AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND

SIERRA LEONE

LONG-TERM STRATEGY CONSULTATION MEETING

5th of April 2012
Summary Report on the LTS Sierra Leone Consultation Meeting

Freetown – April 5, 2012

1. Context and Drivers of Change

The workshop attracted participants from government, financial institutions, private sector, civil society organisation, academia and other regional bodies. In his opening remarks, the Minister of Finance and Economic Development Dr. Samura Kamara who co-chaired the meeting with the Resident Representative of the AfDB in Sierra Leone, Mr. Yero Baldeh, said that the Bank’s Long Term Strategy is consistent with the Government of Sierra Leone’s vision of becoming a middle income country in 25 years’ time and a donor country in 50 years’ time. The Minister highlighted five key drivers for the Government of Sierra Leone’s long term agenda. These include Energy, Education, Environment, Infrastructure and Information, Communication and Technology (ICT). In his statement, the Resident Representative, Mr. Yero Baldeh welcomed participants and encouraged them to be frank and open in their discussions. He spoke about achievements the continent of Africa has made in the past and the role of the Bank in this.

2. Vision for Africa for the next Decade

- The Bank is expected to play an increasing role in the area of education and capacity building (with particular emphasis on technical, vocational and civic education). This should include peace building and state building in fragile states.

- The Bank should support interventions on climate change and green growth.

- The Bank should increase its visibility on the ground particularly in the rural areas where the majority of the poor live.

- The Bank should continue to support the infrastructural (roads, energy, water) development of countries, especially in fragile states.

- There is a growing need to provide more support to governance and accountability institutions such as the Anti-Corruption Commission to ensure high standards of accountability, transparency and integrity in the implementation of Bank funded projects. Part of project resources should be allocated to these institutions to ensure effective monitoring of projects with a view to minimizing corruption.

- African countries are wealthy in natural resources but are not working as a bloc to realize the full potentials of their wealth. The Bank should assist countries in the sub-region to design harmonized regulatory frameworks and also support interventions in an integrated approach to ensure value addition to the resources before exportation.
3. Operational Focus for the Bank

*Education and Human Capital Development*

- Participants expressed the need to establish/strengthen national educational institutions with a view to building capacities in various sectors of the economy. The emphasis, however, needs to be geared towards vocational, technical and entrepreneurial educational programs. Years of civil war in the sub region including Sierra Leone have left many adults and youth without education and the skills demanded in the job market or for self-employment. To achieve inclusive growth, ADB investments in the education sector will need to target institutions that provide marketable skills to these groups of disadvantaged persons.

*Regional Integration*

- The development of the Sierra Leone economy will not be easily achieved without linking it with that of the neighbouring countries within the sub-region. In this regard, the ADB could buttress selected national institutions into regional institutions to cater for the training needs of the individual countries in the sub-region (e.g. GIMPA in Ghana). The Bank could also promote regional integration through increased financing of regional trade and investment in regional infrastructure development. Additionally, there is need to support bi-lingual educational institutions. The ability to communicate in multiple languages will help boost trade amongst the Anglophone and Francophone countries within the ECOWAS region.

*Public Private Partnership*

- The meeting highlighted the need to promote more Public Private Partnerships (PPP). The textile industry and infrastructure development were cited as good examples where PPPs could help attract foreign and domestic private investments.

*Good Governance and Institutional Strengthening*

- The capacity in many of the government institutions in Sierra Leone is inadequate. Good policies, regulations and strategies are routinely formulated but they are hardly enforced. Strengthening the capacity of government institutions with a focus on enforcement, compliance and public finance management will enhance the integrity of the system and help create a more robust public sector.

*Development of the Private Sector*

- There is the need for the Bank to intensify support to the private sector particularly local banks to allow them to have direct access to Bank resources directly. The provision of investment guarantees mechanisms to commercial banks will enable them to minimize their risks and thereby increase their lending to local private businesses.

*Agriculture*

- Given that most of the population of Sierra Leone live in the rural areas, agricultural and rural development should be one of the key drivers of change. However the ADB’s investments need to prioritize value addition in this sector, that is, from production to market. This will not only lead to the establishment of more rural agro-industries, but also create employment for women and youth and help curb the migration of people to the already crowded urban areas.
4. Financing

**Engagement with the Private Sector**

- The private sector has been the engine of growth in most developed economies, creating jobs and improving the incomes of the population. The Bank in this regard, needs to intensify its engagement with the private sector moving forward and find ways to partner with them in support of small and medium sized enterprises.

**Support to WAMA and WAMI**

- The Bank should also support the West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) in the implementation of activities assigned to them under the ECOWAS Single Currency Roadmap and development of a harmonized Payments System. Supporting these autonomous bodies of ECOWAS will help in achieving harmonized monetary and financial integration with a view to enhancing trade and job creation in the region.

**Microfinance**

- Most Sierra Leoneans live in rural areas where access to credit is virtually non-existing. The Bank should therefore support microfinance initiatives that target the population in these areas to enable them have access to credit for establishing small and micro enterprises, especially for agricultural production and agro-processing businesses. Such interventions will help create employment especially among women and youth as well as those displaced by the civil war.

**Engagement of the Diaspora**

- The Diaspora has a critical role to play in the development of the African continent both in terms of financial and skills transfers. Going forward, participants felt that the Diaspora should be highly encouraged and integrated into Sierra Leone’s development initiatives.

5. Institutional Transformation

**External Shocks**

- The financial, fuel and food crises affected most economies in Africa in the recent past. It was emphasized that the strategy should provide approaches that would ensure the continent is more resilient to these external shocks. To this end, the Bank should support reforms geared towards ensuring a robust financial sector and a favorable investment climate for the continent.

**Decentralization Policy**

- Participants felt that majority of the poor live in rural communities with limited facilities and therefore the strategy should explicitly address the challenges of rural development, establishing a balance between rural and urban development.

**Local Content Policy**

- Specific attention should be paid to policies that would ensure the availability and readiness of skilled labor that will be needed to build and maintain Sierra Leone’s infrastructure and ensure effective service delivery. In addition, the policies should help to transform individuals into entrepreneurs. The Bank should promote the growth and development of the indigenous
domestic private sector by creating linkages with the large domestic and foreign firms, especially those in the mining, agriculture and petroleum sectors.

**Dialogue at Region Level**

- Participants felt that regular engagement and better coordination at regional and sub-regional levels could help achieve regional integration and enhanced growth in the continent. There is therefore the need to have policies that are duly harmonized at the regional level.