. The dramatic drop in GDP, from an average annual growth of 8 percent during 2003-2014, to -20.5 percent in 2015, brought sharply into focus, the high dependence of the economy on the extractive industries sector and the overreliance on the performance of two mining companies.

¹⁸ Under this project, Sierra Leone would receive US\$ 4 million allocated by IDA plus another US\$ 8 million in regional funding. In addition to a technical assistance project, according to the 2009 PAD, the Bank considered a budget support operation and an investment operation. The Bank rejected the budget support option because a 2007-budget support operation in Sierra Leone included triggers in the mining sector that were not achieved. At the same time, the Bank considered an investment operation to be inappropriate because the planned project would be financing technical assistance along with necessary equipment, without investment in any mining infrastructure.

¹⁹ WAMSSA was published in 2010 but its preparation and consultations took place concurrent with EITAP preparation.

²⁰ Iron ore price time series, 2012-2014, indexmundi.com. In 2014, the world iron ore price dropped to US\$ 98.4 per ton, from US\$ 135.4 per ton in January 2013, plummeting further to US\$ 55.8 per ton in 2015.



49. It is important to note that even during the EVD epidemic, when missions to the country were suspended and many contractors were invoking force majeure to break off their contractual obligations, GoSL's commitment to EITAP remained strong and the MMMR team remained engaged and maintained regular dialogue with the Bank task team (including a mission to neighboring Ghana to support key activities). Limited progress continued to be made during this time. Once the EVD epidemic was over, EITAP resumed its good performance status and moved on smoothly from that point. While commodity prices are still sluggish, governance reforms continue and industry is starting to recover.

IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

A. QUALITY OF MONITORING AND EVALUATION (M&E)

M&E Design

50. The Bank designed an M&E framework to assess meeting the objective but also took account of Sierra Leone's post-conflict status and limited human resources. The outcome indicators focused on the key results of improved management, transparent application of the legal and regulatory framework in the mining and petroleum sectors (yes/no), and geodata for promotion of the extractive industries sector (yes/no). However, the M&E framework did not link outputs to intermediate outcomes. And the causal linkages between intermediate outcome indicators and PDO indicators in some cases were not clearly and logically delineated. For example, the PDO for institutional development was not clearly linked to the implementation of a human resource policy, which delineated the functions and relative responsibilities of MMMR and NMA, to be created under the project. Intermediate outcome indicators for these institutions referred to types of reports produced, were not really a causal linkage but at the time of design the most logical one given the fragility of the institutions. A logical causal relationship would have been a fully staffed NMA with a sustainable source of funding as a PDO outcome and the human resource policy as related intermediate outcome. However, at the time of project design, the legal and institutional reforms required for the creation of the NMA were not finalized and the indicators needed to be realistic. On the technical side, the PDO indicator was the establishment of an online geodata base. An intermediate outcome indicator was participation in promotional events to interest potential investors.

M&E Implementation and Utilization

51. A total of fourteen indicators were listed in the Results Framework of the PAD (see left column of Table 1 below). The indicators in the original PAD were modified for the Additional Financing. During project implementation and supervision, given the extent of the changes in the extractives sector in Sierra Leone, some indicators became irrelevant and, after being met, were no longer reported on by the Task Team. Table 2 below summarizes the discrepancies identified in the original results framework and those monitored during project implementation.

Table 2: PDO Indicators

Indicator	Original Baseline Value (2009) /Updated Baseline Value (2011)	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Mining Licenses issued in compliance with revised regulations adopted by the Ministry of Mineral Resources (%)	None/Consultant selected to prepare regulations.	100 % by 2013.	Not applicable.	Achieved with delay: 100 % by 2014.
MMR [National Minerals Agency (NMA) when operational) implements its human resource policy, trains and retains qualified staff. (Yes/No)	NMA Transformation Plan drafted.	Yes, and with a target of at least 6 new qualified staff for NMA under public service contracts.	Not applicable.	The policy was implemented in 2014 and disbursement condition lifted
Geodata are accessible through the web. (Yes/No)	Some general data available on MMR website.	Yes (From 2012 onwards).	Not applicable.	Achieved but with delay. The Geological Information System (GIMS) data became available on NMA's website in June 2016.
New petroleum exploration licenses issued in compliance with Petroleum Law and supporting regulations.	Not applicable in 2009 and not yet done at the time of project restructuring in 2011.	Yes	Not applicable.	Achieved.

(b) Intermediate Outcome Indicator(s)

Indicator	Original Baseline Value (2009) /Updated Baseline Value (2011)	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Intermediate Result 1: Increased compliance of mining and petroleum operations with regulations.				
Regulations for environmental and social management for mining, underground mining, precious minerals trading, and enabling act and regulations for NMA are adopted by the MMR. (Yes/No)	None or basic/Work commenced.	Yes (beginning in 2013)	Not applicable	Achieved. (October 2012).



MMR (NMA when it becomes operational) monitor and report annually on the enforcement of EIA/SIA regulations for industrial –scale mining projects. (Yes/No)	Basic requirements	Yes (with the first report available in 2014).	Not applicable.	Not achieved. (Based on the latest ISR).
MMR monitors and reports annually on production and revenue of the mining sector; and the Petroleum Resources Unit (PRU) reports on the oil and gas sector. (Yes/No)	None/First EITI report (2010) was not compliant.	Yes (according to the following schedule): 2012: achieve EITI ²¹ compliance status. 2013: set up frameworks for oil sector reporting. 2014: publish first report on oil and mining sector. 2015: start annual reporting on mining and oil sector revenues.	Not applicable.	<i>Not tracked in ISRs</i> Partially achieved. According to EITI, Sierra Leone has reported on production and revenues for extractives industry covering the years 2008-2010, 2013 and 2014. In reports to the independent evaluator, NMA has provided the data on the mining sector and the Petroleum Directorate has provided the data for the oil and gas for the aforementioned years, and independent evaluator ²² prepares reconciliation reports. Sierra Leone achieved EITI compliance status on April 26, 2014. ²³
Functions and governance structure for the PRU are formalized through regulations. (Yes/No)	Not applicable for the original project. At restructuring the law was in place and the regulations were under preparation.	Yes	Not applicable.	<i>Not tracked in ISRs.</i> Achieved.
Intermediate Result 2: Regional and central departments of MMR (NMW when it becomes operational) efficiently perform fieldwork.				
New equipment used for fieldwork. (Yes/No)	0	Yes	Not applicable.	Achieved. (October 2012)
Field inspections to monitor compliance of mining operations. (% Annually)	Limited, ad hoc	2013: 25 % 2014: 50 % 2015: 100%	Not applicable.	<i>Not tracked in ISRs.</i> Achievement not reported.

Geochemical surveys and mapping of selected areas completed. (No. Of areas)	0/Consultant engaged.	9 surveyed and 9 sheets of maps published.	Not applicable.	Achieved. (February 2014).
Based on geochemical surveys and mapping of selected areas, the Government selects candidate areas for sector promotion. (no. of areas)	0/consultants selected and survey equipment purchased.	At least 4 selected.	Not applicable.	<i>Not tracked in ISRs.</i> Achievement not reported.
Government selects areas for further actions to develop land use, outside the project (no. of areas)	0	2013: 1 2014: 2 2015: 3	Not applicable.	<i>Not tracked in ISRs.</i> Achievement not reported.
Intermediate Result 3: Targeted promotion of mineral and petroleum resources				
Government presents Sierra Leone mining and petroleum sectors to potential investors at regional events. (no. of events)	None	2012: 3 2013: 4 2014: 4 2015: 4	Not applicable.	Partially achieved. According to project supervision staff, the Government presented the sector at promotional events an estimated average of 2 times per year.

Justification of Overall Rating of Quality of M&E

52. The M&E design was adequate and provided a good basis for monitoring achievement of the project's PDO. As previously indicated, some discrepancies were found in accurately measuring all indicators throughout the project's implementation. That was the result of a longer project implementation timeline, and the speed of the changes in the extractives sector context. In addition, after some of the indicators were achieved, they were not migrated into the new version of the Operations Portal causing the discrepancies between the original results framework and the ISRs. That did not, however, impact the relevance of the M&E framework. **Therefore, the ICR rates M&E design as Satisfactory.**

B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

53. **Safeguards Compliance.** EITAP did not have any direct environmental impact as it did not support specific extractive industry investments. However, it was rated as an Environmental Category B project because of the potential environmental impact of any new extractive industry investments that could result from the project's capacity building. The financing agreement included a specific covenant that highlighted the risks and the responsibilities for general compliance of the sector with environmental and social norms. This covenant was complied with throughout the project but was not triggered as both new and ongoing operations were compliant with the industry standards set in the legislation for the country.

²¹ A global standard to promote open and accountable management of oil, gas and mineral resources. <https://eiti.org>

²² Boas Associates, based in Ghana.

²³ <https://eiti.org/news/sierra-leone-declared-eiti-compliant>



54. During project preparation, the Bank, in cooperation with GoSL, prepared the Strategic Environmental and Social Assessment (SESA) for the mining sector in 2007.²⁴ The assessment was a pilot by the World Bank environmental unit of a comprehensive approach to mining sector assessment and included stakeholder workshops held in each of Sierra Leone's four provinces.²⁵ While the SESA was primarily intended to support specific conditions of a Development Policy Operation, it also served as a basis for several of the EITAP activities supporting improvement of environmental and social management of the mining sector. It guided the provisions for the extractives sector approved under the new Environmental Legislation. It also supported some of the provision under the NMA Act and industry standards adopted.

55. During implementation, EITAP supported development of Environmental regulations for mining and geochemical surveying of pilot areas for rehabilitation. NMA hired an environmental specialist and improved linkages with the Environmental Protection Agency (EPA) which resulted in a closer collaboration between the two institutions. Recently a Memorandum of Understanding was prepared to further formalize this cooperation. Support was provided in broad compliance with the Bank's OPs/BPs in line with the Bank's requirements for Technical Assistance projects. EITAP's safeguards compliance was rated satisfactory throughout its implementation and this rating is assessed as fair at the ICR.

56. Fiduciary Compliance. At the beginning of the project, while overall project coordination was provided by the Project Support Team (PST) of the MMR, fiduciary aspects, including procurement, financial management and auditing, were managed by a consulting firm (as designed and recorded in the PAD), given MMR's low capacity in this area. This arrangement lasted until the fiduciary responsibility reverted to the PST. Having a qualified consultant in the beginning of the project proved effective and efficient in terms of project implementation and training for the Ministry staff, but had rather limited success in terms of building capacity of the MMR team to manage the project independently. Afterwards, responsibilities for procurement and financial management transferred to the ministry.

57. In the beginning of the project, residual financial management risk was rated as modest (significant before mitigation), and procurement risk was rated Substantial. The overall Fiduciary Risk Rating of the project has improved to low at the end of the project, which is considered an excellent result given Sierra Leone's track record of fiduciary challenges for project implementation. EITAP was able to keep the risks low and there were very few fiduciary issues related to the project. This can be mostly attributed to a professional PIU with good capacity which benefited from direct supervision from MMR's Permanent Secretary.

58. Performance in financial management was rated satisfactory at project closing and during most of EITAP's implementation. The Bank temporarily downgraded financial management to moderately satisfactory due to issues that were swiftly resolved by the hiring of a new financial management specialist and to moderately unsatisfactory due to delays caused by the EVD epidemic, which was beyond the control of project management. All these were quickly mitigated and performance resumed as satisfactory.

24 The project incorporated three recommendations of the SESA: (i) strengthening regulations for the EIA/SIA process, (ii) requiring the presentation of assessments in a manner that will enable local communities to clearly understand the obligations of mining companies, and (iii) strengthening the ability of local governments and civil society to investigate and initiate legal procedures against mining operations with poor environmental and social performance.

25 The priority issues stakeholders identified were similar in all regions: (i) land and crop compensation and village relocation, (ii) sanitation and water pollution, (iii) deforestation and land degradation, (iv) child labor, and (v) land reclamation after mine closure. The SESA concluded that the biggest institutional challenge regarding the environment was insufficient capacity to monitor, evaluate and enforce relevant environmental and social laws and regulations.



59. Procurement performance was rated satisfactory at project closing. Here again, the PIU retained qualified procurement staff, able to maintain satisfactory procurement implementation consistently. Procurement of both consultants and goods was also done in close coordination with the World Bank's Procurement Specialist based in Freetown. This collaboration enabled the project team to advance with the implementation of the procurement plan with few delays.

C. BANK PERFORMANCE

Quality at Entry

60. EITAP had no quality-at-entry rating. Project preparation and design benefitted from considerable Bank experience in the mining sector in Sierra Leone as well as in the sub-region prior to project preparation. The strengths of the Bank's performance in ensuring quality at entry also hinged on significant stakeholder participation and a major effort to dovetail EITAP with the projects of other development partners.

61. Quality of project preparation is rated as high and relevant which is demonstrated by relevance of the PDO and design through the project implementation. The only significant restructuring to the project was additional financing and expansion of scope to include petroleum; while overall design remained intact. Activities, as selected in PAD and additional financing PP, remained relevant and achievable throughout the project (as demonstrated by completion results). Risks as assessed were fair and reflected sector and country context. The project design leveraged funds across other donor and Bank funded projects (Annex 1 of the original PAD provides a comprehensive analysis of other projects supporting the sector along the value chain).

62. The monitoring and evaluation (M&E) framework is considered **Satisfactory** despite some of the challenges encountered. Overall, the framework was able to measure project implementation progress well and most importantly measure the achievement of the PDO.

63. The ICR rates the quality at entry as **Satisfactory**.

Quality of Supervision

64. Quality of supervision is considered **Highly Satisfactory**. With the exception of the period of the EVD epidemic, missions and communication with the project team and the GoSL were consistent and frequent. The strengths of project supervision were reporting on EITAP activities, considerable attention to coordination with other development partners, consistent reporting on the progress of EITAF and LAD project as well as EITI compliance and a major effort to convince GoSL to complete the Management and Functional Review (MFR) for MMMR, the funding for the National Minerals Agency (NMA), and the preparation of the new Minerals Policy and Artisanal Mining Policy. This close coordination also supported a smooth project implementation with concrete positive results that enabled the sector reforms. Coordination with other donors and partners was also high which allowed for a strong support to activities financed under EITAP and complementary activities financed by others.



Justification of Overall Rating of Bank Performance

65. Given the satisfactory aspects of Bank performance noted above, given the continuous and consistent supervision of project implementation and the leading role the Task Team played in coordination of donor support in the country, the ICR rates overall Bank performance as **Satisfactory**.

D. RISK TO DEVELOPMENT OUTCOME

66. The risk of global economic factors adversely affecting the performance of the extractives industries sector resulting in lower financial flows to the sector are substantial but both are out of control of GoSL. The risk of insufficient institutional support is moderate. Sierra Leone has been politically stable and GoSL has taken sufficient ownership of the project to the extent of requesting a follow-up operation. Environmental and social safeguards are in place. Compliance with these safeguards was satisfactory under EITAP. Political, social, environmental, stakeholder ownership, and government ownership all seem moderate at the moment.

67. Under EITAP the extractives sector institutions were capacitated to operate under good technical standards therefore technical risks are likely to be low due to the equipment and training provided under EITAP. The creation of the NMA enabled the regulation of the sector to be done at a professional level. However, a sustainable funding mechanism was not in place for NMA by the closing date of EITAP. Subsequently in the context of the Bank’s dialogue with GoSL in preparing EITAP 2, GoSL has approved a funding mechanism for NMA in the Finance Act of 2017. This recently approved legislation guarantees the financial sustainability of the institution as an important milestone and will provide the funding needed to continue improving overall governance of the sector.

68. Risks to project outcomes (reflecting on project design in the PAD) are outlined below:

PDO Outcome	Risk to sustainability
Improved performance of the MMMR in managing the mining and oil sectors	This outcome at the ICR stage is achieved within the modest framework of the TA project
Intermediate Outcomes	Risk to sustainability
Intermediate Outcome 1: Increased compliance of mining operations with new regulations (measured by issued regulations, monitoring and reporting on EIA/SIA compliance for LSM, annual reporting on production and revenues) (increased compliance with new regulations)	This outcome has been achieved. With improved legal and regulatory frameworks, improved capacity and transparency in the sector mining operations in the country have learned to operate under these new standards. The sector has matured and so have the institutions that regulate it guaranteeing sustainability.



<p>Intermediate Outcome 2: regional and central departments of MMR and NMA efficiently performing the field work (measured through field inspections, use of new equipment, completion of surveying, mapping of areas for promotion) (MMR and MMA efficiently performing their work)</p>	<p>This outcome has also been achieved and is highly sustainable given that the NMA is fully operational and has been able to secure the funding necessary to support its operations. This has reduced this risk to negligible.</p>
<p>Intermediate Outcome 3: targeted promotion of mineral resources (measured through annual events and geodata website performance)</p>	<p>Sierra Leone has been participating in several international conferences to promote its mining sector albeit keeping a low profile. This is expected to increase with the new geodata generated from the new TA operation recently approved by the Bank. Sustainability of this outcome is still a bit uncertain so the risk remains relevant.</p>

69. The regulatory framework that GoSL put in place during EITAP which included strengthening institutions (primarily, the Ministry of Mines and Mineral Resources (MMMR), National Minerals Agency (NMA) and Petroleum Directorate), were major milestones in creating transparency and ensuring good sector governance guided by the principles of a transparent, non-discretionary and efficient mining sector administration and management. Other results of the project included the ratification of the ‘Operational Regulations and Mineral Resources,’ ‘Environmental and Social Regulations,’ ‘Precious Minerals Trading Act,’ ‘Enabling Legal Acts and Regulations for the NMA,’ a ‘Petroleum and Gas Law’ (draft law prepared) and the Extractives Revenue Bill. The EITAF grant also supported the negotiation and ratification of a model Mineral Lease Agreements (MLAs) developed by the Special Policy Unit Minerals Negotiations Team at State House.

70. These results, while encouraging, remain susceptible to regression which will ultimately impact the country’s ability to attract high quality investment into the sector. MLAs have been undermined by ineffectual contract management and “side agreements” between GoSL and the industry players. However, it must be noted that from the beginning of EITAP’s implementation until its closure the extractives sector in Sierra Leone matured and the capacity to manage and regulate it has improved dramatically. The consolidation and professionalization of the institutions has given investors more security ultimately marking the end of an era characterized by very poor governance and transparency.

71. Despite the progress achieved under EITAP, there is a need to guarantee the sustainability of the reforms carried out and to enhance the attractiveness for high quality investments so that the extractives sector can continue to be an important source of growth and development. This continuity has been given a boost by the recent approval of the follow-on project EITAP2. The new TA operation will complement many activities that, due to budget constraints, were not included in EITAP. It will continue institutional capacity and expand the country’s geological knowledge. The new Minerals Policy and Artisanal Mining Policy documents consolidate the reforms undertaken under EITAP. They highlight the key institutions and their roles and responsibilities. The respective Policy Action Matrices highlight the many activities that need to be carried out to further consolidate the reforms undertaken and the new activities that support the policy statements and will further enhance the governance of the extractives sector as well as the capacity of the key sector institutions all of which were EITAP’s PDO.



72. Experience has demonstrated that reforms focusing on policy, regulatory and institutional frameworks are important foundational steps, but not sufficient by themselves. This lesson is reinforced in the CASPR, recent Bank TA on the Political Economy of Extractives Governance in Sierra Leone (July 2013), and the most recent IEG report World Bank Group Assistance to Low-Income Fragile and Conflict-Affected States (December 2013). The IEG report went further, observing that the World Bank needs to “more actively engage with the nature of resource deals and the facilitation of more equitable allocation of benefits.”

73. GoSL plans to take steps to further improve transparency in the extractive industries sector, and give more attention to the linkage between the extractive industries sector and macroeconomic planning. Since 2014, the Bank has been working with MMR to revise Sierra Leone’s Minerals Policy to take account of this important role. Post-Ebola recovery stressed public finances and reduced budgetary resources, thereby constraining the country’s overall availability of finance to sustain and scale-up regulatory and institutional reforms started under EITAP.

74. At the request of GoSL, the Bank has prepared a second generation of reforms that will be implemented through the Extractive Industries Technical Assistance Project Phase 2 – EITAP2 (P160719). EITAP2 will therefore be fundamental to ensure stronger and more transparent management of the extractives sector. EITAP 2 was approved by the World Bank’s Board in November 2017.

V. LESSONS AND RECOMMENDATIONS

75. The following are the key lessons learned from the project and recommendations for future projects in the extractives sector in Sierra Leone or other countries:

Lessons Learned

- Technical assistance for increased transparency in regulation in extractive industries can provide substantial value for money, diminishing country risk perception by investors/licensees and expanding sector revenues.
- A strong and functional regulatory agency with professional capacity can be a key factor in improving the performance of the extractives sector by: (a) providing clear guidelines and information to investors; (b) efficiently managing mining licenses; (c) developing regulations for mining operations and production ensuring the correct application of the country’s standards and legislation as well as the correct collection of royalties and taxes; (d) better managing community relations.
- Project scope needs to address key issues either during entry or sequentially. The funding of \$4 million was not adequate to address the multifaceted challenges of the mineral sector. Under these funding constraints, the portfolio approach to implementation of EI projects is a very important lesson. The project brought together (i) SL -EITAP (total financing of US\$12 million, with DfID supporting US\$4 million), which focuses on institutional capacity building and TA to support the establishment of the National Minerals Agency; geochemical surveying of at least two additional areas to support promotion of Sierra Leone’s mineral potential; capacity building support to SPU (Special Policy Unit) and MMR on negotiation of mineral agreements; strengthening of the Petroleum Resources Unit (PRU) now Petroleum Directorate (PD); reinforcing the monitoring functions of the Government’s diamond office to ensure full compliance with the Kimberly Process; (ii) SL EI-TAF (total financing of \$750,000): to support the government in the negotiations of mining agreements for up to four projects; (iii) SL JSDF on Artisanal Mining Communities Development (total



financing of \$3 million) to support livelihood alternatives for artisanal diamond mining communities in the Kono district; and (iv) EITI implementation focusing on a Phase II MDTF to support the recent efforts toward EITI validation.

- A major change in a government ministry, especially the transfer of regulatory functions to a semi-autonomous agency, is likely to meet with resistance at the ministry level even if agreed to at the highest levels of government, and the full institutional restructuring is likely to take more than the four years. EITAP was able to achieve this and eliminate overlaps and conflict.
- In countries where petroleum exploration activities are just starting and where the risks of achieving commercial development and production are still very high, the scope and ambition of Bank projects should remain modest and must avoid further inflating expectations.
- Keeping Project design relatively simple when operating in countries with complex environments, limited capacity, and a weak country implementation record can be key for the success of the project. By assisting with development of an improved legal and regulatory framework and by providing minimum support to the new regulatory entity, the scope adopted by EITAP was appropriate.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Mining Licences issued in compliance with revized regulations	Text	0 25-Mar-2009	100 24-Jun-2015	100% 27-Nov-2014	100% 06-Nov-2014
New licences issued in compliance with Petroleum Law and Regulations	Yes/No	N 25-Mar-2009	Y	Y 24-Jun-2015	Y 06-Nov-2014

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
NMA Transformation Plan and NMA Act	Text	NMA Transformation Plan drafted	Yes and with a target of at least 6 new qualified staff for NMA under public	100%	100%



		25-May-2009	service contracts. 04-Feb-2014	09-Sep-2013	27-Feb-2014
geodata accessible through the web	Yes/No	N 25-May-2009	Y	Y 04-Feb-2014	Y 27-Feb-2014
Comments (achievements against targets):					

A.2 Intermediate Results Indicators

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Regulation on environmental and social management adopted	Text	none 25-Mar-2009	yes 30-Jun-2014	yes 30-Jun-2014	yes 31-Oct-2012
Comments (achievements against targets):					

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Enabling Act and regulations	Text	0	100	100%	100%



of NMA adopted		25-Mar-2009	30-Jun-2014	30-Jun-2014	31-Oct-2012
Petroleum sector regulations	Yes/No	N	Y	Y	N
		25-Mar-2009		30-Jun-2014	31-Oct-2012
MMR Monitoring reports on EIA/SIA	Yes/No	N	Y	Y	N
		25-Mar-2009			31-Oct-2012

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Geochemical surveying and mapping coverage	Number	0.00	6.00	9.00	9.00
		25-Mar-2009	10-Jun-2014	30-Jun-2014	27-Feb-2014

Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Mineral promotion events	Number	0.00	4.00	4.00	4.00
		25-Mar-2009	30-Jun-2014	30-Jun-2014	15-May-2014



Comments (achievements against targets):

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Use of new equipment for field work	Yes/No	N 25-Mar-2009	Y 30-Jun-2014	Y 30-Jun-2014	Y 31-Oct-2012

Comments (achievements against targets):



B. KEY OUTPUTS BY COMPONENT

Objective/Outcome 1: To build capacity of the Government to improve management and regulation of the extractive industries sector.	
Outcome Indicators	<ol style="list-style-type: none"> 1. Mining licenses issued in compliance with revised regulations adopted by Ministry of Mines and Mineral Resources (MMMR). 2. MMMR (National Minerals Agency when operational) implements its human resource policy, and trains and retains qualified staff. 3. Geodata for Sierra Leone are accessible through the web. 4. New petroleum licenses issued in compliance with Petroleum Law and supporting regulations.
Intermediate Results Indicators	<p>Result 1: Increased compliance of mining and petroleum operations with regulations</p> <ol style="list-style-type: none"> 1. Regulations for environmental and social management for mining, underground mining, precious minerals trading policy and enabling act and regulations for the National Minerals Agency (NMA) are adopted by MMMR. 2. MMMR (NMA when it becomes operational) monitors and reports annually on the enforcement of Environmental Impact Assessment (EIA)/Social Impact Assessment (SIA) regulations for industrial-scale mining projects. 3. MMMR monitors and reports annually on production and revenue of the mining sector and the Petroleum Directorate (PD)²⁶ reports on oil and gas sector. 4. Functions and governance structure for the PRU are formalized through regulations.

26 The original project and restructured project referred to the Petroleum Resources Unit (PRU), which was renamed the Petroleum Directorate after the appraisal of the additional financing for EITAP.



	<p>Result 2: Regional and central departments of MMR (NMA when it becomes operational) efficiently perform field work.</p> <ol style="list-style-type: none">5. New equipment procured and used for field work.6. Field inspections conducted to monitor compliance of mining operations.7. Geochemical surveys and mapping of selected areas completed.8. Government selection of candidate areas for sector promotion to investors, based on completed geochemical surveys and mapping.9. Government selects areas for further actions to develop other land use (outside the project). <p>Result 3: Targeted promotion of mineral and petroleum resources.</p> <ol style="list-style-type: none">10. Government presents Sierra Leone’s mining and petroleum sectors to potential investors at regional and global events.
<p>Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)</p>	<p>Component A: Overarching Regulatory Frameworks for Extractives Sector</p> <ol style="list-style-type: none">1. Development of environmental and social regulations.2. Preparation of a Code of Practice for the Mining Sector.3. Preparation of underground mining regulations.4. Preparation of trading license regulations.5. Development of regulatory and administrative framework for the NMA.6. Preparation of Petroleum Act and supporting oil and gas regulations.7. Establishment and management of policy level dialogue to formulate a strategy for future regulatory requirements and arrangements for environmental and social management of the oil and gas sector.



Component B: Institutional Strengthening for Extractive Industries Sector

1. Geological Survey Department (GSD), through technical assistance, able to evaluate reports and plans to manage data.
2. Geochemical surveys for mapping resource assessment in selected areas.
3. Setup and operation of a secure geodata management and information system and development of promotion material.
4. Capability for regular mine inspections and regulatory enforcement.
3. NMA capacity to run a modern mining agency through the acquisition of computers and vehicles as well as the refurbishment of of buildings.
4. NMA's improved capacity to manage sector investment through training to prepare events focused on the promotion of mining sector exploration and investment.
5. The hiring, by MMMR/NMA, of four senior local contractors as public servants (two geologists, a data manager and an environmentalist), with salary support from the project during project implementation and placement on the Government payroll after project completion.
6. A framework and manual for a post-mining rehabilitation program, resulting from: (i) geochemical surveys of 3-5 candidate pilot areas requiring assessment before a decision to rehabilitate the land, (ii) associated technical studies of candidate areas, and (iii) identification of alternative livelihood options for candidate areas.
7. Enhanced capacity of MMMR to manage donor-funded projects including skills in public procurement, financial management, and project management as well as the development of an evaluation system for benchmarking project progress.



	<p>8. Strengthened technical, institutional, and management capacity of MMR, the Strategy and Policy Unit (SPU), and the Negotiations Committee, for carrying out extractive industries’ contract negotiations, including financial and economic modeling, review of technical and feasibility reports, updating of model agreements for specific commodities, and developing negotiations strategies.</p> <p>9. Strengthened technical, institutional and management capacity of the PRU for managing and analyzing geological and geophysical data.</p> <p>10. Strengthened capacity of the Government Gold and Diamond Office.</p> <p>11. Strengthened monitoring, evaluation, and reporting systems for the extractive industries sector through.</p> <p>Component C: Project Management</p> <p>Capacity for MMR to effectively manage the project in accordance with Bank guidelines, through a combination of training, consultant support and equipment</p>
Objective/Outcome 2 None	
Outcome Indicators	<ol style="list-style-type: none"> 1. Not applicable 2. 3.
Intermediate Results Indicators	<ol style="list-style-type: none"> 1. Not applicable 2. 3.
Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)	<ol style="list-style-type: none"> 1. Not applicable 2. 3.



ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION

A. TASK TEAM MEMBERS

Name	Role
Preparation	
Supervision/ICR	
Daniele La Porta Arrobas	Task Team Leader(s)
Ferdinand Tsri Apronti	Procurement Specialist(s)
Sydney Augustus Olorunfe Godwin	Financial Management Specialist
Nina Inamahoro	Team Member
Maria Luisa Ana Esteban Meer	Team Member

B. STAFF TIME AND COST

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
Preparation		
FY06	0	13,322.48
FY07	23.146	142,110.27
FY08	23.344	154,132.02
FY09	19.577	135,685.77
FY10	8.127	62,724.35
FY11	1.025	20,389.39
Total	75.22	528,364.28
Supervision/ICR		
FY10	3.170	32,324.43
FY11	15.208	83,801.71
FY12	0	0.00
FY15	0	21,895.54
FY16	21.450	27,433.55



FY17	31.728	164,447.05
FY18	1.100	1,903.00
Total	72.66	331,805.28

ANNEX 3. PROJECT COST BY COMPONENT

Components	Approved Amount at Appraisal (2009)	Revised Approved Amount (2011)	Actual at Project Closing	Actual as Percentage of Revised Approved Amount
	US\$M	US\$M	US\$M	US\$M
Overarching Legal and Regulatory Frameworks for the Extractive Industries Sector	0.29	0.97	0.76	98
Institutional Strengthening for the extractive Industries Sector	2.85	9.32	8.40	0.22
Project Management	0.26	0.46	1.12	243
PPF Refinancing	0.40	0.40	.22	75
Total Baseline Cost	3.80	11.15	10.50	91
Physical and Price Contingencies	0.20	0.20	0.10	
Total	4.00	11.35	10.60	90

**ANNEX 4. EFFICIENCY ANALYSIS**

Economic and Financial Indicators	Estimated at Appraisal	Re-Estimated at Project Closing
Mining Sector Revenues (from royalties, fees and taxes)	Actual revenues of US\$ 10 million annually, to increase to an additional US\$10 million annually in 10 years.	Revenues had increased by US\$ 38.2 million by 2013.
*Exports	US\$ 175 million (2006 figure) to US\$ 1.2 billion by 2020	A 2020 forecast is not available but the value of exports for the latest year that has been reconciled under EITI was for 2014 and was US\$ 1.0 billion.
*Benefits to government and mining communities	US\$ 1-2 million for a modest venture and tens of millions of US\$ for a world class discovery.	The ICR found this too speculative to be meaningful in terms of being directly attributable to the project. However, the general estimates are likely the same.
*Contribution to GDP growth	An additional 1.2 percent to GDP growth through 2020	Estimates to 2020 are highly uncertain due to the volatility of commodity markets in recent years. **
*Decline in revenues if no new investment	70 percent over 10 years.	Not applicable.

*The original PAD for EITAP acknowledged that appraisal estimates are highly speculative. Also, the timeline, to 2020 was beyond the original timeline of the project, which was from 2009 to 2013 and therefore not particularly meaningful as a measure of increased efficiency linked the technical assistance provided by the project.

**GDP growth for 2013 to 2016 has experienced extreme fluctuations due to the rise and fall of global iron ore prices. In 2013 GDP grew at 20.7 percent but excluding iron ore grew at 5.5 percent. After the fall in iron ore prices, GDP growth was - 21.5 percent in 2015 and excluding iron ore grew by 1.0 percent



ANNEX 5. BORROWER, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS

EITAP PERFORMANCE AND CONCLUSIONS (Extracted from the DFID Completion Review Report)

Overall Outcome Assessment

The outcome of this project is: *well managed growth in the extractive industries sector brings increased benefit to the Sierra Leone economy and public finances*, this is based around three indicators:

- Contribution of extractives sector of GDP
- Share of extractives sector to domestic revenue
- Transparency of the extractive industries sector

Based on the evidence gathered, the project outcome has been assessed as **‘A – the outcome met expectation.**

Revenue contributions from the extractives sector have been substantial in recent years. Support to the increase in revenues from 2012 totalled US \$15.1m, rising to US \$34.3m in 2013, and then US \$39m in 2014. A large proportion of this results from export earnings from two large investments in iron ore which together have contributed between 10 and 16% of GDP annually. The halt in production in 2015 of the two largest iron ore mines had a serious impact on the Government of Sierra Leone’s collection of revenue, but the Tonkolili iron ore project started limited production again in 2016. The IMF in this period has adjusted its projections from 21.5% retraction in GDP growth in 2015 to renewed growth rates of 4.5% in 2016 and 5% in 2017²⁷.

Royalties and taxes from extractives industries are transferred to the consolidated fund and hence enter the national budget. However, it is believed that extractives industries grossly under declare their production volume and so the amount collected in royalties and taxes is far less than it should be. Moreover, the Extractives Industries Revenue Bill (EIRB) has been stuck in parliament for the best part of two years. If this Bill were passed, it would end “side agreements” between GoSL and the industries and would streamline the revenue collection process. In conclusion, only a fraction of the revenues the GoSL could collect in fact reach the national budget.

Well managed economic growth will mean diversification of investments in the extractives industries sector as well as diversification of investments in the wider economy. Given the limited geological data available to the Government of Sierra Leone underlines the importance of needing to strengthen the mapping of geological resources and acquisition and management of existing geodata.

Output Score and Description

On the basis of the evidence gathered, the overall output score over the implementation period, 2010-16, is **‘A – outputs moderately met expectations’.**

27 <https://www.imf.org/external/pubs/ft/weo/2016/02/index.htm>



An improved legal and regulatory framework for management of the extractive industries sector is in place. Several new laws and policies that will strengthen the extractive sector are now being enforced namely; Mines and Minerals Operational Regulatory, Environmental Protection Mines and Minerals Operational Regulations. Key items of legislation passed with support from EITAP includes:

- National Minerals Agency Act approved by Parliament in 2012, and operating since March 2013;
- Social and Environmental Regulations passed into Law on October 14, 2013.

Key institutions have been established and are operational: Support has also been provided to improve the ability of the NMA, PD and in the MMMR to manage the sector. The main achievement has been the establishment of the National Minerals Agency under the NMA Act 2012 as a professional, technical and regulatory body which is mandated within the Mining sector to: Increase government revenue from the sector; Enforce compliance of mining companies regarding the laws and their reporting and financial obligations; Manage an efficient licensing system.

Despite this success there have always been worrying signs that the Government of Sierra Leone is hesitant about making further reforms to the governance of extractives which will ultimately impact on the ability of Government to attract high quality investment into the sector:

- The new Petroleum and Gas Law is still at the Law Officers Dept for review, with very little progress;
- The new Extractives Revenue Bill also needs Parliamentary ratification;
- The new draft Minerals Policy has been finalised to now be followed by nationwide consultation, Cabinet approval, and then Parliamentary ratification;
- The revised Precious Minerals Trading Act was approved by Cabinet in 2015 yet still awaits ratification in Parliament;
- The Government has not advanced forward in the acquisition of GeoData from private firms and previous geological surveys;
- The NMA still cannot access tax data from the NRA due to limitations posed by the Income Tax Act.



ANNEX 6. LIST OF SUPPORTING DOCUMENTS

A. Project Preparation and Appraisal

Country Context: Policy and Strategy Documents

1. International Development Association, International Finance Corporation and African Development Bank, *Joint Country Assistance Strategy (CAS) for Sierra Leone (FY 10-13)*, March 4, 2010.
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3. World Bank, *Sierra Leone: Transforming a Nation and Addressing Fragility*, April 13, 2012.
4. World Bank. 2012. *Sierra Leone - Country Assistance Strategy Progress Report for the period FY10-FY13*. Washington, DC: World Bank.

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5. World Bank, Sustainable Development Unit, West Africa and Environment Department, *Sierra Leone Mining Sector Reform, A Strategic Environmental and Social Assessment*, July 10, 2008.
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8. World Bank, *Extractive Industries Value Chain*, Extractive Industries for Development Series #3, Africa Region Working Paper Series#125, March 2009.
9. Environment and Social Management Framework, Terms of Reference, September 24, 2009.

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12. World Bank, Project Information Document, *Sierra Leone: Extractive Industries TA-Additional Financing*, February 8, 2011.
13. World Bank, *Project Paper on a Proposed Additional Grant and Proposed Restructuring of Original Project in the Amount of SDR 2.6 Million (US\$ 4.0 Million Equivalent to the Republic of*



Sierra Leone for an Extractive Industries Technical Assistance Project (Original Name Mining Technical Assistance Project), March 29, 2011.

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17. Sierra Leone: Mining Sector Mission November 28-December 7, 2007.
18. APL#1 of the Africa Regional Mining Governance Project/Mining Sector Mission, December 1-6, 2008.

B. Project Implementation and Future Support

Implementation Status Reports

19. ISR-2, November 30, 2010.
20. ISR-3, December 22, 2010.
21. ISR-4, September 24, 2011.
22. ISR-5, November 25, 2012.
23. ISR-6, June 18, 2013.
24. ISR-7, March 22, 2014.
25. ISR-8, November 26, 2014.
26. ISR-9, May 13, 2015.
27. ISR-10, December 21, 2015.
28. ISR-11, July 2, 2016.

Aide Memoires of Project and Mining Sector Missions

29. Sierra Leone Mineral Sector Mission, July 18-25, 2011.
30. Sierra Leone Extractives Sector, January 30-February 3, 2012.
31. Mid-Term Review, September 2-9, 2013.
32. Extractive Industries Mission, March 22-31, 2014.
33. Extractive Industries Mission, September 29-October 9, 2015.
34. Extractive Industries Mission, February 1-5, 2016.



35. Extractive Industries Mission (EITAP1, EITAP2, and Minerals Policy), September 21-30, 2016.
36. World Bank, Project Paper, Sierra Leone Artisanal Mining Community Development and Sustainable Livelihoods – Japan Social development Fund, July 2011.

Selected Management Letters and Memoranda

37. Letter from Yusupha B. Crookes, Country Director to Hon. Kaifala Marrah, Minister of Finance and Economic Development, Re: Sierra Leone, Extractive Industries Project, Grant No. TF-011786, Amendment to the Grant Agreement, May 23, 2014.
38. Memorandum from Daniele La Porta, Senior Mining Specialist GEEDR, to Henry Kerali, Country Director AFCW1, through Christopher Sheldon, Sector Manager, GEEDR, Re: Sierra Leone Extractive Industries Technical Assistance Project, Request for lifting of disbursement condition and extension of closing date, July, 25, 2015.
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40. Letter from Sheikh Alhaji Yayah Sesay, Acting Country Manager, to Mr. Minkailu Mansaray, Minister of Mines and Mineral Resources, Sierra Leone Extractive Industries – Supervision Mission (September 29- October 8, 2015), October 21, 2015.
41. Letter from Parmindar P.S. Brar, Country Manager, Sierra Leone, to Hon. Minkailu Mansaray, Minister of Mines and Natural Resources, Subject: Sierra Leone Extractive industries – Supervision Mission (February 1-5, 2016), February 24, 2016.

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42. Ministry of Mines and Mineral Resources, Extractive Industries Technical Assistance Project, Progress Report, January to December 2012.
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45. Government of Sierra Leone, Ministry of Mines and Mineral Resources, “Re: Management and Functional Review of the Ministry of Mines and Mineral Resources,” March 31, 2015.
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48. Ortega, Enrique (Consultant), *Republic of Sierra Leone, Ministry of Mines and Mineral Resources, National Mineral Agency, Evaluation of the Geological Information at Regional Scale and Updating of the Diagnostic System on Licensing and Cadastre, November 2016.*