



GOVERNMENT OF SIERRA LEONE

# The North/Western Growth Pole Local Content Compact (NWGP-LCC)

*Implementing the Local Content Policy through collective action*



## Structure of the presentation

- 1. The mechanism:** Increasing local content through the conclusion of a Local Content Compact.
- 2. The model:** Using a scorecard of mutually agreed objectives.
- 3. Necessary support:** Enabling government leadership in the process.

1. **The mechanism:** Increasing local content through the conclusion of a Local Content Compact



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**Step 1:** using the growth poles analysis of the World Bank to identify areas where public/private colaboration on local content will have the highest benefits.

**“Growth Poles” in Sierra Leone – what it looks like.**

- Industrial mining (iron ore),
- bioethanol (sugar cane),
- manufacturing (agro processing),
- services (logistics),
- agriculture (rice, cassava, palm oil),
- fisheries
- tourism

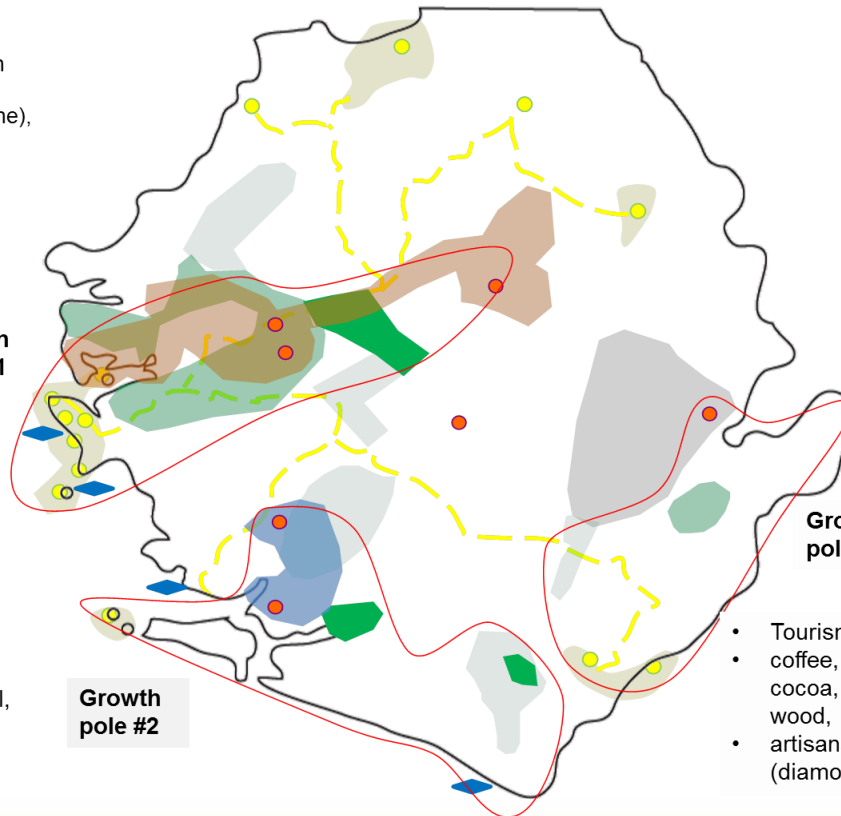
**Growth pole #1**

- Industrial mining (bauxite, illmenite, zircon, rutile),
- Agriculture (palm oil, rice)
- Tourism

**Growth pole #2**

**Growth pole #3**

- Tourism,
- coffee, palm oil, cocoa, rubber , wood,
- artisanal mining (diamonds)





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**Step 2:** Mutually agree on joint objectives in a Local Content Compact (LCC) for the growth pole area

Based on the Sierra Leone Local Content Policy and the local content provision in the 2009 Mines & Minerals Act (163+164):

- To substantially and meaningfully **expand opportunities for local businesses** to enter the value chains created by mining companies active in the Growth Pole.
- To **utilize and expand the existing skills base** for the empowerment of the local population.
- To **promote employment** and advance the social and economic welfare of the communities in the Growth Pole area.
- To **promote further beneficiation** of rare materials produced in the Growth Pole.
- Promote sustainable **development and growth of the industry** in the Growth Pole.

## 2. **The model:** Using a scorecard as a mutual accountability framework

Government, mining companies and development partners jointly commit to:

- **Sharing information** on and linking related existing programs.
- **Joint programming** of new activities under shared objectives.
- Clear definition of the **roles and responsibilities** of all partners involved.
- Joint monitoring and evaluation system to establish **mutual accountability** for local content implementation within the growth pole

# Can be best achieved through scorecard system

## SCORECARD FOR THE BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER FOR THE SOUTH AFRICAN MINING INDUSTRY- AGA : WEST WITS

|   | ELEMENT                              | DESCRIPTION   | MEASURE  | COMPLIANCE TARGET BY 2012   | PROGRESS ACHIEVED BY  |                           |                           |      |      |
|---|--------------------------------------|---|--|-----------------------------|---|---------------------------|---------------------------|------|------|
|   |                                      |   |  |                             | 2010 Actual   | 2011 Actual               | 2012                      | 2013 | 2014 |
| 1 | Reporting                            | Has the company reported the level of compliance with the Charter for the Calendar year           | Documentary proof of receipt from the department   | 31 March 2013               | 100%  | 100%                      | 100%                      |      |      |
| 2 | Ownership                            | Minimum target for effective HDSA ownership   | Meaningful economic participation  | 15% by 2009 and 26% by 2014 | 26,8%   | 26,8%                     | 26.8%                     |      |      |
|   |                                      |   | Full shareholder rights  | 15% by 2009 and 26% by 2014 | 26,8%   | 26,8%                     | 26.8%                     |      |      |
| 3 | Housing and living conditions        | Conversion and upgrading of hostels to attain the occupancy rate of one person per room.          | Percentage reduction of occupancy rate towards 2014 target.  | 50%                         | 22%   | 46%                       | 64%                       |      |      |
|   |                                      | Conversion and upgrading of hostels into family units   | Percentage conversion of hostels into family units against units available for conversion  | 50%                         | 55%   | 70%                       | 70%                       | *    | *    |
|   |                                      | Home Ownership  | Implement initiatives to facilitate home ownership e.g. Preference surveys, advice on purchasing homes, training on benefits of home ownership | No target set               | Pilot project has been given Board approval .Financial institution and developer have been identified and appointed. Land consolidation and subdivision in progress. House designs and layouts being finalized with all stakeholders. |                           |                           |      |      |
| 4 | Procurement & Enterprise Development | Procurement spent from BEE entity   | Capital goods  | 20%                         | 39%   | 43%                       | 48%                       |      |      |
|   |                                      |   | Services   | 50%                         | 29%   | 24%                       | 38%                       |      |      |
|   |                                      |   | Consumable goods   | 25%                         | 40%   | 51%                       | 56%                       |      |      |
|   |                                      | Multinational suppliers contribution to the social fund   | Annual spend on procurement from multinational suppliers   | 0.5% of procurement value   | Awaiting the DMR guidance   | Awaiting the DMR guidance | Awaiting the DMR guidance |      |      |
| 5 | Employment Equity                    | Diversification of the workplace to reflect the country's demographics to attain competitiveness. | Top Management (F Band)  | 30%                         | 25%   | 40.0%                     | 40%                       |      |      |
|   |                                      |   | Senior Management (E Band)   | 30%                         | 25.30%  | 29.2% <sup>1</sup>        | 31.8%                     |      |      |



3. **Necessary support:** Enabling government leadership in the process

# Necessary support to enable Government leadership

Comprehensive capacity development to enable Government to show leadership and deliver on its own roles and responsibilities in the Local Content Compact:

- 1. Human Resource Development:** trainings for administrative staff to better understand the EI supply chain.
- 2. Organizational Development:** developing tools and procedures for flexible and effective public/private collaboration.
- 3. Network Development:** increase the convening power of Government to bring together the necessary stakeholders.
- 4. Strategy Development:** designing the scorecard with tangible milestones for all involved parties.



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Thank you for your attention.