



**Keynote Statement Delivered by
His Excellency, Julius Maada Bio,
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“Sierra Leone: Optimising Growth and Investment in the Mining Sector in an Age of Technology”

Colleague Excellences, Ministers of Government, Future Partners, Friends, Distinguished Ladies and Gentlemen, I bring you very warm greetings from the Government and People of the Republic of Sierra Leone to this Investing in African Mining Indaba.

On behalf of my delegation, let me congratulate the organisers for hosting this Indaba of government representatives, mining industry leaders, technical experts, and all other stakeholders in the minerals sector.

This dedication to the capitalization and development of mining in Africa is indeed crucial for the development of African countries.

We see tremendous value in this Investing in African Mining Indaba in making relationships, exploring opportunities, sharing views, fostering new partnerships, collaborating with big developers and junior players, understanding financing models, interacting with new and emerging technologies and models of doing business in the sector, and, quite simply, pondering the future of the sector with industry leaders, financiers, engineers, and policy makers.

There is indeed great value in this indaba. So thank you again for this invitation and let us give the organisers a big round of applause.

Permit me to use the next seven to eight minutes discussing what Sierra Leone has to offer and why it makes sense to invest in Sierra Leone.

First, we are an open, peaceful, and stable democracy. We are a free market that values private sector investment.

We do not believe it is the business of government to govern business. But we believe it is our business as a Government to strengthen the business ecosystem and make it conducive for prime investments.

We have therefore thoughtfully mapped out our ecosystem interventions in the following ways:

Fiscal Reforms

We have strengthened public financial management systems and multilateral institutions including the World Bank, IMF have re-engaged the Government.

The macroeconomic foundation is once more strong and we are working to make the economy more resilient and shock-proof by diversifying also into tourism, fisheries, agriculture and agro-value-chain, as well as small-scale manufacturing.

Legal and Regulatory Issues

We are reviewing and harmonising all laws and regulations relating to mining with a view to removing regulatory duplications and inconsistencies.

We believe that a “one document-one interpretation” approach is in everyone’s best interests because it increases transparency and predictability about the investment relationship, obligations, and responsibilities.

This will improve the general sector governance landscape from the administration to the enforcement of mining laws and regulations.

Thus, there can be certainty about everything from institutional reform and capacity-building, research and development, allocations and tenure of exploration and mineral rights, community development and human rights, employment agreements and labour laws and regulations, the environment and protected areas, to enforcement.

But most importantly, we seek to resolve legal issues and regulatory questions in a fair, transparent, and efficiently administered manner.

Infrastructure

Through public private partnerships (PPPs) we are seeking to improve critical infrastructure that supports the extractive sector particularly in electricity (the CLSG transmission line), ports (expansion and a possible new port), bridges (across inaccessible crossing points), telecommunications (increase ICT penetration), and a number of others.

Technology and Future Mining Labour Force

Sierra Leone recognises that the skills needed for the future of mining are changing with the introduction of technologies to optimise efficiency in processes, to promote mining safety, to reduce environmental impact, and much more overall.

The present, and more so, the future of mining will involve Big Data analytics (for maximising mine efficiency, profitability, and sustainability), AI and robotics, automation, Industrial Internet of Things (to speed up everything from excavation, haulage, to processing), drone technology (in and above mine site to improve safety etc.).

We also see a place for 4IR technologies like block chain to track the value chain supply of precious stones. At a point in our history, our precious stones were tagged "Blood diamonds."

Obviously, that affected valuation and marketing. With block-chain technology, we can now certify and validate the entire value-addition and supply chain for our precious stones.

The future of mining is not for people who can wield pick-axes, shovels, and wooden troughs.

My Government believes that Sierra Leonean children must be equipped with the requisite skills to participate meaningfully in the future of mining not with pickaxes and shovels but fully trained in 4IR technologies, Artificial Intelligence, Robotics and automation, Industrial Internet of Things, Drone technologies, Block-Chain, and more.

We have therefore invested heavily in education with a focus on science and technology education. We want to create a strategic sub-ecosystem for boosting mining-related skills through Science Technology, Engineering, and Mathematics (STEM) training and Technical and Vocational Education and Training (TVET).

I also established the Directorate of Science, Technology, and Innovation within the Office of President to test and scale technology solutions for governance, business, science and research, among other things.

We are open to specific partnerships that support the integration of mining-related training in the curricula and in supporting mining-specific technology and innovation hubs that are embedded in our overall strategic education outcomes.

We see these skills as necessary for not only safely operating new mining technologies at mine sites, but also to improve in-country value chains like cutting and polishing diamonds, smelting iron-ore, refining gold, or adding value to bauxite.

Obviously, as a country, we do seek greater benefit from our natural resources. Our objective as a Government is simple – we want a fair and appropriate share of returns on our natural resources (mineral wealth) and we want to use those returns to develop the lives of our people – to build hospitals and schools, provide pipe-borne water, make roads accessible and create local economic centres that our people can live off.

As a government, we want partners who believe that our nation and our people matter, and our people deserve more than mere pittance doled out in corporate social gestures. We want fair and ethical deals with patient and credible partners.

You see, business is not a zero-sum game and it should not be. Business is transactional in essence. "Renegotiation" and "compromise" are not dirty words in business.

All we seek, as a country, is a cordial engagement in which all parties get to a meeting of minds on how best to re-shape and develop that investor-host country relationship so that we both have a win-win outcome.

What we seek to do is no different from what every country does the world over. We want to enhance beneficiation in the best interests of our citizens.

It is consistent with our Medium Term National Development Plan to increase revenue share, diversify the economy, and create jobs.

We want to increase the proportion the extractives contribute to our GDP and to boost our country's economic resilience. We are sure our investor partners understand this.

As companies, we know that your primary motive is to get adequate returns on your investment. Clearly, an investment would only make sense if it is profitable.

So what we should jointly foster (as a Government and as business) is an ecosystem of predictability and trust – one that engenders confidence on all sides that we can build a win-win relationship: a relationship that is based on transparency, open communication, and common understanding knowing that both of us (investors and government/people) have an inherent and shared interest in those mineral deposits.

So therefore, what we want as a nation are trustworthy, credible, and patient investors – investors who value fair and ethical business principles and practices; investors who are interested in a sustainable, long-term relationship with our country.

We are not interested in players who merely speculate against international fluctuations in mineral prices. We have had our experience with fly-by-night and briefcase investments that made huge profits but promptly collapsed when ecosystem and market forces hit a short lull.

We are not interested in investors who speculate against changes in government (knowing that Party A is amenable to taking bribes and can rush through shoddy legislation that cede to them Mining Lease Agreements that they themselves know are untenable).

We have cracked down hard on corruption in our country and all our mining-sector policies are well-forethought and informed by the

principles of transparency and accountability at all levels. If a deal does not look right and smell right, we would rather leave it outside the homestead. As a Government, we want patient and credible investor partners.

We are not interested in players who speculate against what they argue are unproven reserves or unclear geological and technical data in order to wring out unfair deals.

We have completed a nationwide airborne geophysical survey. We now have very high resolution datasets from that survey. The preliminary indications are that we have extensive proven reserves of metals and ores.

We believe patient and credible investors will study our datasets, and then engage our mining sector professionals and Government in frank and open dialogue on how we can do business over the long term.

We are not interested in players who finagle numbers and financial data or who arbitrarily conjure up untenable excuses about tax burdens or the implications of fiscal or foreign exchange policies.

We believe that patient and credible investors would communicate with us as a Government and work collaboratively to ease tax burdens and streamline policies that work in our mutual best interests.

Clearly, as a Government, we can guarantee security of permitting and tenure if you are that ethical, transparent, trustworthy, and patient

investor who is ready to foster a sustainable and long-term relationship with the people of Sierra Leone.

As a Government, we have mapped out a risk matrix of what potential players would consider in investing in our country.

Profitability ranks very highly. A threat to profitability is the tax regime – the more burdensome it is, the less an investor can repatriate or reinvest.

The more unpredictable it is, the less likely it is that the investor can make future investment or other business decisions based on the profit margins of potential earnings.

Financiers, the mining companies, and the Government, all have vested albeit often-times, competing interests in the profit margins. Often, what drives investment decisions is whether investors and their financiers believe a new project can make them an acceptable profit margin that is not threatened by an unpredictable tax regime.

We also recognise that potentially higher returns for investors will encourage longer term investments.

Sierra Leone does not arbitrarily discriminate against foreign companies and there are no restrictions on the repatriation of profits or the sale of assets.

As a Government, we are committed to EITI benchmarks and we want to eliminate corruption and tax fraud in the mining sector.

Our Extractive Industries Revenue Act 2018, Income Tax Acts 2002, The Mines and Minerals Act (MMA) 2009, the Petroleum Act 2011, and Finance Act 2019 all contain business-friendly exemptions and provisions. What we are doing with the new Mines and Minerals act that is being developed is to clarify, simplify, and consider expanding the scope and scale of those business-friendly exemptions, waivers, and holidays.

Through all this though, we remain vigilant on the thorny issue of beneficial ownership and illicit financial flows. So when we insist on financial records, it is not because we want to restrict the business space.

We have an obligation to do due diligence in order to ensure that the ecosystem for mining is free of bad actors and bad business practices.

Obviously, we recognise the attendant environmental footprint of mining activities and their implications for our people. We do so informed by data and knowledge of best practices across the mining industry.

Until recently, our environmental laws and legislation were interpreted and executed by various agencies that had different mandates. Often, those independent agencies charged fees, and acted independently and without reference to other related agencies.

We now have a standalone Ministry of the Environment that will harmonise and implement environmental laws and policies across board and pre-determine the environmental liability of potential investments.

We have also gone a few steps further to ease the burden on investors in the mineral sector. There is an eye-line mark that is pre-determined. An investor's pre-determined environmental liability will not go beyond that.

Here's where we sweeten the deal. We believe that as companies introduce innovative technologies (including, of course, low carbon technologies) and new processes and practices, they will naturally reduce their environmental footprint.

We have introduced an environmental impact framework that is a jointly-monitored environmental management plan. As a government, we believe that we should reward companies with reduced environmental liability in fees when they reduce their environmental footprint.

Over the last year, we have used a matrix to reduce environmental impact assessment fees by an average of 45% and we are considering sector-specific EIA fee regulations to ensure that we continue to reduce EIA fees by company and by sector.

We have also introduced flexible payments in instalments for small and medium companies and some companies can now pay the equivalent fees in local currency.

And talking about small and medium companies, let me digress briefly and mention that our policies are very attentive to the interests of African mining juniors. We recognise that the competition for scarce private equity investment funds is even stiffer for them.

As a government, we want to engage them in frank conversations about what we can do on our side to make their projects more attractive for investment and development capital.

As I have already indicated, multilateral partners (The World Bank, IMF, EU etc.) have acknowledged year-on-year the continuous improvement our Government is making in fiscal management.

Our foreign exchange controls are transparent and consistent with our fiscal management policies. We encourage patient investors to see with us that a stable macroeconomic environment is good for their businesses and good for the economic ecosystem within which their businesses are based.

We are also continually investing in taking good care of businesses. Once fully operational, the National Investment Board will be co-chaired by me and the Vice President and it will be a one-stop shop for speedily addressing investor concerns and also for providing aftercare to partners.

Allow me, ladies and gentlemen, to put a spin on the old English adage "A bird in hand is worth two in the bush." We believe that a good investment experience by an established company (the bird in the hand) is good enough to attract two prospective ones in the bush. We want all three birds not just the one in hand. We are actively courting prospective investors, always. So we do want to keep the bird in hand and bring in the other two from the bush too.

On that light note, let me end this short address by assuring our potential investors that at our end, we offer you a friendly, peaceful, stable, open multiparty democracy.

We offer very current, high-resolution datasets that showcase our overall national potential.

We offer transparent administration of the sector – a consolidated and simplified minerals policies that eliminates clutter and inconsistencies; no red-tape in establishing, acquiring and maintaining Mining Lease Agreements; open to mutually-beneficial renegotiations; aftercare at the highest levels of Government; a clear and pre-determined tax and environmental liability, and the ability to make and repatriate profits in an open economy that is conducive for private investments.

At this Investing in African Mining Indaba, I am here not only to give this plenary talk but to personally tell our friends and potential partners that Sierra Leone is a favourable destination for mining investments.

I thank you.