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A NEW BEGINNING

A RESILIENT NATION

This year Sierra Leone celebrates the 15th anniversary of the end of the civil war as a unified nation and beacon of democracy and social progress in Africa. After a major setback with the Ebola crisis in 2014 and 2015, which led to economic contraction of over 20 per cent, the nation was officially declared Ebola-free in March, and has resumed on a path to building sustainable and inclusive economic growth



“My government remains committed to good governance, and will continue to build upon our post-conflict peacebuilding and democratic gains by further strengthening our democratic institutions; by strengthening access to justice”

Ernest Bai Koroma, President of the Republic of Sierra Leone

If the essence of this West African nation were to be distilled into a single word, that word would be resilience. After the devastating civil war, which tore through the country between 1991 and 2002, Sierra Leoneans quickly set about rebuilding their communities, repairing infrastructure, constructing new schools and clinics, and even restarting mining operations.

These efforts, coupled with nationwide reconciliation ceremonies and the successful restoration of multiparty democracy at both the local and national level, set the country firmly back on its feet. Economic output doubled in the decade following the war, driven by commodity exports and agricultural production. GDP growth took off in 2012 with the commencement of large-scale iron ore mining, reaching over 20 per cent in 2013, with a further 11 per cent forecasted in 2014.

However, in 2014 came the West African Ebola virus epidemic, which killed more than 3,580 of the country's people in 18 months, wiping out the farming sector as quarantine restrictions meant that produce could not be taken around the country for sale. As if that weren't enough, on its heels came a slump in the

global price of iron ore, which crippled the mining sector.

As a result, growth for the year came in at just 4 per cent, followed by a contraction of over 20 per cent in 2015. For a time, it looked as though all of Sierra Leone's post-war progress would be undone. But today, since being declared officially free of Ebola in March 2016, the country is demonstrating once again its drive for development. In its latest forecast, the IMF projected medium-term growth to gradually pick up to around 6.5 per cent by 2020; while the government expects expansion of around 5.4 per cent in 2017.

Through the National Ebola Recovery Strategy, Sierra Leone is picking up its Agenda for Prosperity – a document put together by President Ernest Bai Koroma at the start of his second term in 2013 – where it left off, and the aim is for the economy to be ranked as middle-income by 2035.

“We must once again demonstrate our resilience and ability to adapt and work as one; to overcome the challenges thrust upon us by Ebola and to create the nation we know our children deserve,” says President Koroma.

Now, as they look back on 15 years of peacetime accomplishments, including free democratic elections en-

dorsed by the international community, and the peaceful transfer of power from one political party to another, Sierra Leoneans are rightly proud of their country's achievements.

The 2015 United Nations Development Programme (UNDP) Global Human Development Report, published in March 2016, demonstrates that Sierra Leone is making significant progress in its Human Development Index (HDI) value, having risen from 0.268 in 1980 to 0.413 in 2014, a growth of 50 per cent, putting its 0.625 HDI target by 2035 within reach.

“We are now better prepared to face new challenges. We are pursuing a stronger and more sustainable and inclusive growth for Sierra Leone, with different development activities across the country,” says Dr Samura M.V. Kamara, Minister of Foreign Affairs and International Co-operation.

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These development activities include the president's far-reaching economic reforms to increase government revenue and streamline agencies such as the National Revenue Authority, while major industries such as mining have been injected with a modern outlook to bring them in line with international best practice based on the principles of sustainable development.

These reforms were applauded by the International Monetary Fund (IMF), representatives of which carried out a review mission to the country in September 2016 under its Extended Credit Facility. The IMF found that “since the last quarter of 2015, economic growth has resumed, and it remains on an upward trend, supported by new investments in mining,

agriculture and fisheries. The recovery underway is projected to remain sustainable over the medium term.”

Few countries have escaped the implementation of austerity measures in recent years, as governments grapple with outsized expenditure and tougher regulation, but President Koroma is keen to show that Sierra Leone's belt-tightening programme, in place until the first half of 2017, covers the whole country, including the governing elite. Not only did he implement the suspension of all foreign travel for public officials, except essential and statutory trips; he also slashed overtime payments and fuel allowances for civil servants.

The Sierra Leone of today is building on strong foundations in the relentless pursuit of economic development in order to reduce its reliance on foreign aid. However, the president's vision for the country puts the welfare of its

people firmly at the forefront, as it is only by creating inclusive growth that Sierra Leone can dismantle the cycle of poverty once and for all.

“We are introducing nationwide school feeding, providing additional subsidised public transportation, cash transfers to the vulnerable and continued support to the free health care initiatives as well as free primary schooling and the payment of fees for public examinations,” says Momodu L. Kargbo, Minister of Finance and Economic Development.

One key focus is on making up for lost time in the classroom for Sierra Leone's children. Since schools were closed for an entire academic year during the Ebola outbreak, the country's education ministry has implemented two shortened academic years with an accelerated syllabus focused on core subjects, boosting school enrol-

ment rates and thus ensuring the younger generation are equipped with the necessary knowledge to continue the country's development in the future.

And it is not only in welfare where the government is placing its efforts. In the past decade, the country has made the third-largest improvement in governance of any country in Africa, according to the Mo Ibrahim Index of African Governance.

“My government remains committed to good governance, and will continue to build upon our post conflict peace-building and democratic gains by further strengthening our democratic institutions and access to justice,” says President Koroma.

Over a million Sierra Leoneans live outside the country after fleeing during the country's long civil war, and their recent history is one of close involvement in relief efforts. The diaspora was key in mobilising support for peace and justice post-conflict, and organisations such as the UK Sierra Leone Diaspora Ebola Task Force played a vital role in tackling the spread of Ebola. But it is also this diaspora who has been among the first movers in helping their home country on the road to economic recovery.

“Harnessing the African Diaspora in building capacity in Africa is the only way we can give practical relevance to the narrative of our common ancestry, our historic resilience, and our aspirations for a better world through a better Africa,” said President Koroma at an address to the World Bank in Washington, D.C.

A World Bank survey of 600 foreign resident Sierra Leoneans found that almost half had already invested back home, with areas of interest ranging from real estate to education. Today, as Sierra Leone consolidates its spectacular progress in nation-building and sustainable development, they are fast being joined by businesspeople from all over the world.

Sierra Leone and China continue strengthening their partnership, while Brexit opens new opportunities for historical ties with the UK



“Sierra Leone is ready for business and we still rely on our British friends to come, invest and trade with us. We are looking forward to strengthening our partnership with the UK in this post-Brexit era”

Dr Samura M.W. Kamara, Minister of Foreign Affairs and International Co-operation

In a fast-changing global political environment, Sierra Leone's strong relationships with both East and West set it in good stead for the future. With membership of the Commonwealth and friendly ties with China both to its advantage, the country's government now seeks to open new avenues of collaboration and investment.

As China seeks to widen its sphere of influence within Africa, its relationship with Sierra Leone, which counts the Asian powerhouse as its largest trading partner, has been elevated to a Comprehensive Strategic Partnership of Co-operation.

“Our relationship with China is based on strong roots,” says Momodu L. Kargbo, Minister of Finance and Economic Development. “Sierra Leone was one of the countries that decided to be bold and nominate the People's Republic of China to the United Nations Security Council against Taiwan in 1971. We have always had a special relationship with the Chinese. Here in Sierra Leone, we enjoy the presence of Chinese companies at different levels, some as contractors and some as investors.”

The upgrading of the relationship comes at an important time for the West African country as it shakes



President Koroma with China's president Xi Jinping. China is Sierra Leone's leading trading partner

off past economic woes to work toward both the Global 2030 Agenda for Sustainable Development and the national Agenda for Prosperity. In a December 2016 meeting in Beijing, Chinese President Xi Jinping and Sierra Leonean President Ernest Bai Koroma witnessed the signing of co-operation documents after talks which covered areas including diplomacy, economy, infrastructure development and health, while the Chinese president urged domestic enterprises and financial institutions to “actively engage” in infrastructure building and mining in Sierra Leone for mutually beneficial co-operation.

Furthermore, the Confucius Institute, set up at Fourah Bay College, Sierra Leone in 2012, teaches Mandarin to around 1,000 Sierra Leonean students each year, and the success of the cross-cultural exchanges led by the institute saw Sierra Leone become the home country of the

West Africa Regional Office of Confucius Institutes in 2014.

“The relationship between the two countries has always been based on mutual trust, respect and win-win,” said Mr Xi.

A Brexit opportunity Meanwhile, as the Brexit vote causes uncertainty among Britain's global trading partners, Sierra Leone is taking a pragmatic approach to its relationship with the former colonial power. The UK is currently the biggest bilateral donor in Sierra Leone, with a projected £428 million in overseas development aid destined for the country for the period between 2014 and 2019. Projects include the £4 million

construction of 225 new classrooms across the country, improving school conditions for a targeted 63,000 children by June 2017. Sierra Leone will also be the first country participating in the UK's Energy Africa campaign, which will launch a series of renewable energy initiatives to eradicate energy poverty in the country via solar solutions and off-grid technologies. But the African nation now seeks more of a relationship of equals.

“We are pursuing a stronger and more sustainable and green growth for Sierra Leone and different developments are ongoing across the country. In all these efforts, the UK must remain our strategic international partner, not only regarding official development aid, but beyond,” says Dr Samura M.W. Kamara, Minister of Foreign Affairs and International Co-operation. “Sierra Leone is ready for business and we still rely on our British friends to come, invest and trade with us. We are looking forward to strengthening our partnership with the UK in this post-Brexit era,” he adds.

Some UK companies, such as Standard Chartered Bank, are already there, while British law firm Herbert Smith Freehills has provided over £1.5 million worth of free legal

advice to the country's government in support of its development goals. AMR Gold, another British-run firm, is playing an active role in the post-Ebola rehabilitation of the Sierra Leonean mining sector. Many more are exploring options in the West African country, as demonstrated by the reception of its most significant post-Ebola investment outreach, the UK-Sierra Leone Trade and Investment Forum. Held at London's Sheraton Park Lane Hotel in February 2016, the event welcomed over 200 delegates interested in investing in areas such as extractives, agriculture and infrastructure.

Speaking at the event, British Minister for Africa James Duddridge highlighted Sierra Leone's rich mineral deposits, huge potential in renewable energy, strategic shipping location and millions of hectares of fertile agricultural land and abundant fish stocks as plus points for British investors. “This country's strong historic ties with Sierra Leone, our long-term friendship, together with the familiarity with English, present UK companies with a unique advantage. I urge you to seize it with both hands,” he said. And hopes are also high for the possibility of

As the Brexit vote causes uncertainty among Britain's global trading partners, Sierra Leone is taking a pragmatic approach to its relationship with the former colonial power

increased trade flows between the two countries as the UK leaves the European Union (EU).

“Brexit opens a new opportunity for Sierra Leone to negotiate a new trade deal with the UK beyond the EU,” says Minister Kargbo, who adds that he is convinced that the two nations can enhance their commercial relationship, particularly as the UK looks to the Commonwealth in order to increase its access to commodities, raw materials and new markets as it moves forward with its post-Brexit strategy.

Back on the growth path: a 5.4% GDP increase expected

Sound macroeconomic policies together with generous support from development partners has helped ensure fiscal and external sustainability following the devastation caused by the Ebola crisis and a drop in iron ore prices

Until the outbreak of Ebola in May 2014, Sierra Leone – a country then still emerging from the devastating legacy of conflict – was seeking to become a transformed nation with middle-income status. However, when West Africa was struck by the deadly epidemic, a disease that ended up killing thousands of people in the region, no other nation suffered the shattering socio-economic consequences more deeply than Sierra Leone.

The epidemic strained already fragile public finances, and its direct and indirect im-

pacts resulted in the destruction of some of the country's post-civil war progress in human development. Schools were closed for eight months and public gatherings banned. When the crisis in the country was declared over in November 2015, Sierra Leone's President Ernest Bai Koroma, a man who won a second and final term as leader in November 2012 and whose time in office prior to the Ebola outbreak was characterised by record economic growth, talked of the "devastating effect on the economy". But in March 2016, the country was officially declared Ebola-free.

Ebola wasn't the only shock that the country had to come to terms with recently either. In the midst of the outbreak, adverse global developments also affected Sierra Leone's biggest economic sector: mining. Between 2014 and 2015, global iron ore prices declined by more than 60 per cent, contributing to the eventual closure of the mines that account for one quarter of Sierra Leone's GDP and half of its exports. Combined with the Ebola virus epidemic, these developments contributed to an estimated 20.5 per cent contraction of the economy in 2015.

However, all is by no means lost, and amid the adversity, a new window of opportunity to rebuild the economy has arisen. Buoyed by the aid of international donors, the government has taken full advantage by making concrete plans, as outlined in its Economic Recovery Strategy (ERS).

At the conclusion of an International Monetary Fund (IMF) mission to Sierra Leone in September, mission chief John Wakeman-Linn hailed the government reforms so far under the strategy as "largely successful".

"The economy proved resilient in the face of two major exogenous shocks: the Ebola epidemic and collapse of iron ore prices," he summarised. "Sound macroeconomic policies, together with generous support from development partners helped ensure fiscal and external sustainability, while providing sufficient resources to begin implementing the post-Ebola Recovery Strategy. Since the last quarter of 2015, economic growth has resumed, and it remains on an upward trend."

Indeed such is the upward trend that the government estimates a GDP increase of 4.9 per cent last year, rising to 5.4 per cent in 2017, 5.8 per cent in 2018 and 6.1 per cent in 2019, with growth mainly driven by anticipated escalation in iron ore production, agriculture, fisheries, tourism, construction, manufacturing and energy.

As Sierra Leone's Minister of Finance and Economic Development Momodu L. Kargbo explains, the impressive pace of the recovery owes to the fast and decisive action that the government took in the wake of the crisis.

"Since the moment that Ebola was waning, our government started to plan the recovery and developed the National Ebola Recovery Strategy," he says. "The first phase focused on the immediate recovery priorities in agriculture, health, education, private sector recovery and water and sanitation."

"To allow farmers to return to their farms, this administration, supported by our development partners, provided them with agricultural inputs such as seeds, fertilizers and tools. We re-opened schools and restored general health services. The government also expanded its social safety net

programmes, including cash transfers to the hardest hit to avoid longer-term economic hardship.

"We encouraged the swift resumption of infrastructure projects that were halted due to Ebola, providing jobs and income together with investment activities which resulted in the resumption of export of iron ore from the largest mine."

The second set of efforts, says Minister Kargbo, was focused on energy and water supply. "Our government provided fiscal support to the energy sector to complement the Bumbuna hydro dam, which increased the available energy and facilitated the growth of manufacturing and commerce," recalls the finance minister. "We also continued the implementation of sound economic policies and public financial management reforms under the Extended Credit Facility supported by the IMF."

Aside from the key macroeconomic policies that have seen Sierra Leone undergo this remarkable rise from the ashes (policies that the Bank of Sierra Leone has been instrumental in implementing), the country's ongoing recovery can also be put down to something rather more simplistic, according to the central bank's governor, Dr Kaifala Marah: inherent national resilience.

"We've bounced back each time we were confronted with a challenge: that is what characterises and defines us as a nation," says the governor. Indeed it was only 14 years ago that Sierra Leone had to pick itself up after a long and brutal civil war that ravaged the country and its infrastructure, but just as it is doing now in the aftermath of Ebola, the country somehow managed to doggedly get back on its feet.

"Following the war, we were clear in the goals we wanted to achieve by following President Koroma's Agenda For Prosperity," says Dr Marah. "We improved our infrastructures, the available electricity multiplied, the GDP was growing faster every year. However, Ebola



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Momodou L. Kargbo, Minister of Finance and Economic Development

came and we experienced a dramatic drop of 20.5 per cent in our economy. We are just now being able to recover, and that says a lot about our resilience."

Today, Dr Marah explains, Sierra Leone's recovery is being consolidated through the government's policies, of which attracting greater foreign direct investment (FDI) to achieve better economic diversification is absolutely fundamental.

"The key element that will push our macroeconomic clearance efforts is to find a way to get as much investment as possible into the country," stresses the governor. "For that, we need to ensure a stable economic situation, which involves different targets: first of all, we need to keep inflation low. We also need a stable exchange rate, that we will achieve once

the commodity prices rise again. Once we achieve all the macroeconomic fundamental goals, foreign investors will come by their thousands," he adds confidently.

"Our economy is now under austerity measures, meaning we need to be more prudent and expend our resources more wisely," says Henry O. Macauley, Minister of Energy. "The only way we can get our economy [of austerity] is by increasing consumer confidence and make our people spend their money. For that, products must be affordable. How do you make products affordable? If the cost of the product is sufficiently low to make the price competitive."

The IMF has pointed out that, going forward, the government recognises that macroeconomic policies alone will not create

the jobs needed to achieve durable economic progress.

"As such, the immediate focus of the ERS on health, education, and social safety nets should help improve human development and labour productivity in Sierra Leone," says Yabo Masha, the IMF's Resident Representative to Sierra Leone. "Medium-term Economic Recovery Strategy plans, together with the longer-term Agenda for Prosperity could drive investment and employment creation. With improvements in labour productivity, private sector investment and infrastructure upgrade, new sources of growth would complement recovery efforts."

Sierra Leone could therefore progress towards its goal of becoming a middle-income country by 2035."

Some sectors of the economy including agriculture, fishery, tourism and port services are already well placed to drive the next era of growth, with the agriculture sector in particular poised to benefit from ongoing and planned reforms, adds Ms Masha.

"The focus on niche tourism as enunciated in the government's tourism recovery plan could also put Sierra Leone on the international map while generating substantial foreign investment and employment."

Government on mission to create enabling environment for the private sector

With a need to diversify the economy and create jobs to reduce poverty, the government is committed to revamping the private sector and attracting foreign direct investment

Despite the fact that the Ebola crisis has created a significant set of new challenges for Sierra Leone, the basics for the country remain the same – the country's rich natural resources and its deep natural port mean there is large scope for development, but there is ultimately a need to diversify the economy and create jobs to reduce poverty.

President Ernest Bai Koroma has acknowledged these challenges, firstly in his Agenda for Change (2007-12) and more recently the Agenda for Prosperity (2013-17), which aim primarily to create a positive enabling environment for the private sector.

Indeed the government of Sierra Leone is convinced that the future of the country is based on a vibrant private economy. One of the main objectives of the Agenda for Prosperity is to attract and diversify foreign direct investment, now estimated at only 10 per cent of GDP and mainly concentrated on just a few sectors, namely mining.

The foremost way in which the government is doing this is through its National Commission for Privatization (NCP). In addition to legal reforms targeted to boost private sector dynamism and cut red tape, the NCP is committed to the implementation of procedures and policies that address corporate accountability, integrity, and transparency to improve investor confidence.

Apart from building government capacity to enter into sustainable and beneficial public-private partnerships, such as putting into process the divestment of state-owned commercial assets, a big part of this effort has been

focused on boosting Sierra Leone's Doing Business ranking in order to attract greater investment.

For instance, through measures such as improving access to credit information by establishing a public credit registry and making it easier to register property by introducing a fast-track procedure, Sierra Leone's ranking in the Doing Business Index has improved by 36 places in recent times. While Sierra Leone's formal business sector remains relatively small, the country is now rated one of the world's top ten business reformers, moving from 176th to 140th within a five-year period.

In face of the country's most serious obstacles to investment, like the shortage of skilled labour, the lack of infrastructure and the slow legal system, the government is committed to revamping the private sector in a very targeted and strategic approach. Assisted by the African Governance Initiative, the government has developed a plan that will create a unified vision for the country.

Sierra Leone's plan aims to ensure that the government's ministries along with country's central bank work to push private sector development and have a coherent vision to align their various initiatives.

"A strong private sector is the best a country can have," states Dr Kaifala Marah, Governor of the Bank of Sierra Leone, whose own projects geared towards improving the business climate include the introduction of the National Switch and the Single Window Initiatives. "In our role as central bank, we are working in collaboration with the Ministry of Finance to ensure that

we create a business environment that attracts as many FDIs as possible," he adds.

"Even if our first step is to attract as many companies and individuals as possible to have investments in our country, the second step will be to entice these investors that are already in Sierra Leone to construct, for example, processing plants, that add value to their primary crops and boost our exports. This has multiplying effects as it will generate new jobs and allow the creation of new small businesses around the factories."

Some of the major incentives that Sierra Leone offers foreign investors include accelerated depreciation of 40 per cent for plants and equipment in a business's first year and 10 to 15 per cent for most other items. It also offers a loss carry-forward of 50 per cent of the previous tax year's taxable income.

While the government still heavily incentivises development of the mining sector (100 per cent deduction for prospecting and exploration and a 40 per cent deduction for the first year of production costs) there is a huge push to draw investors to other areas of the economy, for instance, to encourage investment in rice and timber; a 10-year corporate tax holiday is granted.

"Beyond mining, the main sectors that have the biggest potential for foreign investors are agriculture, fisheries, tourism and housing," says finance minister Momodu L. Kargbo.

"In agriculture, there is potential in increasing production crops such as rice, as well as poultry and livestock together with cash-crops production such as cocoa, coffee, cashew and oil palm and value added products in



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Dr Kaifala Marah, Governor of the Central Bank of Sierra Leone

agro-processing such as fruits, cassava or sugarcane," Minister Kargbo adds.

"Sierra Leone could also undeniably aim to capture the top of the tourism market and eco-tourism. To do so, we need to further develop different infrastructures including hotels and eco-tourism facilities. Finally, there is a large unmet demand for housing for all income levels, and so there is a need for more real estate developers to enter the market."

"Sierra Leone is open to investments from all parts of the world – Asia, Europe, America and Africa. We have a generous package of investment incentives for all sectors."

| | 2007 | 2015 |
|---|---------------|---------------|
| Population | 5,391,10 | 6,553,184 |
| GDP (in USD) | 2.158 billion | 4.475 billion |
| Available Energy | 5MW | 100MW |
| Life expectancy at birth, total (years) (World Bank) | 45.488 | 50.879 |
| Gross National Income per capita (World Bank) | 400 USD | 620 USD |
| GDP growth: | | |
| 2008 (5.4%) | | |
| 2010 (5.3%) | | |
| 2012 (15.2%) | | |
| 2014 (4.6%) | | |
| 2016 (4.9%) expected | | |
| 2018 (5.8%) expected | | |

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Transport and energy projects unveiled

The construction of new infrastructure is one of the pillars of the Agenda for Prosperity

Sierra Leone is pushing ahead with a series of big transport and energy projects to improve the African country's infrastructure, and provide firm foundations for economic growth and development.

Key objectives are boosting power generation and transmission networks, expanding the mining sector, improving port facilities and extending trunk roads.

The government's market-opening policies have won IMF backing, although some worry about China's growing dominance, questioning project priorities and argue more should be allocated to health and education in a country where life expectancy is just 51 years.

The reform programme "has achieved its key objectives despite the exogenous shocks of the Ebola epidemic and the collapse of iron-ore prices and associated loss of production in 2014-15," the IMF said in a September 2016 report, when it released another \$33 million in financing.

The IMF also called for faster progress on structural reforms and said that "diversifying growth, making it more inclusive and distributing its

benefits more widely should be the overriding focus of economic policy."

A significant proportion of Sierra Leone households don't have electricity and it is worse in rural areas where most public buildings, like health clinics and schools, lack connectivity, so there is a lack of lighting for medical care and problems maintaining cold storage for essential medicines.

Unreliable generator-based supplies used in many rural areas cost far more than power in urban areas, which benefit from grid connection and subsidised tariffs. During the Ebola outbreak, a lack of reliable power was a major obstacle to its ability to cope with the crisis.

The government's long-term plans include a huge increase in Sierra Leone's installed generating capacity to 1,000 megawatts (MW), energy minister Henry O. Macauley said, partly through a ramping up of hydro and renewable energy and by encouraging private investment, with the objective of stable power links for all by 2025.

Sierra Leone has as much as 12 billion tons of iron-ore reserves, but the "cost of extraction is higher than the av-

erage precisely because of the lack of a reliable and affordable source of energy...once we fix that, we will be able to attract new foreign investors and, maybe, they would also install smelting plants locally that will improve the quality of the product before shipment," Minister Macauley adds.

Its main power source, the 50 MW Bumbuna hydro-electric plant, has been running at some two-thirds of capacity due to technical problems, although, private power company Joule Africa is hoping to complete a 202 MW expansion of capacity by end 2017, with its Bumbuna II project.

Other work underway involves Finnish company Wärtsilä building a 57 MW heavy fuel oil generation plant and the construction of transmission lines funded by an India Exim Bank \$78 million loan.

A May 2016 UK aid deal will install 250,000 solar-power units in households by end-2017. Over the next four years, half a million people are due to benefit from at least 90 mini-grids powered with renewable and hydro energy and operated by local entrepreneurs.

The first of three 2.2 MW mini hydro-electric dams, each

able to supply 10,000 households with power, was signed over to the energy ministry in December 2016 by the constructor, China's Hunan Group.

In 2017, work will start on a West African Power Pool project to link Sierra Leone, Guinea, Liberia and Côte d'Ivoire through 1,525 kilometres of new lines.

One of the biggest infrastructure projects underway now is for more port facilities at the Freetown Queen Elizabeth II Quay by French operator Bolloré Ports, which has run its container facility since 2011. It is funding the \$120 million project to build a 270-metre quay extension and a power plant dedicated to the facility.

This will allow vessels carrying up to 6,000 containers to berth and increase handling capacity from 90,000 twenty-foot-equivalent containers now to 750,000 at its completion, expected in September 2018.

"The Port of Freetown is one of the gateways of international trade for West Africa and the countries of the hinterland," says Capt Fabjanko Kokan, Country Manager in

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Sierra Leone for Bolloré. In the past five years, the company has invested heavily to rehabilitate existing yards and buy modern equipment, allowing port traffic to rise by over 30 per cent.

Sierra Leone sits on some of Africa's largest iron-ore deposits, whose exploitation is a major component of the country's GDP, along with exports of diamonds, bauxite and rutile, a titanium oxide ore.

The slump in iron-ore prices and the 2014-15 Ebola outbreak prompted the shutting of the massive Tonkolili mine, but owner Shandong Iron and Steel Group restarted production in February 2016. It recently said it would spend \$700 million to expand output



President Koroma launching works of the 103-kilometre Bandajuma-Gendema Highway project last May

and build a plant to process ore which up to now it had been exporting to Qingdao in China in an unprocessed state.

"To some, it looks as if China simply wants to export its domestic pollution abroad. Officials are desperately trying to close dirty domestic steel plants. There is a more favourable interpretation, however: that Chinese firms are taking a longer view of Africa's potential. African steel demand is expected to hit 300 million tonnes per year by 2050, according to Mysteel.net, a Shanghai-based trade publication," the prestigious *Economist* magazine commented.

President Ernest Bai Koroma was in China in December to discuss this and other Chinese financing and investment, including a China Exim Bank-financed international airport to be sited at Mamamah, about 100 kilometres northeast of Freetown.

The President has long been a supporter of the planned airport, for which China earmarked around \$315 million in 2011 only to

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be put off by the worldwide slump in commodity prices and Ebola. The only international airport now is a former British air force base sited a hazardous one hour-estuary crossing away from the capital, or three hours by road.

"Sierra Leone needs this airport for economic growth,



job creation and easier access," China's ambassador was recently quoted by Sierra Leone media as saying, adding that a start to work is imminent and will take around three years to complete.

The road network is being expanded and upgraded with government money, foreign aid and loans, including a 103-kilometre road financed by the European Union. Other road financing is coming, among others, from The Kuwait Fund for Development, the Islamic Development Bank and the Arab Bank for Economic Development in Africa.



Last October, Bolloré started the \$120 million expansion works at the Port of Freetown, one of the biggest investments in Sierra Leone's history



Bumbuna II is the expansion of the 50 MW Bumbuna plant, on the Selu River

Sierra Leone calling

Multinational investments enhancing connectivity

Sierra Leone's information and telecommunications technology (ITC) sector is blooming, enhancing prospects for its economic growth and rural development, and presenting big growth opportunities to telecoms companies.

The most recent big news was the award in November 2016 to Ghana's Subah Infosolutions of a government contract to manage international voice and data traffic, breaking the monopoly of state-run Sierratel and hopefully ushering in a new era of low-cost internet access.

Developing nation governments have long recognised the importance of cheap broadband in nation building, but initial efforts by the West African country to improve communications and data flows were halted by its devastating civil war from 1991 to 2002 that resulted in over 70,000 casualties and an estimated 2.6 million displaced persons.

After the war, and recognising the need to replace its very expensive and limited satellite bandwidth for internet services with fibre optics, the Sierra Leone government approached the World Bank for help. It responded by providing \$31 million, on the condition that the country ended the monopoly of the state operator on international traffic.

This resulted, in 2011, in Sierra Leone's first fibre optic connection to the outside world, when capital Freetown was linked to the Africa Coast-to-Europe (ACE) submarine cable, and the subsequent extension of the cable across much of the country. Fibre-optic cables are very durable, don't distort transmissions even under extreme conditions, and allow high-speed and high-volume data, video and voice traffic.

At the time, the entire country had just 155 megabits of bandwidth and only 1 per cent of the population had access to the internet, at a cost 10 times higher than in East Africa or 25 times more expensive than in the US.

So far about 1,000 kilometres of cable have been laid, providing around 70 per cent of the planned "backbone" fibre-optic infrastructure, extending to the Liberian and Guinean borders. The government is aiming for nationwide linkage to cables by end-2017.

However, only some 3 per cent of the 7 million-strong population have internet connections or easy access to it now, with efforts to rapidly extend its use hindered by the disruption caused by the 2014-15 Ebola outbreak.

Chinese company Huawei Technologies has been working on a contract for 400 kilometres of the network, financed by a \$15 million loan from Chinese Exim Bank to the Government of Sierra Leone, complementing other work done with Islamic Development Bank funding.

"Extending infrastructure to rural communities will further enhance access to ICT services, which is one of the most important elements for the efficient growth of Sierra Leone's economy. With efficient use of ICT

services, various constraints of all the sectors in the economy will be removed resulting in increased productivity and better administration," says Mohamed Bangura, Minister of Information and Communication.

With around 40 per cent of the population illiterate and without the skills needed to access, understand, and use data, and still-major shortfalls in the technical infrastructure and availability of hardware, the country is still heavily reliant on low-tech systems such as mobile phone text messaging.

Non-governmental agencies could play a pivotal role in extending ITC training in rural areas, says Mr Bangura, something that would be of "immense benefit to farmers."

"The Government is committed to putting in place the necessary policy measures and mechanisms in order to create an integrated agricultural information system and agro-technologies and techniques, pricing and market information for

"Extending infrastructure to rural communities will further enhance access to ICT services, which is one of the most important elements for the efficient growth of Sierra Leone's economy"

Mohamed Bangura,
Minister of Information
and Communication

all agro products in order to provide strategic information for farmers, government authorities, and other stakeholders at national, provincial and district levels," he says.

The cost of moving to the digital age is a major challenge for countries like Sierra Leone, with key government departments and agencies needing funds and skills to electronically record and archive official documents.

The creation of the cable network has helped in the opening up of the telecoms sector. After early manoeuvring for strategic stakes in the sector, three foreign companies are now competing with government-owned Sierratel for a slice of the mobile market. One is fast-growing African telecoms company Africell, another is Smart Mobile.

In early 2016, Lebanese-owned Comium withdrew from the market and in July, French-owned Orange completed the take over of the Sierra Leone operations of Indian telecom operator Bharti Airtel, which has over 1.3 million customers in the country.

Opportunities arise in agriculture, fisheries and mining

The need to combine economic development and sustainability opens the door for environmentally minded investors

As part of Sierra Leone's Agenda for Prosperity, which aims to create a more environmentally and economically secure future for its citizens, the government is giving priority to bolstering both large- and small-scale agriculture as well as leveraging its rich natural resources responsibly.

As purchasing power and consumer demand in countries such as India and China soars, Sierra Leone's large mineral deposits provide a significant export opportunity. With the nation's wartime image as the home of the blood diamond firmly behind it, the National Minerals Agency was set up in 2012 to certify gold and diamonds, and a wave of foreign investments in mining and transport infrastructure has begun, with notable projects including a \$6 billion mining complex by the Chinese Kingho Group. "My administration is determined to make our mineral resources a strong force for good in Sierra Leone, playing a key role in lifting standards of living and employment prospects for all," said President Ernest Bai Koroma at the agency's launch.

Sierra Leone was once West Africa's biggest rice exporter, thanks to its vast swathes of rich arable land. But food production plunged following the Ebola crisis as farmers abandoned their fields, and the country now spends between £150 million and £225 million each year importing rice, putting pressure on limited foreign exchange resources.

Recognising that recovering local production of food is key, the government has spent around £6 million to supply seedlings, fertiliser and other agricultural tools and equipment to rural farmers,



Sierra Leone Brewery Ltd is producing the first 100-per cent local sorghum beer

but the aim is to go beyond subsistence farming. Initiatives to improve agricultural productivity are underway, with connections being forged between smallholders and established large-scale agribusinesses, to improve the ability of private entrepreneurs to create value-added activities in agro-business and fisheries. The eventual aim is to create agro-food value chains by enhancing processing and marketing capabilities.

Plans are underway to transform the defunct National Development Bank into a Bank for Agriculture and Industry under a new mandate and ownership structure which will provide medium-term concessional loans to Sierra Leonean businesses including SMEs, while Sierra Leone's fishermen look set to gain new markets for their catch as the government secures European Union Export Market Certification for the country's fisheries and marine products.

Rather than importing foreign foodstuffs such as onions, grains, potatoes and cooking oil, Sierra Leonean consumers will increasingly see local products for sale, as alternatives such as groundnut oil, sorghum and cassava are shown to offer enormous value-addition potential. Wheat import substitution by high-quality cassava flour creates wealth in local communities and, as the crop is tolerant to a wide range of changing climatic conditions, it represents a canny plan for future food security. But it is sorghum, the gluten-free

whole-grain native to the country, that investors are most excited about.

Traditionally used for brewing the beer that is consumed at many African weddings, it has thus far seen little take-up by international breweries, such as Dutch firm Heineken International, whose 170 beers contain malted barley. However, Heineken's local subsidiary, Sierra Leone Breweries Ltd (SLBL), has switched its 100 per cent imported malted barley beer production to sorghum.

This locally-produced grain shortens the supply chain and diversifies the sourcing of raw materials, bringing benefits to both the company and to local farmers.

"With the launch of the first 100 per cent sorghum beer, the money used in importing raw products is now going to be paid to the Sierra Leone farmer, adding value to the economic base of the country," says Dennis Jusu, Chairman of the Sierra Leone Sorghum Farmers Association.

The launch of production, in December 2016 by President Koroma, is just one of the many "Made in Sierra Leone" efforts launched by the government to promote sustainable growth.

"Our use of sorghum has not only benefited SLBL, it has helped sorghum farmers in all regions of the country compete against imported grains and it stimulated local entrepreneurship"

significantly, contributing to poverty alleviation," adds Alphonse W. Ngana, Managing Director of SLBL.



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Alphonse W. Ngana,
Managing Director of
Sierra Leone Brewery
Limited



Four operators compete in the Sierra Leone mobile market: Airtel, Africell, Smart Mobile and the publicly owned Sierratel

Sweet Salone

Golden beaches, incredible food, rich cultural heritage and high-end ecotourism: Sierra Leone is one Africa's best kept secrets – but not for much longer



The Turtle Islands are considered to offer the best beaches in West Africa

With unparalleled natural beauty, fascinating history and a vibrant blend of local cultures and traditions, Sierra Leone offers the best of Africa in a compact space. Due to a decade-long civil war, which came to an end in 2002, and the more recent 2014-15 Ebola outbreak, the country is yet to achieve its vast tourism potential. Today, Sierra Leone is still among the world's best kept travel secrets, although not for much longer.

But ever since the country was declared Ebola transmission free by the World Health Organization in March 2016, its nascent tourism industry has undergone something of a boom. The government has provided a series of incentives to investors, with the potential for a five-year tax holiday, while tourism enterprises with up to six employees are exempt from the pay-as-you-earn tax for skills and expertise not readily available in Sierra Leone for the first three years of employment.

"In our diversification move, tourism remains

fundamental as it represents a more sustainable source of revenue for the government and a huge creator of jobs for our people," points out Sidi Yahya Tunis, Minister of Tourism and Culture.

The government has also allocated an extra 4.2 billion Leones (£608,000) in the 2017 Budget to support the National Tourist Board's all-new Tourism Marketing Strategy, and several hotel chains have already entered the market based on the projections for the growth in both business and leisure visitors.

One such example is the Radisson Blu Mammy Yoko Hotel in the capital, Freetown. The country's very first five-star hotel, it offers 172 designer guest rooms alongside five conference rooms that can accommodate up to 260 delegates. "We hope that the presence of the Radisson Blu brand in Freetown signals to the world that Sierra Leone is a safe and secure destination for all visitors: business or tourism," says Johan Klang, the hotel's General Manager.

While the beaches on the Freetown peninsula are some of the best in Africa – River Number Two Beach was the filming location for the Bounty chocolate bar "Taste of Paradise" advert for good reason – the country offers far more than unspoilt coastline and crystalline waters. "It is when we go outside of Freetown that you will understand why I use the slogan 'Sierra Leone: The Hidden Paradise'," says Mr Tunis.

Aside from international hotel chains, the diaspora have also been enticed back to invest in the nation's budding tourism industry. Mean Abdoul and Neneh Jalloh returned to their homeland from Virginia in the United States to open up Jam Lodge, a boutique hotel in Freetown.

The government seeks to promote high-end ecotourism experiences in nature preserves such as Outamba-Kilimi National Park, Gola Forest, the Tiwai Island Wildlife Sanctuary and Tacugama Chimpanzee Sanctuary, just 40 minutes' drive from the capital, which cares for about

"We hope that the presence of the Radisson Blu brand in Freetown signals to the world that Sierra Leone is a safe and secure destination for all visitors: business or tourism"

Johan Klang, General Manager of the Radisson Blu Mammy Yoko Hotel Freetown

75 chimpanzees in several forested enclosures, and offers overnight stays in eco-lodges.

In addition to its natural beauty, Sierra Leone's

chequered colonial history has left it with several historic sites. "We are looking forward to including part of our monuments and natural sites inside the UNESCO World Heritage Sites list, especially those already present in the tentative list," says President Ernest Bai Koroma. Possibly the best-known of these sites is Bunce Island, which was established as a slave trading station in 1670, and from which were shipped tens of thousands of African slaves to the Americas. It was declared a National Monument in 1948.

As befits a country whose population is made up of a unique blend of people, Sierra Leone offers a wide array of experiences. Its food culture encompasses roadside stalls and restaurants, serving hearty stews and fresh seafood, while a variety of clothing, jewellery and artisanal crafts are sold across the country. Meanwhile, traditional rituals carried out by Poro and Sande groups – male and female "secret societies" – dominate rural areas.

The government now aims to bring the cultural

"Our ministry is devoted to promoting Sierra Leone's best spots, specially our world-class sandy beaches, that are considered among the best in West Africa"

Sidi Yahya Tunis, Minister of Tourism and Culture

values, traditions and belief systems of its expressive people to the forefront of the tourism offering, as it is through its uniqueness that Sierra Leone can compete against other, better-established destinations. It has almost completed construction of a new Cultural



Village, which has available a budget of 2 billion Leones (£290,000) for 2017 to allow local artists to showcase their talents, while the building of a National Arts Gallery is also underway.

"One of the most interesting activities we are looking forward to promoting internationally is the New Year's Day climbing of the Kabala Mountain in the Koinadugu District," says Mr Tunis. This ceremony includes dance and art displays and is the culmination of the local people's New Year celebrations, bringing together the different chiefdoms and tribes in the region to showcase their traditions and culture.

An example of religious tolerance

Muslims and Christians have been living together in peace since the independence of the country

In a world increasingly marred by xenophobia and religious and cultural persecution, Sierra Leone stands out as a beacon of tolerance. While its African neighbours have struggled to maintain unity in populations sharply divided between Muslims and Christians, Sierra Leone, whose population is about two-thirds Muslim and one-quarter Christian, with the remainder being made up of adherents to indigenous beliefs, has managed the seemingly impossible: religious harmony.

Unusually for an Islamic-majority country, the presi-

dent, Ernest Bai Koroma, is a Christian, and Sierra Leone's leaders put great stock in cultivating peace across sectarian lines. Government events are often opened with readings from both the Koran and the Bible, leading Mehla Ahmed Talebna, the director general of Cultural, Social and Family Affairs at the Organization of Islamic Cooperation (OIC) to comment recently that Sierra Leone could be "the best model with regards to religious tolerance, peaceful coexistence and bonds of unity." As a demonstration of his commitment to religious equity, President

Koroma went as far as to buy kits containing travel essentials for the 800 Sierra Leone pilgrims who travelled to Mecca for the 2016 Hajj pilgrimage.

No one religion has exclusive monopoly of political power in the country, and political parties abstain from playing the religion card to garner votes. Indeed, Sierra Leoneans elect their leaders with no regard for their religious affiliations.

The country's constitution provides for complete religious freedom in worship, teaching, practice and observance. This openness results in a lively festive cal-

endar, with the Birth of the Prophet Muhammad, Good Friday, Easter Monday, Eid al-Fitr, Eid al-Adha, and Christmas all recognised as official holidays. And all of these holidays are given a special Sierra Leonean twist: for example, because Christmas falls at rice harvest, the day is celebrated with a special feast of rice with stew or soup, with extra dishes made and sent out to neighbours and loved ones to share the blessings of the day.

"Our unique features make us the preferred tourist destination: our religious tolerance, for instance," says Sidi Yahya Tunis, Minister of

"If you can credit Sierra Leone for one thing, you can credit it for religious tolerance, and I hope the world will learn from Sierra Leone that Christians and Muslims can live together and do great things, like we have just done with Ebola"

Leslie Scott, National Director, NGO World Vision

Tourism and Culture. "Our country is one with the highest religious tolerance in the world. Every function we go to, we offer Muslim and Christian prayers, especially during state functions. In this country, you see Muslims and Christians living side-by-side, celebrating inter-religious marriages."

Not only are interfaith marriages common, but different beliefs can be found within the same family, and it is not uncommon to meet Christians who also support Islam and vice versa. Many

also incorporate traditional beliefs into their own Christian or Islamic faiths, and as the government permits religious instruction in all schools, schoolchildren often learn both Christian and Islamic prayers.

This happy cohabitation between religions has been a major factor in the keeping of the peace following the country's devastating civil war. The Inter-Religious Council of Sierra Leone (IRCSL), founded by Sheikh Abu Bakarr Conteh and Reverend Moses B. Khanu, brings together the country's religious communities to maintain peace and harmony among the population. Leveraging on the authority that religious leaders hold within their local communities, the Council was instrumental in negotiations with rebel forces as part of the peace process, and became an effective non-governmental bridge builder between the warring factions and the divided population. Later on, when the Ebola crisis hit the country, it was religious leaders who took the lead to teach people about disease prevention, using examples from both the Bible and the Koran.

Speaking to local press, Leslie Scott, national director of NGO World Vision, which worked alongside the government during the crisis, said, "If you can credit Sierra Leone for one thing, you can credit it for religious tolerance, and I hope the world will learn from Sierra Leone that Christians and Muslims can live together and do great things, like we have just done with Ebola, fighting Ebola together as one."

"Our country is one with the highest religious tolerance in the world. Every function we go to, we offer Muslim and Christian prayers, especially during state functions. In this country, you see Muslims and Christians living side-by-side, celebrating inter-religious marriages"

Sidi Yahya Tunis, Minister of Tourism and Culture

As a result, while in many countries around the world, differing religious beliefs and practices are the root of division and disunity, in Sierra Leone it is precisely this diversity which holds the nation together and allows it to move forward.

Did you know?

- Sierra Leone has a population of more than 6.6 million.
- The capital city is Freetown, whose harbour occupies a part of the estuary of the Sierra Leone River, one of the world's largest natural deep-water harbours.
- Sierra Leone has over 5.4 million hectares of arable land, but only 25% of it is being cultivated.
- On March 17, 2016, the World Health Organization declared Sierra Leone Ebola-free.
- Sierra Leone has one of the highest levels of religious tolerance in the world.
- Sierra Leone has 360 kilometres of white-sand beaches.
- Freetown is three hours by flight from Lagos, Africa's biggest city, around six hours from Europe and eight hours from the U.S. East Coast.
- The first newspaper in West Africa, *The Sierra Leone Gazette*, was published in 1801.
- The oldest public university in sub-Saharan Africa, Fourah Bay College, was founded in Freetown in 1827.
- Sierra Leone real GDP grew by 15.25% and 20.1% in 2012 and 2013 respectively, putting the country at the top of the world's fastest-growing economies.
- Since 2002, there have been three peaceful democratic elections, including the transition of power between the two major political parties.
- In 1930, Sierra Leone women gained the right to vote.
- The median age of the Sierra Leone population is 18.6 years, a young and fast-growing population.
- Sierra Leone has been nicknamed "Sweet Salone" due to its deep and rich food culture. Some of the most popular dishes are groundnut stew, krinkriand fish balls, okra stew, pepper soup and cassava and potato leaf stews.
- In 2013, Sierra Leone was one of the top-10 producers of iron ore worldwide.
- Sierra Leone has the world's largest reserve deposits of rutile and sizeable deposits of bauxite.
- Sierra Leone's nationwide terrestrial fibre-optic network is scheduled for completion in 2017, which will provide faster and cheaper connectivity for the population.
- The mobile SIM reached 82% of the population in 2015.
- 50% of the national energy mix comes from hydroelectric power.

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